Western Kansas Community College
Virtual Education Consortium

Financial Statements
With
Independent Auditor's Report

June 30, 2020 and 2019

Western Kansas Community College
Virtual Education Consortium

June 30, 2020 and 2019

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 – 2
Management's Discussion and Analysis	3 – 5
Basic Financial Statements:	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 23
Required Supplementary Information	
Schedule of the Consortium's Proportionate Share of the Net OPEB Liability – KPERS Death and Disability	24
Schedule of the Consortium's OPEB Contributions – KPERS Death and Disability	25
Schedule of the Consortium's Proportionate Share of the Net Pension Liability	26
Schedule of Consortium Contributions	27
Notes to Required Supplementary Information	28

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Western Kansas Community College
Virtual Education Consortium
Great Bend, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Western Kansas Community College Virtual Education Consortium (the Consortium), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Consortium, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other post-employment benefits and pension information on pages 3-5 and 24-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Swindoll, Janzen, Hawk + Loyd, LLC

Swindoll, Janzen, Hawk, & Loyd, LLC
Hutchinson, Kansas

November 20, 2020

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

Western Kansas Community College Virtual Education Consortium is presenting this discussion and analysis of its financial statements to provide an overview of the financial activities for the year. It is presenting its annual financial statements in accordance with pronouncements issued by the Government Accounting Standards Board (GASB), the authoritative body for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments, including public institutions of higher learning.

The Consortium was created by six western Kansas community colleges to jointly develop and market general education courses over the internet. It was created in 1999 and has operated successfully since that time. The initial investments made by the colleges were completely repaid and the Consortium continues to produce quality education to students at a fair value.

The basic financial statements focus on the Consortium as a whole. These statements are designed to emulate corporate presentation models. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. The statements are presented on a comparative basis. The emphasis of the discussion will include this comparison.

Statement of Net Position

The Statement of Net Position is a point in time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the Consortium. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (assets minus liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the Consortium. They are also able to determine how much the Consortium owes vendors and others. The Statement of Net Position provides a picture of the net position (assets minus liabilities) and its availability for expenditure by the Consortium. The net position of the consortium is unrestricted and is available for any lawful purposes.

	2020	2019
Assets & Deferred Outflows		
Current Assets	$ 1,293,568	$ 1,202,140
Capital Assets	48,085	92,035
Deferred Outflows	17,920	44,725
Total Assets & Deferred Outflows	$ 1,359,573	$ 1,338,900
Liabilities & Deferred Inflows		
Current Liabilities	$ 394,512	$ 434,214
Non-Current Liabilities	127,155	119,902
Deferred Inflows	52,898	70,481
Total Liabilities & Deferred Inflows	574,565	624,597
Net Position		
Investment in Capital Assets	48,085	92,035
Unrestricted	736,923	622,268
Total Net Position	785,008	714,303
Total Liabilities, Deferred Inflows & Net Position	$ 1,359,573	$ 1,338,900

The net position of the Consortium is primarily cash and accounts receivable from consortium members. They are available for future appropriations to members and to continue research and development of new courses and educational opportunities and improving existing coursework. As of the end of June 30, 2020, the Consortium's success has provided continued cash appropriations to the members. Past appropriations completed the repayment of the initial investment made by the members. Non-current liabilities, deferred outflows and deferred inflows are primarily adjustments to identify pension liabilities. Reductions in Capital Assets is depreciation. There have been no additions during the year.

Statement of Revenues, Expenses and Change in Net Position

Changes in total net position are based on the activity presented in the Statement of Revenues, Expenses, and Change in Net Position. The purpose of the statement is to present the revenues received by the Consortium, both operating and nonoperating, and the expenses paid by the Consortium, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the Consortium.

