

BARTON COUNTY COMMUNITY COLLEGE

Financial Statements With Independent Auditors' Report

For the Years Ended June 30, 2023 and 2022

BARTON COUNTY COMMUNITY COLLEGE
Financial Statements With Independent Auditors' Report
For the Years Ended June 30, 2023 and 2022

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Statements of Net Position	9-10
Statements of Revenues, Expenses and Change in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13-43
Required Supplementary Information	44-46
Supplementary Financial Information	
Schedule 1 Summary Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Budget and Actual – Current Funds – Unrestricted (Regulatory Basis)	
1-1 General Fund	47
1-2 Post Secondary Technical Education Fund	48
1-3 Adult Basic Education Fund	49
1-4 Adult Supplementary Education Fund	50
1-5 Auxiliary Enterprise Funds	51-52
1-6 Capital Outlay Fund	53
Notes to Supplementary Information	54
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 <i>Government Auditing Standards</i>	
	55-56
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	
	57-59
Schedule of Expenditures of Federal Awards	60
Notes to Schedule of Expenditures of Federal Awards	61
Schedule of Findings and Questioned Costs	62-66
Summary Schedule of Prior Audit Findings	67

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 discretely presented component unit of **Barton County Community College**, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Summary of Opinions

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

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, 2023 and 2022, 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 12, 2023, on our consideration of the **Barton County Community College's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 12, 2023

BARTON COUNTY COMMUNITY COLLEGE
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

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; separately issued audited financial statements for the Foundation can be obtained as discussed in Note 1.

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>2023</u>	<u>2022</u>
Assets		
Current Assets	\$ 42,603,819	41,974,909
Noncurrent Assets, Net	26,265,285	<u>23,393,407</u>
Total Assets	\$ 68,869,104	65,368,316

BARTON COUNTY COMMUNITY COLLEGE
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

Deferred Outflows of Resources	\$	<u>699,467</u>	<u>651,196</u>
Total Assets and Deferred Outflows of Resources		<u>69,568,571</u>	<u>66,019,512</u>
Liabilities			
Current Liabilities		5,228,033	4,293,618
Noncurrent Liabilities		<u>9,740,002</u>	<u>8,828,828</u>
Total Liabilities		14,968,035	13,122,466
Deferred Inflows of Resources		<u>589,274</u>	<u>681,078</u>
Total Liabilities and Deferred Inflows of Resources		<u>15,557,309</u>	<u>13,803,524</u>
Net Position			
Invested in Capital Assets, Net of Debt		16,071,849	14,181,609
Unrestricted		<u>37,939,413</u>	<u>38,034,379</u>
Total Net Position	\$	<u>54,011,262</u>	<u>52,215,988</u>

The College's Total Net Position improved over last year. Our overall credit hour production decreased this past year by 1.07%. Barton Online credit hour production increased by 2.04%. The Barton campus saw a reduction of 3.7%, Fort Riley saw a reduction of 6.41%, Fort Leavenworth saw a reduction of approximately 17.4% and our Grandview operations decreased credit hours by 14%. Overall, these changes in credit hour production and operations can be attributed to the aftermath of the COVID pandemic, changes in the expectations of a post COVID student, deployments and reductions in military training, and 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, 2023 and 2022

	2023	2022
Operating Revenues	\$ 17,050,838	19,255,031
Operating Expenses	(42,182,101)	(41,549,001)
Net Operating Loss	(25,131,263)	(22,293,970)
Net Nonoperating Revenues (Expenses)	26,926,537	23,892,267
Change in Net Position	1,795,274	1,598,297
Total Net Position – Beginning, As Stated	52,215,988	50,603,702
Prior Period Restatement	-	13,989
Total Net Position – Beginning, As Restated	52,215,988	50,617,691
Total Net Position - Ending	\$ 54,011,262	52,215,988

The Statement of Revenues, Expenses, and Change in Net Position reflects an increase for this year. Our credit hour production decreased for the year 1.07%. Our in-state credit hour production decreased by 0.87% and we also experienced a decrease of 1.48% in out-of-state credit hours. Our overall operational revenues decreased this year primarily due to reductions in Federal Grants and Contracts. Expenses also increased over the previous year due to wage changes, vacant positions that were filled, and the costs of operational expenses due to inflation. At the same time, our non-operating revenue (state funding) increased and offset the reduction in operating revenue. There were minor adjustments to our Tuition & Fee rates in an effort to compensate for higher employment and operational costs.

Operations at Ft. Riley decreased by 6.4% and Grandview saw a decrease of 14% this last year. This was due to a trend in lower numbers associated with our military offerings. 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.

The Board of Trustees was able to provide salary increases of approximately 8% for our full-time employees for FY23. This brought all employees up to “market level” for the first time in 15 years. 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

BARTON COUNTY COMMUNITY COLLEGE

Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

grants, and contributions). This section reflects the cash received and spent for non-operating, non-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>2023</u>	<u>2022</u>
Operating Activities	\$ (22,930,693)	(17,099,105)
Noncapital Financing Activities	27,037,289	24,162,088
Capital and Related Financing Activities	(4,278,391)	(2,839,035)
Investing Activities	<u>273,504</u>	<u>65,765</u>
Net Change in Cash	101,709	4,289,713
Cash - Beginning	<u>38,864,605</u>	<u>34,574,892</u>
Cash - Ending	\$ <u>38,966,314</u>	<u>38,864,605</u>

The cash balance at year-end increased slightly as compared to the previous year due to increases in state funds 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

- ❖ There was a major change in the financials for this year's audit due to the implementation of GASB Statement #96 – *Subscription-Based Information Technology Arrangements (SBITAs)*. This new requirement requires the College to track all subscriptions (software), and those subscriptions are added to our assets. This new 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 \$45,859,512 of plant, property, and equipment, which is an increase of \$3,399,928 over the prior year. The related accumulated depreciation increased to \$21,177,295. 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 \$485,000 for FY23. This decreases long-term debt to \$6,975,000 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 decreased slightly for FY23 (although the decrease was much less than FY22). There have been many changes in Higher Education post COVID, which is affecting Higher Education nationwide. Student graduating from High School are not automatically enrolling in Higher Education and we are 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 anticipate we will start to see increases in enrollment from the prior year, however those increases are expected to be minimal as compared to increases we saw Pre-COVID. Our hours generated through all

BARTON COUNTY COMMUNITY COLLEGE
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

delivery methods decreased with the exception of Barton Online.

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 FY23. This was primarily due to the state recentering the funding formula and distributing the funds to those Colleges that had been underfunded for the past 20 years. 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, 2023 and 2022

	College		Foundation	
	2023	2022	2023	2022
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
Current Assets				
Cash - Unrestricted	\$ 34,921,843	36,493,166	200,932	221,376
Cash - Restricted	4,044,471	2,371,439	-	-
Total Cash	38,966,314	38,864,605	200,932	221,376
Investments	-	-	4,208,722	3,430,240
Accounts Receivable - Taxes in Process, Net of Uncollectible	184,797	288,918	-	-
Accounts Receivable, Students, Net of Allowance for Doubtful Accounts of \$2,715,253 and \$2,593,051, Respectively	2,622,661	2,106,398	-	-
Federal Grant Receivable	391,562	367,619	-	-
Other Receivables	290	-	20,376	17,078
Unconditional Promises to Give	-	-	40,000	11,894
Inventory	133,106	111,026	-	-
Prepaid Insurance and Other Expenses	305,089	236,343	-	-
Total Current Assets	42,603,819	41,974,909	4,470,030	3,680,588
Noncurrent Assets				
Beneficial Interest in Remainder Trusts	-	-	483,368	440,031
Beneficial Interest in Assets Held by Others	-	-	15,805	15,299
Endowment Investments - Restricted	-	-	5,708,685	4,977,070
Equity Interest in Joint Venture - Workfit, LLC	-	21,201	-	-
Capital Assets, Not Depreciated	789,840	678,800	902,519	991,296
Capital Assets, Net of Accumulated Depreciation and Amortization of \$21,177,295 and \$19,087,378, Respectively	23,892,377	22,693,406	-	-
Construction in Progress	1,583,068	-	-	-
Total Noncurrent Assets	26,265,285	23,393,407	7,110,377	6,423,696
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	171,752	110,378	-	-
Deferred Outflows Related to OPEB	271,383	264,260	-	-
Deferred Refunding, Net of Accumulated Amortization of \$135,042 and \$114,816, Respectively	256,332	276,558	-	-
Total Deferred Outflows of Resources	699,467	651,196	-	-
Total Assets and Deferred Outflows of Resources	\$ 69,568,571	66,019,512	11,580,407	10,104,284

