

Barton County Community College

Board of Trustees Meeting

December 10, 2024

FY24 Audit

Purpose

The primary goal of an audit is to express an independent opinion on two aspects of the financial statements of the College: the financial statements are fairly presented, and they are in accordance with generally accepted accounting principles. By auditing our operations, we perform the “due diligence” review for our shareholders.

Administrative procedures may be changed as a result of an audit to make sure that the College is functioning well and complying with a multitude of regulations. We are required to provide our annual audit to:

- Federal Government
- State of Kansas
- Kansas Board of Regents
- Department of Education
- All lending institutions which we have financing
- Grant applications

The college is receiving an unmodified audit for the financial portion of our audit the Trio cluster, and the Student Financial Aid cluster. There were “significant findings” dealing with Financial aid and the TRIO grant programs, although they had no financial impact and were mainly due to enrollment date errors. All errors have been corrected. A response to the findings as well as a plan of correction have been submitted.

Recommendation

Approve the FY24 audit as presented.

BARTON COUNTY COMMUNITY COLLEGE

Financial Statements With Independent Auditors' Report

For the Years Ended June 30, 2024 and 2023

BARTON COUNTY COMMUNITY COLLEGE
Financial Statements With Independent Auditors' Report
For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of **Barton County Community College**, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of **Barton County Community College** as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Barton County 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 opinions.

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 College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Barton County Community College's** basic financial statements. The supplementary financial information and single audit information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinions, based on our audit and the procedures performed as described above, the information as noted above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the 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 College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



ADAMSBROWN. LLC
Certified Public Accountants
Great Bend, Kansas

December 10, 2024

BARTON COUNTY COMMUNITY COLLEGE
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Overview of the Financial Statements and Financial Analysis

Barton County Community College ("College") is presenting this discussion and analysis of its financial statements to provide an overview of the financial activities for the year. The annual financial statements are presented in accordance with pronouncements issued by the Governmental 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 statements and notes continue to improve so that readers may receive full value from this information.

As defined by generally accounting principles established by GASB, the financial reporting entity consists of the College, as well as its component unit, the Barton County Community College Foundation. The following discussion focuses on the College. Foundation financial information has been included in this audit as the two Audits were combined into one audit for FY2024. Foundation financials are typically shown in separate columns and have notes associated with the Foundation.

The basic financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. 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 discussions about these statements are based on comparative data.

Statement of Net Position

The Statement of Net Position is a point of 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 Barton County Community College. 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 institution. They are also able to determine how much the institution owes vendors, investors and lending institutions.

Finally, the Statement of Net Position provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the institution but must be spent for specific purposes as determined by donors, the Board, and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted assets are available to the institution for any lawful purpose of the institution.

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets	\$ 43,997,578	42,603,819
Noncurrent Assets, Net	<u>28,005,888</u>	<u>26,265,285</u>
Total Assets	\$ 72,003,466	68,869,104

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Deferred Outflows of Resources	\$	<u>665,784</u>	<u>699,467</u>
Total Assets and Deferred Outflows of Resources		<u>72,669,250</u>	<u>69,568,571</u>
Liabilities			
Current Liabilities		4,403,604	5,228,033
Noncurrent Liabilities		<u>9,421,314</u>	<u>9,740,002</u>
Total Liabilities		<u>13,824,918</u>	<u>14,968,035</u>
Deferred Inflows of Resources		<u>675,182</u>	<u>589,274</u>
Total Liabilities and Deferred Inflows of Resources		<u>14,500,100</u>	<u>15,557,309</u>
Net Position			
Invested in Capital Assets, Net of Debt		<u>18,367,590</u>	16,071,849
Unrestricted		<u>39,801,560</u>	<u>37,939,413</u>
Total Net Position	\$	<u>58,169,150</u>	<u>54,011,262</u>

The College's Total Net Position improved over last year. Our overall credit hour production increased this past year by 6.99%. Barton Online credit hour production increased by 13.89%. The Barton Campus saw an increase of 3.08%, Fort Riley also saw an increase of 4.27%, Fort Leavenworth saw a reduction of approximately 19.3% and our Grandview operations decreased credit hours by 14%. Overall, these changes in credit hour production and operations can be attributed to better recruitment and retention of students, the value of Barton's educational offerings, enhanced dual credit offerings, changes in deployments and military training, and overall changes in our operations.

Statement of Revenues, Expenses and Change in Net Position

The purpose of the statement is to present the revenues received by the institution, both operating and nonoperating, the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution. In addition, the Total Net Position is provided for both the beginning of the year as well as the end of the year.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. Examples of nonoperating revenues are state appropriations and local ad valorem taxes. These are "nonoperating" because the Kansas Board of Regents provides state appropriations to the institution, and the Kansas Board of Regents does not directly receive goods or services for those revenues. Like the state appropriations, the property owners of Barton County provide the local ad valorem taxes, and the property owners do not directly receive goods or services for those revenues.

BARTON COUNTY COMMUNITY COLLEGE
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 19,146,114	17,050,838
Operating Expenses	45,433,491	(42,182,101)
Net Operating Loss	(26,287,377)	(25,131,263)
Net Nonoperating Revenues (Expenses)	30,445,265	26,926,537
Change in Net Position	4,157,888	1,795,274
Total Net Position – Beginning	54,011,262	52,215,988
Total Net Position - Ending	\$ 58,169,150	54,011,262

The Statement of Revenues, Expenses, and Change in Net Position reflects an increase for this year. Our credit hour production increased 6.99% for the year. Our in-state credit hour production increased by 6.20% and we also experienced a increase of 8.65% in out-of-state credit hours. Our overall operational revenues increased this year primarily due to increases in tuition revenue and grants (Ag Center as well as other grants). Expenses also increased over the previous year due to wage changes, vacant positions that were filled, Construction (Ag Center) and the costs of operational expenses due to inflation. At the same time, our non-operating revenue (state funding) increased mainly due to our increase in enrollment as well as special project funding. There were minor adjustments to our Tuition & Fee rates in an effort to compensate for higher employment and operational costs.

Operations at Ft. Riley increased by 4.27%, however Grandview saw a decrease of 14% this last year. This was due to a trend in lower numbers associated with our military offerings, although we are seeing increases in some programs due to soldiers returning to Riley. The number of students occupying student housing increased slightly over last year, however we did see a typical decrease for the spring semester.

We again saw a decrease in state support of SB155 (High School students funded for tiered technical courses) primarily from the removal of eligible courses that these HS students can take, reclassification of the courses, and a lack of funding as compared to the number of HS students taking these courses system wide. This is a popular program and our HS numbers continue to increase.

The Board of Trustees was able to provide salary increases of approximately 3% for our full-time employees for FY24. This allowed us to maintain “market level” salary levels for FY24. This made a positive impact in being able to fill vacant positions. Our health insurance plan, which operates on a self-insured basis, continues to see increases in its costs. The health insurance cash reserve was reduced this past year due to a number of specific claims, which invaded the reserve. Because health insurance is a major employee benefit, the college continues to cover the cost of a single plan for our employees.

Statement of Cash Flows

The final statement presented by Barton County Community College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution (tuition and fees, grants, auxiliary enterprises, payments to employees and benefits, payments to suppliers, and activity revenues). The second section reflects cash flows from noncapital financing activities (state appropriations, local taxes, Pell and SEOG grants, and contributions). This section reflects the cash received and spent for non-operating, non-

BARTON COUNTY COMMUNITY COLLEGE

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

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 (purchase of capital assets, principle on debt, interest payments, and loss on sale of assets). The fourth section deals with cash flows from investing activities and shows the interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Change in Net Position.

	<u>2024</u>	<u>2023</u>
Operating Activities	\$ (24,761,209)	(22,930,693)
Noncapital Financing Activities	29,756,967	27,037,289
Capital and Related Financing Activities	(4,867,554)	(4,278,391)
Investing Activities	<u>421,870</u>	<u>273,504</u>
Net Change in Cash	550,074	101,709
Cash - Beginning	<u>38,966,314</u>	<u>38,864,605</u>
Cash - Ending	\$ <u>39,516,388</u>	<u>38,966,314</u>

The cash balance at year-end increased slightly as compared to the previous year due to increases in state funds and increases in Tuition revenue which offset elevated expenditures. This increase in cash includes total College funds (not just the General/Post-Secondary funds). The College's cash balance will help the future operations of the College.

Capital Asset and Debt Administration

- ❖ GASB Statement #96 – *Subscription-Based Information Technology Arrangements (SBITAs)*. This requirement requires the College to track all subscriptions (software), and those subscriptions are added to our assets. This requirement also increases our long-term liabilities.
- ❖ The implementation of GASB 96 is much like GASB 87 which includes all of our facility leases and equipment leases (copy machines) which are now recorded as our assets.

The College had \$47,491,463 of plant, property, and equipment, which is an increase of \$1,631,951 over the prior year. The related accumulated depreciation increased to \$23,205,393. More detailed financial activity related to the changes in Capital Assets is presented in Note 6.

The College decreased long-term debt by a net amount of \$510,000 for FY24. This decreases long-term debt to \$6,465,000 at fiscal year-end. More detailed financial information related to long-term debt is presented in Note 7.

Economic Outlook

Barton's overall credit hour production increased for FY24. There have been many changes in Higher Education post COVID, which is affecting Higher Education nationwide. Student graduating from High School were not automatically enrolling in Higher Education and we were seeing fewer non-traditional students returning to College. Many traditional and non-traditional student's goals are to gain the required short-term credentials so that they can move directly to the workforce.

We anticipated that we would see increases in enrollment from the prior year, however we expected those increases to be minimal as compared to increases we saw Pre-COVID. FY24 proved that students are returning to Higher Ed, and we saw increases in all areas of the Education that we provide.

BARTON COUNTY COMMUNITY COLLEGE

Management's Discussion and Analysis
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Our dependency on state funding and local valuations for funding play a major role in our financial success. The ongoing political and financial uncertainty of the state continues to be a challenge for Higher Education. Barton experienced a significant increase in state support for FY24. This was primarily due to the state funding a number of special projects as well as recentering of the funding formula. The college continues to focus its efforts in areas that will provide funding such as SB155, online, and specific targeted markets. With the additional funding also comes additional restrictions, labor, reporting, and management of these programs.

The college will continue to increase the efficiency of its operation where it can, using the resources it receives to make the lives of our students and community better. We will take appropriate actions, evaluate current programs, and explore future opportunities to increase our credit hour production where possible and ensure the success of our educational operations.



