

**NEOSHO COUNTY
COMMUNITY COLLEGE**
Chanute, Kansas

Independent Auditor's Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2025

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas

TABLE OF CONTENTS

		PAGE NUMBER
Management’s Discussion and Analysis		i - ix
Independent Auditor’s Report		1-3
Financial Statements:		
Statement of Net position		4
Statement of Revenues, Expenses, and Changes in Net Position		5
Statement of Cash Flows		6-7
Notes to Financial Statements		8-36
	SCHEDULE NUMBER	
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Funding Progress	1	37
SUPPLEMENTARY INFORMATION:		
Combining Schedule of Net Position – Primary Institution	2	38-39
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Primary Institution	3	40-41
Schedules of Revenues, Expenditures, and Changes in Unencumbered Cash - Budget and Actual - Regulatory Basis (with Comparative Actual Totals For the Prior Year)		
All Budgeted Funds - Current Funds – Unrestricted		
General Fund	4	42-43
Postsecondary Technical Education Fund	5	44
Adult Education Fund	6	45
Adult Supplemental Education Fund	7	46
Auxiliary Enterprise Funds	8	47
Plant Funds:		
Retirement of Indebtedness (Bond and Interest) Fund	9	48
Schedule of Changes in Assets and Liabilities –		
All Agency Funds	10	49-50

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas

TABLE OF CONTENTS

(Continued)

	Schedule Number	Page Number
Auditor Information Sheet		51-52
Schedule of Expenditures of Federal Awards	11	53-54
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		55-56
Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance		57-59
Schedule of Findings and Questioned Costs	12	60-62
Schedule of Resolution of Prior Year's Findings and Questioned Costs	13	63
Corrective Action Plan		64

Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Neosho County 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, 2025 with selected comparative information for the year ended June 30, 2024. 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 of this information.

Using the Annual Report:

The annual financial report will include the basic financial statements and required supplementary information.

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; Statement of Cash Flows. These statements present the results on a single measurement focus and basis of accounting.
2. The Notes to the Basic Financial Statements are an integral and essential portion of the financial statements.

Required Supplementary Information:

Management Discussion & Analysis (MD&A) - This is information that is required by standards to be presented but is not part of the basic financial statements.

Highlights to the Financial Statements:

Neosho County Community College completed a solid performance for the fiscal year ended June 30, 2025. At year end, the College's position exceeded its liabilities by \$21,102,167. Of this amount, \$3,562,166 is classified as unrestricted net position. This unrestricted net position may be used to meet the College's ongoing obligations. Cash and fund balances remained strong. Total credit hours generated in 2025 were 32,716. While funding levels will be a concern for the College into the foreseeable future, since our three major sources of revenue are dependent upon student enrollment, state aid appropriations and assessed property valuation, the revenues in the 2025 year helped to maintain the College's strong financial condition.

Statement of Net Position

The statement of net position presents the assets, liabilities, and net position of the College at June 30, 2025. The purpose of the statement of net position is to present the financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. Noncurrent assets are externally restricted cash and investments restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, such as capital assets. Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with

Neosho County Community College
 Management's Discussion and Analysis
 Fiscal year ended June 30, 2025

contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent assets. The College's current assets consist primarily of cash, short-term investments and accounts receivables, while noncurrent assets consist mainly of capital assets.

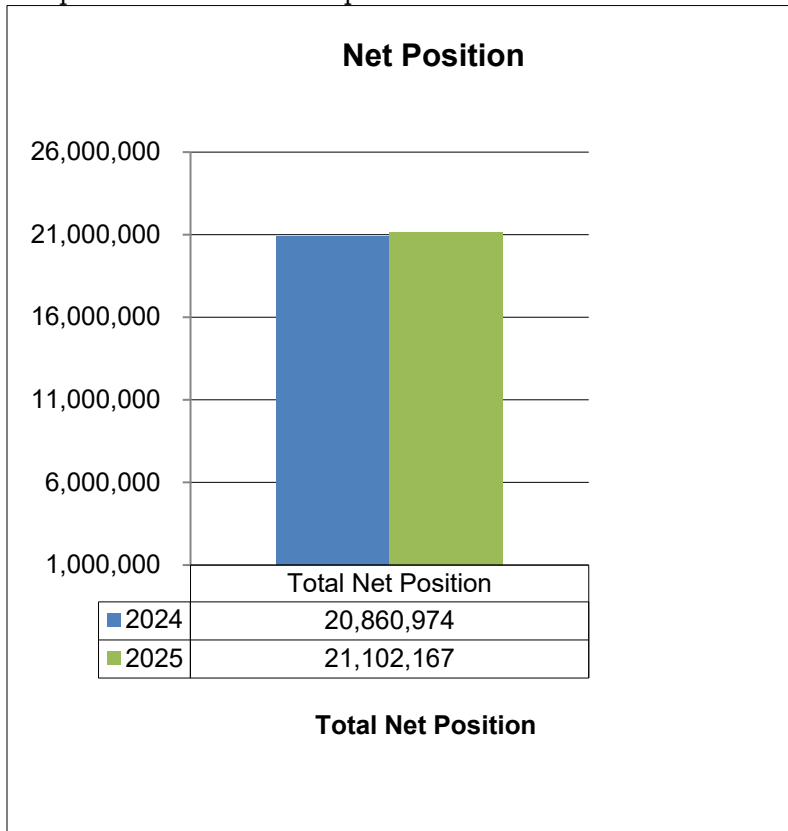
The Governmental Accounting Standards Board implemented Statement No. 87 -Leases that went into effect for the Fiscal Year 2022 audit. The fundamental principle of Statement 87 is that leases are financings of the right to use an underlying asset. The intangible right to use lease asset is recorded as a noncurrent asset and the outstanding liability of future lease payments is recorded in the noncurrent liabilities.

The Governmental Accounting Standards Board implemented Statement No. 96 - Subscription-Based Information Technology Arrangements that went into effect for the Fiscal Year 2023 audit. The fundamental principle of Statement 96 is that software arrangements be recognized as the right to use an underlying asset. The intangible right to use subscription-based information technology arrangements (SBITA) is recorded as a noncurrent asset.

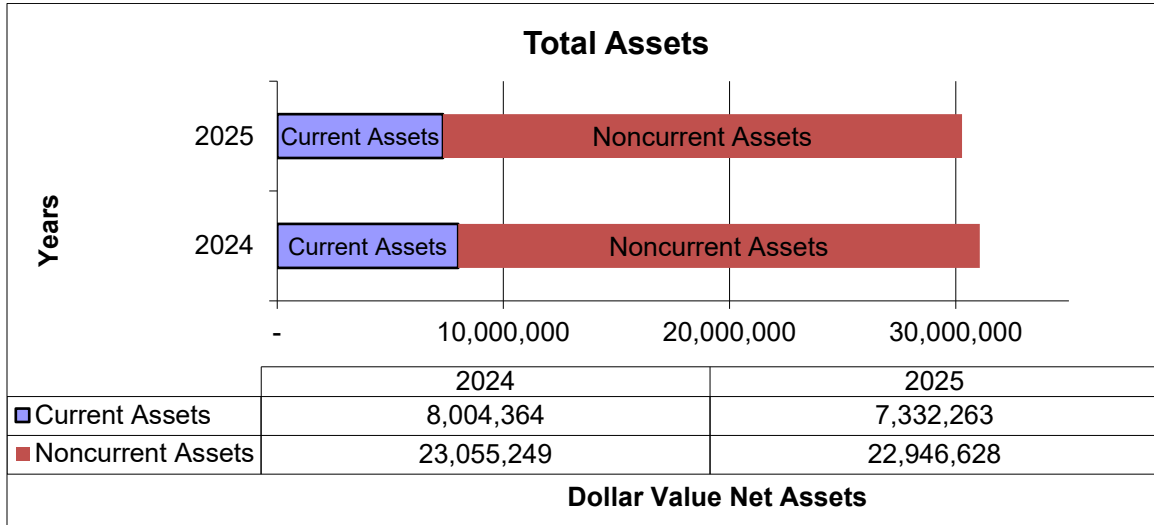
Comparison of Position – Fiscal Year 2024 to 2025

Net position is presented in three major categories. The first is invested in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position increased during the current fiscal year from \$20,860,974 to \$21,102,167 for a total increase of \$241,193; on a percentage basis this is a 1,16% increase.

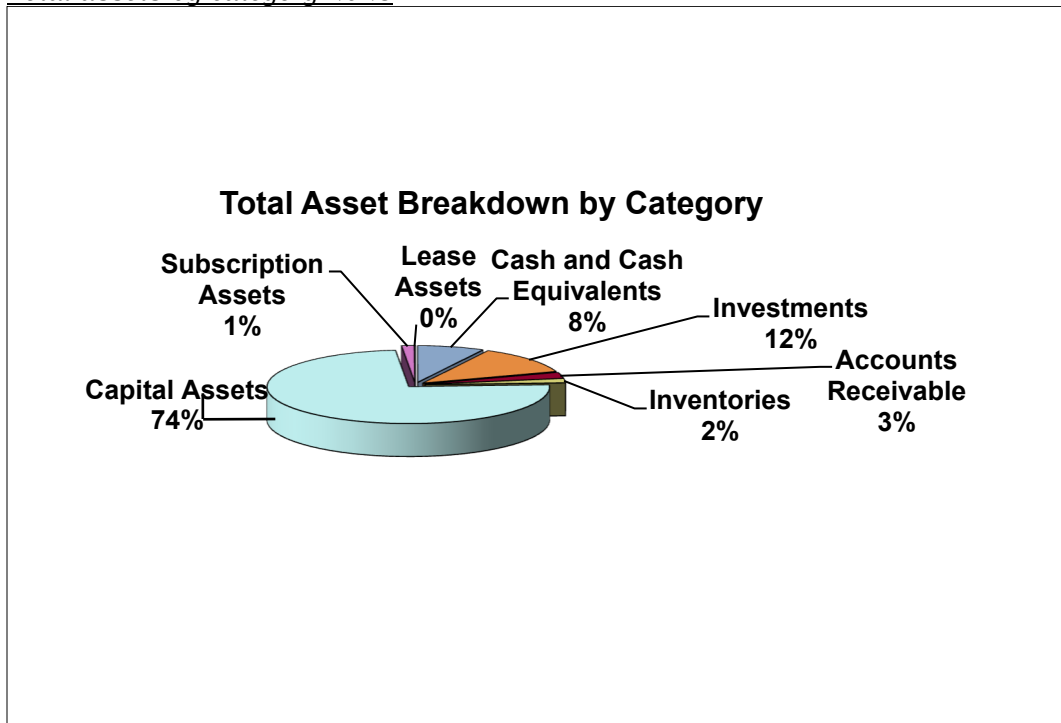
Net position for 2024 compared to 2025:



Total breakdown of assets between current and noncurrent classification is as follows:



Total assets by category 2025



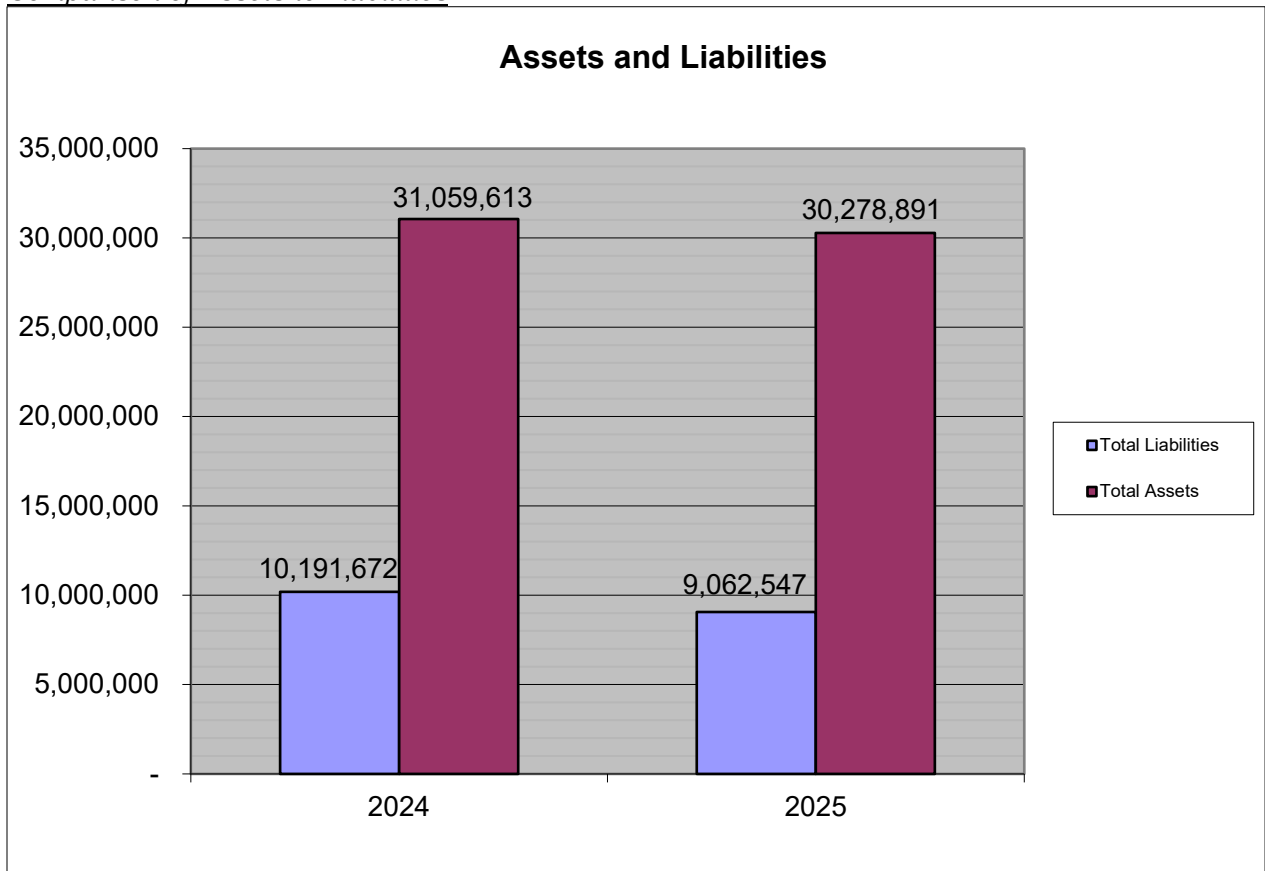
Of the \$30,278,891 in total assets, approximately 8% are in cash and cash equivalents. Capital assets represent 74% of total assets.

Comparison of Liabilities – Fiscal Year 2024 to 2025

	2024	% Total 2024	2025	% Total 2025
Current Liabilities	3,287,786	32,26%	3,631,546	40.07%
Noncurrent Liabilities	6,903,886	67,74%	5,431,001	59,93%
Total Liabilities	10,191,672	100.00%	9,062,547	100.00%

The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, and deferred revenue. The noncurrent liabilities portion is due to the accrued vacation, OBEB obligations, Bond premium and financing lease payable.

Comparison of Assets to Liabilities



Total liabilities decreased \$1,129,125 from \$10,191,672 in 2024 to \$9,062,547 in 2025. This represents an 11.08% decrease in total liabilities. Assets decreased \$780,722 from \$31,059,613 to \$30,278,891 for a 2.51% decrease. The asset to liability ratio was 3.05 (\$31,059,613/10,191,672) in 2024 and 3.34 (\$30,278,891/9,062,547) in 2025. In summary, assets decreased \$780,722 while liabilities decreased by \$1,129,125.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses, and changes in net position present the College's financial results for the fiscal year ending June 30, 2025. The statements include the College's revenue and expenses, both operating and nonoperating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Nonoperating revenues and expenses are those that exclude specific goods and services. Examples of nonoperating revenues would be County property tax revenue and state aid; whereby local and state taxpayers do not directly receive goods and services from the College.

