

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**COMMUNICATION WITH THOSE  
CHARGED WITH GOVERNANCE**

**RELATED TO THE AUDIT FOR THE**

**YEAR ENDED JUNE 30, 2023**



## LOYD GROUP, LLC

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To the Board of Directors  
Dodge City Community College Foundation  
Dodge City, Kansas 67801

We have audited the financial statements of the Dodge City Community College Foundation (Foundation) as of and for the year ended June 30, 2023 and have issued our report thereon dated January 5, 2024. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 15, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Dodge City Community College Foundation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit below in the section Communication of Other Control Deficiencies.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

We identified the potential threats to our independence as management participation and self-review over the assistance of financial statement preparation. As such, we have implemented the following safeguards:

1. A separate cold review of the financial statement done at the partner level and,
2. A formal letter of approval and review of the financial statement by management.

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**D. Scot Loyd, CPA, CGFM, CFE, CGMA, CNC**

*"Creating Maneuverability in Government"*

## **Significant Risks Identified**

We have identified the following significant risks:

- Management override of controls related to contribution revenue and donor restrictions.
- Recording of investment income and related note disclosures

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Dodge City Community College Foundation is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the collectability of the promises to give is based on management's understanding of the donor's intent. We evaluated the key factors and assumptions used to develop the estimate and reviewed supporting documentation to determine if estimate was reasonable in relation to the financial statements taken as a whole. In addition, management's estimate of the liquidity of financial assets is based on analysis of restrictions on those assets and on when the financial assets can be used for general expenditure purposes.

Management's estimate of the fair value of level 2 investments is based upon the following:

- Bonds and fixed income mutual funds – based on yields currently available on comparable securities of issuers with similar credit ratings.

We evaluated the key factors and assumptions used to develop the fair value of level 2 and level 3 investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Managements estimate of the fair value of investments utilizing the net asset value practical expedient is determined through considerations of the net asset values provided by the fund manager and other market factors. Other factors include, but are not limited to, estimated of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment, and changes in market outlook and the financing environment. We evaluated the key factors and assumptions used to develop the fair value of investments utilizing the net asset value practical expedient in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

The financial statement disclosures are neutral, consistent, and clear.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all such misstatement.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statement taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Dodge City Community College Foundation's financial statement or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such circumstances arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the letter dated January 5, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Dodge City Community College Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Dodge City Community College Foundation's auditors.

### **Communication of Other Control Deficiencies**

In planning and performing our audit of the financial statements of the Dodge City Community College Foundation, as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Dodge City Community College Foundation's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Dodge City Community College Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Dodge City Community College Foundation'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.
- Probable. The future event or events are likely to occur.

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

### **PRIOR YEAR POINTS**

No issues of significance were noted.

### **CURRENT YEAR POINTS**

No issues of significance were noted.

### **SUMMARY**

The matters discussed herein were considered during our examination of the financial statements as of June 30, 2023, and they do not modify the opinion expressed in our auditor's report dated January 5, 2024, on such financial statement.

We look forward to assisting the Dodge City Community College Foundation in implementing the above suggestions. If you have any questions regarding comments included in this letter, please contact Scot Loyd (620) 654-7565 or Christina Henson at (620) 694-7881.

We greatly appreciate the assistance and helpfulness provided by the Foundation during the recent audit. It is a pleasure working with individuals who respond to our questions and requests in a quick and efficient manner. If you have any questions or need us to stop by, please give us a call.

Board of Directors  
Dodge City Community College Foundation  
January 5, 2024  
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**RESTRICTION ON USE**

This information is intended solely for the information and use of the Board of Directors and management of the Dodge City Community College Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Loyd Group, LLC

Loyd Group, LLC  
Galva, KS  
January 5, 2024

**DODGE CITY COMMUNITY COLLEGE FOUNDATION  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**



**LOYD GROUP, LLC**

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Certified Public Accountants

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**June 30, 2023 and 2022**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Dodge City Community College Foundation  
Dodge City, KS 67801

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Dodge City Community College Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dodge City Community College Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dodge City Community College Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dodge City Community College Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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.

