This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 9, 2024

NEW ISSUE / BANK QUALIFIED — **RATING: S&P "__"**

BOOK-ENTRY ONLY — **See "Bond Ratings" herein**

In the opinion of Gilmore & Bell, P.C., Special Tax Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the Interest Portion of Basic Rent Payments paid by Dodge City Community College, Ford County, Kansas and distributed to the registered owners of the Certificates [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the Interest Portion of Basic Rent Payments paid and distributed to the registered owners of the Certificates is exempt from income taxation by the State of Kansas; and (3) the College's obligation to pay the Basic Rent Payments under the Lease that are distributable to owners of the Certificates have been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. Special Tax Counsel notes that for tax years beginning after December 31, 2022, the Interest Portion of Basic Rent Payments paid and distributed to the registered owners of the Certificates may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" herein.

$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the
Lease Agreement Between the College and Security Bank of Kansas City, Kansas City, Kansas, As Trustee

Dated: May 21, 2024 — **Due: July 15, as shown on inside front cover.**

The Lease Agreement Refunding Certificates of Participation, Series 2024 (the "Certificates") will be executed and delivered in fully registered form in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Certificates. Purchases of the Certificates will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof as described above. Purchasers will not receive certificates representing their interests in Certificate purchases. [So long as Cede & Co. is the registered owner of the Certificates, as nominee of DTC, references herein to the Owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Certificates.] Principal portions of Basic Rent represented by the Certificates are payable annually on July 15 in each year, beginning July 15, 2025. Interest portions of Basic Rent represented by the Certificates are payable semi-annually on January 15 and July 15 in each year, beginning January 15, 2025, by check or draft to the registered owners of the Certificates by Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"). The Principal Portion of Basic Rent represented by the Certificates is payable upon presentation and surrender of the Certificates at the principal corporate office of the Trustee. So long as DTC or its nominee, Cede & Co., is the Owner of the Certificates, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. The Certificates mature, bear interest, and are priced according to the schedule on the inside cover page.

The Certificates are <u>not</u> subject to redemption prior to maturity.

The Certificates evidence the ownership of proportionate interest in, and rights to receive Basic Rent payments under that certain Lease Agreement, dated as of May 21, 2024 (the "Lease " or "Lease Agreement"), entered into between Security Bank of Kansas City, Kansas City Kansas (the "Trustee"), as lessor, acting as fiduciary for the owners of the Certificates, and the Dodge City Community College, Ford County, Kansas, as Lessee (the "Lessee" and/or the "College"). The Certificates are being executed and delivered pursuant to a Declaration of Trust, dated as of May 21, 2024 (the "Declaration of Trust") by the Trustee. The net proceeds from the sale of the Certificates will be used to pay the costs of refunding in advance of maturity certain City of Dodge City, Kansas (the "City"), Industrial Revenue Bonds, Series 2014 (Dodge City Community College Activity Center), dated as of October 15, 2014 (the "Refunded Bonds"), issued and delivered by the City, which financed the acquisition, construction, equipping and furnishing of a community and student activity center located on the northeast portion of the campus of the College in the City (the "Improvements"), all as more fully described under the caption "THE REFUNDING PLAN.

The Certificates are payable (except to the extent payable from the proceeds of the Certificates and income from the investment thereof) solely from Basic Rent Payments to be paid by the College under the Lease for use of the Improvements and the Real Property on which is the Improvements are located (jointly defined as the "Project"), and to the extent received by the Trustee, net proceeds of certain insurance policies or proceeds from the liquidation of interest or enforcement of claims in connection with the Project. The Basic Rent Payments constitute a special obligation of the College payable from revenues of the College, including, if necessary, ad valorem taxation. NEITHER THE CERTIFICATES NOR THE LEASE GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COLLEGE, THE STATE OF KANSAS, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR PROVISION NOR A MANDATORY PAYMENT OBLIGATION BEYOND THE TERMS OF THE LEASE. THE LEASE IS SUBJECT TO CHANGE OR TERMINATION BY REASON OF AN ACT OF THE KANSAS LEGISLATURE AS PROVIDED THEREIN AND PURSUANT TO K.S.A. 71-201, AND IS NOT SUBJECT TO ANNUAL APPROPRIATION (SEE "RISK FACTORS AND INVESTMENT CONSIDERATIONS"). Upon termination of the Lease prior to the end of its term, the Certificates will be payable solely from the proceeds of the liquidation by the Trustee of the Project, together with certain monies, if any, held by the Trustee under the Declaration of Trust, and any monies available therefor may be less than the principal amount of the Certificates outstanding and interest thereon. A prospective purchaser of the Certificates described herein should be aware that any such investment is subject to certain risks associated with the Certificates which must be recognized. Reference is made to the discussion herein under the heading "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

MATURITY SCHEDULE*
(See inside cover page.)

The Certificates are offered when, as and if issued, subject to prior sale, to withdrawal or to modification of the offer without notice and to the delivery of an unqualified approving opinion by Gilmore & Bell, P.C., Wichita, Kansas, as Special Tax Counsel, and other conditions. Certain matters will be subject to approval by Glenn Kerbs, Esq., Dodge City, Kansas as counsel for the College. It is expected that the Certificates will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about May 21, 2024.

BIDS WILL BE ACCEPTED ON BEHALF OF
DODGE CITY COMMUNITY COLLEGE BY:
RANSON FINANCIAL GROUP, LLC
ON APRIL 23, 2024 UNTIL 10:00 A.M. CDT
AT 200 W. DOUGLAS, SUITE 600
WICHITA, KANSAS 67202
PHONE: (316) 264-3400 ~ FAX: (316) 265-5403 ~ EMAIL:bids@ransonfinancial.com

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THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE PRELIMINARY OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. "APPENDIX C - SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS PRELIMINARY OFFICIAL STATEMENT.

* Subject to change.

$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the
Lease Agreement Between the College and Security Bank of Kansas City, Kansas City, Kansas, As Trustee

MATURITY SCHEDULE*

SERIAL CERTIFICATES

Stated Maturity July 15	Principal Amount*	Annual Rate of Interest	Price or Yield	CUSIP [(1)] Base: 256317
2025	$370,000	_____%	_____%	
2026	395,000	_____%	_____%	
2027	410,000	_____%	_____%	
2028	425,000	_____%	_____%	
2029	435,000	_____%	_____%	
2030	450,000	_____%	_____%	

[TERM CERTIFICATES

Stated Maturity July 15	Principal Amount*	Annual Rate of Interest	Price or Yield	CUSIP [(1)] Base: 256317
2030	$	_____%	_____%	

(all plus accrued interest, if any)

[(1)] CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a subsidiary of The McGraw-Hill Companies, Inc, and is included solely for the convenience of the Owners of the Certificates. Neither the College nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

* Subject to change.

$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the
Lease Agreement Between the College and Trustee

COLLEGE STAFF
Dr. Harold E. Nolte, Jr., College President
Jeff Cermin, Vice President of Administration and Finance, Chief Financial Officer
Jane Holwerda, Vice President of Academic Affairs
Dr. Jay Kinzer, Vice President of Student Services
Dr. Adam John, Provost
Clayton Tatro, Vice President of Workforce Development
Mike Webster, Assistant Vice President of Information Technology
Dr. Jodi Rust, Assistant Vice President of Online & Outreach Learning

SPECIAL TAX COUNSEL
Gilmore & Bell, P.C.
Wichita, Kansas

TRUSTEE
Security Bank of Kansas City
Kansas City, Kansas

FINANCIAL ADVISOR
Ranson Financial Group, LLC
Wichita, Kansas

UNDERWRITER
____
____

* Subject to change.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE CERTIFICATES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OF "BLUE SKY" LAWS. THE CERTIFICATES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE CERTIFICATES AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS PRELIMINARY OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

[THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE COLLEGE FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.]

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COLLEGE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Preliminary Official Statement, in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorized by the College, or the Underwriter. The information in the Preliminary Official Statement, and no sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the College or others since the date thereof. This Preliminary Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from the College and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The delivery of the Preliminary Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

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$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the Lease Agreement Between the College and Trustee

INTRODUCTION

This Preliminary Official Statement, including its cover page and Appendices, is furnished in connection with the offering and sale of $2,485,000* aggregate principal amount of Lease Agreement Refunding Certificates of Participation, Series 2024 (the "Certificates") evidencing ownership of proportionate interests in, and rights to receive certain payments under that certain Lease Agreement, dated as of May 21, 2024 (the "Lease " or "Lease Agreement"), entered into between Security Bank of Kansas City, Kansas City, Kansas (the "Trustee" and "Lessor"), and acting as fiduciary for the owners of the Certificates, and Dodge City Community College, Ford County, Kansas (the "College" and the "Lessee"). The Certificates are being executed and delivered pursuant to a Declaration of Trust, dated as of May 21, 2024 (the "Declaration of Trust"), made by the Trustee. The net proceeds from the sale of the Certificates will be used to pay the costs of refunding all outstanding maturities of the City of Dodge City, Kansas (the "City"), Industrial Revenue Bonds, Series 2014 (Dodge City Community College Activity Center), dated as of October 15, 2014 (the "Refunded Bonds"), issued and delivered by the City, which financed the acquisition, construction, equipping and furnishing of a community and student activity center located on the northeast portion of the campus of the College in the City (the "Improvements"), all as more fully described under the caption "THE REFUNDING PLAN."

The College and the Trustee are parties to a Site Lease, dated as of May 21, 2024, pursuant to which the College leases certain real property to the Trustee (the "Real Property") and the Improvements thereon for a term extending to July 15, 2030, unless earlier terminated by the full payment of all Certificates outstanding under the Declaration of Trust and satisfaction of all obligations under the Lease.. The Real Property and Improvements (jointly, the "Project,") are leased to the College by the Trustee under the Lease.

The Certificates are payable (except to the extent payable from the proceeds of the Certificates and income from the investment thereof) solely from Basic Rent Payments to be paid by the College under the Lease for use of the Project. and, to the extent received by the Trustee, Net Proceeds of certain insurance policies or proceeds from the liquidation of interest or enforcement of claims in connection with the Project. The Basic Rent Payments constitute a special obligation of the College payable from revenues of the College, including, if necessary, ad valorem taxation. Neither the Certificates nor the Lease give rise to a general obligation or other indebtedness of the College, the State of Kansas, or any other political subdivision thereof within the meaning of any constitutional or statutory debt limitation or provision. THE TERM OF THE LEASE IS FOR NOT MORE THAN TEN (10) YEARS, AS PROVIDED BY K.S.A. 71-201. THE OBLIGATION OF THE COLLEGE TO PAY BASIC RENT PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION. THE LEASE IS SUBJECT TO CHANGE OR TERMINATION AT ANY TIME BY ACT OF THE KANSAS LEGISLATURE (see " RISK FACTORS AND INVESTMENT CONSIDERATIONS"). Upon termination of the Lease prior to the end of its term, the Certificates will be payable from the proceeds of the liquidation by the Trustee of the Project together with certain monies, if any, held by the Trustee under the Declaration of Trust, and any monies available therefor may be less than the principal amount of the Certificates outstanding and interest thereon. A prospective purchaser of the Certificates described herein should be aware that any such investment is subject to certain risks associated with the Certificates which must be recognized. Reference is made to the discussion herein under the heading "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

The Trustee does not have any obligation to make, and will not make, any payment from the Trustee's own funds on the Certificates or pursuant to the Lease.

This Preliminary Official Statement contains a description of the Certificates, the Lease and the Declaration of Trust. Reference is made to the discussion herein under the heading "DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS" for the definitions of certain terms used in such documents and in this Preliminary Official Statement. These descriptions do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the approved form of such documents, which documents are available at the principal offices of the College or Trustee.

THE CERTIFICATES

General

The Certificates are executed and delivered in the total aggregate principal amount of $2,485,000*, bear a Dated Date of May 21, 2024, and mature annually on July 15 (the "Principal Payment Dates"), commencing July 15, 2025, in the years and principal amounts as shown on the inside cover of this Official Statement. The Interest Portions of Basic Rent Payments represented by the Certificates accrue from the Dated Date and shall be payable semiannually on January 15 and July 15 (the "Interest Payment Dates") of each year commencing January 15, 2025, until the Certificates are paid in full. The Certificates are issued in fully registered form without coupons

* Subject to change.

in denominations of $5,000 or integral multiples thereof not exceeding the principal amount of the certificates maturing on any Principal Payment Date.

The principal of the Certificates will be payable in lawful money in the United States of America at maturity upon presentation of the Certificates to the Trustee. Interest Portions of Basic Rent shall be paid to the Owner as shown on the registration books of the Trustee at the close of business as of the 1st day (whether or not a business day) of the calendar month of each Interest Payment Date (the "Record Date") (a) by check or draft mailed by the Trustee to the address of such Owner shown on the registration books or at such other address as is furnished to the Trustee in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of $500,000 or more in aggregate amount of Principal Portions of Basic Rent, by electronic transfer to such Owner upon written notice given to the Trustee by such Owner, not less than 15 days prior to the Record Date for such Interest Portions of Basic Rent, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed

While the Certificates remain in book-entry form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in the section "BOOK-ENTRY ONLY SYSTEM" herein. In the event that DTC ceases to act as securities depository for the Certificates, payment may be made as described below. Under the Declaration of Trust, the Trustee is designated as the initial paying agent for the Certificates.

Source and Security for Payment

Each Certificate evidences ownership of a proportionate interest in, and rights to receive certain payments under, the Lease. The Trustee is acting in a fiduciary capacity as both Lessor (under the Lease) and Trustee (under the Declaration of Trust). The Trustee agrees to hold and exercise its rights to receive Basic Rent Payments and other monies under the Lease in trust solely for the benefit of the Certificate Owners.

The payments due on the Certificates are to be made by the Trustee from the Basic Rent Payments paid to it by the College pursuant to the Lease, from the proceeds of the sale of the Certificates (including that amount collected as accrued interest), and from certain investment proceeds earned from the investment of monies being held in the various trust funds, as hereinafter described.

The Basic Rent Payments constitute a special obligation of the College payable from revenues of the College, including ad valorem taxes. Neither the Certificates nor the Lease give rise to a general obligation or other indebtedness of the College, the State of Kansas, or any other political subdivision thereof within the meaning of any constitutional or statutory debt limitation or provision. The College intends to make the Basic Rent Payments from revenues generated by the College and other monies otherwise lawfully available therefore, including ad valorem taxes. The College has represented in the Lease that it will to the extent permitted by state law, and subject to other terms and conditions of the Lease, budget a sufficient amount annually to permit the College to discharge all of its obligations under the Lease.

The College is obligated for the term of the Lease to maintain insurance as more fully described under "DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS- THE LEASE-- Insurance."

NEITHER THE CERTIFICATES NOR THE LEASE GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COLLEGE, THE STATE OF KANSAS, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR PROVISION. THE OBLIGATION OF THE COLLEGE TO PAY BASIC RENT PAYMENTS CONSTITUTES AN OBLIGATION FOR WHICH THE COLLEGE HAS OBLIGATED ITSELF TO LEVY TAXATION, IF NECESSARY, AND IS NOT SUBJECT TO ANNUAL APPROPRIATION

Transfer and Exchange

While the Certificates remain in book-entry form, transfers of ownership by Beneficial Owners may be made as described under the section "BOOK-ENTRY ONLY SYSTEM" herein. In the event that DTC ceases to act as securities depository for the Certificates, transfers may be effected as described below.

Books for the registration and transfer of the Certificates are to be kept by the Trustee, as registrar. Upon surrender for transfer of any Certificate at the principal corporate trust office of the Trustee and satisfaction of the conditions and restrictions of such transfer, the Trustee is to execute and deliver in the name of the transferee a new Certificate of the same maturity or maturities, interest rate and tenor as the Certificates surrendered. Certificates may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Certificates of the same maturity or maturities, interest rate and tenor as the Certificate surrendered. All Certificates presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in form satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing.

The Trustee shall not be obliged to make any such exchange or transfer of Certificates between any Record Date and any succeeding Interest Payment Date, nor during the period from the 15 days next preceding the giving of notice of redemption through the subject redemption date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE CERTIFICATES, THE TRUSTEE SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "THE CERTIFICATES – Book-Entry Certificates; Securities Depository."

Book-Entry Certificates: Securities Depository

The Certificates shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Certificates, except in the event the Trustee issues Replacement Certificates. It is anticipated that during the term of the Certificates, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Certificates to the Participants until and unless the Trustee authenticates and delivers Replacement Certificates to the Beneficial Owners as described in the following paragraphs.

(a) If the College determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Certificates being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Certificates; or

(b) If the Trustee receives written notice from Participants having interest in not less than 50% of the Certificates Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Certificates being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Certificates, then the Trustee shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Certificates to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the College, with the consent of the Trustee, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Certificate. Upon the issuance of Replacement Certificates, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Certificates. If the Securities Depository resigns and the College, the Trustee or Owners are unable to locate a qualified successor of the Securities Depository, then the Trustee shall authenticate and cause delivery of Replacement Certificates to Owners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Certificates. The cost of printing, registration, authentication, and delivery of Replacement Certificates shall be paid for by the College.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the College may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Certificate or Certificates for cancellation shall cause the delivery of the Certificates to the successor Securities Depository in appropriate denominations and form as provided in the Declaration of Trust.

Prepayment Provisions

The Certificates shall be subject to prepayment and redemption prior to the stated maturity thereof, as follows:

(a) Prepayment in the Event of Damage, Destruction, Condemnation, and Certain Other Events. The Certificates are callable for prepayment and redemption prior to maturity in whole or in part, at a prepayment price of 100% of the Principal Portion of Basic Rent represented thereby, plus the Interest Portion of Basic Rent accrued to the prepayment date in the event that (i) any of the Improvements is substantially damaged or destroyed, or taken in a condemnation proceeding (other than condemnation by the College), or title to or the use of substantially all of the Project shall be lost by reason of a defect in title thereto, or if, as a result of changes in the Constitution of

Kansas or legislative or administrative action by the State or the United States, the Lease terminates or becomes unenforceable, and (ii) the College exercises its option to prepay Rent Payments under the Lease (See "DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS--SUMMARY OF THE LEASE--Damage, Destruction and Condemnation").

[(b) Mandatory Prepayment. The Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on July 15, 20__ shall be subject to mandatory prepayment on July 15, 20__, and on each July 15 thereafter, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Certificates being prepaid plus the Interest Portion of Basic Rent accrued thereon to the Prepayment Date, as follows:

Principal Amount	Prepayment Date
$	
	*

*Final Certificate Maturity]

Selection of Certificates for Partial Prepayment.

Whenever provision is made in the Declaration of Trust for partial prepayment of Certificates, those not previously paid or called for prepayment shall be selected for prepayment upon instructions from the College in such equitable manner as the Trustee determines. In selecting portions of Certificates for prepayment, the Trustee shall treat each Outstanding Certificate as representing the number of Certificates which is obtained by dividing the Principal Portion of such Certificate by the authorized denomination.

Partial Prepayment of a Certificate

Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the College, a new Certificate or Certificates of authorized denomination equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the College and the Trustee shall be released and discharged from all liability to the extent of such payment.

Notice of Prepayment

When prepayment is authorized or required, the Trustee shall give notice, at the expense of the College, of the prepayment of the Certificates. Such notice shall specify (i) that the Certificates or a designated portion thereof are to be prepaid, (ii) the date of prepayment, (iii) the place or places where the prepayment will be made, and (iv) the prepayment price. Such notice shall further state that the prepayment price shall become due and payable, together with accrued interest, and that from and after the prepayment date interest shall cease to accrue.

Notice of such prepayment shall be given by mailing prepayment notices to the Owners of the Certificates designated for prepayment at their addresses appearing on the Certificate Register at least thirty (30) days but not more than sixty (60) days prior to the prepayment date.

So long as the book-entry only system is used for the Certificates, the Trustee will give any notice of prepayment or any other notices required to be given to owners only to DTC. Any failure of DTC to advise any DTC Participant or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the prepayment of the Certificates so called for prepayment. Beneficial Owners may desire to make arrangements with a DTC Participant so that all notices of prepayment or other communications to DTC which affect such Beneficial Owners, including notification of all interest payments, will be forwarded in writing by such DTC Participant. See "BOOK-ENTRY ONLY SYSTEM" herein.

Effect of Notice of Prepayment

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, shall be held by the Trustee and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, Interest Portions of Basic Rent Payments represented by the Certificates shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of the Certificates shall be held in trust for the benefit of the Owners of the Certificates to be so prepaid.

[THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC", New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other

name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each scheduled maturity of the Certificates, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

4. To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the College as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the College or Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or the College, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the College

or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the College or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificates are required to be printed and delivered.

10. The College may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that College believes to be reliable, but the College takes no responsibility for the accuracy thereof.]

CONTINUING DISCLOSURE

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Certificates, the College will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") wherein the College covenants to annually provide certain financial information and operating data (collectively the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the College has agreed to file its Annual Report with the national repository ("EMMA") not later than the last day of the ninth month after the end of the College's Fiscal Year, commencing with the year ending June 30, 2024. In the Lease, the College covenants with the Underwriter and the Beneficial Owners of the Certificates to apply the provisions of the Disclosure Undertaking to the Certificates. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Certificates.

The College has previously entered into disclosure undertakings pursuant to the Rule (the "Prior Undertakings"). In certain prior years, the College has failed to file its Annual Report within the time period prescribed by the Prior Undertakings. The College's filings for such years are set forth on the table below.

Fiscal Year Ending June 30	Filing Time Period (Days/Date)	Financial Information Filing Date	Operating Data Filing Date
	240 - 02/25/2020[1]		
2019	02/29/2020[2]	03/02/2020[3]	01/28/2021[4]
2020	240 - 02/25/2021[1]		
	02/28/2021[2]	03/31/2022[5]	03/31/2022[5]
2021	240 - 02/25/2022[1]		
	02/28/2022[2]	12/14/2022[6]	12/14/2022[6]
2022	240 - 02/25/2023[1]		
	02/28/2023[2]	04/03/2023[7]	04/03/2023[7]
2023	240 - 02/25/2024[1]		
	02/29/2024[2]	03/01/2024[8]	03/06/2024[8]

[1] Filing requirements for the College's Certificates of Participation, Series 2013; Certificates of Participation, Series 2015A; Certificates of Participation, Series 2015B; Refunding Certificates of Participation, Series 2016; General Obligation Capital Outlay Bonds, Series 2015; Student Union and Dormitory System Revenue Bonds, Series 2013; and Student Union and Dormitory System Revenue Bonds, Series 2016.
[2] Filing requirements for the College's Refunding Certificates of Participation, Series 2019.
[3] A notice of failure to file on time was submitted on February 25, 2020.
[4] A notice of failure to file on time was submitted on February 25, 2020. While an issue with the calculation of the Dormitory System's debt service coverage ratio reported within the audit was being worked through, updated notices of failure to file were submitted on March 31, 2020, June 4, 2020, August 31, 2020, and December 2, 2020. This issue has been resolved as of the date of the Certificates.
[5] A notice of failure to file on time was submitted on February 24, 2021. Updated notices of failure to file were submitted on April 30, 2021, June 30, 2021, August 25, 2021, and December 23, 2021.
[6] A notice of failure to file on time was submitted on February 24, 2022. An updated notice of failure to file was submitted on June 29, 2022.
[7] A notice of failure to file on time was submitted on February 17, 2023.
[8] A notice of failure to file on time was submitted on February 25, 2024.

While the College had the filing deficiencies referred to above, it issued, or had issued on its behalf, revenue bonds or certificates of participation in 2016, 2018, and 2019. The official statements for such revenue bonds or certificates of participation were filed with and publicly available on EMMA.

During the past five years, the College may not have made timely filings of other event notices on EMMA relating to bond calls, defeasances or rating changes. The College believes this information was disseminated or available through other sources, and the College has filed on EMMA some notices of its "failure to file."

In July 2015, the College entered into a service agreement with a Designated Agent in order to assist with the College's future submissions.

For more information regarding the College's continuing Disclosure Undertaking, see "*APPENDIX D*-- FORM OF CONTINUING DISCLOSURE UNDERTAKING."

SOURCES AND USES OF FUNDS

It is contemplated that funds used in the transaction financed with the proceeds of the Certificates will be derived and applied approximately as follows:

Sources of Funds:	
Certificate Proceeds*	$2,485,000.00
Issuer Cash	
Total Sources of Funds	***$***
Uses of Funds:	
Deposit to Redemption Fund	
Underwriter's Discount	
Cost of Issuance	
Total Uses of Funds	***$***

* Subject to change.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE CERTIFICATES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE CERTIFICATES WHICH MUST BE RECOGNIZED. THE FOREGOING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE CERTIFICATES. PROSPECTIVE PURCHASERS OF THE CERTIFICATES SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE COLLEGE OR THE FINANCIAL ADVISOR.

Security for the Certificates

Neither the Certificates nor the interest thereon constitutes a general obligation or indebtedness of, nor is the payment thereof guaranteed by the State of Kansas or any governmental subdivision, agency or instrumentality. The Certificates and the interest thereon are payable solely and only from the Trust Estate and sources identified pursuant to the Declaration of Trust, including the revenues received by the Trustee from the Basic Rent Payments paid during the term of the Lease together with monies attributable to Certificate proceeds and the investment thereof and, under circumstances, the proceeds of subletting, sale of property, insurance or condemnation awards received pursuant to the Declaration of Trust and not from any other fund or source. The obligations of the College under the Lease, however, are not subject to annual appropriation under the Kansas Cash Basis Law and K.S.A. 71-201. As such, the obligation of the College to make Basic Rent Payments under the Lease is a special, limited obligation for which the College can, if necessary, levy ad valorem taxation

The College is required under the Lease to pay Basic Rent Payments to the Trustee from any source of legally available funds, including ad valorem taxes, and has covenanted in the Lease to make the necessary appropriations within the parameters of the Lease for such purpose. The Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State, including changes related specifically to community college taxing districts. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes or successful challenges to the appraiser's determination of fair market value could affect the College's property tax collections. If a taxpayer valuation challenge is successful, the liability of the College to refund property taxes previously paid under protest may have a material impact on the College's financial situation. See *"APPENDIX A – FINANCIAL INFORMATION –* **Property Valuations** and **Property Tax Levies and Collections**."

Termination of Lease

The Lease is subject to change or termination at any time by action of the Kansas Legislature. The Lease may also be terminated by reason of the occurrence of an Event of Default as defined in the Lease. See "APPENDIX C-DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS- THE LEASE - Events of Default."