Results of Operations Fiscal Year 2025

	2024	% Total 2024	2025	% Total 2025
Student tuition and fees	4,362,053	17.39%	4,909,275	19.39%
Federal grants and contracts	4,669,302	18.61%	4,310,788	17.03%
State grants and contracts	1,644,285	6.55%	1,778,631	7.03%
Auxiliary enterprises	2,354,502	9.39%	2,270,792	8.97%
State appropriations	4,986,092	19.88%	4,710,892	18.61%
Property taxes	6,546,060	26.09%	6,477,862	25.59%
Other revenue	523,626	2.09%	856,465	3.38%
Total revenue	25,085,920	100.00%	24,855,705	100.00%

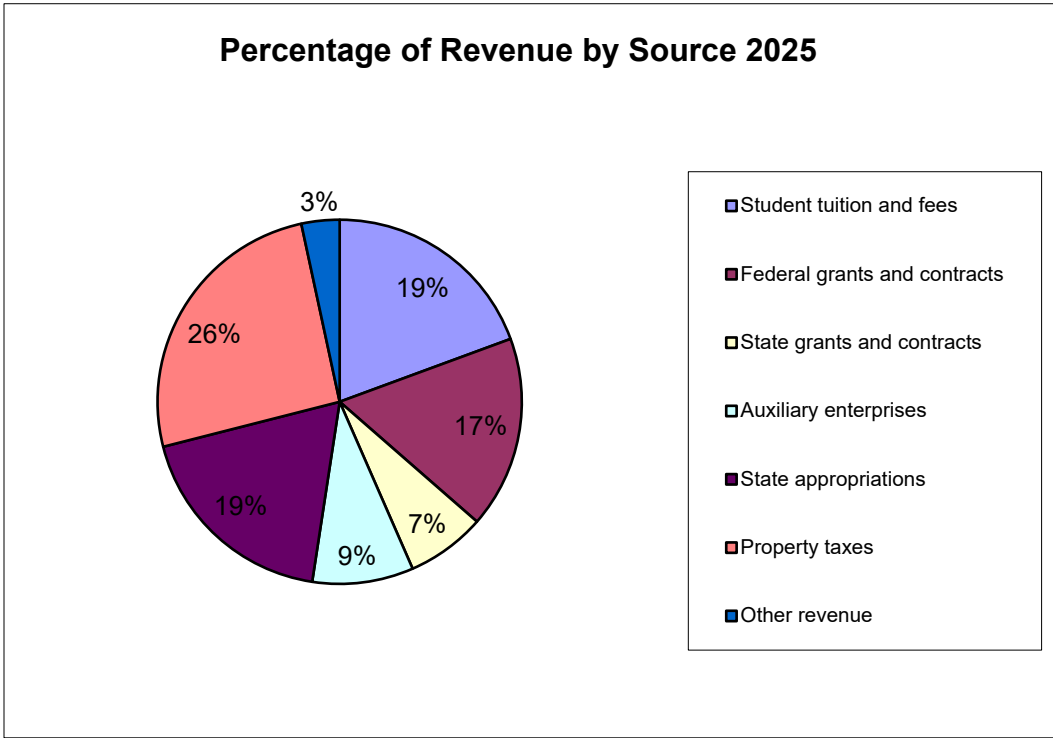
Revenue

Detail of the 2024 and 2025 expenditures:

Components and sources of revenue:

Neosho County Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government; students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. The percentage of state appropriation decreased 1.27% and the percentage of student tuition and fees increased 2.00% in 2025.

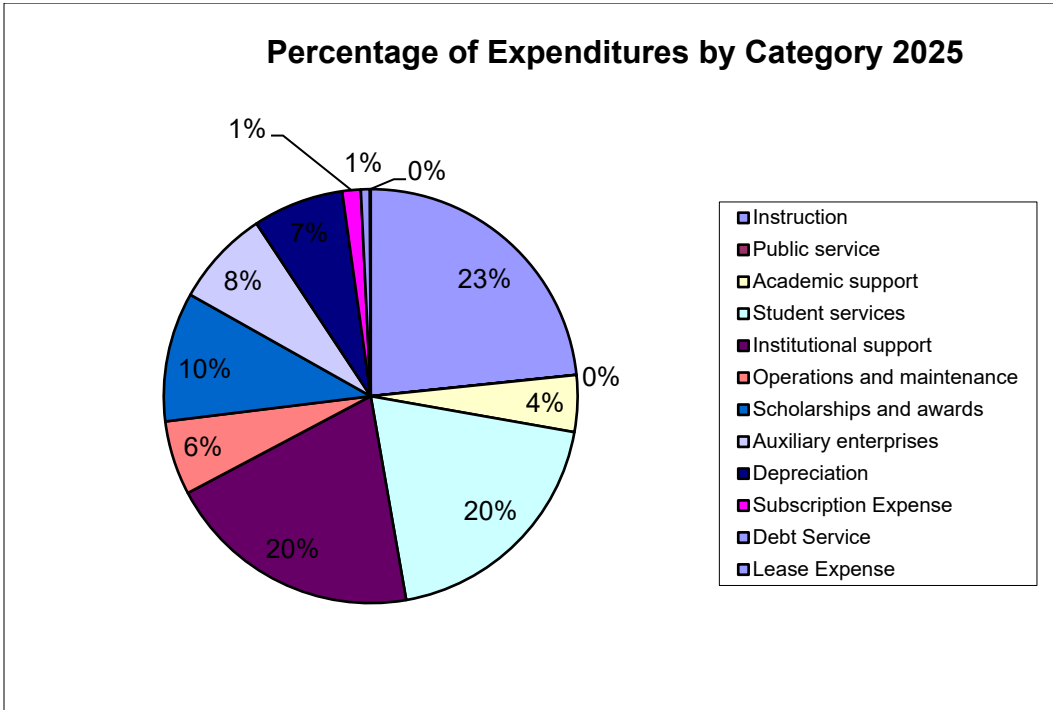
Neosho County Community College
 Management's Discussion and Analysis
 Fiscal year ended June 30, 2025



Expenditures

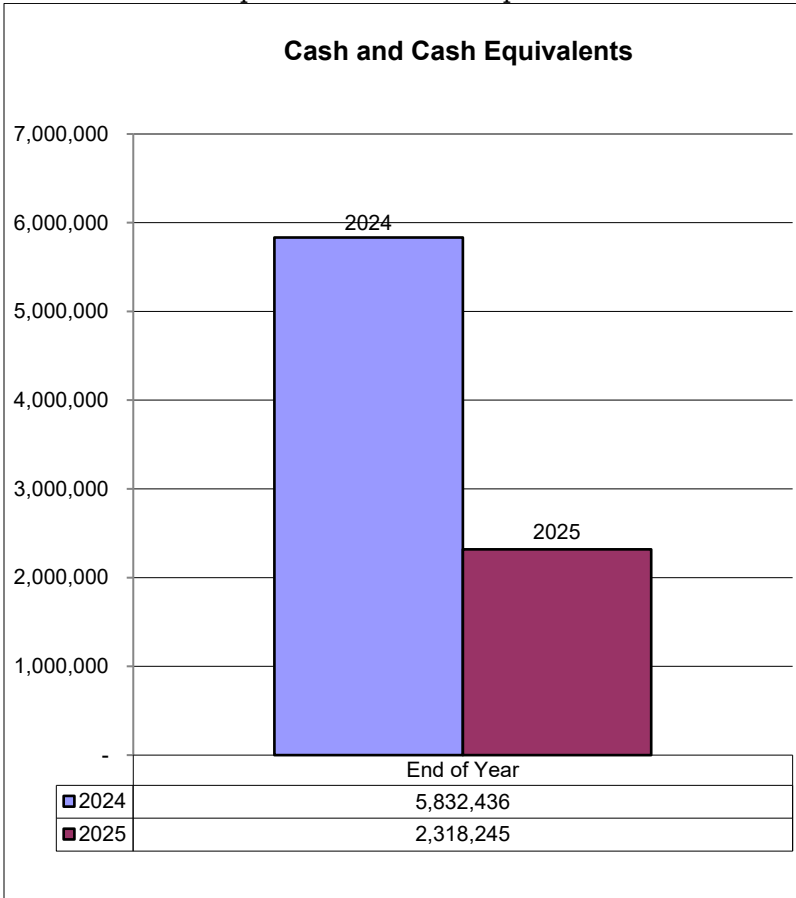
Detail of the 2024 and 2025 Education and General expenditures:

	2024	% Total 2024	2025	% Total 2025
Instruction	5,798,693	24.63%	5,856,172	23.36%
Public service	3,848	0.02%	3,547	0.01%
Academic support	968,811	4.11%	1,107,165	4.42%
Student services	4,043,592	17.17%	4,880,910	19.47%
Institutional support	4,642,856	19.72%	5,012,964	19.99%
Operations and maintenance	2,187,045	9.29%	1,454,410	5.80%
Scholarships and awards	1,954,858	8.30%	2,534,588	10.11%
Auxiliary enterprises	1,802,430	7.65%	1,890,622	7.54%
Depreciation	1,628,864	6.92%	1,777,990	7.09%
Subscription Expense	292,940	1.24%	364,794	1.45%
Debt Service	202,813	0.86%	174,209	0.69%
Lease Expense	19,458	0.08%	16,140	0.06%
Total expenditures	23,546,208	100.00%	25,073,511	100.00%



Statement of Cash Flows

Cash and Cash Equivalents 2024 compared to 2025:



The statement of cash flows present information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The largest sources of cash from operating activities were student tuition and fees, federal financial aid and sales and services of auxiliary enterprises. Major uses of cash were payments made to employees and vendors.

Summary of Overall Performance

Neosho County Community College's financial condition remained stable overall this fiscal year. Net position increased, on an accrual basis, in 2025 from 2024 by \$241,193. Cash and cash equivalents decreased by \$3,514,191 (\$2,318,245-\$5,832,436). Fund balances on a budget basis (presented in supplementary information schedules 4-9) decreased by \$928,325 from \$5,209,597 to \$4,281,272 during the 2025 fiscal year.

Current Factors Having Probable Future Financial Significance

Since the new dorm was built, the College has not been able to fill all 294 beds in the two dorms throughout the entire semester. In the fall of 2024, the College had 242 residents. The occupancy decreased to 213 in the spring of 2025. The College had enough money from housing contracts, profits from the bookstore, and the student union fee paid on each credit hour by the Chanute students to cover annual expenditures. As a result, nothing was transferred from agency funds as of June 30, 2025. The College has not had to transfer from agency funds for the past several years.

Economic Outlook

Neosho County Community College shows relatively steady cash reserves and steady enrollment. Credit hour enrollments increased by 3.88% between FY2003 and FY2024. The College continues to work on increasing enrollment numbers. In August 2022, a newly renovated 28,000 square foot Mitchell Career and Technical Center (MCTC) was opened which includes programs such as aero structures, electrical technology, HVAC, welding, construction, automotive, plumbing and industrial maintenance technology programs. In August 2024 the automotive technology program was launched in a newly renovated 4,300 square foot space at MCTC. Grant and gift funds made this renovation possible. The building also hosts the regional Kansas Works office and houses a career advisor from NCCC.

Additional Funding Sources

The College has been very successful in securing grant money to supplement local tax revenue from Neosho County taxpayers. In fiscal year 2023-24, the Neosho County Community College Foundation received a significant \$2.1 million donation. The purpose of this donation is to renovate the Chanute auditorium, add a reception/gallery/lobby area for the theater, and support other advancements as funding allows. To further support this initiative, the college conducted additional grant writing and fundraising in 2024-25. The design of the new space was finalized, and broke ground on the project in the Fall of 2025. Construction is expected to take 12-18 months. If the project remains on schedule, the new Mih Family Fine Arts Center is projected to open in either Fall 2026 or Spring 2027.

Request for Information

This discussion and analysis is designed to provide a general overview of Neosho County Community College's finances for all those with an interest in such matters. Questions concerning any of the information provided in this audit report or request for additional information should be addressed to the office of Chief Financial Officer, Neosho County Community College, 800 West 14th, Chanute, Kansas 66720.



Signed: _____

Title: _____ President _____

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Neosho County Community College
Chanute, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Neosho County Community College, as of and for the year ended June 30, 2025, 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 referred to above present fairly, in all material respects, the respective financial position of Neosho County Community College, as of June 30, 2025, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principles and Restatement of Beginning Net Position

As discussed in Note 26 to the financial statements, during the year ended June 30, 2025, the College implemented GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, as it applies to KPERS retirees*. The implementation of these standards resulted in restatements of beginning net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Basis for Opinion

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 (Government Auditing Standards). 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 Neosho County Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Neosho County Community 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Neosho County Community 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 Neosho County Community College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages i-ix and 37 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 GAAS, 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 Neosho County Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 38 to 50, are presented for purposes of additional analysis and are not a required part of the basic financial

statements. The schedule of expenditures of federal awards are required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Neosho County Community College, Kansas as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated November 7, 2023 which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accountsreports/local-government/municipal-services>. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2025 (Schedules 4 to 9 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2024, on the basis of accounting described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025 on our consideration of the Neosho County Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Neosho County Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Neosho County Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 7, 2025

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas
Statement of Net Position
June 30, 2025

	Primary Institution	Component Unit- Foundation
	<u> </u>	<u> </u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,318,244.91	\$ 238,880.85
Investments	3,689,706.28	6,948,396.64
Accounts Receivable, Net	779,019.92	-
Current Portion of Unconditional Promises to Give	-	89,916.37
Inventories	545,291.78	-
Total Current Assets	<u>7,332,262.89</u>	<u>7,277,193.86</u>
Noncurrent Assets		
Long Term Unconditional Promises to Give	-	168,750.00
Capital Assets, Net of Accumulated Depreciation	22,495,606.65	10,044.82
Lease Assets, Net of Accumulated Amortization	17,132.06	-
Subscription Assets, Net of Accumulated Amortization	433,888.91	-
Total Noncurrent Assets	<u>22,946,627.62</u>	<u>178,794.82</u>
TOTAL ASSETS	<u>30,278,890.51</u>	<u>7,455,988.68</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>369,715.35</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	1,214,492.64	7,273.88
Deferred Revenue	33,645.75	-
Deposits Held in Custody for Others	681,605.97	134,378.75
Accrued Interest Expense	13,111.66	-
Accrued Vacation, Due Within One Year	227,908.00	-
Lease Liabilities, Due Within One Year	7,867.75	-
Financing Lease Payable, Due Within One Year	1,127,619.91	-
Subscription Liability, Due Within One Year	325,294.95	-
Total Current Liabilities	<u>3,631,546.63</u>	<u>141,652.63</u>
Noncurrent Liabilities		
Accrued Vacation	648,946.00	-
OPEB Obligations	664,931.00	-
Net Pension Liability	171,319.00	-
Lease Liabilities	11,256.77	-
Financing Lease Payable	3,934,548.01	-
Total Noncurrent Liabilities	<u>5,431,000.78</u>	<u>-</u>
TOTAL LIABILITIES	<u>9,062,547.41</u>	<u>141,652.63</u>
DEFERRED INFLOWS OF RESOURCES	<u>483,891.00</u>	<u>-</u>
Invested in Capital Assets, Net of Related Debt	17,540,001.17	10,044.82
Restricted Net Position		
Restricted Net Position - Expendable	-	3,779,729.83
Restricted Net Position - Nonexpendable	-	2,003,829.74
Unrestricted Net Position	3,562,166.28	1,520,731.66
TOTAL NET POSITION	<u>\$ 21,102,167.45</u>	<u>\$ 7,314,336.05</u>