Mark Dean
Vice President of Administration

BARTON COUNTY COMMUNITY COLLEGE

Basic Financial Statements

BARTON COUNTY COMMUNITY COLLEGE

Statements of Net Position
June 30, 2024 and 2023

	College		Foundation	
	2024	2023	2024	2023
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
Current Assets				
Cash - Unrestricted	\$ 36,160,625	34,921,843	157,296	200,932
Cash - Restricted	3,355,763	4,044,471	-	-
Total Cash	<u>39,516,388</u>	<u>38,966,314</u>	<u>157,296</u>	<u>200,932</u>
Investments	-	-	5,926,368	4,208,722
Accounts Receivable - Taxes in Process, Net of Uncollectible	769,737	184,797	-	-
Accounts Receivable, Students, Net of Allowance for Doubtful Accounts of \$2,704,289 and \$2,715,253, Respectively	3,048,470	2,622,661	-	-
Federal Grant Receivable	316,983	391,562	-	-
Other Receivables	-	290	33,783	20,376
Unconditional Promises to Give	-	-	29,220	40,000
Inventory	148,451	133,106	15,026	-
Prepaid Insurance and Other Expenses	197,549	305,089	-	-
Total Current Assets	<u>43,997,578</u>	<u>42,603,819</u>	<u>6,161,693</u>	<u>4,470,030</u>
Noncurrent Assets				
Beneficial Interest in Remainder Trusts	-	-	536,451	483,368
Beneficial Interest in Assets Held by Others	-	-	16,954	15,805
Endowment Investments - Restricted	-	-	6,265,198	5,708,685
Capital Assets, Not Depreciated	789,840	789,840	950,984	902,519
Capital Assets, Net of Accumulated Depreciation and Amortization of \$23,205,393 and \$21,177,295, Respectively	23,496,230	23,892,377	-	-
Construction in Progress	3,719,818	1,583,068	-	-
Total Noncurrent Assets	<u>28,005,888</u>	<u>26,265,285</u>	<u>7,769,587</u>	<u>7,110,377</u>
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	183,087	171,752	-	-
Deferred Outflows Related to OPEB	246,591	271,383	-	-
Deferred Refunding, Net of Accumulated Amortization of \$155,268 and \$135,042, Respectively	236,106	256,332	-	-
Total Deferred Outflows of Resources	<u>665,784</u>	<u>699,467</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 72,669,250</u>	<u>69,568,571</u>	<u>13,931,280</u>	<u>11,580,407</u>

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE

Statements of Net Position
June 30, 2024 and 2023

	<u>College</u>		<u>Foundation</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Current Liabilities				
Current Obligations - Certificates of Participation	\$ 525,000	510,000	-	-
Current Obligations - Purchase Agreement	36,722	34,935	-	-
Current Obligations - Right-to-Use SBITAs	727,179	1,019,248	-	-
Accounts Payable	70,765	669,852	12,760	1,050
Accrued Payroll and Benefits	905,089	991,634	-	-
Accrued Interest Payable	47,029	51,093	-	-
Compensated Absences	1,180,465	1,096,520	-	-
Deferred Tuition	399,101	318,633	-	-
Deposits and Other Payables	512,254	536,118	-	-
Total Current Liabilities	4,403,604	5,228,033	12,760	1,050
Noncurrent Liabilities				
Noncurrent Obligations - Certificate of Participation	5,940,000	6,465,000	-	-
Noncurrent Obligations - Purchase Agreement	925,510	962,232	-	-
Noncurrent Obligations - Right-to-Use SBITAs	1,415,324	1,119,266	-	-
Total OPEB Liability	490,706	580,461	-	-
Net Pension Liability	345,105	273,956	-	-
Bond Premium, Net of Accumulated Amortization of \$118,561 and \$84,143, Respectively	304,669	339,087	-	-
Total Noncurrent Liabilities	9,421,314	9,740,002	-	-
Deferred Inflows of Resources				
Deferred Inflows Related to OPEB	675,182	589,155	-	-
Deferred Inflows Related to Pensions	-	119	-	-
Total Deferred Inflows of Resources	675,182	589,274	-	-
Total Liabilities and Deferred Inflows of Resources	14,500,100	15,557,309	12,760	1,050
<u>NET POSITION</u>				
Invested in Capital Assets, Net of Related Debt	18,367,590	16,071,849	-	-
Restricted - Expendable for Other	-	-	4,947,334	4,614,186
Restricted - Nonexpendable	-	-	5,366,406	5,148,885
Unrestricted	39,801,560	37,939,413	3,604,780	1,816,286
Total Net Position	\$ 58,169,150	54,011,262	13,918,520	11,579,357

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE
Statements of Revenues, Expenses and Change in Net Position
For the Years Ended June 30, 2024 and 2023

	College		Foundation	
	2024	2023	2024	2023
Operating Revenues				
Tuition and Fees	\$ 14,845,999	13,645,391	-	-
Less: Student Scholarship Allowances	(6,649,068)	(5,827,200)	-	-
Net Tuition and Fees	8,196,931	7,818,191	-	-
Federal Grants and Contracts	3,712,144	2,278,970	-	-
Housing Payments	2,467,457	2,398,077	-	-
Bookstore Sales	562,908	520,678	-	-
Activity Revenue and Other	4,206,674	4,034,922	159	1,449
Contributions and Other Fundraisers	-	-	2,828,620	1,986,449
Total Operating Revenues	19,146,114	17,050,838	2,828,779	1,987,898
Operating Expenses				
Instruction	15,394,562	14,394,091	-	-
Public Service	767,501	787,462	-	-
Academic Support	4,004,860	4,164,363	-	-
Student Services	4,559,542	4,431,904	-	-
Institutional Support	11,116,311	9,494,158	257,611	222,927
Physical Plant Operations	4,004,821	3,527,883	-	-
Student Financial Support	1,157,299	1,277,590	1,794,610	1,249,162
Auxiliary Services	2,179,358	1,979,649	-	-
Depreciation and Amortization	2,249,237	2,125,001	-	-
Total Operating Expenses	45,433,491	42,182,101	2,052,221	1,472,089
Net Operating Income (Loss)	(26,287,377)	(25,131,263)	776,558	515,809
Nonoperating Revenues (Expense)				
State Appropriations	14,135,376	12,470,226	-	-
County Property Taxes	10,643,609	9,946,952	-	-
Pell and SEOG Grants	4,365,287	3,660,261	-	-
Contributions	1,197,635	855,729	-	-
Interest Income	394,008	233,536	-	-
Investment Income	27,862	39,968	1,562,605	960,784
Gain (Loss) From Sale of Assets	286	(18,042)	-	-
Interest Expense on Debt	(318,798)	(262,093)	-	-
Net Nonoperating Revenues (Expense)	30,445,265	26,926,537	1,562,605	960,784
Change in Net Position	4,157,888	1,795,274	2,339,163	1,476,593
Total Net Position - Beginning	54,011,262	52,215,988	11,579,357	10,102,764
Total Net Position - Ending	\$ 58,169,150	54,011,262	13,918,520	11,579,357

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Student Tuition and Fees, Net of Scholarships	\$ 7,851,590	7,620,561
Grants and Contracts	3,786,723	2,252,989
Auxiliary Enterprise Revenue	3,030,655	2,918,465
Payments to Employees and for Employee Benefits	(25,161,067)	(23,592,444)
Payments to Suppliers	(18,451,920)	(16,051,035)
Activity Revenue and Other	4,182,810	3,920,771
Net Cash Used by Operating Activities	<u>(24,761,209)</u>	<u>(22,930,693)</u>
Cash Flows From Noncapital Financing Activities		
State Appropriations	14,135,376	12,470,226
County Property Taxes	10,058,669	10,051,073
Pell and SEOG Grants	4,365,287	3,660,261
Contributions	1,197,635	855,729
Net Cash Provided by Noncapital Financing Activities	<u>29,756,967</u>	<u>27,037,289</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets	(2,752,825)	(3,351,871)
Proceeds From Sale of Assets	15,103	6,428
Proceeds From Purchase Agreement	-	1,000,000
Principal Paid on Certificates of Participation	(510,000)	(485,000)
Principal Paid on Purchase Agreement	(34,935)	(2,833)
Principal Paid on Right-to-Use SBITAs	(1,262,035)	(1,179,037)
Interest Paid on Certificates of Participation	(224,313)	(238,206)
Interest Paid on Purchase Agreement	(49,065)	(4,167)
Interest Paid on Right-to-Use SBITAs	(49,484)	(23,705)
Net Cash Used by Capital and Related Financing Activities	<u>(4,867,554)</u>	<u>(4,278,391)</u>
Cash Flows From Investing Activities		
Investment Income	27,862	39,968
Interest Income	394,008	233,536
Net Cash Provided by Investing Activities	<u>421,870</u>	<u>273,504</u>
Net Increase in Cash	550,074	101,709
Cash - Beginning of Year	<u>38,966,314</u>	<u>38,864,605</u>
Cash - End of Year	<u>\$ 39,516,388</u>	<u>38,966,314</u>
Cash per Statements of Net Position		
Cash - Unrestricted	\$ 36,160,625	34,921,843
Cash - Restricted	3,355,763	4,044,471
Total Cash per Statements of Net Position	<u>\$ 39,516,388</u>	<u>38,966,314</u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities		
Net Operating Loss	\$ (26,287,377)	(25,131,263)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	2,249,237	2,125,001
(Increase) Decrease in		
Accounts Receivable	(350,940)	(540,496)
Inventory	(15,345)	(22,080)
Prepaid Insurance and Other Expenses	107,540	(68,746)
Equity Interest in Joint Venture	-	231
Increase (Decrease) in		
Accounts Payable	(599,087)	274,967
Accrued Payroll and Benefits	(86,545)	135,042
Compensated Absences	83,945	90,468
Deferred Federal Grants	-	(2,038)
Deferred Tuition	80,468	318,633
Net OPEB Obligation	21,064	22,148
Net Pension Liability	59,695	(18,178)
Other Liabilities	(23,864)	(114,382)
Net Cash Used by Operating Activities	<u>\$ (24,761,209)</u>	<u>(22,930,693)</u>

The notes to the financial statements are an integral part of this statement.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Barton County Community College is located in central Kansas in Barton County. The College is a modern comprehensive community college authorized by Kansas House Bill #893-1963 and approved by the State Superintendent of Education in July 1965. The College offers a multi-faceted curriculum for a student population of approximately 3,500 full-time equivalent students annually. Presently, about one-third of the students attend classes on the main campus. The other two-thirds are either enrolled in BartOnline courses or at one of a number of off-campus sites operated in the six surrounding counties, as well as, in or near the cities of Salina and Junction City, Kansas.

Financial Reporting Entity

The College is governed by an elected six-member board. The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to colleges and universities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements present **Barton County Community College** (the primary government) and its component unit. The component unit is included in the College's reporting entity because of the significance of its operational or financial relationship with the College.

Barton County Community College Foundation (the "Foundation") is a discretely presented component unit of the College and is included in the component unit column in the College's basic financial statements. It is reported in a separate column to emphasize that it is a not-for-profit entity legally separate from the College. Foundation board members are appointed by the existing Foundation board members. The discretely presented component unit has a June 30 year end.

The Foundation is a nonprofit corporation whose purpose is to raise private sector funds by providing leadership and to prudently manage gifts to benefit educational opportunities and initiatives of **Barton County Community College**. The majority of the contributions received are from individual supporters of the Foundation. Scholarships totaling \$266,416 and \$303,502 and expenditure reimbursements of \$1,443,847 and \$868,485 were provided to the College during the 2024 and 2023 years, respectively.

