FORT SCOTT
COMMUNITY COLLEGE

Fort Scott, Kansas

Independent Auditor's Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2024

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

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Fort Scott, Kansas

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Management's Discussion and Analysis

Introduction:
The following discussion and analysis of the financial performance and activity of Fort Scott Community College (the College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2024, with selected comparative information for the year ended June 30, 2023. This discussion focuses on the current activities, resulting changes, and currently known facts. 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 Fort Scott Community College Foundation and is available for review at 2108 S Horton, Fort Scott, Kansas.

Using the Annual Report:
The audit is conducted in accordance with auditing standards applicable to financial audits contained in Government Auditing standards, specifically GASB 34/35, issued by the Comptroller of the United States. The purpose of GASB 34/35 is to make the financial statement presentation of public entities more closely resemble or emulate that of non-public for-profit enterprises. The hope is that it will "enhance the understandability of the general purpose external financial reports." To that end the annual financial report will include 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 Basic Financial Statements are an integral and essential portion of the financial statements.

Required Supplementary Information:
Management's Discussion and Analysis (M D & A) - This is information that is required by standards to be presented but is not part of the basic financial statements.

Highlights to the Financial Statements:
The College's financial position at June 30, 2024, shows total assets exceeded its liabilities by $13,047,801 as compared to $11,947,319 in 2023. Of this amount, $1,477,155 is classified as unrestricted net position as compared to $214,840 in 2023. The unrestricted net position may be used to meet the College's ongoing obligations and increased by $1,262,313 in fiscal year 2024. Even though revenue decreased by $1,131,663 (5.3%), sale of property combined with reduction in operation expenses reduced expenditures by $1,831,598 (-8.76%)

Statement of Net Position
The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College at June 30, 2024. The purpose of the Statements of Net Position is to present the financial condition of the College. The Statement of Net Position presents end of year data concerning Assets (current and noncurrent), Deferred Outflows, Liabilities (current and noncurrent), Deferred Inflows, and Net Position (Assets and Deferred Outflows minus Liabilities and Deferred Inflows).

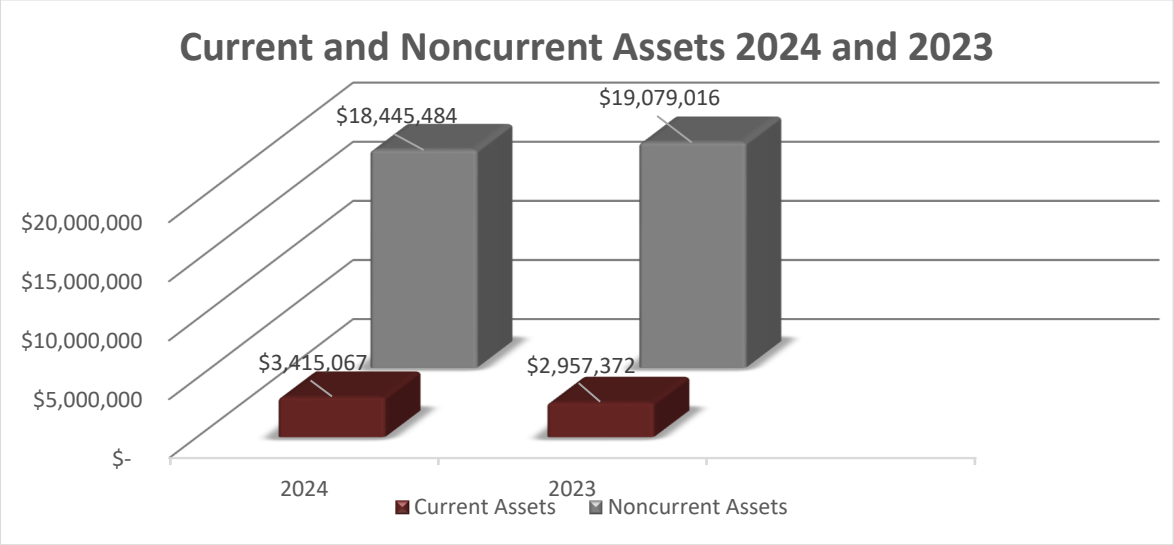
The assets and liabilities are categorized between current and noncurrent. The difference is that current assets and current liabilities become receivable or payable within the normal 12-month accounting cycle, whereas noncurrent assets and liabilities become receivable or payable after 12 months. The Governmental Accounting Standards Board implemented Statement No. 96 – accounting for subscription-based information technology arrangements went into effect for the

Fiscal Year 2023 audit. The fundamental principle of Statement 96 is that software subscriptions are financings of the right to use a subscription-based software asset. The intangible right to use the software asset is recorded as a noncurrent asset and the outstanding liability of future subscription-based payments is recorded in the noncurrent liabilities.

Comparison of Assets – Fiscal Year 2024 to 2023

	2024	% Total 2024	2023	%Total 2023
Current Assets	$3,415,067	15.6%	$2,957,372	13.4%
Non-Current Assets	$18,445,484	84.4%	$19,079,016	86.6%
Total Assets	$21,860,552	100.0%	$22,036,388	100.0%
Deferred Outflows	$391,873		$630,873	

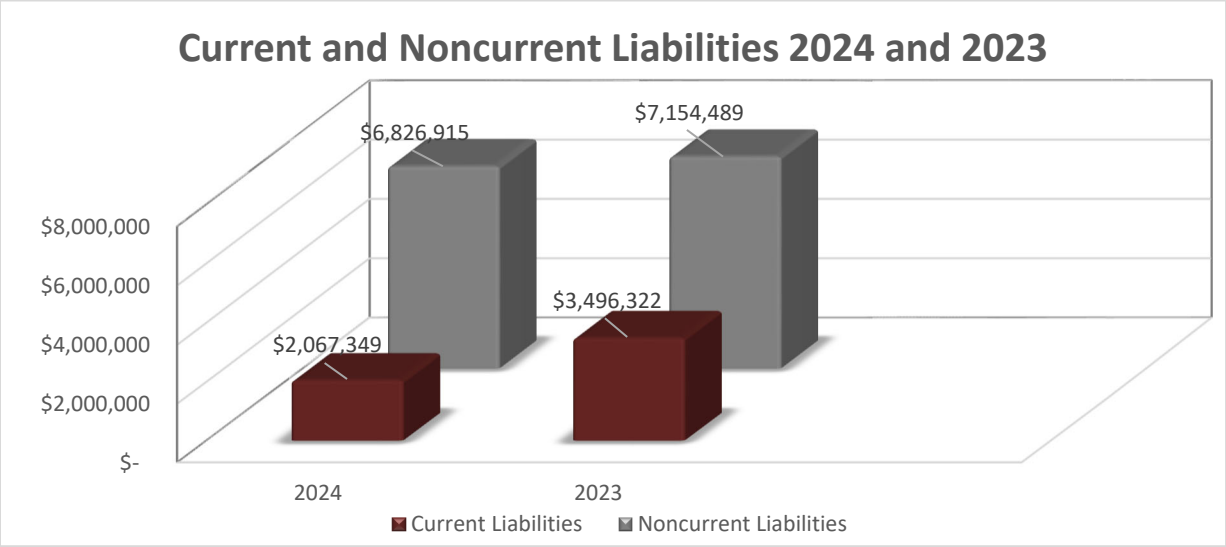
The College's current assets consist primarily of cash, accounts receivable and inventories; while noncurrent assets consist mainly of capital and leased assets. The College's current assets in 2024 were $3,415,067 compared to $2,957,372 in 2023. This reflects an increase in current assets from 2023 to 2024 of $457,695. Noncurrent assets decreased from $19,079,016 to $18,445,484 Total breakdown of assets between current and noncurrent classifications follows:



Comparison of Liabilities – Fiscal Year 2024 to 2023

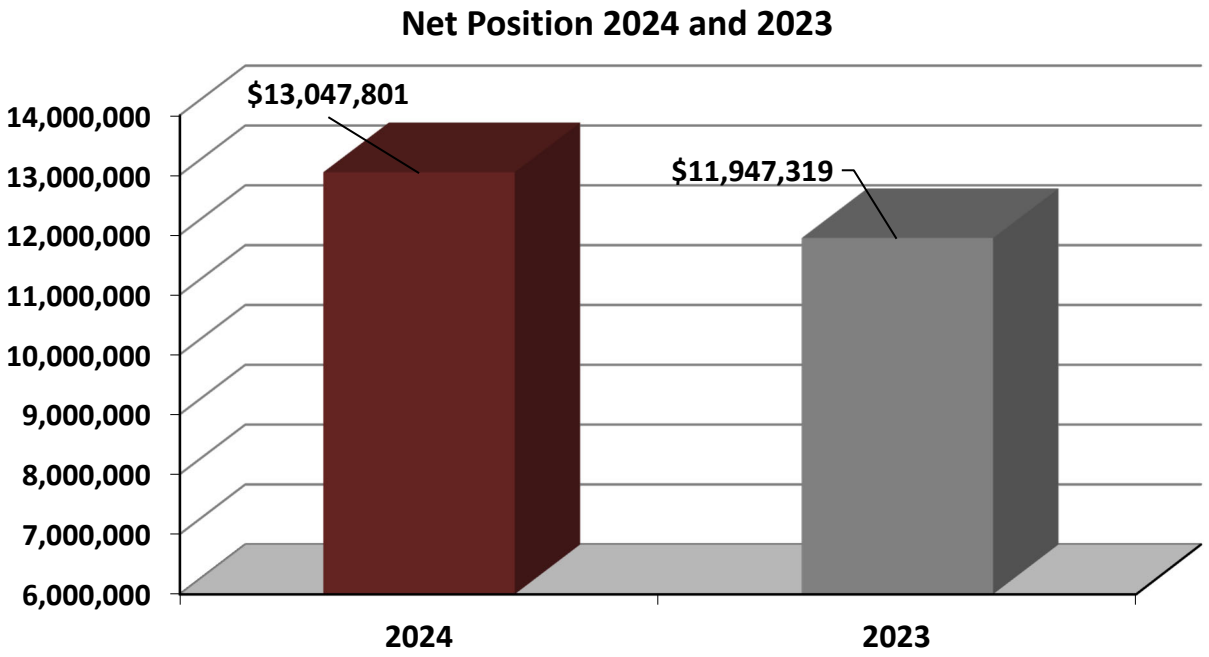
	2024	% Total 2024	2023	%Total 2023
Current Liabilities	$2,067,349	9.5%	$3,496,322	15.9%
Non-Current Liabilities	$6,826,915	31.2%	$7,154,489	32.5%
Total Liabilities	$8,894,264	40.7%	$10,650,811	48.3%
Deferred Inflows	$310,360		$69,131	

The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, and the current portion of the College's certificates of participation, lease and subscription liability. Current liabilities decreased by $1,428,973 in 2024 largely due to the decrease in accounts payable and a decrease of recognition of current portions of leased liabilities. The noncurrent liabilities portion now includes lease liability payable as well as subscription liability for those technology subscriptions contracted for more than one year.



Net Position for 2024 Compared to 2023

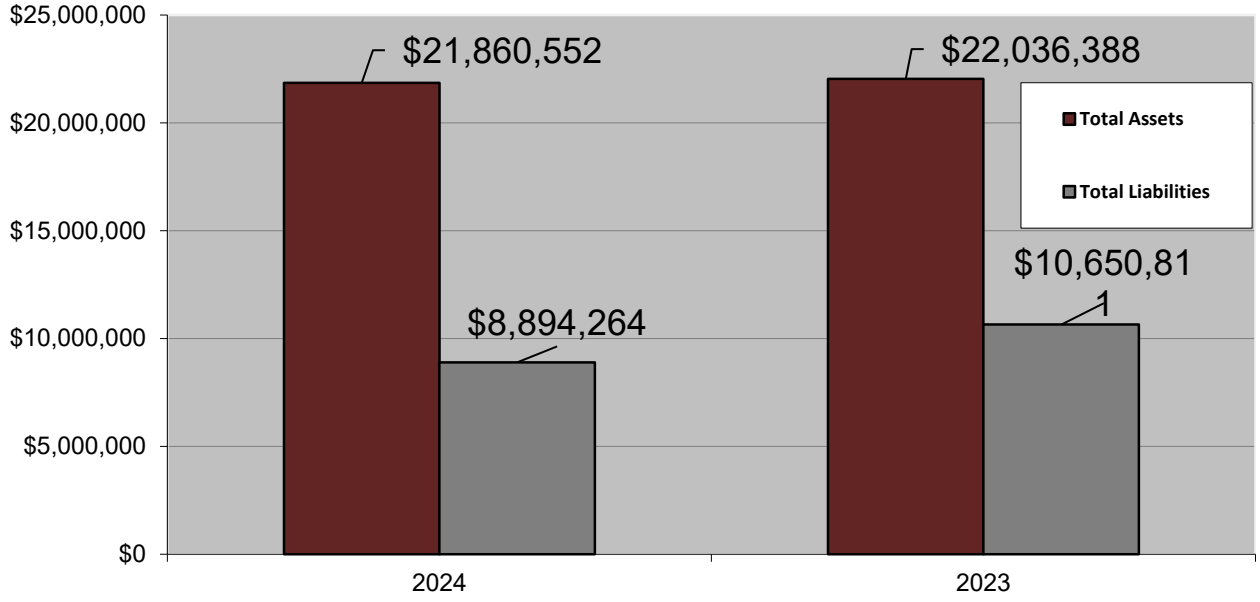
Net Position is presented in three major categories. The first is invested in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position increased during the current fiscal year from $11,947,319 to $13,047,801 for a total increase of $1,100,482, mainly due to an increase in nonoperating revenues and reduction in operating expenses.



Comparison of Assets to Liabilities

In 2024 total assets decreased by $175,836 while total liabilities decreased by $1,756,547. This represents a 0.80% decrease in total assets compared to an 16.5% decrease in total liabilities.

2024 & 2023 Assets and Liabilities



Deferred Inflows and Outflows of Resources

Deferred Inflows and Deferred Outflows of Resources are defined as resources not currently recognized as revenue or expense. The figure reported is based upon the most recent actuarial study, in accordance with Government Accounting Standards Board No. 75 (GASB 75). GASB 75 titled "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" replaces GASB 45 effective for fiscal years beginning after June 15, 2017.

The Pension Related Deferred Outflows for 2024 was $391,873 a $239,000 decrease from 2023 of $630,873 and the Pension Related Deferred Inflows increased by $241,229 from 2023 to a total of $310,360. The change is the result of recognition of the actuarial study.

Statements of Revenues, Expenses, and Changes in Net Position

The combined statement of revenues, expenses, and changes in net position presents the College's financial results for the fiscal year ending June 30, 2024. The statements include the College's revenue and expenses, both operating and non-operating.