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

BARTON COUNTY COMMUNITY COLLEGE

Statements of Net Position
June 30, 2023 and 2022

	College		Foundation	
	2023	2022	2023	2022
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Current Liabilities				
Current Obligations - Certificates of Participation	\$ 510,000	485,000	-	-
Current Obligations - Purchase Agreement	34,935	-	-	-
Current Obligations - Right-to-Use SBITAs	1,019,248	843,473	-	-
Accounts Payable	669,852	394,885	1,050	1,520
Accrued Payroll and Benefits	991,634	856,592	-	-
Accrued Interest Payable	51,093	55,078	-	-
Compensated Absences	1,096,520	1,006,052	-	-
Deferred Federal Grants	-	2,038	-	-
Deferred Tuition	318,633	-	-	-
Deposits and Other Payables	536,118	650,500	-	-
Total Current Liabilities	5,228,033	4,293,618	1,050	1,520
Noncurrent Liabilities				
Noncurrent Obligations - Certificate of Participation	6,465,000	6,975,000	-	-
Noncurrent Obligations - Purchase Agreement	962,232	-	-	-
Noncurrent Obligations - Right-to-Use SBITAs	1,119,266	790,177	-	-
Total OPEB Liability	580,461	506,251	-	-
Net Pension Liability	273,956	183,895	-	-
Bond Premium, Net of Accumulated Amortization of \$84,143 and \$49,725, Respectively	339,087	373,505	-	-
Total Noncurrent Liabilities	9,740,002	8,828,828	-	-
Deferred Inflows of Resources				
Deferred Inflows Related to OPEB	589,155	634,094	-	-
Deferred Inflows Related to Pensions	119	46,984	-	-
Total Deferred Inflows of Resources	589,274	681,078	-	-
Total Liabilities and Deferred Inflows of Resources	15,557,309	13,803,524	1,050	1,520
<u>NET POSITION</u>				
Invested in Capital Assets, Net of Related Debt	16,071,849	14,181,609	-	-
Restricted - Expendable for Other	-	-	5,148,885	4,714,157
Restricted - Nonexpendable	-	-	4,614,186	3,642,014
Unrestricted	37,939,413	38,034,379	1,816,286	1,746,593
Total Net Position	\$ 54,011,262	52,215,988	11,579,357	10,102,764

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, 2023 and 2022

	College		Foundation	
	2023	2022	2023	2022
Operating Revenues				
Tuition and Fees	\$ 13,645,391	13,055,723	-	-
Less: Student Scholarship Allowances	(5,827,200)	(5,749,862)	-	-
Net Tuition and Fees	7,818,191	7,305,861	-	-
Federal Grants and Contracts	2,278,970	5,271,794	-	-
Housing Payments	2,398,077	2,180,951	-	-
Bookstore Sales	520,678	499,638	-	-
Activity Revenue and Other	4,034,922	3,996,787	1,449	2,063
Contributions and Other Fundraisers	-	-	1,986,449	886,536
Total Operating Revenues	17,050,838	19,255,031	1,987,898	888,599
Operating Expenses				
Instruction	14,394,091	13,542,628	-	-
Public Service	787,462	742,003	-	-
Academic Support	4,164,363	3,429,190	-	-
Student Services	4,431,904	3,918,482	-	-
Institutional Support	9,494,158	9,161,526	222,927	197,329
Physical Plant Operations	3,527,883	3,557,628	-	-
Student Financial Support	1,277,590	3,133,419	1,249,162	605,327
Auxiliary Services	1,979,649	2,166,235	-	-
Depreciation and Amortization	2,125,001	1,897,890	-	-
Total Operating Expenses	42,182,101	41,549,001	1,472,089	802,656
Net Operating Income (Loss)	(25,131,263)	(22,293,970)	515,809	85,943
Nonoperating Revenues (Expense)				
State Appropriations	12,470,226	10,456,551	-	-
County Property Taxes	9,946,952	9,977,625	-	-
Pell and SEOG Grants	3,660,261	3,660,094	-	-
Contributions	855,729	29,663	-	-
Interest Income	233,536	27,816	-	-
Investment Income (Loss)	39,968	37,949	960,784	(1,665,088)
Gain (Loss) From Sale of Assets	(18,042)	6,890	-	-
Interest Expense on Debt	(262,093)	(304,321)	-	-
Net Nonoperating Revenues (Expense)	26,926,537	23,892,267	960,784	(1,665,088)
Change in Net Position	1,795,274	1,598,297	1,476,593	(1,579,145)
Total Net Position - Beginning, As Stated	52,215,988	50,603,702	10,102,764	11,681,909
Prior Period Restatement	-	13,989	-	-
Total Net Position - Beginning, As Restated	52,215,988	50,617,691	10,102,764	11,681,909
Total Net Position - Ending	\$ 54,011,262	52,215,988	11,579,357	10,102,764

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Student Tuition and Fees, Net of Scholarships	\$ 7,620,561	7,453,514
Grants and Contracts	2,252,989	8,406,128
Auxiliary Enterprise Revenue	2,918,465	2,680,589
Payments to Employees and for Employee Benefits	(23,592,444)	(20,909,714)
Payments to Suppliers	(16,051,035)	(18,719,533)
Activity Revenue and Other	3,920,771	3,989,911
Net Cash Used by Operating Activities	<u>(22,930,693)</u>	<u>(17,099,105)</u>
Cash Flows From Noncapital Financing Activities		
State Appropriations	12,470,226	10,456,551
County Property Taxes	10,051,073	10,015,780
Pell and SEOG Grants	3,660,261	3,660,094
Contributions	855,729	29,663
Net Cash Provided by Noncapital Financing Activities	<u>27,037,289</u>	<u>24,162,088</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets	(3,351,871)	(287,392)
Proceeds From Sale of Assets	6,428	11,462
Proceeds From Purchase Agreement	1,000,000	-
Principal Paid on Certificates of Participation	(485,000)	(1,655,000)
Principal Paid on Purchase Agreement	(2,833)	-
Principal Paid on Right-to-Use SBITAs	(1,179,037)	(908,632)
Bond Premium	-	329,502
Interest Paid on Certificates of Participation	(238,206)	(323,553)
Interest Paid on Purchase Agreement	(4,167)	-
Interest Paid on Right-to-Use SBITAs	(23,705)	(5,422)
Net Cash Used by Capital and Related Financing Activities	<u>(4,278,391)</u>	<u>(2,839,035)</u>
Cash Flows From Investing Activities		
Investment Income	39,968	37,949
Interest on Investments	233,536	27,816
Net Cash Provided by Investing Activities	<u>273,504</u>	<u>65,765</u>
Net Increase in Cash	101,709	4,289,713
Cash - Beginning of Year	<u>38,864,605</u>	34,574,892
Cash - End of Year	<u>\$ 38,966,314</u>	<u>38,864,605</u>
Cash per Statements of Net Position		
Cash - Unrestricted	\$ 34,921,843	36,493,166
Cash - Restricted	4,044,471	2,371,439
Total Cash per Statements of Net Position	<u>\$ 38,966,314</u>	<u>38,864,605</u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities		
Net Operating Loss	\$ (25,131,263)	(22,293,970)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	2,125,001	1,897,890
(Increase) Decrease in		
Accounts Receivable	(540,496)	3,279,949
Inventory	(22,080)	9,931
Prepaid Insurance and Other Expenses	(68,746)	(35,260)
Equity Interest in Joint Venture	231	(903)
Increase (Decrease) in		
Accounts Payable	274,967	(99,975)
Accrued Payroll and Benefits	135,042	93,841
Compensated Absences	90,468	(5,285)
Deferred Federal Grants	(2,038)	2,038
Deferred Tuition	318,633	-
Net OPEB Obligation	22,148	49,278
Net Pension Liability	(18,178)	9,334
Other Liabilities	(114,382)	(5,973)
Net Cash Used by Operating Activities	<u>\$ (22,930,693)</u>	<u>(17,099,105)</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, 2023 and 2022

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 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.