The Foundation is a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation. The Foundation reports its financial results under Financial Accounting Standard Board (FASB) Statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. The component unit's financial data has, however, been aggregated into like categories for presentation purposes.

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.

Measurement Focus and Basis of Accounting

For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

recognized in the period incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used in the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first and then unrestricted resources as needed.

Cash

For purposes of the statements of cash flows, the College considers all unrestricted, highly liquid deposits with original maturities of twelve months or less as cash. The Foundation considers the checking account as cash. Cash contributions that are restricted by the donor for long-term purposes are not included in the definition of cash even though the funds are invested in short-term liquid investments.

Investments

Foundation investments are recorded at cost if purchased, fair value on date of donation if donated. Thereafter, investments are reported at their fair values in the statements of net position. Net investment return (loss) is reported in the statements of revenues, expenses and change in net position and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property Taxes

Property taxes are levied each calendar year on all taxable real property located in the taxing district. The College's property taxes are assessed on a calendar year basis, are levied, and become a lien on the property on November 1st of each year. The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20th and the second half is due May 10th. The College draws available funds from the County Treasurer's office at designated times throughout the year.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. A percent of property taxes levied in November 2023 are normally distributed after June 30, 2024 and are presented as accounts receivable, net of estimated uncollectible amounts. As of June 30, 2024 and 2023, the County Treasurer had distributed to the College approximately 89% and 94%, respectively, of ad valorem taxes levied.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole. Personal property taxes are recognized as revenue when made available and distributed by the County Treasurer.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of estimated allowances for uncollectible amounts. Accounts receivable also include amounts due from the federal government, state and local governments (including property taxes) or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

Management determines the adequacy of the allowance for doubtful accounts based upon a level that in management's judgment is adequate to absorb the losses inherent to student services. Amounts determined uncollectible are written off to the allowance for doubtful accounts.

Unconditional Promises to Give

Unconditional promises to give are recorded at net realizable value. Generally accepted accounting principles require that unconditional promises to give that are due beyond the next year be discounted using risk free interest rates. The effect of recording these promises to give at net realizable value is not materially different than the discounted amount that would have been recorded at year end. The Foundation considers all pledges receivable to be collectible and therefore, the financial statements do not include an allowance for uncollectible accounts.

Inventory and Prepaid Items

Inventory, consisting mainly of new and used textbooks, school supplies and soft goods held for resale by the bookstore is stated at the lower of cost or net realizable value. The College records certain payments to vendors that reflect costs applicable to future accounting periods as prepaid items in its financial statements.

Capital Assets

Capital assets include property, plant, equipment and infrastructure, such as streets, sidewalks, parking lots, water system and sewer system. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and have a useful life of at least 2 years. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 to the value of the assets or materially extend the assets' lives are not capitalized.

During the year ended June 30, 2021, the College prospectively adopted GASB Statement No. 89, which states that interest costs incurred during the construction period of an asset should be expensed in the year incurred. Prior to this adoption, the College capitalized interest cost incurred on funds used during the construction phase to construct property, plant and equipment. The capitalized interest was recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized, net of accumulated amortization, was \$165,356 and \$172,868 at June 30, 2024 and 2023, respectively.

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

Property, plant, and equipment of the College are depreciated using the straight-line method over the following estimated useful lives (see Note 6 for further detail):

Assets	Years
Buildings	80
Improvements	20-40
Furniture/Fixtures/Equipment	20-40
Vehicles	5
Library Materials	80
Infrastructure	10-80

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

The Foundation has an extensive collection of artwork that has been either donated to or purchased by the Foundation. All donations of artwork are recorded at fair value as of the date of the donation. All purchases of artwork are recorded at cost. The artwork has not had a recent appraisal and the current value of the collection is not known. The collection is not depreciated as part of capital assets.

The artwork is on display in the Shafer Art Gallery in the Fine Arts Building on the campus of **Barton County Community College** and at various offices and meeting rooms on campus, and is sometimes on loan to businesses in the community. The artwork that is not currently out for viewing is stored in a climate controlled and secure room in the Fine Arts Building.

Various individuals have donated books on Kansas history to the Foundation. The books are kept in the Cohen Center for Kansas History in the Barton County Community College Library. The books have been recorded on the Foundation's books at fair value as of the date of the donation.

Deferred Inflows of Resources/Deferred Outflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College currently reports deferred charges on early retirement on debt refunding. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The College also reports a collective deferred outflow of resources related to pensions and deferred outflows for OPEB, which is described further in Note 15 and Note 17, respectively.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College reports a collective deferred inflow of resources related to pensions and OPEB, which is described further in Note 15 and Note 17, respectively.

On-Behalf Payments for Employee Benefits

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

Net Position

The College's net position is classified as follows:

- a. *Invested in capital assets, net of related debt*: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- b. *Restricted – 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.
- c. *Restricted – nonexpendable*: Nonexpendable restricted 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 inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal in accordance with donor restrictions.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

- d. *Unrestricted*: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Revenue Classification

The College 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 (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts, and (4) interest on institutional student loans.

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 Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, property taxes and investment income.

Scholarship Allowances

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the statements of revenues, expenses, and change in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants, such as PELL, Supplemental Educational Opportunity Grants (SEOG), 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 allowance.

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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments 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 revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the College 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. Encumbrances are recorded as an expenditure in the summary schedules for individual 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 Board.

Budgetary Compliance – Regulatory Basis

By statute, the College prepares its annual budget on the regulatory basis of accounting. A reconciliation of these regulatory basis statements to the GAAP statements is presented in the notes to supplementary information.

Adoption of New Governmental Accounting Standards Board Statements

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of this statement had no effect on previously reported amounts.

Pending Governmental Accounting Standards Board Statements

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements for this statement are effective for periods beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, aims to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements for this statement are effective for periods beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, aims to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements for this statement are effective for periods beginning after June 15, 2025.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 2 – CASH

Barton County Community College follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized in the individual fund financial statements.

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

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 College 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 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, except during designated "peak periods" when required coverage is 50%. The College does not use "peak periods".

The College's carrying amount of deposits was \$39,516,388 and \$38,966,314 and the bank balance was \$39,818,859 and \$39,098,850 at June 30, 2024 and 2023, respectively. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$9,903,564 and \$1,551,113 was covered by federal depository insurance and \$29,915,295 and \$37,547,737 was collateralized with securities held by the pledging financial institutions' agents in the College's name at June 30, 2024 and 2023, respectively.

The carrying amount of the Foundation's checking account at June 30, 2024 was \$157,296 and the bank balance was \$162,783. The carrying amount of the Foundation's checking accounts at June 30, 2023 was \$200,932 and the bank balance was \$203,794. The difference between the carrying amount and bank balance is due to outstanding checks and/or deposits in transit. The entire bank balance was fully insured by FDIC coverage at June 30, 2024 and 2023.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The College had no investments at June 30, 2024 and 2023.

NOTE 3 – RESTRICTED CASH

Cash is restricted for the following purposes:

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Flexible Spending Funds	\$ 53,680	48,129
Benefit Management Self-Insured Funds	3,302,083	3,996,342
Total Restricted Cash	\$ 3,355,763	4,044,471

NOTE 4 – INVESTMENTS AND INVESTMENT RETURN

The Foundation had the following investments as of June 30, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 10
Certificates of Deposit	\$ 1,866,132	1,866,132	-
Money Market Fund	89,778	89,778	-
Equity Funds	3,358,620	-	3,358,620
Common Stocks	3,930,452	-	3,930,452
Government Obligations	1,921,868	-	1,921,868
Non-government Obligations	1,024,716	-	1,024,716
	\$ 12,191,566	1,955,910	10,235,656

The Foundation had the following investments as of June 30, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 10
Certificates of Deposit	\$ 300,000	300,000	-
Money Market Fund	363,271	363,271	-
Equity Funds	3,258,781	-	3,258,781
Common Stocks	3,191,660	-	3,191,660
Government Obligations	1,394,706	-	1,394,706
Non-government Obligations	876,715	-	876,715
Fixed Income Funds	532,274	-	532,274
	\$ 9,917,407	663,271	9,254,136

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes establish a two-year limitation on investment maturities. The Foundation is not exposed to significant interest rate risk.

Fair value measurement. The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

At June 30, 2024, the Foundation's fiduciary fund investments were categorized within the fair value hierarchy as follows:

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

	Fair Value Measurements at June 30, 2024			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 1,866,132	-	-	1,866,132
Money Market Fund	89,778	-	-	89,778
Equity Funds	3,358,620	-	-	3,358,620
Common Stocks	3,930,452	-	-	3,930,452
Government Obligations	1,921,868	-	-	1,921,868
Non-government Obligations	1,024,716	-	-	1,024,716
Beneficial Interest in Remainder Trusts	-	-	536,451	536,451
Beneficial Interest in Assets Held by Others	-	-	16,954	16,954
Total	\$ 12,191,566	-	553,405	12,744,971

At June 30, 2023, the Foundation's fiduciary fund investments were categorized within the fair value hierarchy as follows:

	Fair Value Measurements at June 30, 2024			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 300,000	-	-	300,000
Money Market Account	363,271	-	-	363,271
Equity Funds	3,258,781	-	-	3,258,781
Common Stocks	3,191,660	-	-	3,191,660
Government Obligations	1,394,706	-	-	1,394,706
Non-government Obligations	876,715	-	-	876,715
Fixed Income Funds	532,274	-	-	532,274
Beneficial Interest in Remainder Trusts	-	-	483,368	483,368
Beneficial Interest in Assets Held by Others	-	-	15,805	15,805
Total	\$ 9,917,407	-	499,173	10,416,580

NOTE 5 – BENEFICIAL INTEREST IN REMAINDER TRUSTS

The Foundation was named as a 50% beneficiary of a trust that contains cash and marketable securities. The income earned by the trust's assets is distributed to five beneficiaries and then, upon the death of the last income beneficiary, a portion of the trust corpus will be distributed to the Foundation. The Foundation has recorded its respective interest in the trust based on the fair value of the investments at year end. The amounts recorded as the beneficial interest of this trust at June 30, 2024 and 2023 are \$536,451 and \$483,368, respectively.