Generally speaking, operating revenues are received for providing educational services to the various customers and constituencies of the Consortium. The revenues are primarily tuition received from students taking courses from the Consortium. The four colleges enroll and charge tuition and fees to their students and then pay the resulting revenues to the Consortium. Operating expenses are those expenses paid to produce the educational services provided in return for the operating revenues, and to carry out the mission of the Consortium. Non-operating revenues (expenses) are amounts for which educational services are not provided. For the Consortium, non-operating revenues (expenses) are interest on cash balances, service charges, coursework research and appropriations to members.

The operating revenues of the Consortium are primarily tuition and fees generated from the sale of education to students. Revenues also include online textbooks purchased by students. Credit hour production stayed steady, increasing by approximately .10%. Expenditures increased slightly by 6.00%, primarily due to increases in salaries & benefits, marketing, and website expenses. Some of the changes in expenditures are caused by adjustments in noncurrent liabilities, deferred outflows and deferred inflows that are not controlled by the Consortium. Operating income is normally used to continue needed research into new education possibilities and continue appropriation payments to members.

	2020	2019
Operating Revenues	$ 2,332,673	$ 2,330,400
Operating Expenses	1,921,540	1,812,769
Net Operating Income	411,133	517,631
Total Non operating Revenues (Expenses)	(340,428)	(667,516)
Change in Net Position	70,705	(149,885)
Total Net Position, Beginning	714,303	864,188
Total Net Position, Ending	$ 785,008	$ 714,303

The Consortium is continually working towards growth of its operations. The Consortium is also continuing to improve the engagement of students earlier in the enrollment process, as well as increase the number of digital assets in the courses. Some Consortium partners are offering additional online courses, which allows for an increase in the number of general education classes offered. Furthermore, there has also been strengthening in the number of alliances with others in the education industry to assist students in creating academic pathways. All of these improvements along with industry wide increased use of distance education and the increased marketing efforts in other states should help to continue the Consortium's success.

Statement of Cash Flows

The final statement presented by the Consortium is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Consortium during the year. It is divided into cash flows from operating activities, capital activities, noncapital activities and investing activities. It reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Change in Net Position.

	2020	2019
Net change in Cash From		
Operating Activities	$ 617,168	$ 406,601
Capital and Related Financing Activities	(400,000)	(719,151)
Investing Activities	5,681	8,200
Net change in Cash	222,849	(304,350)
Cash - Beginning	627,818	932,168
Cash - Ending	$ 850,667	$ 627,818

Cash flows from operations for the year will continue to contribute to research of new educational possibilities and future appropriation payments to members. The net increase in cash is primarily due to not having the payout of the two colleges leaving the Consortium in the prior year. The cash balance at the end of the year is sufficient to maintain the operations of the Consortium and will improve in the future.

Economic Outlook

The Consortium has been successful since its inception. Future success will be dependent on developing courses needed and desired by students, successfully marketing these education products, and continuing to find methods to improve and maintain excellent service and quality. The investors and management are committed to continuing successful operations of the Consortium.

Dr. Esther Lahargoue
Chief Executive Officer

BASIC FINANCIAL STATEMENTS

Western Kansas Community College Virtual Education Consortium

Statements of Net Position

June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash	$ 850,667	$ 627,818
Accounts receivable	420,176	545,065
Prepaid expenses	22,725	29,257
Total current assets	1,293,568	1,202,140
Noncurrent Assets		
Capital assets, net of accumulated depreciation	48,085	92,035
TOTAL ASSETS	1,341,653	1,294,175
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pensions	17,920	44,725
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,359,573	$ 1,338,900
LIABILITIES		
Current Liabilities		
Accounts payable	$ 100,743	$ 40,984
Accrued salaries	-	79,147
Deferred tuition	230,061	270,625
Compensated absences payable	63,708	43,316
Payroll	-	142
Total current liabilities	394,512	434,214
Noncurrent Liabilities		
Net pension liabilities	127,155	119,902
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	52,898	70,481
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	574,565	624,597
NET POSITION		
Net investment in capital assets	48,085	92,035
Unrestricted	736,923	622,268
Total net position	785,008	714,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,359,573	$ 1,338,900