Barton County Community College 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 \$303,502 and \$320,330 and expenditure reimbursements of \$868,485 and \$202,694 were provided to the College during the 2023 and 2022 years, respectively.

Barton County Community College 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. Separately issued audited financial statements for the Foundation may be obtained from the College's administrative office.

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.

Joint Venture

In November 2006, **Barton County Community College** entered into an operating agreement to jointly own and operate Workfit, LLC, a partnership dedicated to reducing work-related injuries and associated costs for

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

surrounding employers. Workfit, LLC offers the Physical Capacity Profile testing procedure, which is ADA, EEOC and HIPPA compliant. The College purchased a 33% equity interest by providing \$20,000 worth of services. In 2014, Workfit, LLC bought out one of the partners, which resulted in the remaining partners increasing their ownership percentage to 50%. On March 7, 2023, the College entered into an agreement to dissolve the partnership with Workfit, LLC. The College's equity interest in Workfit, LLC as of June 30, 2023 and 2022 was \$0 and \$21,201, respectively. Unaudited financial statements for Workfit, LLC may be obtained from the College's administrative office.

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 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.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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 2022 are normally distributed after June 30, 2023 and are presented as accounts receivable, net of estimated uncollectible amounts. As of June 30, 2023 and 2022, the County Treasurer had distributed to the College approximately 94% 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.

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 \$172,868 and \$186,988 at June 30, 2023 and 2022, respectively.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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 8 for further detail):

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

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.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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.
- 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.

Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code 501(c)(3) and is not considered to be a private foundation; therefore, income taxes are not provided for in the financial statements.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Accounting principles generally accepted in the United States of America require the Foundation's management to evaluate the tax positions taken and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not, would not be sustained upon examination by the IRS. The Foundation believes it does not have any material uncertain tax positions that should be reflected in the financial statements. Tax years that remain subject to examination in the Foundation's major jurisdictions are for the years ended June 30, 2023, 2022 and 2021.

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 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, 2023.

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.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Adoption of New Governmental Accounting Standards Board Statements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. See Notes 6, 7, and 21 for additional information on the implementation of this new standard.

GASB issued Statement No. 99, *Omnibus 2022*, provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement has been partially adopted as only paragraphs 26-32 were effective for the current year. All the applicable changes have been made to the financial statements.

Pending 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 requirements for this statement are effective for periods beginning after June 15, 2023.

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.

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.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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 \$38,966,314 and \$38,864,605 and the bank balance was \$39,098,850 and \$39,095,190 at June 30, 2023 and 2022, respectively. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$1,551,113 and \$1,556,614 was covered by federal depository insurance and \$37,547,737 and \$37,538,576 was collateralized with securities held by the pledging financial institutions' agents in the College's name at June 30, 2023 and 2022, respectively.

The carrying amount of the Foundation's checking account at June 30, 2023 was \$200,932 and the bank balance was \$203,794. The carrying amount of the Foundation's checking accounts at June 30, 2022 was \$221,376 and the bank balance was \$225,717. 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, 2023 and 2022.

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, 2023 and 2022.

NOTE 3 – RESTRICTED CASH

Cash is restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Flexible Spending Funds	\$ 48,129	37,414
Benefit Management Self-Insured Funds	3,996,342	2,334,025
Total Restricted Cash	\$ 4,044,471	2,371,439

NOTE 4 – INVESTMENTS AND INVESTMENT RETURN

The Foundation's investments are stated at fair value on a recurring basis using quoted prices in active markets for identical assets and consist of money market funds, mutual funds, stocks, and bonds as follows:

	<u>2023</u>	<u>2022</u>
Certificates of Deposit	\$ 300,000	-
Money Market Fund	363,271	663,823
Equity Funds	3,258,781	2,964,299
Common Stocks	1,394,706	2,490,485
Government Obligations	1,394,706	778,099
Non-government Obligations	876,715	966,068
Fixed Income Funds	532,274	544,536
Total	\$ 9,917,407	8,407,310

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Investment return is summarized below:

	2023	2022
Dividend and Investment Income	\$ 190,070	189,190
Net Realized and Unrealized Gain (Loss)	753,124	(1,473,658)
External and Direct Internal Expenses	(26,254)	(33,678)
Total	\$ 916,940	(1,318,146)

Investment revenues are reported net of related external and direct internal investment expenses.

Fair Value Measurements

Accounting guidance establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described below.

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Common stock, non-governmental obligations and government obligations are valued at the closing price reported on the active market on which the individual securities are traded.

Equity and fixed income funds are valued at the daily closing price as reported by the fund. The funds are required to publish their daily net asset value and to transact at that price.

The beneficial interest in remainder trusts and the beneficial interest in the assets held by the Golden Belt Community Foundation are reported at the Foundation's proportionate share of the fair value of the underlying assets in the trusts or in the assets held by Golden Belt Community Foundation as reported by the trustees. These assets are revalued annually by the Foundation based on investment statements provided by the third-party trustees.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although **Barton County Community College** believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

	Fair Value Measurements at June 30, 2023			
	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

	Fair Value Measurements at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money Market Account	\$ 663,823	-	-	663,823
Equity Funds	2,964,299	-	-	2,964,299
Common Stocks	2,490,485	-	-	2,490,485
Government Obligations	778,099	-	-	778,099
Non-government Obligations	966,068	-	-	966,068
Fixed Income Funds	544,536	-	-	544,536
Beneficial Interest in Remainder Trusts	-	-	440,031	440,031
Beneficial Interest in Assets Held by Others	-	-	15,299	15,299
Total	\$ 8,407,310	-	455,330	8,862,640

The following summarizes the Foundation's activities related to those items measured at fair value using level three inputs for the year ended June 30, 2023:

	Level 3
	Investments
Fair Value – June 30, 2021	\$ 802,271
Change in Value of Beneficial Interest Agreements	(120,047)
Distributions	(226,894)
Fair Value – June 30, 2022	455,330
Change in Value of Beneficial Interest Agreements	44,409
Distributions	(566)
Fair Value – June 30, 2023	\$ 499,173

There were no transfers between levels one and two and there were no transfers in or out of level three during the current year.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

The carrying values of cash, receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The fair value of the land, book collection and artwork owned by the Foundation is unknown. In order for the Foundation to determine the estimated fair value of these assets, the Foundation would incur excessive costs which could affect the Foundation's programs and activities.

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, 2023 and 2022 are \$483,368 and \$440,031, respectively.

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2023 and 2022 for **Barton County Community College**.