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

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

	Primary Institution	Component Unit- Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees, (Net of Scholarships, Discounts and Allowances of \$1,491,096.63)	\$ 4,909,274.97	\$ -
Federal Grants and Contracts	2,301,991.60	50,000.00
State Grants and Contracts	1,778,630.86	-
Sales and Services of Auxiliary Enterprises	2,270,792.17	-
Other Operating Revenues	285,103.94	1,500.20
Total Operating Revenues	<u>11,545,793.54</u>	<u>51,500.20</u>
EXPENSES		
Educational and General		
Instruction	5,856,172.38	-
Public Service	3,546.28	-
Academic Support	1,107,165.42	-
Student Services	4,880,910.35	-
Institutional Support	5,012,964.30	530,402.15
Operation and Maintenance	1,454,409.38	-
Scholarships and Awards	2,534,587.76	125,800.00
Auxiliary Enterprises	1,890,621.93	-
Subscription Expense	364,794.27	-
Lease Expense	16,140.15	-
Depreciation Expense	1,777,989.94	-
Total Operating Expenses	<u>24,899,302.16</u>	<u>656,202.15</u>
Operating Income (Loss)	<u>(13,353,508.62)</u>	<u>(604,701.95)</u>
Nonoperating Revenues (Expenses)		
State Appropriations	4,710,892.29	-
Federal Pell Grants	2,008,796.00	-
County Appropriations	6,477,861.88	-
Gifts	459,000.00	622,370.02
Investment Income	134,004.63	734,137.37
Debt Service	(174,209.11)	-
Gain (Loss) on Sale of Assets	(21,643.75)	-
Net Nonoperating Revenues (Expenses)	<u>13,594,701.94</u>	<u>1,356,507.39</u>
Increase (Decrease) in Net Position	241,193.32	751,805.44
Net Position - Beginning of Year, As Previously Reported	21,214,998.30	6,562,530.61
Prior Period Adjustment, see Note 26	(354,024.17)	-
Net Position - Beginning of Year, Restated	<u>20,860,974.13</u>	<u>6,562,530.61</u>
Net Position - End of Year	<u>\$ 21,102,167.45</u>	<u>\$ 7,314,336.05</u>

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

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Statement of Cash Flows

For the Year Ended June 30, 2025

	Primary Institution	Component Unit- Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	\$ 5,573,457.45	\$ -
Federal Grants and Contracts	2,301,991.60	50,000.00
State Grants and Contracts	1,778,630.86	-
Sales and Services of Auxiliary Enterprises	2,270,792.17	-
Miscellaneous Income	285,103.94	1,500.20
Payments on Behalf of Employees	(12,892,081.60)	-
Payments for Supplies and Materials	(541,385.78)	-
Payments for Lease Expense	(17,201.16)	-
Payments for Other Expenses	(8,690,731.40)	(522,192.15)
Net cash provided by (used in) operating activities	<u>(9,931,423.92)</u>	<u>(470,691.95)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	4,710,892.29	-
Federal Pell Grants	2,008,796.00	-
Federal Direct Loans	812,924.00	-
Federal Direct Loans Paid	(812,924.00)	-
County Appropriations	6,477,861.88	-
Gifts	459,000.00	436,359.17
Net cash provided by (used in) noncapital financing activities	<u>13,656,550.17</u>	<u>436,359.17</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(2,068,123.95)	-
Proceeds on Sale of Assets	-	-
Interest Paid on Debt	(176,643.55)	-
Proceeds from the Issuance of Long-Term Liabilities	25,988.95	-
Principal Payments on Debt	(1,464,837.56)	-
Net cash provided by (used in) capital financing activities	<u>(3,683,616.11)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	-	652,096.95
Purchase of Investments	(3,689,706.28)	(967,492.02)
Interest Earned on Investments	134,004.63	376,788.24
Net cash provided by (used in) investing activities	<u>(3,555,701.65)</u>	<u>61,393.17</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,514,191.51)	27,060.39
Cash and Cash Equivalents, Beginning of Year	<u>5,832,436.42</u>	<u>211,820.46</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,318,244.91</u>	<u>\$ 238,880.85</u>

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

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Statement of Cash Flows

For the Year Ended June 30, 2025

	Primary Institution	Component Unit- Foundation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (13,353,508.62)	\$ (604,701.95)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	1,777,989.94	1,743.96
Amortization of Lease Assets	15,323.47	-
Amortization of Subscription Assets	361,788.40	
Non Cash Expenditures	-	122,010.85
(Increase) Decrease in Receivables	852,438.31	-
(Increase) Decrease in Inventory	(4,822.34)	-
Increase (Decrease) in Accounts Payable	296,200.42	6,663.96
Increase (Decrease) in Deferred Outflows	(2,891.88)	-
Increase (Decrease) in Deferred Revenue	(188,255.83)	-
Increase (Decrease) in Compensated Absences	42,496.00	-
Increase (Decrease) in OPEB Obligations	59,766.00	-
Increase (Decrease) in Deferred Inflows	110,100.00	-
Increase (Decrease) in Net Pension Liability	49,653.00	-
Increase (Decrease) in Deposits Held for Others	52,299.21	3,591.23
Net cash provided by (used in) operating activities	\$ (9,931,423.92)	\$ (470,691.95)
 Supplementary Information:		
Non Cash Contributions - Management and General	\$ -	\$ 122,010.85
Cash Paid for Interest	172,387.20	-

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

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas

Notes to the Financial Statements
For the Year Ended June 30, 2025

1. NATURE OF ACTIVITIES

Neosho County Community College (the College), located in Chanute, Kansas, is a public two-year institution of higher education. The College is a special-purpose government engaged only in business-type activities; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America (GAAP). The *Governmental Accounting Standards Board* (GASB) is the recognized standard-setting authority for establishing accounting and financial reporting principles for state and local governments. The more significant accounting policies of the College are described below in footnote 2.

Reporting Entity

The financial reporting entity consists of the College (the primary government) and all organizations for which the College is financially accountable. Financial accountability is defined by GASB Statement No. 14, as amended by GASB Statements No. 39 and No. 61, and exists if the College appoints a voting majority of an organization's governing body and either (1) is able to impose its will on that organization, or (2) there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the College. Other organizations are included in the reporting entity if the nature and significance of their relationship with the College are such that exclusion would cause the financial statements to be misleading or incomplete.

After evaluating all potential component units, management has determined that other than the component unit described below, no other organizations meet the criteria for inclusion in the College's financial reporting entity.

Component Unit

The component unit column in the financial statements includes the financial data of the College's discretely presented component unit, the Neosho County Community College Foundation (the Foundation). The Foundation is a legally separate, tax-exempt nonprofit organization formed to promote and support the educational purposes of the College through fundraising and management of contributed resources. The Foundation's economic resources are held almost entirely for the direct benefit of the College.

The Foundation issues separate audited financial statements, which are available from the College's Controller's Office. The Foundation follows accounting principles generally accepted in the United States of America as established by the Financial Accounting Standards Board (FASB), including the use of the FASB Accounting Standards Codification (ASC). Accordingly, certain recognition and presentation differences exist compared with GASB requirements. No modifications have been made to the Foundation's financial information for these differences; however, its financial data have been aggregated into comparable categories for presentation within the College's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as prescribed by the Governmental Accounting Standards Board (GASB). Under the accrual basis, revenues are recognized when earned and expenses are recognized when an obligation is incurred, regardless of the timing of related cash flows. All significant interfund transactions have been eliminated in the preparation of the financial statements. The College reports as a single enterprise fund.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the College considers all highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents. This includes demand deposits and short-term investments such as money market funds.

Certificates of deposit with original maturities greater than three months are reported as investments rather than cash equivalents.

Investments

Investments are reported at fair value, except for nonparticipating contracts such as certificates of deposit, which are reported at cost. Fair value is determined based on quoted market prices, where available.

Changes in the fair value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

The College's investments consist primarily of certificates of deposit with local financial institutions and may also include U.S. government securities and other instruments authorized by Kansas statutes (K.S.A. 12-1675).

The College's investment policy limits investment maturities as a means of managing exposure to fair value losses arising from interest rate fluctuations. All investments are held in the College's name and are fully collateralized in accordance with Kansas statutes.

Accounts Receivable and Deferred Revenue

Accounts receivable consist primarily of amounts due from students for tuition and fees, as well as charges for auxiliary enterprise services provided to students, faculty, and staff—most of whom reside in the State of Kansas. Accounts receivable also include amounts due from federal, state, and local governmental agencies, and from private organizations, for reimbursement of allowable expenditures made under various grants and contracts.

The College also recognizes property taxes receivable for taxes assessed and collected on behalf of the College by Neosho County. In accordance with state law, property taxes levied during the current calendar year are intended to finance the budget of the ensuing fiscal year. Property taxes are assessed on a calendar-year basis and become a lien on the related property on November 1 of each year. The County Treasurer acts as the collection agent for all taxing entities within the County. Property owners may pay one-half or the full amount of taxes levied on or before December 14 of the year levied, with the remaining balance due on or before May 10 of the following year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Deferred Revenue (Continued)

Accordingly, for revenue recognition purposes, property taxes levied in November 2024 are not due and receivable until January 2025 and are therefore recorded as taxes receivable and as a deferred inflow of resources at June 30, 2025. Approximately 10 percent of these taxes are normally distributed after June 30 and are presented as accounts receivable – taxes in process and deferred inflows of resources, to indicate they are not yet available for appropriation. It is not practicable to apportion delinquent taxes held by the County Treasurer at year-end; such amounts are not material in relation to the financial statements taken as a whole.

Inventories

Inventories consist primarily of books and supplies held for resale in the College's bookstore. Inventories are stated at cost, determined using the first-in, first-out (FIFO) method. The cost of inventories is recognized as expense when the related goods are sold.

Noncurrent Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted by creditors, grantors, contributors, or by state statute for the purpose of making debt service payments, maintaining sinking or reserve funds, or purchasing or constructing capital or other noncurrent assets are classified as noncurrent assets in the statement of net position. These amounts are reported as restricted cash and cash equivalents, noncurrent.

Capital Assets

Capital assets include land, buildings, furniture, equipment, and vehicles. Capital assets are defined as assets with an initial individual cost of more than \$5,000.00 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated fixed assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Major additions and improvements are capitalized. The College capitalizes interest on the construction of capital assets when material.

The College's capital assets are depreciated using the straight line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings	35 Years
Building Improvements	20 Years
Furniture	10 Years
Vehicles	5-7 Years
Equipment, including computers	3-7 Years

Right-to-use lease assets recognized under GASB Statement No. 87 and subscription-based information technology assets recognized under GASB Statement No. 96 are reported and disclosed separately in the accompanying notes.

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

Compensated Absences

The College records a liability for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. Employees earn vacation and other leave benefits in accordance with College policy and applicable employment agreements.

A liability for compensated absences is recognized when earned, if it is probable that the benefits will be used or paid, and the leave accumulates and can be carried forward to future periods. The liability is measured based on the leave terms in effect as of the reporting date.

The current portion of the liability, representing amounts expected to be paid within one year, is reported as a current liability in the statement of net position. The remaining balance is reported as a noncurrent liability. Detailed information on the College's compensated absences, including activity and amounts, is presented in a separate note.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of bonds payable, notes payable, and lease liabilities with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other obligations that are not expected to be liquidated within the next fiscal year; (3) subscription-based information technology arrangement (SBITA) liabilities arising under GASB Statement No. 96; and (4) other liabilities that, although payable within one year, are to be paid from resources that are classified as noncurrent assets or otherwise restricted.

The current portion of these obligations, representing amounts expected to be paid within one year, is reported as a current liability in the statement of net position, with the remaining balance classified as noncurrent.

Net position

The College's net position are classified as follows:

Invested in Capital Assets, Net of Related Debt:

This component consists of the College's total investment in capital assets, net of accumulated depreciation, and outstanding debt obligations related to those capital assets. To the extent that debt has been incurred but not yet expended for capital assets, such amounts are excluded from this category and instead reported as restricted net position.

Restricted Net Position – Expendable:

Expendable restricted net position includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by creditors, grantors, contributors, or by state statute or other external laws or regulations.

Restricted Net Position – Nonexpendable:

Nonexpendable restricted net position consists of endowment and similar funds in which donors or other external parties have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested to produce income that may be expended in accordance with the terms of the endowment.

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

Net position (Continued)

Unrestricted Net Position:

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are available to the College's governing board to meet current obligations for any lawful purpose. Unrestricted net position also includes resources of auxiliary enterprises that are substantially self-supporting activities providing services to students, faculty, and staff.

Resource Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the College's policy is to apply unrestricted resources first, followed by restricted resources as needed.

Income Taxes

The College, as a political subdivision of the State of Kansas, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Neosho County Community College Foundation (the Foundation), a discretely presented component unit, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Classification of Revenues

The College classifies its revenues as operating or nonoperating in the statement of revenues, expenses, and changes in net position according to the following criteria:

Operating Revenues:

Operating revenues are derived from activities that have the characteristics of exchange transactions, in which each party receives and gives up essentially equal value. Operating revenues include (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (3) most federal, state, and local grants and contracts that are exchange in nature.

Nonoperating Revenues:

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, in which the College receives value without directly giving equal value in return. These revenues include state appropriations, property taxes, gifts and contributions, nonexchange grants such as federal Pell grants, and investment income.

Classification of revenues is made in accordance with GASB Statements No. 9, Reporting Cash Flows of Proprietary Funds and Governmental Entities That Use Proprietary Fund Accounting, and No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances represent the difference between the stated charges for goods and services provided by the College and the amount that is paid by students and/or third parties on the students' behalf.

Certain federal, state, and nongovernmental grants, such as federal Pell grants, and other financial aid programs are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that such revenues are used to satisfy tuition and fees or other student charges, the College reports the related amounts as scholarship discounts and allowances rather than as expense.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities, as well as the reported amounts of revenues and expenses during the reporting period.

Estimates are based on management's best judgments and currently available information. Actual results may differ from those estimates.

Pension Plan

Substantially all full-time employees of the College participate in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Kansas. KPERS provides retirement, disability, and death benefits to plan members in accordance with benefit provisions established by state statute.

The College's contributions to KPERS are determined in accordance with actuarially established contribution requirements and are remitted to the plan as required by Kansas law. The College recognizes its proportionate share of the collective net pension liability, deferred outflows and inflows of resources, and pension expense in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71.

Additional information regarding the plan's fiduciary net position, actuarial assumptions, and the College's proportionate share of the collective net pension liability is presented in a separate note to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for current funds - unrestricted and plant funds (unless specifically exempted by statute). Although directory rather than mandatory, 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.

If the College is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The College did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended June 30, 2025 the College amended the General Fund and Post Secondary Education Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Current Funds - Restricted and Agency 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.

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Supplementary Schedules 4 to 9 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. Based upon these schedules, all were in compliance with Kansas cash basis and budget laws.

Management is not aware of any other statutory violations.

4. DEPOSITS

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

K.S.A 12-1675 limits the College's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The College has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2025.

At year-end, the College's carrying amount of the deposits including certificates of deposit was \$6,006,351.19 and the bank balance was \$6,411,074.08. The bank balance was held by seven institutions resulting in a concentration of credit risk. Of the bank balance, \$1,612,700.26, was covered by FDIC insurance, \$4,796,914.14 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name, and \$1,459.68 was held in trust with Security Bank of Kansas City.

Component Unit:

At year end, the carrying amount of the Foundation's deposits were \$238,880.85. The bank balances were \$240,259.84. The bank balance was held by six banks and one investment company resulting in a concentration of credit risk. Of the bank balances, \$181,381.38 was covered by FDIC insurance and the remaining \$58,878.46 was covered with SIPC insurance.

5. INVESTMENTS

As of June 30, 2025, the College's investments consisted solely of certificates of deposit (CDs) with local financial institutions. The carrying amount of investments was \$3,689,706.28. Certificates of deposit with original maturities greater than three months are reported as investments rather than cash equivalents in the statement of net position.

Certificates of deposit are nonparticipating contracts and are therefore reported at cost, which approximates fair value. The stated interest rates on outstanding certificates of deposit range from 0.10 percent to 4.50 percent, with maturities generally not exceeding two years.

