FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

Independent Auditors' Report and
Financial Statements with
Supplementary Information
For the Year Ended June 30, 2022

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

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Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Flint Hills Technical College (the College) is to provide an explanation of the basic financial statements of the College for the year ended June 30, 2022 with selected comparative information from prior fiscal years. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Flint Hills Technical College Foundation and is available for review at 3301 W. 18th Ave, Emporia, KS 66801.

Using the Annual Report:

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

Basic financial statements are comprised of two parts:

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

Required Supplementary Information:

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

Financial Highlights

The College's financial position at June 30, 2022, shows assets at $9.8 million, liabilities at $1.3 million, and a net position at $8.3 million. The College's net position increased by a little more than $977,000 during Fiscal Year 2022. The most significant changes during Fiscal Year 2022 occurred due to the additional funding from the State in Maintenance of Effort dollars to be used to purchase equipment for the College. Higher Education Emergency Relief Funds (HEERF) from the Department of Education continued to be utilized for several projects throughout Fiscal Year 2022.

Statement of Net Position

The Statement of Net Position presents the summary of each fund's assets, liabilities, and net position at June 30, 2022. This statement is one of the indicators of the current financial condition of the College. Total net position represents the balance in the College's assets after liabilities are deducted. The assets and liabilities are categorized between current and noncurrent based on a projected

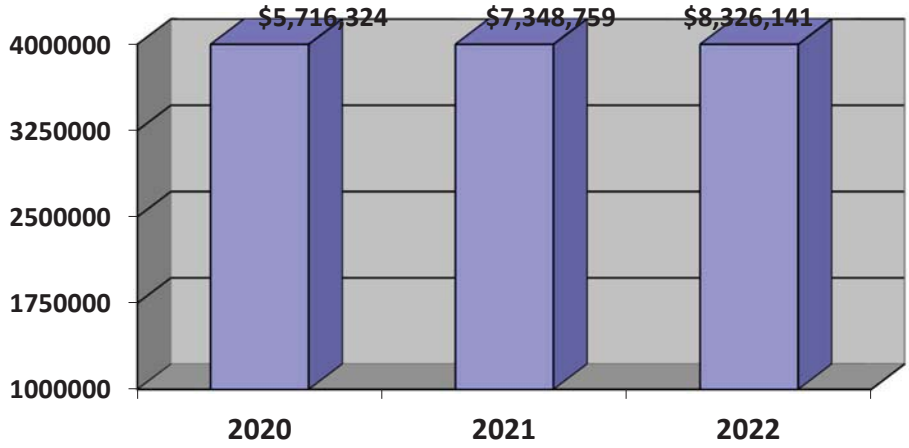
period of time. Current assets and liabilities are typically short-term and become payable within the normal 12-month accounting cycle. Noncurrent assets and liabilities are considered to be long-term and will become payable after 12 months. The Governmental Accounting Standards Board implemented Statement No. 87 - Leases which went into effect for the Fiscal Year 2022 audit. The fundamental principle of Statement 87 is that leases are financings of the right to use an underlying asset. The intangible right to use lease asset is recorded as a noncurrent asset and the outstanding liability of future lease payments is recorded in the noncurrent liabilities.

Comparison of Net Position – Fiscal Year 2020 to 2022

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

The College's total assets showed a considerable increase in Fiscal Year 2022. The total Liabilities also showed an increase during Fiscal Year 2022, however, with the increase to total assets, the total Net Position for the College reflected an increase as well.

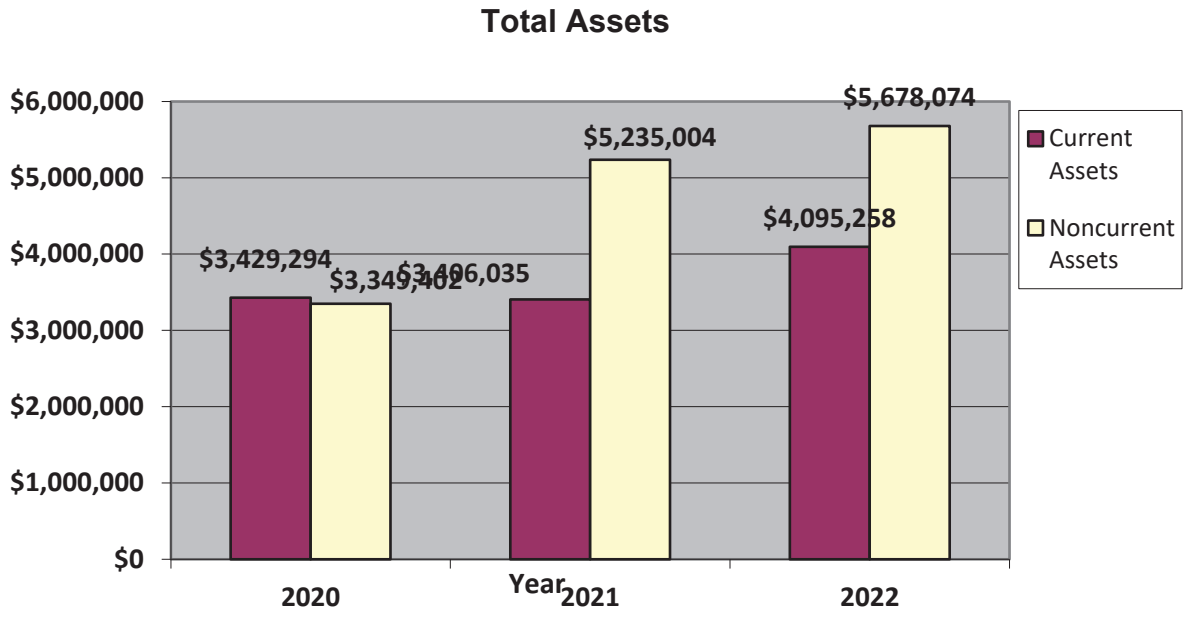
Total Net Position for 2022 compared to 2020 and 2021:



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

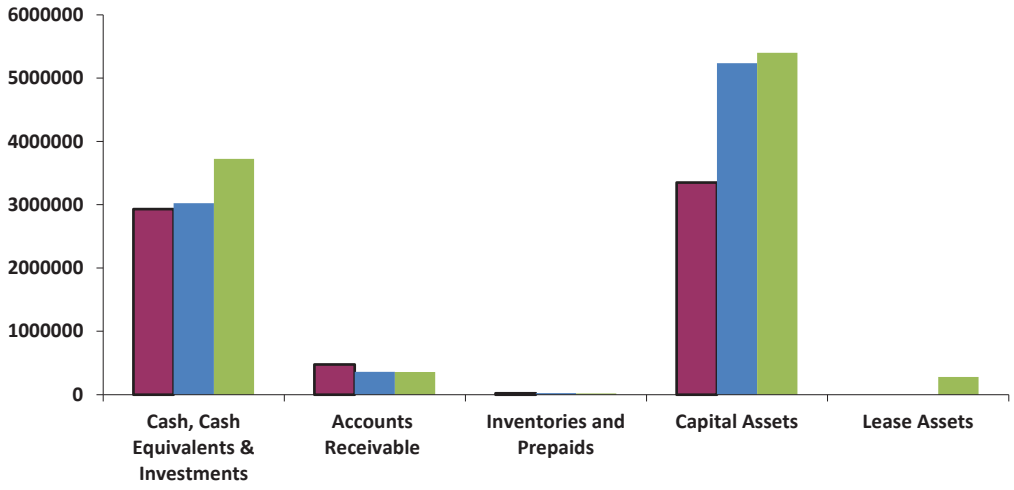
Comparison of Assets – Fiscal Year 2021 to 2022

	2021	% Total 2021	2022	% Total 2022
Current Assets	$ 3,406,035	39.42%	$ 4,095,258	41.90%
Non-Current Assets	$ 5,235,004	60.58%	$ 5,678,074	58.10%
Total Assets	$ 8,641,038	100.00%	$ 9,773,331	100.00%
Deferred Outflows	$ 45,546		$ 41,366	



The College's Current Assets total reflects a significant increase for Fiscal Year 2022. This increase is due to the increase to Investments. The College's Non-Current Assets total reflects an increase for Fiscal Year 2022. This increase is due to the accounting of GASB Statement No. 87 - Leases which went into effect for the Fiscal Year 2022 audit.