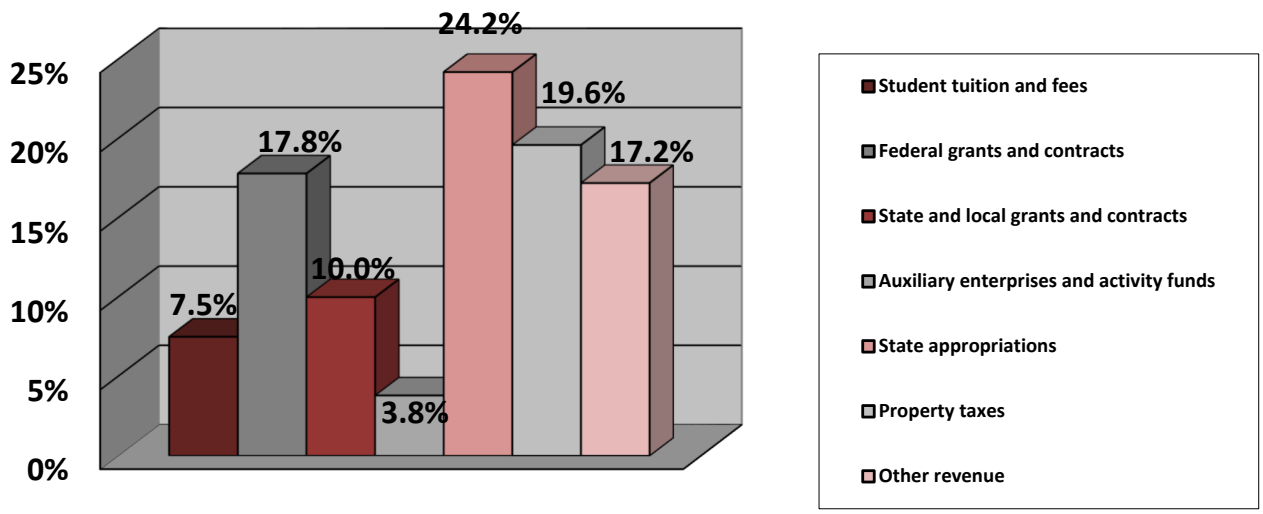
Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating revenues would be Bourbon County property tax revenue and Kansas state aid; whereby local and state taxpayers do not directly receive goods and services from the College.

Revenue

Components and sources of revenue:

Fort Scott Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government; students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. Aside from student tuition and fees, these sources are relatively stable year after year as a percentage of the total. It is anticipated that federal grant revenue contracts will continue to decrease in the 2024-25 fiscal year. Additionally, it is anticipated that the state appropriations may decrease as much as 10% in 2025-26 fiscal year.

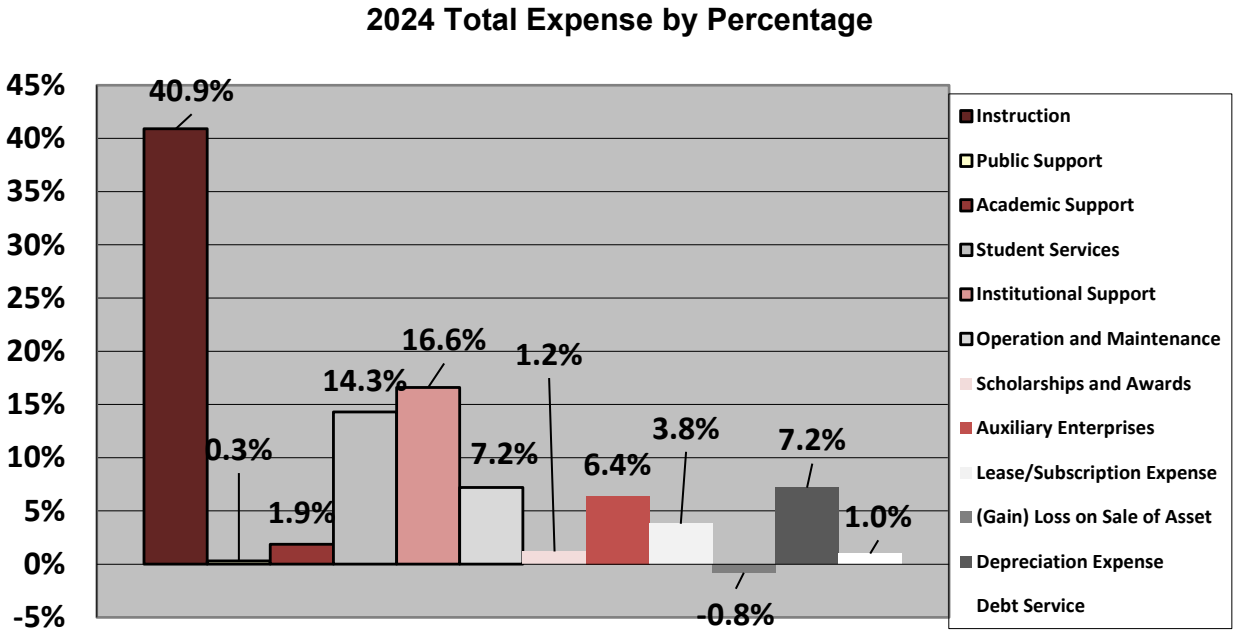
	2024	% Total 2024	2023	%Total 2023
Student Tuition and Fees	$1,508,968	7.5%	$1,127,379	5.3%
Federal Grants and Contracts	$3,590,281	17.8%	$7,004,158	32.9%
State and Local Grants and Contracts	$2,004,181	9.9%	$998,587	4.7%
Auxiliary Enterprises and Activity Funds	$758,367	3.8%	$638,203	3.0%
State Appropriations	$4,868,526	24.1%	$4,254,710	20.0%
Property Taxes	$3,940,404	19.5%	$3,835,713	18.0%
Other Revenue	$3,501,254	17.4%	$3,444,894	16.2%
Total Revenue	$20,171,981	100.0%	$21,303,644	100.0%



Expenditures

The College incurs thirteen types of expenses including Instruction, Research Function, Public Support, Academic Support, Student Services, Institutional Support, Operations and Maintenance, Scholarships and Grants, Auxiliary Enterprises, Lease/Subscription Expense, Depreciation, and Debt Services. These expenses are relatively stable year over year as a percentage of the total. The largest areas of variance were in Instruction, Student Services, and Operations and Maintenance due to a conscious effort in reducing operating expenses. The following chart shows expenses by function for 2024 and 2023 and expenses by percentage:

	2024	% Total 2024	2023	%Total 2023
Instruction	$7,791,861	40.9%	$8,440,228	40.4%
Public Support	$66,450	0.3%	$38,234	0.2%
Academic Support	$354,046	1.9%	$460,911	2.2%
Student Services	$2,736,449	14.3%	$2,996,109	14.3%
Institutional Support	$3,159,666	16.6%	$3,329,186	15.9%
Operation and Maintenance	$1,370,272	7.2%	$1,855,609	8.9%
Scholarships and Awards	$229,906	1.2%	$76,107	0.4%
Auxiliary Enterprises	$1,227,895	6.4%	$1,336,290	6.4%
Lease/Subscription Expense	$724,014	3.8%	$494,871	2.4%
(Gain) Loss on Sale of Asset	$(149,172)	-0.8%	$356,914	1.7%
Depreciation Expense	$1,366,576	7.2%	$1,321,010	6.3%
Debt Service	$193,535	1.0%	$197,629	0.9%
Total Expenses	$19,071,498	100.0%	$ 20,903,096	100.0%

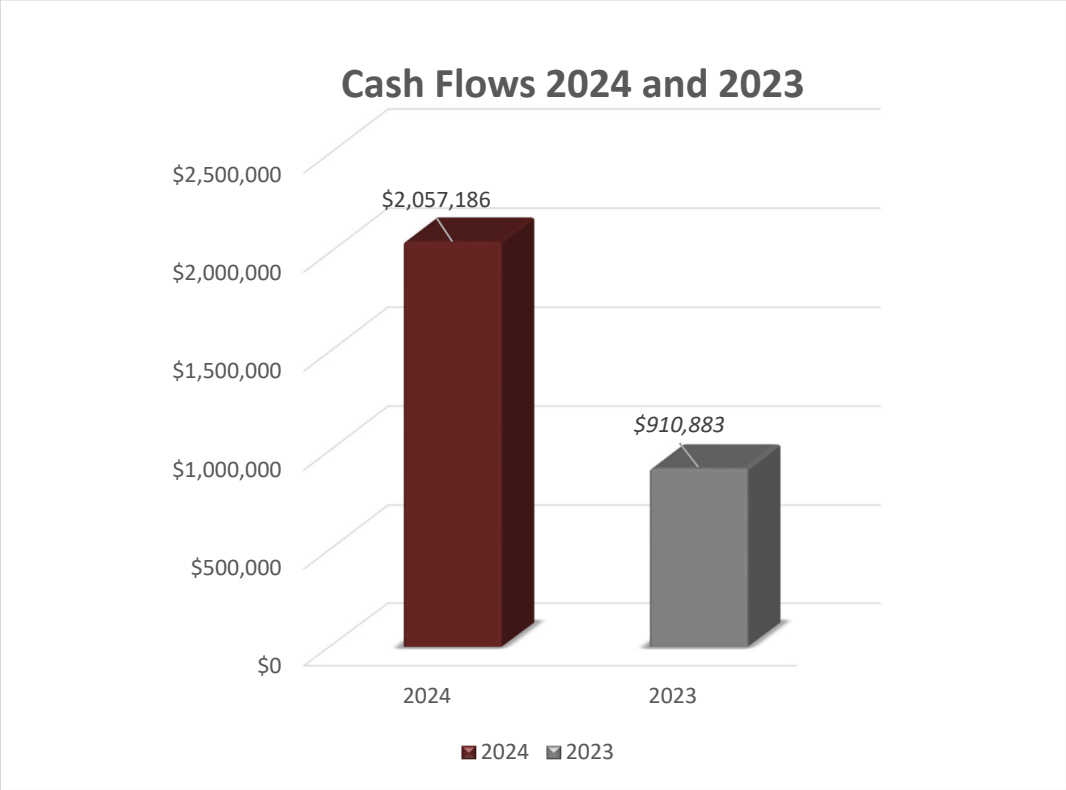


Statement of Cash Flows

The statement of cash flows presents detailed information about the cash activity of the College 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 first section deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from non-capital investing activities. This section reflects the cash received and spent for non-operating investing and noncapital financing purposes. The third section reflects the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Summary Statement of Cash Flows Information:

	2024	2023
Net Cash Provided (used) by:		
Operating Activiities	$(8,694,630)	$(7,945,001)
Non-Capital Investing Activities	$11,235,937	$10,757,445
Capital Investing Activities	$625,000	$0
Financing Activities	$(2,020,005)	$(4,210,770)
Net Change in Cash	$1,146,302	$(1,398,326)
Cash Beginning of Year	$910,883	$2,309,209
Cash End of Year	$2,057,186	$910,883



Summary of Overall Performance and Economic Outlook

Fort Scott Community College had an increase in the financial position with net position increasing in fiscal year 2024 by $1,100,481 to a total of $13,047,801. The College's cash reserves increased in 2024 due sale of the Horton Street property and reduction in operating expenses. Total operating and non-operating revenues were $20,171,981 while operating expenses were $19,071,498

The College experienced a decrease in enrollment for fiscal year 2024 and 2024-25 is trending the same. Aid from the State of Kansas is expected to decrease slightly for fiscal years 2025-2026. There was a slight increase in aid from the State of Kansas in 2024-2025 for specific needs. The College continues to seek alternative sources of operating and non-operating revenue. This may include increases in tuition rates, short term use of auxiliary revenues, increase in local property taxes, and adjustment to operational expense allocations. The College has made recruitment and retention a high priority and continues to look for efficiency in its operations. The College is committed to becoming fiscally stable through thoughtfully planned budgets that align with the College's strategic plan and continued expenditure management.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Fort Scott Community College
Fort Scott, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fort Scott Community College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Fort Scott Community College, as of June 30, 2024, and the respective 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fort Scott Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fort Scott Community 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 16 and 24 to the financial statements, the June 30, 2023 financial statements have been restated to adopt new accounting guidance with implementation of GASB Statement 68, Accounting and Financial Reporting for Pensions, which replaces GASB Statement No. 27 and 50. Our opinion is not modified with respect to this matter.

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 to viii and 37 to 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 opinions on the financial statements that collectively comprise the Fort Scott Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 40 to 55, 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 are required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Fort Scott Community College, Kansas as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated March 19, 2024 except note 23, as to which was dated May 10, 2024, both of which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accountsreports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2024 (Schedules 6 to 11 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 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 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, 2023, 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 March 17, 2025 on our consideration of the Fort Scott Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Fort Scott Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fort Scott Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 17, 2025

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Statement of Net Position
June 30, 2024

	Primary Institution	Component Unit - Foundation
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 2,452,745.18	$ 339,964.12
Investments	-	6,414,699.41
Receivables, Net	721,444.41	-
Interest Receivable	-	7,531.23
Inventory	240,877.89	-
Total Current Assets	3,415,067.48	6,762,194.76
Noncurrent Assets		
Cash and Cash Equivalents	(395,559.34)	-
Capital Assets, Net of Accumulated Depreciation	17,291,876.01	4,000.00
Lease Assets, Net of Accumulated Amortization	634,494.43	-
Subscription Assets, Net of Accumulated Amortization	914,673.15	-
Total Noncurrent Assets	18,445,484.25	4,000.00
TOTAL ASSETS	21,860,551.73	6,766,194.76
DEFERRED OUTFLOWS OF RESOURCES	391,873.22	-

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

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Statement of Net Position
June 30, 2024

	Primary Institution	Component Unit - Foundation
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 373,889.90	$ 4,935.00
Accrued Payroll	307,602.97	-
Accrued Interest	51,075.16	-
Accrued Interest, Lease Liabilities	1,858.00	-
Deferred Revenue	136,458.60	-
Deposits Held in Custody for Others	133,898.59	-
Accrued Vacation, Due Within One Year	106,968.81	-
Lease Liabilities, Due Within One Year	218,118.02	-
Subscription Liabilities, Due Within One Year	52,344.94	-
Financing Leases Payable, Due Within One Year	685,134.00	-
Total Current Liabilities	2,067,348.99	4,935.00
Noncurrent Liabilities		
Lease Liabilities	447,834.53	-
Subscription Liabilities	1,009,012.43	-
Assets Held for Others in Charitable Remainder Trust	-	-
Financing Leases Payable	4,856,095.17	-
Accrued Vacation	82,503.17	-
Net Pension Liability	276,236.00	-
OPEB Obligations	155,234.00	-
Total Noncurrent Liabilities	6,826,915.30	-
TOTAL LIABILITIES	8,894,264.29	4,935.00
DEFERRED INFLOWS OF RESOURCES	310,360.00	-
NET POSITION		
Investment in Capital Assets, Net of Related Debt	11,570,646.50	-
Restricted Net Position - Expendable	-	1,916,449.44
Restricted Net Position - Nonexpendable	-	4,265,187.59
Unrestricted	1,477,154.16	579,622.73
TOTAL NET POSITION	$ 13,047,800.66	$ 6,761,259.76

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

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees,		
(net of scholarship allowances of $2,661,738.23)	$ 1,508,968.42	$ -
Federal Grants and Contracts	1,519,057.51	-
State Grants and Contracts	2,004,181.16	-
Charges for Services	40,808.05	-
Sales and Services of Auxiliary Enterprises	758,367.31	-
Miscellaneous Income	3,104,660.88	-
Total Operating Revenues	8,936,043.33	-
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	7,791,861.12	-
Public Service	66,449.80	-
Academic Support	354,045.93	-
Student Services	2,736,449.03	-
Institutional Support	3,159,666.49	1,207,389.63
Operation and Maintenance	1,370,272.14	-
Scholarships and Awards	229,906.07	835,949.45
Fundraising	-	71,722.74
Auxiliary Enterprises	1,227,895.04	-
Lease Expense	428,030.76	-
Subscription Expense	295,982.76	-
Depreciation Expense	1,366,576.96	-
Total Operating Expenses	19,027,136.10	2,115,061.82
Operating Income (Loss)	(10,091,092.77)	(2,115,061.82)