Results of a Termination of the Lease

The termination of a Lease caused by action of the Kansas Legislature or default by the College will relieve the College from any further obligation under such Lease. In the Event of Default, the College may remain liable for certain deficiencies in the payment of amounts due under the Lease. Upon termination the College is required to surrender possession of the Project, to the Trustee, subject to the Site Lease. Thereafter, the Trustee may enforce its interest in the Project subject to the Lease by either reletting or disposing of its interest. See "APPENDIX C--DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS –THE LEASE – Events of Default" for a discussion of the results of a default. The Proceeds therefrom along with other monies then held by the Trustee under its Declaration of Trust (with certain exceptions as provided in the Lease and the Declaration of Trust) are required to be used to redeem the Certificates. See "THE CERTIFICATES-Redemption Provisions." **THERE ARE NO ASSURANCES THAT THE TRUSTEE'S INTEREST IN THE PROJECT WOULD HAVE ANY VALUE IF THE LEASE WERE TERMINATED.**

A potential purchaser of the Certificates should not assume that it will be possible to liquidate the Trustee's interest in the Project after a termination of the Lease or enforce a monetary judgment against the College for an amount equal to the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon. If the Certificates are redeemed subsequent to a termination of the Lease Term for an amount less than the aggregate principal amount thereof and accrued interest thereon, such partial redemption may have the effect of constituting a redemption in full of the Certificates; and upon such a partial redemption, no Certificate Owner shall have any further claim for payment upon the Trustee or the College.

Special Tax Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to a termination of the Lease. If the Lease is terminated, there is no assurance that Certificates may be transferred by an Owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

In addition, Special Tax Counsel has rendered no opinion as the treatment for federal income tax purpose of any monies received by an Owner of the Certificates subsequent to a termination of the Lease. There is no assurance that any monies received by the holders of the Certificates subsequent to such event will be excludable from federal income taxation.

Taxation of Interest

An opinion of Special Tax Counsel will be obtained to the effect that Interest Portion of Basic Rent Payments represented by the Certificates is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the Interest Portion of Basic Rent Payments represented by the Certificates includable in gross income for federal income tax purposes.

The College has covenanted in the Lease, and in other documents and certificates to be delivered in connection with the issuance of the Certificates to comply with the provisions of the Code, including those which require the College to take or omit to take certain actions after the issuance of the Certificates. Because the existence and continuation of the excludability of the Interest Portion of Basic Rent Payments represented by the Certificates depends upon events occurring after the date of issuance of the Certificates, the opinion of Special Tax Counsel described under "TAX MATTERS" assumes the compliance by the College with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Special Tax Counsel with respect to the excludability of the Interest Portion of Basic Rent Payments represented by the Certificates in the event of noncompliance with such provisions. The failure of the College to comply with the provisions described above may cause the Interest Portion of Basic Rent Payments represented by the Certificates to become includable in gross income as of the date of issuance of the Certificates.

Limited Value of the Project

Because the Project consists of facilities designed for use by the College, the value of the Project to anyone other than the College may be limited in the event of default or the termination of the Lease. The Project has been designed and constructed for special use purposes and therefore the number of entities that could be expected to use the Project is limited. A PROSPECTIVE PURCHASER OF THE CERTIFICATES SHOULD NOT ASSUME THAT IT WILL BE POSSIBLE TO RELET THE PROJECT OR SELL THE TRUSTEE'S INTEREST IN THE PROJECT, AFTER A TERMINATION OF THE LEASE.

Premium on Certificates

[The initial offering price of the Certificates that are subject to optional redemption are in excess of the respective principal amounts thereof.] Any person who purchases a Certificate in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Certificates are subject to redemption at par under the various circumstances described herein.

No Additional Interest or Mandatory Redemption upon Taxability

The Declaration of Trust and Lease Agreement do not provide for the payment of additional interest or penalty on the Certificates or the mandatory redemption thereof if the Interest Portion of Basic Rent Payments represented by the Certificates becomes includable in gross income for federal income tax purposes. Likewise, the Declaration of Trust and Lease Agreement do not provide for the payment of any additional interest or penalty on the Certificates if the Interest Portion of Basic Rent Payments represented by the Certificates becomes includable in gross income for Kansas income tax purposes.

Kansas Public Employees Retirement System

As described in "APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans," the Issuer participates in the Kansas Public Employees Retirement System ("KPERS"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERS administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Public Employees Retirement System – State/School Group (the "Plan"). Under existing law, employees make contributions and the State makes all employer contributions to the Plan; the Issuer is not responsible for supplemental contributions or any unfunded accrued actuarial liability ("UAAL"). According to KPERS' Valuation Reports, KPERS had an UAAL of approximately $8.676 billion in calendar year 2021 and approximately $8.213 billion in calendar year 2022, of which approximately $6.892 billion (2021) and approximately $6.261 billion (2022) was attributable to the State/School Group. No assurance can be given by the Issuer that future legislative action may require Issuer contributions to the Plan or mandated Issuer responsibility for a portion of the UAAL.

Suitability of Investment

The tax-exempt feature of the Certificates is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Certificates are an appropriate investment.

Rating

The Certificates have been assigned the financial rating set forth in the section hereof entitled "RATING." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Certificates.

Secondary Market

There is no assurance that a secondary market will develop for the purchase and sale of the Certificates. The absence of continuing disclosure of financial or other information pertaining to the College may impair the development of a secondary market for the Certificates and could impair the ability of an owner to sell the Certificates in the secondary market. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Certificates as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the College, or a material adverse change in the financial condition of the College, whether or not the Certificates are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Possible Insufficiency of Casualty Insurance Proceeds.

The Project is to be insured by policies of casualty and property damage. In the event of damage to or destruction of the Project, the Net Proceeds from such insurance policies or certain other sources may not be sufficient to repair or replace the Improvements.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the College and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the College may incur significant costs to remediate possible injury to the affected persons, and the College may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the College's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters or Terrorist Attacks

The occurrence of a terrorist attack in the College, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the College and its systems and infrastructure, and interrupt services or otherwise impair operations of the College.

Public Health Emergencies Could Negatively Affect the Issuer's Operations

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus (COVID-19) pandemic, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The College cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the College associated with operating during any public health emergencies, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, or (4) costs to operate remotely and support the employees of the College. Accordingly, the College cannot predict the effect any public health emergencies will have on the finances or operations of the College or whether any such effects will have a material adverse effect on the ability to support making Basic Rent Payments under the Lease.

THE REFUNDING PLAN

City of Dodge City, Kansas, Industrial Revenue Bonds, Series 2014 (Dodge City Community College Activity Center)

A portion of the proceeds of the Certificates will be used to refund outstanding principal and interest due on certain City of Dodge City, Kansas, Industrial Revenue Bonds, Series 2014 (Dodge City Community College Activity Center), dated as of October 15, 2014 (the "Refunded Bonds"), which originally financed the costs of the Improvements.

As of May 21, 2024, $2,335,000 in principal amount of the Refunded Bonds remains outstanding and will be redeemed on the date and at the price outlined per the following schedule:

Principal Amount	Maturity Date	Interest	Maturity or Redemption Date	Redemption Price
$305,000	07/15/2024	3.000%	06/01/2024	100%
315,000	07/15/2025	3.000%	06/01/2024	100%
320,000	07/15/2026	3.000%	06/01/2024	100%
330,000	07/15/2027	3.100%	06/01/2024	100%
345,000	07/15/2028	3.150%	06/01/2024	100%
355,000	07/15/2029	3.200%	06/01/2024	100%
365,000	07/15/2030	3.250%	06/01/2024	100%

ABSENCE OF LITIGATION

At the present time there is no controversy, suit or other proceedings of any kind pending or threatened whereby any question is raised or may be raised questioning or affecting in any way the legal organization of the College or the legality of any official act shown to have been done in the Transcript of Proceedings leading up to the issuance of the Certificates, or the constitutionality or validity of the indebtedness represented by the Certificates shown to be authorized in said Transcript, or the validity of the Certificates or any of the proceedings in relation to the issuance or sale thereof, or the levying and collection of taxes to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Certificates

All matters incident to the authorization and issuance of the Certificates are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Special Tax Counsel"). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the College and its certified public accountants, as referred to herein. Special Tax Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE CERTIFICATES," "LEGAL MATTERS," "TAX MATTERS" and "APPENDIX C – DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS." Payment of the legal fee of Special Tax Counsel is contingent upon the delivery of the Certificates. Certain legal matters have been passed on for the College by Glenn Kerbs, Esq., Dodge City, Kansas.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Certificates in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Certificates.

Opinion of Special Tax Counsel

In the opinion of Special Tax Counsel, under the law existing as of the issue date of the Certificates:

Federal Tax Exemption. The Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The College's obligation to pay the Basic Rent Payments under the Lease that is distributable to owners of the Certificates has been designated as a "qualified tax-exempt obligation" within the meaning of Code § 265(b).

Kansas Tax Exemption. The Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates is exempt from income taxation by the State of Kansas.

No Other Opinions. Special Tax Counsel's opinions are provided as of the date of the original issue of the Certificates, subject to the condition that the College comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Certificates in order that said Interest Portion of Basic Rent Payments be, or continue to be, excluded from gross income for federal income tax purposes. The College has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Portion of Basic Rent Payments represented by the Certificates in gross income for federal income tax purposes retroactive to the date of issuance of the Certificates. Special Tax Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Lease and Certificates.

Other Tax Consequences

[***Original Issue Discount.***

For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Certificate over its issue price. The stated redemption price at maturity of a Certificate is the sum of all payments on the Certificate other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Certificate is generally the first price at which a substantial amount of the Certificates of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Certificate during any accrual period generally equals (1) the issue price of that Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Certificate during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[*Original Issue Premium.*

For federal income tax purposes, premium is the excess of the issue price of a Certificate over its stated redemption price at maturity. The stated redemption price at maturity of a Certificate is the sum of all payments on the Certificate other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Certificate is generally the first price at which a substantial amount of the Certificates of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Certificate using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Certificate prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.]

Sale, Exchange or Retirement of Certificates. Upon the sale, exchange or retirement (including redemption) of a Certificate, an owner of the Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Certificate (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Certificate. To the extent the Certificates are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Certificate has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Certificates, and to the proceeds paid on the sale of Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Certificates should be aware that ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Certificates. Special Tax Counsel expresses no opinion regarding these tax consequences. Purchasers of Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Certificates, including the possible application of state, local, foreign and other tax laws.

Special Tax Counsel notes that for tax years beginning after December 31, 2022, the Interest Portion of Basic Rent Payments paid by the College and distributed to the registered owners of the Certificates may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

RATINGS

An application has been made to S&P Global Ratings, a division of S&P Global Inc. for a rating on the Certificates. Such rating, if given, reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any Certificates, including the Certificates, or as to the market price or suitability thereof for a particular investor. The College furnished such rating agency with certain information and materials relating to the Certificates that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Certificates.

FINANCIAL ADVISOR

Ranson Financial Group, LLC, Wichita, Kansas, has acted as Financial Advisor to the College in connection with the sale of the Certificates. The Financial Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has participated in the preparation of this Preliminary Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the College for the purpose of passing upon the accuracy or completeness of this Preliminary Official Statement. The Financial Advisor's fee is contingent upon the actual issuance and delivery of the Certificates.

UNDERWRITING

The Certificates have been sold at public sale by the College to [__________ _________] (the "Underwriter") on the basis of lowest true interest cost. [__] bids were received by the College. The Underwriter has agreed, subject to certain conditions, to purchase the Certificates at a price equal to the principal amount of the Certificates, plus accrued interest from the Dated Date to the Issue Date[, plus a premium of $__________][, less an underwriting discount of $______].

The Certificates will be offered to the public initially at the prices determined to produce the yield set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing the Certificates into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TRUSTEE

Security Bank of Kansas City has been appointed Trustee under the Declaration of Trust. Its principal corporate trust office for this transaction is located in Kansas City, Kansas. The Trustee has accepted the duties and responsibilities imposed upon it by the Declaration of Trust, which duties and responsibilities are limited to those expressly set forth therein and in the Lease. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and, if appropriate, upon advice of counsel (which may be counsel for the Trustee or the College). Trustee may resign by an instrument in writing delivered to the College to take effect not earlier than 45 days after its delivery. If the College is not in default under the Lease, the College may remove the Trustee. The successor Trustee shall be a state or national trust company or bank having the powers of a trust company and being duly authorized to execute trust powers having a corporate trust office in the State, in good standing in the State, having a combined capital and surplus of at least ten million dollars ($10,000,000), and subject to supervision and examination by federal or state authority. Such successor Trustee shall be subject to the same duties and obligations and shall have the same rights, privileges and immunities as are specified in the Declaration of Trust for the Trustee. The Trustee shall be entitled to payment or reimbursement for reasonable fees for reasonable fees, charges, advances and expenses.

The Trustee is not liable for the payment of Basic Rent Payments, and the Owners have no right to look to the Trustee for any payments of the Certificates or for any other payments other than from funds held under the Declaration of Trust.

MISCELLANEOUS

The reference herein to the Declaration of Trust, Lease Agreement and other documents referred to in this Preliminary Official Statement are brief summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions, reference is made to such documents.

The agreement of the Trustee and the College with the owners of the Certificates is fully set forth in the Declaration of Trust and the Lease, and neither any advertisement of the Certificates nor this Preliminary Official Statement is to be construed as constituting an agreement with the purchasers of the Certificates. So far as any statements are made in this Preliminary Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. Copies of the documents mentioned under this caption are on file at the office of the Financial Advisor and, following delivery of the Certificates, will be on file with the Trustee, the College and the Underwriter.

The Appendices attached hereto are an integral part of this Preliminary Official Statement and must be read together with all of the foregoing statements.

AUTHORIZATION OF PRELIMINARY OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the College. This Official Statement is approved by the governing body of the College as of the date on the cover page hereof.

DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS

____
Mr. Gary Harshberger, Chairperson

$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the
Lease Agreement Between the College and Trustee

Appendix A

INFORMATION CONCERNING THE COLLEGE

* Subject to change.

Exhibit A

GENERAL INFORMATION CONCERNING THE COLLEGE

History and General Information

Founded in 1935, Dodge City Community College (the "College") is the eleventh oldest institution among the 19 community colleges in Kansas. In part, it developed because of the Great Depression of the 1930's to give students a chance to extend their high school education and to learn technical skills at an affordable cost in a convenient location. In part, it also developed because community leaders could foresee the long-range value of a two-year college as an educational, vocational, and cultural resource. Even though the College has changed in its size, scope and impact, it has consistently responded to the influence of two primary forces: the evolving needs of its community and the growth of the community college movement both in the state and in the nation.

Located in southwestern Kansas, the College is a two-year, public college that serves over 2,000 students annually and provides ESL and Adult Basic Education programs at an Adult Learning Center for an additional 650 students. The College's main campus is in Dodge City, one of the most diverse cities in the Midwest, with a Hispanic population of approximately 45%.

Location

The main campus of the College is located at 2501 N. 14th Street, Dodge City, Kansas (the "City") one of the most diverse cities in the Midwest, with a Hispanic population of approximately 45%. The College serves a nine-county region which includes all of Ford, Hodgeman, Clark, and Ness counties and parts of Meade, Comanche, Kiowa, Edwards, and Gray counties.

College Facilities

The main campus facilities were completed in 1970. The Student Union/Bookstore/Admissions was completed in 1972. Sheldon Residence Hall was established in 1972, Sites-Franklin Hall was added in 1978 (demolished Fall of 2013), Russell-Revitte Hall in 1980 (demolished Spring of 2014), Gleckler Zollars in 1982 (demolished in 2015) and Coleman-Webb in 1989. The Technology Center was added in 1975, Equine Studies building added in 1979, Rodeo Arena in 1984, the Exercise & Fitness Trail in 1985, Cosmetology/Child Care Center in 1990, and the Communication Center building in 1992. Jackson Hall was completed in 2012. Becker Hall, the newest residence hall, was completed in 2014. Shelden Hall renovation was completed in 2016. Student Activity Center was completed in 2016.

Other Attendance Locations

The College has a South Technical Education Center located at 1508 W Beeson Rd, Dodge City, Kansas. This building is just three miles south of the main campus. The building offers additional space for the college to use for certain technical classes that require larger equipment.

The College has an Adult Learning Center southeast of the main campus located at 700 Avenue G, Dodge City, Kansas. The Adult Learning Center offers English as a second language to help non-native English speakers improve their English skills before they begin a college career.

The College has the Floris Jean Hampton Nursing Center located at 308 W. Frontview St., Dodge City, Kansas. This building is just two miles southwest of the main campus. The building offers additional space for the college to use for certain nursing classes that require larger lab spaces and lecture halls.

The College has an added location at the Chaffin Building located at 100 Chaffin Rd, Dodge City, KS 67801. This building is just six miles southwest of the main campus. The building offers space for three new technical education programs – Electrical Technology, Climate and Energy Control (HVAC), and commercial driver's license (CDL) classes.

The College has a location at 3150 S. Gilbert Road, Suite 5, Chandler, Arizona for the flight/helicopter program. This facility offers space for the college to use for certain flight classes that require larger equipment and lecture facilities.

The College purchased a 14 acre rodeo facility in January 2022 that includes an indoor arena, an outdoor arena, stock pens & barns.

Board of Trustees and Administration

The College is governed by the Board of Trustees of seven members, all being elected at large. Responsibilities of the Trustees include the selection of a president, the establishment of a basic policy of the College district, and the overall welfare of the College. Members of the Board of Trustees as of the submission date of this report are as follows:

Board Member	Position	Term Expires
Mr. Gary Harshberger	Chairperson	2026
Mrs. Kathy Ramsour	Vice-Chairperson	2026
Dr. Kelly Henrichs	Trustee	2028
Mr. Jim Lewis	Trustee	2028
Dr. Jammie Phillips	Trustee	2026
Mr. Bill Turley	Trustee	2028
Mrs. Sheila Bartelson	Trustee	2026

The Board of Trustees appoints the President, who is the chief executive officer of the College. The current President is Dr. Harold E. Nolte, Jr., who was appointed in October 2015. He succeeds Dr. Don Woodburn, who, after being appointed President in the year 2011, retired in June 2015. Other principal staff members and their current positions are as follows:

Name	Position
Dr. Harold E. Nolte, Jr.	President
Jeff Cermin	VP of Administration and Finance/CFO
Jane Holwerda	VP of Academic Affairs
Dr. Jay Kinzer	VP of Student Services
Dr. Adam John	Provost
Clayton Tatro	VP of Workforce Development
Mike Webster	Asst. VP of Information Technology
Dr. Jodi Rust	Asst VP of Online & Outreach Learning

Faculty/Employees

The College has 39 full-time and 66 part-time/adjunct faculty members and approximately 140 operational/administrative staff. Educational levels of employees range from Doctoral Degrees to those completing studies at an institution of higher learning with the majority of full-time employees holding a bachelor's degree or higher. Employee relations are characterized as good.

Accreditation of the College

Accreditation is a process in higher education that evaluates colleges, universities, and educational programs for quality and to assess their efforts toward continuous quality improvement. Regional accreditation ensures that an institution's academic programs meet acceptable levels of quality. Regionally accredited colleges and universities typically accept credits from other regionally accredited institutions. The College is accredited through the Higher Learning Commission (HLC). Allied Health programs are accredited by the Accreditation Commission for Education in Nursing (ACEN) and regulated by the Kansas Board of Nursing (KSBN).

Enrollment Summary

Enrollment at the College since 2019 is shown below, based on census date enrollment for the indicated semester.

Academic	Summer Semester(1)		Fall Semester		Spring Semester		
Year	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	FTE
2023-2024	358	201	802	966	680	794	1,246
2022-2023	340	242	791	895	545	692	1,147
2021-2022	300	254	831	925	713	848	1,240
2020-2021	290	207	707	764	658	754	1,109
2019-2020	252	249	758	732	624	671	1,064

(1) Full-time status in the Summer semester is defined as six or more credit hours, compared to the twelve or more credit hours required to be considered full-time in the Fall or Spring semesters.

Source: College

Credit Hour Production and Incidental Fees

The following table shows total credit hours, incidental fees, and incidental fee rates since 2019:
s

Year	Total Hours	Ford County Incidental Fee Rate	Out-of-County Incidental Fee Rate	Out-of-State Incidental Fee Rate	International Incidental Fee Rate
2023-2024	37,375	$85	$85	$85	$85
2022-2023	37,032	69	89	91	99
2021-2022	37,103	69	89	91	99
2020-2021	33,223	54	74	76	84
2019-2020	31,822	44	64	66	71

Source: College

Tuition

Starting with the Fall 2023 term, tuition and fees per credit hour are as follows:

Residency	Tuition	Incidental Fees	Book Fee	Tech Fees	Total
Ford County	$30	$85	$20	$20	$155
In–State (Outside of the County)	60	85	20	20	185
Regional[1]	60	85	20	20	185
Out-of-State	70	85	20	20	195
International	80	85	20	20	205
EduKan Courses	150	0	0	0	150

[1] Includes residents from Arizona, Colorado, Missouri, Nebraska, New Mexico, Oklahoma, Texas and Utah.
[2] On-line classes have the same tuition fee in each respective location.

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Curriculum Description

The College has eight program pathways with more than 30 academic and vocational programs from which to choose. Vocational programs feature two years of intensive training preparing students for employment immediately upon graduation with an Associate in Applied Science degree. Academic programs focus on fulfilling general education requirements with classes in major fields of study preparing the student for successful transfer to a four-year institution, or entry into the job market. The College has an average class size of nine students and has an average student/faculty ratio of 10 to 1. The College's Academic Catalog provides complete details regarding course descriptions for the programs listed below. The catalog may be found at http://dc3.edu/academics/courses-classes/

Allied Health
Registered Nurse
Licensed Practical Nurse
Nursing Transfer
Para-Professional Nursing
CNA/CMA/HHA

Fine Arts & Performing Arts
Fine Art
Music (Vocal, Instrumental)
Creative and Performing Arts

General Studies

Health, Physical, Education, Recreation
Athletic Training
Sports Administration

Social Sciences
Business Transfer
Elementary Education
Psychology
History
Political Science
Secondary Education
Social Science
Social Work

Math & Sciences
Biology
Chemistry
Mathematics
Physical Sciences
Physics

Technical & Vocational
Ag Production/Farm & Ranch Management
Agriculture Transfer
Building Construction Technology
Diesel Technology
Flight Instructor
Climate & Energy Control Tech. (HVAC)
Commercial Truck Driving (CDL)
Welding
Cosmetology
Electrical Technology
Computer Science
Early Childhood Education
Nail Technology (Onychology)

Humanities
English
Languages
Civic Engagement

Other Educational Facilities

Unified School District No. 381 is headquartered in Spearville and has a full-time equivalent enrollment of approximately 339 for the 2023-2024 school year. USD 381 operates one elementary school, and one middle/high school.

Unified School District No. 443 is headquartered in the City and has a full-time equivalent enrollment of approximately 6,920 for the 2023-2024 school year. USD 443 operates one pre-school, seven elementary schools, two middle schools, and one high school.

Unified School District No. 459 is headquartered in Bucklin and has a full-time equivalent enrollment of approximately 205 for the 2023-2024 school year. USD 459 operates one elementary school, one middle school, and one high school.

The following universities or colleges offering associates degree or higher are also located in the region:

Name	Location	Estimated Distance from College (in Miles)	Estimated Enrollment (FTE)
Garden City Community College	Garden City, KS	52	1,487
Pratt Community College	Pratt, KS	78	882
Seward County Community College	Liberal, KS	84	1,025
Barton County Community College	Great Bend, KS	90	3,063
Fort Hays State University	Hays, KS	106	8,885
Hutchinson Community College	Hutchinson, KS	123	3,289
Newman University	Wichita, KS	166	2,066
Wichita Technical Institute	Wichita, KS	166	2,015

Student Health Facilities

No health facilities are located on the campus of the College. Common Spirit – St. Catherine Hospital, a member of the American and Kansas Hospital Associations, is located in the City, as well as numerous physicians and surgeons to provide health care to College students.

Recreational, Cultural and Religious Facilities Available to Students

At the College, many opportunities are offered to participate in extracurricular activities. Student activities include campus picnics, dances, movie nights, pool and volleyball tournaments and intramural sports. Students are encouraged to get involved in a variety of clubs and organizations such as Student Government, Student Nurse Association, Phi Theta Kappa, Fine Arts Club, Early Childhood Education Association, DC3 International Club, and activities such as drama, music, art, and spirit squad.

A wide variety of cultural and entertainment options are available to residents at the Boot Hill Museum, Carnegie Art Center, Kansas Heritage Center, Veterans of Foreign Wars, and The American Legion. There are 16 sites registered with the Kansas Historical Society located within the County, of which 13 are located in or around the City.

The County has recreational activities available through sporting events, one theater, one drive-in theatre, two golf courses, one public swimming pools, one water park, the Dodge City Family YMCA, the Wright Park Zoo, public parks that feature playground equipment, picnic facilities, including shelter houses, summer recreational programs, and many different clubs and other organizations. Various events and shows take place at the Western State Bank Expo Center, Boot Hill Casino & Resort and United Wireless Arena. Camping, hiking fishing and other various outdoor activities are available at numerous parks and RV campgrounds throughout the County.

The County has 22 churches that serve the local communities.

FINANCIAL INFORMATION CONCERNING THE COLLEGE

Community colleges in the State of Kansas finance their operations through student tuition, auxiliary operations, student fees, and a property tax levy, as well as State aid.

Under K.S.A. 71-601 *et seq.* and K.S.A. 71-1801 *et seq.*, the community college state funding is on the basis of an annual operating grant and state aid from the State general fund, in an amount determined by the State Board of Education. The operating grant relates to students who are Kansas residents and to "non-tiered" course credit hours, with non-tiered describing courses that are not technical in nature, and are instead generally designed to contribute to academic knowledge or skills across multiple disciplines, such as mathematics, writing, humanities and sciences. The state aid relates to students who are Kansas residents and to "tiered technical" course credit hours, and is determined by considering (1) costs of high-demand, high-tech training, (2) target industries critical to Kansas, (3) program growth, (4) local taxing authority for credit-hours generated by students from the college taxing district and (5) other factors deemed necessary or advisable by the State Board of Education. The operating grant is distributed by method established by the State Board of Education, while the state aid is distributed on each August 1 and January 1, with one half of the aid being distributed on each of such dates.

The College maintains seven basic fund groups, consisting of 38 separately identifiable funds. All funds (the "Funds") are segregated for accounting purposes. In the current fiscal year, property taxes are levied for the general, capital outlay, and adult education funds only.

Property tax revenues for each tax-supported Fund are set and a budget is adopted by the Board, after a public hearing. The Board then certifies the property tax revenues to the County Clerk not later than August 25 (or October 1, if the College must conduct a public hearing to levy taxes in excess of its revenue neutral rate). The County Clerk receives assessments of real and personal property from the County Assessor and certifies such assessments and the total levy for all purposes (state, county, city, school and other taxing jurisdictions) to the County Treasurer, who is charged with the levying and collection to taxes. See "**Property Tax Levies and Collections--Tax Collections"** for information regarding the property tax imposition and payment process.

Accounting, Budgeting and Auditing Procedures

The College follows an accrual basis of accounting for all funds of the College.

The Kansas statues require the adoption of budgets for all funds on an 18-month basis unless exempted by a specific statute. Under state law, budgetary control is exercised at the fund level. Upon publishing appropriate notice, the Board conducts a public hearing to approve the budget. The College uses program-based budgeting for all governmental funds, except the Capital Projects Fund, in order to measure more accurately the results of educational programs. Budgets are prepared under the modified accrual basis of accounting, further modified by the encumbrance method of accounting in which purchase orders, contracts and commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation. Open encumbrances that do not lapse are reported as reservations of funds balances because the commitment will be honored through subsequent years; budget appropriations.