2020, 2021, & 2022 Total Assets by Type



As is shown in the graph above, the College shows Cash, Cash Equivalents & Investments shows a significant increase due to several reasons: student tuition and fees revenue increased; the College utilized Higher Education Emergency Relief Funds (HEERF) from the Department of Education to recover lost revenue during the COVID-19 Pandemic; and the College received increased Tiered/Non-tiered funding from the State. The College received additional funding of more than $600,000 from the State to purchase equipment in Fiscal Year 2022. Capital Assets reflects this increase. The College has three leases which are accounted for in the Lease Assets calculation.

Comparison of Liabilities – Fiscal Year 2022

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

	2021	% Total 2021	2022	% Total 2022
Current Liabilities	$ 780,999	68.32%	$ 756,261	59.25%
Non-Current Liabilities	$ 362,195	31.68%	$ 520,210	40.75%
Total Liabilities	$ 1,143,194	100.00%	$ 1,276,470	100.00%

As shown in the table above, the College's total liabilities reflects an increase of over $130,000. The College's Non-Current Liabilities total reflects a significant increase for Fiscal Year 2022. This increase is due to the accounting of GASB Statement No. 87 - Leases which went into effect for the Fiscal Year 2022 audit.

Combined Statements of Revenues, Expenses and Changes in Net Position

The combined statements of revenues, expenses, and changes in net position present the College's financial results for the fiscal year ending June 30, 2022 broken out by fund. The statements include the College's revenue and expenses, both operating and non-operating.

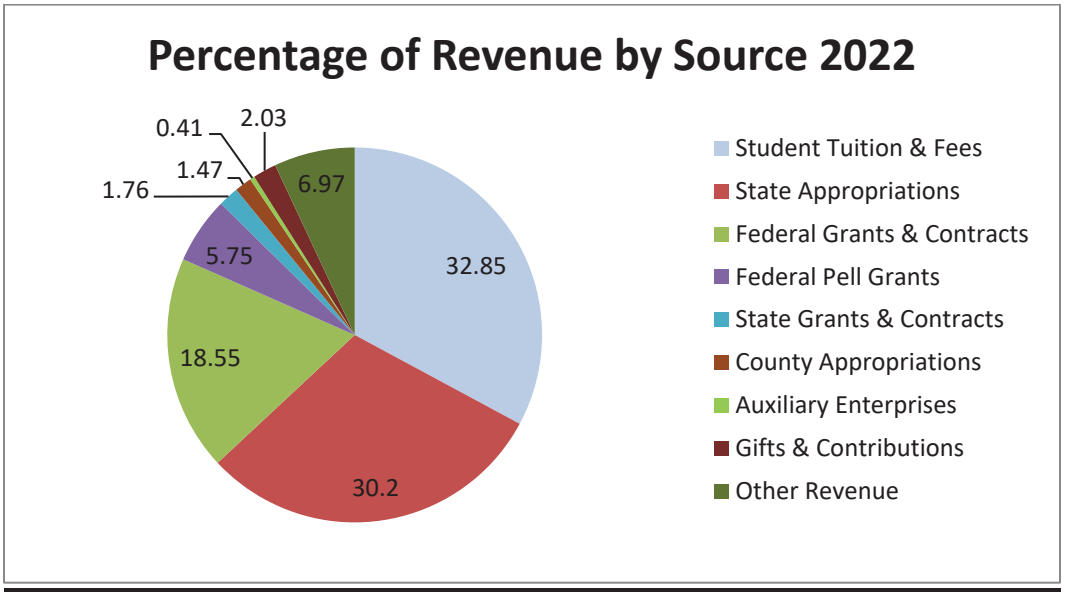
Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating revenues would be appropriations from the State, Federal Pell Grants, County Mil Levy,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

Results of Operations Fiscal Year 2022

Revenue

Flint Hills Technical College receives revenue from several sources. The major sources of the College's revenue are the State of Kansas, in the form of Tiered and Non-tiered funding and Capital Outlay; students, in the form of tuition and fees; Federal Government; and Auxiliary Enterprises, in the form of payments for the College Store and program production revenue.

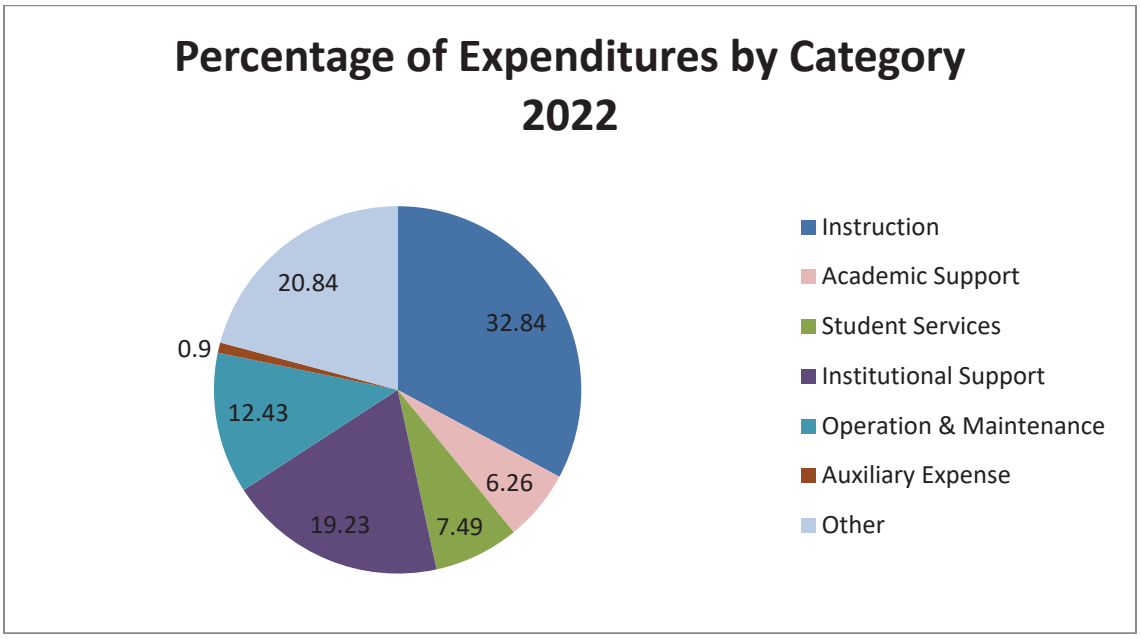
Revenue	**2021**	**% Total 2021**	**2022**	**% Total 2022**
Student Tuition & Fees	$3,863,697	34.89%	$4,020,866	32.85%
State Appropriations	$3,008,418	27.17%	$3,696,751	30.20%
Federal Grants & Contracts	$1,739,688	15.71%	$2,270,794	18.55%
Federal Pell Grants	$612,154	5.53%	$703,237	5.75%
State Grants & Contracts	$53,591	.48%	$215,097	1.76%
County Appropriations	$172,192	1.55%	$179,808	1.47%
Auxiliary Enterprises	$75,995	.69%	$50,625	.41%
Gifts & Contributions	$1,186,645	10.72%	$248,609	2.03%
Other Revenue	$362,212	3.27%	$853,674	6.97%
Total Revenue	$11,074,592		$12,239,461	


Percentage of Revenue by Source 2022
0.41
2.03
1.47
1.76
6.97
5.75
32.85
18.55
30.2
Student Tuition & Fees
State Appropriations
Federal Grants & Contracts
Federal Pell Grants
State Grants & Contracts
County Appropriations
Auxiliary Enterprises
Gifts & Contributions
Other Revenue