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2024 and 2023 for **Barton County Community College**.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

2024				
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 789,840	-	-	789,840
Improvements	279,186	-	-	279,186
Infrastructure	843,340	-	-	843,340
Buildings	28,538,204	703	-	28,538,907
Vehicles	2,066,983	172,302	45,287	2,193,998
Machinery and Equipment	6,996,457	428,252	17,931	7,406,778
Library Materials	1,942,170	14,816	-	1,956,986
Right-to-Use SBITAs	4,403,332	1,266,024	186,928	5,482,428
Total	45,859,512	1,882,097	250,146	47,491,463
Less: Accumulated Depreciation	(21,177,295)	(2,263,429)	(235,331)	(23,205,393)
Construction in Progress	1,583,068	2,136,750	-	3,719,818
Capital Assets, Net	\$ 26,265,285	1,755,418	14,815	28,005,888
2023				
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 678,800	111,040	-	789,840
Improvements	279,186	-	-	279,186
Infrastructure	843,340	-	-	843,340
Buildings	27,586,376	951,828	-	28,538,204
Vehicles	2,080,788	23,859	37,664	2,066,983
Machinery and Equipment	6,518,453	493,116	15,112	6,996,457
Library Materials	1,916,370	25,800	-	1,942,170
Right-to-Use SBITAs	2,556,271	1,847,061	-	4,403,332
Total	42,459,584	3,452,704	52,776	45,859,512
Less: Accumulated Depreciation	(19,087,378)	(2,139,193)	(49,276)	(21,177,295)
Construction in Progress	-	1,583,068	-	1,583,068
Capital Assets, Net	\$ 23,372,206	2,896,579	3,500	26,265,285

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2024 and 2023 for the Foundation.

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Art Collection	\$ 772,940	48,070	-	821,010
Book Collection	129,579	395	-	129,974
Total	\$ 902,519	5,223	94,000	950,984
	2023			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 94,000	-	94,000	-
Art Collection	768,940	4,000	-	772,940
Book Collection	128,356	1,223	-	129,579
Total	\$ 991,296	5,223	94,000	902,519

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024	Current Portion
Certificates of Participation	\$ 6,975,000	-	510,000	6,465,000	525,000
Real Estate Installment Purchase	997,167	-	34,935	962,232	36,722
SBITAs	2,138,514	1,174,271	1,170,282	2,142,503	727,179
Compensated Absences	1,096,520	83,945	-	1,180,465	1,180,465
Total OPEB Liability	580,461	-	89,755	490,706	-
Net Pension Liability	273,956	71,149	-	345,105	-
Bond Premium, Net	339,087	-	34,418	304,669	-
Total Long-Term Liabilities	\$ 12,400,705	1,329,365	1,839,390	11,890,680	2,469,366

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Outstanding June 30, 2022	Additions	Reductions	Outstanding June 30, 2023	Current Portion
Certificates of Participation	\$ 7,460,000	-	485,000	6,975,000	510,000
Real Estate Installment Purchase	-	1,000,000	2,833	997,167	34,935
SBITAs	1,633,650	1,683,901	1,179,037	2,138,514	1,019,248
Compensated Absences	1,006,052	90,468	-	1,096,520	1,096,520
Total OPEB Liability	506,251	74,210	-	580,461	-
Net Pension Liability	183,895	90,061	-	273,956	-
Bond Premium, Net	373,505	-	34,418	339,087	-
	<u>11,163,353</u>	<u>2,938,640</u>	<u>1,701,288</u>	<u>12,400,705</u>	<u>2,660,703</u>
Total Long-Term Liabilities	\$ <u>11,163,353</u>	<u>2,938,640</u>	<u>1,701,288</u>	<u>12,400,705</u>	<u>2,660,703</u>

Certificates of Participation Bonds

Series 2015

On November 3, 2015, the College issued certificates of participation bonds with an interest rate of 2.0% to 4.0% in the amount of \$4,530,000 for the purpose of providing funds for refunding the Series 2008 certificates of participation.

Series 2021

On November 10, 2021, the College issued certificates of participation bonds with an interest rate of 3.0% in the amount of \$3,595,000 for the purpose of providing funds for refunding the Series 2013 certificates of participation.

Long-term debt activity for the year ended June 30, 2024 was as follows:

	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024	Current Portion	Interest Paid
Certificates of Participation						
Series 2015	\$ 3,715,000	-	215,000	3,500,000	220,000	126,513
Series 2021	3,260,000	-	295,000	2,965,000	305,000	97,800
	<u>6,975,000</u>	<u>-</u>	<u>510,000</u>	<u>6,465,000</u>	<u>525,000</u>	<u>224,313</u>
Total Long-Term Debt	\$ <u>6,975,000</u>	<u>-</u>	<u>510,000</u>	<u>6,465,000</u>	<u>525,000</u>	<u>224,313</u>

Long-term debt activity for the year ended June 30, 2023 was as follows:

	Outstanding June 30, 2022	Additions	Reductions	Outstanding June 30, 2023	Current Portion	Interest Paid
Certificates of Participation						
Series 2015	\$ 3,920,000	-	205,000	3,715,000	215,000	132,006
Series 2021	3,540,000	-	280,000	3,260,000	295,000	106,200
	<u>7,460,000</u>	<u>-</u>	<u>485,000</u>	<u>6,975,000</u>	<u>510,000</u>	<u>238,206</u>
Total Long-Term Debt	\$ <u>7,460,000</u>	<u>-</u>	<u>485,000</u>	<u>6,975,000</u>	<u>510,000</u>	<u>238,206</u>

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

The following is a schedule of future payments for the debt obligations:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 525,000	210,569	735,569
2026	545,000	195,206	740,206
2027	555,000	178,281	733,281
2028	570,000	161,269	731,269
2029	590,000	143,944	733,944
2030-2034	2,715,000	412,244	3,127,244
2035-2037	965,000	53,634	1,018,634
Total	\$ 6,465,000	1,355,147	7,820,147

Purchase Agreement – Direct Borrowing

During the year ended June 30, 2023, the College entered into a purchase agreement for the acquisition of land and a building.

Long-term debt activity for the year ended June 30, 2024 was as follows:

	<u>Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2024</u>	<u>Current Portion</u>	<u>Interest Paid</u>
Purchase Agreement	\$ 997,167	-	34,935	962,232	36,722	49,065

Long-term debt activity for the year ended June 30, 2023 was as follows:

	<u>Outstanding June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2023</u>	<u>Current Portion</u>	<u>Interest Paid</u>
Purchase Agreement	\$ -	1,000,000	2,833	997,167	34,935	4,167

The following is a schedule of future payments for the debt obligations:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 36,722	47,430	84,152
2026	38,601	45,559	84,160
2027	40,576	43,592	84,168
2028	42,652	41,525	84,177
2029	44,834	39,166	84,000
2030-2033	758,847	130,188	889,035
Total	\$ 962,232	347,460	1,309,692

Subscription Based Information Technology Arrangements (SBITAs) – Direct Borrowing

The College entered into multiple subscription based information technology arrangements for various right-to-use assets. The subscriptions are summarized as follows for the years ended June 30, 2024 and 2023:

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
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Subscription Name	Start Date	End Date	Annual Payment	Interest Rate	6/30/2024 Balance	6/30/2023 Balance
Blackboard	07/01/2021	06/30/2024	\$ 16,133	0.4110%	-	16,067
Canvas # Q-252026-1	08/01/2022	07/31/2027	102,972	2.5360%	306,944	399,777
CashNet	07/01/2021	03/09/2026	70,019	0.6870%	69,541	138,608
CDWG # GD78054	01/16/2023	01/15/2026	3,555	2.7960%	3,458	6,823
Donor Search	09/01/2022	08/31/2024	4,400	2.1940%	-	4,306
Ellucian Argos # B0007-237519-120921	12/01/2021	03/31/2024	10,044	0.4080%	-	13,362
EllucianCloud # B0007-178658-042619	07/01/2021	06/30/2024	353,220	0.4110%	-	352,435
Ellucian CRM Advance # B0007-237654-060222	07/01/2022	06/30/2026	52,839	2.4450%	106,538	155,573
Ellucian Experience # B0007-217702-072420	07/01/2021	07/31/2025	19,757	0.5600%	20,236	39,770
Ellucian Insights	09/01/2023	06/30/2026	63,750	8.0000%	155,067	-
Ellucian Oracle Cloud # B0007-206067-040919	07/01/2021	06/30/2024	106,538	0.4110%	-	106,102
Evisions Argos	10/01/2021	09/30/2024	49,601	0.4080%	-	49,399
Evisions - IntelleCheck AP Enterprise	02/01/2023	01/31/2026	2,112	2.7960%	2,137	4,134
Evisions - IntelleCheck Payroll Enterprise	07/01/2021	05/31/2025	2,114	0.2450%	-	2,109
Galaxy Digital	08/29/2022	08/28/2025	4,300	2.1940%	4,208	4,208
Greater Giving	07/01/2021	05/31/2026	1,295	0.6870%	1,286	2,564
Intellidemia-Concourse 493550	10/01/2023	09/30/2026	9,500	8.5000%	16,826	-
Kanren access circuit 08028 3447/mo	07/01/2023	06/30/2028	41,364	2.0000%	158,884	-
Kanren Firewall # 00000941	07/01/2021	06/30/2024	4,632	0.4110%	-	4,622
Kanren Fort Riley # 22012110550303181	07/01/2022	06/30/2029	24,447	2.5360%	139,834	72,534
Kanren GVP 100Mb # 2012110490303180	07/01/2022	06/30/2027	21,500	2.5360%	62,044	81,699
Kanren Zoom # 22061410360303098	07/01/2022	06/30/2024	8,096	2.1940%	-	8,001
NexTechArubaTower Agreement V470201	01/01/2024	12/31/2025	39,900	8.5000%	56,006	-
Nex-Tech Cloud Phone	08/11/2022	08/10/2030	78,408	2.9520%	436,116	500,614
NexTech Surveillance System V470201	04/01/2024	03/31/2030	68,441	8.5000%	310,438	-
NextGen Web Solutions Scholarship Manager V5455517	05/01/2024	04/30/2027	10,000	8.5000%	17,711	-
PrestoSports506888 athletic software	11/01/2023	10/31/2026	5,823	8.5000%	10,795	-
Rave Mobile # 0065A000010zJ56QAE	09/11/2021	09/10/2024	2,500	0.4110%	-	2,490
Rave Panic and Guardian # 0065A0000110gU3QAI	02/01/2022	01/31/2025	6,163	0.4760%	-	6,134
SHI international Adobe 000514870	07/28/2023	07/27/2026	17,065	8.2500%	30,327	-
Speedlink # 709352	07/01/2021	07/01/2023	19,360	0.3080%	-	19,301
Swank Motion Pictures	07/01/2021	07/14/2024	8,275	0.4110%	-	8,241
TandemCyberLLC V523714 Cybersecurity	07/01/2023	06/30/2026	45,000	8.2500%	138,066	-
Turnitin # Q-484857-1	07/01/2021	06/30/2024	23,594	0.4110%	-	23,497
Vector Solutions-(prior vendor Get Inclusive)	07/01/2021	06/30/2024	5,500	0.4110%	-	5,477
Watermark	01/01/2024	12/31/2026	15,003	8.5000%	40,159	-
Zendesk 3-31-23 suite professional	04/01/2023	06/30/2025	57,000	2.0000%	55,882	110,667
Total Subscriptions					\$ 2,142,503	2,138,514

The following is a schedule of future payments for the debt obligations:

Fiscal Year Ending	Principal	Interest	Total
2025	\$ 727,179	91,305	818,484
2026	586,569	61,589	648,158
2027	331,651	31,943	363,594
2028	198,539	19,481	218,020
2029-2031	298,565	14,362	312,927
Total	\$ 2,142,503	218,680	2,361,183

NOTE 8 – DONOR-RESTRICTED ENDOWMENTS

The Foundation has donor-restricted endowments with net appreciation of \$6,265,198 on investments available for authorization for expenditure by the governing board. The entire amount is classified as true endowments and require the principal to be maintained inviolate and in perpetuity. Details for the amounts of the net appreciation on investments and how they are reported are presented in the table below.