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

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	Primary Institution	Component Unit - Foundation
Nonoperating Revenues (Expenses)		
State Appropriations	$ 4,868,526.00	$ -
County Appropriations	3,940,403.70	-
Pell Grants	2,071,223.00	-
Gifts and Contributions	354,724.95	1,650,455.24
Investment Income	1,059.66	107,332.60
Unrealized Gains (Losses) on Investments Held	-	545,137.03
Realized Gains (Losses) on Investments Held	-	149,337.86
Gain (Loss) on Sale of Asset	149,171.85	-
Debt Service	(193,534.94)	-
Net Nonoperating Revenues (Expenses)	11,191,574.22	2,452,262.73
Increase (Decrease) in Net Position	1,100,481.45	337,200.91
Net Position - Beginning of Year, As Previously Reported	12,119,618.33	6,424,058.85
Changes in Accounting Principles and Restatements, See Note 24	(172,299.12)	-
Net Position - Beginning of Year, As Restated	11,947,319.21	6,424,058.85
Net Position - End of Year	$ 13,047,800.66	$ 6,761,259.76

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

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2024

	Primary Institution	Component Unit - Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 1,814,464.82	$ -
Federal Grants and Contracts	1,519,057.51	-
State Grants and Contracts	1,603,058.87	-
Charges for Services	40,808.05	-
Sales and Services of Auxiliary Enterprises	758,367.31	-
Miscellaneous Income	3,104,660.88	-
Payments on Behalf of Employees	(10,010,310.26)	-
Payments for Supplies and Materials	(862,005.44)	-
Payments for Lease Expense	(428,030.76)	-
Payments for Other Expenses	(6,234,700.99)	(2,083,453.05)
Net cash provided by (used in) operating activities	(8,694,630.01)	(2,083,453.05)
CASH FLOWS FROM NON-CAPITAL INVESTING ACTIVITIES		
State Appropriations	4,868,526.00	-
County Appropriations	3,940,403.70	-
Pell Grants	2,071,223.00	-
Federal Direct Loans	998,885.00	-
Federal Direct Loans Payments	(998,885.00)	-
Interest Earned on Investments	1,059.66	251,164.44
Gifts and Contributions	354,724.95	1,619,616.82
Net cash provided by (used in) non-capital investing activities	11,235,937.31	1,870,781.26
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES		
Proceeds from the Sale of Investments	-	2,495,367.33
Payments from the Purchase of Investments	-	(3,130,525.94)
Proceeds from the Sale of Assets	625,000.00	-
Payments for Notes Receivable	-	220,000.00
Net cash provided by (used in) capital investing activities	625,000.00	(415,158.61)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(458,011.27)	-
Interest Paid on Bonds and Capital Leases	(189,529.30)	-
Principal Payments on Finance Leases	(1,372,464.00)	-
Net cash provided by (used in) financing activities	(2,020,004.57)	-

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

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2024

	Primary Institution	Component Unit - Foundation
Net Increase (Decrease) in Cash and Cash Equivalents	$ 1,146,302.73	$ (627,830.40)
Cash and Cash Equivalents, Beginning of Year	910,883.11	967,794.52
Cash and Cash Equivalents, End of Year	$ 2,057,185.84	$ 339,964.12
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (10,091,092.77)	$ (2,115,061.82)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	1,366,576.96	-
Amortization Lease Expense	409,580.17	-
Amortization Subscription Expense	253,405.34	-
Non-cash Donations	-	30,838.42
(Increase) Decrease in Receivables	382,161.80	-
(Increase) Decrease in Inventory	15,187.67	-
(Increase) Decrease in Deferred Outflows	238,999.66	-
Increase (Decrease) in Accounts Payable	(530,732.75)	770.35
Increase (Decrease) in Accrued Payroll	234,242.91	-
Increase (Decrease) in Deferred Revenue	(76,665.40)	-
Increase (Decrease) in Grant Advance	(401,122.29)	-
Increase (Decrease) in Accrued Vacation	22,948.81	-
Increase (Decrease) in Deposits Held for Others	202,115.94	-
Increase (Decrease) in Lease Liabilities	(411,704.58)	-
Increase (Decrease) in Subscription Liabilities	(101,378.48)	-
Increase (Decrease) in Net Pension Liability	(459,098.00)	-
Increase (Decrease) in OPEB Obligations	10,716.00	-
Increase (Decrease) in Deferred Inflows	241,229.00	-
Net cash provided by (used in) operating activities	$ (8,694,630.01)	$ (2,083,453.05)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents classified as current assets	$ 2,452,745.18	$ 339,964.12
Cash and Cash Equivalents classified as non-current assets	(395,559.34)	-
Total Cash and Cash Equivalents	$ 2,057,185.84	$ 339,964.12
Supplemental Information		
Cash Paid During the Period for:		
Interest Expense Paid	$ 176,569.24	$ -
Non-Cash Donations		
Management & General - In-Kind	-	30,838.42

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Fort Scott Community College, Fort Scott, 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 Unit
The component unit section of the financial statements includes the financial data of the discretely presented component unit, the Fort Scott Community 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 Fort Scott Community 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity date of three months or less 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 position.

Accounts Receivable and Deferred Revenue
Accounts receivable consist of 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. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2023.

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in December are recorded as taxes receivable. Approximately 4% to 10% of these taxes are normally distributed after June 30th, and are presented as accounts receivable–taxes in process and deferred revenue to indicate that they are not appropriable. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Inventories
Inventories consist of books and supplies held for resale in the bookstore and are valued at cost, using the first-in, first-out method (FIFO).

Noncurrent Cash and Cash Equivalents
Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Buildings	35 Years
Building Improvements	20 Years
Furniture & Equipment	7-10 Years
Vehicles & Trailers	5-7 Years

Accounts Receivable and Allowance for Doubtful Accounts

The College regularly extends unsecured credit to various students. The College uses the allowance method to account for uncollectible accounts receivable.

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 position, and a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net position.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and Financing Lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent 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 Position – Nonexpendable: Nonexpendable restricted net position 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (Continued)

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.

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 position. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Budgetary Information
Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

If the College is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The College did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The College amended the General Fund and the Adult Education Fund for the year ended June 30, 2024.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Current Funds - Restricted and Agency Funds.

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Kansas municipalities are subject to the cash-basis law as stated in K.S.A. 10-1,113. Certain sub-funds, Federal Student Grants Fund, HEP Grant Funds, Title IV Grants Fund and Migrant Education Fund, have negative unencumbered cash balances at June 30, 2024, which is allowable under K.S.A. 12-1663. The funds will be reimbursed in the following fiscal year from federal grants, state grants and other contracts for expenditures incurred by the College. The combined receivable has been recognized for GAAP purposes on these financial statements.

Supplementary Schedules 6 to 11 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. Based upon these schedules, the College was in apparent violation of K.S.A. 10-1,113, as the College has obligated expenditures in excess of available funds in the Capital Outlay Fund. As shown in Schedules 6 to 11, the College was in apparent compliance with Kansas budget basis laws.

3. DEPOSITS

Primary Institution

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 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.

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, 2024.

Deposits: At year-end, the College's carrying amount of deposits is $2,052,950.84 and the bank balance was $2,209,038.91. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $400,467.43 was covered by FDIC insurance, and $1,808,571.48 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

3. DEPOSITS (Continued)

Component Unit
At year-end, the carrying amount of the Foundation's deposits were $339,964.12. The bank balances were $408,190.05. The bank balances were held by two banks resulting in a concentration of credit risk. Of the bank balances $373,296.37 were covered by FDIC insurance and $34,893.68 was covered by SIPC insurance.

4. INVESTMENTS

Component Unit:
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, 2024, are comprised of the following:

	COST	FAIR VALUE	Rating
Equities	$ 3,298,116.14	$ 4,604,147.30	Various
Fixed Income	1,606,917.42	1,452,541.13	Various
Alternative Investments	288,150.02	342,172.79	Various
Miscellaneous	34,317.15	15,838.19	Various
Total Investments	$ 5,227,500.73	$ 6,414,699.41	

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 are described as follows:

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

5. FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Equities: Valued at the closing price reported on the New York Stock Exchange.

Fixed Income: Valued using pricing models maximizing the use of observable inputs for similar securities.

Alternative Investments: Commerce Trust Company uses "Best Effort Processing Standards" to price these hedge funds based on information obtained from outside providers.

Miscellaneous Investments: Commerce Trust Company uses "Best Effort Processing Standards" to price these life insurance policies based on information obtained from outside providers.

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Equities	$ 4,604,147.30	$ - -	$ - -	$ 4,604,147.30
Fixed Income	1,452,541.13	- -	- -	1,452,541.13
Alternative	- -	342,172.79	- -	342,172.79
Miscellaneous	- -	- -	15,838.19	15,838.19
Totals	$ 6,056,688.43	$ 342,172.79	$ 15,838.19	$ 6,414,699.41

Changes in level 3 investments for the year ended June 30, 2024 were as follows:

Balance June 30, 2023	$ 15,838.19
Unrealized Gain/Loss	0.00
Balance June 30, 2024	$ 15,838.19

6. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024, consisted of the following:

	Primary Institution
Current:	
Student Accounts	$ 227,971.08
Federal Grants	352,473.40
Other Receivables	8,584.93
Taxes in Progress	132,415.00
Total Accounts Receivable	$ 721,444.41

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of $620,438.77 at June 30, 2024.

7. INVENTORIES

Inventories consisted of the following at June 30, 2024:

Book Store Inventory		
Textbooks	$	236,213.92
Soft Goods and Supplies		4,663.97
Total Bookstore Inventory	$	240,877.89

8. CHARITABLE REMAINDER ANNUITY TRUSTS

Component Unit:
The Foundation is the trustee and beneficiary of charitable remainder annuity trusts. Investments have been donated to these trusts. The donors receive guaranteed periodic payments from the trusts until death. The Foundation keeps the remaining assets after the death of the donors. Investments with a fair value of $223,243.21 at June 30, 2023 are included in the investments of the Foundation in these financial statements. The "change in value of charitable remainder trusts" as shown in the statement of activities is comprised of the amortization of the discount for the benefits due to donors associated with the contribution. The "assets held for others in charitable remainder trusts" is equal to the present value of expected future cash flows to the donors who established the trusts, plus or minus the changes in the value of the assets held in the charitable remainder trusts. Assets held for other in charitable remainder trusts has been valued using a 6.20% present value rate and an annuity factor based on age from the IRS Table S (2000 CM) and an adjustment of time factor from IRS publication 1457, Table K.

The donor passed away in March 2024 and the assets were transferred to the accounts of the Foundation in July 2024, therefore the liability of the charitable remainder trust is $0.00 at June 30, 2024. Investments with a fair value of $207,485.15 at June 30, 2024 are included in the investments of the Foundation in these financial statements.

9. CAPITAL ASSETS

Primary Institution:
Following are the changes in capital assets for the year ended June 30, 2024:

	Balance 06/30/2023	Additions	Retirements	Balance 06/30/2024
Capital Assets Not Being Depreciated				
Land	$ 995,223.50	$ 112,812.25	$ -	$ 1,108,035.75
Total Capital Assets Not Being Depreciated	995,223.50	112,812.25	-	1,108,035.75
Other Capital Assets				
Buildings	15,153,199.13	93,160.00	-	15,246,359.13
Buildings Under Financing Lease	12,044,879.44	-	(482,870.00)	11,562,009.44
Furniture & Equipment	4,467,711.15	59,954.02	-	4,527,665.17
Furniture & Equipment Under Financing Lease	252,675.91	-	-	252,675.91
Vehicles	717,819.42	192,085.00	202,130.00	1,112,034.42
Vehicles Under Financing Lease	202,130.00	-	(202,130.00)	-
Total Other Capital Assets	32,838,415.05	345,199.02	(482,870.00)	32,700,744.07
Accumulated Depreciation				
Buildings	8,581,588.46	460,301.59	-	9,041,890.05
Buildings Under Financing Lease	3,290,656.96	438,232.27	(7,041.85)	3,721,847.38
Furniture & Equipment	2,749,647.53	362,871.50	(42,879.15)	3,069,639.88
Furniture & Equipment Under Financing Lease	33,707.01	22,471.34	-	56,178.35
Vehicles	491,662.24	82,700.26	52,985.65	627,348.15
Vehicles Under Financing Lease	10,106.50	-	(10,106.50)	-
Total Accumulated Depreciation	15,157,368.70	1,366,576.96	(7,041.85)	16,516,903.81
Total Net Capital Assets	$ 18,676,269.85	$ (908,565.69)	$ (475,828.15)	$ 17,291,876.01

Component Unit:
Following are the changes in capital assets for the year ended June 30, 2024:

	Balance 06/30/2023	Additions	Retirements	Balance 06/30/2024
Capital Assets Not Being Depreciated				
Land	$ 4,000.00	$ -	$ -	$ 4,000.00
Total Capital Assets Not Being Depreciated	4,000.00	-	-	4,000.00
Accumulated Depreciation	-	-	-	-
Total Accumulated Depreciation	-	-	-	-
Total Net Capital Assets	$ 4,000.00	$ -	$ -	$ 4,000.00

10. FINANCING LEASES

The College entered into a certificate of participation dated October 6, 2015, with Security Bank of Kansas City to construct the Fine Arts Building. The total cost was $2,766,451.00. The lease calls for varying annual payments, including interest of 4.35% annually, maturing March 15, 2036.

Financing Lease – Fine Arts Building	
Debt requirements are as follows:	
June 30,	
2025	$ 207,088.83
2026	207,089.12
2027	207,089.10
2028	207,089.30
2029	207,088.83
2030-2034	1,035,443.57
2035-2036	414,177.86
Total Net Minimum Lease Payments	2,485,066.61
Less: Imputed Interest	(548,827.44)
Net Present Value of Financing Lease	1,936,239.17
Less: Current Maturities	(125,594.10)
Long-Term Financing Lease Obligations	$ 1,810,645.07

The College entered into a certificate of participation dated October 6, 2015, with Security Bank of Kansas City for the equipment and furnishings for the Fine Arts Building. The total cost was $100,000.00. The lease calls for varying annual payments, including interest of 4.35% annually, maturing March 15, 2036.

Financing Lease – Equipment & Furnishings for Fine Arts Building	
Debt requirements are as follows:	
June 30,	
2025	$ 7,485.72
2026	7,485.74
2027	7,485.74
2028	7,485.75
2029	7,485.73
2030-2034	37,428.60
2035-2036	14,971.43
Total Net Minimum Lease Payments	89,828.71
Less: Imputed Interest	(19,838.71)
Net Present Value of Financing Lease	69,990.00
Less: Current Maturities	(4,539.90)
Long-Term Financing Lease Obligations	$ 65,450.10

10. FINANCING LEASES (Continued)

The College entered into a certificate of participation dated June 15, 2017, with Security Bank of Kansas City to payoff a prior lease purchase on the John Deere Building and complete additional capital improvements to the building in the amount of $750,000.00. The total cost was $930,000.00. The lease calls for varying annual payments, including varying interest of 3.125%-5.00% annually, maturing June 1, 2037.

Financing Lease – John Deere Building		
Debt requirements are as follows:		
June 30,		
2025	$	66,531.26
2026		64,731.26
2027		63,381.26
2028		62,031.26
2029		65,681.26
2030-2034		319,569.06
2035-2037		191,562.52
Total Net Minimum Lease Payments		833,487.88
Less: Imputed Interest		(158,487.88)
Net Present Value of Financing Lease		675,000.00
Less: Current Maturities		(45,000.00)
Long-Term Financing Lease Obligations	$	630,000.00

The College entered into a certificate of participation dated June 15, 2017, with Security Bank of Kansas City to pay off the equipment lease purchase agreements dated December 2016 and July 2017. The total cost was $1,355,000.00. The lease calls for varying annual payments, including varying interest of 2.00%-5.00% annually, maturing June 1, 2026.