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**D. Scot Loyd, CPA, CGFM, CFE, CGMA, CNC**

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In performing an audit in accordance with GAAS, 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 Dodge City Community College Foundation'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 Dodge City Community College Foundation'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.

Loyd Group, LLC

Loyd Group, LLC  
Galva, KS  
January 5, 2024

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 966,821	\$ 256,371
Restricted cash	30,778	62,780
Investments	3,814,421	3,332,043
Unconditional promises to give, net	105,088	113,763
Rent receivable	2,630,000	-
Deferred bond issuance costs, net	79,160	90,507
Buildings and improvements	8,160,298	8,160,298
Accumulated depreciation	<u>(1,370,166)</u>	<u>(1,166,743)</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,416,400</u></b>	<b><u>\$ 10,849,019</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Interest payable	\$ 37,313	\$ 41,234
Bond premium	34,489	39,417
Promissory note payable	25,983	33,634
Deferred rent revenue	2,591,111	-
Industrial revenue bond payable	<u>2,630,000</u>	<u>2,915,000</u>
Total liabilities	<u>5,318,896</u>	<u>3,029,285</u>
 Net Assets		
Without donor restrictions	4,397,916	4,228,850
With donor restrictions	<u>4,699,588</u>	<u>3,590,884</u>
Total net assets	<u>9,097,504</u>	<u>7,819,734</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 14,416,400</u></b>	<b><u>\$ 10,849,019</u></b>

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2023**

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ 100,178	\$ 978,589	\$ 1,078,767
Special events, net of direct expenses	112,194	-	112,194
Rent income	409,534	-	409,534
Net investment return	(14,550)	360,198	345,648
Royalties	115	-	115
Total revenues, gains and other support	607,471	1,338,787	1,946,258
Net assets released from restrictions	240,399	(240,399)	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>847,870</b>	<b>1,098,388</b>	<b>1,946,258</b>
<b>EXPENSES</b>			
Program Services	635,557	-	635,557
Supporting Services			
Management and general	21,113	-	21,113
Fundraising	11,818	-	11,818
Total supporting services	32,931	-	32,931
Total expenses	668,488	-	668,488
<b>INCREASE IN NET ASSETS BEFORE RECLASSIFICATIONS</b>	179,382	1,098,388	1,277,770
<b>RECLASSIFICATIONS</b>	(10,316)	10,316	-
<b>INCREASE IN NET ASSETS</b>	169,066	1,108,704	1,277,770
<b>NET ASSETS AT BEGINNING OF YEAR</b>	4,228,850	3,590,884	7,819,734
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 4,397,916</b>	<b>\$ 4,699,588</b>	<b>\$ 9,097,504</b>

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2022**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ (17,356)	\$ 401,104	\$ 383,748
Special events, net of direct expenses	10,748	-	10,748
Rent income	374,120	-	374,120
Net investment return	(38,368)	(596,484)	(634,852)
Royalties	-	400	400
Total revenues, gains and other support	329,144	(194,980)	134,164
Net assets released from restrictions	406,789	(406,789)	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	735,933	(601,769)	134,164
<b>EXPENSES</b>			
Program Services	594,735	-	594,735
Supporting Services			
Management and general	18,689	-	18,689
Fundraising	11,818	-	11,818
Total supporting services	30,507	-	30,507
Total expenses	625,242	-	625,242
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE RECLASSIFICATIONS</b>	110,691	(601,769)	(491,078)
<b>RECLASSIFICATIONS</b>	(26,990)	26,990	-
<b>INCREASE IN NET ASSETS</b>	83,701	(574,779)	(491,078)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	4,145,149	4,165,663	8,310,812
<b>NET ASSETS AT END OF YEAR</b>	\$ 4,228,850	\$ 3,590,884	\$ 7,819,734

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Year Ended June 30, 2023 and 2022**