	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
	2022			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 678,800	-	-	678,800
Improvements	279,186	-	-	279,186
Infrastructure	843,340	-	-	843,340
Buildings	\$ 27,574,520	11,856	-	27,586,376

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Vehicles	\$ 2,152,577	53,437	125,226	2,080,788
Machinery and Equipment	6,692,272	199,445	373,264	6,518,453
Library Materials	1,893,716	22,654	-	1,916,370
Right-to-Use SBITAs*	<u>-</u>	<u>2,556,271</u>	<u>-</u>	<u>2,556,271</u>
Total	40,114,411	2,843,663	498,490	42,459,584
Less: Accumulated Depreciation	<u>(17,678,824)</u>	<u>(1,902,472)</u>	<u>(493,918)</u>	<u>(19,087,378)</u>
Capital Assets, Net	\$ <u>22,435,587</u>	<u>(941,191)</u>	<u>4,572</u>	<u>23,372,206</u>

*New category for the College's subscription-based information technology arrangement assets, and the related accumulated amortization, have been added due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As of June 30, 2023, the total costs of the College's subscription assets are recorded as \$4,403,332, less accumulated amortization of \$2,064,893. As of June 30, 2022, the total costs of the College's subscription assets are recorded as \$2,556,271, less accumulated amortization of \$893,179.

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2023 and 2022 for Barton County Community College Foundation.

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	\$ <u>991,296</u>	<u>5,223</u>	<u>94,000</u>	<u>902,519</u>
2022				
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 94,000	-	-	94,000
Art Collection	764,565	4,375	-	768,940
Book Collection	123,820	4,536	-	128,356
Total	\$ <u>982,385</u>	<u>8,911</u>	<u>-</u>	<u>991,296</u>

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability 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>
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>

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Outstanding June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2022</u>	<u>Current Portion</u>
Certificates of Participation	\$ 9,115,000	3,595,000	5,250,000	7,460,000	485,000
SBITAs	2,542,281	-	908,631	1,633,650	843,473
Compensated Absences	1,011,337	-	5,285	1,006,052	1,006,052
Total OPEB Liability	783,665	-	277,414	506,251	-
Net Pension Liability	226,937	-	43,042	183,895	-
Bond Premium, Net	117,240	256,265	-	373,505	-
	<u>\$ 13,796,460</u>	<u>3,851,265</u>	<u>6,484,372</u>	<u>11,163,353</u>	<u>2,334,525</u>
Total Long-Term Liabilities	\$ <u>13,796,460</u>	<u>3,851,265</u>	<u>6,484,372</u>	<u>11,163,353</u>	<u>2,334,525</u>

**Certificates of Participation Bonds
Series 2013**

On May 16, 2013, the College issued certificate of participation bonds with an interest rate of 2.0% to 4.5% to finance the construction of a student housing facility in the amount of \$6,665,000 for the purpose of providing funds for refunding the Series 2005 certificates of participation.

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.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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>
Certificates of Participation						
Series 2015	\$ 3,920,000	-	205,000	3,715,000	215,000	132,006
Series 2021	<u>3,540,000</u>	<u>-</u>	<u>280,000</u>	<u>3,260,000</u>	<u>295,000</u>	<u>106,200</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>

Long-term debt activity for the year ended June 30, 2022 was as follows:

	<u>Outstanding June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2022</u>	<u>Current Portion</u>	<u>Interest Paid</u>
Certificates of Participation						
Series 2013	\$ 4,990,000	-	4,990,000	-	-	162,156
Series 2015	4,125,000	-	205,000	3,920,000	205,000	137,131
Series 2021	<u>-</u>	<u>3,595,000</u>	<u>55,000</u>	<u>3,540,000</u>	<u>280,000</u>	<u>24,266</u>
Total Long-Term Debt	<u>\$ 9,115,000</u>	<u>3,595,000</u>	<u>5,250,000</u>	<u>7,460,000</u>	<u>485,000</u>	<u>323,553</u>

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>
2024	\$ 510,000	224,313	734,313
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
2029-2033	3,005,000	515,019	3,520,019
2034-2037	<u>1,265,000</u>	<u>94,803</u>	<u>1,359,803</u>
Total	<u>\$ 6,975,000</u>	<u>1,579,460</u>	<u>8,554,460</u>

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, 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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 34,935	49,065	84,000
2025	36,722	47,278	84,000
2026	38,601	45,399	84,000
2027	40,576	43,424	84,000
2028	42,652	41,348	84,000
2029-2033	803,681	169,354	973,035
Total	\$ 997,167	395,868	1,393,035

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, 2023 and 2022:

Subscription Name	Start Date	End Date	Payment Amount	Interest Rate	6/30/2023 Balance	6/30/2022 Balance
Blackboard	07/01/2021	06/30/2024	\$ 16,133	0.4110%	\$ 16,067	32,067
BlueFrame	07/01/2021	06/30/2023	1,920	0.3080%	-	1,914
Canvas Instructure (vendor is instructure)	07/01/2021	07/31/2023	14,500	0.3080%	-	16,699
Canvas # Q-252026-1	08/01/2022	07/31/2027	98,665	2.5360%	399,777	-
Carahsoft-Tableau # 24487485	07/01/2021	12/19/2023	594	0.3080%	-	593
CashNet	07/01/2021	03/09/2026	70,019	0.6870%	138,608	207,204
CDWG # GD78054	01/16/2023	01/15/2026	3,555	2.7960%	6,823	-
Concourse - Intellimedia	07/01/2021	09/30/2023	7,600	0.3080%	-	7,577
Donor Search	09/01/2022	08/31/2024	4,400	2.1940%	4,306	-
Ellucian Argos # B0007-237519-120921	12/01/2021	06/30/2024	1,012	0.4080%	13,362	26,024
EllucianCloud # B0007-178658-042619	07/01/2021	06/30/2024	29,435	0.4110%	352,435	703,425
Ellucian CRM Advance # B0007-237654-060222	07/01/2022	06/30/2026	51,300	2.4450%	155,573	-
Ellucian Experience # B0007-217702-072420	07/01/2021	07/31/2025	19,181	0.5600%	39,770	58,595
Ellucian Oracle Cloud # B0007-206067-040919	07/01/2021	06/30/2024	106,538	0.4110%	106,102	211,770
Enrollment RX - Software	09/23/2021	01/22/2023	23,175	0.2450%	-	15,412
Evisions Argos	10/01/2021	09/30/2024	49,601	0.4080%	49,399	98,598
Evisions - IntelleCheck AP Enterprise	02/01/2023	01/31/2026	2,031	2.7960%	4,134	-
Evisions - IntelleCheck Payroll Enterprise	07/01/2021	05/31/2025	1,954	0.2450%	2,109	4,131
Galaxy Digital	08/29/2022	08/28/2024	4,300	2.1940%	4,208	-
Google Cloud # 24660806 - 1	07/01/2021	01/10/2024	5,781	0.4110%	-	5,757
Greater Giving	07/01/2021	05/31/2026	1,295	0.6870%	2,564	3,832
innovative Engineering Marcell Pro # 1147832842	02/28/2022	01/31/2024	984	0.3800%	-	980
Kanren access circuit 08028 3447/mo	07/01/2023	06/30/2028	3,447	2.0000%	-	-
Kanren Firewall # 00000941	07/01/2021	06/30/2024	386	0.4110%	4,622	9,224
Kanren Fort Leavenworth # 00000697	07/01/2021	06/30/2023	1,489	0.3080%	-	17,841
Kanren Fort Riley # 22012110550303181	07/01/2022	06/30/2027	1,591	2.5360%	72,534	-
Kanren GVP 100Mb # 2012110490303180	07/01/2022	06/30/2027	1,792	2.5360%	81,699	-
Kanren Zoom # 22061410360303098	07/01/2022	06/30/2024	675	2.1940%	8,001	-
LearnCare - CAN Simulations	03/03/2022	03/02/2024	2,500	0.3800%	-	2,491
Nex-Tech Aruba Software	07/01/2021	02/15/2023	3,995	0.3080%	-	27,936
Nex-Tech Cloud Phone	08/11/2022	08/10/2030	6,534	2.9520%	500,614	-
Nex-Tech Surveillance	07/01/2021	01/19/2023	4,075	0.3080%	-	24,428
Rave Mobile # 0065A000010zJ56QAE	09/11/2021	09/10/2024	2,500	0.4110%	2,490	4,969
Rave Panic and Guardian # 0065A0000110gU3QAI	02/01/2022	01/31/2025	6,163	0.4760%	6,134	12,239
SHI # 19186578	07/01/2021	07/27/2023	14,455	0.3080%	-	14,407
Speedlink # 709352	07/01/2021	07/01/2023	19,360	0.3080%	19,301	38,542
Swank Motion Pictures	07/01/2021	07/14/2024	8,275	0.4110%	8,241	16,449
Turnitin # Q-484857-1	07/01/2021	06/30/2024	21,400	0.4110%	23,497	45,779
Vector Solutions-(prior vendor Get Inclusive)	07/01/2021	06/30/2024	5,500	0.4110%	5,477	10,933
Watermark	07/01/2021	12/31/2023	13,892	0.4110%	-	13,834
Zendesk 3-31-23 suite professional	04/01/2023	06/30/2025	68,059	2.0000%	110,667	-
Total Subscriptions					\$ 2,138,514	1,633,650