Expenditures

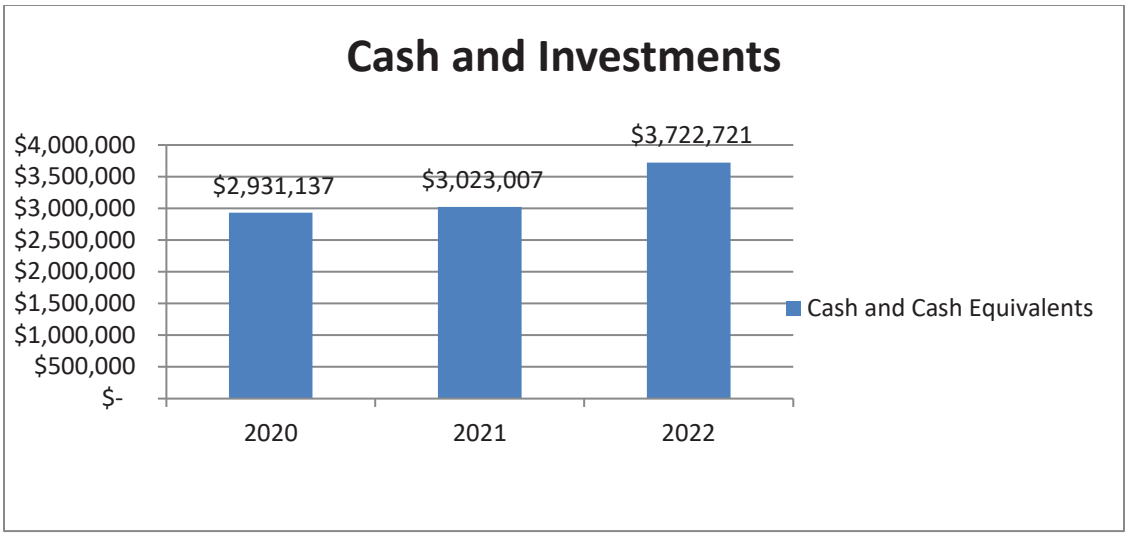
Flint Hills Technical College incurs expenses of seven types. They are: Instruction, Academic Support, Student Services, Institutional Support, Operations and Maintenance, Auxiliary Expense, and Other Expense (includes Scholarships and awards, Capital Outlay and Depreciation).

Detail of Education & General Expenditures	2021	% Total 2021	2022	% Total 2022
Instruction	$3,989,663	42.25%	$3,700,591	32.84%
Academic Support	$433,424	4.59%	$705,420	6.26%
Student Services	$722,198	7.65%	$843,896	7.49%
Institutional Support	$1,772,074	18.77%	$2,167,483	19.23%
Operation and Maintenance	$1,427,962	15.12%	$1,400.967	12.43%
Auxiliary Expense	$72,450	.77%	$101,877	.90%
Other Expense	$1,024,385	10.85%	$2,348,873	20.84%
Total Expenditures	$9,442,156		$11,269,107	



Statement of Cash Flows

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



Summary of Overall Performance

The College chose to increase the tuition and college fee rates for students in Fiscal Year 2022. Program fees were increased slightly. As per guidance from the State Legislature and Kansas Board of Regents, the College did not charge high school students a College Fee or Program Fee for any CTE courses. In Fiscal Year 2022, the College implemented a fee of $50 per credit hour for high school students enrolled in non-tiered courses to help offset some of the expense. The College showed an increase in student tuition and fees revenue during the fiscal year due to a combination of the rate changes and enrollment increase.

The College utilized HEERF Funding from the Department of Education to help offset prior year's revenue loss and to help offset COVID-19 related expenses. The College received Maintenance of Effort Funding from the State. These funds were used to purchase equipment in several program and department areas.

Total expenses for the College were significantly increased during Fiscal Year 2022. However, with the increase to Cash and Investments, the College was able to reflect an increase to the Net Position.

Economic Outlook

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

- The College's enrollment was slow to recover from the reduction to enrollment in Fiscal Year 2020 due to the COVID-19 Pandemic. However, the College continues to work on increasing enrollment numbers.
- HEERF Funding will be coming to an end in June 2023. The College has two employee positions currently funded through HEERF funds that will need to be included in the College's salary budget.
- The College is planning the start of a new Early Childhood Education Program with an anticipated student enrollment start date of August 2023.
- The College is seeking grant funding from the City of Emporia to create a Business and Industry position within the College to generate revenue through non-credit course learning.

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

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

Request for Information

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

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Flint Hills Technical College
Emporia, Kansas

Report on the Financial Statements
We have audited the accompanying financial statements of Flint Hills Technical College, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Flint Hills Technical College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Flint Hills Technical College, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Flint Hills Technical College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle
As described in Note 20 to the financial statements, in 2022, the College adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Flint Hills Technical College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages i-ix and 29 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 sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Flint Hills Technical College's basic financial statements. The supplementary information, as listed in the table of contents as pages 30 to 38, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of "Municipality", Kansas as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated January 27, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://www.admin.ks.gov/offices/oar/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2022 (Schedules 4 to 6 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, on our consideration of the Flint Hills Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Flint Hills Technical College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Flint Hills Technical College's internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
October 25, 2022

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Net Position
June 30, 2022

	Primary Institution	Component Unit - Foundation
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 2,922,701.30	$ 144,720.09
Investments	800,019.95	3,986,737.86
Accounts Receivable, Net	355,495.77	-
Promises to Give, Net	-	20,000.00
Inventories	17,040.75	-
Total Current Assets	4,095,257.77	4,151,457.95
Noncurrent Assets		
Promises to Give, Net	-	10,000.00
Capital Assets, Net	5,398,598.84	-
Lease Assets, Net	279,474.77	-
Total Noncurrent Assets	5,678,073.61	10,000.00
TOTAL ASSETS	9,773,331.38	4,161,457.95
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	41,366.00	-
LIABILITIES		
Current Liabilities		
Accounts Payable	440,284.62	1,032.72
Accrued Wages	189,695.28	-
Prepaid Enrollment	18,841.84	-
Deposits Held in Custody for Others	36,407.44	-
Accrued Interest Lease Liabilities	353.26	-
Current Portion of Lease Liabilities	70,678.09	-
Total Current Liabilities	756,260.53	1,032.72
Noncurrent Liabilities		
Compensated Absences	190,179.42	-
Net OPEB Obligation	144,061.00	-
Lease Liabilities	185,969.37	
Total Noncurrent Liabilities	520,209.79	-
TOTAL LIABILITIES	1,276,470.32	1,032.72
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferred Inflows	212,086.00	-
NET POSITION		
Investment in Capital Assets, Net of Related Debt	5,421,072.89	-
Restricted Net Position - Expendable	-	419,592.02
Restricted Net Position - Nonexpendable	-	2,454,118.31
Unrestricted	2,905,068.17	1,286,714.90
TOTAL NET POSITION	$ 8,326,141.06	$ 4,160,425.23

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees,		
(net of scholarship discounts and allowances of $619,733.24)	$ 4,020,865.91	$ -
Federal Grants and Contracts	2,270,793.62	-
State Grants and Contracts	215,097.00	-
Charges for Services	123,480.70	-
Sales and Services of Auxiliary Enterprises		
(net of scholarship discounts and allowances of $42,369.99)	50,624.75	-
Miscellaneous Operating Income	698,914.62	920.76
Total Operating Revenues	7,379,776.60	920.76
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	3,700,591.41	298,714.77
Academic Support	705,419.84	-
Student Services	843,896.49	-
Institutional Support	2,167,483.38	244,657.64
Operation and Maintenance	1,400,967.20	-
Auxiliary Expense	101,877.30	-
Scholarships, Grants and Awards	1,048,725.86	139,616.71
Capital Outlay	646,992.84	-
Lease Expense	61,469.87	-
Depreciation Expense	591,682.82	-
Total Operating Expenses	11,269,107.01	682,989.12
Operating Income (Loss)	(3,889,330.41)	(682,068.36)
Nonoperating Revenues (Expenses)		
State Appropriations	3,696,751.45	-
County Appropriations	179,808.00	-
Federal Pell Grants	703,237.00	-
Gifts and Contributions	248,609.25	431,367.00
Investment Income	24,123.17	347,543.21
Unrealized Gain (Loss) on Investments	-	(881,337.99)
Realized Gain (Loss) on Investments	-	59,858.82
Gain (Loss) on Sale of Assets	7,155.15	-
Net Operating Revenues (Expenses)	4,859,684.02	(42,568.96)
Increase (Decrease) in Net Position	970,353.61	(724,637.32)
Net Position - Beginning of Year. As Previously Reported	7,348,759.21	4,885,062.55
Changes in Accounting Principles and Restatement, See Note 20	7,028.24	-
Net Position - Beginning of Year. As Restated	7,355,787.45	4,885,062.55
Net Position - End of Year	$ 8,326,141.06	$ 4,160,425.23