	Supporting Services							
	Program Services		Management and General		Fundraising		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Scholarships	\$ 71,200	\$ 81,070	\$ -	\$ -	\$ -	\$ -	\$ 71,200	\$ 81,070
Salaries	14,197	14,197	15,485	15,485	11,818	11,818	41,500	41,500
Marketing and advertising	-	2,455	2,474	1,709	-	-	2,474	4,164
Supplies and office expenses	16,237	20,432	29	443	-	-	16,266	20,875
Project expense	11,451	21,115	-	-	-	-	11,451	21,115
Interest expense	90,650	99,255	-	-	-	-	90,650	99,255
Fine arts expense	3,439	8,213	-	-	-	-	3,439	8,213
Depreciation expense	204,007	204,007	-	-	-	-	204,007	204,007
Grant expenses	197,591	134,683	-	-	-	-	197,591	134,683
Bank fees	-	-	3,125	1,052	-	-	3,125	1,052
Other	26,785	9,308	-	-	-	-	26,785	9,308
<b>Total Functional Expenses</b>	<b>\$635,557</b>	<b>\$594,735</b>	<b>\$ 21,113</b>	<b>\$ 18,689</b>	<b>\$ 11,818</b>	<b>\$ 11,818</b>	<b>\$668,488</b>	<b>\$625,242</b>

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended June 30, 2023 and 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions	\$ 1,008,731	\$ 350,215
Cash received from rent	370,645	374,120
Cash received from interest and dividends	11,880	(6,576)
Cash received from special events	120,515	97,812
Cash paid for special events	(8,321)	(87,064)
Cash paid to DCCC for scholarships and other academic support	(71,200)	(81,070)
Cash paid to DCCC for salary reimbursements	(41,500)	(41,500)
Cash disbursed for other program expenses	(256,087)	(196,205)
Cash paid for interest	(88,152)	(96,688)
Cash disbursed for management and general	(5,628)	(3,204)
Net cash flows from operating activities	1,040,883	309,840
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(36,066)	(215,000)
Proceeds from sale of investments	(112,544)	46,330
Net cash flows from investing activities	(148,610)	(168,670)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on industrial revenue bond principal	(285,000)	(280,000)
Payment on promissory note principal	(7,651)	(7,214)
Royalties restricted for scholarships	115	400
Contributions restricted to endowment	78,711	62,642
Net cash flows from financing activities	(213,825)	(224,172)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	678,448	(83,002)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT THE BEGINNING OF YEAR	319,151	402,153
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT THE END OF YEAR	\$ 997,599	\$ 319,151
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
Cash and cash equivalents	\$ 966,821	\$ 256,371
Restricted cash	30,778	62,780
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	\$ 997,599	\$ 319,151

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

# DODGE CITY COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For The Years Ended June 30, 2023 and 2022

### 1. ORGANIZATION AND PURPOSE

Dodge City Community College Foundation (the Foundation) is a Kansas nonprofit organization. The Foundation exists to benefit the Dodge City Community College (DCCC) and is considered a component unit of DCCC. The Foundation's purpose is to aid in the fulfillment of the research, teaching and service functions of DCCC and to provide scholarships to the College's students. The Foundation is also involved with program development and facility renovation and expansion. Support is received primarily from contributions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *(a) Basis of Accounting and Presentation*

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives as specified by donors; in accordance with regulations, restrictions, or limitations imposed by sources outside the institution; or in accordance with directions issued by the governing board.

These financial statements, which are presented on the accrual basis of accounting, have been prepared on the basis of generally accepted accounting principles published by the American Institute of Certified Public Accountants. The statements have been prepared to focus on the Foundation as a whole.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Net assets without donor restrictions** - Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class, because the use of restricted contributions in accordance with donors' stipulations results in the release of such restrictions.

**Net assets with donor restrictions** - Net assets subject to donor (or certain grantor) - imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets without donor restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts are recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fundraising activity.

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**(a) Basis of Accounting and Presentation (Cont.)**

Net investment returns are reported as follows:

- as increases in net assets with donor restrictions if the terms of the gift require that they be added to the principal of a permanent endowment fund, and/or if the terms of the gift impose restrictions on the use of the income;
- as increases in net assets without donor restrictions in all other cases.

