

Kentucky Community and Technical College System Board of Regents

Update Agenda Item: Financial Report

Background: The financial statements depict activity through the second quarter of fiscal year (FY) 2024-25; the quarter ending, December 31, 2024. Information for these statements was derived from the Kentucky Community and Technical College System (KCTCS) Administrative Financial System.

The Statement of Current Funds Revenues and Expenses reflects actual program and operational expenditures compared to the 2024-25 budget approved by the KCTCS Board of Regents, June 16, 2023. This report reflects total operating revenues of \$586,242,000 or 65 percent of the budgeted revenue. The Statement of Current Funds Revenues and Expenses also reflects current operating fund expenses of \$470,649,000 or 47 percent of the budgeted expenses for the year. The Statements of Net Position reflect the overall financial position of the System and include assets, deferred outflows, liabilities, deferred inflows, and net position. KCTCS's net position remains a strong \$1,354,584,000 as of December 31, 2024.

KCTCS-TRAINS Quarterly Update:

For the second quarter of FY 2024-25 (July 1, 2024, through December 31, 2024), KCTCS-TRAINS has approved 192 training projects with current open commitments of \$4,427,450. These commitments will serve 240 companies with a projected number of 13,011 enrollments. Funds have been reimbursed to the colleges for active and closed projects through December 30, 2024, totaling \$2,218,441.

For FY 2024-25, KCTCS-TRAINS had a yearly allocation of \$4.1 million plus an additional \$2 million approved by President Quarles. In addition to projects with current Kentucky companies, TRAINS has seven open commitments totaling \$2.9 million pledged to Economic Development companies. These commitments remain integral to our mission to serve Kentucky businesses, especially as companies consider locating or expanding in Kentucky. This initiative allows KCTCS to remain a trusted training and development partner and to leverage our colleges as the first line of support to new enterprises in the Commonwealth.

Other Post-Employment Benefits (OPEB) Trust Update:

During the second quarter of FY 2024-2025, the OPEB Trust disbursed benefits to a total of 1,002 *inactive participants*, comprising retirees and surviving spouses. Furthermore, there are 1,109 current employees, referred to as *active participants*, who remain eligible to receive benefits upon retirement. This time period also saw the investment portfolio supporting the OPEB Trust report an adjusted market value of \$255,263,309. This significant amount surpasses the trust's current anticipated liabilities by over 34%, thereby ensuring a solid financial footing.

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In alignment with our commitment to both current and former staff members, the business services team has issued a Request for Proposal (RFP) for the management of the Trust's Medicare Advantage Plan. This initiative aims to ensure that we continue to fulfill our obligations in the most efficient manner possible and reflects our steadfast dedication to providing secure and sustainable benefits for all eligible participants. We anticipate continuing to strengthen our financial position and enhance the benefits offered to our esteemed employees and retirees in the years ahead.