BARTON COUNTY COMMUNITY COLLEGE
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Donor-restricted Endowments	Amount of Net Appreciation Available for Expenditure	Reported in Net Position
True Endowments	\$ 1,782,960	Expendable
True Endowments	4,482,238	Nonexpendable

The Foundation follows the policy of appropriating for distribution earnings from endowed funds based on a calculation of funds available April 30th of the fiscal year preceding the fiscal year in which the distribution is planned. The established practice of determining funds available for distribution is calculating the difference between endowment market value and endowment principal balance with 5% held in reserve. The remaining balance is available for distribution, with consideration of donor restrictions on amounts available for distribution.

Expendable funds are those funds that may be expended for either a stated purpose or for a general purpose as per the endowment gift terms. Nonexpendable funds are those required to be retained in perpetuity.

NOTE 9 – CONCENTRATIONS

Barton County Community College provides the personnel that are used by Barton County Community College Foundation in its day to day operations and pays for some of the Foundation's office expenses. A change in this agreement between the College and the Foundation could adversely affect the Foundation's operations.

NOTE 10 – LITIGATION

Barton County Community College is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the College.

NOTE 11 – SELF-INSURANCE PLANS

During the years ended June 30, 2024 and 2023, employees of **Barton County Community College** were covered by the College's medical self-insurance plan. The total premium contributed is approximately \$1,627, \$1,094, \$1,145 and \$615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively. The College contributes \$1,200, \$870, \$890 and \$615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively, with the employee paying the difference through authorized payroll withholdings. Claims were paid by a third party administrator acting on behalf of the College. The administration contract between the College and the third party administration is renewable annually and administration fees are included in the contractual provisions. Stop loss coverage was in effect for individual claims exceeding \$90,000, which is based on a factor determined monthly by Pan American.

BARTON COUNTY COMMUNITY COLLEGE
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Self-Insurance Liability	<u>2023-2024</u>	<u>2022-2023</u>
Beginning of Fiscal Year Liability	\$ 429,555	323,247
Claims and Changes in Estimates	3,113,270	3,350,791
Claim Payments	<u>(3,182,235)</u>	<u>(3,244,483)</u>
 End of Fiscal Year Liability	 \$ <u>360,590</u>	 <u>429,555</u>
 Assets Available To Pay Claims At June 30	 \$ 3,302,083	 3,996,342

NOTE 12 – RISK MANAGEMENT

Barton County Community College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the College joined together with other entities in the State of Kansas to participate in the Kansas Educational Risk Management Pool, LLC (KERMP), a public entity risk pool currently operating as a common risk management and insurance program for 98 participating members.

The College pays an annual premium to Kansas Educational Risk Management Pool, LLC (KERMP) for its commercial insurance coverage. The agreement to participate provides that KERMP will be self-sustaining through member premiums and will reinsure through commercial companies for property claims in excess of \$600,000 for each insured event, depending on the type of insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERMP management.

Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 13 – GRANTS AND SHARED REVENUES

Barton County Community College participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the College has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the College, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

The College receives a significant portion of its revenues from grants for student financial aid, all of which are subject to audit by federal and state governments. The ultimate determination of amounts awarded under these programs generally is based upon eligibility of students based upon their financial need. Until such audits have been completed, there exists a contingency to refund any amount awarded to a student that was not eligible for student financial assistance. Management is of the opinion that no material liability will result from such audits.

NOTE 14 – DEFERRED COMPENSATION PLAN

Barton County Community College sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The College is not required to make any contributions.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 15 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

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

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

Benefits

Benefits are established by statute and may only be changed by the Legislature. Member employees with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points".

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. 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.

Member employees 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. The 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 after January 1, 2015 was created. Normal retirement age for KPERs 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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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.

Special Funding Situation

The employer contributions for community colleges, as defined in K.S.A.74-4931(2) and (3), 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 Statement No. 68. The State is treated as a nonemployer contributing entity in the System. Since the College does 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 their 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 community college. In addition, each community college 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.

The College also makes contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of these agencies "working after retirement" contributions and resulting net position liability are attributable to the College. These amounts are reflected separately and recorded in the financial statements.

Contributions

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

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

The statutory contribution rate was 12.57% and 13.11% for the fiscal years ended June 30, 2024 and 2023, respectively.

Contributions to the pension plan for the College were \$20,972 and \$35,875 for the fiscal years ended June 30, 2024 and 2023, respectively.

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

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

The allocation percentages for the College's share of the collective pension amounts as of June 30, 2023 and 2022 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, 2023 and 2022, respectively. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

Net Pension Liability

Net pension liability activity for the following years ended is as follows:

	June 30, 2024	June 30, 2023
State Share of Net Pension Liability	\$ 22,604,959	\$ 21,176,701
College Share of Net Pension Liability	345,105	273,956
Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	December 31, 2022	December 31, 2021
College's Proportion	.0050%	.0038%
Change in Proportion	.0011%	.0005%

Pension Plan Fiduciary Net Position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

Actuarial Assumptions

The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.50 to 12.00%, including inflation
Investment rate of return net of investment expense, including price inflation	7.00%

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for the three year period January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

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 of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

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Notes to Financial Statements
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Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
US Equities	23.50%	5.20%
Non-US Equities	23.50	6.40
Private Equity	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	4.00	0.25
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability at the measurement date of June 30, 2023 and 2022, was 7.00%. The State/School groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

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

In addition, 2017 Senate Sub for Sub HB 2052 delayed \$64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of \$6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as 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. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of \$51 million.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of \$1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of \$500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

The 2022 Legislature passed Senate Bill 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 paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining \$871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, \$600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled \$271.1 million. The first transfer of \$146.1 million was received on August 1, 2022. The second transfer of \$125 million was received on December 1, 2022.

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability as of June 30, 2024 and 2023 calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

Fiscal Year	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
June 30, 2024	\$496,388	\$345,105	\$218,709
June 30, 2023	\$387,290	\$273,956	\$179,240

Pension Expense

For the years ended June 30, 2024 and 2023, the College recognized pension expense of \$3,529,562 and \$2,435,463, respectively, and revenue of \$3,435,932 and \$2,374,960 for support provided by the State in the form of non-employer contributions to KPERS on the College's behalf.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 12,503	-	6,072	119
Net differences between projected and actual earnings on investments	23,488	-	23,072	-
Changes in assumptions	38,135	-	42,112	-
Changes in proportion	87,989	-	64,621	-
Contributions subsequent to measurement date	20,972	-	35,875	-
Total	\$ 183,087	-	171,752	119

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

The \$20,972 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ 58,329
2026	36,437
2027	50,941
2028	15,996
2029	412
Thereafter	-

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS – KPERS DEATH AND DISABILITY

Plan Description

The College contributes to the KPERS Long-Term Disability plan, a single-employer defined benefit other post-employment benefit (OPEB) plan which is administered by a board of trustees appointed by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4925. 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, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Special Funding Situation

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

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member’s monthly rate of 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, worker’s compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member’s 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member’s retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member’s annual rate of compensation at the time of disability, or (b) the member’s previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Employees Covered by Benefit Terms

At June 30 (the measurement date), the following members were covered by the benefit terms:

KPERS D&D

	2023	2022
Active Employees	295	287
Disabled Employees	1	1
Total	296	288

Total OPEB Liability

The total OPEB liability recognized by the State of Kansas that was attributable to the College was \$213,121 and \$197,242, respectively. The OPEB liability was measured as of June 30, 2023 and 2022, for the years ended June 30, 2024 and 2023, respectively, and was determined by actuarial valuations as of December 31, 2022 and 2021, rolled forward to June 30, 2023 and 2022, respectively.

For the year ended June 30, 2024 and 2023, the College recognized OPEB expense and revenue of \$27,551 and \$24,297 respectively, for support provided by the State in the form of non-employer contributions on the College's behalf.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

	2023	2022
Price Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Salary Increases, Including Inflation	3.5% to 11.5%	3.5% to 11.5%
Discount Rate	3.65%	3.54%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021 for the December 31, 2022 and 2021 actuarial valuation.

The actuarial assumptions used in the June 30, 2023 and 2022 valuations were based on the actual KPERS experience.

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description

The health insurance benefit plan is a single-employer defined benefit healthcare plan administrated by **Barton County Community College**. K.S.A. 12-5040 establishes the authority that post-employment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirements and can amend benefit provisions by state legislature. The plan provides medical and dental insurance benefits to eligible retirees and their spouses. The benefit is available for selection at retirement and is extended to retirees until the retiree becomes covered under another employer health plan or until the age of 65. Costs under the self-insured program are paid from general operating funds. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Benefits Provided

As provided and required by K.S.A. 12-5040, the College allows retirees and their spouses to participate in the group health insurance plan for medical and dental coverage. Kansas statutes, which can be amended by State legislature, established that participating retirees may remain in the College's health insurance plan by paying the full amount of the applicable premium. Conceptually, the College is subsidizing the retirees because each participant is charged a level of premium regardless of age. The total premium is approximately \$1,627, \$1,094, \$1,145 and \$615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively. Retirees and spouses must contribute 125% of group plan premiums to maintain coverage. Upon retiree death or attainment of age 65, spouses may elect Cobra for up to 3 years. The College does not pay a portion of the premium.