**(b) Cash and Cash Equivalents**

The financial statements include a Statement of Cash Flows showing cash and cash equivalents from operating, investing and financing activities. The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be “cash equivalents.” This includes money market accounts and certificates of deposit, not including those held in brokerage accounts. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the Statement of Cash Flows. At times such investments may be in excess of the FDIC insurance limit.

**(c) Restricted Cash**

Restricted cash consists of restricted deposits held by the Foundation for capital projects and grants. Restricted cash is presented within cash, cash equivalents and restricted cash in the Statement of Cash Flows.

**(d) Investments**

Dividend and interest revenue is accrued as earned. Investments are stated at fair value and further discussion is in Note 5 - Fair Value Measurements. Investment income and realized and unrealized gains and losses are reflected in the Statement of Activities as net assets without donor restrictions or with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year, is classified as revenue with donor restrictions and net assets released from restrictions.

**(e) Functional Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Program expenses are charged directly to the identified program. There are no allocations. Management and general expenses include those expenses that are not directly identifiable to an activity but provide for the overall support and direction of the Foundation’s various departments.

**(f) Contributions and Promises to Give**

Contributions, including unconditional promises to give, are recognized as revenues in the period received, and are reported as increases in the appropriate category of net assets. Contributions where donor restrictions are met within the same fiscal year as the contribution are included in net assets without donor restrictions. Contributions are classified as revenue with donor restrictions based on time restrictions or donor-imposed stipulations. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value of the asset contributed. Contributions to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recognized as contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible promises to give is provided based upon management’s judgment including such factors as prior collection history, type of contribution and nature of fundraising activity.

## DODGE CITY COMMUNITY COLLEGE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For The Years Ended June 30, 2023 and 2022

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

##### ***(g) Income Taxes***

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation adopted FASB ASC topic 740, Income Taxes related to uncertain tax positions, which prescribes a recognition threshold and measurement attributable for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The Foundation did not have any material uncertain tax positions as of June 30, 2023 and 2022. Tax years with open statutes of limitations are 2019 and forward.

##### ***(h) Revenue and Revenue Recognition***

The majority of the Foundation's revenue is recognized at a point in time based on the transfer of control. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. Unconditional contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received and are classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either a net asset with donor restrictions or a net asset without donor restrictions.

##### ***(i) Restricted and Unrestricted Revenue***

Contributions are reported as increases in with or without donor net assets, depending on the nature of the donor restrictions, if any. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the donor restricted net asset class, and a reclassification to without donor restrictions is made to reflect the expiration of such restrictions.

##### ***(j) Reclassifications***

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. There were no changes to the net asset balances as a result of the reclassifications.

##### ***(k) Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

##### ***(l) Bond Issuance costs***

Bond issuance costs are deferred and amortized on the straight-line basis over the repayment term of the bonds.

# DODGE CITY COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For The Years Ended June 30, 2023 and 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### *(m) Property and equipment*

The Foundation capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Buildings and improvements are depreciated over a useful life of 40 years.

The Foundation reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is evaluated based on the sum of undiscounted future cash flows expected to result from the use of the assets compared to its carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. No impairment has been recognized through June 30, 2023 and 2022.

### 3. CONCENTRATION OF CREDIT RISK

The Foundation has a concentrated credit risk for cash and cash equivalents because it maintains deposits in banks that sometimes exceed amounts insured by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the value of the Foundation's investments and the total net assets balance.

With respect to program-related investments, the Foundation routinely assesses the financial strength of its debtors and believes that the related credit risk exposure is limited or appropriately reserved for.

### 4. INVESTMENTS

Investments include money market funds, debt securities (primarily federal government agency bonds, United States Treasury notes and corporate bonds) and equity securities (mutual funds, ETFs and corporate stock).