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

Western Kansas Community College Virtual Education Consortium

Statements of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Student tuition and fees	$ 2,331,084	$ 2,329,862
Commissions	307	538
Miscellaneous revenue	1,282	-
Total operating revenues	2,332,673	2,330,400
OPERATING EXPENSES		
Digital asset fees	253,805	273,509
Instructional costs	650,438	640,738
Salaries and benefits	617,845	566,126
Marketing	119,649	95,832
Travel	18,163	23,745
Supplies	12,066	21,443
Legal and accounting	63,165	63,837
Office overhead	58,347	33,826
Utilities	14,205	15,208
Website	66,418	33,886
Platform costs	2,744	97
Interest	172	23
Depreciation	43,950	44,499
Gifts	573	-
Total operating expenses	1,921,540	1,812,769
Operating income (loss)	411,133	517,631
NONOPERATING REVENUES (EXPENSES)		
State aid - KPERS	53,719	43,412
Investment income	5,853	8,223
Member appropriations	(400,000)	(719,151)
Net nonoperating revenues (expenses)	(340,428)	(667,516)
Net change in net position	70,705	(149,885)
NET POSITION		
Net position - beginning of year	714,303	864,188
Net position - end of year	$ 785,008	$ 714,303

Western Kansas Community College Virtual Education Consortium

Statements of Cash Flows

For the Year Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees	$ 2,415,409	$ 2,119,618
Commisions	307	538
Miscellaneous revenue	1,282	-
Payments for salaries and benefits	(1,197,226)	(1,158,155)
Payments for contractual services	(316,435)	(301,508)
Payments and reimbursements for utilities	(14,206)	(15,208)
Payments for marketing	(119,649)	(95,832)
Payments for other administration costs	(152,314)	(142,852)
Net change in cash flows from operating activities	617,168	406,601
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Member appropriations	(400,000)	(719,151)
Net change in cash flows from capital and related financing activities	(400,000)	(719,151)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	5,681	8,200
Net change in cash and cash equivalents	222,849	(304,350)
Cash - beginning of year	627,818	932,168
Cash - end of year	$ 850,667	$ 627,818
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 411,133	$ 517,631
Depreciation expense	43,950	44,499
Changes in operating assets and liabilities:		
Accounts receivable	124,889	(181,415)
Prepaid expense	6,532	5,984
Accounts payable	59,931	1,040
Accrued salaries	(79,147)	20,533
Deferred tuition	(40,564)	(28,829)
Compensated absences payable	20,250	(20,033)
Net pension liabilities	7,253	(81,062)
Deferred inflows and outflows related to pensions	9,222	84,841
State aid - KPERS	53,719	43,412
Net change in cash flows from operating activiites	$ 617,168	$ 406,601

1. Summary of Significant Accounting Policies

Western Kanas Community College Virtual Education Consortium (the Consortium) was organized under the inter-local cooperative agreement act authorized by K.S.A. 12-2901 and approved by the office of the Attorney General on October 29, 2002 and the Board of Regents on November 14, 2002. The Consortium functions as a special purpose government and encompasses the geographic areas in Western Kansas served by the Community Colleges of Barton, Dodge City, Pratt, and Seward County. The Consortium offers online courses under the name EduKan. EduKan provides access to quality higher education through degrees, certificates, individual courses, support services and emerging market-driven programming through distance education.

At inception of the Consortium, the six member Colleges invested equal funds to support the projects' operation and development. As revenues exceeded expenses and appropriate level cash reserves were established, invested funds were periodically repaid. As of January 2007, the entire amount of the original investment has been returned to the respective Colleges.

(a) Reporting Entity

The Consortium is governed by a separate Board of Directors comprised of the four member College Presidents. The accounting and reporting policies of the Consortium, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to public institutes engaged in business-type activities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Consortium are described below.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Consortium's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of the Consortium are included on the statement of net position. The statement of revenues, expenses and change in net pension presents increases and decreases in net position. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. Revenues are recognized as soon as they are both measurable and available.