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2022

	Primary Institution	Component Unit - Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 4,030,188.64	$ -
Federal Grants and Contracts	2,270,793.62	-
State Grants and Contracts	215,097.00	-
Sales and Services of Auxiliary Enterprises	174,105.45	-
Miscellaneous Income	698,914.62	920.76
Payments on Behalf of Employees	(5,092,669.66)	-
Payments for Supplies and Materials	(667,357.28)	-
Payments for Lease Expense	(76,915.68)	
Payments for Other Expenses	(4,956,848.68)	(657,518.59)
Net cash provided by (used in) operating activities	(3,404,691.97)	(656,597.83)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	3,696,751.45	-
County Appropriations	179,808.00	-
Federal Pell Grants	703,237.00	-
Federal Direct Loans	1,062,575.00	-
Federal Direct Loans Paid	(1,062,575.00)	-
Gifts and Contributions	248,609.25	370,843.73
Net cash provided by (used in) noncapital financing activities	4,828,405.70	370,843.73
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(755,307.97)	-
Proceeds from the Sale of Assets	7,185.15	-
Net cash provided by (used in) capital financing activities	(748,122.82)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned on Investments	24,123.17	347,543.21
Proceeds from the Sales and Maturities of Investments	200,025.49	252,968.79
Purchase of Investments	(900,045.44)	(493,154.45)
Net cash provided by (used in) investing activities	(675,896.78)	107,357.55
Net Increase (Decrease) in Cash and Cash Equivalents	(305.87)	(178,396.55)
Cash and Cash Equivalents, Beginning of Year	2,923,007.17	323,116.64
Cash and Cash Equivalents, End of Year	$ 2,922,701.30	$ 144,720.09

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2022

	Primary Institution	Component Unit - Foundation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (3,889,330.41)	$ (682,068.36)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	591,682.82	31.65
Amortization of Lease Assets	53,391.48	-
Non cash In-Kind Expense	-	49,609.75
(Increase) Decrease in Receivables	3,386.12	-
(Increase) Decrease in Inventory	7,104.72	
(Increase) Decrease in Pension Related Deferred Outflows	4,180.00	-
Increase (Decrease) in Accounts Payable	(116,120.59)	(24,170.87)
Increase (Decrease) in Accrued Wages	9,974.69	-
Increase (Decrease) in Compensated Absences	(1,424.08)	-
Increase (Decrease) in Prepaid Tuition	5,936.61	-
Increase (Decrease) in OPEB Obligations	(26,530.00)	-
Increase (Decrease) in Deposits Held for Others	4,438.96	-
Increase (Decrease) in Lease Liabilities	(68,837.29)	
Increase (Decrease) in Pension Related Deferred Inflows	17,455.00	-
Net cash provided by (used in) operating activities	$ (3,404,691.97)	$ (656,597.83)

Supplementary Information:		
Non Cash Contributions	$ -	$ 49,609.75
Cash Paid for Interest	-	-
Donation of Stock	-	913.52

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

1. NATURE OF ACTIVITIES

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Inventories

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

Capital Assets

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues

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

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

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

Scholarship Discounts and Allowances

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

Accounting Estimates

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

Pension Plan

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

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

4. DEPOSITS AND INVESTMENTS

Deposits and Investments - Primary Institution
As of June 30, 2022, the College has the following investments and maturities.

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1 - 2	Rating
Kansas Municipal Investment Pool				
90 Day Fixed	$ 800,019.95	$ 800,019.95	$ - -	S&P AAAf/S1+
Total Investments	$ 800,019.95	$ 800,019.95	$ - -	

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

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

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

Investment Type	Percentage of Investment
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2022.

Deposits: At year-end, the College's carrying amount of deposits was $2,922,076.30 and the bank balance was $3,478,843.80. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $525,750.00 was covered by FDIC insurance, and $2,953,093.80 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

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

4. DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2022, the College had invested $800,019.95 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Deposits – Component Unit
At June 30, 2022, the carrying amount of the Foundation's deposits was $144,720.09. The balance was held by one bank and one investment company resulting in a concentration of credit risk. The bank balance was $173,130.79. Of the bank balance $25.00 was covered by FDIC insurance and the remaining $173,105.79 was covered SIPC insurance.

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

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

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

Investments at June 30, 2022, are comprised of the following:

	FAIR VALUE
Mutual Funds	$ 3,986,737.86
Total Investments	$ 3,986,737.86

5. FAIR VALUE MEASUREMENTS

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

5. FAIR VALUE MEASUREMENTS (Continued)

Component Unit:

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

Level 2. Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit rates.

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

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 3,986,737.86	$ - -	$ - -	$ 3,986,737.86
Totals	$ 3,986,737.86	$ - -	$ - -	$ 3,986,737.86

6. ACCOUNTS RECEIVABLE, NET

Accounts receivable at June 30, 2022, consisted of the following:

Student Accounts	$	271,892.51
Federal Aid – CARES		82,621.51
Federal Work-study		981.75
Total Current Accounts Receivable	$	355,495.77

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of $250,367.63 at June 30, 2022.

7. UNCONDITIONAL PROMISES TO GIVE

Component Unit:
Unconditional promises to give at June 30, 2022 consist of the following:

Capital Campaign	$ 30,000.00
Total Unconditional Promises to Give	$ 30,000.00
Less than one year	$ 20,000.00
One to five years	10,000.00
Total Unconditional Promises to Give	$ 30,000.00

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

8. INVENTORIES

Inventories consisted of the following at June 30, 2022:

Book Store Inventory	$	17,040.75

9. CAPITAL ASSETS, NET

Primary Institution:
Following are the changes in capital assets for the year ended June 30, 2022:

	Balance 06/30/2021	Additions	Retirements	Transfers	Balance 06/30/2022
Capital assets not being depreciated					
Construction in Progress	$ 1,804,250.30	$ 72,247.00	$ -	$ (1,804,250.30)	$ 72,247.00
Capital assets					
Leasehold Improvements	2,664,052.02	-	-	-	2,664,052.02
Equipment	5,276,788.61	441,164.52	(28,302.12)	-	5,689,651.01
Building	180,000.00	-	-	-	180,000.00
Building Improvements	117,805.54	241,896.45	-	1,804,250.30	2,163,952.29
Vehicles	135,744.60	-	(1,500.00)	-	134,244.60
Library Collection	85,821.00	-	-	-	85,821.00
Total Capital Assets	10,264,462.07	755,307.97	(29,802.12)	-	10,989,967.92
Accumulated Depreciation	(5,029,458.38)	(591,682.82)	29,772.12	-	(5,591,369.08)
Total Net Capital Assets	$ 5,235,003.69	$ 163,625.15	$ (30.00)	$ -	$ 5,398,598.84

Component Unit:
Following are the changes in capital assets for the year ended June 30, 2022:

	Balance 06/30/2021	Additions	Retirements	Balance 06/30/2022
Property and Equipment				
Equipment	$ 16,101.29	$ -	$ -	$ 16,101.29
Total Property and Equipment	16,101.29	-	-	16,101.29
Accumulated Depreciation				
Equipment	16,069.64	31.65	-	16,101.29
Total Accumulated Depreciation	16,069.64	31.65	-	16,101.29
Total Net Capital Assets	$ 31.65	$ (31.65)	$ -	$ -

10. LEASES

The College implemented *Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87* enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The College has entered into a number of operating leases for office equipment and a building. Copy machines were leased beginning January 21, 2021, for a term of 60 months at $2,634.64 per month, and were capitalized at an incremental borrowing rate of 2.75%. The postage machine was leased beginning April 12, 2021, for a term of 63 months at $75.00 per month, and is capitalized at an incremental borrowing rate of 2.80%. The building was leased beginning January 1, 2021 for a term of 60 months at $3,700.00 per month, and a renewal option of 36 months, and is capitalized at an incremental borrowing rate of 2.80%.