The fair market value of investments using quoted prices in active markets for identical assets or liabilities is as follows for June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Certificates of deposits	\$ -	\$ 194,566	\$ 194,566
Money Market	-	244,485	244,485
Exchange Traded Funds (ETF)	-	636,979	636,979
Mutual Funds	-	1,986,239	1,986,239
Asset and Mortgage Backed Securities	-	23,937	23,937
Common Stock	-	728,215	728,215
Total Investments	<u>\$ -</u>	<u>\$ 3,814,421</u>	<u>\$ 3,814,421</u>

## DODGE CITY COMMUNITY COLLEGE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For The Years Ended June 30, 2023 and 2022

#### 4. INVESTMENTS (CONT.)

The fair market value of investments using quoted prices in active markets for identical assets or liabilities is as follows for June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Totals
Money Market	\$ -	\$ 240,163	\$ 240,163
Exchange Traded Funds	-	596,139	596,139
Mutual Funds	-	2,016,928	2,016,928
Asset and Mortgage Backed Securities	-	26,731	26,731
Common Stock	-	452,082	452,082
Total Investments	<u>\$ -</u>	<u>\$ 3,332,043</u>	<u>\$ 3,332,043</u>

#### 5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides 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 standard describes three levels of inputs that may be used to measure fair value.

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

**Level 2:** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- *Market Approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost Approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- *Income Approach* – Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**5. FAIR VALUE MEASUREMENTS (CONT.)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Certificates of deposit are valued at cost or net realizable value, which approximates fair value, due to the short-term maturity of the financial instrument. These are presented as Level 1 measurements on the table below. Money Market Funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. These are presented as Level 1 measurements on the table below.

The fair values of debt and equity investments, including alternative investments, that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. The Foundation's Board of Directors assesses and approves these policies and procedures. At least annually, Management: (1) determines if the current valuation techniques used in fair value measurements are still appropriate, and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

The following table sets forth by level within the fair value hierarchy, the Foundation's investments at fair value on a recurring basis at June 30, 2023, and 2022.

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Certificates of deposits	\$ 194,566	\$ -	\$ -	\$ 194,566
Money Market	244,485	-	-	244,485
Exchange Traded Funds	636,979	-	-	636,979
Mutual Funds	1,986,239	-	-	1,986,239
Asset and Mortgage Backed Securities	-	23,937	-	23,937
Common Stock	728,215	-	-	728,215
<b>Total investments valued at fair value</b>	<b>\$ 3,790,484</b>	<b>\$ 23,937</b>	<b>\$ -</b>	<b>\$ 3,814,421</b>
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money Market	\$ 240,163	\$ -	\$ -	\$ 240,163
Exchange Traded Funds	596,139	-	-	596,139
Mutual Funds	2,016,928	-	-	2,016,928
Asset and Mortgage Backed Securities	-	26,731	-	26,731
Common Stock	452,082	-	-	452,082
<b>Total investments valued at fair value</b>	<b>\$ 3,305,312</b>	<b>\$ 26,731</b>	<b>\$ -</b>	<b>\$ 3,332,043</b>

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**6. ENDOWMENT FUNDS**

***Interpretation of Relevant Law***

The Board of Directors of Dodge City Community College Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the 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, Dodge City Community College Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

The Foundation's endowment consists of individual funds established by donors to provide scholarships to students of Dodge City Community College. Its endowment includes permanent endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

***(a) Donor-Restricted Endowment Composition***

The data in the tables below shows only the permanently endowed funds and the related income and appreciation/depreciation of those invested endowed funds.

	June 30,	
	2023	2022
Without donor restrictions	\$ -	\$ -
With donor restrictions	<u>2,799,544</u>	<u>2,625,477</u>
 Total funds	 <u>\$ 2,799,544</u>	 <u>\$ 2,625,477</u>

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**6. ENDOWMENT FUNDS (CONT.)**

***(b) Changes in Endowment Net Assets for the Years Ended June 30, 2023 and 2022***

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 2,625,477	\$ 2,625,477
Investment return:			
Royalty	-	115	115
Investment income	-	89,326	89,326
Net appreciation (realized & unrealized)	-	163,460	163,460
Total investment return	-	252,901	252,901
Contributions/additions	-	114,778	114,778
Released from restrictions	193,612	(193,612)	-
Appropriation of endowment assets for expenditure	(193,612)	-	(193,612)
Subtotal	-	(78,834)	(78,834)
Net Endowment activity for year	-	174,067	174,067
Endowment net assets, end of year	\$ -	\$ 2,799,544	\$ 2,799,544
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 3,058,038	\$ 3,058,038
Investment return:			
Royalty	-	400	400
Investment income	-	166,934	166,934
Net appreciation (realized & unrealized)	-	(689,738)	(689,738)
Total investment return	-	(522,404)	(522,404)
Contributions/additions	-	277,642	277,642
Released from restrictions	187,799	(187,799)	-
Appropriation of endowment assets for expenditure	(187,799)	-	(187,799)
Subtotal	-	89,843	89,843
Net Endowment activity for year	-	(432,561)	(432,561)
Endowment net assets, end of year	\$ -	\$ 2,625,477	\$ 2,625,477