5. INVESTMENTS (Cotinued)

Investments are made in accordance with Kansas statutes that authorize the investment of public funds in obligations of the U.S. government or its agencies, time deposits, and certificates of deposit issued by Kansas banks and savings and loan associations. All deposits and investments must be secured by pledged collateral with a fair value equal to or greater than the amount on deposit and are held in the College’s name.

Interest Rate Risk – The College manages its exposure to declines in fair value by limiting investment maturities to two years or less, consistent with Kansas statutory limits.

Credit Risk – Investments in certificates of deposit are made only with Kansas banks and savings institutions that meet statutory and policy credit standards. All deposits and investments are fully collateralized in accordance with K.S.A. 9-1402 and K.S.A. 12-1675.

Custodial Credit Risk – All certificates of deposit are collateralized by pledged securities held in the College’s name by an independent third-party institution.

Concentration of Credit Risk – The College’s investment policy limits deposits in any one financial institution to amounts that are fully collateralized and does not permit more than 50 percent of total investments to be placed with a single institution. At June 30, 2025, the College was in compliance with this policy.

Component Unit:

Investment Policy

The Primary objective of the Foundation’s investment policy is to provide for long-term growth of principal and income within reasonable risk on continuing and consistent basis. Emphasis shall be on maintaining growth of assets, net of inflation and fees. Over a period of time, the minimum goal for the total return of the fund should be the current rate of inflation plus 3 to 7%.

The investment objective requires a disciplined and consistent management philosophy. The objectives do not call for a philosophy which represents extreme positions or opportunistic styles. The portfolio shall be diversified with both fixed income and equity holdings. The purpose of such diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact of the total portfolio.

Investments are made under the direction of the Board of Trustees and are reported at fair value in accordance with ASC 820, Fair Value Measurement, and ASC 958-320, Investments—Debt and Equity Securities. Equity, fixed income, and alternative investments are recorded at their estimated fair values as of year-end.

Investments at June 30, 2025, are comprised of the following:

	<u>FAIR VALUE</u>
Mutual Funds	\$ 4,715,658.14
Certificates of Deposit	2,231,852.50
Morgan Dollar Collection	<u>886.00</u>
Total Investments	<u>\$ 6,948,396.64</u>

6. FAIR VALUE MEASUREMENTS

Component Unit:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2. Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Mutual funds are valued at the daily closing price as reported by the fund. The mutual funds held by the Endowment are open-end funds registered with the U.S. Securities and Exchange Commission. Such funds are required to publish their daily net asset value (NAV) and transact at that price. Because these investments are actively traded and have observable market prices, they are classified as Level 1 within the fair-value hierarchy.

Certificates of deposit: Valued at amortized cost, which approximates fair value.

The Morgan Dollar Collection is valued using the Greysheet wholesale guide to coin prices, a monthly publication widely used by coin dealers internationally. Because the valuation relies on observable published pricing but the market is not considered active for identical assets, the collection is classified as Level 2 within the fair-value hierarchy.

	Level 1	Level 2	Total
Mutual Funds	\$ 4,715,658.14	\$ - -	\$ 4,715,658.14
Certificates of Deposit	- -	2,231,852.50	2,231,852.50
Morgan Dollar Collection	- -	886.00	886.00
Totals	<u>\$ 4,715,658.14</u>	<u>\$ 2,232,738.50</u>	<u>\$ 6,948,396.64</u>

7. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025, consisted of the amounts due under the following programs:

	<u>Primary Institution</u>
Current:	
Federal Grants	\$ 212,944.95
Taxes in Process	142,868.00
Student Accounts	<u>423,206.97</u>
 Total Accounts Receivable	 <u>\$ 779,019.92</u>

All receivables are considered current at June 30, 2025. Management considers all receivables collectible as of that date.

The College records bad debts using the direct write-off method. Generally accepted accounting principles require use of the allowance method to recognize bad debts; however, management believes the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

8. INVENTORIES

Inventories consisted of the following at June 30, 2025:

College Bookstore	
Rental and Consumable Textbooks	\$ 504,021.52
Garments	34,636.02
Other Supplies	<u>6,634.24</u>
 Total Inventories	 <u>\$ 545,291.78</u>

Inventories are stated at cost, determined using the first-in, first-out (FIFO) method, and are reported as a current asset in the statement of net position. The cost of inventories is recognized as expense when the related goods are sold. No allowance for obsolescence or shrinkage has been recorded, as management considers such amounts immaterial.

9. UNCONDITIONAL PROMISES TO GIVE

Component Unit:

Unconditional promises to give at June 30, 2025, consist of the following:

Score Board:	
Due within one year	\$ 2,000.00
Total	<u>\$ 2,000.00</u>
Mitchell Career & Technology Center:	
Due within one year	\$ 21,666.37
Total	<u>\$ 21,666.37</u>
Greenhouse:	
Due within one year	\$ 4,000.00
Due within next five years	16,000.00
Thereafter	<u>12,000.00</u>
Total	<u>\$ 32,000.00</u>
Performing Arts Center:	
Due within one year	\$ 62,250.00
Due within next five years	<u>140,750.00</u>
Total	<u>\$ 203,000.00</u>

Amounts are shown net of an allowance for uncollectible pledges of \$0.00 at June 30, 2025. Management evaluated pledge receivables and determined that the impact of discounting long-term pledges is immaterial.

10. CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2025:

Primary Institution:

	Balance 06/30/2024	Additions	Retirements	Transfers	Balance 06/30/2025
Capital Assets not being Depreciated					
Construction in Progress	\$ 1,130,108.64	\$ 585,255.46	\$ -	\$ (1,120,635.84)	\$ 594,728.26
Land	28,656.00	-	-	-	28,656.00
Other Capital Assets					
Buildings and Improvements	23,531,317.54	1,127,619.92	-	1,120,635.84	25,779,573.30
Buildings and Improvements Under Capital Lease	12,590,021.14	-	-	-	12,590,021.14
Equipment	5,279,736.09	320,271.62	(1,107,121.94)	-	4,492,885.77
Total Other Capital Assets	<u>42,559,839.41</u>	<u>2,033,147.00</u>	<u>(1,107,121.94)</u>	<u>-</u>	<u>43,485,864.47</u>
Accumulated Depreciation					
Buildings and Improvements	10,672,620.48	1,045,570.94	-	-	11,718,191.42
Buildings and Improvements Under Capital Lease	5,127,251.97	453,814.90	-	-	5,581,066.87
Equipment	4,497,873.62	278,604.10	(1,085,478.19)	-	3,690,999.53
Total Accumulated Depreciation	<u>20,297,746.07</u>	<u>1,777,989.94</u>	<u>(1,085,478.19)</u>	<u>-</u>	<u>20,990,257.82</u>
Net Capital Assets	<u>\$ 22,262,093.34</u>	<u>\$ 255,157.06</u>	<u>\$ (21,643.75)</u>	<u>\$ -</u>	<u>\$ 22,495,606.65</u>

10. CAPITAL ASSETS (Continued)

Component Unit:

Following are the changes in property and equipment for the year ended June 30, 2025:

	Balance 06/30/2024	Additions	Retirements	Balance 06/30/2025
Capital Assets				
Leasehold Improvements	\$ 19,577.74	\$ -	\$ -	\$ 19,577.74
Equipment	7,490.26	-	-	7,490.26
Total Capital Assets	<u>27,068.00</u>	<u>-</u>	<u>-</u>	<u>27,068.00</u>
Accumulated Depreciation				
Leasehold Improvements	8,483.69	1,305.18	-	9,788.87
Equipment	6,795.53	438.78	-	7,234.31
Total Accumulated Depreciation	<u>15,279.22</u>	<u>1,743.96</u>	<u>-</u>	<u>17,023.18</u>
Net Capital Assets	<u>\$ 11,788.78</u>	<u>\$ (1,743.96)</u>	<u>\$ -</u>	<u>\$ 10,044.82</u>

11. FINANCING LEASES

The College entered into a financing lease/certificate of participation with Security Bank of Kansas City, dated April 15, 2015; requiring semi-annual interest only payments until May 15, 2018, then annual principal payments and semi-annual interest payments of between 2% and 4% through May 15, 2030, secured by dormitory and said revenues.

<u>Financing Lease – Dorms and Improvements</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2026	\$ 524,581.26
2027	525,675.00
2028	525,725.00
2029	524,100.00
2030	<u>504,400.00</u>
Total Net Minimum Lease Payments	2,604,481.26
Less: Imputed Interest	<u>(249,481.26)</u>
Net Present Value of Financing Lease	2,355,000.00
Less: Current Maturities	<u>(445,000.00)</u>
Long-Term Financing Lease Obligations	<u>\$ 1,910,000.00</u>

11. FINANCING LEASES (Continued)

The College entered into a financing lease/certificate of participation with Security Bank of Kansas City, dated June 30, 2016; requiring annual principal payments and semi-annual interest payments of between 2% and 3% through April 15, 2030, secured by real property located in Ottawa, Kansas.

<u>Financing Lease – Ottawa Campus</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2026	\$ 403,318.76
2027	404,443.76
2028	405,318.76
2029	405,475.00
2030	<u>405,368.76</u>
Total Net Minimum Lease Payments	2,023,925.04
Less: Imputed Interest	<u>(148,925.04)</u>
Net Present Value of Financing Lease	1,875,000.00
Less: Current Maturities	<u>(355,000.00)</u>
Long-Term Financing Lease Obligations	<u>\$ 1,520,000.00</u>

The College entered into a financing lease purchase agreement for the financing of various energy conservation measures at the College, dated June 16, 2017; requiring monthly payments including interest of 2.11% through December 15, 2027, secured by energy equipment purchased.

<u>Financing Lease – Energy Conservation</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2026	\$ 342,022.68
2027	342,022.68
2028	<u>171,011.34</u>
Total Net Minimum Lease Payments	855,056.70
Less: Imputed Interest	<u>(22,888.78)</u>
Net Present Value of Financing Lease	832,167.92
Less: Current Maturities	<u>(327,619.91)</u>
Long-Term Financing Lease Obligations	<u>\$ 504,548.01</u>

12. LEASES

The College has entered into various lease agreements for office space and equipment that meet the criteria for recognition under GASB Statement No. 87, *Leases*. Under this standard, the College recognizes a lease liability and an intangible right-to-use lease asset at the commencement of each lease. Lease liabilities are measured at the present value of future lease payments using the College’s incremental borrowing rate at the lease inception date, and the corresponding lease assets are recorded at the same amount, adjusted for any prepayments or incentives received. Lease assets are amortized on a straight-line basis over the shorter of the useful life of the underlying asset or the lease term, and lease liabilities are reduced as payments are made, with interest expense recognized using the effective interest method. Short-term leases (those with terms of 12 months or less) are not capitalized and are expensed as incurred. The College had no leases accounted for as short-term leases and no variable or residual value guarantees at June 30, 2025. All leases are with local vendors and are collateralized only by the underlying assets. Management does not expect any significant changes in leasing arrangements in the next fiscal year.

At June 30, 2025, the College’s right-to-use lease assets and related lease liabilities consisted of office space and postage machine leases. The following summarizes the College’s lease activity and balances for the year ended June 30, 2025:

Lease Expense:

Amortization expense by class of underlying asset:	
Office Space	\$ 5,831.88
Postage Machine	9,491.59
Total Amortization Expense	<u>15,323.47</u>
Interest on Lease Liability	816.68
Total Lease Expense	<u>\$ 16,140.15</u>

Lease Assets:

	Beginning	Additions	Modifications & Remeasurements	Ending
Office Space	\$ 68,038.63	\$ 0.00	\$ 0.00	\$ 68,038.63
Postage Machine	61,048.14	0.00	(54,364.48)	6,683.66
	<u>129,086.77</u>	<u>0.00</u>	<u>54,364.48</u>	<u>74,722.29</u>
Less Accumulated Amortization				
Office Space	(49,084.99)	(5,831.88)	0.00	(54,916.87)
Postage Machine	<u>(47,546.25)</u>	<u>(9,491.59)</u>	<u>54,364.48</u>	<u>(2,673.36)</u>
	<u>(96,631.24)</u>	<u>(15,323.47)</u>	<u>54,364.48</u>	<u>(57,590.23)</u>
Net Lease Assets	<u>\$ 32,455.53</u>	<u>\$ (15,323.47)</u>	<u>\$ 0.00</u>	<u>\$ 17,132.06</u>

	Beginning	Modifications & Remeasurements	Principal	Ending
<i>Lease Liabilities:</i>	\$ 35,472.65	\$ 0.00	\$ (16,348.13)	\$ 19,124.52

Future Maturity Analysis:

	Principal	Interest	Total Payments
2026	\$ 7,867.75	\$ 492.17	\$ 8,359.92
2027	8,114.31	245.61	8,359.92
2028	<u>3,142.46</u>	<u>42.46</u>	<u>3,184.92</u>
Totals	<u>\$ 19,124.52</u>	<u>\$ 780.24</u>	<u>\$ 19,904.76</u>

Lease Liabilities Accrued Interest:

	Beginning	Adjustment	Ending
Postage Machine	\$ 75.41	\$ (36.35)	\$ 39.06

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College has entered into several subscription-based information technology arrangements (SBITAs) for cloud-based and on-premise software solutions, which extend through fiscal year 2029. The College accounts for these arrangements in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

Under this standard, the College recognizes a subscription liability and a corresponding subscription asset at the commencement of the subscription term. The liability is measured at the present value of future subscription payments using the College’s incremental borrowing rate at the inception of each arrangement. The subscription asset equals the liability amount, adjusted for any prepayments or incentives received. Subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying software. Short-term SBITAs (terms of 12 months or less) are not capitalized and are expensed as incurred.

The College had no short-term or variable-payment SBITAs at June 30, 2025. Management does not anticipate any significant modifications or new arrangements during fiscal year 2026.

Lease Expense:

Amortization expense by class of underlying asset:	
SBITA – GASB 96	\$ 361,788.40
Interest on Lease Liability	<u>3,005.87</u>
Total Lease Expense	<u>\$ 364,794.27</u>

Lease Assets:

	Beginning	Additions	Subtractions	Ending
SBITA – GASB 96	\$1,036,383.97	\$ 34,976.95	\$ 0.00	\$1,071,360.92
Less Accumulated Amortization				
SBITA – GASB 96	<u>(275,683.61)</u>	<u>(361,788.40)</u>	<u>0.00</u>	<u>(637,472.01)</u>
Net Lease Assets	<u>\$ 760,700.36</u>	<u>\$(326,811.45)</u>	<u>\$ 0.00</u>	<u>\$ 433,888.91</u>

	Beginning	Additions	Principal	Ending
<i>Lease Liabilities:</i>	\$ 652,009.93	\$ 25,988.95	\$(352,703.93)	\$ 325,294.95

Future Maturity Analysis:

	Principal	Interest	Total Payments
2026	\$ 325,294.95	\$ 817.05	\$ 326,112.00

14. LONG-TERM LIABILITY ACTIVITY

Following are the changes in long-term liability activity for the year ended June 30, 2025:

	Balance 06/30/2024	Additions	Reductions	Balance 06/30/2025	Amount Due within One Year
Accrued Vacation	\$ 834,358.00	\$ -	\$ 42,496.00 *	\$ 876,854.00	\$ 227,908.00
Lease Liability	35,472.65	-	(16,348.13)	19,124.52	7,867.75
Subscription Liability	652,009.93	25,988.95	(352,703.93)	325,294.95	325,294.95
Financing Lease Payable	<u>6,157,953.42</u>	<u>-</u>	<u>(1,095,785.50)</u>	<u>5,062,167.92</u>	<u>1,127,619.91</u>
	<u>\$ 7,679,794.00</u>	<u>\$ 25,988.95</u>	<u>\$ (1,422,341.56)</u>	<u>\$ 6,283,441.39</u>	<u>\$ 1,688,690.61</u>

* Change in the accrued vacation liability is presented as a net change

15. RESTRICTED NET POSITION – EXPENDABLE

Component Unit:

Restricted Net Position – Expendable consist of donations received and are restricted to use and are presented as follows:

Restricted by donor with time or purpose restriction	
Mary Lee Johnson – Donor use restrictions	\$ 155,512.52
Bethel Evangelical Lutheran Church – Donor use restrictions	6,500.00
Mitchell Career and Technology Center – Donor use restrictions	21,666.37
Yuza Greenhouse Donation – Donor use restrictions	46,000.00
Score Board Panther Donation – Donor use restrictions	2,000.00
Stewart – Diesel Mechanic Program – Donor use restrictions	10,000.00
Performing Arts Building – Donor use restrictions	2,548,775.04
Title III-A Grant and Match – 50% interest only for 20 years (expires 06/2030)	817,932.03
Title III-B Grant and Match – 50% interest after 5 years only for 20 years (expires 06/2042)	171,343.87
	<u>\$ 3,779,729.83</u>

16. NET POSITION - NONEXPENDABLE

Component Unit:

On June 30, 2025 the Foundation Endowments are summarized in the following table:

	<u>Nonexpendable</u>
Donor-Restricted Endowment Funds	\$ 2,003,529.74

Changes in endowments as of June 30, 2025 are as follows:

	<u>Nonexpendable</u>
Endowment Net position, Beginning of Year	\$ 2,003,524.74
Contributions	305.00
Endowment Net position, End of Year	<u>\$ 2,003,829.74</u>

All endowment funds are considered to be nonexpendable. Therefore the spending policy does not allow for distribution of these funds. Investment income from these funds is considered to be unrestricted unless otherwise designated.