Lease Expense:

Amortization expense by class of underlying asset:	
Copy Machines	$ 29,506.92
Building	23,046.48
Postage Machine	838.08
Total Amortization Expense	53,391.48
Interest on Lease Liability	8,078.39
Total Lease Expense	$ 61,469.87

Lease Assets:

	Beginning	Additions	Subtractions	Ending
Copy Machine	$ 147,534.33	$ 0.00	$ 0.00	$ 147,534.33
Building	207,418.53	0.00	0.00	207,418.53
Postage Machine	4,399.61	0.00	0.00	4,399.61
	359,352.47	0.00	0.00	359,352.47
Less Accumulated Amortization				
Copy Machine	(14,753.46)	(29,506.92)	0.00	(44,260.38)
Building	(11,523.24)	(23,046.48)	0.00	(34,569.72)
Postage Machine	(209.52)	(838.08)	0.00	(1,047.60)
Net Lease Assets	$ 332,866.25	$ (53,391.48)	$ 0.00	$ 279,474.77

	Beginning	Additions	Principal	Ending
Lease Liabilities:	$ 325,390.37	$ 0.00	$ (68,742.91)	$ 256,647.46

Future Maturity Analysis:

	Principal	Interest	Total Payments
2023	$ 70,678.09	$ 6,237.59	$ 76,915.68
2024	72,667.77	4,247.91	76,915.68
2025	74,713.44	2,202.24	76,915.68
2026	38,588.16	319.68	38,907.84
Totals	$ 256,647.46	$ 13,007.42	$ 269,654.88

Lease Liabilities Accrued Interest:

	Beginning	Adjustment	Ending
Building	$ 447.64	$ (94.38)	$ 353.26

11. OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

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

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

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

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

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

At June 30, 2021, the proportion recognized by the State of Kansas on behalf of the College was .00074974%, which was an increase of .00003834% from the proportion measured at June 30, 2020.

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

Net Pension Liability
At June 30, 2021 and 2020, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was $4,224,042 and $5,315,607, respectively.

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021, using the following actuarial assumptions:

Price inflation	2.75%
Salary increases, including wage increases	3.50 to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.25%

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

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

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

Discount Rate: The discount rate used to measure the total pension liability at the measurement date of June 30, 2021 was 7.25 percent. The discount rate used to measure total pension liability at the prior measurement date of June 30, 2020 was 7.50 percent. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

The projection of cash flows used to determine the discount rate was based on member and employer contributions. In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2021 was 1.2 percent.

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 percent was reduced to 8.65 percent 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 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of $1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to $100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 Senate Sub for Sub HB 2052 delayed $64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of $6.4 million was paid in full at the beginning of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of $194 million from the previously certified contribution rate of 13.21 percent 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 receivables by the Pension Plan. The 2018 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of $56 million in Fiscal Year 2018 and $82 million in Fiscal Year 2019. The 2019 Legislative session passed Senate Bill 9 which provided additional contributions to the KPERS School Group of $115 million in Fiscal Year 2019. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of $51 million.

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

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

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

The Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate.

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

Revenue and Pension Expense Recorded by the College: For the year ended June 30, 2022, the College recognized revenue and pension expense in an equal amount of $575,410.74.

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

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

The following is a schedule of benefits paid and payable for eligible employees which have taken early retirement as of June 30, 2022:

Paid or Payable	Year Ended June 30th	Amount
Paid	2022	$ 8,869.00
Payable	2023	13,303.00
Payable	2024	13,303.00
Payable	2025	13,303.00
Payable	2026	13,303.00

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

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

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

Total OPEB Liability: The College's total OPEB liability of $144,061.00 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Valuation Date	July 1, 2022
Measurement Date (End of Year)	June 30, 2022
Reporting Date	June 30, 2022
Discount Rate	3.9% (Measurement Date) 2.0% (Year Preceding Measurement Date)
Salary Scale	2.0%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Health Care Cost Trend Rates	7.5% decreasing 0.5% per year until 2033 until reaching an ultimate trend rate of 4.5%

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 2.0% (beginning-of-year measurement) and 3.9% (end-of-year measurement).

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

Annual OPEB cost and net OPEB obligation:

Net OPEB Liability	
I. Total OPEB Liability	$ 144,061
II. Plan Fiduciary Net Position (Trust Assets)	0
III. Net OPEB Liability at June 30, 2022 (I minus II)	$ 144,061
OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	$ 170,591
1. Service Cost	12,599
2. Interest Cost	3,644
3. Changes in Benefit Terms	0
4. Differences between actual and expected experience	(29,408)
5. Changes in assumptions and inputs	(11,365)
6. Employer Contributions (Benefit Payments)	2,000
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	(26,530)
Total OPEB Liability – End of Year	$ 144,061
OPEB Expense – Fiscal Year 2021-22	
1. Service Cost	$ 12,599
2. Interest on Total OPEB Liability	3,644
3. Changes in Benefit Terms	0
4. Differences between expected and actual experience	(7,915)
5. Changes of assumptions and inputs	(11,223)
6. Projected earnings on OPEB plan investments	0
7. Differences between projected & actual earnings on OPEB investments	0
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	$ (2,895)

11. OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Liability as a percentage of payroll

Total OPEB Liability	$ 144,061
Payroll	**3,423,037
Percent of Payroll	4.2%

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

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 2.9%	Current Single Discount Rate Assumption 3.9%	1% Increase 4.9%
Total OPEB Liability	156,977	144,061	132,287
Increase/(Decrease) from Baseline	12,916		(11,774)

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	128,665	144,061	132,287
Increase/(Decrease) from Baseline	(15,916)		(11,774)

Deferred Outflows and Inflows of Resources: The accumulated amount of Deferred Outflows and Inflows of Resources as of June 30, 2022 are shown below.

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience (1)	41,202	129,697
Changes in Assumptions (2)	164	82,389
Contributions Subsequent to Measurement Date (3)		

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

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

Fiscal Year Ending	Amount
2023	$ (19,138)
2024	(19,138)
2025	(19,138)
2026	(19,138)
2027	(19,138)
2028 & Thereafter	(75,030)

Average Expected Remaining Service Life: 8.92 years

12. COMPENSATED ABSENCES

Chargeable Leave

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

Vacation

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

Compensatory Time

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

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

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

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

13. CONTINGENT LIABILITIES

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

In January 2020, the novel coronavirus "COVID-19" pandemic in the United States has resulted in school buildings being closed, activities canceled and the temporary closure of operating hours for the offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the College as of the date of this report, management believes that a material impact on the College's financial position and results of future operations is reasonably possible.

14. RISK MANAGEMENT

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

15. CONCENTRATION OF RISK

Component Unit:
For the year ended June 30, 2022, 96.50% of the Foundation's monies are invested in mutual funds in the stock market. Of this amount, 2.00% are invested in aggressive income investments, 83.99% are invested in growth and income investments, 0.11% are invested in growth investments, and 9.33% are invested in income investments. The effect in the future on the Foundation's portfolio is unknown and is subject to market economic conditions.

16. RESTRICTED NET POSITION - EXPENDABLE

Component Unit:
Restricted net position – expendable includes contributions restricted for specific use by the donor. Gifts held and restricted as to specific use at June 30, 2022 are $419,592.02.

17. RESTRICTED NET POSITION - NONEXPENDABLE

Component Unit:
On June 30, 2022 the Foundation Endowments are summarized in the following table:

	Permanently Restricted
Endowment Funds, June 30, 2021	$ 2,414,938.80
Donations	39,179.51
Endowment Funds, June 30, 2022	$ 2,454,118.31

18. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Amount
General Fund	Deferred Maintenance Fund	$ 150,000.00
General Fund	Federal Financial Aid Fund	11,248.00

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

19. RELATED PARTY TRANSACTIONS

The Foundation was formed to promote and foster the educational purposes of the Flint Hills Technical College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for the year ended June 30, 2022, $139,616.71 for scholarships and reimbursed the College for $185,008.56 in administrative support. The Foundation disbursed on behalf of the College through its activity funds for the year ended June 30, 2022, $244,657.64.

20. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT

For 2022, the College implemented *Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87* enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the College's 2022 financial statements and had an effect on the beginning net position. The College recognized $332,866.25 in net book value for the intangible right to use, a lease liability of $325,390.37 corresponding assets at June 30, 2021, and an accrued interest amount of amortization in excess of actual payments and principal reductions of $447.64.