(c) Use of Estimates

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

(d) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Cash

For purposes of the statement of cash flows, the Consortium considers all investments with original maturities of one year or less to be cash equivalents. There were no cash equivalents as of June 30, 2020 and 2019.

1. Summary of Significant Accounting Policies (Cont.)

(d) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Cont.)

Accounts Receivable

Accounts receivable consists of tuition and fees charged to students. The member Colleges receive billings from the Consortium for the tuition due from the students enrolled through their respective College. The balance shown as accounts receivable at June 30, 2020 and 2019 is considered to be 100% collectible by management since each College is responsible for collecting their own receivables from the students. Accordingly, no provision has been established for doubtful accounts.

Inventory and Prepaid Items

Payments made to vendors for good and services that will benefit periods beyond the current year are recorded as prepaid items when they are deemed material and it is considered appropriate. Prepaid contract fees and prepaid payroll include the amounts paid for summer sessions not yet completed. The Consortium maintains no significant inventory of office supplies. These items are expensed as purchased and no inventory is recorded in the financial statements.

Deferred Revenue

Summer session tuition and fees billed to students who enroll in May and June are allocated over the days of the course and the portion related to the subsequent account period is recorded as deferred revenue.

Capital Assets

Capital assets include property and equipment. Capital assets are defined by the Consortium as assets with an initial unit cost of $5,000 or more. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the assets' lives are not capitalized.

Property and equipment of the Consortium are depreciated using the straight-line method over the following estimated useful lives:

Office and Computer Equipment – 3 to 5 years

On-Behalf Payments for Employee Benefits

The Consortium recognizes revenues and expenses for contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the Consortium's employees.

Pensions

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

1. Summary of Significant Accounting Policies (Cont.)

(d) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Cont.)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Consortium reports collective deferred outflows for pensions. See Note 6 for more information on these deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Consortium reports collective deferred inflows for pensions. See Note 6 for more information on these deferred inflows.

Net Position

The Consortium's net position is classified as follows:

Net investment in capital assets. This represents the Consortium's total investment in capital assets, net of accumulated depreciation and reduced by 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 net investment in capital assets.

Restricted net position – nonexpendable. Restricted nonexpendable net position consists 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 in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The Consortium has no nonexpendable restricted net positon as of June 30, 2020 and 2019.

Restricted net position – expendable. Restricted expendable net assets include resources in which the Consortium is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.. The Consortium has no expendable restricted net position as of June 30, 2020 and 2019.

Unrestricted net position. Unrestricted net assets represent resources derived from student tuition and fees. These resources are used for transactions relating to the educational and general operations of the Consortium and may be used at the discretion of the governing board to meet current expenses for any lawful purpose.

Net Position Flow Assumption

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

1. Summary of Significant Accounting Policies (Cont.)

(e) Revenue Classification

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

Operating Revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and services of auxiliary enterprises.

Nonoperating Revenues. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources, such as state aid, property taxes and investment income.

2. Stewardship, Compliance, and Accountability

(a) Budgetary Information

The Consortium is not subject to the legal annual operating budget requirements, but is controlled by the use of an internal budget established by the governing body. As the Consortium is not subject to these requirements, comparison to budget has been waived on the financial statements.

3. Cash and Investments

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

Kansas Statute (KSA) 12-1675 authorizes the Consortium to invest monies in time deposits, certificates of deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. The Consortium has no other policies that would further limit investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Consortium may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Consortium's deposits may not be returned to it. State statutes require the Consortium'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, 2020 and 2019.

The Consortium's carrying amount of deposits was $850,667 and $627,818 and the bank balance was $918,751 and $533,143 at June 30, 2020 and 2019, respectively. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $668,751 and $283,143 was collateralized by securities held by the pledging institutions' agents in the Consortium's name at June 30, 2020 and 2019, respectively.

3. Cash and Investments (Cont.)

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Consortium will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The Consortium had no investments at June 30, 2020 and 2019.

4. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	(Decreases) Adjustments	Ending Balance
Depreciable capital assets:				
Office Equipment	$ 216,153	$ -	$ -	$ 216,153
Less accumulated depreciation:				
Office Equipment	(124,118)	(43,950)	-	(168,068)
Total capital assets, net	$ 92,035	$ (43,950)	$ -	$ 48,085

Depreciation expense for the year ended June 30, 2020 is $43,950.

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	(Decreases) Adjustments	Ending Balance
Depreciable capital assets:				
Office Equipment	$ 239,526	$ -	$ (23,373)	$ 216,153
Less accumulated depreciation:				
Office Equipment	(102,992)	(44,499)	23,373	(124,118)
Total capital assets, net	$ 136,534	$ (44,499)	$ -	$ 92,035

Depreciation expense for the year ended June 30, 2019 is $44,499.

5. Risk Management

The Consortium is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Consortium has been unable to obtain health insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the State to participate in the State Employee Health Plan (SEHP), a public entity risk pool currently operating as a common risk management and insurance program for 88,821 covered lives.

The Consortium pays monthly premiums to the SEHP for its health insurance coverage. The agreement to participate provides that the SEHP will be self-sustaining through member premiums and will not reinsure through commercial companies. Additional premiums may be due if total claims for the pool are different than what has been anticipated by SEHP management.

5. Risk Management (Cont.)

The Consortium carries commercial insurance for all other risks of loss, including property, general liability, automobile, crime, cyber liability, directors and officers' professional liability, inland marine and worker's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

During the ordinary course of its operations, the Consortium is exposed to various claims, legal actions and complaints. It is of the opinion of the Consortium's management and legal counsel that any current matters are not anticipated to have a material impact on the Consortium.

6. Defined Benefit Pension Plan

Plan Description

The Consortium participates in the Kansas Public Employees Retirement System (KPERS or System), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law and administered by KPERS, a body corporate and an instrumentality of the State of Kansas. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available, stand-alone comprehensive annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737, or at the KPERS website at www.kpers.org.

KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by KSA 74, article 49:

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

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

The employer contributions for non-public school district schools, as defined in KSA 74-4931 (2) and (3), are funded by the State of Kansas on behalf of these employers. Therefore, these employers, are vocational-technical schools and community junior Consortiums, are considered to be in a special funding situation as defined by GASB Statement No. 68. The State is treated as a nonemployer contributing entity in the System. Since these employers do not contribute directly to the System for active employees, there is no net pension liability or deferred inflows or outflows to report in the financial statements for active employees. The notes to the Consortium's financial statements must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the non-public school district employer. In addition, each non-public school district employer must recognize the pension expense associated with their employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with their employer.

6. Defined Benefit Pension Plan (Cont.)

Plan Description (Cont.)

A number of these employers make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per KSA 74-4937, "working after retirement" employees. The resulting proportional share of these agencies "working after retirement" contributions and resulting net pension liability are attributable to the employer. These amounts are reflected separately and recorded in the financial statements.

Benefits provided

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 credited service equal 85 "points".

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, 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 KSA 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.

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

Contributions

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund established by KSA 74-4922. Member contribution rates are established by State law, and are paid by the employee according to the provisions of Section 414(h) of the Internal revenue code. State law provides that the employer contribution rates for each of the three state wide pension groups to be determined based on the results of each annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by KSA 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.20% of total payroll for the fiscal year ended June 30, 2019.

6. Defined Benefit Pension Plan (Cont.)

Contributions (Cont.)

The State is required to contribute 100% of the Consortium's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. However, they do make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per KSA 74-4937, "working after retirement" employees. The resulting proportional share of the "working after retirement" contributions and resulting new pension liability are attributable to the employer.

KSA 74-4919 and KSA 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, 2016. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members.