The College may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the College and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals a "tax lid" (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the College) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body (the "Revenue Neutral Tax Act"). The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by a majority vote of its governing body, and the amount of tax to be levied must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The College cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Certificates, or the general rating of the College. A change in the rating on the Certificates or a change in the general rating of the College may adversely impact the market price of the Certificates in the secondary market.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial information contained in the Appendices to this Preliminary Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

Property Valuations

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 under the direction of state statutes. The Ford County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the College taxing district.

Property subject to ad valorem taxation is divided into two classes, real and personal property. Real property is divided into seven subclasses, and there are six subclasses of personal property. The real property (Class 1) subclasses are: (1) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroads real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroads personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent, and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utilities inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the College's property tax collections. If a taxpayer valuation challenge is successful, the liability of the College to refund property taxes previously paid under protest may have a material impact on the College's financial situation.

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the College taxing district for each of the last five years.

Levy Year	Budget Year	Real Property	Personal Property	Utilities	Oil & Gas	Motor Vehicle Valuation	Equalized Assessed Valuation
2023	2024	$281,944,133	$13,726,168	$67,504,277	$ 10,161	$38,125,553	$401,310,292
2022	2023	260,051,771	12,436,707	65,369,531	9,568,165	37,731,981	385,158,155
2021	2022	249,020,738	11,747,489	65,432,458	5,104,332	38,198,673	369,503,690
2020	2021	245,809,003	12,233,724	63,400,998	2,644,073	35,086,700	359,174,498
2019	2020	240,593,476	12,744,751	61,634,704	6,148,392	33,463,222	354,584,545

(1) Motor vehicle valuation for 2022 is not yet available. Motor vehicle valuation for 2021 was used for estimation purposes

Source: County Clerk

Property Tax Levies and Collections

Tax Collections. Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Tax Rates. The College may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the College and the assessed valuations provided by the County appraiser.

The following table shows the College's mill levies by fund (per $1000 of assessed valuation) for each of the years indicated and the current year:

Levy Year	Budget Year	General Fund	Employee Benefits	Capital Outlay	Vocational	Adult Education	Total
2023	2024	29.748	0.000	1.988	0.000	0.157	31.893
2022	2023	29.896	0.000	2.003	0.000	0.158	32.057
2021	2022	30.215	0.000	1.999	0.000	0.157	32.371
2020	2021	30.338	0.000	2.000	0.000	0.154	32.492
2019	2020	30.352	0.000	2.000	0.000	0.156	32.508

Source: County Clerk

Sources of Revenue

The College finances its general operations through the local property tax levy, tuition, fees and other miscellaneous sources as indicated below for the current Fiscal Year:

Source	Percent
Property taxes	35.24%
Student tuition and fees	22.34%
Auxiliary enterprises	14.07%
State appropriations	11.64%
Federal sources	8.16%
Pell grants	5.91%
Other revenues	2.63%
Total	100.00%

Source: College's 2023 audited financial statements

Tax Collection Record. The following table sets forth tax collection information (not including special assessments) for the College for the years indicated:

Levy Year	Budget Year	Taxes Levied	Taxes Collected	Percentage Collected
2023	2024	$11,150,703	In Process	N/A
2022	2023	10,736,246	$10,704,250	99.70%
2021	2022	10,942,767	10,497,153	95.93%
2020	2021	10,542,331	10,443,643	99.06%
2019	2020	10,439,030	10,419,560	94.33%

Source: County Clerk

Major Taxpayers. The following table sets forth the ten largest taxpayers in the College's taxing district based on total assessed valuation in the most recent tax collection period (2023/24):

	Taxpayer	Assessed Valuation		Taxpayer	Taxes Levied
1.	Victory Electric	$12,180,934	1.	Black Hills Co	$7,772,297
2.	ITC Great Plains	11,160,294	2.	Victory Electric	2,059,733
3.	BNSF	10,970,083	3.	National Beef PAC	1,961,295
4.	National Beef PAC	9,084,898	4.	ITC Great Plains	1,640,850
5.	Union Pacific	7,173,161	5.	BNSF	1,483,521
6.	Natural Gas Pipelines	6,797,941	6.	Natural Gas Pipelines	1,329,530
7.	Black Hills Co	5,107,363	7.	Sunflower Electric	1,030,204
8.	MPT of Dodge City	4,078,487	8.	BHCRRE LLC	1,029,487
9.	BHC Development	4,660,992	9.	KLANDS LLC	904,845
10.	Cargill Meat Solutions	4,127,608	10.	Vincent Oil	650,483

Source: County Clerk

Risk Management

The College is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters.

Defined Benefit Pension Plan

The College participates in the Kansas Public Employees Retirement System ("KPERS") established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members each of whom serve four-year terms. The board of trustees appoints an executive director to serve as the managing officer of KPERS and manage a staff to carry out daily operations of the system.

As of December 31, 2022, KPERS serves approximately 340,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

(a) Kansas Public Employees Retirement System;
(b) Kansas Police and Firemen's Retirement System; and
(c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) State/School Group - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) Local Group - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The College's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009) or KPERS Tier 2 members (covered employment on or after July 1, 2009) or KPERS Tier 3 members (covered employment on or after January 1, 2015).

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling $1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature's actions related to KPERS, please see the 2022 Valuation Report referenced below.

The State's contribution for college employees varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The State's contribution is 12.57% of the employee's gross salary for the period beginning July 1, 2023, through June 30, 2024. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2022 (the "2022 Valuation Report") the KPERS School Group, of which the College is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $5.034 billion at the end of 2022. The amount of the UAAL in 2022 changed from the previous year's amount due to the factors discussed in the 2022 Valuation Report; such report also includes additional information relating to the funded status of the KPERS School Group, including recent trends in the funded status of the KPERS School Group. A copy of the 2022 Valuation Report is available on the KPERS website at kpers.org/about/reports.html. The College has no means to independently verify any of the information set forth on the KPERS website or in the 2022 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS School Group. The 2022 Valuation Report sets the employer contribution rate for the period beginning July 1, 2025, for the KPERS School Group, and KPERS' actuaries identified that an employer contribution rate of 11.66% of covered payroll would be necessary, in addition to additional employer contributions of 0.60% for the period beginning July 1, 2024 (related to contribution reductions for the KPERS School Group approved by the Legislature), and statutory contributions by covered employees to eliminate the UAAL by the end of the actuarial periods set forth in the 2022 Valuation Report. Because the annual growth in employer contribution rates is limited by State law, the actual contribution rate permitted at the time of calculation was only 11.56%. As a result, members of the School Group are underfunding their projected actuarial liabilities and the UAAL can be expected to grow over time. KPERS' actuaries project the required employer contribution rate to increase by the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter, until such time as the permitted rate equals the actuarial rate.

The College is required to implement GASB 68 – Accounting and Financial Reporting for Pensions. KPERS produces a Schedule of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer (the "GASB 68 Report") which provides the net pension liability allocated to each KPERS participant, including the College. The GASB 68 Report is available on the KPERS website at kpers.org/about/reports.html. The College has no means to independently verify any of the information set forth on the KPERS website or in the GASB 68 Report. It is important to note that under existing State law, the College has no legal obligation for the UAAL or the net pension liability calculated by KPERS, and such figures are for informational purposes only.

COLLEGE'S AUTHORITY TO INCUR DEBT

Estimated Actual Valuation[1]	$2,508,189,325
Equalized Assessed Valuation of Tangible Valuation for Computation on Bonded Debt Limitations[2]	$401,310,292
Legal limitation of Bonded Debt[3]	$12,039,308
Outstanding general obligation debt as of May 21, 2024	$0
Population (2022)	33,848
Direct general obligation debt per capita	$0
Ratio of direct general obligation debt to equalized assessed valuation	0.00%
Underlying and overlapping debt	$147,106,708
Direct and overlapping debt	$147,106,708
Direct and overlapping debt per capita	$4,346
Direct & overlapping debt as a percentage of equalized assessed valuation	36.66%
Direct & overlapping debt as a percentage of estimated actual valuation	5.87%

(1) Estimated based upon an average assessment ratio of 16%.
(2) Includes Motor Vehicle Valuation.
(3) Pursuant to K.S.A. 71-201.

Overlapping/Underlying General Obligation Indebtedness

The following table sets forth overlapping and underlying general obligation indebtedness and the percent attributable (on the basis of assessed valuation) to the College taxing district as of May 21, 2024:

Jurisdiction	2023 Assessed Valuation	General Obligation Debt Outstanding	Percent Applicable To the College	Amount Applicable To the College
Ford County	$373,338,035	$ 8,135,000	100.000%	$ 8,135,000
City of Bucklin	4,528,896	1,400,000	100.000%	1,400,000
City of Dodge City	200,974,725	58,875,000	100.000%	58,875,000
City of Ford	1,228,525	0	100.000%	0
City of Spearville	24,840,479	1,065,000	100.000%	1,065,000
U.S.D. No. 102	58,524,576	3,000,000	9.877%	296,316
U.S.D. No. 219	31,223,208	15,090,000	46.032%	6,946,236
U.S.D. No. 225	18,536,466	895,000	10.560%	94,513
U.S.D. No. 227	29,949,273	2,000,000	0.003%	69
U.S.D. No. 347	33,402,674	2,795,000	12.421%	347,153
U.S.D. No. 381	33,218,920	9,405,000	98.598%	9,273,100
U.S.D. No. 443	281,571,395	60,985,000	99.982%	60,974,321
U.S.D. No. 459	36,756,121	0	89.243%	0
TOTAL				$147,106,708

Several cities and water districts have issued utility revenue bonds which are paid from receipt of the utility service being sold. Several cities have also issued industrial revenue bonds which are paid by the industry for which the bonds are issued. Revenue bonds are not considered a general obligation indebtedness under Kansas law and are not included in the total stated herein for underlying indebtedness.

Source: County Clerk

DEBT STRUCTURE OF THE COLLEGE

GENERAL OBLIGATION BONDS

As of May 21, 2024, the College had no bonds outstanding.

LEASE REVENUE CERTIFICATES OF PARTICIPATION OBLIGATIONS
(As of May 21, 2024)

Purpose	Series	Maturity Date	Original Amount	Amount Outstanding
Certificates of Participation	2013	05/01/2025	$1,360,000	$ 125,000
Certificates of Participation	2015A	07/15/2030	2,620,000	1,365,000
Certificates of Participation	2015B	07/15/2030	1,305,000	680,000
Ref Certificates of Participation	2016	04/01/2035	4,400,000	3,295,000
Certificates of Participation	2018	06/01/2026	570,000	230,000
Ref Certificates of Participation	2019	05/01/2039	5,160,000	3,935,000
Ref Certificates of Participation	2024	07/15/2044	2,485,000	2,485,000
TOTAL				$12,115,000

REVENUE BOND OBLIGATIONS
(As of May 21, 2024)

Purpose	Series	Maturity Date	Original Amount	Amount Outstanding
Stu Union & Dorm Sys Rev Bonds	2016	05/01/2041	$4,195,000	$3,265,000

CAPITAL LEASE OBLIGATIONS
(As of May 21, 2024)

As of May 21, 2024, the College had no capital lease obligations outstanding, other than those related to Certificates of Participation referenced above.

LOAN OBLIGATIONS

As of May 21, 2024, the College had no loans outstanding.

Debt Payment Record

The College has never in its history defaulted on the payment of any of its debt or lease obligations.

Future Indebtedness

The College is evaluating plans to renovate Coleman-Webb dormitory; the College would seek financing of this project in the bond market.

Periodically, the College will complete issues to: 1) lease small equipment and vehicles, and such leases may or may not have a purchase option in accordance with the terms of said lease; and 2) will refinance or refund outstanding debt as needed when sufficient savings can be achieved. Other than the potential projects listed above, the College does not have any plans to issue additional debt at this time.

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COLLEGE DISTRICT

General

Ford County, Kansas (the "County") occupies approximately 1,099 square miles in southwest Kansas. The county seat is the City.

The economy of the County is diversified among agricultural, manufacturing, forestry, fishing, hunting, oil and gas.

Transportation

The County is served by U.S. Highways 50 and 283.

Regularly scheduled air service is available at Dodge City Regional Airport with service to Denver International Airport.

Amtrak serves the city with daily service to Kansas City eastbound and Los Angeles westbound.

Economy

The City, located in the College's taxing district, is a regional trade center for an area covering much of the southwestern quarter of Kansas, part of the Oklahoma panhandle, and extreme southeastern Colorado. Agriculture and the cattle industry form the economic foundation of the area with cattle feeding and beef processing as the primary industry. The City is ranked among the top twenty sales markets for cattle in the United States. Excel Corporation, a subsidiary of Cargill, Inc., operates the second largest beef processing plant in the United States. In 1994 HyPlains Dressed Beef, L.C. added a $17 million beef fabrication plant to its slaughter operation which initially created an additional 500 jobs. Farmland National Beef Packing Company, L.P. and affiliated entities, the fourth largest beef processor in the United States, has one of its two plants located in the City. Approximately 6,800 head of cattle are slaughtered and processed per day, six days a week, in the City. Hilmar Cheese is building a facility that will employ 750 workers and process milk from 11 dairies. Fed Ex has expanded to 250,000 square foot to accommodate local shipping needs.

Population Trends

The following table shows the approximate population of the County and the City in the years indicated:

Year	County Population	City Population
2022	33,848	27,422
2021	34,159	27,690
2020	34,287	27,788
2019	33,619	27,104
2018	33,888	27,329
2010	33,848	27,340

Source: State of Kansas – Division of Budget (2018-2019, 2021-2022); U.S. Census Bureau (2010, 2020)

Labor Force

The following table sets forth labor force figures for the County and the State of Kansas:

FORD COUNTY

Average For Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2022	17,851	17,479	372	2.1%
2021	17,686	17,309	377	2.1%
2020	17,153	16,728	425	2.5%
2019	17,088	16,664	424	2.5%
2018	17,186	16,743	443	2.6%

STATE OF KANSAS

Average For Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2022	1,504,932	1,464,834	40,098	2.7%
2021	1,495,665	1,447,323	48,342	3.2%
2020	1,493,675	1,446,453	47,222	3.2%
2019	1,486,620	1,439,563	47,057	3.2%
2018	1,482,220	1,432,387	49,833	3.4%

Source: Kansas Statistical Abstract (2018 – 2020 data); Kansas Department of Labor (2021 – 2022 data)

Retail Sales Tax Collections

The following table lists State of Kansas sales tax collections (excluding local sales tax) for the years indicated for sales occurring in the County:

Year	Sales and Use Tax Collections	Per Capita Sales and Use Tax
2022	$52,134,681	$1,452.83
2021	47,240,038	1,305.17
2020	39,720,432	1,149.82
2019	37,998,854	1,085.53
2018	32,025,535	945.99[(1)]

(1) Use tax collections not included.

Source: Kansas Statistical Abstract

Effective July 1, 2015, the statewide sales and use tax was increased to 6.50%.

Oil Production

The oil production (in number of barrels) for the County for the years listed is indicated in the following table:

Year	Oil Production
2023[(1)]	266,031
2022	314,293
2021	345,322
2020	383,409
2019	380,852

(1) Data as of 11-2023.

Source: Kansas Geological Survey

Financial Banking Institutions

There are currently 11 banks, with 14 different branch locations, located in the County. During a five-year period, bank deposits of the County's banks are as follows:

Year	Total Bank Deposits (thousands of dollars)
2023	$824,709
2022	828,338
2021	758,258
2020	664,967
2019	585,000

Source: Kansas Statistical Abstract (2019 data); FDIC (2020 - 2023 data)

Personal Income Trends

The County per capita income and the State of Kansas per capita income are listed for the years indicated in the following table.

Year	Ford County Personal Income ($000)	Ford County Per Capita Income	State of Kansas Per Capita Income
2022	$1,596,931	$47,179	$60,424
2021	1,607,243	47,052	58,924
2020	1,491,919	45,081	56,099
2019	1,390,924	41,373	53,426
2018	1,317,609	39,188	51,139

Source: U.S. Bureau of Economic Analysis

$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the Lease Agreement Between the College and Trustee

Appendix B

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

* Subject to change.

DODGE CITY COMMUNITY COLLEGE

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023

LOYD GROUP, LLC

Certified Public Accountants

Dodge City Community College

June 30, 2023
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LOYD GROUP, LLC

520 S. Main Street
P.O. Box 7
Galva, KS 67443
620-654-7565
www.loyd-group.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Dodge City Community College
Dodge City, Kansas

Report on the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Dodge City Community College (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Dodge City Community College as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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

The College's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 management's discussion and analysis and other post-employment benefits and pension information on pages 4-12 and 41-47, respectively, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The individual fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S*. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and the schedule of expenditures of federal awards are 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 February 21, 2024 on our consideration of Dodge City 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 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.

Loyd Group, LLC

Loyd Group, LLC
Galva, Kansas

February 21, 2024

BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis

Introduction

The following discussion and analysis of the financial performance and activity of Dodge City Community College (The College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2023, with selected comparative information for the year ended June 30, 2022. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness and accuracy of this information.

Using the Annual Report

The College's financial statements are prepared in accordance with the standards outlined in GASB statement 35. The method is intended to summarize and simplify the user's analysis of the costs of various College services. The annual financial report will include the basic financial statements and required supplementary information for both the College and its component units. Further information on the component units are available upon request from the Dodge City Community College Foundation and the Alumni-Booster Association of Dodge City Community College.

Basic financial statements are comprised of two parts

1. Basic Financial Statements – These include Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. These statements present the results of a single measurement focus and basis of accounting.
    a. The Statement of Net Position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term expendable resources) with capital assets.
    b. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of College activities which are supported mainly by property taxes, state revenues and tuition.
    c. The Statement of Cash Flows provides information about the cash receipts and cash disbursements of the College during the fiscal period.
2. The Notes to the Basic Financial Statements are an integral and essential portion of the financial statements.

Required Supplementary Information

Management Discussion and Analysis (MD&A), Other Post-Employment Benefits, and Pension Schedules - This is information required by standards to be presented but is not part of the basic financial statements.

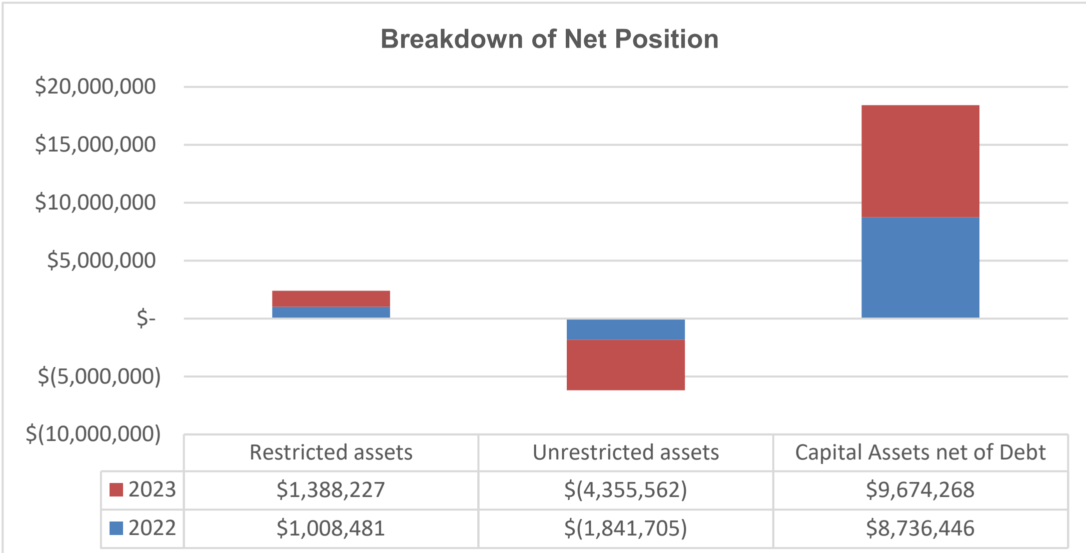
Highlights to the Financial Statements

Statement of Net Position

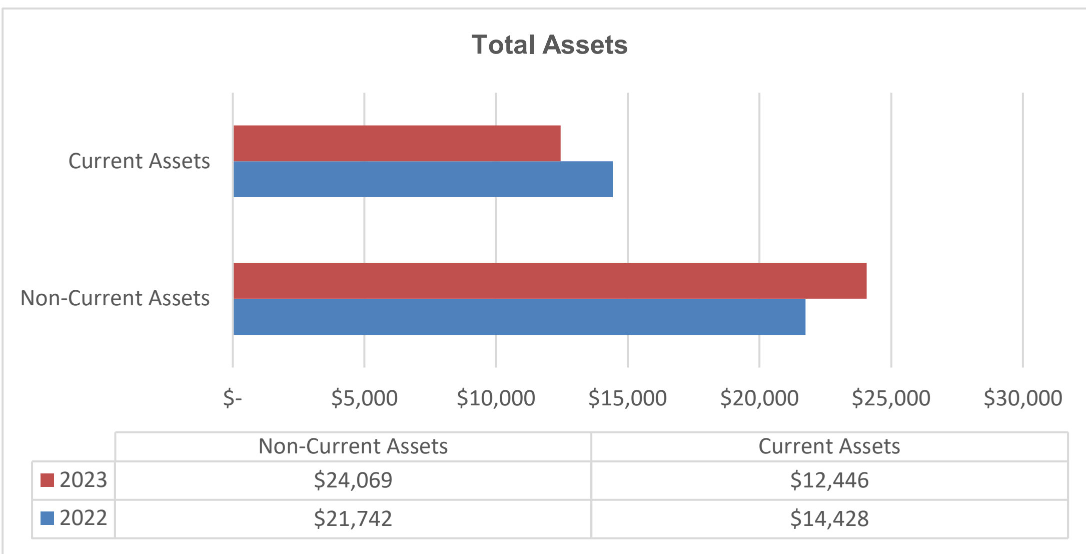
Comparison Net Position – Fiscal Year 2022 and 2023

The Statement of Net Position presents the assets, deferred outflow of resources (deferred outflows), liabilities, deferred inflow of resources (deferred inflows) and net position of the College as of the end of the fiscal year. 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 the College. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Deferred Outflows, Liabilities (current and noncurrent), Deferred Inflows, and Net Position (Assets and Deferred Outflows minus Liabilities and Deferred Inflows). The difference between current and noncurrent assets is as follows: current assets are those assets that are expected to be used or consumed within one year. Noncurrent assets are those assets that are expected to provide value for greater than one year.

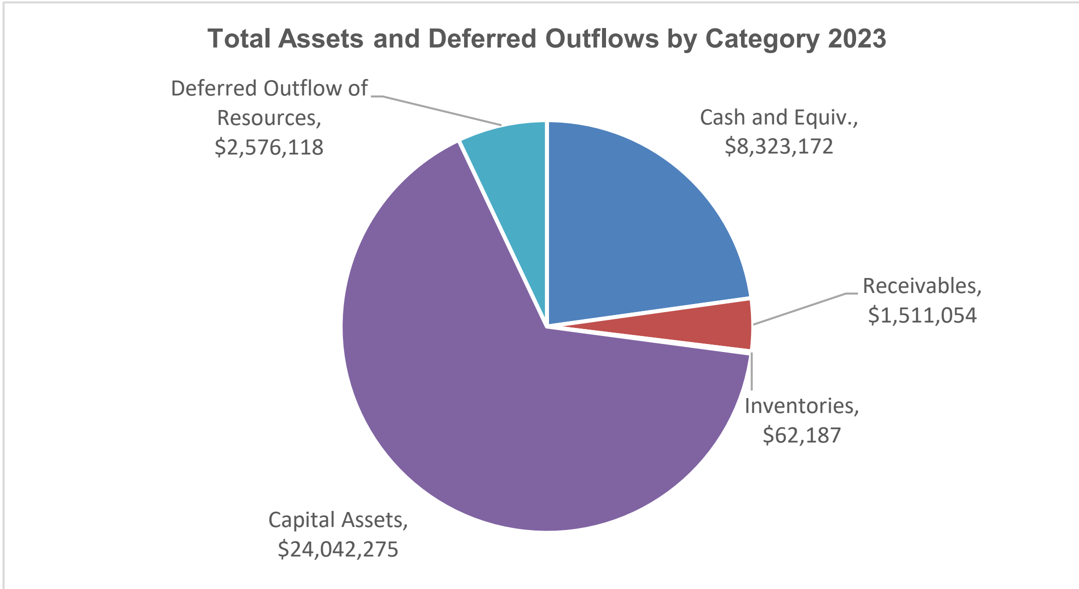
Net assets decreased from $7,903,222 in 2022 to $6,588,843 for 2023. This is a decrease of $1,196,289 over the previous year, primarily due to regular activities of the College, decrease in HEERF funding and increase in costs related to the flight program.



Total breakdown of assets between current and noncurrent classification for 2022 through 2023 is as follows:



Dollars (000)

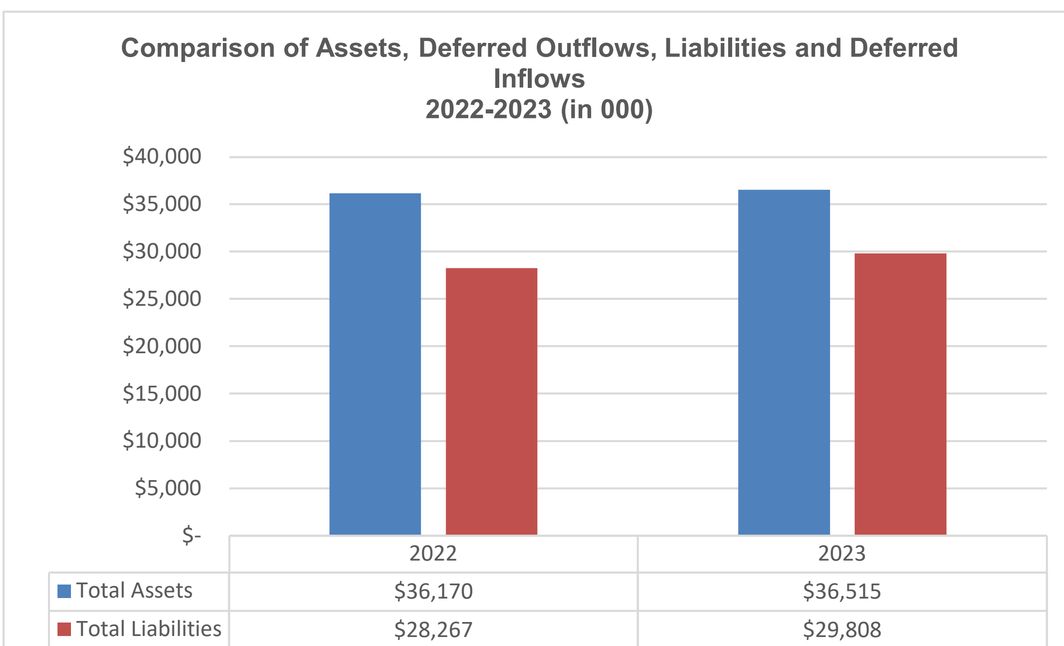


Of the $36,514,806 in total assets and deferred outflows, approximately 23% are in cash and cash equivalents and capital assets represent 66% of total assets.