## DODGE CITY COMMUNITY COLLEGE FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For The Years Ended June 30, 2023 and 2022

#### 6. ENDOWMENT FUNDS (CONT.)

##### *(c) Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. These deficiencies would result from unfavorable market fluctuations that occurred during the year and through continued appropriation for certain programs that was deemed prudent by the Foundation. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets. There were no deficiencies of this nature that were reported in net assets without donor restrictions as of June 30, 2023 and 2022.

##### *(d) Return Objectives, Risk Parameters and Strategies*

The Foundation has adopted investment and spending policies, 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. 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 3% to 5%, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

##### *(e) Spending Policy and How the Investment Objectives Relate to Spending Policy*

To satisfy its long-term rate of return, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yields (interest and dividends). The Foundation targets a diversified asset allocation that utilizes fixed income and equity-based investments to achieve its long-term objectives within prudent risk constraints.

The Foundation has a policy of appropriating for disbursement each year, the amount required to meet the scholarships needs of students of Dodge City Community College within the parameters established by the donor (exclusive of unrealized gains and losses). In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow and maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

#### 7. RENT RECEIVABLE AND DEFERRED RENT REVENUE

The Foundation entered into a sublease agreement with Dodge City Community College in connection with financing the construction of a community events center and recreational facility for the benefit of Dodge City Community College students. The sublease was entered into on October 15, 2014. The original term of the sublease shall terminate on January 15, 2024. The sublease term may be extended for additional terms, solely at the option of the sub lessee, in each of the sub lessee's fiscal years, provided that at the time of any such extension the remaining sublease term shall not exceed ten years and, provided further, that the final extended term shall not exceed beyond July 15, 2030. Lease standards require future lease payments to be deferred revenue rather than recognizing at the inception of the lease. This deferral is to be recognized on the straightline method over the life of the lease.

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**7. RENT RECEIVABLE AND DEFERRED RENT REVENUE (CONT.)**

Future minimum sublease payments receivable under the original term are as follows:

<u>Years ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 295,000	\$ 76,945	\$ 371,945
2025	305,000	67,945	372,945
2026	315,000	58,645	373,645
2027	320,000	49,120	369,120
2028	330,000	39,205	369,205
Thereafter	1,065,000	52,130	1,117,130
	<u>\$ 2,630,000</u>	<u>\$ 343,990</u>	<u>\$ 2,973,990</u>

Future deferred lease revenues under the original term are as follows:

<u>Years ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 323,889	\$ -	\$ 323,889
2025	323,889	-	323,889
2026	323,889	-	323,889
2027	323,889	-	323,889
2028	323,889	-	323,889
Thereafter	971,666	-	971,666
	<u>\$ 2,591,111</u>	<u>\$ -</u>	<u>\$ 2,591,111</u>

**8. PROMISES TO GIVE**

The Foundation has received several promises to give that are designated for priority projects, supporting the health of the Foundation, activities, programs, or capital projects that the Foundation has deemed of highest importance. The promises to give as of June 30, 2023 and 2022, are unconditional. Promises to give that are due after June 30, 2023 are discounted 3.00%. Uncollectible promises are expected to be insignificant.

Unconditional promises to give are as follows.