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 1,019,248	37,114	1,056,362
2025	408,615	26,773	435,388
2026	264,468	18,138	282,606
2027	215,372	11,157	226,529
2028	72,571	5,837	78,408
2029-2031	158,240	5,110	163,350
Total	\$ 2,138,514	104,129	2,242,643

NOTE 8 – DONOR-RESTRICTED ENDOWMENT FUNDS

The Foundation’s endowment consists of individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation’s governing body has interpreted the State of Kansas Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

Investment Return Objectives, Risk Parameters and Strategies – Barton County Community College Foundation’s long-term financial objectives for its endowment funds are to generate income to provide for current needs and to preserve the principal of the endowment funds in order to provide a base for generating income to meet future needs. The Foundation has adopted investment and spending guidelines, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The Financial Planning Committee is charged with investing and managing the endowment funds as a prudent investor would while taking into consideration the purpose, terms, and distribution requirements of each endowment fund. In making and implementing investment decisions, the Committee has a duty to diversify the investments of the endowment funds unless, under the circumstances, it is not prudent to do so.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Foundation expects its endowments to have long term rates of return to exceed the distribution needs of the foundation and to provide growth for the principal assets commensurate with the rate of inflation over a rolling 5-year term. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy – The Organization 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.

Funds with Deficiencies – From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

At June 30, 2023 and 2022, funds with original gift values of \$3,829,814 and \$3,443,647 and fair values of \$5,708,685 and \$4,977,070, respectively, were reported in net assets with donor restrictions. Included in these fair values are fund deficiencies of \$2,316 and \$16,245, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the appropriation for certain programs that were deemed prudent by the Board of Directors.

Changes in endowment net assets are as follows:

		<u>With Donor Restrictions</u>
Endowment Net Assets, June 30, 2021	\$	5,655,849
Investment Return, Net Contributions		(799,249) 309,783
Appropriation of Endowment Assets for Expenditure		(197,997)
Transfers		8,684
Endowment Net Assets, June 30, 2022		4,977,070
Investment Return, Net Contributions		627,675 385,094
Appropriation of Endowment Assets for Expenditure		(282,227)
Transfers		1,073
Endowment Net Assets, June 30, 2023	\$	<u>5,708,685</u>

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

The above table includes the cash and investment accounts that are under the control of the Foundation and do not include other assets that may be part of an endowment, i.e., pledges, beneficial interests in remainder trusts, and/or other receivables.

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, 2023 and 2022, 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.

Self-Insurance Liability	2022-2023	2021-2022
Beginning of Fiscal Year Liability	\$ <u>323,247</u>	<u>328,970</u>
Claims and Changes in Estimates	3,350,791	3,609,038
Claim Payments	<u>(3,244,483)</u>	<u>(3,614,761)</u>
End of Fiscal Year Liability	\$ <u>429,555</u>	<u>323,247</u>
Assets Available To Pay Claims At June 30	\$ 3,996,342	2,334,025

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 95 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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

through member premiums and will reinsure through commercial companies for property claims in excess of \$350,000 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.

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.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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.

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.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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 13.11% and 13.33% for the fiscal years ended June 30, 2023 and 2022, respectively.

Contributions to the pension plan for the College were \$35,875 and \$26,289 for the fiscal years ended June 30, 2023 and 2022, 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

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, 2022 and 2021 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, 2022 and 2021, 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:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
State Share of Net Pension Liability	\$ 21,176,701	\$ 16,872,055
College Share of Net Pension Liability	273,956	183,895
Measurement Date	June 30, 2022	June 30, 2021
Valuation Date	December 31, 2021	December 31, 2020
College's Proportion	.0038%	.0033%
Change in Proportion	.0005%	.0003%

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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, 2021 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:

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, 2022 and 2021, respectively, was 7.00% and 7.25%. 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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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

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

Based on 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, 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:

<u>Fiscal Year</u>	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
June 30, 2023	\$387,290	\$273,956	\$179,240

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

The following presents the College's proportionate share of the net pension liability as of June 30, 2022 calculated using the discount rate of 7.25%, 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

<u>Fiscal Year</u>	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
June 30, 2022	\$270,199	\$183,895	\$111,329

Pension Expense

For the years ended June 30, 2023 and 2022, the College recognized pension expense of \$2,435,463 and \$1,324,060, respectively, and revenue of \$2,374,960 and \$1,288,359 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:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 6,072	119	2,731	858
Net differences between projected and actual earnings on investments	23,072	-	-	45,363
Changes in assumptions	42,112	-	26,471	-
Changes in proportion	64,621	-	54,887	763
Contributions subsequent to measurement date	35,875	-	26,289	-
Total	\$ 171,752	119	110,378	46,984

The \$35,875 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, 2024. 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>	
2024	\$ 44,469
2025	39,132
2026	19,940
2027	30,327
2028	1,890
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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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.

Members Covered by Benefit Terms

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

	<u>2022</u>	<u>2021</u>
Active Employees	287	283
Disabled Employees	1	1
Total	<u>288</u>	<u>284</u>

Total OPEB Liability

The total OPEB liability recognized by the State of Kansas that was attributable to the College was \$197,242 and \$186,168, respectively. The OPEB liability was measured as of June 30, 2022 and 2021, for the years ended June 30, 2023 and 2022, respectively, and was determined by actuarial valuations as of December 31, 2021 and 2020, rolled forward to June 30, 2022 and 2021, respectively.

For the year ended June 30, 2023 and 2022, the College recognized OPEB expense and revenue of \$24,297 and \$31,114 respectively, for support provided by the State in the form of non-employer contributions on the College's behalf.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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:

	<u>2022</u>	<u>2021</u>
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	3.54%	2.16%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The discount rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

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, 2021 and 2020 actuarial valuation.

The actuarial assumptions used in the June 30, 2022 and 2021 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.

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, 2021 census, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Active employees	276

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Total OPEB Liability

At June 30, 2023 and 2022, the total OPEB liability was \$580,461 and \$506,251, respectively. The OPEB liability was measured as of June 30, 2023 and 2022 and was determined by an actuarial valuation performed as of November 1, 2021, which was rolled forward to June 30, 2023 and 2022, respectively.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

	<u>2023</u>	<u>2022</u>
Average Salary Scale	2.0% per year	2.0% per year
Discount Rate	4.0%	3.9%
Healthcare Cost Trend Rates	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)	6.00% for 2021-2022, 5.75% for 2022-2023, 5.50% for 2023-2024, 4.25% for 2024-2025, 4.75% for 2025-2026, and 4.50% for 2026- 2027 (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, 2023 and 2022.