17. DEFINED BENEFIT PENSION PLAN

Description of Pension Plan

The College participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides benefit provisions to statewide pension groups for State/School employees, Local employees, Police and Firemen, and Judges under one plan. Those employees participating in the pension plan for the College are included in the State/School employee group.

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

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee'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 retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Funding policy:

K.S.A. 74-4919, as amended, establishes a three-tier benefit structure. Tier 1 members include active members hired before July 1, 2009. Tier 2 members include active members hired between July 1, 2009 and December 31, 2014. Tier 3 members include those first employed in a KPERs covered position after January 1, 2015. The member-employee contribution rate is 6%. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutorily required employer's share. For fiscal year 2025, the State of Kansas contributed 11.54% of covered payroll.

Although KPERs administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. To facilitate the separate 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 non-employer allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer. The individual employer allocation percentages for the pension amounts were based on the ratio of the employer and non-employer contributions for the individual employer in relation to the total of all employer and non-employer contributions of the group.

17. DEFINED BENEFIT PENSION PLAN (Continued)

Funding policy: (Continued)

At June 30, 2024, the College's proportion of the net pension liability was 1.542%, which was an decrease of .0154% from the proportion measured of 1.696% at June 30, 2023. The proportion recognized by the State of Kansas on behalf of the College was 0.1542% (special funding situation). The proportion recognized by the College for KPERS retirees was 0.00164%.

Special Funding Situation

The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are funded by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68.

The State of Kansas is treated as a non-employer contributing entity to KPERS and is required to recognize its proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources, and expenses for the pension plan attributable to the College. At June 30, 2024 and 2023, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$10,080,723.00 and \$11,801,033.00, respectively.

The State of Kansas contributed \$1,090,047.34 and \$1,123,821.45 directly to KPERS on behalf of the College for the years ended June 30, 2025 and 2024, respectively. The payments made by the State of Kansas on behalf of the College have been recorded as both revenues (in state appropriations) and expenses (in benefits) in the Statements of Revenues, Expenses and Changes in Net Position.

Net Pension Liability:

The College makes contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937. During the years ended June 30, 2025 and June 30, 2024, the contribution made to KPERS for these employees was \$19,264.35 and \$18,878.47, respectively. The College reported a liability for its proportionate share of the net pension liability related to these employees of \$171,319.00 and \$121,666.00 June 30, 2025 and 2024, respectively.

The June 30, 2025 net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2024. The June 30, 2024 net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2023.

The College's proportion of the net pension liability was based on the ratio of the College's actual contribution to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal years ended June 30, 2025 and 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The College's proportion was 0.00164% and 0.00113% at June 30, 2025 and 2024, respectively. The College recognized pension expense of \$45,812.00 and income of \$5,911.00 for the years ended June 30, 2025 and 2024, respectively, related to the College's net pension liability.

17. DEFINED BENEFIT PENSION PLAN (Continued)

At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and Actual experience	\$ 10,878.00	\$ 0.00	\$ 4,408.00	\$ 0.00
Net difference between projected and actual earning on pension plan investments	1,529.00	0.00	8,281.00	0.00
Change in proportion	61,421.00	(35,102.00)	51,811.00	(54,721.00)
Change in assumptions	11,506.00	(4,413.00)	13,444.00	0.00
Total	<u>\$ 85,334.00</u>	<u>\$ (39,515.00)</u>	<u>\$ 77,944.00</u>	<u>\$ (54,721.00)</u>

The net \$45,819.00 of amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the Statement of Revenues, Expenses and Changes in Net Position as follows:

2026	\$ 14,507.00
2027	13,525.00
2028	10,337.00
2029	7,450.00

Discount Rate:

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarially determined rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

Price inflation	2.75%
Salary increases, including wage increases	3.50 to 15.50%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the PUB 2010 Mortality Tables, with age setback and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

17. DEFINED BENEFIT PENSION PLAN (Continued)

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 as of the most recent experience study dated, January 29, 2024, 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
Non-U.S. Equities	43.00%	8.20%
Core Fixed Income	13.00	2.20
Yield Driven	12.00	5.30
Infrastructure	3.00	6.80
Real Estate	15.00	5.70
Alternatives	11.00	12.00
Short-term investments	4.00	0.30
Total	<u>100.00%</u>	

Sensitivity to changes in the discount rate:

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

1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
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Proportionate share of the net pension liability allocated to:

State	\$ 14,942,218,651.00	\$ 10,290,865,809.00	\$ 6,396,725,371.00
College	252,341.00	171,319.00	103,453.00

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Ave., Suite 100, Topeka, Kansas 66603-3803) or by calling (888) 275-5737. The report is also available online at www.kpers.org.

17. OTHER POST EMPLOYMENT BENEFITS

Health Insurance:

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Plan Description: The College sponsors Medical and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully insured contracts that collectively operate as a single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate retirement benefits under the Kansas Public Employees Retirement System and retire prior to age 65. Retirees may continue coverage with the College until their Medicare eligibility (i.e age 65). Upon covered retiree death or attainment of age 65, spouses may elect COBRA coverage. Participants are required to contribute 100% of group insurance premiums to maintain coverage. Age-adjusted costs may exceed group insurance premiums thus creating an age-subsidy or indirect benefit that forms the basis for the valuation. The plan is identifiable as a single-employer plan. There are 161 total active employees and 1 retiree who are participating in the plan as of October 1, 2023, the census date used for the actuarial valuation.

Funding of benefits: Costs under the College’s group insurance program are paid from pooled operating assets. This arrangement does not qualify as an “OPEB Plan” under GASB requirements and thus these assets may not be reported as an offset to GASB liabilities.

Total OPEB Liability: The College’s total OPEB liability of \$664,931.00 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	October 1, 2023
Measurement Date (End of Year)	June 30, 2025
Reporting Date	June 30, 2025
Discount Rate	4.8% (Measurement Date) 4.1% (Year Preceding Measurement Date)
Salary Scale	3.0%
Actuarial Cost Method	Entry Age – Level Percent-of-Pay
Healthcare Cost Trend Rates	Starting at 10.10%, decreasing to 7.0% in year 2028, then decreasing by 0.25% per year until year reaching an ultimate trend rate of 4.5% in year 2038

The average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 4.1% (beginning-of-year measurement) and 4.8% (end-of-year measurement).

Annual OPEB cost and net OPEB obligation:

Net OPEB Liability	
I. Total OPEB Liability	\$ 664,931.00
II. Plan Fiduciary Net Position (Trust Assets)	<u>0.00</u>
III. Net OPEB Liability at June 30, 2025 (I minus II)	<u>\$ 664,931.00</u>

17. OTHER POST EMPLOYMENT BENEFITS (Continued)

Health Insurance: (Continued)

OPEB Liability Changes	
Total OPEB Liability – Beginning of Year	\$ 605,165.00
1. Service Cost	43,789.00
2. Interest Cost	26,361.00
3. Changes in Benefit Terms	0.00
4. Differences between actual and expected experience	20,279.00
5. Changes in assumptions and inputs	(18,663.00)
6. Employer Contributions (Benefit Payments)	<u>(12,000.00)</u>
Net Changes (1 + 2 + 3 + 4 + 5 – 6)	<u>59,766.00</u>
Total OPEB Liability – End of Year	<u>\$ 664,931.00</u>

OPEB Expense – Fiscal Year 2024-25	
1. Service Cost	\$ 43,789.00
2. Interest Cost	26,361.00
3. Changes in Benefit Terms	0.00
4. Differences between expected and actual experience	2,879.00
5. Changes of assumptions and inputs	(13,938.00)
6. Projected earnings on OPEB plan investments	0.00
7. Differences between projected & actual earnings on OPEB investments	<u>0.00</u>
OPEB Expense (1 + 2 + 3 + 4 + 5 – 6+7)	<u>\$ 59,091.00</u>

OPEB Liability as a percentage of payroll	
Total OPEB Liability	\$ 664,931.00
Payroll	*7,844,466.00
Percent of Payroll	8.48%

* Annualized pay as of October 1, 2023 of active employees

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 3.8%	Current Single Discount Rate Assumption 4.8%	1% Increase 5.8%
Total OPEB Liability	721,212.00	664,931.00	613,535.00
Increase/(Decrease) from Baseline	56,281.00		(51,396.00)

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	587,346.00	664,931.00	757,365.00
Increase/(Decrease) from Baseline	(77,585.00)		92,434.00

17. OTHER POST EMPLOYMENT BENEFITS (Continued)

Health Insurance: (Continued)

Deferred Outflows and Inflows of Resources: The accumulated amount of Deferred Outflows and Inflows of Resources as of June 30, 2025 are shown below.

Category	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in Assumptions	187,290.00	151,499.00
Differences between expected and actual experience	75,827.00	150,012.00
Contributions Subsequent to Measurement Date (1)	0.00	0.00

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

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

Fiscal Year Ending	Amount
2026	\$ (11,059.00)
2027	(11,059.00)
2028	(11,059.00)
2029	(11,059.00)
2030	(11,059.00)
2031 & Thereafter	18,901.00

Average Expected Remaining Service Life: 3.2909 years

Early Retirement Benefits:

The College provides an early retirement program for certain eligible employees. The early retirement benefit shall be an annual payment made in the retired employee's name to the college's identified 403 (b) plan provider. The payment will be determined by utilization of the percentage opposite the year of benefit on the following table. The percentage of the year shall be multiplied by the Full-time Employee's last annual contract salary. The payment shall be paid annually in either January or July through the college contract year in which the Full-time Employee reaches age sixty-four (64) or for a period of five (5) years, whichever occurs first. The initial date selected for first year payment (January/July) shall then become the anniversary date for subsequent payments. Early retirement benefits shall be based on KPERs retirement eligibility and years of service after eligibility according to the chart below.

KPERs Eligible	21%
Eligibility + 1 year service	18%
Eligibility + 2 years' service	15%
Eligibility + 3 years' service	12%
Eligibility + 4 years' service	9%
Eligibility + 5 years' service	6%
Eligibility + 6 years' service	3%

17. OTHER POST EMPLOYMENT BENEFITS (Continued)

Early Retirement Benefits (Continued)

The following is a schedule of benefits payable for eligible employees which have taken early retirement as of June 30, 2025:

<u>Paid or Payable</u>	<u>Year Ended June 30th</u>	<u>Amount</u>
Paid	2025	\$ 30,303.00
Payable	2026	254,397.70
Payable	2027	271,674.09
Payable	2028	234,974.02
Payable	2029	218,003.82

18. COMPENSATED ABSENCES

The College provides vacation and sick leave benefits to its full-time employees in accordance with employment classification and years of service.

Vacation Leave:

Full time employees are entitled to vacation pay based upon employment classification and years of services. If an employee terminates before the end of the contract year, the vacation period will be prorated based upon the number of contract days in such year employed prior to termination. All vacations must receive prior approval from the employee's immediate supervisor, and the employee must complete an absence report. Vacation days not scheduled and used within twelve (12) months from the end of the contract year in which earned will be forfeited.

Schedule of Vacation Hours (Days)

	<u>1 – 5 yrs</u>	<u>6 – 10 yrs</u>	<u>11 – 15 yrs</u>	<u>16 + yrs</u>
Clerical/Maintenance	80 (10)	120 (15)	160 (20)	200 (25)
Management Support	80 (10)	120 (15)	160 (20)	200 (25)
Administrator	160 (20)	168 (21)	184 (23)	200 (25)
Senior Administrator	160 (20)	176 (22)	200 (25)	200 (25)
Executive Administrator	160 (20)	200 (25)	240 (30)	240 (30)

Sick Leave:

Each full-time employee shall receive eight sick hours per month. A full-time employee may not accumulate in excess of 720 hours accumulated sick leave. Employees shall be compensated for all accumulated unused sick leave at the time of that employee's retirement. Compensation will be set at a rate of six dollars (\$6) per hour for each hour of accumulated unused sick leave at the time of retirement.

In accordance with the College's compensated-absences accounting policy (see Note 1), a liability has been recorded for vacation leave because payment for unused vacation is probable and measurable. The College has not recorded a liability for sick leave, as payment of accumulated balances, other than upon retirement, is not considered probable, and the amount expected to be paid cannot be reasonably estimated.

The current portion of the compensated-absences liability, representing amounts expected to be paid within one year, is reported as a current liability in the statement of net position; the remainder is reported as noncurrent.

19. EMPLOYEE BENEFIT PLANS

The College sponsors a tax-deferred defined contribution retirement plan under Section 403(b) of the Internal Revenue Code, available to all eligible employees. Employees are eligible to participate and receive employer matching contributions upon the date of hire.

The College provides an employer match of not less than \$25 per month for participating employees. Employees may contribute additional amounts to the plan through voluntary salary deferrals, subject to Internal Revenue Code limits.

For the year ended June 30, 2025, the College contributed \$28,625.00 to the plan on behalf of participating employees. The College's contributions are fully vested when made, and the College has no further liability or obligation beyond these contributions.

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net position that applies to a future period and will be recognized as expenses or reductions of liabilities in future periods. Deferred inflows of resources represent the acquisition of net position that applies to a future period and will be recognized as revenues or reductions of assets in future periods.

The components of deferred outflows and inflows of resources reported in the statement of net position at June 30, 2025, are summarized as follows:

Description	Deferred Outflows	Deferred Inflows
Pensions – KPERS (GASB 68)	\$ 104,598.35	\$ 39,515.00
Other Postemployment Benefits (GASB 75)	265,117.00	301,508.00
Taxes in Process	<u>0.00</u>	<u>142,868.00</u>
Total	<u>\$ 369,715.35</u>	<u>\$ 483,891.00</u>

21. CONTINGENT LIABILITIES

Amounts received or receivable from federal and state grantor agencies are subject to audit and adjustment by those agencies. Any expenditures determined to be unallowable as a result of such audits, including amounts already collected, may become liabilities of the College.

The amount, if any, of expenditures that may be disallowed cannot be determined at this time; however, management believes that any such amounts would not have a material effect on the College's financial statements.

22. CONCENTRATION OF RISK/CREDIT RISK

Component Unit

47.97% of the Foundation's cash and investments are invested in growth and income funds at June 30, 2025. The effect in the future on the Foundation's portfolio is unknown and is subject to market economic conditions.

Credit risk exists to the extent that promises to give become uncollectible in future periods. Management believes the allowance for doubtful accounts adequately provides for potential losses.