Financing Lease – Equipment		
Debt requirements are as follows:		
June 30,		
2025	$	184,300.00
2026		80,800.00
Total Net Minimum Lease Payments		265,100.00
Less: Imputed Interest		(5,100.00)
Net Present Value of Financing Lease		260,000.00
Less: Current Maturities		(180,000.00)
Long-Term Financing Lease Obligations	$	80,000.00

10. FINANCING LEASES (Continued)

The College entered into a certificate of participation dated June 12, 2018, with Security Bank of Kansas City to refurbish Greyhound Lodge. The total cost was $270,000.00. The lease calls for varying annual payments, including varying interest of 3.25%-4.20% annually, maturing May 1, 2029.

Financing Lease – Greyhound Lodge		
Debt requirements are as follows:		
June 30,		
2025	$	29,937.50
2026		29,062.50
2027		28,187.50
2028		32,250.00
2029		31,125.00
Total Net Minimum Lease Payments		150,562.50
Less: Imputed Interest		(15,562.50)
Net Present Value of Financing Lease		135,000.00
Less: Current Maturities		(25,000.00)
Long-Term Financing Lease Obligations	$	110,000.00

The College entered into a certificate of participation dated December 17, 2019, with Security Bank of Kansas City to refinance a dormitory lease purchase. The total cost was $2,005,000.00. The lease calls for varying annual payments, including varying interest of 1.60%-2.30% annually, maturing February 1, 2032.

Financing Lease – Dorm Refinance		
Debt requirements are as follows:		
June 30,		
2025	$	193,680.00
2026		195,748.75
2027		197,582.50
2028		185,257.50
2029		200,795.00
2030-2032		598,237.50
Total Net Minimum Lease Payments		1,571,301.25
Less: Imputed Interest		(126,301.25)
Net Present Value of Financing Lease		1,445,000.00
Less: Current Maturities		(165,000.00)
Long-Term Financing Lease Obligations	$	1,280,000.00

10. FINANCING LEASES (Continued)

The College entered into a certificate of participation dated January 5, 2022, with Security Bank of Kansas City to complete a turf project. The total cost was $1,445,000.00. The lease calls for varying annual payments, including varying interest of 0.35%-1.50% annually, maturing April 1, 2031.

Financing Lease – Turf Project	
Debt requirements are as follows:	
June 30,	
2025	$ 152,057.50
2026	155,657.50
2027	154,207.50
2028	152,757.50
2029	151,162.50
2030-2031	306,600.00
Total Net Minimum Lease Payments	1,072,442.50
Less: Imputed Interest	(52,442.50)
Net Present Value of Financing Lease	1,020,000.00
Less: Current Maturities	(140,000.00)
Long-Term Financing Lease Obligations	$ 880,000.00

11. 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 lease agreement with Lakeland Office Systems to lease copiers. The agreements were signed at various dates and calls for rental payments ranging from $45.00 to 1,362.53 per month with the last lease scheduled to end on April 30, 2028. This lease was capitalized at incremental borrowing rates ranging from 3.40% to 5.89%.

The College has entered into a lease agreement with Ecolab to lease a commercial dishwasher. The agreement is for 36 months, commencing November 9, 2022 and continuing through October 31, 2025, renewable annually thereafter. The agreement calls for rental payments in the amount of $375.00 monthly. This lease was capitalized at an incremental borrowing rate of 5.95%.

The College has entered into a lease agreement with Pitney Bowes to lease a postage machine. The agreement is for 33 months, commencing July 1, 2021 and continuing through March 29, 2024. The agreement calls for rental payments in the amount of $729.00 quarterly. This lease was capitalized at an incremental borrowing rate of 3.84%. A new lease agreement was signed with Pitney Bowes on March 30, 2024 for 63 months, the agreement calls for quarterly payments of $588.39 at incremental borrowing rate of 4.50%.

The College has entered into a lease agreement with Merchants Fleet to lease three fifteen passenger vans. The agreement is for 36 months, commencing September 1, 2022 and continuing through September 1, 2025. The agreement calls for rental payments in the amount of $2,595.00 monthly. This lease was capitalized at an incremental borrowing rate of 4.51%.

11. **LEASES** (Continued)

The College has entered into a lease agreement with Creel Enterprises to lease a building for the Cosmetology Program. The agreement is for 36 months, commencing July 1, 2021 and continuing through June 30, 2024. The agreement calls for rental payments in the amount of $1,800.00 monthly. This lease was capitalized at an incremental borrowing rate of 7.11%.

The College has entered into a lease agreement with Masters Leasing and Rentals to lease a 2019 Freightliner. The agreement is for 37 months, commencing July 1, 2021 and continuing through July 15, 2024. The agreement calls for rental payments in the amount of $3,399.00 monthly. This lease was capitalized at an incremental borrowing rate of 3.46%.

The College has entered into a lease agreement with the City of Frontenac, Kansas to lease a building for the Harley Davidson Technology Program. The agreement is for 48 months, commencing July 1, 2021 and continuing through June 30, 2025. The agreement calls for rental payments in the amount of $6,300.00 monthly. This lease was capitalized at an incremental borrowing rate of 3.11%.

The College has entered into a lease agreement with MPH Development, LLC to lease a building in Paola, Kansas to hold courses. The agreement is for 96 months, commencing July 1, 2021 and continuing through June 30, 2029. The agreement calls for rental payments in the amount of $8,888.00 monthly. This lease was capitalized at an incremental borrowing rate of 3.16%.

The College has entered into a lease agreement with Ron Query, d/b/a Sycamore Grove Apartments to lease apartments in Fort Scott, Kansas to house students. The agreement is for 12 months, with an automatic renewal of twelve month periods, the College anticipates continuing the lease through June 30, 2024. The agreement calls for rental payments in the amount of $10,730.00 monthly. This lease was capitalized at an incremental borrowing rate of 3.47%.

Lease Expense:

Amortization expense by class of underlying asset:	
Copy Machines	$ 25,504.50
Building	307,551.34
Vehicles	69,768.77
Postage Machine	2,623.24
Equipment	4,132.32
Total Amortization Expense	409,580.17
Interest on Lease Liability	29,472.67
Total Lease Expense	$ 439,052.84

11. LEASES (Continued)

Lease Assets:

	Beginning	Additions/ Modifications	Subtractions	Ending
Copy Machine	$ 104,302.11	$ 0.00	$ (45,303.90)	$ 58,998.21
Building	1,465,745.38	0.00	(425,956.66)	1,039,788.72
Postage Machine	7,647.28	11,027.97	(7,647.28)	11,027.97
Vehicles	209,306.30	0.00	0.00	209,306.30
Equipment	12,396.98	0.00	0.00	12,396.98
	1,799,398.05	11,027.97	(478,907.84)	1,331,518.18
Less Accumulated Amortization				
Copy Machine	(38,157.90)	(25,504.50)	45,303.90	(18,358.50)
Building	(615,102.72)	(307,551.34)	425,956.66	(496,697.40)
Postage Machine	(5,735.52)	(2,623.24)	7,647.28	(711.48)
Vehicles	(104,600.40)	(69,768.77)	0.00	(174,369.17)
Equipment	(2,754.88)	(4,132.32)	0.00	(6,887.20)
	(766,351.42)	(409,580.17)	478,907.84	(697,023.75)
Total Lease Asset, Net	$1,033,046.63	$ (398,552.20)	$ 0.00	$ 634,494.43

	Beginning	Additions	Subtractions	Ending
Lease Liabilities	$1,065,362.29	$ 11,027.97	$ (410,437.71)	$ 665,952.55

Future Maturity Analysis:

	Principal	Interest	Total Payments
2025	$ 218,118.02	$ 19,312.18	$ 237,430.20
2026	117,118.38	13,138.72	130,257.10
2027	111,296.31	9,311.25	120,607.56
2028	112,841.18	5,435.88	118,277.06
2029	106,578.66	1,842.51	108,421.17
Totals	$ 665,952.55	$ 49,040.54	$ 714,993.09

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The College has three software arrangements that require recognition under GASB No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the College's intangible asset of ten software systems. The College now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for various software agreements ranging from 2 years to 3 years with imputed interest from 2.84% to 4.61%.

SBITA Expense:

Amortization expense by class of underlying asset:	
SBITA – GASB 96	$ 253,405.34
Interest on SBITA Liability	43,697.49
Total SBITA Expense	$ 297,102.83

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

SBITA Assets:

	Beginning	Additions	Subtractions	Ending
SBITA – GASB 96	$ 81,633.87	$1,111,561.12	$ (15,084.86)	$ 1,178,110.13
Less Accumulated Amortization				
SBITA – GASB 96	(25,116.50)	(253,405.34)	15,084.86	(263,436.98)
Net SBITA Assets	$ 56,517.37	$ 858,155.78	$ 0.00	$ 914,673.15

	Beginning	Additions	Reductions	Ending
SBITA Liabilities:	$ 51,174.73	$1,039,119.12	$ (28,936.48)	$ 1,061,357.37

Future Maturity Analysis:

	Principal	Interest	Total Payments
2025	$ 52,344.94	$ 43,309.31	$ 95,654.25
2026	322,999.29	41,108.71	364,108.00
2027	336,158.77	27,949.23	364,108.00
2028	349,854.37	14,253.63	364,108.00
Totals	$ 1,061,357.37	$ 126,620.88	$ 1,187,978.25

13. LONG-TERM LIABILITY ACTIVITY

Primary Institution:
Following are the changes in long-term liability activity for the year ended June 30, 2024:

	Balance 06/30/2023	Additions	Reductions		Balance 06/30/2024	Amount Due within One Year
Accrued Vacation	$ 166,523.17	$ -	$ 22,948.81	*	$ 189,471.98	$ 106,968.81
Lease Liability	1,065,362.29	11,027.97	(410,437.71)		665,952.55	218,118.02
Subscription Liability	51,174.73	1,039,119.12	(28,936.48)		1,061,357.37	52,344.94
Financing Lease Payable	6,430,823.17	-	(889,594.00)		5,541,229.17	685,134.00
	$ 7,713,883.36	$ 1,050,147.09	$ (1,306,019.38)		$ 7,458,011.07	$ 1,062,565.77

* Change in the accrued vacation liability is presented as a net change

14. RESTRICTED NET POSITION - EXPENDABLE

Component Unit:
Restricted Net Position – Expendable consists of the following donations received and restricted to use at June 30, 2024 of $1,916,449.44.

15. RESTRICTED NET POSITION - NONEXPENDABLE

Component Unit:
Changes in endowments as of June 30, 2024 are as follows:

	Nonexpendable
Restricted Net Position, Beginning of Year	$ 4,251,934.46
Contributions	13,253.13
Restricted Net Position, End of Year	$ 4,265,187.59

All endowment funds are considered to be permanently restricted. Therefore the spending policy does not allow for distribution of these funds. Investment income from these funds is considered to be unrestricted unless otherwise designated.

16. DEFINED BENEFIT PENSION PLANS

Plan Description
The College participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Benefits Provided
KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 "points". Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

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

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

16. DEFINED BENEFIT PENSION PLANS (Continued)

Contributions
K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. 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 at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

With the exception of contributions made by the College directly to KPERS for KPERS retirees filling KPERS covered positions under K.S.A. 74-4937 (known as "working after retirement" employees), employer contributions for the College's active employees are funded by the State of Kansas on behalf of the employer. Therefore, the College is considered to be in a special funding situation as defined by GASB 68, *Accounting and Financial Reporting for Pensions*. State law provides that the contribution rates paid by the State on behalf of the College be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis The statutory contribution rate was 12.57% for the fiscal year ended June 30, 2024. The State of Kansas is required to contribute the statutory required employer 's share.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially 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 and Judges.

The State of Kansas contributed $981,773.51 directly to KPERS on behalf of the College for the year ended June 30, 2024. The payments made by the State of Kansas on behalf of the College have been recognized as State Appropriation revenue and expense in the Statement of Revenues, Expenses and Changes in Net Position. The College contribution to the plan for "working after retirement" payments were $34,876.22.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the College reported a liability for its proportionate share of the KPERS' collective net pension liability that reflected a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the collective net pension liability, the related state support, and the total portion of the collective net pension liability that was associated with the College were as follows:

	2024
College's proportionate share of the collective net pension liability	$ 276,236.00
State's proportionate share of the collective net pension liability associated with the College	9,296,385.00
	$ 9,572,621.00

16. DEFINED BENEFIT PENSION PLANS (Continued)

The collective net pension liability was measured by KPERS as of June 30, 2023 and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The College's proportion of the collective net pension liability was first based on the ratio of the total actual contributions made for the College (including on behalf contributions from the State and contributions paid by the College) to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. The resulting proportion was then allocated to the College based on the ratio of the College's actual contributions paid directly to KPERS for "working after retirement" employees relative to the total employer and nonemployer contributions of the College for the fiscal year ended June 30, 2023. As of the measurement date of June 30, 2023, the College's "working after retirement" contribution was .073308, of total contributions made for the College (including on-behalf contributions made by the State). The College's proportion of the collective net pension liability as of the measurement date of June 30, 2023, was .003971%.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience net pension liability	$ 10,008.00	$ 0.00
Net difference between projected and actual earnings on pension plan investments	18,801.00	0.00
Changes in proportionate share	296,564.00	307,734.00
Changes in assumptions	30,525.00	0.00
College contributions subsequent to measurement date	34,876.22	0.00
	$ 390,774.22	$ 307,734.00

At June 30, 2024, the College reported $34,876.22 as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2024, related to pensions will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources
Year Ending June 30,	
2025	$ 23,245.00
2026	26,225.00
2027	50,604.00
2028	(49,963.00)
2029	(1,947.00)
	$ 48,164.00

16. DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023, using the following actuarial assumptions:

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

Mortality rates were based on the RP-2014 Mortality Tables, with age setback and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.
The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated, January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

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

Discount Rate:
The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below.

The 2021 Legislature passed H.B. 2405, which authorizes the state of Kansas to issue bonds with net proceeds of $500.0 million to fund a portion of the School's unfunded actuarial liability. S.B. 159 recertified the State/ School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09 percent to 13.33 percent and Fiscal Year 2023 from 13.86 percent to 13.11 percent. The bond proceeds were received by KPERS on August 26, 2021.

16. DEFINED BENEFIT PENSION PLANS (Continued)

The 2022 Legislature passed S.B. 421, which authorized the state of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS - School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600.0 million was transferred to the System. S.B. 421 authorized two additional transfers totaling $271.0 million in Fiscal Year 2023 (reflected in the projected cash flows of the System).

Based on the employer contribution history described above, it is a reasonable assumption 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 the 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 following presents the net pension liability of the Pension Plan as of June 30, 2023, calculated using the discount rate of 7.00 percent, as well as what the Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	1.00% Decrease (6.00%)	***Current Discount Rate (7.00%)***	***1.00% Increase (8.00%)***
College's proportionate Share of the net pension liability	$ 397,331.00	$ 276,236.00	$ 175,064.00

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS' financial report, available at www.kpers.org.

17. OTHER POST EMPLOYMENT BENEFITS

Early Retiree Health Insurance:
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 130 total active employees and 1 retiree who are participating in the plan as of January 1, 2023, 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.

17. OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability: The College's total OPEB liability of $155,234.00 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2024 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	January 1, 2023
Measurement Date (End of Year)	June 30, 2024
Reporting Date	June 30, 2024
Discount Rate	4.0% (Measurement Date) 4.1% (Year Preceding Measurement Date)
Salary Scale	1.5%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Health Care Cost Trend Rates	7.50% decreasing 0.50% per year until 2026 when the rate changes to decreasing by 0.25% 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 3.9% beginning-of-year measurement) and 4.0% (end-of-year measurement).