Changes in the Total OPEB Liability

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

		<u>2023</u>	<u>2022</u>
Total OPEB Liability – Beginning of Year	\$	<u>506,251</u>	<u>783,665</u>
A. Service Cost		<u>32,498</u>	63,844
B. Interest Cost		<u>20,797</u>	16,860
C. Differences Between Actual and Expected Experience		<u>5,450</u>	(44,989)
D. Changes in Assumptions		<u>26,465</u>	(304,129)
E. Employer Contributions (Benefit Payments)	\$	<u>(11,000)</u>	(9,000)
Net Changes (A+B+C+D+E)		<u>74,210</u>	<u>(277,414)</u>
Total OPEB Liability – End of Year	\$	<u>580,461</u>	<u>506,251</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, 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:

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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

The following represents the total OPEB liability of the College as of June 30, 2022, 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 (2.9%) or one percentage higher (4.9%) than the current discount rate:

	1% Decrease (2.9%)	Discount Rate (3.9%)	1% Increase (4.9%)
Total OPEB Liability	\$ 566,438	506,251	452,569

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:

	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 – 2023	\$ 496,092	580,461	683,378
	1% Decrease (5.0% decreasing to 3.5%)	Health Cost Trend Rates (6.0% decreasing to 4.5%)	1% Increase (7.0% decreasing to 5.5%)
Total OPEB Liability – 2022	\$ 435,154	506,251	592,786

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

For the year ended June 30, 2023, and 2022, the College recognized OPEB expense of \$33,148 and \$58,278, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 94,910	112,686	98,520	122,164
Changes in assumptions	176,473	476,469	165,740	511,930
Total	\$ 271,383	589,155	264,260	634,094

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

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

<u>Year Ending June 30</u>	
2024	\$ (20,147)
2025	(20,147)
2026	(20,147)
2027	(20,147)
2028	(20,147)
Thereafter	(217,037)

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, 2023 and 2022, the College's property tax revenues were reduced by \$56,870 and \$69,316, respectively.

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).

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

The College's potential liability for vacation at June 30, 2023 and 2022 has been estimated at \$1,096,520 and \$1,006,052, 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, 2023 and 2022 has been estimated at \$2,960,993 and \$2,924,990, 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.

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 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

For the year ended June 30, 2023, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASBS No. 96 requires retrospective application. The prior period adjustment for the subscription-based information technology arrangements requires the following restatement to prior balances:

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Net Position as of June 30, 2022	\$ 50,603,702
Adjustments	
Net Book Value Right-to-Use SBITA Asset	2,556,270
SBITA Liability	<u>(2,542,281)</u>
Restated Net Position as of June 30, 2022	<u>\$ 50,617,691</u>

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 12, 2023, which is the date the financial statements were available to be issued on **Barton County Community College**.

The Barton County Community College Foundation has been notified it is a beneficiary of a large bequest and will receive 65% of half the estate, less \$20,000, which is to be setup as a permanent endowment. The estate has not been finalized and the final distribution amount has not yet been provided. Subsequent events have been evaluated through November 1, 2023, which is the date the financial statements were available to be issued for the Foundation.

BARTON COUNTY COMMUNITY COLLEGE

Required Supplementary Information

BARTON COUNTY COMMUNITY COLLEGE

Required Supplementary Information

June 30, 2023

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 32,498	63,844	84,740	58,275	49,958	47,930
Interest Cost	20,797	16,860	25,631	11,766	20,296	18,518
Differences Between Actual and Expected Experience	5,450	(44,989)	16,679	(99,985)	114,441	-
Changes in Assumptions and Other Inputs	26,465	(304,129)	(244,444)	204,860	(17,621)	2,776
Employer Contributions (Benefit Payments)	<u>(11,000)</u>	<u>(9,000)</u>	-	-	<u>(12,000)</u>	<u>(6,000)</u>
Net Changes in Total OPEB Liability	74,210	(277,414)	(117,394)	174,916	155,074	63,224
Total OPEB Liability - Beginning of Year	<u>506,251</u>	<u>783,665</u>	<u>901,059</u>	<u>726,143</u>	<u>571,069</u>	<u>507,845</u>
Total OPEB Liability - End of Year	\$ <u>580,461</u>	<u>506,251</u>	<u>783,665</u>	<u>901,059</u>	<u>726,143</u>	<u>571,069</u>
Covered-Employee Payroll	\$ 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	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, and 4.0% in 2023.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	<u>June 30, 2022</u>	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service Cost	\$ 36,285	40,138	34,192	32,467	32,135	32,981
Interest Cost	4,764	5,132	7,440	7,909	7,170	4,892
Differences Between Actual and Expected Experience	(34,297)	(49,500)	(31,443)	(32,524)	(29,699)	(4,535)
Changes in Assumptions and Other Inputs	8,174	286	7,336	2,469	(1,985)	(3,852)
Benefit Payments	<u>(3,852)</u>	<u>(3,852)</u>	<u>(3,852)</u>	<u>(3,852)</u>	<u>(3,852)</u>	
Net Changes in Total OPEB Liability	11,074	(7,796)	13,673	6,469	3,769	29,486
Total OPEB Liability - Beginning of Year	<u>186,168</u>	<u>193,964</u>	<u>180,291</u>	<u>173,822</u>	<u>170,053</u>	<u>140,567</u>
Total OPEB Liability - End of Year	\$ <u>197,242</u>	<u>186,168</u>	<u>193,964</u>	<u>180,291</u>	<u>173,822</u>	<u>170,053</u>
State's Proportionate Share of the Total OPEB Liability	\$ 197,242	186,168	193,964	180,291	173,822	170,053
College's Proportionate Share of the Total OPEB Liability	-	-	-	-	-	-
Covered Payroll	\$ 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	1.32%	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, and 3.54% on June 30, 2022.

*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, 2023

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

Fiscal Year-End	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Date	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	0.0038%	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	\$ 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	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	\$ 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	\$ 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	1.73%	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	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, 2022.

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 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	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	\$ 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	0.148%	0.145%	0.142%	0.083%	0.067%	0.057%	0.060%	0.041%	0.076%

*GASB 68 requires presentation of ten years. As of June 30, 2023, only nine years of information is available.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Required Supplementary Information
June 30, 2023

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, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Tuition and Fees	\$ 15,000,000	11,030,287	(3,969,713)
Federal Appropriations	1,000,000	-	(1,000,000)
Activity Revenue and Other	1,176,165	485,524	(690,641)
State Appropriations	8,084,870	8,191,520	106,650
County Property Taxes	10,512,581	10,051,073	(461,508)
Interest Income	9,809	231,243	221,434
Total Revenues	<u>35,783,425</u>	<u>29,989,647</u>	<u>(5,793,778)</u>
Expenditures			
Instruction	13,900,000	9,313,266	4,586,734
Academic Support	3,000,000	2,947,961	52,039
Student Services	4,000,000	3,272,368	727,632
Institutional Support	1,700,000	2,760,017	(1,060,017)
Physical Plant Operations	14,700,000	3,930,203	10,769,797
Student Financial Support	280,000	212,050	67,950
Total Expenditures	<u>37,580,000</u>	<u>22,435,865</u>	<u>15,144,135</u>
Excess Revenues Over (Under) Expenditures	(1,796,575)	7,553,782	9,350,357
Other Financing Uses			
Transfers Out	(10,420,000)	(8,906,141)	1,513,859
Excess Revenues and Other Financing Uses Over (Under) Expenditures	(12,216,575)	(1,352,359)	10,864,216
Fund Balance - Beginning	<u>20,945,306</u>	<u>18,839,837</u>	<u>(2,105,469)</u>
Fund Balance - Ending	<u>\$ 8,728,731</u>	<u>17,487,478</u>	<u>8,758,747</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, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Appropriations	\$ 300,000	161,820	(138,180)
State Appropriations	3,519,749	3,519,749	-
Other Revenues	5,780,251	267,500	(5,512,751)
Total Revenues	<u>9,600,000</u>	<u>3,949,069</u>	<u>(5,650,931)</u>
Expenditures			
Instruction	7,980,000	4,151,375	3,828,625
Academic Support	2,000,000	1,212,373	787,627
Institutional Support	10,000,000	6,567,095	3,432,905
Physical Plant Operations	20,000	-	20,000
Total Expenditures	<u>20,000,000</u>	<u>11,930,843</u>	<u>8,069,157</u>
Excess Revenues Over (Under) Expenditures	(10,400,000)	(7,981,774)	2,418,226
Other Financing Sources			
Transfers In	10,350,000	7,967,167	(2,382,833)
Excess Revenues and Other Financing Sources Over (Under) Expenditures	(50,000)	(14,607)	35,393
Fund Balance - Beginning	<u>50,000</u>	<u>28,293</u>	<u>(21,707)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>13,686</u>	<u>13,686</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, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Appropriations	\$ 135,959	140,638	4,679
State Appropriations	55,814	57,914	2,100
Other Revenues	178,227	-	(178,227)
Total Revenues	<u>370,000</u>	<u>198,552</u>	<u>(171,448)</u>
Expenditures			
Instruction	350,000	109,157	240,843
Student Services	15,000	-	15,000
Institutional Support	15,000	160,028	(145,028)
Physical Plant Operations	10,000	-	10,000
Total Expenditures	<u>390,000</u>	<u>269,185</u>	<u>120,815</u>
Excess Revenues Over (Under) Expenditures	(20,000)	(70,633)	(50,633)
Other Financing Sources			
Transfers In	-	70,000	70,000
Excess Revenues and Other Financing Sources Over (Under) Expenditures	(20,000)	(633)	19,367
Fund Balance - Beginning	<u>20,000</u>	<u>15,975</u>	<u>(4,025)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>15,342</u>	<u>15,342</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, 2023