Employees Covered by Benefit Terms

As of the November 1, 2023 census, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	308

Total OPEB Liability

At June 30, 2024 and 2023, the total OPEB liability was \$490,706 and \$580,461, respectively. The OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation performed as of November 1, 2023, which was rolled forward to June 30, 2024. The OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of November 1, 2021, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 and 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

	<u>2024</u>	<u>2023</u>
Average Salary Scale	2.0% per year	2.0% per year
Discount Rate	4.1%	4.0%
Healthcare Cost Trend Rates	7.50% for 2023-2024, 7.00% for 2024-2025, 6.50% for 2025-2026, 6.00% for 2026-2027, 5.75% for 2027-2028, 5.50% for 2028-2029, 5.25% for 2029-2030, 5.00% for 2030-2031, 4.75% for 2031-2032, and 4.50% for 2032- 2033 (ultimate)	7.00% for 2021-2022, 6.50% for 2022-2023, 6.00% for 2023-2024, 5.75% for 2024-2025, 5.50% for 2025-2026, 5.25% for 2026-2027, 5.00% for 2027-2028, 4.75% for 2028-2029, and 4.50% for 2029- 2030 (ultimate)

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

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans headcount-weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement for June 30, 2024 and 2023.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

Changes in the Total OPEB Liability

The following table shows the changes of the College's total OPEB liability for the year:

		<u>2024</u>	<u>2023</u>
Total OPEB Liability – Beginning of Year	\$	<u>580,461</u>	<u>506,251</u>
A. Service Cost		<u>34,833</u>	32,498
B. Interest Cost		<u>24,452</u>	20,797
C. Differences Between Actual and Expected Experience		<u>(28,594)</u>	5,450
D. Changes in Assumptions		<u>(112,446)</u>	26,465
E. Employer Contributions (Benefit Payments)	\$	<u>(8,000)</u>	<u>(11,000)</u>
Net Changes (A+B+C+D+E)		<u>(89,755)</u>	<u>74,210</u>
Total OPEB Liability – End of Year	\$	<u>490,706</u>	<u>580,461</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability of the College as of June 30, 2024, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage lower (3.1%) or one percentage higher (5.1%) than the current discount rate:

	<u>1% Decrease (3.1 %)</u>	<u>Discount Rate (4.1%)</u>	<u>1% Increase (5.1%)</u>
Total OPEB Liability	\$ 550,178	490,706	437,662

The following represents the total OPEB liability of the College as of June 30, 2023, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage lower (3.0%) or one percentage higher (5.0%) than the current discount rate:

	<u>1% Decrease (3.0%)</u>	<u>Discount Rate (4.0%)</u>	<u>1% Increase (5.0%)</u>
Total OPEB Liability	\$ 648,417	580,461	519,756

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates for the year ended June 30, 2024:

	<u>1% Decrease (6.5% decreasing to 3.5%)</u>	<u>Health Cost Trend Rates (7.5% decreasing to 4.5%)</u>	<u>1% Increase (8.5% decreasing to 5.5%)</u>
Total OPEB Liability	\$ 420,592	490,706	575,833

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates for the year ended June 30, 2023:

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

	1% Decrease (6.0% decreasing to 3.5%)	Health Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	\$ 496,092	580,461	683,378

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

For the year ended June 30, 2024, and 2023, the College recognized OPEB expense of \$29,064 and \$33,148, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 85,850	129,760	94,910	112,686
Changes in assumptions	160,741	545,422	176,473	476,469
Total	\$ 246,591	675,182	271,383	589,155

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

Year Ending June 30	
2025	\$ (30,221)
2026	(30,221)
2027	(30,221)
2028	(30,221)
2029	(30,221)
Thereafter	(277,486)

NOTE 18 – TAX ABATEMENTS

Barton County Community College participates in the Neighborhood Revitalization Rebate Program which provides to promote revitalization and development of participating Cities within Barton County by stimulating new construction and the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents. Abatements are obtained through application by the property owner to the participating cities, including proof that the improvements or construction have been made, and equal 95 percent in the first year of the additional property tax resulting from the increase in assessed value as a result of the improvements or construction. The abatement is on a sliding scale from 95% to 20% over a 10 year process. The amount of the abatement is deducted from the recipient's tax bill.

For the years ended June 30, 2024 and 2023, the College's property tax revenues were reduced by \$67,991 and \$56,870, respectively.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 19 – COMPENSATED ABSENCES

Vacation

All 12-month employees of **Barton County Community College**, such as the executive, 12-month faculty, hourly and exempt personnel are entitled to vacation under the following schedule:

1. Executive personnel shall earn vacation at the rate of 14 hours per month (21 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 16 hours per month (24 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 350 hours (44 days).
2. 12-month faculty on the Barton Campus and full-time exempt staff shall earn 8 hours of vacation per month (12 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 12 hours per month (18 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).
3. 12-month faculty on the Fort Riley Campus shall earn vacation at the rate of 20 hours per month (30 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 22 hours per month (33 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).
4. Full-time hourly personnel shall earn 7 hours of vacation per month (10.5 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 10 hours per month (15 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).

The College's potential liability for vacation at June 30, 2024 and 2023 has been estimated at \$1,180,465 and \$1,096,520, respectively, and is recorded in the financial statements.

Sick Leave

The College provides sick leave to its eligible employees as follows:

1. Executive personnel, faculty and full-time staff shall earn sick leave at the rate of 8 hours per month (12 days per year) and allowed to accrue a maximum of 960 hours (120 days).
2. Part-time hourly staff shall earn sick leave at the rate of .0462 hours per each hour worked and allowed to accrue a maximum of 960 hours (120 days).

Accumulated sick leave is not paid upon termination of employment except for those employees qualifying for early retirement. A qualified early retiree will be paid for accumulated sick leave at a rate of the retiree's average base salary for the last four years of employment times the number of accrued sick days up to \$100 per day. The College's potential liability for sick leave at June 30, 2024 and 2023 has been estimated at \$3,158,936 and \$2,960,993, respectively, and is not recorded in the financial statements

The College has a donated leave program that allows its employees to contribute their paid leave time to their colleagues who are in need of it. Maximum leave which could be transferred to an employee requesting donated leave is 480 hours. Individuals must have a minimum of 126 hours of accrued sick leave before being eligible to donate sick leave under this program.

Personal Leave

The College provides personal leave to its eligible employees. All full-time staff shall earn 16 hours of personal leave per fiscal year (2 days per year). All part-time staff shall earn 8 hours of personal leave per fiscal year (1 day per year). Unused leave does not carry over.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE 20 – RISKS AND UNCERTAINTIES

Barton County Community College Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the activities of the Foundation.

The Foundation has tried to minimize the risk associated with these investment securities by having an investment committee review the investment activity throughout the year and by having regular meetings with the investment company representatives.

NOTE 21 – RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 22 – SUBSEQUENT EVENTS

In August 2024, Benefit Management (BM) closed and filed for bankruptcy. The College used BM for its self-insured health benefits. Since reports were not able to be obtained from BM, the liability for health claims paid after year-end were estimated for the current year. Subsequent events have been evaluated through December 10, 2024, which is the date the financial statements were available to be issued on **Barton County Community College**.

BARTON COUNTY COMMUNITY COLLEGE

Required Supplementary Information

BARTON COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2024

Schedule of Changes in the College's Total Other Post-Employment Benefits and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 34,833	32,498	63,844	84,740	58,275	49,958	47,930
Interest Cost	24,452	20,797	16,860	25,631	11,766	20,296	18,518
Differences Between Actual and Expected Experience	(28,594)	5,450	(44,989)	16,679	(99,985)	114,441	-
Changes in Assumptions and Other Inputs	(112,446)	26,465	(304,129)	(244,444)	204,860	(17,621)	2,776
Employer Contributions (Benefit Payments)	(8,000)	(11,000)	(9,000)	-	-	(12,000)	(6,000)
Net Changes in Total OPEB Liability	(89,755)	74,210	(277,414)	(117,394)	174,916	155,074	63,224
Total OPEB Liability - Beginning of Year	580,461	506,251	783,665	901,059	726,143	571,069	507,845
Total OPEB Liability - End of Year	\$ 490,706	580,461	506,251	783,665	901,059	726,143	571,069
Covered-Employee Payroll	\$ 15,124,546	14,066,154	14,066,154	13,713,288	13,713,288	12,486,051	12,486,051
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.24%	4.13%	3.60%	5.71%	6.57%	5.82%	4.57%

Notes to Schedule

Changes of Assumptions and Other Inputs

Changes of assumptions and other inputs reflect a change in the discount rate from 3.35% in 2017, 3.3% in 2018, 3.0% in 2019, 2.6% in 2020, 2.0% in 2021, 3.9% in 2022, 4.0% in 2023 and 4.1% in 2024.

The mortality assumption was changed from the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

Schedule of Changes in the College's Death and Disability Total OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability							
Service Cost	\$ 38,704	36,285	40,138	34,192	32,467	32,135	32,981
Interest Cost	8,284	4,764	5,132	7,440	7,909	7,170	4,892
Changes in Benefit Terms		-	-	-	-	-	-
Differences Between Actual and Expected Experience	(26,363)	(34,297)	(49,500)	(31,443)	(32,524)	(29,699)	(4,535)
Changes in Assumptions and Other Inputs	(894)	8,174	286	7,336	2,469	(1,985)	(3,852)
Benefit Payments	(3,852)	(3,852)	(3,852)	(3,852)	(3,852)	(3,852)	-
Net Changes in Total OPEB Liability	15,879	11,074	(7,796)	13,673	6,469	3,769	29,486
Total OPEB Liability - Beginning of Year	197,242	186,168	193,964	180,291	173,822	170,053	140,567
Total OPEB Liability - End of Year	\$ 213,121	197,242	186,168	193,964	180,291	173,822	170,053
State's Proportionate Share of the Total OPEB Liability	\$ 213,121	197,242	186,168	193,964	180,291	173,822	170,053
Covered Payroll	\$ 16,378,972	14,976,296	14,465,647	15,840,045	15,139,481	14,769,205	14,148,381
Total OPEB Liability as a Percentage of Covered Payroll	1.30%	1.32%	1.29%	1.22%	1.19%	1.18%	1.20%

Notes to Schedule

Changes of Assumptions and Other Inputs

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% on June 30, 2016, 3.58% on June 30, 2017, 3.87% on June 30, 2018, 3.5% on June 30, 2019, 2.21% on June 30, 2020, 2.16% on June 30, 2021, 3.54% on June 30, 2022, and 3.65% on June 30, 2023.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

BARTON COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2024

Schedule of the College's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System (KPERs)

Fiscal Year-End	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
The College's proportion of the collective net pension liability	0.0050%	0.0038%	0.0033%	0.0030%	0.0021%	0.0019%	0.0018%	0.0015%	0.0014%	0.0024%
The College's proportionate share of the net pension liability	\$ 345,105	273,956	183,895	226,937	138,717	121,793	118,859	129,202	94,092	156,012
The State's proportionate share of the net pension liability	22,604,959	21,176,701	16,872,055	24,853,217	21,434,232	21,116,290	22,186,878	22,571,922	22,827,255	20,568,996
Total proportionate share of the net pension liability	\$ 22,950,064	21,450,657	17,055,950	25,080,154	21,572,949	21,238,083	22,305,737	22,701,124	22,921,347	20,725,008
The College's covered payroll	\$ 18,101,719	15,870,713	15,278,895	16,670,919	15,903,427	15,301,030	14,889,833	14,497,297	14,506,193	14,189,656
The College's proportionate share of the collective net pension liability as a percentage of its covered payroll	1.91%	1.73%	1.20%	1.36%	0.87%	0.80%	0.80%	0.89%	0.65%	1.10%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

Covered payroll is measured as of the measurement date, the most recent of which was June 30, 2023.

Note: Information on this schedule is measured as of the measurement date.