22. CONCENTRATION OF RISK/CREDIT RISK (Continued)

Component Unit

The Foundation's investment portfolio is subject to market risk, including the potential loss of principal value. Investments are diversified by asset class, industry, and issuer to mitigate concentration risk. The Foundation maintains its cash and investment accounts with financial institutions and investment managers that management believes to be creditworthy.

23. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health, life, and disability; and natural disasters.

The College manages these risks through the purchase of commercial insurance policies covering property, liability, and other exposures, including workers' compensation coverage purchased from a licensed insurance carrier. This coverage satisfies the College's statutory obligations under the Kansas Workers Compensation Act (K.S.A. 44-501 et seq.), which requires all employers to provide workers' compensation protection for their employees.

Insurance coverage is maintained at levels management believes are adequate to protect against significant losses. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years, and no material uninsured losses were incurred as of June 30, 2025.

24. RELATED PARTY TRANSACTIONS

The Neosho County Community College Foundation was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for the year ended June 30, 2025 and 2024, \$125,800.00 and \$128,359.00 for scholarships, respectively and \$330,179.24 and \$372,029.33 in donations for capital projects, respectively. The Foundation disbursed on behalf of the College, through its activities funds for the years ended June 30, 2025 and 2024, \$220,244.21 and \$242,647.92, respectively. The College disbursed on behalf of the Foundation donated services and facilities for the year ended June 30, 2025 and 2024, \$122,010.85 and \$110,035.53, respectively.

25. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Amount</u>
General Fund	Adult Education Fund	\$ 27,400.00
General Fund	Postsecondary Technical Education Fund	1,627,973.00
Federal Work Study Fund	General Fund	3,365.54
Auxiliary Enterprise Student Union Fund	General Fund	24,000.00
Auxiliary Enterprise Bookstore Fund	General Fund	125,767.00

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

26. NEW ACCOUNTING STANDARDS AND PRIOR PERIOD ADJUSTMENTS

Implementation of GASB Statement No. 101 – Compensated Absences:

During fiscal year 2025, the College implemented GASB Statement No. 101, *Compensated Absences*, which establishes accounting and financial reporting requirements for compensated absences. This standard requires governments to recognize a liability for leave when it is earned, probable that the leave will be used or paid, and measurable based on current pay rates and salary-related costs. The cumulative effect of implementing GASB 101 resulted in a restatement of beginning net position to recognize the College’s compensated absences liability as of July 1, 2024. The effect of this restatement was a decrease in beginning net position of \$274,459.64.

Implementation of GASB Statement No. 68 – Accounting and Financial Reporting for Pensions:

During fiscal year 2025, the College also implemented GASB Statement No. 68, as it applies to the Kansas Public Employees Retirement System (KPERS) retirees portion of the unfunded KPERS liability. This standard requires recognition of the College’s proportionate share of the collective net pension liability, as well as related deferred inflows and outflows of resources. The implementation of GASB 68 resulted in a restatement of beginning net position to include the College’s proportionate share of the KPERS net pension liability for retirees.

Summary of Restatements of Beginning Net Position:

Description	Effect on Beginning Net Position
Implementation of GASB 101 – Compensated Absences	\$ (274,459.64)
Implementation of GASB 68 – KPERS Retirees	<u>(79,564.53)</u>
Total Decrease in Beginning Net Position	<u>\$ (354,024.17)</u>

After recording these restatements, the College’s beginning net position as of July 1, 2024, has been adjusted accordingly.

27. KANSAS BOARD OF REGENTS DISCLOSURE

Certification of Cash on Hand:

Pursuant to 2025 Senate Bill No. 125, Section 118(a), each Kansas community college is required to certify its cash on hand as of June 30, 2025, to determine eligibility for distributions from the Two-Year College Business Industry and Apprenticeship Act and the Two-Year College Student Success Initiatives Account for the fiscal year ending June 30, 2026.

Under this provision, a community college is eligible to receive appropriated funding if its cash on hand is equal to or less than six months of operating expenditures for the fiscal year ending June 30, 2025.

The following information is presented to demonstrate the College's compliance with this statutory requirement:

Row	Description	Amount
1.	Operating Expenditures	\$ 26,390,398.79
2.	Depreciation and Amortization	1,777,989.94
3.	Auxiliary Depreciation	<u>0.00</u>
4.	Depreciation Subtotal	<u>1,777,989.94</u>
5.	Current Assets: Cash and Cash Equivalents	2,318,244.91
6.	Investments: Only Highly Liquid & Certificates of of Deposit with an Original Maturity less than 3 Mo.	<u>0.00</u>
7.	Cash on Hand Subtotal	<u>2,318,244.91</u>
8.	Net Operating Expenses	24,612,408.85
9.	Net Operating Expenses Converted to Months	2,051,034.07
10.	Months cash on Hands for the Year Ended June 30, 2025	1.13

28. SUBSEQUENT EVENTS

The College has evaluated events and transactions occurring subsequent to June 30, 2025, through the date the financial statements were available to be issued. Based on this evaluation, management determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Funding Progress

For the Year Ended June 30, 2025+

+ This schedule is to be built prospectively until it contains ten years of data

	06/30/2021	06/30/2022	06/30/2023	06/30/2024	06/30/2025
OPEB Liability Changes					
Total OPEB Liability - Beginning of Year	\$ 575,726.00	\$ 487,898.00	\$ 329,649.00	\$ 424,895.00	\$ 605,165.00
1. Service Cost	53,185.00	40,929.00	24,626.00	30,906.00	43,789.00
2. Interest Cost	15,975.00	10,307.00	13,081.00	18,032.00	26,361.00
3. Changes in Benefit Terms	-	-	-	-	-
4. Difference between actual and expected experience	(104,757.00)	(15,413.00)	49,605.00	8,593.00	20,279.00
5. Changes in assumptions and inputs	(23,231.00)	(167,072.00)	43,934.00	132,739.00	(18,663.00)
6. Employer Contributions (Benefit Payments)	29,000.00	27,000.00	36,000.00	10,000.00	12,000.00
Net Changes (1+2+3+4+5-6)	(87,828.00)	(158,249.00)	95,246.00	180,270.00	59,766.00
Total OPEB Liability - End of Year	\$ 487,898.00	\$ 329,649.00	\$ 424,895.00	\$ 605,165.00	\$ 664,931.00

OPEB Liability as a percentage of payroll					
Total OPEB Liability	\$ 487,898.00	\$ 329,649.00	\$ 424,895.00	\$ 605,165.00	\$ 664,931.00
Payroll	* 6,702,872.00	*** 6,777,414.00	*** 6,777,414.00	^ 7,844,466.00	^ 7,844,466.00
Percent of Payroll	7.3%	4.9%	6.3%	7.7%	8.5%

	06/30/2018	06/30/2019	06/30/2020
OPEB Liability Changes			
Total OPEB Liability - Beginning of Year	\$ 568,930.00	# \$ 427,015.00	# \$ 492,299.00
1. Service Cost	49,757.00	38,196.00	42,770.00
2. Interest Cost	20,491.00	15,022.00	15,617.00
3. Changes in Benefit Terms	(17,890.00)	-	-
4. Difference between actual and expected experience	(165,557.00)	21,533.00	(6,104.00)
5. Changes in assumptions and inputs	3,284.00	10,533.00	60,144.00
6. Employer Contributions (Benefit Payments)	32,000.00	20,000.00	29,000.00
Net Changes (1+2+3+4+5-6)	(141,915.00)	65,284.00	83,427.00
Total OPEB Liability - End of Year	\$ 427,015.00	# \$ 492,299.00	# \$ 575,726.00

OPEB Liability as a percentage of payroll			
Total OPEB Liability	\$ 427,015.00	\$ 492,299.00	\$ 575,726.00
Payroll	* 5,708,478.00	* 5,708,478.00	* 6,702,872.00
Percent of Payroll	7.5%	8.6%	8.6%

* Annualized pay as of July 1, 2017 of active employees included in the valuation

** Annualized pay as of July 1, 2019 of active employees

*** Annualized pay as of October 1, 2021 of active employees

^ Annualized pay as of October 1, 2023 of active employees

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

Funding policy: Costs under the College's group insurance program are paid from general operating assets on a pay-as-you-go basis, not assets are accumulated to pay related benefits

Changes in Assumptions: Changes in assumptions or other inputs reflect a change in the discount rate from 4.1% (beginning-of-year measurement) to 4.8% (end-of-year measurement)

SUPPLEMENTARY INFORMATION

NEOSHO COUNTY COMMUNITY COLLEGE
 Chanute, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2025

ASSETS	POSTSECONDARY			ADULT	AUXILIARY	AUXILIARY	FEDERAL	SUPPLEMENTAL	PELL
	GENERAL	TECHNICAL EDUCATION	ADULT EDUCATION	SUPPLEMENTAL EDUCATION	ENTERPRISE STUDENT UNION	ENTERPRISE BOOKSTORE	WORK STUDY	EDUCATIONAL OPPORTUNITY GRANT	GRANT
Current Assets									
Cash and Cash Equivalents	\$ 408,744.38	\$ 375,236.16	\$ 109,146.77	\$ 26,625.85	\$ 91,030.01	\$ 295,996.03	\$ 3,286.48	\$ 71.00	\$ (1,058.00)
Investments	2,650,366.28	-	-	-	500,000.00	539,340.00	-	-	-
Receivables									
Taxes in Process	142,868.00	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-	11,995.00
Other	68,861.93	119,524.43	-	5.00	52,424.09	85,830.53	-	-	-
Inventories	-	-	-	-	-	545,291.78	-	-	-
Total Current Assets	<u>3,270,840.59</u>	<u>494,760.59</u>	<u>109,146.77</u>	<u>26,630.85</u>	<u>643,454.10</u>	<u>1,466,458.34</u>	<u>3,286.48</u>	<u>71.00</u>	<u>10,937.00</u>
Noncurrent Assets									
Capital Assets, Net	-	-	-	-	-	-	-	-	-
Lease Assets, Net	-	-	-	-	-	-	-	-	-
Subscription Assets, Net	-	-	-	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>3,270,840.59</u>	<u>494,760.59</u>	<u>109,146.77</u>	<u>26,630.85</u>	<u>643,454.10</u>	<u>1,466,458.34</u>	<u>3,286.48</u>	<u>71.00</u>	<u>10,937.00</u>
Deferred Outflows of Resources	<u>369,715.35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES									
Current Liabilities									
Accounts Payable	677,920.32	106,043.40	2,896.88	-	26,108.50	53,679.86	-	-	11,995.00
Deferred Revenue	3,992.35	4,589.00	-	-	9,632.40	15,432.00	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-	-	-	-
Accrued Interest Expense	5,161.64	-	-	-	7,910.96	-	-	-	-
Current Portion of:									
Accrued Vacation	168,262.58	39,372.79	14,193.99	-	2,949.52	3,129.12	-	-	-
Lease Liabilities	-	-	-	-	-	-	-	-	-
Financing Lease Payable	-	-	-	-	-	-	-	-	-
Subscription Liability	-	-	-	-	-	-	-	-	-
Total Current Liabilities	<u>855,336.89</u>	<u>150,005.19</u>	<u>17,090.87</u>	<u>-</u>	<u>46,601.38</u>	<u>72,240.98</u>	<u>-</u>	<u>-</u>	<u>11,995.00</u>
Noncurrent Liabilities									
Accrued Vacation	479,111.42	112,110.21	40,416.01	-	8,398.48	8,909.88	-	-	-
OPEB Obligations	664,931.00	-	-	-	-	-	-	-	-
Net Pension Liability	171,319.00	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	-	-	-	-
Financing Lease Payable	-	-	-	-	-	-	-	-	-
Subscription Liability	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>1,315,361.42</u>	<u>112,110.21</u>	<u>40,416.01</u>	<u>-</u>	<u>8,398.48</u>	<u>8,909.88</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>2,170,698.31</u>	<u>262,115.40</u>	<u>57,506.88</u>	<u>-</u>	<u>54,999.86</u>	<u>81,150.86</u>	<u>-</u>	<u>-</u>	<u>11,995.00</u>
Deferred Inflows of Resources	<u>483,891.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION									
Invested in Capital Assets, Net of Related Debt	-	-	-	-	-	-	-	-	-
Unrestricted Net Position	985,966.63	232,645.19	51,639.89	26,630.85	588,454.24	1,385,307.48	3,286.48	71.00	(1,058.00)
TOTAL NET POSITION	<u>\$ 985,966.63</u>	<u>\$ 232,645.19</u>	<u>\$ 51,639.89</u>	<u>\$ 26,630.85</u>	<u>\$ 588,454.24</u>	<u>\$ 1,385,307.48</u>	<u>\$ 3,286.48</u>	<u>\$ 71.00</u>	<u>\$ (1,058.00)</u>

NEOSHO COUNTY COMMUNITY COLLEGE
 Chanute, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2025

ASSETS	DIRECT LOANS	TITLE III	OTHER GRANT FUNDS	BARBEE LIBRARY BEQUEST	ALL-FAITH CHAPEL	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
Current Assets									
Cash and Cash Equivalents	\$ -	\$ 1,421.15	\$ 128,743.58	\$ 1,029.96	\$ 205.64	\$ 225,581.28	\$ -	\$ 652,184.62	\$ 2,318,244.91
Investments	-	-	-	-	-	-	-	-	3,689,706.28
Receivables	-	-	-	-	-	-	-	-	-
Taxes in Process	-	-	-	-	-	-	-	-	142,868.00
Federal	12,476.00	51,255.85	137,218.10	-	-	-	-	-	212,944.95
Other	-	-	-	-	-	-	-	96,560.99	423,206.97
Inventories	-	-	-	-	-	-	-	-	545,291.78
Total Current Assets	<u>12,476.00</u>	<u>52,677.00</u>	<u>265,961.68</u>	<u>1,029.96</u>	<u>205.64</u>	<u>225,581.28</u>	<u>-</u>	<u>748,745.61</u>	<u>7,332,262.89</u>
Noncurrent Assets									
Capital Assets, Net	-	-	-	-	-	-	22,495,606.65	-	22,495,606.65
Lease Assets, Net	-	-	-	-	-	-	17,132.06	-	17,132.06
Subscription Assets, Net	-	-	-	-	-	-	433,888.91	-	433,888.91
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,946,627.62</u>	<u>-</u>	<u>22,946,627.62</u>
TOTAL ASSETS	<u>12,476.00</u>	<u>52,677.00</u>	<u>265,961.68</u>	<u>1,029.96</u>	<u>205.64</u>	<u>225,581.28</u>	<u>22,946,627.62</u>	<u>748,745.61</u>	<u>30,278,890.51</u>
Pension Related Deferred Outflows	-	-	-	-	-	-	-	-	369,715.35
LIABILITIES									
Current Liabilities									
Accounts Payable	12,476.00	1,422.00	184,029.52	-	-	70,781.52	-	67,139.64	1,214,492.64
Deferred Revenue	-	-	-	-	-	-	-	-	33,645.75
Deposits Held in Custody for Others	-	-	-	-	-	-	-	681,605.97	681,605.97
Accrued Interest Expense	-	-	-	-	-	-	39.06	-	13,111.66
Current Portion of:									
Accrued Vacation	-	-	-	-	-	-	-	-	227,908.00
Lease Liabilities	-	-	-	-	-	-	7,867.75	-	7,867.75
Financing Lease Payable	-	-	-	-	-	-	1,127,619.91	-	1,127,619.91
Subscription Liability	-	-	-	-	-	-	325,294.95	-	325,294.95
Total Current Liabilities	<u>12,476.00</u>	<u>1,422.00</u>	<u>184,029.52</u>	<u>-</u>	<u>-</u>	<u>70,781.52</u>	<u>1,460,821.67</u>	<u>748,745.61</u>	<u>3,631,546.63</u>
Noncurrent Liabilities									
Accrued Vacation	-	-	-	-	-	-	-	-	648,946.00
OPEB Obligations	-	-	-	-	-	-	-	-	664,931.00
Net Pension Liability	-	-	-	-	-	-	-	-	171,319.00
Lease Liabilities	-	-	-	-	-	-	11,256.77	-	11,256.77
Financing Lease Payable	-	-	-	-	-	-	3,934,548.01	-	3,934,548.01
Subscription Liability	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,945,804.78</u>	<u>-</u>	<u>5,431,000.78</u>
TOTAL LIABILITIES	<u>12,476.00</u>	<u>1,422.00</u>	<u>184,029.52</u>	<u>-</u>	<u>-</u>	<u>70,781.52</u>	<u>5,406,626.45</u>	<u>748,745.61</u>	<u>9,062,547.41</u>
Pension Related Deferred Inflows	-	-	-	-	-	-	-	-	483,891.00
NET POSITION									
Invested in Capital Assets,	-	-	-	-	-	-	17,540,001.17	-	17,540,001.17
Net of Related Debt	-	-	-	-	-	-	-	-	-
Unrestricted Net Position	-	51,255.00	81,932.16	1,029.96	205.64	154,799.76	-	-	3,562,166.28
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 51,255.00</u>	<u>\$ 81,932.16</u>	<u>\$ 1,029.96</u>	<u>\$ 205.64</u>	<u>\$ 154,799.76</u>	<u>\$ 17,540,001.17</u>	<u>\$ -</u>	<u>\$ 21,102,167.45</u>