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 15,000	\$ 19,500
Due in one to five years	20,000	25,000
Due in more than five years	88,750	92,500
	<u>123,750</u>	<u>137,000</u>
Total unconditional promises to give	123,750	137,000
Less: Discounts to net present value	<u>(18,662)</u>	<u>(23,237)</u>
Net unconditional promises to give	<u>\$ 105,088</u>	<u>\$ 113,763</u>

**9. PROMISSORY NOTE PAYABLE**

The Foundation signed an unsecured promissory note on April 23, 2018, to purchase materials and labor for an indoor track at the Student Activity Center. This is a variable rate note (6.20% at June 30, 2023 and 2022) payable in seven annual installments of \$9,774 and one final payment consisting of the full amount of the remaining principal and interest due on April 23, 2026.

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**10. INDUSTRIAL REVENUE BONDS**

The Foundation issued industrial revenue bonds dated September 17, 2014 in the amount of \$4,950,000 at interest rates varying from 2.00% to 3.25% payable in annual installments through July 15, 2030. In conjunction with the debt issuance, the Foundation entered into a sublease agreement with Dodge City Community College. The terms of the sublease are detailed in Note 7.

Future minimum scheduled maturities of long-term debt are as follows:

Years ended June 30	
2024	\$ 295,000
2025	305,000
2026	315,000
2027	320,000
2028	330,000
Thereafter	1,065,000
	\$ 2,630,000

**11. AFFILIATED ORGANIZATION**

The Foundation is affiliated with Dodge City Community College (a governmental entity) because of economic interest. The College does not control the Foundation since it is a legally separate entity with an independent elected board. There is an economic interest as evidenced through the Foundation's support of college students and activities. During the years ended June 30, 2023 and 2022, the Foundation awarded scholarships and other program support in the amounts of \$71,200 and \$87,070 respectively to the College.

The College contributed salaries of the Foundation Director of \$41,500 and \$41,500 for the years ended June 30, 2023 and 2022, respectively.

The College paid rent to the Foundation for use of the student activity center in the amounts of \$374,645 and \$374,120 for the years ended June 30, 2023 and 2022, respectively.

**12. NET ASSETS WITH DONOR RESTRICTIONS**

	June 30,	
	2023	2022
Subject to expenditure for specific purpose:		
Scholarships	\$ 1,698,679	\$ 814,606
Student Activities Center	95,869	41,751
Unconditional promises to give, unavailable until payments are due	105,088	108,763
Projects	408	287
Subtotal	1,900,044	965,407
Endowments:		
Subject to endowment spending policy and appropriation:		
Scholarships	575,050	645,191
Investment in perpetuity	2,224,494	1,980,286
Subtotal	2,799,544	2,625,477
Total net assets with donor restrictions	\$ 4,699,588	\$ 3,590,884

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**12. NET ASSETS WITH DONOR RESTRICTIONS (CONT.)**

Endowments are restricted to investments in perpetuity, the income of which is expendable for general operations and scholarships.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2023 and 2022.

	June 30,	
	2023	2022
Satisfaction of specified purpose restrictions:		
Scholarship distributions	\$ 236,606	\$ 316,162
Student Activities Center	3,793	90,627
Project expense	-	-
Total	\$ 240,399	\$ 406,789

**13. LIQUIDITY AND AVAILABILITY**

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, unconditional promises to give, and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing funding and scholarships to students of Dodge City Community College as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2023 and 2022, the following tables show the total financial assets held by the Foundation and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	\$ 966,821	\$ 256,371
Restricted cash	30,778	62,780
Unconditional promises to give, net	105,088	113,763
Investments	3,814,421	3,332,043
Total financial assets	4,917,108	3,764,957
Less those unavailable for general expenditures within one year, due to:		
<u>Contractual or donor-imposed restrictions:</u>		
Donor restricted donations	(2,379,261)	(1,511,761)
Unconditional promises to give (long term)	(95,833)	(98,838)
<u>Not available due to nature of asset:</u>		
Investment in perpetuity (endowment)	(2,224,494)	(1,980,286)
Financial assets available to meet cash needs for general expenditures within one year of balance sheet date	\$ 217,520	\$ 174,072

**DODGE CITY COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For The Years Ended June 30, 2023 and 2022**

**13. LIQUIDITY AND AVAILABILITY (CONT.)**

The endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of the liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds.

**14. SUBSEQUENT EVENTS**

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