Share of the College's Contributions
Kansas Public Employees Retirement System (KPERs)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 35,307	26,854	23,022	21,644	13,808	10,694	8,771	8,984	5,903	11,009
Contributions in relation to the contractually required contribution	35,307	26,854	23,022	21,644	13,808	10,694	8,771	8,984	5,903	11,009
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
The College's covered payroll	\$ 19,122,247	18,101,719	15,870,713	15,278,895	16,670,919	15,903,427	15,301,030	14,889,833	14,497,297	14,506,193
Contributions as a percentage of covered payroll	0.185%	0.148%	0.145%	0.142%	0.083%	0.067%	0.057%	0.060%	0.041%	0.076%

BARTON COUNTY COMMUNITY COLLEGE
Notes to Required Supplementary Information
June 30, 2024

KPERS Pension Plan

Changes in assumptions.

The major items of impact in the actuarial valuation dated December 31, 2014 relative to the prior valuation are as follows:

- Reduce disability rates by 20% for all three KPERS groups.
- Increase the termination of employment rates for State-Males and Local-Males and Females.
- Modify the election of a deferred benefit by Local vested members who terminate employment in future years.
- Modify the retirement rates for the C60 group.
- Increase the load for the impact of final average salary provisions for Local, C55 and C60 members hired before July 1, 1993.
- Establish an interest crediting rate of 6.50% for KPERS 3 members.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.
- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation.

- The investment return assumption was lowered from 7.75% to 7.00%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted State/School groups are listed below:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

BARTON COUNTY COMMUNITY COLLEGE

Supplementary Financial Information

BARTON COUNTY COMMUNITY COLLEGE
General Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Tuition and Fees	\$ 15,000,000	11,978,700	(3,021,300)
Federal Appropriations	1,000,000	-	(1,000,000)
Activity Revenue and Other	3,156,400	410,725	(2,745,675)
State Appropriations	9,961,393	10,267,903	306,510
County Property Taxes	10,987,438	10,058,669	(928,769)
Interest Income	230,000	389,411	159,411
Total Revenues	<u>40,335,231</u>	<u>33,105,408</u>	<u>(7,229,823)</u>
Expenditures			
Instruction	14,900,000	10,048,792	4,851,208
Academic Support	3,000,000	2,699,467	300,533
Student Services	5,000,000	3,361,529	1,638,471
Institutional Support	1,700,000	3,556,608	(1,856,608)
Physical Plant Operations	14,700,000	4,515,571	10,184,429
Student Financial Support	280,000	286,532	(6,532)
Total Expenditures	<u>39,580,000</u>	<u>24,468,499</u>	<u>15,111,501</u>
Excess Revenues Over (Under) Expenditures	755,231	8,636,909	7,881,678
Other Financing Uses			
Transfers Out	<u>(10,420,000)</u>	<u>(8,586,637)</u>	<u>1,833,363</u>
Excess Revenues and Other Financing Uses Over (Under) Expenditures	(9,664,769)	50,272	9,715,041
Fund Balance - Beginning	<u>19,828,880</u>	<u>17,487,478</u>	<u>(2,341,402)</u>
Fund Balance - Ending	<u>\$ 10,164,111</u>	<u>17,537,750</u>	<u>7,373,639</u>

BARTON COUNTY COMMUNITY COLLEGE
Post Secondary Technical Education Fund
 Summary Schedule of Revenues, Expenditures,
 Encumbrances and Changes in Fund Balance - Budget and Actual
 Current Funds - Unrestricted (Regulatory Basis)
 For the Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Appropriations	\$ 300,000	271,281	(28,719)
State Appropriations	3,140,667	3,140,667	-
Other Revenues	5,780,251	283,498	(5,496,753)
Total Revenues	<u>9,220,918</u>	<u>3,695,446</u>	<u>(5,525,472)</u>
Expenditures			
Instruction	7,980,000	4,454,423	3,525,577
Academic Support	2,000,000	1,283,093	716,907
Institutional Support	11,000,000	6,564,127	4,435,873
Physical Plant Operations	20,000	-	20,000
Total Expenditures	<u>21,000,000</u>	<u>12,301,643</u>	<u>8,698,357</u>
Excess Revenues Over (Under) Expenditures	(11,779,082)	(8,606,197)	3,172,885
Other Financing Sources			
Transfers In	10,350,000	8,608,538	(1,741,462)
Excess Revenues and Other Financing Sources Over (Under) Expenditures	(1,429,082)	2,341	1,431,423
Fund Balance - Beginning	<u>50,000</u>	<u>13,686</u>	<u>(36,314)</u>
Fund Balance - Ending	<u>\$ (1,379,082)</u>	<u>16,027</u>	<u>1,395,109</u>

BARTON COUNTY COMMUNITY COLLEGE
Adult Basic Education Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Appropriations	\$ 130,550	134,150	3,600
State Appropriations	58,015	63,515	5,500
Other Revenues	181,700	-	(181,700)
Total Revenues	<u>370,265</u>	<u>197,665</u>	<u>(172,600)</u>
Expenditures			
Instruction	350,000	142,891	207,109
Student Services	15,000	-	15,000
Institutional Support	15,000	123,912	(108,912)
Physical Plant Operations	10,000	-	10,000
Total Expenditures	<u>390,000</u>	<u>266,803</u>	<u>123,197</u>
Excess Revenues Over (Under) Expenditures	(19,735)	(69,138)	(49,403)
Other Financing Sources			
Transfers In	-	70,000	70,000
Excess Revenues and Other Financing Sources Over (Under) Expenditures	(19,735)	862	20,597
Fund Balance - Beginning	<u>20,000</u>	<u>15,342</u>	<u>(4,658)</u>
Fund Balance - Ending	<u>\$ 265</u>	<u>16,204</u>	<u>15,939</u>

BARTON COUNTY COMMUNITY COLLEGE
Adult Supplementary Education Fund
 Summary Schedule of Revenues, Expenditures,
 Encumbrances and Changes in Fund Balance - Budget and Actual
 Current Funds - Unrestricted (Regulatory Basis)
 For the Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Other Revenues	\$ 5,000	-	(5,000)
Expenditures			
Instruction	5,000	-	5,000
Excess Revenues Over (Under) Expenditures	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	-	-

BARTON COUNTY COMMUNITY COLLEGE
Auxiliary Enterprise Funds
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2024

	Student Dormitory Fund			Student Union Fund			Athletic Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues									
Housing Payments	\$ 2,780,000	2,467,457	(312,543)	-	-	-	-	-	-
Bookstore Sales	-	-	-	800,000	592,043	(207,957)	-	-	-
Interest	-	3,000	3,000	-	150	150	-	-	-
Other Revenue	120,000	-	(120,000)	2,100,000	800,791	(1,299,209)	160,000	-	(160,000)
Total Revenues	<u>2,900,000</u>	<u>2,470,457</u>	<u>(429,543)</u>	<u>2,900,000</u>	<u>1,392,984</u>	<u>(1,507,016)</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
Expenditures									
Auxiliary Services	2,507,200	1,592,223	914,977	2,900,000	1,328,637	1,571,363	160,000	-	160,000
Debt Principal Payments	295,000	295,000	-	-	-	-	-	-	-
Debt Interest Payments	97,800	97,800	-	-	-	-	-	-	-
Total Expenditures	<u>2,900,000</u>	<u>1,985,023</u>	<u>914,977</u>	<u>2,900,000</u>	<u>1,328,637</u>	<u>1,571,363</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Excess Revenues Over (Under) Expenditures	-	485,434	485,434	-	64,347	64,347	-	-	-
Other Financing Sources									
Transfers In	-	-	-	-	(2,273)	(2,273)	-	-	-
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	-	485,434	485,434	-	62,074	62,074	-	-	-
Fund Balance - Beginning	<u>5,210,949</u>	<u>5,179,327</u>	<u>(31,622)</u>	<u>717,632</u>	<u>700,423</u>	<u>(17,209)</u>	<u>159,186</u>	<u>159,186</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,210,949</u>	<u>5,664,761</u>	<u>453,812</u>	<u>717,632</u>	<u>762,497</u>	<u>44,865</u>	<u>159,186</u>	<u>159,186</u>	<u>-</u>

BARTON COUNTY COMMUNITY COLLEGE
Auxiliary Enterprise Funds
 Summary Schedule of Revenues, Expenditures,
 Encumbrances and Changes in Fund Balance - Budget and Actual
 Current Funds - Unrestricted (Regulatory Basis)
 For the Year Ended June 30, 2024

	Camp Aldrich Fund			Total Auxiliary Enterprise Funds		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues						
Housing Payments	\$ -	-	-	2,780,000	2,467,457	(312,543)
Bookstore Sales	-	-	-	800,000	592,043	(207,957)
Interest	-	-	-	-	3,150	3,150
Other Revenue	110,000	-	(110,000)	2,490,000	800,791	(1,689,209)
Total Revenues	<u>110,000</u>	<u>-</u>	<u>(110,000)</u>	<u>6,070,000</u>	<u>3,863,441</u>	<u>(2,206,559)</u>
Expenditures						
Auxiliary Services	110,000	-	110,000	5,677,200	2,920,860	2,756,340
Debt Principal Payments	-	-	-	295,000	295,000	-
Debt Interest Payments	-	-	-	97,800	97,800	-
Total Expenditures	<u>110,000</u>	<u>-</u>	<u>110,000</u>	<u>6,070,000</u>	<u>3,313,660</u>	<u>2,756,340</u>
Excess Revenues Over (Under) Expenditures	-	-	-	-	549,781	549,781
Other Financing Sources						
Transfers In	-	-	-	-	(2,273)	(2,273)
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	-	-	-	-	547,508	547,508
Fund Balance - Beginning	<u>102,816</u>	<u>102,816</u>	<u>-</u>	<u>6,190,583</u>	<u>6,141,752</u>	<u>(48,831)</u>
Fund Balance - Ending	<u>\$ 102,816</u>	<u>102,816</u>	<u>-</u>	<u>6,190,583</u>	<u>6,689,260</u>	<u>498,677</u>

BARTON COUNTY COMMUNITY COLLEGE
Capital Outlay Fund
 Summary Schedule of Revenues, Expenditures,
 Encumbrances and Changes in Fund Balance - Budget and Actual
 Plant Funds (Regulatory Basis)
 For the Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Contributions	\$ 900,000	10,000	(890,000)
Expenditures			
Plant Equipment and Facility	950,000	-	950,000
Excess Revenues Over (Under) Expenditures	(50,000)	10,000	60,000
Fund Balance - Beginning	338,544	338,544	-
Fund Balance - Ending	\$ 288,544	348,544	60,000

BARTON COUNTY COMMUNITY COLLEGE

Notes to Supplementary Information

June 30, 2024

Reconciliation of Revenues, Expenditures and Other Financing Sources (Uses) for Budgetary Funds on a Regulatory Basis to GAAP Basis.