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2025

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	AUXILIARY ENTERPRISE STUDENT UNION	AUXILIARY ENTERPRISE BOOKSTORE	FEDERAL WORK STUDY	SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	PELL GRANT
REVENUES									
Operating Revenues									
Student Tuition and Fees	\$ 3,324,134.00	\$ 2,942,339.13	\$ 665.00	\$ 160.00	\$ 133,073.47	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	97,139.85	-	264,261.69	-	-	-	24,579.60	49,335.00	-
State Grants and Contracts	1,340,047.34	-	70,437.00	-	-	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	1,581,271.95	689,520.22	-	-	-
Other Operating Revenues	156,711.94	10.00	128,382.00	-	-	-	-	-	-
Total Operating Revenues	4,918,033.13	2,942,349.13	463,745.69	160.00	1,714,345.42	689,520.22	24,579.60	49,335.00	-
EXPENSES									
Educational and General									
Instruction	1,776,343.40	3,605,819.71	480,109.27	-	-	-	-	-	-
Public Service	3,546.28	-	-	-	-	-	-	-	-
Academic Support	806,997.92	306,737.50	-	-	-	-	-	-	-
Student Services	2,613,814.33	586,862.15	-	-	-	-	-	-	-
Institutional Support	4,402,394.90	614,494.59	-	-	-	-	-	-	-
Operation and Maintenance	1,155,386.16	1,052,795.96	-	-	-	-	-	-	-
Scholarships and Awards	912,532.66	942,326.63	-	-	-	-	24,579.60	49,335.00	2,008,796.00
Auxiliary Enterprises	-	-	-	-	1,794,768.31	666,224.13	-	-	-
Subscription Expense	357,525.80	7,172.00	-	-	-	-	-	-	-
Lease Expense	17,201.16	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-
Total Operating Expenses	12,045,742.61	7,116,208.54	480,109.27	-	1,794,768.31	666,224.13	24,579.60	49,335.00	2,008,796.00
Operating Income (Loss)	(7,127,709.48)	(4,173,859.41)	(16,363.58)	160.00	(80,422.89)	23,296.09	-	-	(2,008,796.00)
Nonoperating Revenues (Expenses)									
State Appropriations	2,007,817.00	2,351,407.29	-	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-	-	-	2,008,796.00
County Appropriations	6,477,861.56	-	0.32	-	-	-	-	-	-
Gifts	349,000.00	110,000.00	-	-	-	-	-	-	-
Investment Income	132,552.80	-	-	-	1,451.83	-	-	-	-
Debt Service	(741,486.50)	-	-	-	(524,288.11)	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-	-	-	-
Operating Transfers	(1,502,240.46)	1,627,973.00	27,400.00	-	(24,000.00)	-	(3,365.54)	-	-
Net Nonoperating Revenues (Expenses)	6,723,504.40	4,089,380.29	27,400.32	-	(546,836.28)	-	(3,365.54)	-	2,008,796.00
Increase (Decrease) in Net Position	(404,205.08)	(84,479.12)	11,036.74	160.00	(627,259.17)	23,296.09	(3,365.54)	-	-
Net Position - Beginning of Year	1,390,171.71	317,124.31	40,603.15	26,470.85	1,215,713.41	1,362,011.39	6,652.02	71.00	(1,058.00)
Net Position - End of Year	\$ 985,966.63	\$ 232,645.19	\$ 51,639.89	\$ 26,630.85	\$ 588,454.24	\$ 1,385,307.48	\$ 3,286.48	\$ 71.00	\$ (1,058.00)

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2025

	DIRECT LOANS	TITLE III	OTHER GRANT FUNDS	BARBEE LIBRARY BEQUEST	ALL-FAITH CHAPEL	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES										
Operating Revenues										
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,400,371.60	\$ (1,491,096.63)	\$ 4,909,274.97
Federal Grants and Contracts	812,924.00	543,962.32	1,322,713.14	-	-	-	-	3,114,915.60	(812,924.00)	2,301,991.60
State Grants and Contracts	-	-	368,146.52	-	-	-	-	1,778,630.86	-	1,778,630.86
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	-	-	2,270,792.17	-	2,270,792.17
Other Operating Revenues	-	-	-	-	-	-	-	285,103.94	-	285,103.94
Total Operating Revenues	812,924.00	543,962.32	1,690,859.66	-	-	-	-	13,849,814.17	(2,304,020.63)	11,545,793.54
EXPENSES										
Educational and General										
Instruction	-	-	-	-	-	-	(6,100.00)	5,856,172.38	-	5,856,172.38
Public Service	-	-	-	-	-	-	-	3,546.28	-	3,546.28
Academic Support	-	-	-	-	-	-	(6,570.00)	1,107,165.42	-	1,107,165.42
Student Services	-	418,195.32	1,602,745.16	-	-	-	(340,706.61)	4,880,910.35	-	4,880,910.35
Institutional Support	-	-	-	-	-	-	(3,925.19)	5,012,964.30	-	5,012,964.30
Operation and Maintenance	-	-	-	-	-	351,701.95	(1,105,474.69)	1,454,409.38	-	1,454,409.38
Scholarships and Awards	812,924.00	-	88,114.50	-	-	-	-	4,838,608.39	(2,304,020.63)	2,534,587.76
Auxiliary Enterprises	-	-	-	-	-	-	(570,370.51)	1,890,621.93	-	1,890,621.93
Subscription Expense	-	-	-	-	-	-	96.47	364,794.27	-	364,794.27
Lease Expense	-	-	-	-	-	-	(1,061.01)	16,140.15	-	16,140.15
Depreciation Expense	-	-	-	-	-	-	1,777,989.94	1,777,989.94	-	1,777,989.94
Total Operating Expenses	812,924.00	418,195.32	1,690,859.66	-	-	351,701.95	(256,121.60)	27,203,322.79	(2,304,020.63)	24,899,302.16
Operating Income (Loss)	-	125,767.00	-	-	-	(351,701.95)	256,121.60	(13,353,508.62)	-	(13,353,508.62)
Nonoperating Revenues (Expenses)										
State Appropriations	-	-	-	-	-	351,668.00	-	4,710,892.29	-	4,710,892.29
Federal Pell Grants	-	-	-	-	-	-	-	2,008,796.00	-	2,008,796.00
County Appropriations	-	-	-	-	-	-	-	6,477,861.88	-	6,477,861.88
Gifts	-	-	-	-	-	-	-	459,000.00	-	459,000.00
Investment Income	-	-	-	-	-	-	-	134,004.63	-	134,004.63
Debt Service	-	-	-	-	-	(4,220.00)	1,095,785.50	(174,209.11)	-	(174,209.11)
Gain (Loss) on Sale of Asset	-	-	-	-	-	-	(21,643.75)	(21,643.75)	-	(21,643.75)
Operating Transfers	-	(125,767.00)	-	-	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	(125,767.00)	-	-	-	347,448.00	1,074,141.75	13,594,701.94	-	13,594,701.94
Increase (Decrease) in Net Position	-	-	-	-	-	(4,253.95)	1,330,263.35	241,193.32	-	241,193.32
Net Position - Beginning of Year	-	51,255.00	81,932.16	1,029.96	205.64	159,053.71	16,209,737.82	20,860,974.13	-	20,860,974.13
Net Position - End of Year	\$ -	\$ 51,255.00	\$ 81,932.16	\$ 1,029.96	\$ 205.64	\$ 154,799.76	\$ 17,540,001.17	\$ 21,102,167.45	\$ -	\$ 21,102,167.45

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedules of Revenues, Expenditures, and
Changes in Unencumbered Cash – Budget and Actual

For the Year Ended June 30, 2025

Schedules 4 to 9 are prepared in accordance with Kansas cash basis and budget laws (Budget Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Revenues, Expenditures and Changes

in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

General Fund - Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Budget Basis	Current Year			Variance Over (Under)	
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		
REVENUES						
Student Tuition and Fees						
Student Tuition	\$ 1,830,820.23	\$ 1,823,656.09	\$ 19,611.76	\$ 1,843,267.85	\$ 1,885,919.00	\$ (42,651.15)
Other Student Fees	1,066,138.68	1,500,477.91	-	1,500,477.91	2,000,219.00	(499,741.09)
Total Student Tuition and Fees	2,896,958.91	3,324,134.00	19,611.76	3,343,745.76	3,886,138.00	(542,392.24)
Federal Sources						
Federal Grant Administration	125,938.96	97,139.85	-	97,139.85	76,650.00	20,489.85
State Sources						
State Operating Grant	2,147,269.00	2,007,817.00	-	2,007,817.00	2,007,817.00	-
Other State Sources	250,000.00	1,340,047.34	(1,090,047.34)	250,000.00	626,262.00	(376,262.00)
Total State Sources	2,397,269.00	3,347,864.34	(1,090,047.34)	2,257,817.00	2,634,079.00	(376,262.00)
Local Sources						
Ad Valorem Tax	5,669,503.23	5,552,267.56	-	5,552,267.56	6,351,627.00	(799,359.44)
Motor Vehicle Tax	653,300.99	658,018.33	-	658,018.33	701,406.00	(43,387.67)
Commercial Vehicle Tax	30,218.93	32,085.36	-	32,085.36	-	32,085.36
Rental Motor Vehicle Tax	690.05	71.78	-	71.78	-	71.78
Recreational Vehicle Tax	8,839.23	8,254.93	-	8,254.93	9,101.00	(846.07)
16M-20M Truck Tax	23,410.54	21,019.07	-	21,019.07	-	21,019.07
Delinquent Tax	160,096.71	206,144.53	-	206,144.53	169,564.00	36,580.53
Total Local Sources	6,546,059.68	6,477,861.56	-	6,477,861.56	7,231,698.00	(753,836.44)
Use of Property and Money						
Interest	162,741.25	132,202.80	-	132,202.80	140,000.00	(7,797.20)
Facilities Use	375.00	350.00	-	350.00	-	350.00
Sale of Property	821.00	-	-	-	-	-
Total Use of Property and Money	163,937.25	132,552.80	-	132,552.80	140,000.00	(7,447.20)
Other Sources						
Commissions	18,447.25	18,959.77	-	18,959.77	-	18,959.77
Gifts	16,200.00	349,000.00	-	349,000.00	500,000.00	(151,000.00)
Miscellaneous	75,786.00	127,121.28	-	127,121.28	350,409.00	(223,287.72)
Reimbursements	50,941.60	10,630.89	-	10,630.89	275,000.00	(264,369.11)
Total Other Sources	161,374.85	505,711.94	-	505,711.94	1,125,409.00	(619,697.06)
Operating Transfers from:						
Federal WorkStudy	-	3,365.54	-	3,365.54	-	3,365.54
Auxiliary Enterprise Student Union Fund	24,000.00	24,000.00	-	24,000.00	-	24,000.00
Auxiliary Enterprise Bookstore Fund	205,125.00	125,767.00	-	125,767.00	-	125,767.00
Total Operating Transfers	229,125.00	149,767.00	-	149,767.00	-	149,767.00
TOTAL REVENUES	12,520,663.65	14,035,031.49	(1,070,435.58)	12,964,595.91	15,093,974.00	(2,129,378.09)

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Revenues, Expenditures and Changes
in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

General Fund - Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
EXPENDITURES						
Instruction	\$ 1,785,402.93	\$ 1,776,343.40	\$ (20,470.00)	\$ 1,755,873.40	\$ 2,495,892.00	\$ (740,018.60)
Public Service	3,848.47	3,546.28	-	3,546.28	4,350.00	(803.72)
Academic Support	789,423.04	806,997.92	-	806,997.92	978,374.00	(171,376.08)
Student Services	2,154,272.27	2,613,814.33	(47,088.00)	2,566,726.33	2,468,213.00	98,513.33
Institutional Support	2,963,440.84	4,402,394.90	(1,116,718.46)	3,285,676.44	4,061,371.00	(775,694.56)
Operation and Maintenance	1,821,937.78	1,155,386.16	-	1,155,386.16	2,383,449.00	(1,228,062.84)
Scholarships	689,935.85	912,532.66	-	912,532.66	1,143,294.00	(230,761.34)
Subscription Expense	331,307.36	357,525.80	-	357,525.80	-	357,525.80
Lease Expense	13,248.24	17,201.16	-	17,201.16	-	17,201.16
Debt Service						
Principal	649,093.64	377,078.50	-	377,078.50	-	377,078.50
Interest	96,647.80	364,408.00	4,204.94	368,612.94	-	368,612.94
Operating Transfers to:						
Postsecondary Technical						
Education Fund	968,141.69	1,627,973.00	-	1,627,973.00	-	1,627,973.00
Other Grants Fund	-	-	-	-	-	-
Adult Education Fund	27,400.00	27,400.00	-	27,400.00	747,380.00	(719,980.00)
Total Certified Budget					14,282,323.00	(1,019,792.41)
Adjustments for Qualifying Budget Credits					359,630.89	(359,630.89)
TOTAL EXPENDITURES	12,294,099.91	14,442,602.11	(1,180,071.52)	13,262,530.59	14,641,953.89	(1,379,423.30)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)	226,563.74	(407,570.62)	109,635.94	(297,934.68)	811,651.00	(749,954.79)
Unencumbered Cash - Beginning of Year	2,449,195.74	1,390,171.71	1,285,587.77	2,675,759.48	2,302,577.00	373,182.48
End of Year	<u>\$ 2,675,759.48</u>	<u>\$ 982,601.09</u>	<u>\$ 1,395,223.71</u>	<u>\$ 2,377,824.80</u>	<u>\$ 3,114,228.00</u>	<u>\$ (1,123,137.27)</u>