The Consortium's contractually required contributions rate for the year ended June 30, 2020, was 14.59% of the annual Consortium payroll, of which 3.3361% of payroll was required from the Consortium and 96.639% of payroll was required from the State. The Consortium's contributions to the pension plan were $12,660 for the year ended June 30, 2020.

Employer Allocations

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

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

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

The allocation percentages for the Consortium's share of the collective pension amounts as of the June 30, 2019 and 2018 valuation reports, were based on the ratio of each employer's contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2019 and 2018,

The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

6. Defined Benefit Pension Plan (Cont.)

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At June 30, 2020, the Consortium reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State pension support provided to the Consortium. The amount recognized by the Consortium as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Consortium were as follows:

Consortium's proportionate share of the net pension liability	$ 127,155
State's proportionate share of the net pension liability associated with the Consortium	367,289
	$ 494,444

The net pension liability was measured as of December 31, 2018, which was rolled forward to June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the that date. The Consortium's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and non-employer contributions of the group for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2019, the combined Consortium and State's proportion was 3.34%, which was a increase of .83% from its proportion measured as of the year ended June 30, 2018.

For the actuarial report as of June 30, 2019, there were changes in assumptions and benefits as described in the notes to the required supplemental information. There were no changes between the measurement date of December 31, 2018, rolled forward to June 30, 2019, and the Consortium's reporting date of June 30, 2020.

For the year ended June 30, 2019, the Consortium recognized pension expense of $42,033 and revenue of $42,033 for support provided by the state. For the portion related to the "working after retirement" the Consortium recognized pension expense of $20,703, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. At the measurement date of June 30, 2019, the Consortium reported deferred outflows of resources and deferred inflows of resources related to pensions for the Consortium from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,105	$ 3,289
Changes of assumptions	3,415	47
Net difference between projected and actual earnings on pension plan investments	2,114	-
Changes in proportion and differences between Consortium contributions and proportionate share of contributions	11,286	49,562
Contributions subsequent to the measurement date	-	-
Total	$ 17,920	$ 52,898

6. Defined Benefit Pension Plan (Cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont.)

In the year ended June 30, 2019 amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses by the Consortium as follows:

Year ended June 30:	Amount
2020	$ (7,665)
2021	(14,356)
2022	(12,415)
2023	(732)
2024	190
Thereafter	-
	$ (34,978)

Actuarial Assumptions

The total pension liability recognized by the State and the portion recognized by the Consortium, were determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

• Price Inflation	2.75 percent
• Wage inflation	3.50 percent
• Salary increases, including wage increases	3.50 to 12.0 percent, including inflation
• Long-term rate of return, net of investment expense, and including price inflation	7.75 percent

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The 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 included in the pension plan's target asset allocation as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

6. Defined Benefit Pension Plan (Cont.)

Actuarial Assumptions (Cont.)

Asset class	Long-term target allocation	Long-term expected real rate of return
Global Equity	47.00%	6.85%
Fixed Income	13.00%	1.25%
Yield Driven	8.00%	6.55%
Real Return	11.00%	1.71%
Real Estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term Investments	2.00%	-0.25%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below.

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarially determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2019 was 1.2 percent.

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

In addition, 2019 Senate Sub for Sub HB 2052 delayed $64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar inallments. The first year payment of $6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contriution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of $194 million from the previously certified contribution rate of 13.21 percent in the State/School Contributins for Fiscal year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of $56 million and $82 million be made to the System. The $56 million payment was received by the System on June 30, 2018, and recorded as Fiscal Year 2018 contributions. The $82 million was received July 1, 2019, and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of $115 million to KPERS, received in March 2019.

6. Defined Benefit Pension Plan (Cont.)

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

The table below presents the net pension liability of the Pension Plan as of June 30, 2019, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Discount rate (7.75%)	1% Increase (8.75%)
$174,044	$127,155	$87,808

7. Other Post Employment Benefit Plan - KPERS Death and Disabilities

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

Contributions

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended June 30, 2020, totaled $172.