The assumed mortality was the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

Annual OPEB cost and net OPEB obligation:

Net OPEB Liability	
I. Total OPEB Liability	$ 155,234.00
II. Plan Fiduciary Net Position (Trust Assets)	0.00
III. Net OPEB Liability at June 30, 2024 (I minus II)	$ 155,234.00
OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	$ 144,518.00
1. Service Cost	11,947.00
2. Interest Cost	6,119.00
3. Changes in Benefit Terms	0.00
4. Differences between actual and expected experience	1,177.00
5. Changes in assumptions and inputs	(1,527.00)
6. Employer Contributions (Benefit Payments)	(7,000.00)
Net Changes (1 + 2 + 3 + 4 + 5 + 6)	10,716.00
Total OPEB Liability – End of Year	$ 155,234.00
OPEB Expense – Fiscal Year 2023-24	
1. Service Cost	$ 11,947.00
2. Interest on Total OPEB Liability	6,119.00
3. Differences between expected and actual experience	0.00
4. Changes of assumptions and inputs	78.00
5. Changes in Benefit Terms	(194.00)
6. Projected earnings on OPEB plan investments	0.00
7. Differences between projected & actual earnings on OPEB investments	0.00
OPEB Expense (1 + 2 + 3 + 4 + 5 - 6+7)	$ 17,950.00

17. OTHER POST EMPLOYMENT BENEFITS (Continued)

OPEB Liability as a percentage of payroll

Total OPEB Liability	$ 155,234.00
Payroll *	5,701,855.00
Percent of Payroll	2.72%

* Annualized pay as of January 1, 2023 of active employees included in the valuation

Sensitivity of Net OPEB Liability to changes in the Discount Rate

	1% Decrease 3.1%	Current Single Discount Rate Assumption 4.1%	1% Increase 5.1%
Net OPEB Liability	176,310.00	155,234.00	136,779.00
Increase/(Decrease) from Baseline	21,076.00	0.00	(18,455.00)

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

	1% Decrease	Current Trend Assumption	1% Increase
Net OPEB Liability	134,051.00	155,234.00	180,899.00
Increase/(Decrease) from Baseline	(21,183.00)	0.00	25,665.00

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

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in Assumptions	0.00	2,626.00
Differences between expected and actual experience	1,099.00	0.00
Contributions Subsequent to Measurement Date (1)	0.00	0.00

(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
2025	$	(116.00)
2026		(116.00)
2027		(116.00)
2028		(116.00)
2029		(116.00)
2030 & Thereafter		(947.00)

Average Expected Remaining Service Life: 7.60 years

18. COMPENSATED ABSENCES

Employees accrued 80 hours of vacation time each year, earning 1/12th of the accrual each month. No vacation leave is earned during a month when an employee is on "leave without pay" any time during that same month. Administrative staff, directors, and employees of five years or more accrue 120 hours of vacation yearly, earning 1/12th of the accrual each month. An employee can carry over the amount accrued within a year to the following year; however, amounts exceeding the annual accrual total will be forfeited after August 1. Faculty, coaching staff, and part-time employees are excluded from vacation accruals.

Full time contracted employees accrue 80 hours of paid sick leave annually for illness of themselves or serious illness or death in the immediate family. Sick leave may be carried over to a maximum total of 960 hours. Any amount in excess of 960 hours will be lost on August 1. Employees are not paid for accumulated sick leave upon termination.

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 vacation and not recorded a liability for sick leave which has been earned, but not taken, inasmuch as the amount cannot be reasonably.

19. 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.

The College has been unable to obtain property and liability insurance at a cost it considers to be economically justifiable. For this reason, the College has joined together with other counties in the State to participate in the Kansas Education Risk Management Pool, LLC (KERMP). The College participates in the decision making of KERMP through trustee representation. KERMP files its annual audited financial statement with the Kansas Insurance Commissioner. The College pays annual premium to KERMP for its property and liability insurance. The agreement to participate provides that KERMP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERMP management.

20. CONCENTRATION OF RISK

Component Unit:
71.8% of the Foundation's monies are invested in equities in the stock market. The effect in the future on the Foundation's equity portfolio is unknown and is subject to market economic conditions.

21. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

22. RELATED PARTY TRANSACTIONS

The Foundation was formed to promote and foster the educational purposes of the Fort Scott Community 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 scholarships for the year ended June 30, 2024, $835,949.45. The Foundation disbursed $1,114,249.59 for College projects and programs for the year ended June 30, 2024. The College disbursed on behalf of the Foundation donated services and facilities for the year ended June 30, 2024, $30,838.42.

23. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Reason	Amount
General	Adult Education	Operating	$ 17,084.45
Postsecondary Technical Education	Capital Outlay	Improvements	370,417.86
Auxiliary Enterprise Dormitories	Auxiliary Enterprise Foodservice	Operating	215,565.92

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.

24. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2024, the College identified a need to record the net pension liability and determined a prior period adjustments would be required. The College has restated beginning net position to implement the standard below:

Beginning net assets have been restated as follows:

Net Position, Beginning of the Year, As Reported	$ 12,119,618.33
Record GASB 68	(172,299.12)
Net Assets, Beginning of the Year, As Restated	$ 11,947,319.21

25. SUBSEQUENT EVENTS

The College evaluated events and transactions occurring subsequent to June 30, 2024, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

REQUIRED
SUPPLEMENTARY INFORMATION

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Schedule of the College's Proportionate Share of Net OPEB Liability
Other Postemployment Benefit Plan - Medical and Prescription Drug Plan
(This schedule is to be built prospectively until it contains ten years of data)

	06/30/2024	06/30/2023
OPEB Liability Changes		
Total OPEB Liability - Beginning of Year	$ 144,518.00	$ 137,427.00
1. Service Cost	11,947.00	11,830.00
2. Interest Cost	6,119.00	5,646.00
3. Changes in Benefit Terms	-	-
4. Difference between actual and expected experience	1,177.00	-
5. Changes in assumptions and inputs	(1,527.00)	(1,385.00)
6. Employer Contributions (Benefit Payments)	(7,000.00)	(9,000.00)
Net Changes (1+2+3+4+5+6)	10,716.00	7,091.00
Total OPEB Liability - End of Year	$ 155,234.00	$ 144,518.00
OPEB Liability as a percentage of payroll		
Total OPEB Liability	$ 155,234.00	$ 144,548.00
Payroll	* 5,701,855.00	* 5,701,855.00
Percent of Payroll	2.72%	2.54%

*Annualized pay as of January 1, 2023 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, not assets are accumulated to pay related benefits.

Changes in Assumptions: Changes in assumptions or other inputs reflect a change in the discount rate from 4.0% (beginning-of-year measurement) to 4.1% (end-of-year measurement).

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Schedule of the College's Proportionate Share of Net Pension Liability
Kansas Public Employees Retirement System
(This schedule is to be built prospectively until it contains ten years of data)

	2024	2023
Measurement Date	June 30, 2023	June 30, 2022
College's proportion of the collective net pension liability	0.003971%	0.010291%
College's proportionate share of the collective net pension liability	$ 276,236.00	$ 735,334.00
State's proportionate share of the collective net pension liability associated with the College	9,296,385.00	9,529,473.00
Total	$ 9,572,621.00	$ 10,264,807.00
College's covered payroll*	$ 7,640,104.45	$ 7,122,738.36
College's proportionate share of the collective net pension liability as a percentage of its covered payroll	3.6156%	10.3238%
Plan (KPERS) fiduciary net position as a percentage of the total pension liability	70.70%	69.75%

*Covered payroll is as of the measurement date.

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Schedule of the College Pension Contributions
Kansas Public Employees Retirement System
(This schedule is to be built prospectively until it contains ten years of data)

	2024	2023
Contractually required contribution	$ 28,259.00	$ 72,087.00
Contributions in relation to the contractually required ontribution	(28,259.00)	(72,087.00)
Contributions deficiency (excess)	$ -	$ -
College's covered payroll*	$ 7,990,015.27	$ 7,640,104.45
Contributions as a percentage of covered-payroll	0.35%	0.94%

*The amounts presented for each fiscal year were determined as of June 30.

Notes to Schedule:
Contractually required contributions for the College consist of “working after retirement” contribution for KPERS retirees who are filing KPERS covered positions as College employees under K.S.A. 74-4937.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should presentinformation for those years for which information is available.

SUPPLEMENTARY INFORMATION

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Net Position
June 30, 2024

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT EDUCATION	TRUCK DRIVER TRAINING
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 1,117,259.57	$ 451,048.04	$ -	$ -
Receivables - Taxes in Process	132,415.00	-	-	-
Receivables - Grants	-	-	-	-
Receivables - Other Receivables	69,370.77	49,809.90	-	-
Bookstore Inventory	-	-	-	-
Total Current Assets	1,319,045.34	500,857.94	-	-
Noncurrent Assets				
Cash and Cash Equivalents	-	-	-	-
Receivables - Taxes in Process	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-
Lease Assets, Net of Accumulated Amortization	-	-	-	-
Subscription Assets, Net of Accumulated Amortization	-	-	-	-
Total Noncurrent Assets	-	-	-	-
TOTAL ASSETS	1,319,045.34	500,857.94	-	-
DEFERRED OUTFLOWS OF RESOURCES	391,873.22	-	-	-
LIABILITIES				
Current Liabilities				
Accounts Payable	98,486.40	13,328.41	-	-
Accrued Wages	166,696.79	118,161.17	-	-
Accrued Interest	3,231.04	1,794.27	-	-
Accrued Interest, Lease Liabilities	-	-	-	-
Deferred Revenue	132,415.00	-	-	-
Grant Advance	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-
Accrued Vacation, Due Within One Year	80,376.18	24,420.32	-	-
Lease Liabilities, Due Within One Year	-	-	-	-
Subscription Liabilities, Due Within One Year	-	-	-	-
Financing Leases Payable, Due Within One Year	-	-	-	-
Total Current Liabilities	481,205.41	157,704.17	-	-
Noncurrent Liabilities				
Lease Liabilities	-	-	-	-
Subscription Liabilities	-	-	-	-
Financing Leases Payable	-	-	-	-
Accrued Vacation	69,372.15	12,736.41	-	-
Net Pension Liability	276,236.00	-	-	-
OPEB Obligations	155,234.00	-	-	-
Total Noncurrent Liabilities	500,842.15	12,736.41	-	-
TOTAL LIABILITIES	982,047.56	170,440.58	-	-
DEFERRED INFLOWS OF RESOURCES	310,360.00	-	-	-
NET POSITION				
Investment in Capital Assets, Net of Related Debt	-	-	-	-
Restricted for:				
Unrestricted	418,511.00	330,417.36	-	-
TOTAL NET POSITION	$ 418,511.00	$ 330,417.36	$ -	$ -

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Net Position
June 30, 2024

	AUXILIARY ENTERPRISE BOOKSTORE	AUXILIARY ENTERPRISE DORMITORIES	AUXILIARY ENTERPRISE FOODSERVICE	FEDERAL STUDENT GRANTS
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 35,956.31	$ 522,897.12	$ 2,030.00	$ (82,832.36)
Receivables - Taxes in Process	-	-	-	-
Receivables - Grants	-	-	-	144,167.22
Receivables - Other Receivables	10,071.31	29,289.64	35,633.05	3,510.65
Bookstore Inventory	240,877.89	-	-	-
Total Current Assets	286,905.51	552,186.76	37,663.05	64,845.51
Noncurrent Assets				
Cash and Cash Equivalents	-	-	-	-
Receivables - Taxes in Process	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-
Lease Assets, Net of Accumulated Amortization	-	-	-	-
Subscription Assets, Net of Accumulated Amortization	-	-	-	-
Total Noncurrent Assets	-	-	-	-
TOTAL ASSETS	286,905.51	552,186.76	37,663.05	64,845.51
Pension Related Deferred Outflows	-	-	-	-
LIABILITIES				
Current Liabilities				
Accounts Payable	699.87	15,522.11	2,030.00	64,930.00
Accrued Wages	-	5,987.49	-	-
Accrued Interest	-	13,064.58	-	-
Accrued Interest, Lease Liabilities	-	-	-	-
Deferred Revenue	-	4,043.60	-	-
Grant Advance	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-
Accrued Vacation, Due Within One Year	1,661.54	510.77	-	-
Lease Liabilities, Due Within One Year	-	-	-	-
Subscription Liabilities, Due Within One Year	-	-	-	-
Financing Leases Payable, Due Within One Year	-	-	-	-
Total Current Liabilities	2,361.41	39,128.55	2,030.00	64,930.00
Noncurrent Liabilities				
Lease Liabilities	-	-	-	-
Subscription Liabilities	-	-	-	-
Financing Leases Payable	-	-	-	-
Accrued Vacation	394.61	-	-	-
OPEB Obligations	-	-	-	-
OPEB Obligations	-	-	-	-
Total Noncurrent Liabilities	394.61	-	-	-
TOTAL LIABILITIES	2,756.02	39,128.55	2,030.00	64,930.00
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
NET POSITION				
Investment in Capital Assets, Net of Related Debt	-	-	-	-
Restricted for:				
Unrestricted	284,149.49	513,058.21	35,633.05	(84.49)
TOTAL NET POSITION	$ 284,149.49	$ 513,058.21	$ 35,633.05	$ (84.49)

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Net Position
June 30, 2024

	HEP GRANT	CARES GRANT	TITLE IV GRANT	PASS
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ (2,131.98)	$ -	$ (271.20)	$ 165,671.36
Receivables - Taxes in Process	-	-	-	-
Receivables - Grants	20,497.38	-	3,284.44	-
Receivables - Other Receivables	-	88.81	-	-
Bookstore Inventory	-	-	-	-
Total Current Assets	18,365.40	88.81	3,013.24	165,671.36
Noncurrent Assets				
Cash and Cash Equivalents	-	-	-	-
Receivables - Taxes in Process	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	-
Lease Assets, Net of Accumulated Amortization	-	-	-	-
Subscription Assets, Net of Accumulated Amortization	-	-	-	-
Total Noncurrent Assets	-	-	-	-
TOTAL ASSETS	18,365.40	88.81	3,013.24	165,671.36
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
LIABILITIES				
Current Liabilities				
Accounts Payable	8,984.16	-	1,002.52	151.00
Accrued Wages	9,634.99	-	2,010.72	4,042.52
Accrued Interest	-	-	-	-
Accrued Interest, Lease Liabilities	-	-	-	-
Deferred Revenue	-	-	-	-
Grant Advance	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-
Accrued Vacation, Due Within One Year	-	-	-	-
Lease Liabilities, Due Within One Year	-	-	-	-
Subscription Liabilities, Due Within One Year	-	-	-	-
Financing Leases Payable, Due Within One Year	-	-	-	-
Total Current Liabilities	18,619.15	-	3,013.24	4,193.52
Noncurrent Liabilities				
Lease Liabilities	-	-	-	-
Subscription Liabilities	-	-	-	-
Financing Leases Payable	-	-	-	-
Accrued Vacation	-	-	-	-
OPEB Obligations	-	-	-	-
OPEB Obligations	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-
TOTAL LIABILITIES	18,619.15	-	3,013.24	4,193.52
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
NET POSITION				
Investment in Capital Assets, Net of Related Debt	-	-	-	-
Restricted for:				
Unrestricted	(253.75)	88.81	-	161,477.84
TOTAL NET POSITION	$ (253.75)	$ 88.81	$ -	$ 161,477.84