The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2021:

Net Position June 30, 2021	$ 7,348,759.21
Adjustments:	
Net Book Value Leased Asset	332,866.25
Lease Liability	(325,390.37)
Accrued Interest on Lease Liability	(447.64)
Restated Net Position June 30, 2021	$ 7,355,787.45

21. SUBSEQUENT EVENTS

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

REQUIRED
SUPPLEMENTARY INFORMATION

Schedule 1

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Funding Progress

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

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

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

Changes in Assumptions: Changes in assumptions or other inputs reflect a change in the discount rate from 2.0% (beginning-of-year measurement) to 3.9% (end-of-year measurement)

SUPPLEMENTARY INFORMATION

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2022

	GENERAL	ADULT EDUCATION	AUXILIARY ENTERPRISE BOOKSTORE	LITERACY PROGRAM	FEDERAL FINANCIAL AID	KAN-TRAIN GRANT	DEFERRED MAINTENANCE
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 2,310,578.34	$ 213,724.04	$ 202,334.03	$ 1,653.63	$ (78,428.76)	$ 223.01	$ 226,218.00
Investments	800,019.95	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	83,603.26	-	-
Receivables - Other Receivables	271,892.51	-	-	-	-	-	-
Inventories	-	-	17,040.75	-	-	-	-
Total Current Assets	3,382,490.80	213,724.04	219,374.78	1,653.63	5,174.50	223.01	226,218.00
Noncurrent Assets							
Capital Assets, Net	-	-	-	-	-	-	-
Lease Assets, Net	-	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-	-
TOTAL ASSETS	3,382,490.80	213,724.04	219,374.78	1,653.63	5,174.50	223.01	226,218.00
DEFERRED OUTFLOWS OF RESOURCES							
Pension Related Deferred Outflows	41,366.00	-	-	-	-	-	-
LIABILITIES							
Current Liabilities							
Accounts Payable	440,284.62	-	-	-	-	-	-
Accrued Wages	189,695.28	-	-	-	-	-	-
Prepaid Tuition	18,841.84	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-	-
Accrued Interest Lease Liabilities	-	-	-	-	-	-	-
Current Portion of Lease Liabilities	-	-	-	-	-	-	-
Total Current Liabilities	648,821.74	-	-	-	-	-	-
Noncurrent Liabilities							
Compensated Absences	190,179.42	-	-	-	-	-	-
Net OPEB Obligation	144,061.00	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-	-
Total Noncurrent Liabilities	334,240.42	-	-	-	-	-	-
TOTAL LIABILITIES	983,062.16	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Pension Related Deferred Inflows	212,086.00	-	-	-	-	-	-
NET POSITION							
Investment in capital assets, net of related debt	-	-	-	-	-	-	-
Unrestricted	2,228,708.64	213,724.04	219,374.78	1,653.63	5,174.50	223.01	226,218.00
TOTAL NET POSITION	$ 2,228,708.64	$ 213,724.04	$ 219,374.78	$ 1,653.63	$ 5,174.50	$ 223.01	$ 226,218.00

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2022

	LYON COUNTY GRANT	KANSAS PROMISE SCHOLARSHIPS	SPARKS & FEMA CORONAVIRUS RELIEF	FHTC AGENCY	INVESTMENT IN PLANT	TOTALS - PRIMARY INSTITUTION
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 9,991.57	$ -	$ -	$ 36,407.44	$ -	$ 2,922,701.30
Investments	-	-	-	-	-	800,019.95
Receivables - Federal	-	-	-	-	-	83,603.26
Receivables - Other Receivables	-	-	-	-	-	271,892.51
Inventories	-	-	-	-	-	17,040.75
Total Current Assets	9,991.57	-	-	36,407.44	-	4,095,257.77
Noncurrent Assets						
Capital Assets, Net	-	-	-	-	5,398,598.84	5,398,598.84
Lease Assets, Net	-	-	-	-	279,474.77	279,474.77
Total Noncurrent Assets	-	-	-	-	5,678,073.61	5,678,073.61
TOTAL ASSETS	9,991.57	-	-	36,407.44	5,678,073.61	9,773,331.38
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related Deferred Outflows	-	-	-	-	-	41,366.00
LIABILITIES						
Current Liabilities						
Accounts Payable	-	-	-	-	-	440,284.62
Accrued Wages	-	-	-	-	-	189,695.28
Prepaid Tuition	-	-	-	-	-	18,841.84
Deposits Held in Custody for Others	-	-	-	36,407.44	-	36,407.44
Accrued Interest Lease Liabilities	-	-	-	-	353.26	353.26
Current Portion of Lease Liabilities	-	-	-	-	70,678.09	70,678.09
Total Current Liabilities	-	-	-	36,407.44	71,031.35	756,260.53
Noncurrent Liabilities						
Compensated Absences	-	-	-	-	-	190,179.42
Net OPEB Obligation	-	-	-	-	-	144,061.00
Lease Liabilities	-	-	-	-	185,969.37	185,969.37
Total Noncurrent Liabilities	-	-	-	-	185,969.37	520,209.79
TOTAL LIABILITIES	-	-	-	36,407.44	257,000.72	1,276,470.32
DEFERRED INFLOWS OF RESOURCES						
Pension Related Deferred Inflows	-	-	-	-	-	212,086.00
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	5,421,072.89	5,421,072.89
Unrestricted	9,991.57	-	-	-	-	2,905,068.17
TOTAL NET POSITION	$ 9,991.57	$ -	$ -	$ -	$ 5,421,072.89	$ 8,326,141.06

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2022

	GENERAL	ADULT EDUCATION	AUXILIARY ENTERPRISE BOOKSTORE	LITERACY PROGRAM	FEDERAL FINANCIAL AID	KAN-TRAIN GRANT	DEFERRED MAINTENANCE
REVENUES							
Operating Revenues							
Student Tuition and Fees	$ 4,640,599.15	$ -	$ -	$ -	$ -	$ -	$ -
Federal Grants and Contracts	248,370.55	87,340.78	-	-	2,997,657.29	-	-
State Grants and Contracts	-	50,097.00	-	-	5,000.00	-	-
Charges for Services	123,480.70	-	-	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	92,994.74	-	-	-	-
Other Operating Revenues	698,914.62	-	-	-	-	-	-
Total Operating Revenues	5,711,365.02	137,437.78	92,994.74	-	3,002,657.29	-	-
EXPENSES							
Operating Expenses							
Instruction	3,761,463.22	248,578.95	-	-	40,035.46	-	-
Academic Support	554,101.43	-	-	-	151,318.41	-	-
Student Services	581,404.87	-	-	-	262,491.62	-	-
Institutional Support	2,029,317.01	-	-	-	138,166.37	-	-
Operation and Maintenance	905,516.00	-	-	-	506,838.20	-	-
Auxiliary Expense	-	-	101,877.30	-	-	-	-
Scholarships	-	-	-	-	2,613,404.09	-	-
Capital Outlay	751,816.71	-	-	-	-	-	239,202.45
Lease Expense	76,915.68	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-
Total Operating Expenses	8,660,534.92	248,578.95	101,877.30	-	3,712,254.15	-	239,202.45
Operating Income (Loss)	(2,949,169.90)	(111,141.17)	(8,882.56)	-	(709,596.86)	-	(239,202.45)
Nonoperating Revenues (Expenses)							
State Appropriations	3,696,751.45	-	-	-	-	-	-
County Appropriations	-	119,408.00	-	-	-	-	-
Federal Pell Grant	-	-	-	-	703,237.00	-	-
Interest Income	24,123.17	-	-	-	-	-	-
Gifts and Contributions	83,188.80	-	-	-	-	-	165,420.45
Gain (Loss) on Sale of Assets	7,185.15	-	-	-	-	-	-
Operating Transfers	(161,248.00)	-	-	-	11,248.00	-	150,000.00
Increase (Decrease) in Net Position	700,830.67	8,266.83	(8,882.56)	-	4,888.14	-	76,218.00
Net Position - Beginning of Year	1,527,877.97	205,457.21	228,257.34	1,653.63	286.36	223.01	150,000.00
Net Position - End of Year	$ 2,228,708.64	$ 213,724.04	$ 219,374.78	$ 1,653.63	$ 5,174.50	$ 223.01	$ 226,218.00