	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, 2023

	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	2,398,077	(381,923)	-	-	-	-	-	-
Bookstore Sales	-	-	-	800,000	548,967	(251,033)	-	-	-
Interest	-	100	100	-	150	150	-	-	-
Other Revenue	120,000	-	(120,000)	2,100,000	764,747	(1,335,253)	160,000	-	(160,000)
Total Revenues	<u>2,900,000</u>	<u>2,398,177</u>	<u>(501,823)</u>	<u>2,900,000</u>	<u>1,313,864</u>	<u>(1,586,136)</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
Expenditures									
Auxiliary Services	2,513,800	1,402,402	1,111,398	2,900,000	1,279,107	1,620,893	160,000	-	160,000
Debt Principal Payments	280,000	280,000	-	-	-	-	-	-	-
Debt Interest Payments	106,200	106,200	-	-	-	-	-	-	-
Total Expenditures	<u>2,900,000</u>	<u>1,788,602</u>	<u>1,111,398</u>	<u>2,900,000</u>	<u>1,279,107</u>	<u>1,620,893</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Excess Revenues Over (Under) Expenditures	-	609,575	609,575	-	34,757	34,757	-	-	-
Fund Balance - Beginning	<u>4,606,845</u>	<u>4,569,752</u>	<u>(37,093)</u>	<u>698,694</u>	<u>665,666</u>	<u>(33,028)</u>	<u>159,186</u>	<u>159,186</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,606,845</u>	<u>5,179,327</u>	<u>572,482</u>	<u>698,694</u>	<u>700,423</u>	<u>1,729</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, 2023

	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	2,398,077	(381,923)
Bookstore Sales	-	-	-	800,000	548,967	(251,033)
Interest	-	-	-	-	250	250
Other Revenue	110,000	-	(110,000)	2,490,000	764,747	(1,725,253)
Total Revenues	110,000	-	(110,000)	6,070,000	3,712,041	(2,357,959)
Expenditures						
Auxiliary Services	110,000	-	110,000	5,683,800	2,681,509	3,002,291
Debt Principal Payments	-	-	-	280,000	280,000	-
Debt Interest Payments	-	-	-	106,200	106,200	-
Total Expenditures	110,000	-	110,000	6,070,000	3,067,709	3,002,291
Excess Revenues Over (Under) Expenditures	-	-	-	-	644,332	644,332
Fund Balance - Beginning	102,816	102,816	-	5,567,541	5,497,420	(70,121)
Fund Balance - Ending	\$ 102,816	102,816	-	5,567,541	6,141,752	574,211

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, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Contributions	\$ 900,000	27,500	(872,500)
Expenditures			
Plant Equipment and Facility	950,000	-	950,000
Excess Revenues Over (Under) Expenditures	(50,000)	27,500	77,500
Fund Balance - Beginning	311,044	311,044	-
Fund Balance - Ending	\$ 261,044	338,544	77,500

BARTON COUNTY COMMUNITY COLLEGE

Notes to Supplementary Information

June 30, 2023

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	\$ 29,989,647	3,949,069	198,552	3,712,041	27,500	37,876,809	18,133,919	56,010,728
Adjustments								
Accounts Receivable	638,465	-	-	-	-	638,465	-	638,465
Change in Allowance for Doubtful Accounts	(122,202)	-	-	-	-	(122,202)	-	(122,202)
Federal Grant Receivable	-	-	208	-	-	208	23,735	23,943
Federal Grant Deferred Revenue	-	-	-	-	-	-	2,038	2,038
Deferred Tuition	(318,633)	-	-	-	-	(318,633)	-	(318,633)
Taxes Receivable	(104,121)	-	-	-	-	(104,121)	-	(104,121)
Change in Equity Interest in Joint Venture	(21,201)	-	-	-	-	(21,201)	-	(21,201)
Total Revenues as Reported on the Statement of Revenues, Expenses and Change in Net Position	30,061,955	3,949,069	198,760	3,712,041	27,500	37,949,325	18,159,692	56,109,017
Expenditures								
Actual Amounts (Regulatory Basis) Expenditures	22,435,865	11,930,843	269,185	3,067,709	-	37,703,602	18,591,220	56,294,822
Adjustments								
Inventory Adjustment	-	-	-	(22,080)	-	(22,080)	-	(22,080)
Change in Debt	975,086	273,513	-	(280,000)	-	968,599	48,432	1,017,031
Change in OPEB Obligation	22,148	-	-	-	-	22,148	-	22,148
Change in Net Pension Obligation	(18,178)	-	-	-	-	(18,178)	-	(18,178)
Change in Construction in Process	-	-	-	-	-	-	(1,583,068)	(1,583,068)
Accrued Interest on Debt	(504)	-	-	(3,481)	-	(3,985)	-	(3,985)
Change in Prepaid Expenses	(67,132)	1,830	-	(12,448)	-	(77,750)	9,004	(68,746)
Change in Early Retirement Debt Refunding	16,889	-	-	3,337	-	20,226	-	20,226
Change in Debt Premium and Discount	(4,463)	-	-	(29,955)	-	(34,418)	-	(34,418)
Depreciation Expense	1,915,667	-	-	223,526	-	2,139,193	-	2,139,193
Additions to Capital Assets	(3,128,016)	(274,290)	-	(1,828)	-	(3,404,134)	(48,570)	(3,452,704)
Disposal of Capital Assets	3,502	-	-	-	-	3,502	-	3,502
Total Expenditures as Reported on the Statement of Revenue, Expenses and Change in Net Position	22,150,864	11,931,896	269,185	2,944,780	-	37,296,725	17,017,018	54,313,743
Other Financing Sources (Uses)								
Actual Amounts (Regulatory Basis) Other Financing Sources (Uses) From Schedule 1	(8,906,141)	7,967,167	70,000	-	-	(868,974)	868,974	-
Net Increase in Net Position, as Reported on the Statement of Revenue, Expenses and Change in Net Position	(995,050)	(15,660)	(425)	767,261	27,500	(216,374)	2,011,648	1,795,274
Net Position - Beginning	27,610,375	33,446	15,975	12,606,058	311,042	40,576,896	11,639,092	52,215,988
Net Position - Ending	\$ 26,615,325	17,786	15,550	13,373,319	338,542	40,360,522	13,650,740	54,011,262

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, 2023, 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 12, 2023. The financial statements of Barton County Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Barton County Community College Foundation.

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 12, 2023

**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, 2023. **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, 2023.