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Net Position
June 30, 2024

	GRANTS	MIGRANT EDUCATION GRANT	CAPITAL OUTLAY	INVESTMENT IN PLANT
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 223,650.44	$ (123,040.03)	$ -	$ -
Receivables - Taxes in Process	-	-	-	-
Receivables - Grants	-	-	-	-
Receivables - Other Receivables	-	185,115.17	-	-
Bookstore Inventory	-	-	-	-
Total Current Assets	223,650.44	62,075.14	-	-
Noncurrent Assets				
Cash and Cash Equivalents	-	-	(395,559.34)	-
Receivables - Taxes in Process	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	17,291,876.01
Lease Assets, Net of Accumulated Amortization	-	-	-	634,494.43
Subscription Assets, Net of Accumulated Amortization	-	-	-	914,673.15
Total Noncurrent Assets	-	-	(395,559.34)	18,841,043.59
TOTAL ASSETS	223,650.44	62,075.14	(395,559.34)	18,841,043.59
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
LIABILITIES				
Current Liabilities				
Accounts Payable	112,858.48	9,096.56	-	-
Accrued Wages	-	1,069.29	-	-
Accrued Interest	7,531.23	-	25,454.04	-
Accrued Interest, Lease Liabilities	-	-	-	1,858.00
Deferred Revenue	-	-	-	-
Grant Advance	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-
Accrued Vacation, Due Within One Year	-	-	-	-
Lease Liabilities, Due Within One Year	-	-	-	218,118.02
Subscription Liabilities, Due Within One Year	-	-	-	52,344.94
Financing Leases Payable, Due Within One Year	-	-	-	685,134.00
Total Current Liabilities	120,389.71	10,165.85	25,454.04	957,454.96
Noncurrent Liabilities				
Lease Liabilities	-	-	-	447,834.53
Subscription Liabilities	-	-	-	1,009,012.43
Financing Leases Payable	-	-	-	4,856,095.17
Accrued Vacation	-	-	-	-
OPEB Obligations	-	-	-	-
OPEB Obligations	-	-	-	-
Total Noncurrent Liabilities	-	-	-	6,312,942.13
TOTAL LIABILITIES	120,389.71	10,165.85	25,454.04	7,270,397.09
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
NET POSITION				
Investment in Capital Assets, Net of Related Debt	-	-	-	11,570,646.50
Restricted for:				
Unrestricted	103,260.73	51,909.29	(421,013.38)	-
TOTAL NET POSITION	$ 103,260.73	$ 51,909.29	$ (421,013.38)	$ 11,570,646.50

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Net Position
June 30, 2024

	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 142,507.91	$ 2,452,745.18
Receivables - Taxes in Process	-	132,415.00
Receivables - Grants	-	167,949.04
Receivables - Other Receivables	38,191.07	421,080.37
Bookstore Inventory	-	240,877.89
Total Current Assets	180,698.98	3,415,067.48
Noncurrent Assets		
Cash and Cash Equivalents	-	(395,559.34)
Receivables - Taxes in Process	-	-
Capital Assets, Net of Accumulated Depreciation	-	17,291,876.01
Lease Assets, Net of Accumulated Amortization	-	634,494.43
Subscription Assets, Net of Accumulated Amortization	-	914,673.15
Total Noncurrent Assets	-	18,445,484.25
TOTAL ASSETS	180,698.98	21,860,551.73
DEFERRED OUTFLOWS OF RESOURCES	-	391,873.22
LIABILITIES		
Current Liabilities		
Accounts Payable	46,800.39	373,889.90
Accrued Wages	-	307,602.97
Accrued Interest	-	51,075.16
Accrued Interest, Lease Liabilities	-	1,858.00
Deferred Revenue	-	136,458.60
Grant Advance	-	-
Deposits Held in Custody for Others	133,898.59	133,898.59
Accrued Vacation, Due Within One Year	-	106,968.81
Lease Liabilities, Due Within One Year	-	218,118.02
Subscription Liabilities, Due Within One Year	-	52,344.94
Financing Leases Payable, Due Within One Year	-	685,134.00
Total Current Liabilities	180,698.98	2,067,348.99
Noncurrent Liabilities		
Lease Liabilities	-	447,834.53
Subscription Liabilities	-	1,009,012.43
Financing Leases Payable	-	4,856,095.17
Accrued Vacation	-	82,503.17
OPEB Obligations	-	276,236.00
OPEB Obligations	-	155,234.00
Total Noncurrent Liabilities	-	6,826,915.30
TOTAL LIABILITIES	180,698.98	8,894,264.29
DEFERRED INFLOWS OF RESOURCES	-	310,360.00
NET POSITION		
Investment in Capital Assets, Net of Related Debt	-	11,570,646.50
Restricted for:		
Unrestricted	-	1,477,154.16
TOTAL NET POSITION	$ -	$ 13,047,800.66

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT EDUCATION	TRUCK DRIVER TRAINING	AUXILIARY ENTERPRISE BOOKSTORE	AUXILIARY ENTERPRISE DORMITORIES	AUXILIARY ENTERPRISE FOODSERVICE
REVENUES							
Operating Revenues							
Student Tuition and Fees	$ 2,295,630.70	$ 523,498.15	$ -	$ -	$ -	$ 1,135,677.92	$ -
Federal Grants and Contracts	-	-	-	-	-	-	-
State Grants and Contracts	1,706,074.51	-	-	-	-	-	-
Charges for Services	-	40,808.05	-	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	189,804.44	-	568,562.87
Miscellaneous Income	417,889.30	86,663.17	-	-	-	1,170.00	188.48
Total Operating Revenues	4,419,594.51	650,969.37	-	-	189,804.44	1,136,847.92	568,751.35
EXPENSES							
Operating Expenses							
Educational and General							
Instruction	1,648,119.33	2,534,411.52	17,084.45	-	-	-	-
Public Support	1,575.45	64,874.35	-	-	-	-	-
Academic Support	319,476.46	34,569.47	-	-	-	-	-
Student Services	2,402,976.23	72,256.75	-	-	-	-	-
Institutional Support	2,737,351.00	169,622.26	-	-	-	-	-
Operation and Maintenance	1,500,719.81	75,524.58	-	-	-	-	-
Scholarships and Awards	703,074.30	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	184,447.57	391,465.11	651,982.36
Lease Expense	206,458.88	101,278.06	-	-	-	128,760.00	4,686.20
Subscription Expense	128,443.23	4,484.70	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-
Total Operating Expenses	9,648,194.69	3,057,021.69	17,084.45	-	184,447.57	520,225.11	656,668.56
Operating Income (Loss)	(5,228,600.18)	(2,406,052.32)	(17,084.45)	-	5,356.87	616,622.81	(87,917.21)
Nonoperating Revenues (Expenses)							
State Appropriations	1,967,561.00	2,900,965.00	-	-	-	-	-
County Appropriations	3,940,403.70	-	-	-	-	-	-
Pell Grants	-	-	-	-	-	-	-
Gifts and Contributions	-	63,058.28	-	-	-	-	-
Interest Income	868.04	-	-	-	-	191.62	-
Gain (Loss) on Sale of Asset	-	625,000.00	-	-	-	-	-
Debt Service	(345,258.70)	(551,362.00)	-	-	-	(227,527.91)	-
Operating Transfers	(17,084.45)	(370,417.86)	17,084.45	-	-	(215,565.92)	215,565.92
Increase (Decrease) in Net Position	317,889.41	261,191.10	-	-	5,356.87	173,720.60	127,648.71
Net Position - Beginning of Year	100,621.59	69,226.26	-	-	278,792.62	339,337.61	(92,015.66)
Net Position - End of Year	$ 418,511.00	$ 330,417.36	$ -	$ -	$ 284,149.49	$ 513,058.21	$ 35,633.05

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	CAPITAL OUTLAY	FEDERAL STUDENT GRANTS	HEP GRANT	CARES GRANT	TITLE IV GRANT	PASS	GRANTS
REVENUES							
Operating Revenues							
Student Tuition and Fees	$ 215,899.88	$ -	$ -	$ -	$ -	$ -	$ -
Federal Grants and Contracts	-	1,118,087.00	938,526.18	192,085.00	269,244.33	-	-
State Grants and Contracts	-	3,979.65	-	-	-	-	294,127.00
Charges for Services	-	-	-	-	-	-	-
Sales and Services of							
Auxiliary Enterprises	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	88.81	-	-	-
Total Operating Revenues	215,899.88	1,122,066.65	938,526.18	192,173.81	269,244.33	-	294,127.00
EXPENSES							
Operating Expenses							
Educational and General							
Instruction	-	469.00	938,526.18	-	-	106,498.81	-
Public Support	-	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-	-
Student Services	-	-	-	-	269,244.33	-	-
Institutional Support	-	-	-	192,085.00	-	-	304,618.97
Operation and Maintenance	-	-	-	-	-	-	-
Scholarships and Awards	-	3,187,455.00	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Lease Expense	-	-	-	-	-	-	-
Subscription Expense	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-
Total Operating Expenses	-	3,187,924.00	938,526.18	192,085.00	269,244.33	106,498.81	304,618.97
Operating Income (Loss)	215,899.88	(2,065,857.35)	-	88.81	-	(106,498.81)	(10,491.97)
Nonoperating Revenues (Expenses)							
State Appropriations	-	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-	-
Pell Grants	-	2,071,223.00	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-	291,666.67
Interest Income	-	-	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-	-
Debt Service	(214,319.10)	-	-	-	-	-	(227,531.23)
Operating Transfers	370,417.86	-	-	-	-	-	-
Increase (Decrease) in Net Position	371,998.64	5,365.65	-	88.81	-	(106,498.81)	53,643.47
Net Position - Beginning of Year	(793,012.02)	(5,450.14)	(253.75)	-	-	267,976.65	49,617.26
Net Position - End of Year	$ (421,013.38)	$ (84.49)	$ (253.75)	$ 88.81	$ -	$ 161,477.84	$ 103,260.73

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	MIGRANT EDUCATION GRANTS	INVESTMENT IN PLANT	SUB-TOTALS PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES					
Operating Revenues					
Student Tuition and Fees	$ -	$ -	$ 4,170,706.65	$ (2,661,738.23)	$ 1,508,968.42
Federal Grants and Contracts	-	-	2,517,942.51	(998,885.00)	1,519,057.51
State Grants and Contracts	-	-	2,004,181.16	-	2,004,181.16
Charges for Services	-	-	40,808.05	-	40,808.05
Sales and Services of					
Auxiliary Enterprises	-	-	758,367.31	-	758,367.31
Miscellaneous Income	2,598,661.12	-	3,104,660.88	-	3,104,660.88
Total Operating Revenues	2,598,661.12	-	12,596,666.56	(3,660,623.23)	8,936,043.33
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	2,546,751.83	-	7,791,861.12	-	7,791,861.12
Public Support	-	-	66,449.80	-	66,449.80
Academic Support	-	-	354,045.93	-	354,045.93
Student Services	-	(8,028.28)	2,736,449.03	-	2,736,449.03
Institutional Support	-	(244,010.74)	3,159,666.49	-	3,159,666.49
Operation and Maintenance	-	(205,972.25)	1,370,272.14	-	1,370,272.14
Scholarships and Awards	-	-	3,890,529.30	(3,660,623.23)	229,906.07
Auxiliary Enterprises	-	-	1,227,895.04	-	1,227,895.04
Lease Expense	-	(13,152.38)	428,030.76	-	428,030.76
Subscription Expense	-	163,054.83	295,982.76	-	295,982.76
Depreciation Expense	-	1,366,576.96	1,366,576.96	-	1,366,576.96
Total Operating Expenses	2,546,751.83	1,058,468.14	22,687,759.33	(3,660,623.23)	19,027,136.10
Operating Income (Loss)	51,909.29	(1,058,468.14)	(10,091,092.77)	-	(10,091,092.77)
Nonoperating Revenues (Expenses)					
State Appropriations	-	-	4,868,526.00	-	4,868,526.00
County Appropriations	-	-	3,940,403.70	-	3,940,403.70
Pell Grants	-	-	2,071,223.00	-	2,071,223.00
Gifts and Contributions	-	-	354,724.95	-	354,724.95
Interest Income	-	-	1,059.66	-	1,059.66
Gain (Loss) on Sale of Asset	-	(475,828.15)	149,171.85	-	149,171.85
Debt Service	-	1,372,464.00	(193,534.94)	-	(193,534.94)
Operating Transfers	-	-	-	-	-
Increase (Decrease) in Net Position	51,909.29	(161,832.29)	1,100,481.45	-	1,100,481.45
Net Position - Beginning of Year	-	11,732,478.79	11,947,319.21	-	11,947,319.21
Net Position - End of Year	$ 51,909.29	$ 11,570,646.50	$ 13,047,800.66	$ -	$ 13,047,800.66

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

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

For the Year Ended June 30, 2024

Schedules 6 to 11 are prepared in accordance with Kansas cash basis and budget laws (Budget 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.

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, 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, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees	$ 1,709,319.13	$ 2,295,630.70	$ 64,999.60	$ 2,360,630.30	$ 1,995,889.00	$ 364,741.30
State Sources						
State Operating Grant	1,935,369.00	1,967,561.00	-	1,967,561.00	2,642,712.00	(675,151.00)
Other State Grants	18,626.50	1,706,074.51	(981,773.51)	724,301.00	-	724,301.00
Total State Sources	1,953,995.50	3,673,635.51	(981,773.51)	2,691,862.00	2,642,712.00	49,150.00
Local Sources						
Ad Valorem Tax	3,292,818.20	3,477,497.89	-	3,477,497.89	3,688,059.00	(210,561.11)
Motor Vehicle Tax	426,543.18	385,102.16	-	385,102.16	405,717.00	(20,614.84)
16M-20M Truck Tax	20,554.32	20,602.34	-	20,602.34	-	20,602.34
Recreational Vehicle	6,539.81	6,158.07	-	6,158.07	5,753.00	405.07
Delinquent Tax	89,257.41	51,043.24	-	51,043.24	40,141.00	10,902.24
Total Local Sources	3,835,712.92	3,940,403.70	-	3,940,403.70	4,139,670.00	(199,266.30)
Other Sources						
Interest Income	103.67	868.04	-	868.04	-	868.04
Miscellaneous	376,654.33	417,889.30	-	417,889.30	223,082.00	194,807.30
Total Other Sources	376,758.00	418,757.34	-	418,757.34	223,082.00	195,675.34
TOTAL REVENUES	7,875,785.55	10,328,427.25	(916,773.91)	9,411,653.34	9,001,353.00	410,300.34

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, 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, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
EXPENDITURES						
Instruction	$ 1,388,475.37	$ 1,648,119.33	$ (49,599.28)	$ 1,598,520.05	$ 1,544,208.00	$ 54,312.05
Public Service	2,392.98	1,575.45	-	1,575.45	4,825.00	(3,249.55)
Academic Support	417,866.74	319,476.46	-	319,476.46	339,694.00	(20,217.54)
Student Services	2,738,025.09	2,402,976.23	-	2,402,976.23	3,034,391.00	(631,414.77)
Institutional Support	1,982,309.74	2,737,351.00	(981,773.51)	1,755,577.49	3,044,974.00	(1,289,396.51)
Operation and Maintenance	1,502,830.70	1,500,719.81	-	1,500,719.81	1,882,850.00	(382,130.19)
Scholarships and Awards	66,663.08	703,074.30	-	703,074.30	62,550.00	640,524.30
Lease Expense	225,881.22	206,458.88	-	206,458.88	-	206,458.88
Subscription Expense	31,461.49	128,443.23	-	128,443.23	-	128,443.23
Debt Service						
Principal Payments	315,000.00	320,000.00	-	320,000.00	-	320,000.00
Interest Payments	30,897.50	25,258.70	509.38	25,768.08	-	25,768.08
Operating Transfers from (to) Other Funds:						
Truck Driver Training Fund	(1,939.00)	-	-	-	-	-
Postsecondary Technical Education Fund	(520,000.00)	-	-	-	-	-
Adult Education Fund	17,250.00	17,084.45	-	17,084.45	-	17,084.45
TOTAL EXPENDITURES	8,197,114.91	10,010,537.84	(1,030,863.41)	8,979,674.43	9,913,492.00	(933,817.57)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	(321,329.36)	317,889.41	114,089.50	431,978.91	(912,139.00)	1,344,117.91
Unencumbered Cash Beginning of Year	741,426.83	100,621.59	319,475.88	420,097.47	583,788.00	(163,690.53)
End of Year	$ 420,097.47	$ 418,511.00	$ 433,565.38	$ 852,076.38	$ (328,351.00)	$ 1,180,427.38