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2022

	LYON COUNTY GRANT	DENTAL HYGIENE CLASSROOM REMODEL	KANSAS PROMISE SCHOLARSHIPS	SPARKS & FEMA CORONAVIRUS RELIEF	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES								
Operating Revenues								
Student Tuition and Fees	$ -	$ -	$ -	$ -	$ -	$ 4,640,599.15	$ (619,733.24)	$ 4,020,865.91
Federal Grants and Contracts	-	-	-	-	-	3,333,368.62	(1,062,575.00)	2,270,793.62
State Grants and Contracts	-	-	160,000.00	-	-	215,097.00	-	215,097.00
Charges for Services	-	-	-	-	-	123,480.70	-	123,480.70
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	92,994.74	(42,369.99)	50,624.75
Other Operating Revenues	-	-	-	-	-	698,914.62	-	698,914.62
Total Operating Revenues	-	-	160,000.00	-	-	9,104,454.83	(1,724,678.23)	7,379,776.60
EXPENSES								
Operating Expenses								
Instruction	-	-	-	-	(349,486.22)	3,700,591.41	-	3,700,591.41
Academic Support	-	-	-	-	-	705,419.84	-	705,419.84
Student Services	-	-	-	-	-	843,896.49	-	843,896.49
Institutional Support	-	-	-	-	-	2,167,483.38	-	2,167,483.38
Operation and Maintenance	-	-	-	-	(11,387.00)	1,400,967.20	-	1,400,967.20
Auxiliary Expense	-	-	-	-	-	101,877.30	-	101,877.30
Scholarships	-	-	160,000.00	-	-	2,773,404.09	(1,724,678.23)	1,048,725.86
Capital Outlay	50,408.43	-	-	-	(394,434.75)	646,992.84	-	646,992.84
Lease Expense	-	-	-	-	(15,445.81)	61,469.87	-	61,469.87
Depreciation Expense	-	-	-	-	591,682.82	591,682.82	-	591,682.82
Total Operating Expenses	50,408.43	-	160,000.00	-	(179,070.96)	12,993,785.24	(1,724,678.23)	11,269,107.01
Operating Income (Loss)	(50,408.43)	-	-	-	179,070.96	(3,889,330.41)	-	(3,889,330.41)
Nonoperating Revenues (Expenses)								
State Appropriations	-	-	-	-	-	3,696,751.45	-	3,696,751.45
County Appropriations	60,400.00	-	-	-	-	179,808.00	-	179,808.00
Federal Pell Grant	-	-	-	-	-	703,237.00	-	703,237.00
Interest Income	-	-	-	-	-	24,123.17	-	24,123.17
Gifts and Contributions	-	-	-	-	-	248,609.25	-	248,609.25
Gain (Loss) on Sale of Assets	-	-	-	-	(30.00)	7,155.15	-	7,155.15
Operating Transfers	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	9,991.57	-	-	-	179,040.96	970,353.61	-	970,353.61
Net Position - Beginning of Year	-	-	-	-	5,242,031.93	7,355,787.45	-	7,355,787.45
Net Position - End of Year	$ 9,991.57	$ -	$ -	$ -	$5,421,072.89	$ 8,326,141.06	$ -	$ 8,326,141.06

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

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

For the Year Ended June 30, 2022

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

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
General Fund (Regulatory Basis)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	Prior Year	Current Year				
	Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
Postsecondary Tuition	$ 1,551,918.33	$ 1,616,767.53	$ 76,490.34	$ 1,693,257.87	$ 1,595,220.00	$ 98,037.87
Secondary Tuition	2,057,494.00	2,020,326.00	-	2,020,326.00	1,471,717.00	548,609.00
Student Fees	870,254.02	958,468.12	-	958,468.12	931,785.00	26,683.12
Continuing Education	20,355.00	41,957.50	-	41,957.50	-	41,957.50
Customized Training	14,900.00	3,080.00	-	3,080.00	29,000.00	(25,920.00)
Total Student Tuition and Fees	4,514,921.35	4,640,599.15	76,490.34	4,717,089.49	4,027,722.00	689,367.49
Federal Sources						
Federal Grants	208,562.53	248,370.55	-	248,370.55	267,887.00	(19,516.45)
Total Federal Sources	208,562.53	248,370.55	-	248,370.55	267,887.00	(19,516.45)
State Sources						
State Operating Grant	2,332,980.00	2,369,524.00	-	2,369,524.00	2,332,980.00	36,544.00
Maintenance of Effort	-	619,285.71	-	619,285.71	619,285.00	0.71
Other State Sources	129,489.00	707,941.74	(575,410.74)	132,531.00	129,489.00	3,042.00
Total State Sources	2,462,469.00	3,696,751.45	(575,410.74)	3,121,340.71	3,081,754.00	39,586.71
Charges for Services						
Tech Service Income	132,655.53	123,480.70	-	123,480.70	140,500.00	(17,019.30)
Total Charges for Services	132,655.53	123,480.70	-	123,480.70	140,500.00	(17,019.30)
Other Sources						
Interest Income	15,533.88	24,123.17	-	24,123.17	20,000.00	4,123.17
Sale of Assets	2,627.50	7,185.15	-	7,185.15	1,500.00	5,685.15
Gifts and Contributions	5,019.00	83,188.80	-	83,188.80	-	83,188.80
Reimbursed Expense	187,737.01	237,633.80	-	237,633.80	217,148.00	20,485.80
Miscellaneous	23,656.69	461,280.82	-	461,280.82	460,816.00	464.82
Total Other Sources	234,574.08	813,411.74	-	813,411.74	699,464.00	113,947.74
TOTAL REVENUES	7,553,182.49	9,522,613.59	(498,920.40)	9,023,693.19	$ 8,217,327.00	$ 806,366.19

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
General Fund (Regulatory Basis)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	Prior Year	Current Year				
	Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
EXPENDITURES						
Education and General						
Instruction	$ 3,756,970.81	$ 3,761,463.22	$ -	$ 3,761,463.22	$ 3,897,987.58	$ (136,524.36)
Academic Support	433,423.68	554,101.43	-	554,101.43	626,231.68	(72,130.25)
Student Services	722,198.29	581,404.87	-	581,404.87	577,339.21	4,065.66
Institutional Support	1,247,374.84	2,029,317.01	(569,091.66)	1,460,225.35	1,447,732.72	12,492.63
Operation and Maintenance	931,942.19	905,516.00	-	905,516.00	914,457.81	(8,941.81)
Scholarships and Awards	-	-	-	-	-	-
Capital Outlay	144,105.41	751,816.71	-	751,816.71	751,816.00	0.71
Lease Expense	-	76,915.68	-	76,915.68	-	76,915.68
Operating Transfers to						
Deferred Maintenance	100,000.00	150,000.00	-	150,000.00	-	150,000.00
Federal Financial Aid	-	11,248.00	-	11,248.00	-	11,248.00
Adjustments for Qualifying						
Budget Credits (Reimbursed Expense)					237,633.80	(237,633.80)
TOTAL EXPENDITURES	7,336,015.22	8,821,782.92	(569,091.66)	8,252,691.26	$ 8,453,198.80	$ (200,507.54)
Excess of Revenues Over (Under) Expenditures	217,167.27	700,830.67	70,171.26	771,001.93		
Unencumbered Cash Beginning of Year	1,492,449.19	1,527,877.97	181,738.49	1,709,616.46		
End of Year	$ 1,709,616.46	$ 2,228,708.64	$ 251,909.75	$ 2,480,618.39		

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Adult Education Fund (Regulatory Basis)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Federal Sources						
Federal Grants	$ 81,749.00	$ 87,340.78	$ -	$ 87,340.78	$ 85,944.00	$ 1,396.78
State Sources						
State Grants	50,391.00	50,097.00	-	50,097.00	49,542.00	555.00
Local Sources						
Local Tax	117,296.00	119,408.00	-	119,408.00	100,484.00	18,924.00
TOTAL REVENUES	249,436.00	256,845.78	-	256,845.78	$ 235,970.00	$ 20,875.78
EXPENDITURES						
Instruction	233,084.05	248,578.95	-	248,578.95	235,970.00	12,608.95
TOTAL EXPENDITURES	233,084.05	248,578.95	-	248,578.95	$ 235,970.00	$ 12,608.95
Excess of Revenues Over (Under) Expenditures	16,351.95	8,266.83	-	8,266.83		
Unencumbered Cash Beginning of Year	189,105.26	205,457.21	-	205,457.21		
End of Year	$ 205,457.21	$ 213,724.04	$ -	$ 213,724.04		