	General	Post Secondary Technical	Adult Basic Education	Auxiliary Enterprise	Capital Outlay	Total Budgetary Funds	Non-budgetary Funds	Total All Funds
Revenues								
Actual Amounts (Regulatory Basis) Revenues	\$ 33,105,408	3,695,446	197,665	3,863,441	10,000	40,871,960	21,010,748	61,882,708
Adjustments								
Accounts Receivable	414,845	-	-	-	-	414,845	-	414,845
Change in Allowance for Doubtful Accounts	10,964	-	-	-	-	10,964	-	10,964
Federal Grant Receivable	-	-	(208)	-	-	(208)	(74,371)	(74,579)
Deferred Tuition	(80,468)	-	-	-	-	(80,468)	-	(80,468)
Taxes Receivable	584,940	-	-	-	-	584,940	-	584,940
Total Revenues as Reported on the Statement of Revenues, Expenses and Change in Net Position	34,035,689	3,695,446	197,457	3,863,441	10,000	41,802,033	20,936,377	62,738,410
Expenditures								
Actual Amounts (Regulatory Basis) Expenditures	24,468,499	12,301,643	266,803	3,313,660	-	40,350,605	20,356,768	60,707,373
Adjustments								
Inventory Adjustment	-	-	-	(15,345)	-	(15,345)	-	(15,345)
Change in Debt	(234,667)	(9,582)	-	(295,000)	-	(539,249)	(1,697)	(540,946)
Change in OPEB Obligation	21,064	-	-	-	-	21,064	-	21,064
Change in Net Pension Obligation	59,695	-	-	-	-	59,695	-	59,695
Change in Construction in Process	-	-	-	-	-	-	(2,136,750)	(2,136,750)
Accrued Interest on Debt	(397)	-	-	(3,667)	-	(4,064)	-	(4,064)
Change in Prepaid Expenses	86,892	3,323	-	16,825	-	107,040	500	107,540
Change in Early Retirement Debt Refunding	16,888	-	-	3,338	-	20,226	-	20,226
Change in Debt Premium and Discount	(4,463)	-	-	(29,955)	-	(34,418)	-	(34,418)
Depreciation Expense	2,043,325	-	-	220,104	-	2,263,429	-	2,263,429
Additions to Capital Assets	(1,851,283)	-	-	(30,814)	-	(1,882,097)	-	(1,882,097)
Disposal of Capital Assets	13,191	-	-	1,624	-	14,815	-	14,815
Total Expenditures as Reported on the Statement of Revenue, Expenses and Change in Net Position	24,618,744	12,295,384	266,803	3,180,770	-	40,361,701	18,218,821	58,580,522
Other Financing Sources (Uses)								
Actual Amounts (Regulatory Basis) Other Financing Sources (Uses) From Schedule 1	(8,586,637)	8,608,538	70,000	(2,273)	-	89,628	(89,628)	-
Net Increase in Net Position, as Reported on the Statement of Revenue, Expenses and Change in Net Position	830,308	8,600	654	680,398	10,000	1,529,960	2,627,928	4,157,888
Net Position - Beginning	26,615,323	17,786	15,550	13,373,319	338,544	40,360,522	13,650,740	54,011,262
Net Position - Ending	\$ 27,445,631	26,386	16,204	14,053,717	348,544	41,890,482	16,278,668	58,169,150

BARTON COUNTY COMMUNITY COLLEGE

Single Audit Information

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

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of **Barton County Community College**, as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise **Barton County Community College's** basic financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Barton County 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Barton County Community College's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Barton County Community College's** internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Barton County 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*.

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.



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

December 10, 2024

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

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Barton County 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 **Barton County Community College's** major federal programs for the year ended June 30, 2024. **Barton County Community College's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Barton County Community College** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of **Barton County 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Barton County Community College's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 **Barton County 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 **Barton County 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 **Barton County 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 **Barton County 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 **Barton County 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 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 item 2024-001. 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 **Barton County Community College's** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Barton County 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 Auditors' 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 a material weakness and a significant deficiency.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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 **Barton County Community College's** response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. **Barton County 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.

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.



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

December 10, 2024

BARTON COUNTY COMMUNITY COLLEGE
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Direct Funding			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	P063P232527	\$ 4,269,417
Federal Supplemental Educational Opportunity Grants	84.007	P007A231491	95,870
Federal Work-Study Program	84.033	P033A231491	24,986
Federal Direct Student Loans	84.268	P268K242527	<u>2,722,185</u>
Total Student Financial Assistance Program Cluster			<u>7,112,458</u>
TRIO Cluster			
TRIO Student Support Services	84.042	P042A201353	361,675
TRIO Educational Opportunity Centers	84.066	P066A220144	320,176
TRIO Upward Bound	84.047	P047A221138	299,222
TRIO Upward Bound	84.047	P047A221228	<u>320,269</u>
Total TRIO Cluster			<u>1,301,342</u>
Passed Through Kansas Board of Regents			
Career and Technical Education - Basic Grants to States	84.048	V048A210016	171,976
Career and Technical Education - Basic Grants to States	84.048	V048A230016	32,750
Career and Technical Education - Basic Grants to States	84.048	V048A220016	66,555
Adult Education - Basic Grants to States	84.002	V002A230016	<u>133,942</u>
Total Passed Through Kansas Board of Regents			<u>405,223</u>
Total U.S. Department of Education			<u>8,819,023</u>
U.S. Department of Agriculture			
Passed Through State Department of Education			
Child Nutrition Cluster			
Summer Food Service Program For Children	10.559	J0801	<u>4,869</u>
National Science Foundation			
Passed Through Kansas State University			
Geosciences	47.050	2230413	31,913
STEM Education	47.076	S19032	<u>9,377</u>
Total National Science Foundation			<u>41,290</u>
U.S. Department of the Treasury			
COVID-19 Funding			
Passed Through Kansas Department of Commerce			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>1,843,594</u>
U.S. Department of Health and Human Services			
Passed Through KS Department for Children and Family			
CCDF Cluster			
Child Care and Development Block Grant	93.575	2001KSCCS	<u>40,800</u>
Corporation for National and Community Service			
Passed Through State Department of Education			
AmeriCorps Volunteer Generation Fund	94.021	J0801	110
Direct Funding			
AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP)	94.002	19SRWKS008	<u>49,929</u>
Total Corporation for National and Community Service			<u>50,039</u>
Total Expenditures of Federal Awards			\$ <u>10,799,615</u>

Note: There were no awards to sub-recipients during the year.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Barton County Community College** under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the business-type activities and the discretely presented component unit of the College.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The College has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 4 – FEDERAL LOAN PROGRAMS

The Federal Direct Student Loans is a program where a student or student's parent applies for a federal loan. When the loan is approved, the money is transferred to a bank account in **Barton County Community College's** name, but the loan funds are designated for the individual student. Total new loans made to eligible students and/or students' parents pursuant to this program totaled \$2,722,185 for the year ended June 30, 2024.

BARTON COUNTY COMMUNITY COLLEGE
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Business-Type Activities		<u>Unmodified</u>	
Discretely Presented Component Unit		<u>Unmodified</u>	

Internal control over financial reporting:

- Material weakness identified? _____ Yes X No
- Significant deficiency identified? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness identified? X Yes _____ No
- Significant deficiency identified? X Yes _____ None Reported

Type of auditors' report issued on compliance:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?

_____ X Yes _____ No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
Student Financial Assistance Cluster	
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

2024-001

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Reporting and Special Tests and Provisions – Return to Title IV and Enrollment Reporting

Criteria or specific requirement

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 aid earned by the student as of the student's withdrawal date. For institutions who take attendance, except in unusual instances, the date of the institution's determination the student withdrew should be no later than 14 days after the student's last date of attendance, as determined by the institution from its attendance taking records. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as soon as possible, but no later than 45 days after the date the institution determined the student withdrew. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement, which must be disbursed to the student's account no later than 45 days after the date of the institution's determination that the student withdrew.

Additionally, upon determining that a student has had a change in their enrollment level, such as with a withdrawal, institutions must review, update, and certify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster files or on the Enrollment Maintenance page of the NSLDS Professional Access website. At minimum, institutions are required to certify enrollments every 60 days, and when a Direct Loan was made to or on behalf of a student who was enrolled, and the student ceased to be enrolled on at least a half-time basis, the institution should report the change in its next updated Enrollment Reporting Roster file.

Condition

The College's official policy is to be an attendance taking institution. However, the date of the institution's determinations for withdrawals does not fall within the required 14 day period, and it instead follows that of institutions that are not attendance taking. Additionally, during testing, it was identified that the College's quality control processes for Return to Title IV calculations were not completed within a timely manner, and that process determined that calculations needed to be adjusted for some of the students. Those corrections were not made within the required 45 day periods, and, as a result of the late corrections, the NSLDS enrollment reporting also had to be updated outside of its typical window.

Context

Of the 31 students tested for Return to Title IV procedures, 10 went through the College's quality control process during the fall of 2024.

Cause

The initial Return to Title IV calculations were not all correct as a result of new staff members being trained to take on the responsibility. However, due to a lack of capacity caused by the additional workload coming

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

from the FAFSA overhaul that was implemented during the period, the more experienced staff members could not complete the quality control corrections for some time.

Effect

Date of determinations of withdrawals are not being completed within the required timeframe, final post-withdrawal disbursement or return of aid adjustments were not made within the required timeframe, and NSLDS enrollment reporting was not updated timely.

Recommendation

We recommend that the College review and update its policies to ensure that all compliance requirements are met within the required timeframes associated with those policies, as well as recommend that the College review its controls to ensure that accurate Return to Title IV calculations are completed in a timely fashion.

Views of responsible officials

See Corrective Action Plan.

SIGNIFICANT DEFICIENCY

2024-002

Federal Program

Student Financial Assistance Cluster

Compliance requirements

Special Tests and Provisions – Enrollment Reporting

Criteria or specific requirement

Institutions must review, update, and certify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster files or on the Enrollment Maintenance page of the NSLDS Professional Access website.

Condition

During testing, we identified that 6 of the 60 students tested did not have an enrollment status change properly reported.

Context

Two students had an incorrect effective date reported for their status change, and the other four did not have a status change properly reported.

Cause

The causes of the enrollment reporting errors were a mixture of human error, miscommunications between departments, and technology issues.

Effect

Enrollment status changes were not correctly reported for all students.

Recommendation

We recommend that the College review its controls to ensure that accurate enrollment information is reported to NSLDS.

Views of responsible officials

See Corrective Action Plan.



Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted for the year ended June 30, 2023.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCIES

2023-001

Federal Program
TRIO Cluster

Compliance requirements
Reporting

Condition

During testing, we identified errors in certain data elements reported during the year for TRIO participants.

Status
Corrected.

2023-002

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Reporting and Special Tests and Provisions - Verification

Condition

During testing, we identified that five students of the 40 tested showed a status code within COD origination records that indicated that they had been selected for, and undergone, the verification process. However, upon review of their files, verification was not completed.

Status
Corrected.

2023-003

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Special Tests and Provisions – Return to Title IV



Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Condition

During testing, we identified that three of the sixteen students tested had an incorrect Return to Title IV calculation on file.

Status

Corrected.

2023-004

Federal Program

Student Financial Assistance Cluster

Compliance requirements

Special Tests and Provisions – Enrollment Reporting

Condition

During testing, we identified that three of the fourteen students tested did not have an enrollment status change reported.

Status

Ongoing. See finding 2024-002.