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Postsecondary Technical Education Fund (Regulatory Basis)
For the Year Ended June 30, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees	$ 689,416.45	$ 523,498.15	$ 26,469.71	$ 549,967.86	$ 1,576,016.00	$ (1,026,048.14)
State Sources						
State Operating Grant	1,508,066.00	1,423,883.00	-	1,423,883.00	1,778,686.00	(354,803.00)
Other State Grants	811,275.00	1,477,082.00	-	1,477,082.00	1,119,352.00	357,730.00
Total State Sources	2,319,341.00	2,900,965.00	-	2,900,965.00	2,898,038.00	2,927.00
Other Sources						
Sale of Assets	-	625,000.00	-	625,000.00	-	625,000.00
Miscellaneous	11,503.62	86,663.17	-	86,663.17	466,156.00	(379,492.83)
Charges for Services	46,975.02	40,808.05	-	40,808.05	-	40,808.05
Donations	-	63,058.28	(63,058.28)	-	-	-
Total Other Sources	58,478.64	815,529.50	(63,058.28)	752,471.22	466,156.00	286,315.22
TOTAL REVENUES	3,067,236.09	4,239,992.65	(36,588.57)	4,203,404.08	4,940,210.00	(736,805.92)
EXPENDITURES						
Instruction	2,756,394.71	2,534,411.52	(7,261.63)	2,527,149.89	3,749,241.00	(1,222,091.11)
Public Service	35,840.56	64,874.35	-	64,874.35	-	64,874.35
Academic Support	43,043.86	34,569.47	-	34,569.47	185,938.00	(151,368.53)
Student Services	-	72,256.75	-	72,256.75	-	72,256.75
Institutional Support	-	169,622.26	-	169,622.26	-	169,622.26
Operation and Maintenance	11,165.85	75,524.58	(63,058.28)	12,466.30	58,000.00	(45,533.70)
Lease Expense	97,200.00	101,278.06	-	101,278.06	-	101,278.06
Subscription Expense	-	4,484.70	-	4,484.70	-	4,484.70
Debt Service						
Principal Payments	40,000.00	522,000.00	-	522,000.00	-	522,000.00
Interest Payments	26,321.26	29,362.00	-	29,362.00	-	29,362.00
Operating Transfers to:						
General Fund	520,000.00	-	-	-	950,000.00	(950,000.00)
Capital Outlay Fund	128,547.18	370,417.86	-	370,417.86	-	370,417.86
TOTAL EXPENDITURES	3,658,513.42	3,978,801.55	(70,319.91)	3,908,481.64	4,943,179.00	(1,034,697.36)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	(591,277.33)	261,191.10	33,731.34	294,922.44	(2,969.00)	297,891.44
Unencumbered Cash Beginning of Year	615,913.35	69,226.26	(44,590.24)	24,636.02	21,310.00	3,326.02
End of Year	$ 24,636.02	$ 330,417.36	$ (10,858.90)	$ 319,558.46	$ 18,341.00	$ 301,217.46

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, 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, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Operating Transfers from General Fund	$ 17,250.00	$ 17,084.45	$ -	$ 17,084.45	$ -	$ 17,084.45
TOTAL REVENUES	17,250.00	17,084.45	-	17,084.45	-	17,084.45
EXPENDITURES						
Instruction	17,250.00	17,084.45	-	17,084.45	18,000.00	(915.55)
TOTAL EXPENDITURES	17,250.00	17,084.45	-	17,084.45	18,000.00	(915.55)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	-	-	-	-	(18,000.00)	18,000.00
Unencumbered Cash						
Beginning of Year	-	-	-	-	-	-
End of Year	$ -	$ -	$ -	$ -	$ (18,000.00)	$ 18,000.00

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Truck Driver Training Fund (Regulatory Basis)
For the Year Ended June 30, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Operating Transfers to General Fund	1,939.00	-	-	-	-	-
TOTAL EXPENDITURES	1,939.00	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(1,939.00)	-	-	-	-	-
Unencumbered Cash Beginning of Year	1,939.00	-	-	-	-	-
End of Year	$ -	$ -	$ -	$ -	$ -	$ -

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Current Funds - Unrestricted
Auxiliary Enterprise Funds (Regulatory Basis)
For the Year Ended June 30, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year							
	Prior Year Budget Basis	Dorm GAAP	Bookstore GAAP	Foodservice GAAP	Total Auxiliary Enterprise Funds GAAP	Adjustments to Budget Basis	Total Auxiliary Enterprise Funds Budget Basis	Final Budget	Variance Over (Under)
REVENUES									
Student Tuition and Fees									
Dorm Rents	$ 882,757.99	$ 1,085,409.59	$ -	$ -	$ 1,085,409.59	$ 22,776.59	$ 1,108,186.18	$ 1,276,307.00	$ (168,120.82)
Student Fees	532,875.07	50,268.33	-	568,562.87	618,831.20	20,464.58	639,295.78	-	639,295.78
Sales and Services of									
Auxiliary Enterprises	136,664.53	-	189,804.44	-	189,804.44	3,483.62	193,288.06	1,042,140.00	(848,851.94)
Other Revenues									
Miscellaneous	16,951.01	1,170.00	-	188.48	1,358.48	-	1,358.48	-	1,358.48
Interest	32.89	191.62	-	-	191.62	-	191.62	-	191.62
Operating Transfers to									
Dorm Fund	-	-	-	215,565.92	215,565.92	-	215,565.92	-	215,565.92
TOTAL REVENUES	1,569,281.49	1,137,039.54	189,804.44	784,317.27	2,111,161.25	46,724.79	2,157,886.04	2,318,447.00	(160,560.96)
EXPENDITURES									
Auxiliary Enterprise									
Salaries and Benefits	293,563.33	152,704.37	56,639.09	-	209,343.46	2,198.78	211,542.24	-	211,542.24
General Operating Expense	810,239.36	220,795.86	17,779.62	651,982.36	890,557.84	-	890,557.84	1,975,070.00	(1,084,512.16)
Cost of Goods Sold	156,059.17	-	110,028.86	-	110,028.86	(15,187.67)	94,841.19	-	94,841.19
Capital Outlay	36,519.85	17,964.88	-	-	17,964.88	-	17,964.88	-	17,964.88
Lease Expense	132,974.80	128,760.00	-	4,686.20	133,446.20	-	133,446.20	-	133,446.20
Debt Service	232,162.50	227,527.91	-	-	227,527.91	1,302.09	228,830.00	-	228,830.00
Operating Transfer to									
Foodservice Fund	-	215,565.92	-	-	215,565.92	-	215,565.92	-	215,565.92
Capital Outlay Fund	235,174.07	-	-	-	-	-	-	315,000.00	(315,000.00)
TOTAL EXPENDITURES	1,896,693.08	963,318.94	184,447.57	656,668.56	1,804,435.07	(11,686.80)	1,792,748.27	2,290,070.00	(497,321.73)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	(327,411.59)	173,720.60	5,356.87	127,648.71	306,726.18	58,411.59	365,137.77	28,377.00	336,760.77
Unencumbered Cash Beginning of Year	494,874.18	339,337.61	278,792.62	(92,015.66)	526,114.57	(358,651.98)	167,462.59	32,858.00	134,604.59
End of Year	$ 167,462.59	$ 513,058.21	$ 284,149.49	$ 35,633.05	$ 832,840.75	$ (300,240.39)	$ 532,600.36	$ 61,235.00	$ 471,365.36

Schedule 11

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Plant Funds
Unexpended (Capital Outlay) Fund (Regulatory Basis)
For the Year Ended June 30, 2024
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2023)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees	$ 355,786.03	$ 215,899.88	$ -	$ 215,899.88	$ -	$ 215,899.88
Other Sources						
Donations	601,429.99	-	-	-	650,000.00	(650,000.00)
Operating Transfers from:						
Post Secondary Technical Education Func	128,547.18	370,417.86	-	370,417.86	-	370,417.86
Auxiliary Enterprise - Bookstore Fund	24,541.01	-	-	-	-	-
Auxiliary Enterprise - Dormitories Fund	95,669.94	-	-	-	-	-
Auxiliary Enterprise - Foodservice Fund	114,963.12	-	-	-	-	-
Total Operating Transfers	363,721.25	370,417.86	-	370,417.86	-	370,417.86
TOTAL REVENUES	1,320,937.27	586,317.74	-	586,317.74	650,000.00	(63,682.26)
EXPENDITURES						
Plant Equipment and Facility						
Capital Outlay	1,871,015.13	-	-	-	650,000.00	(650,000.00)
Debt Service						
Principal Payments	119,289.00	124,594.00	-	124,594.00	-	124,594.00
Interest Payments	96,610.34	89,725.10	1,580.78	91,305.88	-	91,305.88
TOTAL EXPENDITURES	2,086,914.47	214,319.10	1,580.78	215,899.88	650,000.00	(434,100.12)
Excess of Revenues and Transfers Over (Under) Expenditures	(765,977.20)	371,998.64	(1,580.78)	370,417.86	-	370,417.86
Unencumbered Cash Beginning of Year	-	(793,012.02)	27,034.82	(765,977.20)	-	(765,977.20)
End of Year	$ (765,977.20)	$ (421,013.38)	$ 25,454.04	$ (395,559.34)	$ -	$ (395,559.34)

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2024

ACCOUNT NAME	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
AGENCY FUND				
Fee and User Charges				
Student Capital Projects	$ (49,516.92)	$ 171,005.00	$ 215,899.88	$ (94,411.80)
Student Activity Accounts	(155,145.86)	1,295,384.10	1,114,197.24	26,041.00
Non Credit Programs	1,748.14	138.00	-	1,886.14
Special Registrar	101,668.69	14,498.15	12,123.36	104,043.48
Total Fee and User Charges	(101,245.95)	1,481,025.25	1,342,220.48	37,558.82
Gate Receipts				
Sales Accounts	17,023.35	12,165.10	2,391.21	26,797.24
Total Gate Receipts	17,023.35	12,165.10	2,391.21	26,797.24
School Projects Accounts				
Miscellaneous Funds	53,762.98	11,503.82	4,728.00	60,538.80
Booster Endowment Clearing	(142,560.60)	28,764.11	-	(113,796.49)
Total School Projects Accounts	(88,797.62)	40,267.93	4,728.00	(53,257.69)
Student Organization Accounts				
Nursing and Allied Health	46.00	-	46.00	-
Clubs and Organizations	26,420.88	5,087.06	(245.37)	31,753.31
Clearing Accounts	78,335.99	12,710.92	-	91,046.91
Total Student Organizations	104,802.87	17,797.98	(199.37)	122,800.22
TOTAL AGENCY FUNDS	$ (68,217.35)	$ 1,551,256.26	$ 1,349,140.32	$ 133,898.59
Assets				
Cash and Investments	$ (152,338.42)	$ 1,660,976.67	$ 1,366,130.34	$ 142,507.91
Other Receivables	147,911.48	38,191.07	147,911.48	38,191.07
TOTAL ASSETS	$ (4,426.94)	$ 1,699,167.74	$ 1,514,041.82	$ 180,698.98
Liabilities				
Accounts Payable	$ 63,790.41	$ 46,800.39	$ 63,790.41	$ 46,800.39
Deposits Held For Others	(68,217.35)	1,551,256.26	1,349,140.32	133,898.59
TOTAL LIABILITIES	$ (4,426.94)	$ 1,598,056.65	$ 1,412,930.73	$ 180,698.98

FORT SCOTT COMMUNITY COLLEGE
FORT SCOTT, KANSAS

FEDERAL COMPLIANCE SECTION
For the Year Ended June 30, 2024

EIN NUMBER: 48-0723448
OPE ID NUMBER: 00191600
DUNS NUMBER: 067956334
UEI NUMBER: CHKNBXENN815

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

FORT SCOTT, KANSAS
PAOLA, KANSAS
PITTSBURG, KANSAS
FRONTENAC, KANSAS

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

AUDITOR INFORMATION SHEET

FORT SCOTT COMMUNITY COLLEGE
2108 SOUTH HORTON STREET
FORT SCOTT, KANSAS 66701

EIN NUMBER: 48-0723448
OPE ID NUMBER: 00191600
DUNS NUMBER: 067956334
UEI NUMBER: CHKNBXENN815

TELEPHONE: (620) 223-2700
FAX: (620) 223-4927

PRESIDENT: Sara Sutton, Interim
CONTACT PERSON & TITLE: Missy Scott, Vice President of Finance & Operations
LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 10957 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
PO 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
	DIRECT LOAN	84.268
	FWS	84.033

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

Correspondence 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	<.001%
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
Fort Scott, KS	Yes	Yes	Yes	1969	N/A	2024	N/A
Paola, KS	No	Yes	Yes	1974	N/A	2024	N/A
Pittsburg, KS	No	Yes	Yes	1985	N/A	2024	N/A
Frontenac, KS	No	Yes	Yes	2004	N/A	2024	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:

FORT SCOTT COMMUNITY COLLEGE
2108 SOUTH HORTON STREET
FORT SCOTT, KANSAS 66701

For Close-Out Examination only:
None

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PASS-THROUGH TO SUBRECIPIENTS		EXPENDITURES
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Student Financial Aid Cluster					
Federal Supplemental Education					
Opportunity Grants	84.007	N/A	$ -		$ 32,758.00
Federal Work-Study Program	84.033	N/A	-		86,444.00
Federal Pell Grant Program	84.063	N/A	-		2,069,368.00
Federal Pell Grant Administration	84.063	N/A	-		1,855.00
		Total 84.063	-		2,071,223.00
Federal Direct Student Loans	84.268	N/A	-	(1)	998,885.00
Total Student Financial Aid Cluster			-		3,189,310.00
Direct Programs:					
TRIO Cluster					
Student Support Services	84.042	N/A	-		269,244.33
Total TRIO Cluster			-		269,244.33
HEP Grant	84.141A	N/A	-		483,160.07
CAMP Grant	84.149A	N/A	-		455,366.11
Passed through the Kansas Board of Regents:					
Carl Perkins Vocational Education Grants:					
Career and Technical Education	84.048A	2023 Carl Perkins	136,984.35		240,877.00
Perkins Performance Incentive	84.048A	V048A220016	-		29,500.00
CLNA Implementation	84.048A	V048A210016	-		6,000.00
		Total 84.048A	136,984.35		276,377.00
Total U.S. Department of Education			136,984.35		4,673,457.51
U.S. DEPARTMENT OF LABOR					
Direct Grant					
Community Project Funding/Congressionally Directed Spending	17.289	N/A	-		192,085.00
Total U.S. Department of Labor			-		192,085.00
FEDERAL ASSISTANCE TOTALS			$ 136,984.35		$ 4,865,542.51

NOTE A -- BASIS OF PRESENTATION

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

NOTE B --INDIRECT COST RATE

Fort Scott Community 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.

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*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Fort Scott Community College
Fort Scott, 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 Fort Scott Community College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Fort Scott Community College's basic financial statements and have issued our report thereon dated March 17, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Fort Scott Community 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 Fort Scott Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Fort Scott Community College 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Fort Scott Community 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*.