Special Funding Situation

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

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

7. Other Post Employment Benefit Plan - KPERS Death and Disabilities (Cont.)

Benefits (Cont.)

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

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered Employees

The Consortium has the following employees covered by the Plan as of the June 30, 2019 report:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	4
Total	4

Total OPEB Liability

At the report dated June 30, 2019, the total OPEB liability recognized by the State of Kansas that was attributable to the Consortium was $1,090.

Actuarial Assumptions

The financial information for Consortium's fiscal year 2019-20 is based upon actuarial valuation performed as of December 31, 2018 rolled forward to June 30, 2019, using the participant census as of July 1, 2019.

The measurement date as selected by the Consortium under GASB 75 Standards is June 30th. The results of the valuation were projected to the end of year measurement date using standard actuarial techniques.

Price inflation	2.75%
Salary increases, including wage increases	3.50-10.00%
Discount rate (based on the 20 year municipal bond rate with an average rating of AA/Aa or better, obtained from the index.)	3.50%

7. Other Post Employment Benefit Plan - KPERS Death and Disabilities (Cont.)

Actuarial Assumptions (Cont.)

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2018.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2015.

Revenue and OPEB Expense Recorded by the Consortium

For the year ended June 30, 2020, the Consortium recognized revenue and OPEB expense in an equal amount of ($172).

8. Other Post Employment Benefits - Healthcare

The Consortium allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Consortium is subsidizing the retirees because each participant is charged a level of premium regardless of age. Due to no employees participating and immaterial nature of cost, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Consortium makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

9. Compensated Absences

All full-time employees (40 hours per week) are eligible for vacation, personal sick leave. Upon resignation or retirement, all unused vacation and sick leave will be paid to the employee at his/her current salary.

Paid personal days are used to provide time off from work for personal reasons and are used at the employee's discretion. Paid personal leave consists of 16 hours per fiscal year. Unused hours are not eligible for carry over to the next fiscal year or payout when employment terminates.

Each employee is entitled to 160 hours of vacation, 80 hours of sick time and 16 hours of personal sick leave. Employees may carry over up to 80 hours of vacation at the end of the fiscal year. Starting July 2020 employees may carry over up to 720 sick time at the end of the fiscal year. If the hours are not used by October 31st they are forfeited. The Consortium's potential liability for vacation and sick (sick and vacation liability reflected in 2020) time has been estimated at $63,708 and $43,316 at June 30, 2020 and 2019, respectively, and is recorded in the financial statements.

The Consortium does not have an official compensatory time policy. Due to one employee working an excessive amount of additional time during the holidays, a one time exception was given to allow the additional hours to be carried over at fiscal year end. There was no potential liability for compensatory time at June 30, 2020 and 2019.

10. Member Appropriations

Each fiscal year end, the Consortium calculates the revenues that exceed the expenses and an appropriation is returned back to the four member Colleges. Thirty percent of the total appropriation available is allocated equally among the members. The other seventy percent is based on the amount of credit hours each member purchased through EduKan and is allocated respectively. The appropriation amount available for distribution was $400,000 and $400,000 at June 30, 2020 and 2019, respectively.

11. Uncertainty

In recent months, the coronavirus (COVID-19) outbreak in the United States has resulted in the temporary closure of schools and operating hours for our offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Consortium as of the date of this report, management believes that a material impact on the Consortium's financial position and results of future operations is reasonably possible.

12. Subsequent Events

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Western Kansas Community College Virtual Education Consortium

Schedule of the Consortium's Proportionate Share of the Net OPEB Liability - KPERS Death and Disability

For the Year ended June 30, 2020

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB Liability	$ 1,090	$ 918	$ 1,428	For 2010 to 2016, this data is not yet available.						
Fiduciary net position	-	-	-	For 2010 to 2016, this data is not yet available.						
Net OPEB liability	$ 1,090	$ 918	$ 1,428	For 2010 to 2016, this data is not yet available.						
Nonemployer contributing entities' total proportionate share of collective net OPEB liability	$ 217,137	$ 291,578	$ 247,925	For 2010 to 2016, this data is not yet available.						
Employer's proportionate share of the collective net OPEB liability	-	-	-	For 2010 to 2016, this data is not yet available.						
Covered-employee payroll	$ 217,137	$ 291,578	$ 247,925							
Nonemployer's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	0.50%	0.31%	0.58%							
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	For 2010 to 2016, this data is not yet available.						