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Auxiliary Enterprise Fund (Regulatory Basis)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	Prior Year	Current Year					
	Total Auxiliary Enterprise Fund Budget Basis	Bookstore GAAP	Total Auxiliary Enterprise Fund GAAP	Adjustments To Budget Basis	Total Auxiliary Enterprise Fund Budget Basis	Final Budget	Variance Under (Over)
REVENUES							
Sales and Services of Auxiliary Enterprises	$ 75,995.43	$ 92,994.74	$ 92,994.74	$ -	$ 92,994.74	$ 101,000.00	$ (8,005.26)
TOTAL REVENUES	75,995.43	92,994.74	92,994.74	-	92,994.74	$ 101,000.00	$ (8,005.26)
EXPENDITURES							
Auxiliary Enterprise							
Salaries and Benefits	5,363.86	5,635.53	5,635.53	-	5,635.53	8,946.00	(3,310.47)
General Operating Expense	69,776.83	96,241.77	96,241.77	(7,104.72)	89,137.05	92,000.00	(2,862.95)
TOTAL EXPENDITURES	75,140.69	101,877.30	101,877.30	(7,104.72)	94,772.58	$ 100,946.00	$ (6,173.42)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	854.74	(8,882.56)	(8,882.56)	7,104.72	(1,777.84)		
Unencumbered Cash Beginning of Year	203,257.13	228,257.34	228,257.34	(24,145.47)	204,111.87		
End of Year	$ 204,111.87	$ 219,374.78	$ 219,374.78	$ (17,040.75)	$ 202,334.03		

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds - Primary Institution
For the Year Ended June 30, 2022

	Primary Institution			
ACCOUNT NAME	BALANCE JUNE 30, 2021	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2022
AGENCY FUND				
Student Organization Accounts				
Student Senate	$ 2,345.49	$ 1,963.78	$ 1,920.36	$ 2,388.91
Automotive Tech	5,147.48	1,031.57	555.41	5,623.64
Phi Beta Lamda	1,402.68	-	121.32	1,281.36
Machine Tool Technology	17.44	20.00	-	37.44
Industrial Main	713.98	1,410.73	1,365.87	758.84
Christian Connection	51.75	-	-	51.75
Culinary Arts	1,714.94	62.50	920.75	856.69
Dental Assistant	3,041.21	4,228.54	3,474.34	3,795.41
Graphic Arts	1,458.95	325.75	597.48	1,187.22
Nursing - HOSA	6,912.62	4,510.75	1,962.78	9,460.59
VICA General Fund	390.70	-	-	390.70
Paramedic/EMS	692.26	850.00	556.23	986.03
Hygiene	2,463.84	6,444.62	5,384.66	3,523.80
Welding	4,002.75	1,647.02	784.12	4,865.65
HALO	1,332.79	-	541.98	790.81
SYOB	279.60	129.00	-	408.60
Total Student Organizations	31,968.48	22,624.26	18,185.30	36,407.44
TOTAL AGENCY FUNDS	$ 31,968.48	$ 22,624.26	$ 18,185.30	$ 36,407.44
Assets				
Cash and Investments	$ 31,968.48	$ 22,624.26	$ 18,185.30	$ 36,407.44
TOTAL ASSETS	$ 31,968.48	$ 22,624.26	$ 18,185.30	$ 36,407.44
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ -
Deposits Held For Others	31,968.48	22,624.26	18,185.30	36,407.44
TOTAL LIABILITIES	$ 31,968.48	$ 22,624.26	$ 18,185.30	$ 36,407.44

FLINT HILLS TECHNICAL COLLEGE
EMPORIA, KANSAS

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2022

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

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

EMPORIA, KANSAS
TOPEKA, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (FSEOG) (84.007)
FEDERAL WORK-STUDY PROGRAM (FWS) (84.033)
FEDERAL DIRECT STUDENT LOANS (DIRECT LOAN) (84.268)
HIGHER EDUCATION EMERGENCY RELEIF FUND (HEERF) (84.425)

AUDITOR INFORMATION SHEET

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

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

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

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

LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 7549 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
P.O. Box 779
Chanute, Kansas 66720
FIRM'S FEDERAL ID NUMBER: 20-3906022
TELEPHONE: (620) 431-6342
FAX: (620) 431-0724

PROGRAMS EXAMINED:	PELL	84.063
	FSEOG	84.007
	FWS	84.033
	DIRECT LOAN	84.268
	HEERF	84.425

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

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

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

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Emporia, KS	Yes	Yes	Yes	1999	N/A	2022	N/A
Topeka, KS	No	Yes	Yes	2014	N/A	2022	N/A

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

The College does not use a servicer.

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

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

For Close-Out Examination only: N/A

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients		Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION					
Direct Programs					
Student Financial Assistance Programs Cluster					
Federal Supplemental Education Opportunity	N/A	84.007	$ -		$ 33,852.00
		Total 84.007	-		33,852.00
Federal College Work-Study	N/A	84.033	-		22,575.84
Federal College Work-Study - Admin	N/A	84.033	-		1,305.00
		Total 84.033	-		23,880.84
Federal Pell Grant	N/A	84.063	-		703,237.00
Federal Pell Grant - Admin	N/A	84.063	-		885.00
		Total 84.063	-		704,122.00
Federal Direct Student Loans	N/A	84.268	-	(1)	1,062,575.00
Total Student Financial Assistance Programs Cluster			-		1,824,429.84
Higher Education Emergency Relief Fund - Student Portion	N/A	84.425E	-		775,093.00
Higher Education Emergency Relief Fund - FIPSE	N/A	84.425N	-		3,905.98
Higher Education Emergency Relief Fund - Institution Portion	N/A	84.425F	-		1,098,350.47
		Total 84.425	-		1,877,349.45
Passed through the Kansas Board of Regents					
Adult Basic Education Program	V002A210016	84.002	-		87,340.78
Carl Perkins Vocational Education Grants:					
Program Improvement	V048A210016	84.048	-		207,987.00
Enhancement	V048A190016/2000016	84.048	-		25,050.55
Implementation	V048A200016	84.048	-		6,000.00
Incentive	V048A200016/210016	84.048	-		8,000.00
		Total 84.048	-		247,037.55
Total U.S. Department of Education			-		4,036,157.62

FLINT HILLS TECHNICAL COLLEGE

Emporia, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients	Disbursements/ Expenditures
FEDERAL ASSISTANCE TOTALS			$ -	$ 4,036,157.62

NOTE A -- BASIS OF PRESENTATION

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

NOTE B --INDIRECT COST RATE

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

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

INDEPENDENT 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
Flint Hills Technical College
Emporia, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Flint Hills Technical College, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Flint Hills Technical College's basic financial statements and have issued our report thereon dated October 25, 2022.

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

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

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

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

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
October 25, 2022

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

Board of Trustees
Flint Hills Technical College
Emporia, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Flint Hills Technical College's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Flint Hills Technical College's major federal programs for the year ended June 30, 2022. Flint Hills Technical College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Flint Hills Technical College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Flint Hills Technical College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Flint Hills Technical College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Flint Hills Technical College's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
October 25, 2022

Schedule 9

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

I. SUMMARY OF AUDITORS' RESULTS

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

Internal Control over Financial Reporting:

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

Federal Awards:

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

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

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

Identification of major programs:

U.S. DEPARTMENT OF EDUCATION
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
Federal College Work-Study Program – CFDA No. 84.033
Federal Direct Student Loans – CFDA No. 84.268
Higher Education Emergency Relief Fund – CFDA No. 84.425

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

Auditee qualified as a low risk auditee?	____ Yes	__X__	No

II. FINANCIAL STATEMENT FINDINGS
NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
NONE

Schedule 10

FLINT HILLS TECHNICAL COLLEGE
Emporia, Kansas

Schedule of Resolution of Prior Year's Audit Findings and Questioned Costs
For the Year Ended June 30, 2022

NONE