Fort Scott Community College Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the Fort Scott Community College's response to the findings identified in our audit and described in the accompanying corrective action plan. Fort Scott Community College's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 17, 2025

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Fort Scott Community College
Fort Scott, Kansas

Report on Compliance for Each Major Federal Program
Qualified and Unmodified Opinions
We have audited Fort Scott Community 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 Fort Scott Community College's major federal programs for the year ended June 30, 2024. Fort Scott Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Student Financial Aid Cluster
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Fort Scott Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Student Financial Aid for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions
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 Fort Scott Community 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Fort Scott Community College's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Student Financial Aid Cluster
As described in the accompanying schedule of findings and questioned costs, Fort Scott Community College did not comply with requirements regarding Student Financial Aid Cluster as described in finding numbers 2024-002 and 2024-003 for Special Tests and Provisions Compliance with such requirements is necessary, in our opinion, for Fort Scott Community College to comply with the requirements applicable to that program.

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 Fort Scott Community 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 Fort Scott Community 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 Fort Scott Community 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 Fort Scott Community 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 Fort Scott Community 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 Fort Scott Community 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.

Other Matters
The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Fort Scott Community College's response to the noncompliance findings identified in our compliance audit described in the accompanying corrective action plan. Fort Scott Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance
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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be material weaknesses.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on Fort Scott Community College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying corrective action plan. Fort Scott Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
March 17, 2025

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:
The auditor's report expresses an unmodified opinion on the basic financial statements of Fort Scott Community College.

Internal Control over Financial Reporting:

Material weakness(es) identified?	X	Yes		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?	X	Yes		No
Significant deficiency(ies) identified?		Yes	X	None Reported

The auditor's report on compliance for the major federal award programs for Fort Scott Community College expresses a qualified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X	Yes		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 Work-Study Program – CFDA No. 84.033
Federal Direct Student Loan Program – CFDA No. 84.268

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

Auditee qualified as a low risk auditee?		Yes	X	No

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

II. FINANCIAL STATEMENT FINDINGS

Finding: 2024-001 – General Ledger Reconciliations

Criteria: Internal controls should be in place that provide reasonable assurance that the financial system generates records for proper accountability for all funds and assets of the College.

Condition: Reconciliations of asset and liability accounts found transactions that were improperly classified and/or not recorded at all. These general ledger account reconciliations resulted in material amounts of general ledger adjustments posted after year end and through the date of the audit report.

Effect or Potential Effect: The deficiencies in the design and operation of the internal controls in this area could adversely affect the recording, processing, summarization, and reporting of financial data if activity is not properly recorded in the general ledger when the activity is incurred. The College is making financial decisions based on materially inaccurate information.

Cause: The College did not have adequate staff properly trained in the area of general ledger preparation, reconciliation, and review.

Recommendation: Additional training for staff is needed in the area of general ledger preparation, reconciliations, and overall use of the general ledger software.

Views of responsible officials and planned corrective action: Management is in agreement and will implement a Corrective Action Plan, see pages 70-72 of the current year audit.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2024-002 – Special Tests and Provisions – Payment to Students
Information of Federal Program:
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Family Education Loans – CFDA No. 84.032
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
Federal Work-Study Program – CFDA No. 84.033

Criteria: The institution must disburse Federal funds requested as soon as administratively feasible but no later than 3 business days following the date the institution received those funds. A credit balance on a students account must be paid directly to the student or parent as soon as possible, but no later than fourteen (14) days after the balance occurred. 34 CFR sections 668.162, 668.164, 668.167(b), 682.603, and 682.604(d)).

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding: 2024-002 – Special Tests and Provisions – Payment to Students (Continued)

Condition: During our testing of the financial aid disbursements it was noted the College is not maintaining records of what students the drawdowns were for, therefore we were unable to determine if the amounts were posted to the student accounts within the required time frame and subsequently were paying out any credit balances created on student accounts.

Cause: The College did not have proper procedures in place regarding record retention.

Effect or Potential Effect: The deficiencies in the design and operation of the internal controls in this area could result in the delayed payment to the student.

Questioned Costs: None

Context: During our testing of student financial aid disbursements, it was noted that Fort Scott Community College's internal controls over posting to student accounts broke down after there was a change in staff. Forty (40) of forty (40) files tested, the College was unable to produce reports showing what students were included with each drawdown from the Department of Education, therefore resulting in an inability to complete the test.

Repeat Finding: Yes

Recommendation: Policies and procedures should be written to provide internal control over the documentation used to complete the drawdowns from the Department of Education. We recommend the College establish a communication and record retention process that allows for the notification of the student financial aid proceeds and a control in place that allows the financial aid department to know the student financial aid was applied to the student's account timely.

Views of responsible officials and planned corrective action: See the Corrective Action Plan on pages 70-72 of the current year audit.

Finding: 2024-003 – Special Tests and Provisions – Return of Title IV Funds
Information of Federal Program:
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Direct Student Loans – CFDA No. 84.268
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
Federal Work-Study Program – CFDA No. 84.033

Criteria: When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date (34 CFR section 668.22).

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Condition: During the testing of the return of Title IV funds, it was noted that on three (3) of five (5) tested calculation of funds to be returned had no documentation to determine if returns were completed timely as the College did not retain the lists of students associated with drawdowns and/or returns and two (2) of five (5) tested had not been returned as of the date of fieldwork which exceeded the required timeframe to return funds.

Cause: The College did not have proper procedures in place regarding record retention.

Effect or Potential Effect: The deficiencies in the design and operation of the internal controls in this area could result in the institution not returning Federal funds as required by Title IV regulations or returning an incorrect amount.

Questioned Costs: None

Context: During our testing of return of Title IV funds, it was noted that Fort Scott Community College's internal controls over posting to student accounts broke down after there was a change in staff. Five (5) of five (5) files tested, the College was unable to produce reports showing what students were included with each drawdown, including returns, from Department of Education and it was determined they were unaware that two (2) returns were unprocessed.

Repeat Finding: Yes

Recommendation: Policies and procedures should be written to provide internal control over the documentation used to complete the drawdowns, including returns, from Department of Education. We recommend the College establish a communication and record retention process that allows for the notification of students withdrawing and a control in place that allows the financial aid department to know the student financial aid was returned to Department of Education within the required timeframe.

Views of responsible officials and planned corrective action: Management is in agreement and will implement a Corrective Action Plan, see pages 70-72 of the current year audit.

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs
For the Year Ended June 30, 2024

Finding: 2023-001 – General Ledger Reconciliations

Condition: Reconciliations of asset and liability accounts found transactions that were improperly classified and/or not recorded at all. These general ledger account reconciliations resulted in material amounts of general ledger adjustments posted after year end and through the date of the audit report.

Recommendation: Additional training for staff is needed in the area of general ledger preparation, reconciliations, and overall use of the general ledger software.

Current Status: This is a repeat finding, see finding 2024-001.

Finding: 2023-002 – Special Tests and Provisions – Payment to Students
Information of Federal Program:
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Family Education Loans – CFDA No. 84.032
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
Federal Work-Study Program – CFDA No. 84.033

Condition: During our testing of the financial aid disbursements it was noted the College is not maintaining records of what students the drawdowns were for, therefore we were unable to determine if the amounts were posted to the student accounts within the required time frame and subsequently were paying out any credit balances created on student accounts.

Recommendation: Policies and procedures should be written to provide internal control over the documentation used to complete the drawdowns from the Department of Education. We recommend the College establish a communication and record retention process that allows for the notification of the student financial aid proceeds and a control in place that allows the financial aid department to know the student financial aid was applied to the student's account timely.

Current Status: This is a repeat funding, see finding 2024-002.

Finding: 2023-003 – Special Tests and Provisions – Enrollment Reporting
Information of Federal Program:
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Direct Student Loans – CFDA No. 84.268

Condition: During our testing of the enrollment reporting, it was noted that Fort Scott Community College did not have internal controls of reporting changes in student status' to NSLDS.

Recommendation: Policies and procedures should be written to provide additional training and oversight of staff responsible for enrollment reporting. We recommend the College establish an oversight process that includes additional controls necessary until staff are fully trained in the area of enrollment reporting.

Current Status: The College has implemented policies and procedures to ensure compliance.

FORT SCOTT COMMUNITY COLLEGE
Fort Scott, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs
For the Year Ended June 30, 2024

Finding: 2023-004 – Special Tests and Provisions – Return of Title IV Funds
Information of Federal Program:
Student Financial Aid Cluster
Federal Pell Grant Program – CFDA No. 84.063
Federal Direct Student Loans – CFDA No. 84.268
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
Federal Work-Study Program – CFDA No. 84.033

Condition: During the testing of the return of Title IV funds, it was noted that on six (6) of six (6) tested calculation of funds to be returned had no documentation to determine if returns were completed timely as the College did not retain the lists of students associated with drawdowns and/or returns.

Recommendation: Policies and procedures should be written to provide internal control over the documentation used to complete the drawdowns, including returns, from Department of Education. We recommend the College establish a communication and record retention process that allows for the notification of students withdrawing and a control in place that allows the financial aid department to know the student financial aid was returned to Department of Education within the required timeframe.

Current Status: This is a repeat funding, see finding 2024-003.

Finding: 2023-005 – Allowable Costs – Approval

Information of Federal Program:
Migrant Education (Title I) Program – CFDA No. 84.011(A)

Condition: During our testing of expenses of the College, we selected forty (40) expenses charged to Migrant Education (Title I) Program. During this testing, it was noted the College issued payments without proper prior approval being kept on file and without regard to College policy. Fifteen (15) of forty (40) expenses selected for testing were missing prior approval.

Recommendation: Policies and procedures should be implemented prohibiting issuance of payments without prior approval and authorization. All payments should be issued in compliance with the College's grants policy manual.

Current Status: The grant was transferred to a different Organization effective July 1, 2023, therefore this is considered resolved.

Corrective Action Plan

Fort Scott Community College
2108 South Horton
Fort Scott, KS 66701

Schedule 16

March 17, 2025

Cognizant or Oversight Agency for Audit

Fort Scott Community College respectfully submits the following corrective action plan for the year ended June 30, 2024.

Name and address of independent public accounting firm: Jarred, Gilmore & Phillips, PA, P.O. Box 779, 1815 S Santa Fe, Chanute, Kansas 66720.

Audit period: Year ended June 30, 2024.

The findings from the March 17, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding: 2024-001 – General Ledger Reconciliations

Condition: Reconciliations of asset and liability accounts found transactions that were improperly classified and/or not recorded at all. These general ledger account reconciliations resulted in material amounts of general ledger adjustments posted after year end and through the date of the audit report.

Recommendation: Additional training for staff is needed in the area of general ledger preparation, reconciliations, and overall use of the general ledger software.

Views of responsible officials and planned corrective action: Areas of focus will be in the area of bank reconciliation, accounts receivable, student receivables, and the area of financial aid reconciliation within the general ledger in a timely manner.

Our objective would be to tie out a sub-group of accounts each month so that any differences can be examined and corrected. Due to time and staffing constraints, we will schedule specific accounts to be reconciled on a quarterly rotation so that fewer accounts are done monthly but at minimum an account is reviewed at least quarterly. Many of the issues with reconciliations appear to be related to not applying to the appropriate general ledger coding during the initial transaction. We are now applying accurate general ledger coding during the process of PO creation and cash receipts. The bank reconciliation is a manual process and very time consuming, mainly due to cash receipts and payroll. We have begun reconciling the cash receipts before the bank reconciliation process to ensure that cash receipts have been balanced and recorded timely.

Our measurable target will be to perform a monthly reconciliation as a part of the closing process for the month. We have begun reducing the number of bank accounts that the College has as to simplify the accounting process. The outdated payroll system has been replaced and we are in the process of implementing an interface procedure which includes balancing our GL entries. Our ERP system is outdated; we have already started the process of converting to an updated system, which includes an integrated program for student accounts and a bank reconciliation module. The new system will go live in July 2025. There will be efficiencies gained which should free up more time for training and reconciliations. We have been assigning correct coding during the PO creation process minimizing the need for multiple journal entries.

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Corrective Action Plan

Finding: 2024-002 – Special Tests and Provisions – Payment to Students

Condition: During our testing of the financial aid disbursements, it was noted the College is not maintaining records of what students the drawdowns were for, therefore we were unable to determine if the amounts were posted to the student accounts within the required time frame and subsequently were paying out any credit balances created on student accounts.

Recommendation: Policies and procedures should be written to provide internal control over the documentation used to complete the drawdowns from the Department of Education. We recommend the College establish a communication and record retention process that allows for the notification of the student financial aid proceeds and a control in place that allows the financial aid department to know the student financial aid was applied to the student's account timely.

Views of responsible officials and planned corrective action: Areas of Focus will be in the documentation of policies and procedures to provide clear expectations of internal control documentation used to complete the drawdowns from the Department of Education and for a process of record retention.

Our objective would be to formalize the policies and procedures in the Financial Aid policy manual. The policies and procedures will have shared access between the Financial Aid office who approves the aid, the Business Office who ultimately pulls down from the Department of Education, and with the Cashier who distributes any refunds.

A OneDrive electronic folder has been created with restricted access to provide confidentiality and provide documentation of the shared communication between offices. The POISE system generates a listing of students. The list of students will be created for each draw-down that is initiated and will be placed in the shared folder in OneDrive. Draw-downs will not be initiated without a corresponding student list that shows the student account has been credited with the financial aid award. The documentation will be found in the shared OneDrive electronic folder, which has already been implemented. The transfer (interface) of student records into the financial system is being done weekly and documentation is retained of students for which transactions occur.

Corrective Action Plan

Finding: 2024-003 – Special Tests and Provisions – Return of Title IV Funds

Condition: During the testing of the return of Title IV funds, it was noted that on three (3) of five (5) tested calculation of funds to be returned had no documentation to determine if returns were completed timely as the College did not retain the lists of students associated with drawdowns and/or returns and two (2) of five (5) tested had not been returned as of the date of fieldwork which exceeded the required timeframe to return funds.

Recommendation: Policies and procedures should be written to provide internal control over the documentation used to complete the drawdowns, including returns, from Department of Education. We recommend the College establish a communication and record retention process that allows for the notification of students withdrawing and a control in place that allows the financial aid department to know the student financial aid was returned to Department of Education within the required timeframe.

Views of responsible officials and planned corrective action: Areas of focus will be to put in place written policies and procedures for the Financial Aid office, including the area of disbursements that includes additional controls and documentation of such.

Our objectives will be that all Financial Aid staff will be required to maintain documentation of any drawdowns of funds related to student financial aid. We have put in place a shared OneDrive electronic folder with restricted access to provide confidentiality and provide documentation of the shared communication between offices. Documentation of drawdowns and/or returns will be maintained within this folder. Staff will be trained on using the daily generated reports from Poise to monitor students who have withdrawal on their records so that this can be updated and proper calculations done.

All financial aid staff will attend training to stay up to date on regulations and changes. Starting in July 2025 the new J1 system will be integrated with JFA (financial aid system). This will create operational efficiencies and reporting capabilities that are not currently available. Less manual transactions will also provide more accurate student reports.

Measurable targets will be achieved by documenting the records within the OneDrive shared electronic folder between the Financial Aid office and the Business Office, who handles the return of funds. Daily changes and/or withdrawal of students will be monitored and funds will be returned as required. This will become of a part of the regular duties of staff.

If the Oversight Agency for Audit has questions regarding this plan, please call Missy Scott, Vice President of Finance & Operations. (620) 223-2700.

Sincerely,

Fort Scott Community College

Fort Scott Community College