Comparison of Liabilities

	2022	% Total 2022	2023	% Total 2023
Current Liabilities	$ 3,141,146	11.11%	$ 3,574,587	11.99%
Noncurrent Liabilities	$ 25,125,679	88.89%	$ 26,233,286	88.01%
	$ 28,266,825		$ 29,807,873	

Noncurrent liabilities in 2023 include, but are not limited to, bonds payable related to student housing, lease payments, and other postemployment benefits. Current liabilities consist primarily of accounts payable and accrued liabilities, deposits held in custody for others, and the current portion of the bond and lease payments.



Total liabilities and deferred inflows increased from $28,266,825 in 2022 and $29,807,873 for 2023. This is an increase of $1,541,048 from the previous year. Assets and deferred outflows increased from $36,170,047 in 2022 to $36,514,806 in 2023. The asset to liability ratio (total assets/total liabilities) was 1.28 in 2022 and 1.23 in 2023. The increase in total liabilities is primarily from the addition of recording the lease with the Foundation as a result of implementing GASB 87.

Results of Operations Fiscal Year 2023

Statement of Revenues, Expenses and Changes in Net Position

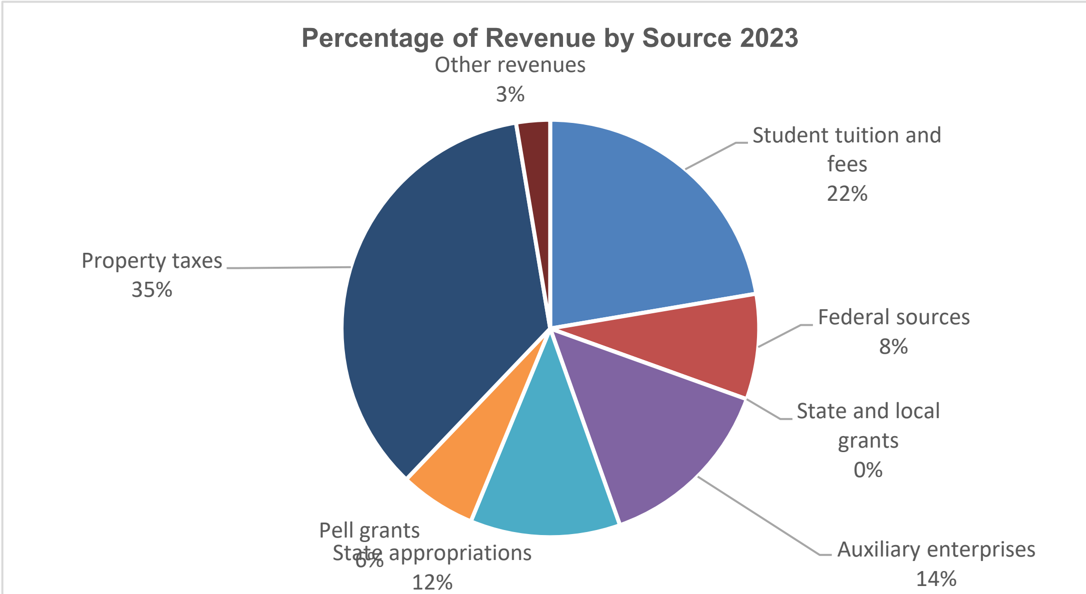
Changes in total net position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the institution, both operating and nonoperating, and the expenses paid by the institution, operating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

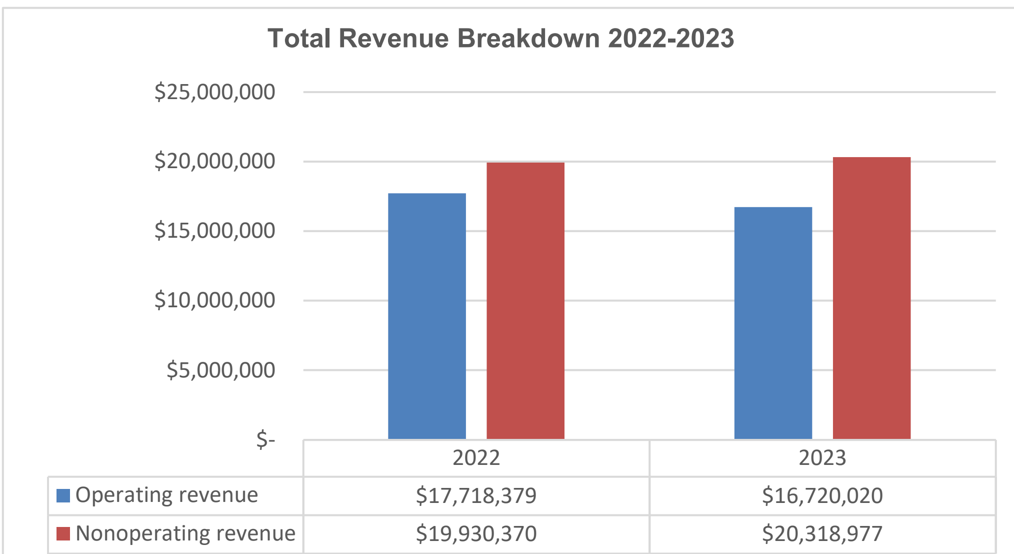
Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are nonoperating because they are provided by the legislature to the institution without the legislature directly receiving commensurate goods and services for those revenues.

Revenue

The College receives revenue from a number of sources. In broad terms, they are: the State of Kansas, the Federal Government, students--in the form of tuition and fees, local taxpayers--by way of property taxes, business style auxiliary enterprises, and private gifts and grants. These sources are relatively stable from year to year as a percentage of the total. Federal funding was an decrease due to HEERF funding. Auxiliary increased due to change in medical benefit contributions.

	2022	% Total 2022	2023	% Total 2023
Student tuition and fees	$ 8,064,651	21.42%	$ 8,275,977	22.34%
Federal sources	4,754,047	12.63%	3,023,682	8.16%
State and local grants	65,074	0.17%	-	0.00%
Auxiliary enterprises	4,671,767	12.41%	5,212,809	14.07%
State appropriations	4,115,511	10.93%	4,310,866	11.64%
Pell grants	2,249,387	5.97%	2,188,236	5.91%
Property taxes	13,004,895	34.54%	13,053,256	35.24%
Other revenues	723,417	1.92%	974,171	2.63%
Total revenues	$ 37,648,749	100.00%	$ 37,038,997	100.00%



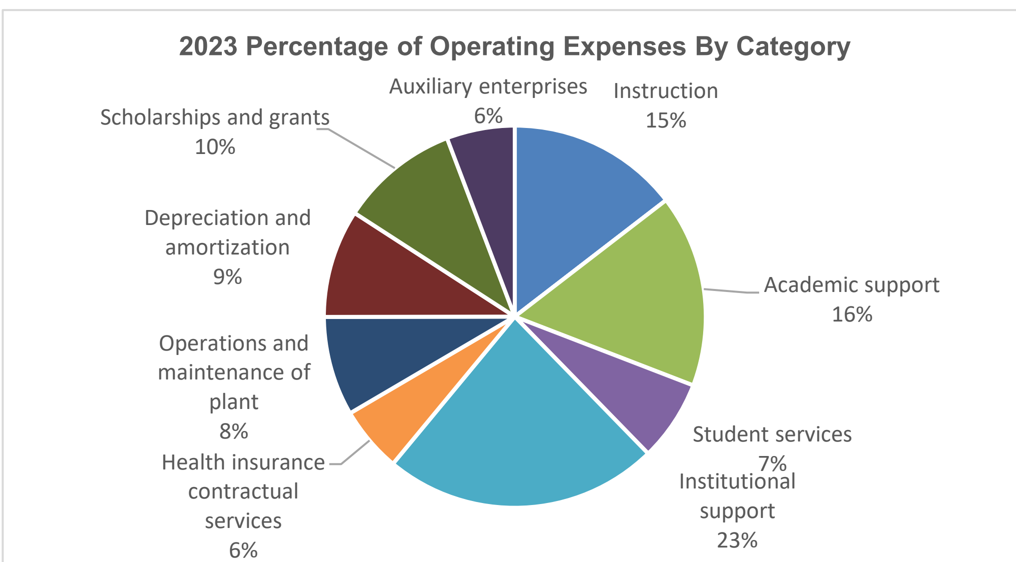


	2022	2023
Operating revenue	$17,718,379	$16,720,020
Nonoperating revenue	$19,930,370	$20,318,977

Expenses

Detail of the 2022 through 2023 education, general, and auxiliary enterprise operating and nonoperating expenditures:

	2022	% Total 2022	2023	% Total 2023
Operating Expenses				
Instruction	$ 5,487,544	13.97%	$ 5,494,080	14.37%
Public services	-	0.00%	-	0.00%
Academic support	4,617,613	11.75%	6,148,342	16.08%
Student services	2,387,467	6.08%	2,594,915	6.79%
Institutional support	12,293,077	31.29%	8,797,971	23.01%
Health insurance contractual services	2,747,478	6.99%	2,093,452	5.48%
Operations and maintenance of plant	3,127,967	7.96%	3,175,366	8.30%
Depreciation and amortization	2,514,282	6.40%	3,457,153	9.04%
Scholarships and grants	3,539,020	9.01%	3,808,349	9.96%
Auxiliary enterprises	2,113,147	5.38%	2,183,064	5.71%
Subtotal	38,827,595	98.82%	37,752,692	98.74%
Nonoperating Expenses				
Debt issue costs	-	0.00%	-	0.00%
Interest on Capital asset-related debt	464,356	1.18%	482,594	1.26%
Subtotal	464,356	1.18%	482,594	1.26%
Total Expenses	$ 39,291,951	100.00%	$ 38,235,286	100.00%



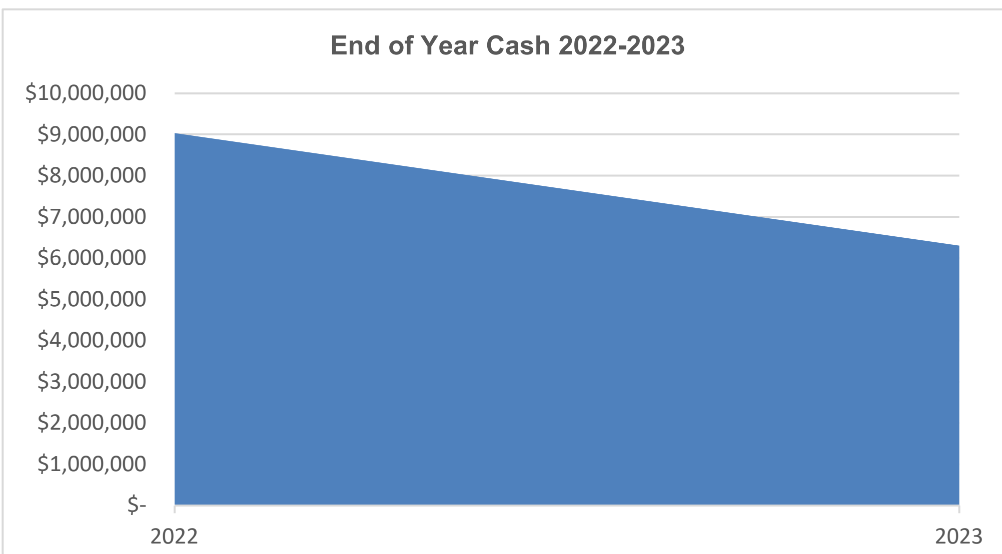
Statement of Cash Flows

The final statement presented by the 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 sections. The first section deals with operating cash flows and shows the net cash used in the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. This section includes the cash received and spent from state and local appropriations and private gifts. The third section reflects the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section 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 Changes in Net Position.

Summary Statement of Cash Flows information

	2022	2023
Net Cash From:		
Operating activities	$ (13,380,792)	$ (16,383,370)
Noncapital financing activities	15,993,950	18,108,937
Capital and related financial activities	(3,311,073)	(4,566,938)
Investing activities	86,524	106,548
Net Change in Cash	(611,391)	(2,734,823)
Cash beginning of year	8,690,004	9,039,919
Prior period adjustment	961,306	-
Cash end of year	$ 9,039,919	$ 6,305,096



Summary of Overall Performance

Cash balances decreased $2,700,000 from fiscal year 2022 balances primarily from an increase in Flight lease expenditures and the reduction of cash balances related to HEERF. Combined operating and nonoperating revenue and expenses for 2023 decreased by approximately $1.2 million from the same measures in 2022 due to overall increase in operating costs of the College and the increase in flight lease costs. Administration realizes the importance of increasing cash balances by improving the College's net position on an annual basis. To that end, the College raised its tuition and fees for the 2023-2024 Fiscal Year. Moreover, the College has embarked on an expense reduction program during FY 2023-2024; with plans for further expense reductions in FY 2024-2025.

Capital Assets and Long Term Debt Activities

Capital Assets

The College has invested $24.0 million in capital assets (net of depreciation). The majority of changes during the include some small additions and depreciation expense. Capital assets held by the College at the end of the current year are as follows:

	Beginning Balance	Increases	(Decrease) Adjustments	Ending Balance
Non-depreciable capital assets:				
Land	$ 146,898	$ -	$ -	$ 146,898
Total non-depreciable capital assets	146,898	-	-	146,898
Depreciable capital assets:				
Buildings and Improvements	22,571,847	1,758,514	(2,424,926)	21,905,435
Furniture and Equipment	7,949,065	1,079,337	(824,296)	8,204,106
Infrastructure	684,292	-	(216,956)	467,336
Dorm	16,651,632	68,167	(134,688)	16,585,111
Leased Assets	1,228,205	2,915,000	-	4,143,205
Total depreciable capital assets	49,085,041	5,821,018	(3,600,866)	51,305,193
Less accumulated depreciation:				
Buildings and Improvements	(14,135,485)	(1,700,581)	2,415,407	(13,420,659)
Furniture and Equipment	(6,362,287)	(513,190)	824,296	(6,051,181)
Infrastructure	(612,183)	(7,733)	216,370	(403,546)
Dorm	(6,077,347)	(686,157)	134,688	(6,628,816)
Leased Assets	(356,121)	(549,493)	-	(905,614)
Total accumulated depreciation	(27,543,423)	(3,457,154)	3,590,761	(27,409,816)
Total capital assets, net	$ 21,688,516	$ 2,363,864	$ (10,105)	$ 24,042,275

Additional information regarding the capital assets of the College is presented in Note 4 of the financial statements.

Long-Term Liabilities

At the end of the current year, the College had long-term liabilities totaling $22 million. This includes $13.8 million in capital leases, $913,000 in net pension liability, $3.4 million net OPEB obligation, $324,000 in compensated absences payable, $81,000 in early retirement benefit obligations, and $3.4 million in revenue bonds payable. All of the leases outstanding as of the end of the year were secured by liens on the property purchased.

The debt position of the College is summarized below and is more fully analyzed in Note 5 of the financial statements.

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Current Portion
Lease obligations	$ 12,306,873	$ 2,915,000	$ (1,447,238)	$ 13,774,635	$ 1,380,447
Premium on capital lease	182,747	-	(18,140)	164,607	18,140
Revenue bonds	3,545,000	-	(140,000)	3,405,000	140,000
Compensated absences	331,699	-	(7,631)	324,068	324,068
Early retirement benefits	72,796	62,620	(53,888)	81,528	31,747
Other post employment benefits	3,484,494		(109,748)	3,374,746	-
Net pension liability	196,909	-	716,560	913,469	-
Total long-term liabilities	$ 20,120,518	$ 2,977,620	$ (1,060,085)	$ 22,038,053	$ 1,894,402

The College has two technical building projects underway; both fully funded by state and federal grants. A new auto technician program building will be built adjacent to the existing diesel technician building. An industrial maintenance facility will be constructed by refurbishing an existing shop building at the Beeson road facility.

Coleman-Webb dormitory has been closed as it is currently not fit for use. The College is evaluating possible future uses for Coleman-Webb; renovation and usage as a dormitory is one of several possibilities.

The College will continue to search for sources of additional funding that would allow the construction of additional technical buildings on campus and to repave its roads and parking lots.

The future continues to be positive for Dodge City Community College. The commitment of the College to offer student-centered, service-oriented instruction and learning continues the impetus for strong credit enrollment. In addition, market driven business and industry noncredit offerings are planned for growth and expansion as the College serves the needs of that segment of the community. Dodge City Community College is truly striving to be the premier, two-year educational institution in Western Kansas and continues to expand its tradition of excellence through learning and collaboration.

Jeff Cermin
Vice President of Administration and Finance
and Chief Financial Officer

Dodge City Community College
Statements of Net Position
Year Ended June 30, 2023

	Dodge City Community College	Component Unit DCCC Foundation	Component Unit Alumni
ASSETS			
Current Assets			
Cash, cash equivalents and investments	$ 6,305,096	$ 4,781,242	$ 244,054
Restricted cash and investments	2,018,076	30,778	-
Receivables - property taxes	313,049	-	-
Receivables - federal and state grants and contracts	841,690	-	-
Receivables - students (net of allowance)	329,914	-	-
Receivables - rent	-	2,630,000	-
Inventories	62,187	-	-
Total current assets	9,870,012	7,442,020	244,054
Noncurrent Assets			
Receivables - students (net of allowance)	26,401	-	-
Unconditional promises to give	-	105,088	-
Capital assets, net of accumulated depreciation	24,042,275	6,790,132	-
Total noncurrent assets	24,068,676	6,895,220	-
TOTAL ASSETS	33,938,688	14,337,240	244,054
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	428,763	-	-
Deferred outflows related to other post-employment benefits	1,447,705	-	-
Deferred outflows related to net pension liability	699,650	-	-
Deferred bond issuance costs	-	79,160	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,576,118	79,160	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 36,514,806	$ 14,416,400	$ 244,054
LIABILITIES			
Current Liabilities			
Accounts payable	$ 1,386,050	$ -	$ -
Deposits held in custody for others	184,097	-	-
Accrued interest payable	110,038	37,313	-
Compensated absences payable	324,068	-	-
Early retirement benefits payable	31,747	-	-
Capital lease obligations	1,398,587	-	-
Promissory note payable	-	25,983	-
Bonds payable	140,000	34,489	-
Total current liabilities	3,574,587	97,785	-
Noncurrent Liabilities			
Early retirement benefits payable	49,781	-	-
Other postemployment benefits payable	3,374,746	-	-
Net pension liabilities	913,469	-	-
Capital lease obligations	12,540,655	-	-
Bonds payable	3,265,000	2,630,000	-
Total noncurrent liabilities	20,143,651	2,630,000	-
TOTAL LIABILITIES	23,718,238	2,727,785	-
DEFERRED INFLOWS OF RESOURCES			
Deferred rent revenue	-	2,591,111	
Deferred inflows related to other post-employment benefits	6,005,739	-	-
Deferred inflows related to net pension liability	83,896	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,089,635	2,591,111	-
NET POSITION			
Net investment in capital assets	9,674,268	-	-
Restricted for:			
Nonexpendable - endowments	-	2,224,494	-
Expendable:			
Foundation activity	-	2,475,094	
Capital outlay	1,000,347	-	-
Restricted funds	-	-	-
Debt retirement	387,880	-	-
Unrestricted	(4,355,562)	4,397,916	244,054
Total net position	6,706,933	9,097,504	244,054
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 36,514,806	$ 14,416,400	$ 244,054

Dodge City Community College
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	Dodge City Community College	Component Unit DCCC Foundation	Component Unit Alumni
OPERATING REVENUES			
Student tuition and fees	$ 9,080,183	$ -	$ -
Less allowances for institutional scholarships	(6,007)	-	-
Less allowances for federal grants	(798,199)	-	-
Net student source revenue	8,275,977	-	-
Federal sources	3,023,682	-	-
State sources	-	-	-
Auxiliary enterprises:			
Residential life	1,442,674	-	-
Campus store	262,023	-	-
Child development center	186,621	-	-
Food service	1,044,156	-	-
Health insurance charges for services	2,277,335	-	-
Other operating revenues	207,552	409,534	2,240
Total operating revenues	16,720,020	409,534	2,240
OPERATING EXPENSES			
Educational and General:			
Instruction	5,494,080	-	-
Academic support	6,148,342	-	-
Student services	2,594,915	-	-
Institutional support	7,313,545	668,488	7,215
KPERS contribution paid directly by the State of Kansas	1,484,426	-	-
Health insurance contractual services	2,093,452	-	-
Operations and maintenance of plant	3,175,366	-	-
Depreciation and amortization	3,457,153	-	-
Scholarships and grants	3,808,349	-	-
Auxiliary Enterprises:			
Residential life	494,279	-	-
Campus store	478,412	-	-
Union	22,686	-	-
Child development center	304,173	-	-
Food service	883,514	-	-
Total operating expenses	37,752,692	668,488	7,215
Operating income (loss)	(21,032,672)	(258,954)	(4,975)
NONOPERATING REVENUES (EXPENSES)			
State appropriations	2,826,440	-	-
State contribution directly to the KPERS retirement system	1,484,426	-	-
Local sources	13,053,256	-	-
Pell grants	2,188,236		
Private grants and gifts	268,917	1,190,961	-
Investment income	106,548	345,763	34,862
Interest on capital asset-related debt	(482,594)	-	-
Net nonoperating revenues (expenses)	19,445,229	1,536,724	34,862
Income (loss) before other revenues	(1,587,443)	1,277,770	29,887
Capital grants and gifts	391,154	-	-
Net increase (decrease) in net position	(1,196,289)	1,277,770	29,887
NET POSITION			
Net position - beginning of year	7,903,222	7,819,734	214,167
Net position - end of year	$ 6,706,933	$ 9,097,504	$ 244,054

Dodge City Community College
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 7,722,945
Grants and contracts	4,468,885
Sales and services of auxiliary enterprises	2,935,474
Health insurance charges for services	1,971,774
Other receipts	207,552
Payments to employees for salaries and benefits	(13,003,213)
Payments to suppliers	(19,581,374)
Loans issued to students	(1,105,413)
Net cash provided (used) by operating activities	(16,383,370)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	2,826,440
County and local appropriations	12,825,344
Pell grants	2,188,236
Private gifts and grants	268,917
Net cash provided (used) by noncapital financing activities	18,108,937
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(5,810,912)
Proceeds from debt	2,915,000
Principal paid on debt and capital lease	(1,587,239)
Interest paid on debt and capital lease	(474,941)
Capital gifts and grants	391,154
Net cash provided (used) by capital and related financing activities	(4,566,938)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	106,548
Net cash provided (used) by investing activities	106,548
Net increase (decrease) in cash and cash equivalents and investments	(2,734,823)
Cash, cash equivalents and investments - beginning of year	9,039,919
Cash, cash equivalents and investments - end of year	$ 6,305,096
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	
Operating loss	$ (21,032,672)
Depreciation and amortization expense	3,457,153
Changes in operating assets and liabilities:	
Receivables, net	253,014
Inventories	49,929
Accounts payable	138,423
Deposits held in custoty	96,334
Unearned revenue	(562,590)
Compensated absences payable	(7,631)
Early retirement benefits	8,732
Other postemployment benefits	(109,748)
Net pension liabilities	716,560
Deferred inflows and outflows related to net pension and other post employment benefits	(569,739)
Medical benefits	(305,561)
Employee benefits paid directly by State of Kansas	1,484,426
Net cash provided (used) in operating activities	$ (16,383,370)

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

1. Summary of Significant Accounting Policies

Dodge City Community College is a public, two-year post-secondary educational institution, organized under the laws of the State of Kansas and is governed by an elected seven-member board of trustees. It was established in 1935 and it's major operations include post-secondary education and the operation of student housing for its students.

The accounting and reporting policies of the College relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(a) Reporting Entity

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. It is governed by a Board of Trustees elected by the voters of Ford County, Kansas. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the College (the primary government) and its discretely presented component units. The component units discussed below are included in the College’s reporting entity because of the significance of their financial relationship with the College. The financial data of the College’s component units are discretely presented in a separate column to emphasize that it is a legally separate entity.

Dodge City Community College Foundation (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College’s financial statements. For financial reporting purposes only, the Foundation's statements of financial position and activities are included in the College’s financial statements as required by generally accepted accounting principles for public colleges and universities.

For financial reporting purposes, the Foundation follows the provisions of the Financial Accounting Standards Board (FASB) which establish the financial reporting standards for all nonprofit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information. Complete financial statements for the Foundation can be obtained from the Foundation's business office.

Alumni - Booster Association of Dodge City Community College (Alumni) is a legally separate, tax-exempt component unit of the College. The Alumni acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Alumni, the majority of resources, or income thereon, that the Alumni holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Alumni can only be used by, or for the benefit of, the College, the Alumni is considered a component unit of the College and is discretely presented in the College’s financial statements. For financial reporting purposes only, the Alumni's statements of financial position and activities are included in the College’s financial statements as required by generally accepted accounting principles for public colleges and universities.

1. Summary of Significant Accounting Policies (Cont.)

(a) Reporting Entity (Cont.)

For financial reporting purposes, the Alumni follows the provisions of the Financial Accounting Standards Board (FASB) which establish the financial reporting standards for all nonprofit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information. Complete financial statements for the Alumni can be obtained from the Alumni's business office.

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

The College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the College are included on the statement of net position. Revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. All significant interfund transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, include property taxes; federal, state, and local grants; state appropriations, and other contributions. Property taxes are recognized in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The College does not present budgetary comparison information in the basic financial statements or as required supplemental information. This is because the College reports as a business-type activity and does not have the reporting requirements related to major funds. The College does present budgetary comparison information in the supplementary information to these financial statements.

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

Cash and Cash Equivalents and Investments

Kansas Statute (KSA) 12-1675 authorizes the College to invest monies in time deposits, certificates of deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. Investments are reported at fair value based on quoted market prices.

Cash resources of the individual funds (except for any proceeds of revenue bonds, which are separately invested) are combined to form a pool of cash and temporary investments that are managed by the College. Investments of the pooled accounts consist primarily of certificates of deposits. Interest income earned is allocated to various funds based upon statutory guidelines.

For purposes of the statement of cash flows, the College considers all investments with original maturities of one year or less to be cash equivalents.

Receivables

Receivables consist of tuition and fees charged to students, amounts due from the federal, state, and local governments in connection with reimbursement of allowable expenses made pursuant to the College's grants and contracts, and other receivables. Receivables are recorded net of estimated uncollectible amounts.

1. Summary of Significant Accounting Policies (Cont.)

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

Inventories

Inventories of the campus store are stated at the lower of cost or net realizable value, cost being determined principally on the basis of average cost. Campus store inventories consist of books, clothing, and supplies. Inventories have been adjusted for obsolete merchandise. Inventories are recorded as an expense when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, and equipment, are recorded at cost at the date of acquisition, or their estimated fair market value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $1,000 or more, and an estimated useful life of greater than three years. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed on assets having a value of more than $1,000 using the straight-line method over the estimated useful lives of the assets. Depreciation is not allocated to the various functions of the College but is reported separately on these financial statements. The amortization expense of equipment under capital leases is included in depreciation expense.