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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, and 2023-004, to be significant deficiencies.

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 12, 2023

BARTON COUNTY COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

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	P063P122527	\$ 3,593,761
Federal Supplemental Educational Opportunity Grants	84.007	P007A1111491	66,500
Federal Work-Study Program	84.033	P033A121491	33,408
Federal Direct Student Loans	84.268	N/A	3,041,850
Total Student Financial Assistance Program Cluster			<u>6,735,519</u>
TRIO Cluster			
TRIO Student Support Services	84.042	P042A151139	386,470
TRIO Educational Opportunity Centers	84.066	P066A170069	327,936
TRIO Upward Bound	84.047	P047A221138	349,760
TRIO Upward Bound	84.047	P047A171013	286,545
Total TRIO Cluster			<u>1,350,711</u>
COVID-19 Funding			
Education Stabilization Fund			
Higher Education Emergency Relief Fund (HEERF)			
HEERF Student Portion	84.425E	P425F203459	225,357
Passed Through Kansas Board of Regents			
Governor's Emergency Education Relief (GEER) Fund	84.425C	S425C100046	71,097
Total Education Stabilization Fund			<u>296,454</u>
Passed Through Kansas Board of Regents			
Career and Technical Education - Basic Grants to States	84.048	V048A210016	116,549
Career and Technical Education - Basic Grants to States	84.048	V048A200016	5,500
Career and Technical Education - Basic Grants to States	84.048	V048A220016	39,771
Adult Education - Basic Grants to States	84.002	V002A210016	140,846
Total Passed Through Kansas Board of Regents			<u>302,666</u>
Total U.S. Department of Education			<u>8,685,350</u>
U.S. Department of Agriculture			
Passed Through State Department of Education			
Child Nutrition Cluster			
Summer Food Service Program For Children	10.559	J0801	3,338
National Science Foundation			
Passed Through Fort Hays State University			
STEM Education	47.076	1758501	10,299
Passed Through Kansas State University			
STEM Education	47.076	S19032	39,892
Total National Science Foundation			<u>50,191</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	187,600
Corporation for National and Community Service			
Passed Through State Department of Education			
AmeriCorps State Commissions Support Grant	94.003	J0801	421
Direct Funding			
AmeriCorps State Commissions Support Grant	94.003	Vol Mgr Support	2,100
AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP)	94.002	19SRWKS008	55,835
Total Corporation for National and Community Service			<u>58,356</u>
Total Expenditures of Federal Awards			<u>\$ 8,984,835</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, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Barton County Community College** and is presented on the accrual basis of accounting; therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – 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 3 – 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 \$3,041,850 for the year ended June 30, 2023.

BARTON COUNTY COMMUNITY COLLEGE
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2022

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

Type of auditors' report issued on compliance for TRIO Cluster:

Unmodified

Type of auditors' report issued on compliance for Student Financial Assistance Cluster:

Unmodified

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

_____ Yes X No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
----------------------------	------------------------------------

TRIO Cluster

- 84.042 TRIO Student Support Services
- 84.066 TRIO Educational Opportunity Centers
- 84.047 TRIO Upward Bound

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 programs: \$ 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, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCIES

2023-001

Federal Program
TRIO Cluster

Compliance requirements
Reporting

Criteria or specific requirement

Internal controls should be in place to ensure that required reporting data is accurately submitted to the Department of Education.

Condition

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

Context

Of the 60 participants tested for reporting items within the APR, one had an incorrect first enrollment date, one had an incorrect date of first project service, one had an incorrect college grade level (entry into project), three had an incorrect eligibility status (at time of initial selection), one had an incorrect at risk: low grade point average (at time of initial selection), and two had an incorrect at risk: pre-algebra or algebra course not successfully completed by beginning of 10th grade (at time of initial selection). None of these items resulted in an ineligible individual participating in the program; only the reporting data submitted to the Department of Education was inaccurate.

Cause

Attributes were entered incorrectly as a result of human error.

Effect

Several reporting attributes had inaccurate data reported for some of the participants. No material impacts on the financial statements or on the program are anticipated.

Recommendation

We recommend that the College review its controls to ensure that accurate data is reported.

Views of responsible officials

See Corrective Action Plan.

2023-002

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Reporting and Special Tests and Provisions - Verification

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Criteria or specific requirement

When a student is selected for, and completes, the verification process, their verification status code should be accurately reflected within the COD origination records.

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.

Context

For three of the students, they had an action related to their file that needed to be processed within the institution's verification software. Upon completion of the action, the software automatically indicates that these students were "verified" and populates the "V" status. However, this is actually a file review situation. The process should end with staff removal of the verification status and appropriate update of the verification code.

For two of the students, the staff member working on their file accidentally opened the 2022-2023 ISIR when they intended to work on a review of the 2023-2024 ISIR. The staff member recognized their error, but they did not get all fields corrected.

Cause

Turnover within the student financial aid department led to new employees that were unaware of the need to update the verification status code after a file review. That turnover was also responsible for employees not knowing what fields must be corrected when they mistakenly work on a student's verification from the wrong fiscal year.

Effect

Students who had not undergone the verification process were reported to COD as having done so.

Recommendation

We recommend that the College review its controls to ensure that accurate data is reported.

Views of responsible officials

See Corrective Action Plan.

2023-003

Federal Program

Student Financial Assistance Cluster

Compliance requirements

Special Tests and Provisions – Return to Title IV

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. In order to accurately determine that amount, the institution must use the correct calendar dates related to that recipient's program of study. Furthermore, scheduled breaks of five or more consecutive days must be excluded from the calculation. A scheduled break is considered all days between the last scheduled day of classes before a scheduled break and the first day classes resume.

Condition

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

BARTON COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Context

For students who utilized the Great Bend Face to Face academic calendar, seven break days were excluded from their calculation of aid earned. However, for both the Fall and Spring breaks, scheduled classes ended on a Friday and did not resume until the second subsequent Monday, which totals to nine break days. Two of the sixteen students tested showed this error. In addition, one student had incorrect dates used in their calculation of aid earned.

Cause

Turnover within the student financial aid department led to the input of the seven break days instead of the nine that had been used in prior years, and a new employee also input the incorrect academic calendar for one of the students tested.

Effect

Of the two students tested that showed an incorrect number of break days, using nine break days only resulted in a changed outcome for one of them. The other had completed 60% of the semester. For the other student, an additional \$40 of aid should have been returned.

For the student tested that showed use of an incorrect academic calendar, an additional \$174 of aid should have been returned.

Total estimated questioned costs when comparing the sample against the population are \$1,197.

Recommendation

We recommend that the College review its controls to ensure that accurate Return to Title IV calculations are completed.

Views of responsible officials

See Corrective Action Plan.

2023-004

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 three of the fourteen students tested did not have an enrollment status change reported.

Context

One student withdrew completely from the Institution after beginning the semester, and they underwent a Return to Title IV calculation. However, the withdrawal status was not reported to NSLDS. The other two students dropped courses during the semester without completely withdrawing, but the change to their enrollment status from full-time to part-time and half-time to less-than-half time was not reported to NSLDS.

BARTON COUNTY COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

Cause

One of the enrollment reporting errors was caused by human error. The other two were the result of the College's policies related to reporting students who drop courses after "census" dates within the semester.

Effect

Enrollment status changes were not reported for all students.

Recommendation

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

Views of responsible officials

See Corrective Action Plan.



Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted for the year ended June 30, 2022.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2022-001

Federal Program
TRIO Cluster

Compliance requirements
Reporting

Condition

During testing, we identified errors in certain data elements reported during the year for TRIO participants. Of the 350 attributes tested, 17 were incorrectly reported.

Corrective Actions

Practices are in place to ensure that data is double-checked when entered. As of fieldwork for the June 30, 2022 audit, the Barton County Upward Bound program has corrected the date that is entered for the First Date of Service for all new entrants into the program.

Status

Ongoing issue. See finding 2023-001.