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2010-2016 is not available under the measurement requirements of GASB 75.

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

Western Kansas Community College Virtual Education Consortium

Schedule of the Consortium's OPEB Contributions - KPERS Death & Disability

For the Year ended June 30, 2020

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required OPEB contributions	$ -	$ -	$ -	For 2010 to 2016, this data is not yet available.						
OPEB contributions in relation to statutorily required contributions**	-	-	-	For 2010 to 2016, this data is not yet available.						
Contribution deficiency (excess)	$ -	$ -	$ -							
College's covered-employee payroll	$ 217,137	$ 291,578	$ 247,925	For 2010 to 2016, this data is not yet available.						
OPEB contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	For 2010 to 2016, this data is not yet available.						

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

** Contributions in relation to statutorily required OPEB contributions are the contributions an employer actually made to the OPEB Plan, as distinct from statutorily required contributions.

Western Kansas Community College Virtual Education Consortium

Schedule of the Consortium's Proportionate Share of the Net Pension Liability

For the Year ended June 30, 2020

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Consortium's proportion share of the net pension liability (asset)	0.001%	0.001%	0.00299%	0.00308%	0.00303%	0.00264%	For 2010 to 2013, this data is not yet available.			
Consortium's proportionate share of the net pension liability (asset)	$ 127,155	$ 119,902	$ 200,964	$ 207,015	$ 209,716	$ 168,798	For 2010 to 2013, this data is not yet available.			
State's proprotionate share of the net pension liability (asset)	0.004%	0.004%	0.004%	0.004%	0.004%	0.003%				
State's proprotionate share of the net pension liability (asset)	$ 367,289	$ 409,212	$ 411,449	$ 397,677	$ 367,780	$ 320,860	For 2010 to 2013, this data is not yet available.			
Total collective net pension liability (asset)	$ 494,444	$ 529,114	$ 612,413	$ 604,692	$ 577,496	$ 489,658				
Consortium's covered-employee payroll	$ 217,137	$ 291,578	$ 272,789	$ 254,110	$ 233,507	$ 320,860				
Toal collective net pension liability (asset) as a percentage of its covered-employee payroll	227.711%	181.466%	224.501%	237.965%	247.314%	152.608%	For 2010 to 2013, this data is not yet available.			
Plan fiduciary net position as a percentage of the total pension liability	221.293%	186.507%	186.507%	185.272%	199.424%	149.641%	For 2010 to 2013, this data is not yet available.			

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

Western Kansas Community College Virtual Education Consortium

Schedule of Consortium Contributions

For the Year ended June 30, 2020

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 12,660	$ 10,525	$ 14,830	$ 14,394	$ 13,157	$ 11,911	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	(12,660)	(10,525)	(14,830)	(14,394)	(13,157)	(11,911)	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered-employee payroll	$ 127,155	$ 119,902	$ 291,578	$ 254,110	$ 233,507	$ 221,423	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	9.96%	8.78%	5.09%	5.66%	5.63%	5.38%	0.00%	0.00%	0.00%	0.00%

Note: Historically, the Consortium has not been responsible for contributions due to being a special funding situation. The State of Kansas has paid all contributions. Due to changes in the statutes, the Consortium is now responsible for "working after retirement" employees contributions.

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

Other Post Employment Benefits - KPERS Death and Disabilities

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2018 to 3.50% in 2019.

Defined Benefit Pension Plan

Changes in benefit terms:

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

Changes in assumptions:

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent
- General wage growth assumption was lowered from 4.00 to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.