Estimated useful lives used for calculating depreciation are as follows:

Land improvements – 10 to 15 years
Buildings and improvements – 10 to 40 years
Furniture and equipment – 5 to 10 years
Infrastructure – 10 to 50 years

Unearned Revenues

Unearned revenue includes amounts received for tuition, fees, and certain auxiliary activities prior to the end of the fiscal year, but related to the subsequent accounting periods. Unearned revenue may also include amounts received from grant and contract sponsors that have not yet been earned.

Federal programs are audited in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Compensated Absences Payable

The College's vacation policy permits employees to accumulate vacation at rates based on length of employment, which range from five days per year to twenty-four days per year. The current costs of vacation pay are recorded in the applicable fund. Faculty members who retire and are eligible for KPERS are paid for unused sick leave at a rate of $25 per day up to sixty days.

Section 125 Plan

The College offers a Section 125 flexible benefit plan to employees electing to participate. It is used for health insurance premiums, other medical costs and child care costs. The plan is administered by the health insurance provider.

1. Summary of Significant Accounting Policies (Cont.)

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

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of bonds payable, certificates of participation payable, related premiums and discounts, loans payable, and capital lease obligations with contractual maturities greater than one year; and (2) estimated amounts for the early retirement benefits, compensated absences, other post employment benefits and net pension liabilities not anticipated to be paid within the next fiscal year.

Pensions

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

Deferred Outflow/Inflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College has two items that qualify for reporting in this category. The first is the deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or original debt. The second is deferred outflows related to other post employment benefits and pensions as actuarially determined and explained in Note 6, 7 and 8, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has one item that qualifies for reporting in this category. It is the deferred inflows relating to other postemployment benefits and pensions as actuarially determined and explained in Note 6, 7 and 8, respectively.

Net Position

The College's net positions are classified as follows:

Net investment in capital assets – This represents the College's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position – nonexpendable – Restricted nonexpendable net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

1. Summary of Significant Accounting Policies (Cont.)

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

Net Position (Cont.)

Restricted net position – expendable – Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position – Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and 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 purpose.

Interfund Activity

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables and are subject to elimination upon consolidation. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Net Position Flow Assumption

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

Classification of Revenues

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

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, and (3) most federal, state and local grants and contracts.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources such as state and county appropriations and investment income.

Property Tax Information

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the January of the current fiscal year, such procedure being in conformity with governing Kansas statutes, current year property taxes receivable are recognized net of an allowance for delinquent taxes. A sixty-day period is used for revenue recognition.

The County Appraiser is responsible for assessment of all taxable property within Ford County. The County Clerk computes the annual tax and issues the tax bills to all taxpayers. Property taxes are collected by the County Treasurer, who remits to the College its respective share of the tax collections. Property taxes become a lien against all property on November 1st. Taxpayers have the option of paying in full, or in two installments. The installment dates are December 20 and May 10.

1. Summary of Significant Accounting Policies (Cont.)

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

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the differences 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 and expenses during that reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

(a) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

Senate Bill 13 repealed the tax lid law and introduced the use of a revenue neutral rate with an additional budget hearing required if the proposed tax levy exceeds the revenue neutral rate. These policy changes apply to the 2022 budget cycle. Additional information can be found in the Memo to State of Kansas Taxing Subdivisions (2021) at https://admin.ks.gov/offices/oar/municipal-services.

If the municipality 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 municipality did hold a revenue neutral rate hearing for this year.

The College's legal level of budget control is at the fund level. Kansas 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 ten 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 this year.

2. Stewardship, Compliance, and Accountability (Cont.)

(a) Budgetary Information (Cont.)

Kansas 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.

All legal annual operating budgets are prepared using the regulatory basis of accounting. Regulatory receipts are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments for future payment and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are not re-appropriated in the ensuing year's budget but are carried forward until liquidated or canceled. Accordingly, the data presented in the budgetary comparison schedules differs from the data presented in the financial statements prepared in accordance with GAAP. The reconciliations are presented on the face of the budgetary comparison schedules.

A legal operating budget is not required for current restricted funds, capital project funds, trust funds, and some special revenue funds. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

(b) Cash-Basis Law (KSA 10-1113)

Kansas municipalities are subject to the cash-basis law as stated in KSA 10-1113. Some sub-funds of the Restricted Funds have a negative unencumbered cash balance at June 30, 2023, which is allowable under KSA 12-1663. This fund will be reimbursed from federal grants, state grants, and other contracts for expenditures already incurred by the College in the following fiscal year. This combined receivable has been recognized for GAAP purposes on these financial statements.

3. Cash, Cash Equivalents, and Investments

As of June 30, 2023, the College had cash and cash equivalents as listed below:

Deposits in financial banking institutions	$ 5,745,250
State investment pool	2,577,922
Total cash and investments	$ 8,323,172

The allocation as presented on the statement of net postion is as follows:

Cash, cash equivalents and investments	$ 6,305,096
Restricted cash and investments	2,018,076
	$ 8,323,172

The College did not have any activity in investment-type assets.

The College's policies relating to deposits and investments are governed by various Kansas Statutes (KSA). Those statutes specify the type of deposits and investments as well as the securing of those deposits and investments.

3. Cash, Cash Equivalents and Investments (Cont.)

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with KSA 12-1675, the College manages its exposure to interest rate fluctuations by limiting all time investments to maturities of less than two years.

Credit risk – State law limits the amount of credit risk by restricting governments to specific investment types as listed in KSA 12-1675. The College's practice is to place idle funds in certificates of deposits, United States obligations, and the Kansas Municipal Investment Pool (KMIP). The KMIP was rated AAAf/S1+ by Standard & Poor's as of March, 2023. The KMIP is permitted to invest in fully collateralized certificates of deposit, certain obligations of the United States, certain repurchase/reverse repurchase agreements, and other types of investments.The fair value of the investments in the pool are the same as the value of the pool shares. The KMIP is managed by the Pool Investment Board of which four members are appointed by the Governor of the State of Kansas.

Custodial credit risk – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. KSA 9-1402 and 9-1405 requires that governments obtain security for all deposits. The College manages its custodial credit risk by requiring the financial institutions to grant a security interest in securities held by third-party custodial banks. Monies in the KMIP are not required to have pledged securities. As of June 30, 2023, the College was not exposed to custodial credit risk with its deposits or investments.

Concentration of credit risk – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and by the fact that the monies in the KMIP are diverse according to the policies of the investment pool.

Component unit – Investments of the Dodge City Community College Foundation consists of mutual funds, treasury obligations, certificates of deposits, and other investments. These investments are managed by the Finance Committee of the Foundation. These types of investments are not regulated by Kansas statutes. These investments are subject to all normal market risks.

At June 30, 2023, the College had invested in funds in the State's Municipal Investment Pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Dodge City Community College

Notes to Financial Statements

Year Ended June 30, 2023

4. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	(Decrease) Adjustments	Ending Balance
Non-depreciable capital assets:				
Land	$ 146,898	$ -	$ -	$ 146,898
Total non-depreciable capital assets	146,898	-	-	146,898
Depreciable capital assets:				
Buildings and Improvements	22,571,847	1,758,514	(2,424,926)	21,905,435
Furniture and Equipment	7,949,065	1,079,337	(824,296)	8,204,106
Infrastructure	684,292	-	(216,956)	467,336
Dorm	16,651,632	68,167	(134,688)	16,585,111
Leased Assets	1,228,205	2,915,000	-	4,143,205
Total depreciable capital assets	49,085,041	5,821,018	(3,600,866)	51,305,193
Less accumulated depreciation:				
Buildings and Improvements	(14,135,485)	(1,700,581)	2,415,407	(13,420,659)
Furniture and Equipment	(6,362,287)	(513,190)	824,296	(6,051,181)
Infrastructure	(612,183)	(7,733)	216,370	(403,546)
Dorm	(6,077,347)	(686,156)	134,687	(6,628,816)
Leased Assets	(356,121)	(549,493)	-	(905,614)
Total accumulated depreciation	(27,543,423)	(3,457,153)	3,590,760	(27,409,816)
Total capital assets, net	$ 21,688,516	$ 2,363,865	$ (10,106)	$ 24,042,275

Depreciation expense and amortization for the year ended June 30, 2023, is $3,457,153.

5. Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2023:

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Current Portion
Lease obligations	$ 12,306,873	$ 2,915,000	$ (1,447,238)	$ 13,774,635	$ 1,380,447
Premium on capital lease	182,747	-	(18,140)	164,607	18,140
Revenue bonds	3,545,000	-	(140,000)	3,405,000	140,000
Compensated absences	331,699	-	(7,631)	324,068	324,068
Early retirement benefits	72,796	62,620	(53,888)	81,528	31,747
Other post employment benefits	3,484,494		(109,748)	3,374,746	-
Net pension liability	196,909	-	716,560	913,469	-
Total long-term liabilities	$ 20,120,518	$ 2,977,620	$ (1,060,085)	$ 22,038,053	$ 1,894,402

5. Long-Term Liabilities (Cont.)

Payments on the vehicle leases are made from the General Fund. The science building lease is paid from the Vocational Education and Capital Outlay Funds. The note payable and industrial revenue bonds are being paid by the Foundation. Compensated absences, early retirement benefits, postemployment healthcare benefits, and the pension benefits are paid from the General and Vocational Education Fund. The dormitory revenue bonds are paid from the Student Housing Fund.

(a) Revenue bonds

Revenue bonds for student union and dormitory system improvements were issued March 14, 2013 in the original amount of $6,270,000. Interest rates are 1.00% to 4.00% and the maturity date is April 15, 2039. The principal balance at June 30, 2021 was $0. The bond was redeemed and refinanced into a certificate of participation lease on August 13, 2019 in the original amount of $5,035,000. Interest rates of 3% and the maturity date is April 15, 2038.

Revenue bonds for student union and dormitory system improvements were issued February 1, 2016 in the original amount of $4,195,000. Interest rates are 1.50% to 4.00% and the maturity date is May 1, 2041. The principal balance at June 30, 2023 is $3,405,000.

The annual debt service requirements for the revenue bonds are as follows:

Year Ending	Principal	Interest	Total
6/30/2024	140,000	121,595	261,595
6/30/2025	145,000	118,095	263,095
6/30/2026	150,000	114,035	264,035
6/30/2027	155,000	109,685	264,685
6/30/2028	160,000	105,035	265,035
6/30/29 - 6/30/33	875,000	443,005	1,318,005
6/30/34 - 6/30/38	1,045,000	271,725	1,316,725
6/30/39 - 6/30/41	735,000	59,600	794,600
Total	$ 3,405,000	$ 1,342,775	$ 4,747,775

(b) Leases

Refunding certificates of participation to refinance student union and dormitory system improvements were issued November 15, 2016 in the original amount of $4,440,000. Interest rate is 3.00% and the maturity date is April 1, 2034.

The College has entered into a a ten-year $420,000 lease purchase entered into on March 1, 2012 for the purchase of Student Union Equipment. The interest rate is 0.50% to 2.25%. The obligation is secured by the equipment.

The College has entered into a twelve-year $1,360,000 lease purchase entered into on April 15, 2013 for the purchase of Football Field, Bus, Dining Tables & Chairs. The interest rate is 1.833%. The obligation is secured by the equipment.

The College has entered into a fifteen-year $2,620,000 lease purchase entered into on August 15, 2015 for the purchase of equipment. The interest rate is 1.90% to 3.75%. The obligation is secured by the equipment.

5. Long-Term Liabilities (Cont.)

(b) Leases (cont.)

The College has entered into a fifteen-year $1,305,000 lease purchase entered into on August 15, 2015 for energy conservation improvements. The interest rate is 0.75% to 3.75%. The obligation is secured by the equipment.

The College has entered into a five-year $299,735 lease purchase entered into on January 23, 2018 for a 2007 MCI J4500 Motorcoach. The interest rate is 3.73%. The obligation is secured by the equipment.

The College has entered into a three-year $130,165 lease purchase entered into on June 25, 2019 for seven Chevrolet Malibu sedans. The interest rate is 4.902%. The obligation is secured by the equipment.

The College has entered into an eight-year $570,000 lease purchase entered into on May 14, 2018 for a Jenzabar EX Module, 2018 Dodge Ram, and Snowdogg Snow Blade. The interest rate is 2.92% - 3.25%. The obligation is secured by the equipment.

The College entered into a five-year $43,650 lease purchase agreement August 1, 2019 for a mini-bus. The interest rate is 4.37%. The obligation is secured by the bus.

The College entered into a five-year $89,058 lease purchase agreement July 29, 2019 for a suburban. The interest rate is 5.32%. The obligation is secured by the suburban.

The College has entered into an eighteen-year $5,035,000 lease purchased on August 13, 2019, for Real Property, a student housing facility on the College campus and provide funds to refund certain outstanding Student Union and Dormitory System Revenue Bonds, Series 2013. The interest rate is 3.00%. The obiligation is secured by the property.

The College entered into a five-year $387,600 lease agreement August May 7, 2020 for the Floris Jean Hampton Nursing Education Center. The obiligation is not secured and the property will return to the lessor at the end of the agreement.

The College has entered into an ten-year $655,253 lease agreement on June 30, 2020, for the Chaffin Industrial Park building. The interest rate is estimated at 3.00%. The obiligation is not secured and the property will return to the lessor at the end of the agreement.

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.

5. Long-Term Liabilities (Cont.)

The annual debt service requirements for leases are as follows:

Year Ending	Principal	Interest	Total
6/30/2024	$ 1,380,447	$ 407,304	$ 1,787,751
6/30/2025	1,412,818	369,401	1,782,219
6/30/2026	1,247,741	329,805	1,577,546
6/30/2027	1,210,257	291,486	1,501,743
6/30/2028	1,237,850	253,960	1,491,810
6/30/29 - 6/30/33	5,005,522	685,254	5,690,776
6/30/34 - 6/30/39	2,280,000	147,000	2,427,000
Total	$ 13,774,635	$ 2,484,210	$ 16,258,845

Interest expense for the fiscal year was $350,392.

(c) Early Retirement Benefit Plan

Full-time employees may voluntarily elect to retire early. Qualifying employees must have at least 15 years of service with the College, must meet the KPERS Early Retirement Qualification of 85 points (years of experience plus age), and must not be more than 64 years of age. The annual rate of retirement compensation is twelve percent of the last annual salary. Benefits will end after five years or when the retiree reaches age 65, whichever occurs first. For the year ended June 30, 2023, the College paid $47,650 in benefits. The liability for the early retirement benefit plan includes the expected cash outflows discounted at a range of 1.48% to 3.810%. At year end, there were 9 retirees receiving benefits.

(d) Revenue Bond Covenants

The College is required to maintain certain covenants related to the revenue bond. Specifics of these covenants are as follows:

The 2016 Revenue Bond covenants request the number of users served by the Student Union and Dormitory System (System). The number of users totaled 370.

The 2016 Revenue Bond covenants request information on insurance coverage for the System. Insurance is as follows:

Character	Amount	Expiration Date	Annual Premium
Building	$ 23,186,712	7/1/2024	$ 61,444

Rate covenants set forth in Section 802 of the bond resolution require debt service coverage ratio of not less than 125%. The College met the rate covenant ratio requirements set forth in Section 802.

The College issued revenue bonds to finance activities of its auxiliary enterprise funds. Investors in those bonds rely on the revenue generated by the individual activities for repayment. Descriptive information for the College's segment is listed below.

5. Long-Term Liabilities (Cont.)

(d) Revenue Bond Covenants (Cont.)

Student Union and Dormitory System Revenue Bonds Series 2016

The revenues pledged to this Series 2016 bonds consist of net revenues generated from the Dormitory system and the Union system of the College. The condensed financial information for this segment is as follows:

Condensed Statement of Net Assets	
Assets:	
Current assets	$ 1,018,970
Capital assets, net	9,956,295
Total assets	10,975,265
Deferred outflows of resources:	
Deferred charge on refunding	428,763
Total assets and deferred outflows of resources	$ 11,404,028
Liabilities:	
Current liabilities	$ 73,365
Long-term liabilities	11,245,534
Total liabilities	11,318,899
Net Position:	
Invested in capital assets, net of related debt	(860,476)
Restricted	814,709
Unrestricted	130,896
Total net position	85,130
Total liabilities and net position	$ 11,404,028
Condensed Statement of Revenues, Expenses and Changes in Net Assets	
Operating Revenue	$ 1,442,674
Depreciation and amortization expense	(686,156)
Other operating expense	(448,799)
Operating income	307,719
Nonoperating revenues (expenses):	
Interest expense	(390,614)
Interfund transfers	612,651
Change in net assets	529,756
Beginning net assets	(421,932)
Ending net assets	$ 107,824
Condensed Statement of Cash Flows	
Net cash provided (used) by:	
Operating activities	$ 1,606,526
Capital financing activities	(1,041,044)
Net increase (decrease)	565,482
Beginning cash and cash equivalents and investments	476,182
Ending cash and cash equivalents and investments	$ 1,041,664

6. Other Postemployment Healthcare Benefits (OPEB)

Plan description

The Dodge City Community College Medical Benefit Plan is a single-employer defined benefit healthcare plan administered by the College. The College sponsors medical, prescription drug and dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance with stop-loss coverage. Qualifying retirees are those employees who retire with immediate benefits under the Kansas Public Employees Retirement System. The College does not issue separate financial statements for the Medical Benefit Plan.

Coverage is available for life. Spouses of deceased retirees may continue coverage up to 3 additional years by paying the Cobra rate.

Retiree coverage is delivered through the group insurance program of the College. Coverage is provided through a self-insurance arrangement with stop-loss coverage for claims exceeding $35,000. Plan coverage coordinates with Medicare for those retirees age 65 and over. Medical coverage is made available through a PPO program with three deductible level plan options. A high deductible plan option (Option 3) was added effective July 1, 2019.

Retirees and beneficiaries receiving benefits	6
Active plan members	155
Total	161

Funding Policy

As provided by K.S.A. 12-5040, the College allows retirees to participate in the group health insurance plan. Plan members retiring with at least 15 years' service have a portion of their blended premium paid by the College until age 65. Otherwise, retirees must pay the full blended premium to maintain coverage. Coverage is available for life. Spouses of deceased retirees may continue coverage up to 3 additional years by paying the Cobra rate.

Employer Contribution

An employer may make contributions through an irrevocable transfer of assets to a qualifying trust, direct payment of benefits or a combination of these. Without a trust and self-funded, the contribution equals retiree claims plus admin costs, less any retiree contribution premiums. Without a trust and not self-funded, the contribution equals age-adjusted premium costs, less any retiree contribution premiums.

Annual OPEB Cost and Net OPEB Obligation

The College's annual OPEB cost (expense) consists of the service cost plus interest on total OPEB liability and changes in assumptions and inputs. The service cost is the portion of the Actuarial Present Value of OPEB benefits that is allocated to the current year by the Actuarial Cost method. The following table presents the components of the College's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the College's total OPEB obligation to the Plan.

6. Other Postemployment Healthcare Benefits (OPEB) (Cont.)

Annual OPEB Cost and Net OPEB Obligation (Cont.)

	June 30, 2023
Total OPEB liability - beginning of year	$ 3,484,494
Service cost	430,707
Interest cost	150,158
Changes in benefit terms	-
Differences between actual and expected experience	69,759
Changes in assumptions and inputs	(630,372)
Employer contributions (benefit payments)	130,000
Net changes	(109,748)
Net OPEB liability - end of year	$ 3,374,746

The College saw no benefit changes to the disabilitant's percentage of replacement income due to the changes from FY22 to FY23.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.90% in 2022 to 4.00% in 2023 in accordance with GASB 75.

Changes and items of impact relative to the prior valuation are noted below:

Changes from the beginning to the end of year measurement for FY 2022-2023 are noted below:

- The discount rate changed from 3.9% to 4.0%.
- The per capita costs and retiree contribution premiums were updated as part of the evaluation. The July 1, 2023 renewal was taken into account.
- It has been clarified that a different rate of direct College premium contribution applies to Plan 1 and Plan 2. Previously it was our understanding the same rate applied to all plan options.
- It has been clarified that no trend applies to retiree contribution premiums applicable to the four current Medicare retirees.
- The assumed enrollment rate for future retiring employees at age 65 and older was lowered from 20% to 15%.
- Previously all future retiring employees were assumed to elect Plan 2. Active employees electing Plan 1 and those currently waiving are now assumed to elect Plan 1. Active employees electing Plan 2 and Plan 3 are still assumed to elect Plan Option 2 during retirement.

Total OPEB Liability

The College's total OPEB liability of $3,374,746 reported as of June 30, 2023 was measured as of June 30, 2023 (the measurement date), and was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions:

Valuation Procedures and Discount Rate

Salary increases; including wage increases	2.50%
Discount rate	4.00%

6. Other Postemployment Healthcare Benefits (OPEB) (Cont.)

Valuation Procedures and Discount Rate (Cont.)

GASB 75 standards require a single discount rate be determined. To the extent Plan (i.e. Trust) assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent a Plan is not projected to be sufficient make future benefit payments the yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to the College's program.

In order to determine the municipal bond rate the actuaries took the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 3.9% and 4.0% as of the beginning and end of year measurement dates, respectively. These were used as the discount rates to determine present value costs.

Mortality rates used for the dealth benefits were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

The valuation dated for FY 2023 beginning and end of year measurement is July 1, 2022, respectively. The Total OPEB liability was projected using actuarial techniques from the valuation date to the commensurate measurement date. Appropriate assumptions and benefit terms as of the applicable measurement date were valued.

The measurement date as selected by the College under GASB 75 Standards is June 30th.

In the July 1, 2022, actuarial valuation, the Entry Age Normal - Level Percent of pay Actuarial Cost method was applied. The actuarial assumptions included a 3.00% investment rate of return, which is a blended rate of the expected long-term investment returns on Plan assets and on the College's pooled funds and investments. The valuation assumed annual healthcare cost trend rate of 7.00% in the first year and then 6.50% in year two, decreasing by 0.50% until year 5 and then decreasing by 0.25% until year 7 when it reaches an ultimate rate of 4.50%. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results.

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	$ 2,764,376	$ 3,374,746	$ 4,186,686
Increase / (Decrease) from Baseline	(610,370)		811,940

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 3.0%	Current Single Discount Rate Assumption 4.0%	1% Increase 5.0%
Total OPEB Liability	$ 3,985,955	$ 3,374,746	$ 2,890,684
Increase / (Decrease) from Baseline	611,209		(484,062)

6. Other Postemployment Healthcare Benefits (OPEB) (Cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023 the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 311,109	$ 3,063,287
Changes in assumptions	1,136,596	2,942,452
Benefit payments subsequent to the measurement date (1)	-	-
Total	$ 1,447,705	$ 6,005,739

(1) Expected Employer Contributions between Measurement date and Reporting date - Does not apply.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an expense/(income) item in OPEB expense as follows:

Year ended June 30:	Amount
2024	$ (402,502)
2025	(402,502)
2026	(402,502)
2027	(402,502)
2028	(402,502)
Thereafter	(2,545,524)

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

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

Contributions

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended June 30, 2023, totaled $13,994.

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.

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

Benefits

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

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

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

Covered Employees

The College has the following employees covered by the Plan as of June 30, 2022:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	184
Total	186

Total OPEB Liability

At June 30, 2022 (actuarial report date), the total OPEB liability recognized by the State of Kansas that was attributable to the College was $109,912.

Actuarial Assumptions

The financial information for fiscal year 2022-23 is based upon actuarial valuation performed as of December 31, 2021 rolled forward to June 30, 2022, using the participant census as of July 1, 2021.

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

Price inflation	2.75%
Salary increases, including wage increases	3.50-10.00%
Discount rate (based on the 20 year municipal bond rate with an average rating of AA/Aa or better, obtained from the index.)	3.54%

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

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2021 Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2021.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study conducted for the three years ending December 31, 2018.

Revenue and OPEB Expense Recorded by the College

For the year ended June 30, 2023, the College recognized revenue and OPEB expense in an equal amount of $13,994.

8. Defined Benefit Pension Plan

Plan Description

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

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

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

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

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

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

8. Defined Benefit Pension Plan (Cont.)

Benefits Provided

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

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by KSA 74-4922.

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

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.20% of total payroll for the fiscal year ended June 30, 2022.

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

8. Defined Benefit Pension Plan (Cont.)

Contributions (cont.)

KSA 74-4919 and KSA 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members.

The College's contractually required contributions rate for the year ended June 30, 2022, was 14.20% of the annual college payroll of which .01% of payroll was required from the College and 99.99% of payroll was required from the State. The College's contributions to the pension plan were $89,550 for the year ended June 30, 2022 (actuarial report date).

Legislature in the 2015 session authorized issuance of $1.0 billion in net bond proceeds to improve the funding of the State/School group. The bonds were issued in August 2015 and deposited in the trust fund on August 20, 2015.

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.

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

At June 30, 2023, the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the net pension liability	$ 913,469
State's proportionate share of the net pension liability associated with the College	14,979,418
	$ 15,892,887

8. Defined Benefit Pension Plan (Cont.)

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

The net pension liability was measured as of December 31, 2021, which was rolled forward to June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the that date. The College's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and non-employer contributions of the group for the fiscal year ended June 30, 2022. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2022, the combined College and State's proportion was .2224%, which was a decrease of .049% from its proportion measured as of the year ended June 30, 2021.

For the actuarial report as of June 30, 2022, there were changes in assumptions and benefits as described in the notes to the required supplemental information.

There were no changes between the measurement date of December 31, 2021, rolled forward to June 30, 2022, and the College's reporting date of June 30, 2023.

For the year ended June 30, 2023, the College recognized pension expense of $1,470,432.44 and revenue of $1,470,432.44 for support provided by the state. For the portion related to the "working after retirement" the College recognized pension expense of $8,815, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. At the measurement date of June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions for the College from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,247	$ 397
Changes of assumptions	140,417	-
Net difference between projected and actual earnings on pension plan investments	76,930	-
Changes in proportion and differences between College contributions and proportionate share of contributions	462,056	83,499
Total	$ 699,650	$ 83,896

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses by the College as follows:

Year ended June 30:	Amount
2023	$ 145,635
2024	146,283
2025	120,207
2026	184,077
2027	19,552
Thereafter	-
	$ 615,754

8. Defined Benefit Pension Plan (Cont.)

Actuarial assumptions

The total pension liability recognized by the State and the portion recognized by the College, were determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

• Price Inflation	2.75 percent
• Wage inflation	3.50 percent
• Salary increases, including wage increases	3.50 to 12.0 percent, including inflation
• Long-term rate of return, net of investment expense, and including price inflation	7.00 percent

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

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the most recent experience study, dated 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
U.S. Equities	23.50%	5.20%
Non-U.S. 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 Investments	4.00%	0.25%
Total	100.00%	

The discount rate used to measure the total pension liability at the measurement date of June 30, 2022 was 7.00 percent. The discount rate used to measure total pension liability at the prior measurement date of June 30, 2021 was 7.25 percent. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

The projection of cash flows used to determine the discount rate was based on member and employer contributions. In KPERS, Local groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2021 was 1.2 percent.

8. Defined Benefit Pension Plan (Cont.)

Actuarial assumptions (cont.)

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

In addition, 2017 S Sub. For Sub. HB 2052 delayed $64.1 million in Fiscal Year State/School contributions, to be repaid over 20 years in level dollar installments. The first year payment of $6.4 million was paid in full at the beginning of of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made at the statutory contribution rate of 12.01 percent for the State/School group.. Additional legislation in the 2017 Session (S 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 onbehalf 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 2020. 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.

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

The table below presents the net pension liability of the Pension Plan as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
$1,291,370	$913,469	$597,654

9. Risk Management

The 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. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

9. Risk Management (Cont.)

The College has a medical self-insurance program to finance its uninsured risks of loss for medical insurance claims of College employees and their covered dependents, and to minimize the total costs of annual insurance to the College. The College currently reports all of its medical self-insurance activities in the Medical Benefit Plan Fund. The self-insurance program is handled by an outside administrator who determines claims to be paid by the College. A stop loss insurance policy is purchased by the College to cover claims above $35,000 per employee. Liability for unpaid claims is estimated based upon fiscal year claims paid after year-end. Changes in the claims liability for the current and prior fiscal years have been as follows:

Changes in claims liabilities during the past year is summarized below:

Unpaid claims, June 30, 2022	$ 869,102
Claims and changes in estimates	1,533,698
Claim payments	(2,050,387)
Unpaid claims, June 30, 2023	$ 352,413

10. Related Party Transactions Between the College and its Component Unit

The Dodge City Community College Foundation paid $71,200 in student scholarships during the current fiscal year.

The College provides administrative support, office space, and other services to the Dodge City Community College Foundation. The Foundation does not reimburse the College for expenses incurred.

11. Contingent Liabilities

The College receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the College. However, in the opinion of management, any such disallowed claims would not have a material effect on the financial statements.

On July 10, 2017, the College and specified current and former employees of the College were served with a Grand Jury Subpoena issued by the U.S. District Court for the District of Arizona. The Grand Jury Subpoena identified numerous documents to be produced primarily related to the College's business relationship with a private corporation, the College's flight program and benefits paid to or on behalf of students through the U.S. Department of Veterans Affairs. The College formally settled this July 29, 2022.

12. Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION

Dodge City Community College
Schedule of Changes in the Net OPEB Liability - Healthcare
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability - Beginning of year	$ 3,484,494	$ 7,542,698	$ 5,853,233	$ 6,515,924	$ 5,247,449	$ 4,321,581	For 2014 to 2017, this data is not yet available.			
Service Cost	430,707	931,235	769,912	594,429	505,656	451,132	For 2014 to 2017, this data is not yet available.			
Interest Cost	150,158	168,949	171,175	212,636	188,153	161,167	For 2014 to 2017, this data is not yet available.			
Changes in Benefit Terms	-	-	-	-	-	-	For 2014 to 2017, this data is not yet available.			
Differences between actual and expected experience	69,759	(2,323,263)	(94,201)	(1,610,691)	441,241	-	For 2014 to 2017, this data is not yet available.			
Changes in assumptions and inputs	(630,372)	(2,782,125)	921,579	185,935	236,425	378,569	For 2014 to 2017, this data is not yet available.			
Employer contributions	(130,000)	(53,000)	(79,000)	(45,000)	(103,000)	(65,000)	For 2014 to 2017, this data is not yet available.			
Net Changes	(109,748)	(4,058,204)	1,689,465	(662,691)	1,268,475	925,868	For 2014 to 2017, this data is not yet available.			
Total OPEB Liability - End of year	$ 3,374,746	$ 3,484,494	$ 7,542,698	$ 5,853,233	$ 6,515,924	$ 5,247,449	For 2014 to 2017, this data is not yet available.			

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2014-2017 is not available under the measurement requirements of GASB 75.

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

Dodge City Community College
Schedule of the College's Proportionate Share of the Net OPEB Liability - Healthcare
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability	$ 3,374,746	$ 3,484,494	$ 7,542,698	$ 5,853,233	$ 6,515,924	$ 5,247,449	For 2014 to 2017, this data is not yet available.			
Fiduciary net position	-	-	-	-	-	-	For 2014 to 2017, this data is not yet available.			
Net OPEB liability	$ 3,374,746	$ 3,484,494	$ 7,542,698	$ 5,853,233	$ 6,515,924	$ 5,247,449	For 2014 to 2017, this data is not yet available.			
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	For 2014 to 2017, this data is not yet available.			
Covered-employee payroll	$ 8,692,893	$ 8,692,893	$ 7,694,653	$ 7,694,653	$ 7,116,677	$ 7,116,677	For 2014 to 2017, this data is not yet available.			
Net OPEB liability as a percentage of covered-employee payroll	38.8%	40.1%	98.0%	76.1%	91.6%	73.7%	For 2014 to 2017, this data is not yet available.			

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2014-2017 is not available under the measurement requirements of GASB 75.

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

Dodge City Community College
Schedule of the College's Proportionate Share of the Net OPEB Liability - KPERS Death and Disability
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability	$ 109,912	$ 95,918	$ 103,781	$ 92,627	$ 93,797	$ 83,286	For 2014 to 2017, this data is not yet available.			
Fiduciary net position	-	-	-	-	-	-	For 2014 to 2017, this data is not yet available.			
Net OPEB liability	$ 109,912	$ 95,918	$ 103,781	$ 92,627	$ 93,797	$ 83,286	For 2014 to 2017, this data is not yet available.			
Nonemployer contributing entities' total proportionate share of collective net OPEB liability	$ 109,912	$ 95,918	$ 103,781	$ 92,627	$ 93,797	$ 83,286	For 2014 to 2017, this data is not yet available.			
Employer's proportionate share of the collective net OPEB liability	-	-	-	-	-	-	For 2014 to 2017, this data is not yet available.			
Covered-employee payroll	$ 9,671,594	$ 8,976,373	$ 9,092,616	$ 9,522,517	$ 9,716,517	$ 9,952,050				
Nonemployer's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	1.14%	1.07%	1.14%	0.97%	0.97%	0.84%				
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	For 2014 to 2017, this data is not yet available.			

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2014-2017 is not available under the measurement requirements of GASB 75.

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

Dodge City Community College
Schedule of the College's OPEB Contributions - KPERS Death & Disability
For the Year Ended June 30, 2023

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required OPEB contributions	$ 8,131	$ 6,376	$ 6,732	$ 3,332	$ 3,261	$ -	For 2014 to 2017, this data is not yet available.			
OPEB contributions in relation to statutorily required contributions**	8,131	6,376	6,732	3,332	3,261	-	For 2014 to 2017, this data is not yet available.			
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
College's covered-employee payroll	$ 9,671,594	$ 8,976,373	$ 9,092,616	$ 9,522,517	$ 9,716,517	$ 9,952,050	For 2014 to 2017, this data is not yet available.			
OPEB contributions as a percentage of covered payroll	0.08%	0.07%	0.07%	0.03%	0.03%	0.00%	For 2014 to 2017, this data is not yet available.			

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2014-2017 is not available under the measurement requirements of GASB 75.

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

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

Dodge City Community College
Schedule of the College's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion share of the net pension liability (asset)	0.009%	0.003%	0.004%	0.004%	0.005%	0.004%	0.002%	0.002%	For 2014-2015, this data is not yet	
College's proportionate share of the net pension liability (asset)	$ 913,469	$ 196,909	$ 384,057	$ 354,107	$ 404,326	$ 386,206	$ 167,471	$ 141,865	For 2014-2015, this data is not yet	
State's proprotionate share of the net pension liability (asset)	0.141%	0.123%	0.136%	0.149%	0.156%	0.166%	0.175%	0.189%		
State's proprotionate share of the net pension liability (asset)	$ 14,979,418	$ 9,574,097	$ 14,269,822	$ 13,249,727	$ 14,208,476	$ 15,341,965	$ 15,727,234	$ 15,651,512	For 2014-2015, this data is not yet	
Total collective net pension liability (asset)	$ 15,892,887	$ 9,771,006	$ 14,653,879	$ 13,603,834	$ 14,612,802	$ 15,728,171	$ 15,894,705	$ 15,793,377	For 2014-2015, this data is not yet	
College's covered-employee payroll	$ 11,216,113	$ 10,535,543	$ 10,374,666	$ 10,681,793	$ 9,936,236	$ 10,182,062	$ 10,069,264	$ 10,086,731	For 2014-2015, this data is not yet	
Toal collective net pension liability (asset) as a percentage of its covered-employee payroll	141.697%	92.743%	141.247%	127.355%	147.066%	154.469%	157.854%	156.576%	For 2014-2015, this data is not yet	
Plan fiduciary net position as a percentage of the total pension liability	69.752%	76.404%	66.302%	69.878%	67.119%	65.097%	64.946%	66.602%	For 2014-2015, this data is not yet	

Note: For June 30, 2016, GASB 68 was implemented. The information for years 2014-2015 is not available under the measurement requirements of GASB 75.

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

Dodge City Community College
Schedule of College Contributions
For the Year ended June 30, 2021

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 89,550	$ 24,651	$ 36,626	$ 35,251	$ 35,498	$ 27,378	$ 11,645	$ 8,900	$ -	$ -
Contributions in relation to the contractually required contribution	(89,550)	(24,651)	(36,626)	(35,251)	(35,498)	(27,378)	(11,645)	(8,900)	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered-employee payroll	$ 11,216,113	$ 10,535,543	$ 10,374,666	$ 10,681,793	$ 9,936,236	$ 10,182,062	$ 10,069,264	$ 10,086,731	$ -	$ -
Contributions as a percentage of covered-employee payroll	0.80%	0.23%	0.35%	0.33%	0.36%	0.27%	0.12%	0.09%	0.00%	0.00%

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

Note: For June 30, 2016, GASB 68 was implemented. The information for years 2014-2015 is not available under the measurement requirements of GASB 75.

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

Dodge City Community College
Notes to Required Supplementary Information
For the Year Ended June 30, 2022

Other Post Employment Benefits - Healthcare

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes from the beginning to the end of year measurement for FY 2022-23 are noted below:

- The discount rate changed from 3.9% to 4.0%.
- The assumed salary scale was revised from 2.0% to 2.5%
- The per capita costs, retiree contribution premiums and trend assumptions were updated were updated taking into account the September 1, 2023 renewal.

Other Post Employment Benefits - KPERS Death and Disability

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

- Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in June 30, 2021 actuarial report to 3.54% at June 30, 2022, actuarial report.
- Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2021.

Defined Benefit Pension Plan

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes from the beginning to the end of year measurement for the valuation report dated June 30, 2022, are noted below:

- Price inflation remained unchanged at 2.75 percent.
- Investment return assumption was lowered from 7.25 percent to 7.00 percent componded annually, net of investment expense, and including price inflation.
- General wage growth assumption was raised from 3.5 percent to 12.00 percent, including price inflation.

SUPPLEMENTARY INFORMATION

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
General Fund
Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Student sources	$ 3,300,000	$ 3,300,000	$ 2,311,044	$ (988,956)
State sources	1,561,844	1,561,844	1,578,668	16,824
County sources	12,304,270	12,304,270	12,015,198	(289,072)
Other sources	-	-	385,184	385,184
Total Cash Receipts	$ 17,166,114	$ 17,166,114	16,290,094	$ (876,020)
Expenditures and Transfers Subject to Budget				
Instruction	$ 2,750,000	$ 2,750,000	2,217,916	$ (532,084)
Academic support	1,000,000	1,000,000	1,260,001	260,001
Student services	4,000,000	4,000,000	3,632,898	(367,102)
Institutional support	4,000,000	4,000,000	4,016,917	16,917
Operation and maintenance	4,400,000	4,400,000	3,482,616	(917,384)
Scholarships	435,000	435,000	160,689	(274,311)
Debt service	-	-	466,391	466,391
Nonmandatory transfers out	2,250,000	2,250,000	2,912,651	662,651
Total Expenditures and Transfers Subject to Budget	$ 18,835,000	$ 18,835,000	18,150,079	$ (684,921)
Receipts Over (Under) Expenditures			(1,859,985)	
Unencumbered Cash, July 1			7,348,909	
Unencumbered Cash, June 30			$ 5,488,924	
Unencumbered Cash, June 30			$ 5,488,924	
Encumbrances			-	
GAAP fund balance (internal books)			$ 5,488,924	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Postsecondary Technical Education Fund
Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Student sources	$ 2,500,000	$ 2,500,000	$ 1,682,916	$ (817,084)
State sources	2,375,503	2,375,503	1,549,833	(825,670)
Other sources	-	-	7,262	7,262
Transfer from General Fund	1,500,000	1,500,000	2,300,000	800,000
Total Cash Receipts	$ 6,375,503	$ 6,375,503	5,540,011	$ (835,492)
Expenditures Subject to Budget				
Instruction	$ 3,500,000	$ 3,500,000	3,355,726	$ (144,274)
Academic support	2,000,000	2,000,000	399,699	(1,600,301)
Student services	18,000	18,000	16,957	(1,043)
Institutional support	1,700,000	1,700,000	1,636,148	(63,852)
Operation and maintenance	175,000	175,000	166,329	(8,671)
Scholarships	-	-	-	-
Total Expenditures Subject to Budget	$ 7,393,000	$ 7,393,000	5,574,859	$ (1,818,141)
Receipts Over (Under) Expenditures			(34,848)	
Unencumbered Cash, July 1			109,273	
Unencumbered Cash, June 30			$ 74,425	
Unencumbered Cash, June 30			$ 74,425	
Encumbrances			-	
GAAP fund balance (internal books)			$ 74,425	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Adult Education Fund
Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Student sources	$ -	$ -	$ 20,500	$ 20,500
Federal sources	135,000	135,000	184,286	49,286
State sources	8,500	8,500	61,749	53,249
County sources	6,825	6,825	59,126	52,301
Other sources	50,000	50,000	-	(50,000)
Total Cash Receipts	$ 200,325	$ 200,325	325,661	$ 125,336
Expenditures Subject to Budget				
Instruction	$ 250,000	$ 250,000	-	$ (250,000)
Operation and maintenance	85,000	85,000	-	(85,000)
Institutional support	-	-	335,000	335,000
Total Expenditures Subject to Budget	$ 335,000	$ 335,000	335,000	$ -
Receipts Over (Under) Expenditures			(9,339)	
Unencumbered Cash, July 1			231,635	
Unencumbered Cash, June 30			$ 222,296	
Unencumbered Cash, June 30			$ 222,296	
Encumbrances			-	
GAAP fund balance (internal books)			$ 222,296	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Adult Supplementary Fund
Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Student sources	$ -	$ -	$ -	$ -
Expenditures Subject to Budget				
Instruction	$ -	$ -	-	$ -
Receipts Over (Under) Expenditures			-	
Unencumbered Cash, July 1			11,652	
Unencumbered Cash, June 30			$ 11,652	
Unencumbered Cash, June 30			$ 11,652	
Receivables			-	
GAAP fund balance (internal books)			$ 11,652	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Auxiliary Enterprise Funds
Year Ended June 30, 2023

	Budgeted Amounts		Actual						Variance With Final Budget
	Original	Final	Bookstore	Child Dev Center	Food Service	Housing	Student Union	Total Budgetary Basis	Over (Under)
Cash Receipts									
Charges for services	$ 3,000,000	$ 3,000,000	$ 262,023	$ 186,621	$ 1,044,156	$ 1,442,674	$ -	$ 2,935,474	$ (64,526)
Other	-	-	-	-	-	-	-	-	-
Total Cash Receipts	$ 3,000,000	$ 3,000,000	262,023	186,621	1,044,156	1,442,674	-	2,935,474	$ (64,526)
Expenditures and Transfers Subject to Budget									
Salaries and benefits	$ 580,260	$ 580,260	82,938	274,656	-	250,332	-	607,926	$ 27,666
General operating	376,000	376,000	17,986	2	11,354	304,383	21,474	355,199	(20,801)
Supplies	64,000	64,000	4,482	29,515	65	10,470	-	44,532	(19,468)
Cost of sales	1,000,000	1,000,000	178,677	-	848,440	-	-	1,027,117	27,118
Capital expenses	50,000	50,000	144,400	-	23,655	15,730	1,700	185,485	135,485
Bookstore Scholarships	150,000	150,000	-	-	-	-	-	-	(150,000)
Mandatory transfers out (in)	-	-	-	-	-	-	-	-	-
Total Expenditures and Transfers Subject to Budget	$ 2,220,260	$ 2,220,260	428,483	304,173	883,514	580,915	23,174	2,220,259	$ -
Receipts Over (Under) Expenditures			(166,460)	(117,552)	160,642	861,759	(23,174)	715,215	
Unencumbered Cash, July 1			276,014	(131,274)	211,810	193,731	(37,980)	512,301	
Unencumbered Cash, June 30			$ 109,554	$ (248,826)	$ 372,452	$ 1,055,490	$ (61,154)	$ 1,227,516	*

* Exempt from Cash-Basis Law (KSA 10-1116).

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Capital Outlay Fund
Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Local sources	$ 782,489	$ 782,489	$ 751,020	$ (31,469)
Expenditures and Transfers Subject to Budget				
Operations and maintenance:				
Capital expense	$ 50,000	$ 50,000	489,337	$ 439,337
Retirement of indebtedness	610,000	610,000	-	(610,000)
Interest and fees	370,000	370,000	-	(370,000)
Total Expenditures and Transfers Subject to Budget	$ 1,030,000	$ 1,030,000	489,337	$ (540,663)
Receipts Over (Under) Expenditures			261,683	
Unencumbered Cash, July 1			719,012	
Unencumbered Cash, June 30			$ 980,695	

SINGLE AUDIT SECTION

Dodge City Community College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Identifying Number	Disbursements/ Expenditures
Department of Education			
Direct Programs:			
Student Financial Aid (SFA) Cluster			
Supplemental Education Opportunity Grant	84.007	P007A201505	$ 75,863
Federal Work Study Program	84.033	P033A201505	39,927
PELL Grant	84.063	P063P201462	2,188,236
Federal Direct Student Loan	84.268	P268K201462	1,119,165
Total Student Financial Aid (SFA) Cluster			3,423,191
Cares Act Cluster (COVID-19)			
Higher Education Emergency Relief Fund Student Aid Portion	84.425E	P425E201980 - 20A	-
Higher Education Emergency Relief Fund Institutional Portion	84.425F	P425F202606 - 20A	1,118,324
Higher Education Emergency Relief Fund Minority	84.425L		338,738
Higher Education Emergency Relief Fund Emergency Ed Relief	84.425C		29,197
Total Cares Act Cluster			1,486,259
Title V - Connecting to Success	84.031S	P031S200047	509,316
TRIO Cluster			
TRIO - Student Support Services	84.042A	P042A200085-21	151,200
TRIO - Talent Search Program	84.044		230,515
Total TRIO Cluster			381,715
Passed Through Kansas Board of Regents:			
Adult Education State Grant	84.002	V002A190016	213,056
Vocational Education - Carl Perkins	84.048	V048A190016	24,828
TOTAL DEPARTMENT OF EDUCATION			6,038,365
U.S. Department of Defense			
Passed through University of Kansas			
Center for Research, Inc.			
Kansas Coalition Intelligence Community Center for Academic Excellence	12.598		10,653
TOTAL DEPARTMENT OF DEFENSE			10,653
National Science Foundation			
Passed through Kansas State University			
Pathways to STEM: Kansas Louis Stokes Alliance for Minority Participation	47.076		49,419
TOTAL NATIONAL SCIENCE FOUNDATION			49,419

-Continued-

Dodge City Community College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Identifying Number	Disbursements/ Expenditures
U.S Department of Health and Human Services			
Passed through Kansas State University:			
Kansas Bridges to the Future	93.859		$ 24,299
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			24,299
Corporation for National Service			
Direct program:			
Retired and Senior Volunteer Program	94.002		49,265
TOTAL CORPORATION FOR NATIONAL SERVICE			49,265
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 6,172,001

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Dodge City Community College of Dodge City, Kansas, under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Account Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The College has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

520 S. Main Street
P.O. Box 7
Galva, KS 67443
620-654-7565
www.loyd-group.com

INDEPENDENT AUDITOR'S 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*

Board of Trustees
Dodge City Community College
Dodge City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the business-type activities, and the aggregate discretely presented component units of Dodge City Community College as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise Dodge City Community College's basic financial statements, and have issued our report thereon dated February 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dodge City 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 Dodge City Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Dodge City 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 entity'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 to 2023-004.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dodge City 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2023-00 to 2023-007.

Dodge City Community College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Dodge City Community College's response to the findings identified in our audit and described in the accompanying or schedule of findings and questioned costs. Dodge City Community College's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
February 21, 2024

LOYD GROUP, LLC

520 S. Main Street
P.O. Box 7
Galva, KS 67443
620-654-7565
www.loyd-group.com

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

Board of Trustees
Dodge City Community College
Dodge City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dodge City Community College's (College) 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 the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *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 the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-005 to 2023-007. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on Dodge City Community College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Dodge City Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 to 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 Dodge City 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. Dodge City 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.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
February 21, 2024

Dodge City Community College

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section 1 – Summary of Auditor's Results

<u>Financial Statements</u>

1. Type of auditor's opinion issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	Yes
3. Noncompliance material to the financial statements noted?	No

<u>Federal Awards</u>

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	Yes
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs:	
	<u>Federal Assistance No</u>.
Student Financial Aid Programs:	
Federal Supplemental Educational Opportunity Grant Program	84.007
Federal Work-Study Program	84.033
Federal PELL Grant Program	84.063
Federal Direct Student Loan Program	84.268
Higher Education Emergency Relief Fund	84.425F, 84.425L
5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

Section 2 – Findings – Financial Statement Audit

2023-001 SIGNIFICANT DEFICIENCY – BANK RECONCILIATIONS

Condition: Bank reconciliations were not prepared timely and did not tie to the accounting software ending balances.

Criteria: Bank reconciliations should be prepared monthly and tie to the accounting software ending balances.

Cause: The software conversion and new chart of accounts errors as noted in the software and chart of accounts point above, prevented timely reconciliations and tying to the accounting software ending balances.

2023-001 SIGNIFICANT DEFICIENCY – BANK RECONCILIATIONS (CONT.)

Effect: Incorrect reconciliation of bank accounts.

Perspective: The software conversion in the prior year and new chart of accounts contained errors in balances as discussed in software and chart of accounts point above. The College ended up manually reconciling the balances by dumping the transactions from the software into Excel and completing the reconciliations in Excel. Balances as of 2023 have been reconciled.

Recommendation: Bank reconciliations should be completed timely and tie to the accounting system's cash balances. Due to the fact that the 2023 audit is being finalized in February 2024, we recognize that the College will need to catch up for the 2024 audit and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. They have gone through extensive work to correctly setup accounts and determine correct balances. They will begin working to have the 2024 reconciliations caught up.

2023-002 SIGNIFICANT DEFICIENCY – ACCOUNTS RECEIVABLE RECONCILATIONS

Condition: Accounts receivable reconciliations between the subledger and general ledger were not prepared timely and did not tie to the accounting software ending balances.

Criteria: Accounts receivable reconciliations between the subledger and general ledger should be prepared monthly and tie to the accounting software ending balances.

Cause: The software conversion and new chart of accounts errors in prior year prevented timely reconciliations and tying between the subledger and general ledger balances.

Effect: Incorrect reconciliation of accounts receivable.

Perspective: Several adjustments have been needed with relation to software issues. In 2022 and 2023, immaterial adjustments were made to tie the Aging reports to the trial balance. The main step needed going forward is monthly reconciliations should be performed.

Recommendation: Accounts receivable reconciliations should be completed timely and tie between the subledger and general ledger balances. Due to the fact that the 2023 audit is being finalized in February 2024, we recognize that the College will need to catch up for the 2024 audit and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. They have gone through extensive work to correctly setup accounts and determine correct balances. The final step will be to begin monthly reconciliations.

Section 2 – Findings – Financial Statement Audit (Cont.)

2023-003 SIGNIFICANT DEFICIENCY – ACCOUNTS PAYABLE RECONCILATIONS

Condition: Accounts payable reconciliations between the subledger and general ledger were not prepared timely and did not tie to the accounting software ending balances.

Criteria: Accounts payable reconciliations between the subledger and general ledger should be prepared monthly and tie to the accounting software ending balances.

Cause: The software conversion and new chart of accounts errors in prior year prevented timely reconciliations and tying between the subledger and general ledger balances.

Effect: Incorrect reconciliation of accounts payable.

Perspective: The software conversion and new chart of accounts had errors in balances. The College ended up manually reconciling the balances to the subledger. Manual entries to correct beginning balances were done to get ending balances to agree to the accounts payable reconciliations and correct the software conversion errors.

Recommendation: Accounts payable reconciliations should be completed timely and tie between the subledger and general ledger balances. Due to the fact that the 2023 audit is being finalized in February 2024, we recognize that the College will need to catch up for the 2024 audit and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. They have gone through extensive work to correctly setup accounts and determine correct balances. The final step will be to begin monthly reconciliations.

2023-004 SIGNIFICANT DEFICIENCY – CREDIT CARDS

Condition: While completing bank reconciliations for the 21 – 22 FY audit in February of 2023, the Dodge City Community College (DC3) accounting team was unable to reconcile several accounts payable payments made to pay several DC3 credit card bills. Several suspicious transactions were identified.

Criteria: Credit card reconciliations between the statements, invoices and bank account should be prepared monthly.

Cause: The processes over reconciling credit cards had not been done timely. This step is part of the bank reconciliation process, which has been in the process of being caught up – see finding 2022-001 above.

Effect: Inappropriate charges were made by an employee of the College.

Recommendation: Credit card charges should be reconciled monthly, and go through the same approval processes as other expenditures.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. The Ford County Sheriff's Office has launched an investigation into the activities of the employee in question, assisted by the DC3 Business Office Administrators. Credit cards have been cancelled and re-issued and all suspected credit card transactions have been disputed with the credit card bank. The Business Office Administrators are implementing new controls on the issuance and reconciliation of College credit cards. A new credit card policy is being written for review and adoption of the College's Board of Trustees.

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

Student Financial Aid Programs

Federal Supplemental Education Opportunity Grant, CFDA No. 84.007. Federal Work-Study Program CFDA No. 84.033. Federal Pell Grant Program CFDA No. 84.063. Federal Direct Student Loan Program CFDA No. 84.268.

2023-005 SIGNIFICANT DEFICIENCY – STATUS CHANGES

Condition: We examined a sample of Title IV aid recipients to verify that information reported on the Enrollment Reporting roster file sent to the National Student Loan Data System (NSLDS) matched the student's academic files and found instances where students received Title IV aid during a semester but the status of withdrawn or graduate were not reported correctly or timely on the NSLDS Enrollment Reporting roster files sent during that semester.

Criteria: Per the NSLDS Enrollment Reporting Guide, a school should report all students that NSLDS includes in its request to the school on a roster file. This includes timely and accurate reporting of the status of the student of withdrawn or graduate.

Cause: The status of the students were not timely and accurately reported to NSLDS.

Effect: Students could potentially not be placed in grace or repayment status when they should be.

Perspective: There has been high turnover in the SFA department, including a time where there was not a Director in place. They have had interim Director who also left in December 2023. A new Director has been hired in January 2024 and has begun working on issues.

Recommendation: We recommend that personnel in charge of enrollment reporting be diligent in reviewing the roster file to ensure that all appropriate students are shown and attendance changes are reported in a timely and accurate manner.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved in enrollment reporting to the NSLDS have reviewed the NSLDS Reporting Manual to better understand and accurately report the student's enrollment status. There has been high turnover in the SFA department, including a time where there was not a Director in place. The new Director came on in the fall of 2022 and then left in December 2023. The College is still working on fully implementing new procedures and catching up submissions.

2023-006 SIGNIFICANT DEFICIENCY – TITLE IV RECONCILIATIONS

Condition: There were no monthly Title IV reconciliations performed.

Criteria: Per SFA requirements, the College is required to reconcile the COD data files with the College's financial records.

Cause: Turnover in the staff and Director positions of the College. The new employees were not aware of this requirement.

Effect: Noncompliance with SFA requirements.

Perspective: There has been high turnover in the SFA department, including a time where there was not a Director in place.

Recommendation: We recommend that the direct loans are reconciled at least monthly between the COD and the College's general ledger.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved have received training and been made aware of requirements. Monthly reconciliations will be performed immediately.

2023-007 SIGNIFICANT DEFICIENCY – RETURN OF TITLE IV FUNDS

Condition: During our review of the return of Title IV funds, we noted that students were not being properly identified as withdrawn, either officially or unofficially. This resulted in 7 students noted that never had a calculation performed, but should have, and 22 students that were reported late.

Criteria: When a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must perform a Return of Title IV Funds calculation to determine the amount of Title IV assistance the student earned as of the student's withdrawal date.

Cause: Student Financial Aid personnel does not have a method to properly identify students who are required to have a return of funds calculation. After several attempts to obtain a listing of students, the auditors requested assistance from the IT department, who was able to get the auditors a list very quickly. This list was compared to Student Financial Aid recipients to identify the population of students who should have had a calculation performed.

Effect: Funds required to be sent back to the Department of Education are either missed or are late.

Perspective: There has been high turnover in the SFA department, including a time where there was not a Director in place.

Recommendation: We recommend training of Student Financial Aid personnel on the rules and regulations over return of funds. In addition, we recommend that Student Financial Aid personnel work with the IT department to develop a report that can be ran weekly or bi-weekly to identify the students and timely prepare the calculations.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved are undergoing training to learn requirements. Processes and procedures are being developed to ensure timely calculations and refunds.

DODGE CITY COMMUNITY COLLEGE
P: 620.225.1321 T: 800.367.3222 E: about@dc3.edu dc3.edu
2501 N. 14th Ave. Dodge City, KS 67801

Dodge City Community College

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

FINDINGS--FINANCIAL STATEMENTS AUDIT

Bank Reconciliations

Condition: Bank reconciliations were not prepared timely and did not tie to the accounting software ending balances.

Recommendation: Bank reconciliations should be completed timely and tie to the accounting system's cash balances. Due to the fact that the 2022 audit is being finalized in March 2023, we recognize that the College will need to catch up for the 2023 audit and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances

Current Status: Conditions are still present. Bank reconciliation were completed, but still being worked on to catch up and be timely. See finding 2023-001.

Accounts Receivable Reconciliations

Condition: Accounts receivable reconciliations between the subledger and general ledger were not prepared timely and did not tie to the accounting software ending balances.

Recommendation: Accounts receivable reconciliations should be completed timely and tie between the subledger and general ledger balances. Due to the fact that the 2023 audit is being finalized in March 2023, we recognize that the College will need to catch up for the 2023 audit and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances.

Current Status: Conditions are still present. The balance was off an immaterial difference. However, the monthly reconciliations were not performed. See finding 2023-002.

Accounts Payable Reconciliations

Condition: Accounts payable reconciliations between the subledger and general ledger were not prepared timely and did not tie to the accounting software ending balances.

Recommendation: Accounts payable reconciliations should be completed timely and tie between the subledger and general ledger balances. Due to the fact that the 2022 audit is being finalized in March 2023, we recognize that the College will need to catch up for the 2023 audit and recommend at this point, that the focus is to catch the reconciliations up and ensure that they match the accounting system's balances.

Current Status: Conditions are still present. No adjustment on the accounts payable was needed this year, but no reconciliations were being performed. See finding 2023-003.

Credit Cards

Condition: While completing bank reconciliations for the 21 – 22 FY audit in February of 2023, the Dodge City Community College (DC3) accounting team was unable to reconcile several accounts payable payments made to pay several DC3 credit card bills. Several suspicious transactions were identified.

Recommendation: Credit card charges should be reconciled monthly, and go through the same approval processes as other expenditures.

Current Status: Processes/procedures have been updated to prevent further issues. This began during the 23-24 year. See finding 2023-004.

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

Student Financial Aid Programs

Federal Supplemental Education Opportunity Grant, CFDA No. 84.007. Federal Work-Study Program CFDA No. 84.033. Federal Pell Grant Program CFDA No. 84.063. Federal Direct Student Loan Program CFDA No. 84.268.

2022-005 SIGNIFICANT DEFICIENCY – STATUS UPDATE

Condition: We examined a sample of Title IV aid recipients to verify that information reported on the Enrollment Reporting roster file sent to the National Student Loan Data System (NSLDS) matched the student's academic files and found instances where students received Title IV aid during a semester but the status of withdrawn or graduate were not reported correctly or timely on the NSLDS Enrollment Reporting roster files sent during that semester

Recommendation: We recommend that personnel in charge of enrollment reporting be diligent in reviewing the roster file to ensure that all appropriate students are shown and attendance changes are reported in a timely and accurate manner.

Current Status: Conditions are still present. See finding 2023-005. Dodge City Community College staff involved in enrollment reporting to the NSLDS have reviewed the NSLDS Reporting Manual to better understand and accurately report the student's enrollment status. There has been high turnover in the SFA department, including a time where there was not a Director in place. The new Director came on in the fall of 2022 and then left in December 2023. The College is still working on fully implementing new procedures and catching up submissions.

2022-006 SIGNIFICANT DEFICIENCY – TITLE IV RECONCILIATIONS

Condition: There were no monthly Title IV reconciliations performed.

Recommendation: We recommend that the direct loans are reconciled at least monthly between the COD and the College's general ledger.

Current Status: During the 2023 audit, it was again noted that reconciliations were not happening monthly. See finding 2023-006.

$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the
Lease Agreement Between the College and Trustee

Appendix C

DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS

* Subject to change.

APPENDIX C

DEFINITIONS AND SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS

The summaries of the Declaration of Trust, the Lease, and the Site Lease, contained in this Appendix C do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents, copies of which may be viewed at the principal corporate office of the Trustee, or will be provided by the Trustee to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

Definitions

The definitions of certain words and terms used in this Official Statement are set forth below:

"Additional Certificates" means any Certificates executed and delivered pursuant to *Section 3.09* of the Declaration of Trust.

"Authorized Representative" means the Chairperson, President, or Vice President of Administration and Finance/CFO of the College, or any other person designated as an Authorized Representative by the Chairperson, such designation being approved by the governing body of the College by a resolution that is filed with the Trustee.

"Available Revenues" means, for any Fiscal Year, any balances of the College from previous Fiscal Years encumbered to pay Rent, amounts budgeted or appropriated by the College for such Fiscal Year plus any unencumbered balances of the College from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration of Trust

"Basic Rent" means the Basic Rent Payments under the Lease, comprised of a Principal Portion and an Interest Portion.

"Basic Rent Payment" means a payment of Basic Rent.

"Basic Rent Payment Date" means each January 15 and July 15 during the Lease Term, commencing on January 15, 2025.

"Business Day" means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Trustee is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Certificate Payment" means the payments to be made to the Owners of the Certificates, whether representing Interest Portion only or Principal Portion and Interest Portion of Basic Rent under the Lease.

"Certificates" means the Series 2024 Certificates and any Additional Certificates.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"College" means the Dodge City Community College, Ford County, Kansas.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the College or the Trustee and related to the authorization, execution, sale and delivery of the Site Lease, the Lease, the Declaration of Trust, or the Certificates, including advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees of parties to the transaction and all other initial fees and disbursements contemplated by the Lease and the Declaration of Trust.

“Costs of Issuance Account” means the account by that name created by the Declaration of Trust.

“Costs of Refunding” shall mean all the costs associated with refunding the Refunded Bonds, for redemption on the Refunded Bonds Redemption Date, excluding Costs of Issuance.

“Declaration of Trust” means the Declaration of Trust dated as of May 21, 2024, made by the Trustee, as the same may from time to time be amended or supplemented in accordance with its terms.

“Defeasance Obligations” means any of the following obligations:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation); or

(b) United States Government Obligations that are not subject to redemption in advance of their maturity dates.

“Directive” means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the records of the Trustee, or their lawful attorneys-in-fact, representing no less than a majority of the aggregate unpaid Principal Portion represented by the then Outstanding Certificates.

“Disclosure Undertaking” means the College’s Continuing Disclosure Undertaking relating to certain obligations contained in the SEC Rule.

“Event of Default” with respect to the Lease has the meaning specified under the caption “ THE LEASE - Events of Default” and with respect to the Declaration of Trust has the meaning specified under the caption “ THE DECLARATION OF TRUST - Events of Default.”

“Event of Lease Default” means an Event of Default under the Lease.

“Fiscal Year” means the twelve-month period ending on June 30.

“Funds” means, collectively, the Redemption Fund, the Costs of Issuance Account, the Lease Revenue Fund, the Prepayment Fund and all accounts therein.

“Government Obligations” means (a) direct noncallable obligations of the United States of America and obligations the timely payment of principal and interest on which is fully and unconditionally guaranteed by the United States of America, and (b) trust receipts or certificates evidencing participation or other direct ownership interests in principal or interest payments to be made upon obligations described in clause (a) above that are held in a custody or trust account free and clear of all claims of persons other than the holders of such trust receipts or certificates and (c) obligations which are noncallable or for which the call date has been irrevocably determined having an investment rating in the highest rating category of either Moody's or S&P as a result of the advance refunding of such obligations by the deposit of direct noncallable obligations of the United States of America in a trust or escrow account segregated and exclusively set aside for the payment of such obligations and which mature as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to timely pay such principal and interest.

"Improvements" means the improvements described in the Lease Agreement, including any modifications, additions, improvements, replacements or substitutions thereto or therefor.

"Interest Portion" means the portion of each Basic Rent Payment that represents the payment of interest.

"Investment Securities" means and includes any of the following securities, if and to the extent the same are permitted by law:

(a) Government Obligations;

(b) other obligations issued by or on behalf of agencies or instrumentalities of the United States of America except for the Federal Farm Credit Bank;

(c) negotiable certificates of deposit issued by banks or trust companies rated investment grade or better, repurchase agreements, and investment agreements (in each case, with banks or trust companies rated investment grade or better) continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Trustee by lodging with a bank or trust company (which may or may not be the bank or trust company issuing such negotiable certificates of deposit, repurchase agreement or investment agreement), as collateral security, Government Obligations having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit; and

(d) money market funds rated in the highest rating category by a nationally recognized rating service.

"Lease" means the Lease Agreement dated as of May 21, 2024, between the Trustee, as lessor, and the College, as lessee, as amended and supplemented from time to time in accordance with its terms, regarding the improvements originally financed with the Refunded Bonds.

"Lease Revenue Fund" means the fund by that name established pursuant to the Declaration of Trust.

"Lease Revenues" means the Basic Rent Payments, Supplemental Rent Payments and all other amounts due and owing pursuant to or with respect to the Lease, including prepayments, insurance proceeds, condemnation proceeds, and any and all interest, profits or other income derived from the investment thereof in any fund or account established pursuant to the Declaration of Trust.

"Lease Term" means May 21, 2024 through July 15, 2030.

"Moody's" means Moody's Investors Service, Inc. and its successors and assigns, and, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, "Moody's" shall be deemed to refer to any other nationally recognized securities rating service designated by the College, with notice to the Trustee.

“Net Proceeds” means the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all reasonable expenses, including attorneys' fees, incurred in the collection thereof.

“Notice by Mail” or **“Notice”** of any action or condition “by Mail” means a written notice meeting the requirements of the Declaration of Trust mailed by first-class mail to the Owners of specified Certificates at the addresses shown on the registration books maintained by the Registrar.

“Outstanding” means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to the Declaration of Trust except (i) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation, (ii) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Declaration of Trust, (iii) Certificates whose payment or prepayment has been provided for in accordance with the Declaration of Trust, and (iv) Certificates paid or deemed to be paid pursuant to the Declaration of Trust.

“Owner” when used with respect to a Certificate means the registered owner of such Certificate as shown on the register kept by the Registrar, and, when used with respect to a Refunded Bond, means the person in whose name such Bond is registered on the bond register for such Refunded Bonds. Whenever consent of the Owners is required pursuant to the terms of the Declaration of Trust, and the Owner of the Certificates, as set forth on the Certificate register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Certificates.

“Prepayment Date” means any date set for prepayment of the Principal Portion of Basic Rent represented by Certificates which will be a Basic Rent Payment Date.

“Prepayment Fund” means the Fund by that name established pursuant to the Declaration of Trust.

“Prepayment Price” means with respect to any Certificate (or portion thereof) the amount specified in the Declaration of Trust.

“Principal Portion” means the portion of each Basic Rent Payment that represents the payment of principal.

“Proceeds” means the aggregate moneys initially paid to the Trustee for the Certificates.

“Project” means the Real Property and the Improvements.

“Project Documents” means the Lease, the Site Lease, the Declaration of Trust and any other agreements, documents or certificates related to the foregoing.

“Purchase Price” means the amount designated as such in the Lease that the College must pay to the Trustee to purchase the Trustee's interest in the Project.

“Real Property” means the real property described in the Lease.

“Record Date” means the first day (whether or not a Business Day) of the calendar month of the applicable Basic Rent Payment Date.

"Redemption Fund" means the fund by that name created pursuant to the Declaration of Trust.

"Refunded Bonds" means the Series 2014 Bonds, maturing in the years 2024 to 2030, inclusive, in the aggregate principal amount of $2,335,000.

"Refunded Bonds Indenture" means the Trust Indenture pursuant to which the Series 2014 Bonds were issued.

"Refunded Bonds Paying Agent" means the paying agent for the Refunded Bonds as designated in the respective Refunded Bonds Indenture, and any successor or successors at the time acting as paying agent for any of the Refunded Bonds.

"Refunded Bonds Payment Date" means any date on which any principal of, or interest on, any of the Refunded Bonds is due and payable.

"Refunded Bonds Redemption Date" means June 1, 2024.

"Registrar" means the Trustee when acting in that capacity, or its successor as Registrar.

"Rent" means, collectively, Basic Rent and Supplemental Rent.

"Rent Payment" means a payment of Rent.

"Series 2014 Bonds" means the City of Dodge City, Kansas Industrial Revenue Bonds (Dodge City Community College Activity Center), Series 2014.

"Series 2024 Certificates" means the Refunding Certificates of Participation, Series 2024, evidencing a proportionate interest in Basic Rent Payments to be made by the College, pursuant to a Lease Agreement, executed and delivered pursuant to the Declaration of Trust.

"Site Lease" means the Site Lease dated as of May 21, 2024, between the College, as lessor, and the Trustee, as lessee, conveying a leasehold interest in the activity center facility originally financed with the Refunded Bonds.

"Special Tax Counsel" means Gilmore & Bell, P.C., or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds or other obligations issued by states and political subdivisions.

"Standard & Poor's" or "S&P" means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the College.

"State" means the State of Kansas.

"Supplemental Declaration of Trust" means any amendment or supplement to the Declaration of Trust entered pursuant to the Declaration of Trust.

"Supplemental Lease" means any amendment or supplement to the Lease entered pursuant to the Lease.

"Supplemental Rent" means all amounts due under the Lease other than Basic Rent.

"Supplemental Rent Payment" means a payment of Supplemental Rent.

"Tax Compliance Agreement" with respect to any series of Certificates means the tax compliance agreement or some other form of federal tax certificate delivered by the College concurrently with the execution and delivery of such series of Certificates or any replacement thereof made in accordance with the provisions thereof.

"Trust Estate" means the assets, property and interests held by the Trustee pursuant to the Declaration of Trust, the Site Lease and the Lease.

"Trustee" means Security Bank of Kansas City, Kansas City, Kansas, and its successor or successors and their respective assigns.

"Trustee's Expenses" means, collectively, all out-of-pocket expenses, disbursements and advances (including reasonable attorneys' fees) incurred by the Trustee under the Declaration of Trust in connection with the Certificates, the Site Lease and the Lease.

THE DECLARATION OF TRUST

General Provisions

The Declaration of Trust is made by the Trustee. The Declaration of Trust authorizes the Trustee to execute and deliver the Series 2024 Certificates, provides the terms of the Series 2024 Certificates and provides for various Funds related to the Project and the Lease.

Trust Estate

The Trustee has executed and delivered the Declaration of Trust in order to provide for the issuance of, security for, and payment of the Series 2024 Certificates and other Certificates. It further declares that it will hold in trust for the Owners of the Certificates as a part of the Trust Estate all of the assets, property and interests received by it under the terms of the Declaration of Trust, the Site Lease and the Lease and all agreements and instruments contemplated thereby (except any compensation, indemnification or other amounts which may be due directly to the Trustee under the Declaration of Trust).

Additional Certificates

Upon the execution and delivery of a Supplemental Lease that provides for an increase in the amount of Basic Rent payable under the Lease and so long as no Event of Default exists, Additional Certificates evidencing the right of the Owners thereof to receive the Principal Portion and the Interest Portion of such additional Basic Rent may be executed and delivered under and equally and ratably secured by the Declaration of Trust on a parity with the Certificates and any other Additional Certificates, at any time and from time to time, upon compliance with the conditions provided in *Section 3.09* of the Declaration of Trust, for the purpose of providing funds to pay all or any part of the cost of (a) repairing, replacing or restoring the Improvements, (b) improving, upgrading or modifying the Improvements, (c) additional improvements to the Real Property or the acquisition of additional real property to be included as a part of the Real Property or the acquisition, purchase, construction or equipping of additions to or expansions of or remodeling or modification of the Improvements, and (d) refunding any or all of the Certificates theretofore Outstanding under the Declaration of Trust.

Establishment of Funds

There is established with the Trustee the following funds and accounts:

(a) Lease Revenue Fund, including the Principal Account and the Interest Account; and
(b) Prepayment Fund;
(c) Redemption Fund; and
(d) Costs of Issuance Account.

All funds and accounts established pursuant to the Declaration of Trust are held by the Trustee as a part of the Trust Estate for the benefit of the Certificate Owners. The money in all of the funds and the accounts will be held in trust and applied as provided in the Declaration of Trust.

Application of Proceeds of Series 2024 Certificates and Other Moneys

Upon the receipt of payment for the Series 2024 Certificates when the same have been sold to the original purchaser thereof, proceeds thereof will be paid to the Trustee and applied as follows:

(a) in the Interest Account, any accrued Interest Portion.

(b) in the Costs of Issuance Account, an amount from Series 2024 Certificate proceeds necessary to pay Costs of Issuance for the Series 2024 Certificates.

(c) in the Redemption Fund, the remaining Series 2024 Certificate proceeds.

(d) in the Redemption Fund, $[330,210.75] from available funds of the College.

Application of Lease Revenues

Lease Revenues will be deposited, as received, pursuant to the Lease, as follows:

(a) The Principal Portion of Basic Rent shall be deposited to the Principal Account.

(b) The Interest Portion of Basic Rent shall be deposited to the Interest Account.

(c) Optional prepayments of the Principal Portion of Basic Rent (in amounts equal to the applicable Prepayment Price) shall be deposited to the Prepayment Fund.

(d) Payments of Supplemental Rent pursuant to *Section 4.02* of the Lease shall be applied as provided in *Section 4.02* of the Lease.

Undesignated payments of Rent which are insufficient to discharge the full amount then due shall be applied first to the Interest Portion of Basic Rent, next to the Principal Portion of Basic Rent and finally to Supplemental Rent.

Disbursements from the Redemption Fund

Moneys in the Redemption Fund shall be transferred to the Refunded Bonds Paying Agent and utilized to retire the Refunded Bonds on the Refunded Bonds Redemption Date. Upon payment of all costs of refunding the Refunded Bonds, but not later than July 15, 2024, any balance remaining in the Redemption Fund shall be transferred and deposited to the credit of the Lease Revenue Fund without further authorization as provided in the Lease. In the event of the acceleration of all the Certificates pursuant to the Lease, any moneys then remaining in the Redemption Fund shall be transferred to the credit of the Lease Revenue Fund and shall be used to pay the Interest Portion and Principal Portion of Basic Rent.

Application of Moneys in the Costs of Issuance Account.

Moneys in the Costs of Issuance Account shall be used to pay for Costs of Issuance. Payment shall be made from moneys in the Costs of Issuance Account upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative of the College. Any funds remaining in the Costs of Issuance Account upon payment of all Costs of Issuance or December 15, 2024, whichever is earlier, shall be transferred be transferred to the Lease Revenue Fund.

Application of Moneys in the Lease Revenue Fund

Except as otherwise provided in the Declaration of Trust, all amounts in the Lease Revenue Fund shall be used and withdrawn by the Trustee solely to distribute Basic Rent as received from the College to those entitled thereto, as represented by the Certificates, when due and payable (including principal and accrued interest with respect to any Certificates paid prior to maturity) pursuant to the Declaration of Trust.

Application of Moneys in the Prepayment Fund

All amounts deposited in the Prepayment Fund shall be used and withdrawn by the Trustee solely to prepay Principal Portions of Basic Rent represented by Certificates.

Prepayment of Certificates

(a) ***Optional Prepayment***. The Series 2024 Certificates shall be subject to optional prepayment prior to their respective stated maturities, on any date, as a whole, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than condemnation by the College) of, or loss of title to, substantially all of the Project, or if, as a result of changes in the Constitution of the State or legislative or administrative action by the State or the United States, the Site Lease or the Lease becomes unenforceable and the College prepays all Basic Rent Payments under the Lease.

(b) ***Mandatory Prepayment***. The Series 2024 Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on July 15, 20__ shall be subject to mandatory prepayment on July 15, 20__, and on each July 15 thereafter, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Certificates being prepaid plus the Interest Portion of Basic Rent accrued thereon to the Prepayment Date, as follows:

Principal Amount	**Prepayment Date**
	July 15, 20__
	July 15, 20__*

*Final Certificate Maturity

The Principal Portion of Basic Rent prepaid pursuant to the provisions of the Lease shall be in integral multiples of $5,000. Upon any partial prepayment, the amount of each Interest Portion of Basic Rent coming due thereafter shall be reduced by the amount of such Interest Portion attributable to such prepaid Principal Portion determined by applying the annual interest rate corresponding to such prepaid Principal Portion.

Investment of Moneys in Various Funds

Moneys held in the Redemption Fund, the Lease Revenue Fund, the Costs of Issuance Account, and the Prepayment Fund, shall, subject to the requirements of the Tax Compliance Agreement and as provided in the Declaration of Trust, be invested and reinvested by the Trustee, pursuant to written direction of the College, signed by an Authorized Representative of the College, in Investment Securities that mature or are subject to prepayment by the holder prior to the date such funds will be needed.

The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities held by the Trustee in any fund held under the Declaration of Trust whenever the cash balance in such Fund is insufficient for the purpose of such Fund. Any such Investment Securities will be held by or under the control of the Trustee and will be deemed at all times a part of the Fund or Account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities will be credited to such Fund or Account, and any loss resulting from such Investment Securities shall be charged to such Fund or Account.

For purposes of determining the amount if any Fund or account, the value of any investments shall be computed at the market value thereof (excluding accrued interest), the purchase price thereof (excluding accrued interest) or principal amount, whichever is lower.

The Trustee may make any and all investments through its own bond department or short-term investment department.

Amendments to the Declaration of Trust, the Lease or the Site Lease

The Declaration of Trust, the Lease and the Site Lease and the rights and obligations of the College and of the Owners of the Certificates and of the Trustee may be modified or amended from time to time by an amendment or supplement thereto which the parties thereto may enter into when the written consent of the Trustee and the College, if not a party thereto, and the Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (i) extend the nominal maturity of any Certificate, or reduce the Principal Portion of Basic Rent represented thereby, or extend the time of payment or reduce the amount of any prepayment price provided in the Declaration of Trust for the payment of any Certificate, or reduce the Interest Portion of Basic Rent payable with respect thereto, or extend the time of payment of the Interest Portion of Basic Rent payable with respect thereto without the consent of the Owner of each Certificate so affected, (ii) reduce the aforesaid percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment or, except in connection with the delivery of any Additional Certificates, permit the creation of any lien on the moneys in the Redemption Fund, the Lease Revenue Fund and the Prepayment Fund or deprive the Owners of the trust created by the Declaration of Trust with respect to the moneys in the Redemption Fund, the Lease Revenue Fund and the Prepayment Fund, or (iii) create a preference or priority of any Certificate or Certificates over any other Certificate or Certificates without the consent of the Owners of all of the Certificates then Outstanding..

Notwithstanding the preceding paragraph, the Declaration of Trust, the Lease or the Site Lease and the rights and obligations of the College, of the Trustee and of the Owners of the Certificates may also be modified or amended from time to time by an agreement which the parties thereto may enter into without the consent of any Certificate Owners, only to the extent permitted by law and only for any one or more of the following purposes: (i) to add to the covenants and agreements of the Trustee in the Declaration of Trust, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Payment of Rent pursuant to the Lease (or any portion thereof), or to surrender any right or power in the Declaration of Trust reserved to or conferred upon the College; provided, however, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests in the Trust Estate of the Owners of the Certificates; (ii) to add to the covenants and agreements of the College in the Site Lease or the Lease, other covenants and agreements thereafter to be observed or to surrender any right or power therein reserved to or conferred upon the Trustee or the College; provided, however, that no such covenant, agreement or surrender shall materially adversely affect the interests in the Trust Estate of the Owners of the Certificates; (iii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Declaration of Trust, the Site Lease or the Lease, or in regard to matters or questions arising under the Declaration of Trust, the Site Lease or the Lease as the Trustee and the College may deem necessary or desirable and not inconsistent with said agreements, or as may be requested by the College, the Trustee or the Trustee and which shall not, in any such case adversely affect the interests in the Trust Estate of the Owners of the Certificates; (iv) to modify, amend or supplement the Declaration of Trust in such manner as to permit the qualification of the Declaration of Trust under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests in the Trust Estate of the Owners of the Certificates; (v) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Portion of Basic Rent from gross income for purposes of federal income taxation; (vi) to provide for the execution and delivery of Additional Certificates in accordance with the provisions of *Section 3.09* of the Declaration of Trust; or (vii) to make any other change which does not have a materially adverse effect on the rights of the Certificate Owners in the Lease, Basic Rent payable pursuant to the Lease, or any other property rights constituting a part of the Trust Estate.

Opinion of Counsel

In executing or accepting any Supplemental Declaration of Trust or Supplemental Lease permitted by the Declaration of Trust or modification thereby of the Declaration of Trust or the Lease, the Trustee shall be entitled to receive, and, subject to the Declaration of Trust shall be fully protected in relying upon, an opinion of Special Tax Counsel addressed and delivered to the Trustee stating that the execution of such Supplemental Declaration of Trust or Lease is authorized and permitted by and in compliance with the terms of the Declaration of Trust or Lease. The Trustee may, but shall not be obligated to enter into any such Supplemental Declaration of Trust or Supplemental Lease which affects the Trustee's own rights, duties or immunities under the Declaration of Trust or Lease or otherwise.

Defaults

The occurrence of any of the following events, subject to the provisions permitting waivers of defaults, is defined as an "Event of Default" under the Declaration of Trust:

(a) Default in the due and punctual payment to the Certificate Owner of any Interest Portion of Basic Rent represented by a Certificate; or

(b) Default in the due and punctual payment to the Certificate Owner of the Principal Portion of Basic Rent represented by a Certificate, whether at the stated payment date thereof or the prepayment date set therefor in accordance with the terms of the Declaration of Trust; or

(c) Any Event of Lease Default.

Acceleration

Upon the occurrence of an Event of Default under the Declaration of Trust, the Trustee may, and upon receipt of a Directive shall, by notice in writing delivered to the College, declare the Principal Portion and Interest Portion of Basic Rent represented by all Certificates Outstanding to the end of the then current Fiscal Year immediately due and payable.

Other Remedies Upon an Event of Default

Upon the occurrence of an Event of Lease Default, the Trustee may exercise any remedies available under the Lease and, to the extent consistent therewith, may sell, lease or manage any portion of the Project or the Trustee's interest in the Project and apply the net proceeds thereof to make Certificate Payments and, whether or not it has done so, may pursue any other remedy available to it under the Lease or at law or in equity.

No remedy by the terms of the Declaration of Trust conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, but each and every such remedy is cumulative and in addition to any other remedy given to the Trustee or to the Certificate Owners under the Declaration of Trust or now or hereafter existing at law or in equity or by statute.

Rights of Certificate Owners

If an Event of Default under the Declaration of Trust shall have occurred and be continuing and if instructed to do so by a Directive and if indemnified as provided in the Declaration of Trust, the Trustee shall be obligated to exercise such one or more of the rights and the remedies conferred by the Declaration of Trust as the Trustee, upon the advice of counsel, shall deem to be in the interests of the Certificate Owners.

Any other provision in the Declaration of Trust to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have the right, at any time, by a Directive executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the Declaration of Trust, or for the appointment of a receiver or any other proceedings under the Declaration of Trust; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Declaration of Trust, and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceeding so directed would involve it in personal liability.

No Owner of any Certificate shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Site Lease, the Lease or the Declaration of Trust, for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder, unless (a) an Event of Default under the Declaration of Trust has occurred; (b) the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding shall have issued a directive to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee shall thereafter fail or shall refuse to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceedings. Such notification, request and indemnity are at the option of the Trustee to be conditions precedent to the execution of the powers and the trusts of the Declaration of Trust and to any action or cause of action for the enforcement of the Declaration of Trust or for the appointment of a receiver or for any other right or remedy thereunder.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of *Article IX* of the Declaration of Trust shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including the Trustee's fees and expenses), be deposited into the Lease Revenue Fund and all moneys in the Lease Revenue Fund together with all moneys in the Prepayment Fund shall be applied as follows:

(a) unless the Principal Portions of Basic Rent represented by all the Certificates shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of the Interest Portions of Basic Rent represented by the Certificates in the order of the maturity of the installments of such interest and, to the payment ratably, according to the amount due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid Principal Portions of Basic Rent represented by any Certificates that shall have become due (other than Principal Portions of Basic Rent represented by Certificates with respect to the payment of which moneys are held pursuant to the provisions of this Declaration of Trust) in the order of such due dates, with interest from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the Principal Portions of Basic Rent represented by Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified respecting the Certificates.

(b) If the Principal Portions of Basic Rent represented by all Certificates shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Principal Portions and the Interest Portions of the Basic Rent then due and unpaid upon the Certificates without preference or priority of principal over the interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified respecting the certificates.

(c) If the Principal Portions of the Basic Rent represented by all Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of *Article IX* of the Declaration of Trust, then subject to the provisions of subparagraph (b) above in the event that the Principal Portions of Basic Rent represented by all the Certificates shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subparagraph (a) above.

Whenever moneys are to be applied as above set forth, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for the application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be a Basic Rent Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the Principal Portion and the Interest Portion of all Certificates have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining in the Lease Revenue Fund shall be paid to the College.

Defeasance

When (i) all or a portion of the obligations of the College under the Lease shall have been satisfied in connection with the prepayment of Rent Payments in accordance with the Lease by the irrevocable deposit in escrow of cash or Government Obligations (maturing as to principal and interest in such amounts and at such times as are necessary to make any required payments without reinvestment of any earnings thereon) or both cash and such Government Obligations, and (ii) the College shall have delivered to the Trustee an opinion of counsel to the effect that the conditions for such discharge contained in the Declaration of Trust have been satisfied or irrevocably provided for and if the Certificates to be defeased cannot be prepaid until more than 90 days after irrevocable deposit in escrow described above, an accountant's certificate verifying the sufficiency of cash or Government Obligations or both so deposited for the payment of the Principal Portion and Interest Portion of the Certificates and any applicable Prepayment Price to be paid with respect to the Certificates, and (iii) the College shall have deposited sufficient moneys to pay the fees, compensation and expenses of the Trustee (or has made provision satisfactory to the Trustee for their payment), thereupon the obligations created by the Declaration of Trust shall cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply the moneys and Government Obligations referred to below to the payment of the Certificates as set forth in the Declaration of Trust.

Payment of Certificates After Discharge of Declaration of Trust

Notwithstanding any provisions of the Declaration of Trust, any moneys held by the Trustee in trust for the payment of the Principal Portions or Interest Portions of Basic Rent represented by any Certificates and remaining unclaimed for four years after the Principal Portion of Basic Rent represented by all of the Certificates has become due and payable (whether at maturity or upon call for prepayment or by acceleration as provided in the Declaration of Trust), if such moneys were so held at such date, or four years after the date of deposit of such moneys if deposited after said date when all of the Certificates became due and payable, shall be repaid to the College free from the trusts created by the Declaration of Trust, and all liability of the Trustee with respect to such moneys shall thereupon cease. In the event of the repayment of any such moneys to the College as aforesaid, the Owners of the Certificates with respect to which such moneys were deposited shall thereafter be deemed to be general unsecured creditors of the College as lessors under the Lease for amounts equivalent to the respective amounts deposited for the payment of amounts represented by such Certificates and so repaid to the College (without interest thereon), subject to any applicable statute of limitations.

The Trustee

The Trustee shall, prior to an Event of Default under the Declaration of Trust and after the curing of all Events of Default which may have occurred, perform only such duties as are specifically set forth in the Declaration of Trust. The Trustee shall, during the existence of any Event of Default under the Declaration of Trust, exercise such of the rights and powers vested in it by the Declaration of Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee may be removed at any time by a Directive or shall resign at any time the Trustee shall cease to be eligible or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the property or affairs for the purpose of rehabilitation, conservation or liquidation and thereupon a successor Trustee shall be appointed by a Directive. Written notice of any removal or resignation pursuant to this Section shall be given by the Trustee to the College.

The Trustee may at any time resign by giving written notice of such resignation to the College and by giving the Certificate Owners Notice by Mail of such resignation at the addresses listed on the registration books kept by the Trustee. Upon receiving such notice of resignation, a successor Trustee shall be appointed by a Directive.

THE LEASE

General

The Lease has been entered into between the Trustee and the College and contains the terms and conditions under which the Project will be leased to and used by the College.

Lease Term

The Term of the Lease terminates on July 15, 2030.

Continuation of Lease Term by the College

The College reasonably believes that legally available funds in an amount sufficient to make all payments of Rent during the Lease Term. The College covenants in the Lease that its responsible financial officer will do all things lawfully within his power to obtain and maintain funds from which the Rent may be paid, including making provision for such payments to the extent necessary in each proposed budget or appropriation request submitted for adoption in accordance with applicable provisions of law.

Change or Termination by Act of the Kansas Legislature

The College is authorized to enter into the Lease pursuant to K.S.A. 71-201, provided the Lease and any assignment is subject to change or termination at any time by act of the Kansas legislature. If the Lease is terminated pursuant to this provision, the College agrees peaceably to deliver possession of the Project to the Trustee.

Payment for Refunding

Costs and expenses of every nature incurred in the refunding of the Refunded Bonds that qualify as Costs of Refunding shall be paid by the Trustee from the Redemption Fund or the Costs of Issuance Account upon receipt by the Trustee of a completed requisition certificate of the College signed by the Authorized Representative of the College and containing the statements, representations and certifications set forth in the form of such requisition certificate attached to the Declaration of Trust.

Enjoyment of Project

The Trustee shall provide the College during the Lease Term with quiet use and enjoyment of the Project, and the College shall during the Lease Term peaceably and quietly have, hold and enjoy the Project, without suit, trouble or hindrance from the Trustee, except as expressly set forth in the Lease. The College shall have the right to use the Project for any essential governmental or proprietary purpose of the College, subject to the limitations contained in the Lease. Notwithstanding any other provision in the Lease, the Trustee shall have no responsibility to cause the Improvements to be constructed or to maintain or repair the Project.

The College shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project, as to the manner and use or the condition of the Improvements. The College shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of the Lease. The College shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the College to comply with the foregoing provisions. Notwithstanding any provision contained in this paragraph, however, the College shall have the right, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer and during such contest or review, the College may refrain from complying therewith, if the College furnishes, on request, to the Trustee, at the College's expense, indemnity satisfactory to the Trustee.

Basic Rent

The College will promptly pay all Basic Rent, subject to change or termination of the Lease by action of the Kansas Legislature on each Basic Rent Payment Date. A portion of each Basic Rent Payment is paid as, and represents payment of, interest. To provide for the timely payment of Basic Rent, the College shall pay to the Trustee for deposit in the Lease Revenue Fund not less than five business days before each Basic Rent Payment Date, the amount due on such Basic Rent Payment Date.

The College will, in accordance with the requirements of law and its normal budgeting procedures, fully budget and appropriate sufficient funds for the current Fiscal Year to make the Basic Rent Payments scheduled to come due during the Lease Term, and to meet its other obligations for the Lease Term and such funds will not be expended for other purposes.

Supplemental Rent

The College will pay as Supplemental Rent (a) all Impositions (as defined in the Lease); (b) all amounts required and all other payments which the College has agreed to pay or assume under the Lease; (c) all expenses, including attorneys' fees to the extent permitted by law, incurred in connection with the enforcement of any rights under the Lease or the Site Lease by the Trustee; and (d) all fees and charges of the Trustee as provided in the Lease.

Rent Payments to Constitute a Current Expense and Limited Obligation of the College

The obligation of the College to pay Rent under the Lease is limited to payment from Available Revenues and constitutes a current expense of the College and not in any way be construed to be a debt of the College in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the College, nor shall anything contained therein constitute a pledge of the general tax revenues, funds or moneys of the College.

Net Lease; Rent Payments to be Unconditional

The Lease is intended to be net, net, net to the Trustee. Subject to change or termination of the Lease by action of the Kansas Legislature, the obligations of the College to make payment of the Rent Payments and to perform and observe the other covenants and agreements contained therein will be absolute and unconditional in all events without abatement, diminution, deduction, setoff or defense, for any reason, including any failure of the Project to be constructed or installed, any defects, malfunctions, breakdowns or infirmities in the Project or any accident, condemnation or unforeseen circumstances.

Nothing in the Lease will be construed as a waiver by the College of any rights or claims the College may have against the Trustee, but any recovery upon such rights and claims shall be from the Trustee separately.

Increased Basic Rent

Notwithstanding any other provision of the Lease, the Trustee and the College may enter into a Supplemental Lease or Supplemental Leases that increase the amount of Basic Rent payable by the College on any Basic Rent Payment Date to provide funds to pay the costs of (a) repairing, replacing or restoring the Improvements, (b) improving, upgrading or modifying the Improvements, (c) additional improvements to the Project or the acquisition of additional real property to be included in the Project or the acquisition, purchase construction or equipping of additions to or expansions or remodeling or modification of the Improvements, and (d) refunding any or all of the Certificates Outstanding from time to time. Each such Supplemental Lease shall include an amended Exhibit A reflecting separately the Principal Portion and the Interest Portion of Basic Rent allocable to the original Lease and to each Supplemental Lease due on each Basic Rent Payment Date as well as the total Basic Rent on each Basic Rent Payment Date.

Disclaimer of Warranties

The Trustee makes no warranty or representation, either express or implied, as to the value, design, condition or fitness for particular purpose or fitness for use of the Improvements or any part thereof, or warranty with respect thereto. In no event will the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the Lease or the existence, furnishing, functioning or the College's use of the Improvements or any part thereof.

Deficiency of Redemption Fund or Costs of Issuance Account

If the Redemption Fund shall be insufficient to pay fully for refunding and redemption of the Refunded Bonds, or if the Costs of Issuance Account shall be insufficient to pay all Costs of Issuance, the Lessee shall pay, in cash, the full amount of any such deficiency by making direct payments to the paying agent for the Refunded Bonds or of Costs of Issuance, as applicable. The Lessor is not obligated to pay and shall not be responsible for any such deficiency and the Lessee shall save the Lessor whole and harmless from any obligation to pay such deficiency.

Impositions

The College shall bear, pay and discharge, before the delinquency thereof, as Supplemental Rent, all taxes and assessments, general and special, if any, which may be lawfully imposed upon or against or be payable for or in respect of the Project, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Trustee or encumber the Project (all of the foregoing being herein referred to as “Impositions”).

Contest of Impositions

The College shall have the right, in its own name or in the Trustee's name, to contest the validity or amount of any Imposition which the College is required to bear, pay and discharge pursuant to the terms of the Lease by appropriate legal proceedings instituted at least ten days before the Imposition complained of becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the College that, in the opinion of counsel, by nonpayment of any such items the interest of the Trustee in the Project will be endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the College shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment in form satisfactory to the Trustee.

Insurance

The College will, during the Lease Term, cause the Improvements to be kept continuously insured against such risks customarily insured against for facilities such as the Improvements and will pay (except as otherwise provided in the Lease) as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Insurance insuring the Improvements against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the greater of the Principal Portion of the Certificates then Outstanding or the replacement value of the Improvements and issued by such insurance company or companies authorized to do business in the State as may be selected by the College. The replacement value of the Improvements may be determined from time to time at the request of the Trustee or the College (but not less frequently than every five years) by an architect, contractor, appraiser, appraisal company or one of the insurers, to be selected, subject to the insurer's approval, and paid by the College. The policy or policies of such insurance shall name the College and the Trustee as insureds, as their respective interests may appear. All proceeds from such policies of insurance shall be applied as provided in the Lease. During acquisition, construction and installation of the Improvements, the College shall cause to be provided, insofar as the Improvements are concerned, the insurance required by subparagraph (b) below in lieu of the insurance required by this subparagraph (a) to the extent appropriate;

(b) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the College and the Trustee are named as insureds, in an amount not less than $500,000 combined single limit for bodily injuries and property damage;

(c) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State;

(d) A leasehold owners policy of title insurance, subject to certain permitted encumbrances identified in the Lease, insuring the Trustee's interest in the Real Property under the Site Lease on the standard ALTA form, subject only to such exceptions as shall be acceptable to the Trustee, with such endorsements and affirmative coverages as may be reasonably required by the Trustee, and issued by a company acceptable to the Trustee and authorized to issue such insurance in the State.

Maintenance and Modification of Improvements by the College

The College will at its own expense (a) keep the Improvements in a safe condition, (b) with respect to the Improvements, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (c) keep the Improvements in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the College will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Improvements the maintenance, repair, replacement or renewal of which becomes uneconomical to the College because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The College shall not permit or suffer others to commit a nuisance in or about the Improvements or itself commit a nuisance in connection with its use or occupancy of the Improvements. The College will pay all costs and expenses of operation of the Improvements.

The College may, also at its own expense, make from time to time any additions, modifications or improvements to the Project that it may deem desirable for its business purposes and that do not materially impair the structural strength or effective use, or materially decrease the value, of the Improvements. All such additions, modifications or improvements made by the College shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be pursued to completion with due diligence and (c) when completed, be deemed a part of the Project.

During the Lease Term, the Improvements will be used by the College only for the purpose of performing essential governmental or proprietary functions of the College consistent with the permissible scope of the College's authority.

Financial Statements

The College will annually provide the Trustee with current financial statements, budgets, proofs of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of the College to continue the Lease as may be requested by the Trustee.

Continuing Disclosure

The College covenants and agrees that it will comply and carry out all of the provisions of the Disclosure Undertaking. Notwithstanding any other provision of the Lease, failure of the College to comply with the Disclosure Undertaking shall not be considered a default or an Event of Default under the Lease; provided, however, that any Owners of Certificates may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the College to comply with its obligations under this Section.

Damage, Destruction and Condemnation

The College will bear the risk of loss with respect to the Improvements during Lease Term. If (a) the Improvements or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Project or any part thereof shall be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the College and the Trustee will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Improvements, unless the College shall have exercised its option to prepay all Rent Payments under the Lease by making payment as provided in the Lease. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the College and shall be held and appropriated by the College for the exclusive purpose of paying Rent under the Lease.

If the College determines that the repair, restoration, modification or improvement of the Improvements is not economically feasible or in the best interest of the College, then, in lieu of making such repair, restoration, modification or improvement and if permitted by law, the College shall promptly prepay all Rent Payments under the Lease. Any balance of the Net Proceeds remaining after prepaying the Lease shall belong to the College.

In the Lease, the College acknowledges the provisions pertaining to eminent domain in the Site Lease. The Trustee and College have agreed that the terms of the Site Lease are incorporated in and made a part of the Lease to the same extent as if set forth in full in the Lease. Incorporation of provisions of the Site Lease survives the termination of the Lease for any reason.

If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to above, and the College has not elected to prepay all Rent Payments under the Lease, the College shall complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if the College shall make any payments as provided in this paragraph, the College will not be entitled to any reimbursement therefor from the Trustee nor will the College be entitled to any diminution of Rent.

Prepayment of Rent Payments

The College may at any time prepay all or any part of the Rent Payments provided for in the Lease, including the interest component of Basic Rent accrued to the prepayment date.

Assignment and Subleasing by the College

Except as provided in the Lease, none of the College's right, title and interest in, to and under the Site Lease, the Lease and in the Project may be assigned or encumbered by the College for any reason; except in the ordinary course of operating the Project, and except that the College may sublease any one or more parts of the Project if the College obtains an opinion of Special Tax Counsel that such subleasing will not adversely affect the exclusion of the Interest Portion of the Basic Rent Payments from gross income for purposes of federal income taxation. Any such sublease of all or part of the Project shall be subject to the Site Lease, the Lease and the rights of the Trustee in, to and under the Site Lease, the Lease and the Project.

Events of Default

Any of the following shall constitute an "Event of Default" under the Lease:

(a) Failure by the College to make any deposits into the Lease Revenue Fund required by the Lease to pay Basic Rent at the time specified in the Lease;

(b) Failure by the College to make any Supplemental Rent Payment when due and the continuance of such failure for ten days after written notice specifying such failure and requesting that it be remedied is given to the College by the Trustee;

(c) Failure by the College to observe and perform any covenant, condition or agreement under any Project Document on its part to be observed or performed, other than as referred to in subparagraph (a) of this section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the College by the Lessor; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor shall consent to an extension of such time if the College certifies that corrective action has been instituted by the College within the applicable period and will be diligently pursued until the failure is corrected;

(d) Any statement, representation or warranty made by the College in or pursuant to any Project Document or any instrument or certificate related thereto or to the Project shall be incorrect, untrue or misleading in any material respect;

(e) Any provision of the Project Documents shall at any time for any reason cease to be valid and binding on the College, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the College or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the Lessor; or

(f) The College becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the College or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian for the College or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed by the College or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the State and, if instituted against the College, is consented to or acquiesced in by the College or is not dismissed within 60 days.

In the event the College fails to comply with the Disclosure Undertaking, such failure shall not be an Event of Default under the Lease.

Remedies on Default

Whenever any Event of Default under the Lease exists, the Trustee will have the right, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to the College, the Trustee may declare all Rent payable by the College under the Lease to the end of the Lease Term to be due;

(b) Subject to conditions set forth below, with or without terminating the Lease, the Trustee may take possession of the Project (in which event the College shall take all actions necessary to authorize, execute and deliver to the Trustee for the remainder of the Trustee's leasehold term under the Site Lease all documents necessary to vest in the Trustee for the remainder of the Trustee's leasehold term under the Site Lease all of the College's interest in the Project), and sell the Trustee's interest in the Project or lease the Project or, for the account of the College, sublease the Project continuing to hold the College liable for the difference between (a) the Rent payable by the College under the Lease for the Lease Term, and (b) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the Trustee in exercising its remedies under the Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the Project and all brokerage, auctioneers and attorney's fees).

(c) The Trustee may terminate any rights the College may have in any funds held by the Trustee under the Declaration of Trust; and

(d) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Project and under the Lease.

THE SITE LEASE

Generally

The College and the Trustee have entered into the Site Lease under which the College leases the site for the Improvements constituting the Real Property to the Trustee on the terms and conditions set forth therein.

Term

The term of the Site Lease commences from May 21, 2024, and ends on July 15, 2030, unless extended or terminated as provided therein.

Rental

As and for rental under the Site Lease and in consideration for the leasing of the Real Property to the Trustee, the Trustee enters into the Lease simultaneously with the delivery of the Site Lease, and directs the Trustee to make deposits from the proceeds of the sale of the Certificates into the funds and accounts established and as set forth in the Declaration of Trust.

Assignments and Subleases

The Trustee will hold the Site Lease and its rights thereunder for the benefit of owners of the Certificates. The Trustee and its assigns may assign the Site Lease and its rights thereunder or lease or sublease the Project without the written consent of the College (i) if the Lease is terminated for any reason, or (ii) if any Event of Default under the Lease has occurred.

Termination

The Site Lease will terminate at the end of its stated term, provided, however, in the event the College makes or prepays all of the Rent Payments pursuant to the Lease, then the Site Lease is considered assigned to the College and terminated through merger of the leasehold interest under the Site Lease with the fee interest of the College, if the College is the owner of the fee interest.

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$2,485,000*
DODGE CITY COMMUNITY COLLEGE
FORD COUNTY, KANSAS
LEASE AGREEMENT REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2024
Evidencing Proportionate Interests In and Rights to Receive Payments Under the
Lease Agreement Between the College and Trustee

Appendix D

FORM OF DISCLOSURE UNDERTAKING

* Subject to change.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of May 21, 2024 (the "Continuing Disclosure Undertaking"), is executed and delivered by **DODGE CITY COMMUNITY COLLEGE, FORD COUNTY, KANSAS** (the "College").

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the College in connection with the College entering into a Lease Agreement between the College and Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"), dated as of May 21, 2024, and issuance of Lease Agreement Refunding Certificates of Participation, Series 2024 (the "Certificates") by the Trustee, pursuant to the Declaration of Trust, dated as of May 21, 2024, and a Resolution adopted by the governing body of the College.

2. The College is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"). The College is the only "obligated person" with responsibility for continuing disclosure hereunder.

The College covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Declaration of Trust, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the College pursuant to, and as described in, ***Section 2*** of this Continuing Disclosure Undertaking, which may include the College's Annual Comprehensive Financial Report, if any, so long as the Annual Comprehensive Financial Report contains the financial information and operating data described in ***Section 2(a)(1)*** and ***(2)***.

"Beneficial Owner" means any registered owner of any Certificates and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the trustee, the paying agent or the Dissemination Agent, as applicable, is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"College" means Dodge City Community College, Ford County, Kansas, and any successors or assigns.

"Designated Agent" means Gilmore & Bell, P.C. or one or more other entities designated in writing by the College to serve as a designated agent of the College for purposes of this Disclosure Undertaking.

"Declaration of Trust" means the Declaration of Trust made by Security Bank of Kansas City, Kansas City, Kansas, dated as of May 21, 2024.

"Dissemination Agent" means any entity designated in writing by the College to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the College a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the College as the Fiscal Year of the College for financial reporting purposes.

"Lease" means the Lease Agreement between the College and Security Bank of Kansas City, Kansas City, Kansas, dated as of May 21, 2024.

"Material Events" means any of the events listed in ***Section 3*** of this Continuing Disclosure Undertaking.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Certificates required to comply with the Rule in connection with the offering of the Certificates.

Section 2. Provision of Annual Reports.

(a) The College shall, not later than the last day of the ninth month after the end of the College's Fiscal Year, commencing with the fiscal year ending June 30, 2024, file with the MSRB, through EMMA, the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the College for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Certificates. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the Certificates. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Certificates, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Certificates, as described in

Exhibit A**,** in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the College.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the College is an "obligated person" (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The College shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the College may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the College's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under ***Section 3***, and the Annual Report deadline provided above shall automatically become the last day of the ninth month after the end of the College's new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the College shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates ("Material Events"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
(7) modifications to rights of certificate holders, if material;
(8) certificate calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Certificates, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the College has not submitted the Annual Report to the MSRB by the date required in ***Section 2(a)***, the College shall send a notice to the MSRB of the failure of the College to file on a timely basis the Annual Report, which notice shall be given by the College in accordance with this ***Section 3***.

Section 4. Termination of Reporting Obligation. The College's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the College's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the College, and the College shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the College shall give notice of such termination or substitution in the same manner as for a Material Event under ***Section 3***.

Section 5. Dissemination Agents. The College may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the College. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the College pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the College may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Special Tax Counsel or other counsel experienced in federal securities law matters provides the College with its written opinion that the undertaking of the College contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the College shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the College. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under ***Section 3***, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the College from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the College chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the College shall have no obligation under this

Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. **Default.** If the College fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the College to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Declaration of Trust or the Certificates, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the College to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. **Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the College, the Participating Underwriter, and the Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 10. **Severability.** If any provision in this Continuing Disclosure Undertaking, the Declaration of Trust or the Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. **Electronic Transactions**. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. **Governing Law**. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the College has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

DODGE CITY COMMUNITY COLLEGE,
FORD COUNTY, KANSAS

(SEAL)

____
Chairperson

____
Secretary

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA
TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in tables in the following sections contained in the final Official Statement relating to the Certificates:

FINANCIAL INFORMATION CONCERNING THE COLLEGE

- Assessed Valuation
- Property Tax Levies and Collections
  - --Tax Rates
  - --Tax Collection Record
  - --Major Taxpayers

DEBT STRUCTURE OF THE COLLEGE*

- General Obligation Bonds
- Lease Revenue Certificates of Participation Obligations
- Revenue Bond Obligations
- Capital Lease Obligations
- Loan Obligations

COLLEGE'S AUTHORITY TO INCUR DEBT

- Overlapping/Underlying General Obligation Indebtedness

* This Operating Data is also available in the College's financial information portion of its Annual Report.