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Revenues, Expenditures and Changes

in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

Postsecondary Technical Education Fund - Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Budget Basis	Current Year			Variance Over (Under)	
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		
REVENUES						
Student Tuition and Fees						
Student Tuition	\$ 2,564,937.77	\$ 2,564,847.20	\$ 2,129.82	\$ 2,566,977.02	\$ 2,889,867.00	\$ (322,889.98)
Other Student Fees	93,632.00	377,491.93	-	377,491.93	383,890.00	(6,398.07)
Total Student Tuition and Fees	2,658,569.77	2,942,339.13	2,129.82	2,944,468.95	3,273,757.00	(329,288.05)
State Sources						
State Operating Grant	1,777,898.00	1,976,527.00	-	1,976,527.00	1,292,805.00	683,722.00
Other State Sources	458,848.06	374,880.29	-	374,880.29	1,143,722.00	(768,841.71)
Total State Sources	2,236,746.06	2,351,407.29	-	2,351,407.29	2,436,527.00	(85,119.71)
Other Sources						
Gifts	430,362.33	110,000.00	-	110,000.00	1,050,000.00	(940,000.00)
Other Income	69,902.89	10.00	-	10.00	1,000,000.00	(999,990.00)
Total Other Sources	500,265.22	110,010.00	-	110,010.00	2,050,000.00	(1,939,990.00)
Operating Transfer from General Fund	968,141.69	1,627,973.00	-	1,627,973.00	-	1,627,973.00
TOTAL REVENUES	6,363,722.74	7,031,729.42	2,129.82	7,033,859.24	7,760,284.00	(726,424.76)
EXPENDITURES						
Instruction	3,507,277.59	3,605,819.71	(19,939.00)	3,585,880.71	3,983,913.00	(398,032.29)
Academic Support	201,875.67	306,737.50	-	306,737.50	257,616.00	49,121.50
Student Services	288,664.12	586,862.15	-	586,862.15	83,512.00	503,350.15
Institutional Support	536,984.68	614,494.59	-	614,494.59	529,788.00	84,706.59
Operation and Maintenance	934,535.75	1,052,795.96	-	1,052,795.96	732,802.00	319,993.96
Scholarships	962,652.90	942,326.63	-	942,326.63	2,172,653.00	(1,230,326.37)
Subscription Expense	8,393.27	7,172.00	-	7,172.00	-	7,172.00
Total Certified Budget					7,760,284.00	(664,014.46)
Adjustments for Qualifying Budget Credits					484,880.29	(484,880.29)
TOTAL EXPENDITURES	6,440,383.98	7,116,208.54	(19,939.00)	7,096,269.54	8,245,164.29	(1,148,894.75)
Excess of Revenues Over (Under) Expenditures	(76,661.24)	(84,479.12)	22,068.82	(62,410.30)	-	422,469.99
Unencumbered Cash - Beginning of Year	408,264.30	317,124.31	14,478.75	331,603.06	-	331,603.06
End of Year	\$ 331,603.06	\$ 232,645.19	\$ 36,547.57	\$ 269,192.76	\$ -	\$ 269,192.76

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Revenues, Expenditures and Changes

in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

Adult Education Fund - Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Student Tuition and Fees						
Other Student Fees	\$ 1,017.00	\$ 665.00	\$ -	\$ 665.00	\$ 19,000.00	\$ (18,335.00)
Federal Sources						
Adult Basic Education Grant	243,837.00	264,261.69	-	264,261.69	335,981.00	(71,719.31)
State Sources						
Adult Basic Education Grant	74,311.00	70,437.00	-	70,437.00	170,437.00	(100,000.00)
Local Sources						
Delinquent Tax	(0.13)	0.32	-	0.32	-	0.32
Other Sources						
Miscellaneous	146,570.00	128,382.00	-	128,382.00	-	128,382.00
Operating Transfers from General Fund	27,400.00	27,400.00	-	27,400.00	-	27,400.00
TOTAL REVENUES	493,134.87	491,146.01	-	491,146.01	525,418.00	(34,271.99)
EXPENDITURES						
Instruction	514,023.45	480,109.27	2,387.00	482,496.27	624,688.00	(142,191.73)
TOTAL EXPENDITURES	514,023.45	480,109.27	2,387.00	482,496.27	624,688.00	(142,191.73)
Excess of Revenues Over (Under) Expenditures	(20,888.58)	11,036.74	(2,387.00)	8,649.74	(99,270.00)	107,919.74
Unencumbered Cash						
Beginning of Year	118,488.73	40,603.15	56,997.00	97,600.15	99,270.00	(1,669.85)
End of Year	\$ 97,600.15	\$ 51,639.89	\$ 54,610.00	\$ 106,249.89	\$ -	\$ 106,249.89

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Revenues, Expenditures and Changes

in Unencumbered Cash - Budget and Actual

Current Funds - Unrestricted

Adult Supplemental Education Fund - Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Budget Basis	Current Year			Budget	Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		
REVENUES						
Student Tuition and Fees						
Course Fees	\$ 2,159.00	\$ 160.00	\$ -	\$ 160.00	\$ 40,000.00	\$ (39,840.00)
TOTAL REVENUES	2,159.00	160.00	-	160.00	40,000.00	(39,840.00)
EXPENDITURES						
Instruction	164.00	-	-	-	66,630.00	(66,630.00)
TOTAL EXPENDITURES	164.00	-	-	-	66,630.00	(66,630.00)
Excess of Revenues Over (Under) Expenditures	1,995.00	160.00	-	160.00	(26,630.00)	26,790.00
Unencumbered Cash						
Beginning of Year	24,470.85	26,470.85	(5.00)	26,465.85	26,630.00	53,095.85
End of Year	\$ 26,465.85	\$ 26,630.85	\$ (5.00)	\$ 26,625.85	\$ -	\$ (26,305.85)

NEOSHO COUNTY COMMUNITY COLLEGE
 Chanute, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Auxiliary Enterprise Funds (Regulatory Basis)
 For the Year Ended June 30, 2025
 (With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year			Current Year				Variance Under (Over)
	Total Auxiliary Enterprise Funds Budget Basis	Bookstore GAAP	Student Union And Dorm GAAP	Total Auxiliary Enterprise Funds GAAP	Adjustments To Budget Basis	Total Auxiliary Enterprise Funds Budget Basis	Final Budget	
REVENUES								
Sales and Services of Auxiliary Enterprises	\$ 2,266,642.82	\$ 689,520.22	\$ 1,556,915.30	\$ 2,246,435.52	\$ 33,104.40	\$ 2,279,539.92	\$ 2,495,500.00	\$ (215,960.08)
Student Sources								
Student Fees	116,953.50	-	133,073.47	133,073.47	-	133,073.47	45,000.00	88,073.47
Use of Property and Money								
Interest	1,168.66	-	1,451.83	1,451.83	-	1,451.83	-	1,451.83
Local Sources								
Other Income	50,000.00	-	22,156.98	22,156.98	-	22,156.98	75,000.00	(52,843.02)
Other Sources								
Miscellaneous	1,741.16	-	108.83	108.83	-	108.83	-	108.83
Commissions	3,025.82	-	2,090.84	2,090.84	-	2,090.84	-	2,090.84
TOTAL REVENUES	2,439,531.96	689,520.22	1,715,797.25	2,405,317.47	33,104.40	2,438,421.87	2,615,500.00	(177,078.13)
EXPENDITURES								
Auxiliary Enterprise								
Salaries and Benefits	380,224.99	181,647.46	218,589.30	400,236.76	(4,474.00)	395,762.76	500,000.00	(104,237.24)
General Operating Expense	980,936.29	66,807.32	968,621.49	1,035,428.81	-	1,035,428.81	1,500,000.00	(464,571.19)
Supplies	19,068.99	461.40	17,654.34	18,115.74	-	18,115.74	-	18,115.74
Cost of Goods Sold	469,580.86	405,497.80	-	405,497.80	4,822.34	410,320.14	500,000.00	(89,679.86)
Equipment	36,936.87	7,230.15	16,068.57	23,298.72	-	23,298.72	650,000.00	(626,701.28)
Capital Outlay	74,117.23	4,580.00	573,834.61	578,414.61	-	578,414.61	1,055,053.00	(476,638.39)
Debt Service	525,081.26	-	524,288.11	524,288.11	(1,806.85)	522,481.26	522,481.00	0.26
Operating Transfers to (from)								
General Funds	229,125.00	-	24,000.00	24,000.00	-	24,000.00	24,000.00	-
TOTAL EXPENDITURES	2,715,071.49	666,224.13	2,343,056.42	3,009,280.55	(1,458.51)	3,007,822.04	4,751,534.00	(1,743,711.96)
Excess of Revenues Over (Under) Expenditures and Other Additions (Deductions)								
	(275,539.53)	23,296.09	(627,259.17)	(603,963.08)	34,562.91	(569,400.17)	(2,136,034.00)	1,566,633.83
Unencumbered Cash								
Beginning of Year	2,191,517.38	1,362,011.39	1,215,713.41	2,577,724.80	(661,746.95)	1,915,977.85	2,136,034.00	(220,056.15)
End of Year	\$ 1,915,977.85	\$ 1,385,307.48	\$ 588,454.24	\$ 1,973,761.72	\$ (627,184.04)	\$ 1,346,577.68	\$ -	\$ 1,346,577.68

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Revenues, Expenditures and Changes

in Unencumbered Cash - Budget and Actual

Plant Funds

Retirement of Indebtedness (Bond and Interest) Fund - Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
REVENUES					
State Sources					
Other State Income	\$ 602,077.00	\$ 351,668.00	\$ -	\$ 351,668.00	\$ (300,000.00)
Other Sources					
Donations	-	-	-	-	-
TOTAL REVENUES	602,077.00	351,668.00	-	351,668.00	(300,000.00)
EXPENDITURES					
Improvements					
Capital Outlay	478,092.00	351,701.95	-	351,701.95	(299,966.05)
Debt Service					
Other Debt Service	4,120.00	4,220.00	-	4,220.00	4,220.00
TOTAL EXPENDITURES	482,212.00	355,921.95	-	355,921.95	(295,746.05)
Excess of Revenues and Transfers Over (Under) Expenditures	119,865.00	(4,253.95)	-	(4,253.95)	(4,253.95)
Unencumbered Cash					
Beginning of Year	39,188.71	159,053.71	-	159,053.71	159,053.71
End of Year	\$ 159,053.71	\$ 154,799.76	\$ -	\$ 154,799.76	\$ 154,799.76

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2025

Account Name	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2025
ACTIVITY FUND				
Student Services				
#Adulting	\$ -	\$ 866.47	\$ 866.47	\$ -
ACKKOP Conference	-	176.14	176.14	-
Anime Club	-	612.18	612.18	-
Art Club	-	1,493.53	1,493.53	-
Board Game Knights	-	1,384.18	1,384.18	-
Chess Club	-	103.52	103.52	-
Construction and Welding	2,445.90	57,763.35	57,763.35	2,445.90
Gaming Club	-	70.03	70.03	-
History Club	-	1,073.48	1,073.48	-
Improv Club	-	74.38	74.38	-
Innovative Career and Technical Educa	-	617.42	617.42	-
International Club	-	659.92	659.92	-
International Student Application Fee	23,914.01	25,225.54	24,050.93	25,088.62
Literature Club	-	274.67	274.67	-
Mary Grimes Student Nurse - Chanute	-	157.33	157.33	-
Mary Grimes Student Nurse - Ottawa	-	189.00	189.00	-
Medical Sonography	355.00	1,920.00	1,130.00	1,145.00
Music Club	-	1,500.00	1,500.00	-
Occupational Therapy Assistance Appli	4,970.36	1,390.00	5,219.14	1,141.22
Occupational Therapy Club	-	667.66	667.66	-
Panther Players	-	1,470.47	1,470.47	-
PN Chanute	35,098.38	7,724.35	7,857.83	34,964.90
PN Ottawa	45,717.50	21,067.70	17,343.16	49,442.04
Reading and Creative Writing Club	-	15.00	15.00	-
RSVP Fundraising Activities	10,177.71	2,320.00	3,945.14	8,552.57
Science Club - Ottawa	-	1,135.76	1,135.76	-
Science Fair	2,792.00	-	-	2,792.00
SEK Art Exhibition Consortium	501.08	-	-	501.08
Surgical Technician Application Fee	11,579.85	3,420.00	2,311.68	12,688.17
Surgical Technician Uniform	-	893.46	893.46	-
Welding Scrap Metal	643.12	1,768.90	1,620.60	791.42
Wellness Committee	-	136.56	136.56	-
YFU Cultural Activities	27,302.84	-	224.04	27,078.80
Total Student Services	<u>165,497.75</u>	<u>136,171.00</u>	<u>135,037.03</u>	<u>166,631.72</u>
Scholarships				
Endowment Foundation Scholarships	-	129,351.00	129,351.00	-
ESI Camp	2,776.36	-	-	2,776.36
Total Scholarship Accounts	<u>2,776.36</u>	<u>129,351.00</u>	<u>129,351.00</u>	<u>2,776.36</u>

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2025

Account Name	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2025
Other Student Accounts				
Building Fee Ottawa	\$ -	\$ 189,589.00	\$ 189,589.00	\$ -
Cash Over/Under	-	0.32	0.32	-
Dorm Damages	-	1,099.98	1,099.98	-
Gate Receipts	-	251,188.00	251,188.00	-
In/Out GED Testing	17,495.76	7,093.99	4,663.49	19,926.26
In/Out Chanute	-	350.00	350.00	-
In/Out Insurance	-	20,674.02	20,674.02	-
In/Out Fines	-	6,282.49	6,282.49	-
Incidental Computer Fee Chanute	215,263.38	1,849,340.09	1,806,814.55	257,788.92
Incidental Computer Fee Ottawa	192,808.68	140,289.00	119,288.83	213,808.85
Incidental Fee Chanute	(0.30)	291,455.00	291,454.70	-
Incidental Fee Ottawa	-	200,342.00	200,342.00	-
Incidental Fee Outreach	-	176,674.00	176,674.00	-
International Student Insurance	-	71,988.76	71,988.76	-
NSF Check Fees	-	63.00	63.00	-
Out-District Fee	14,308.15	436,365.71	430,000.00	20,673.86
SB155 Tuition Waiver	-	875,331.00	875,331.00	-
Student Senate	21,156.98	30,205.68	51,362.66	-
Student Senate-Ottawa	-	7,157.99	7,157.99	-
Student Union Fee	-	92,453.00	92,453.00	-
Title III Institutional Loan	-	125,767.00	125,767.00	-
Total Other Student Accounts	<u>461,032.65</u>	<u>4,773,710.03</u>	<u>4,722,544.79</u>	<u>512,197.89</u>
TOTAL ACTIVITY FUND	<u>\$ 629,306.76</u>	<u>\$ 5,039,232.03</u>	<u>\$ 4,986,932.82</u>	<u>\$ 681,605.97</u>
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and Investments	\$ 541,320.04	\$ 5,039,346.68	\$ 4,928,482.10	\$ 652,184.62
Other Receivables	96,675.64	96,560.99	96,675.64	96,560.99
TOTAL ASSETS	<u>\$ 637,995.68</u>	<u>\$ 5,135,907.67</u>	<u>\$ 5,025,157.74</u>	<u>\$ 748,745.61</u>
Liabilities				
Accounts Payable	\$ 8,688.92	\$ 67,139.64	\$ 8,688.92	\$ 67,139.64
Deposits Held For Others	629,306.76	5,039,232.03	4,986,932.82	681,605.97
TOTAL LIABILITIES	<u>\$ 637,995.68</u>	<u>\$ 5,106,371.67</u>	<u>\$ 4,995,621.74</u>	<u>\$ 748,745.61</u>

**NEOSHO COUNTY COMMUNITY COLLEGE
CHANUTE, KANSAS**

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2025

EIN NUMBER: 48-0698341
OPE ID NUMBER: 00193600
DUNS NUMBER: 789599172
UEI NUMBER RTK3Q5NTGZ25

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

CHANUTE, KANSAS
OTTAWA, KANSAS
INDEPENDENCE, KANSAS
GARNETT, KANSAS
LAWRENCE, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)
FEDERAL SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANT (FSEOG) (84.007)
FEDERAL DIRECT STUDENT LOAN PROGRAM (DIRECT LOAN) (84.268)
FEDERAL WORK-STUDY PROGRAM (FWS) (84.033)
TITLE III PART A, CHARTING NEW PATHWAYS TOSUCCESS (84.031A)

AUDITOR INFORMATION SHEET

NEOSHO COUNTY COMMUNITY COLLEGE

800 W. 14th
CHANUTE, KANSAS 66720

EIN NUMBER: 48-0698341
OPE ID NUMBER: 00193600
DUNS NUMBER: 789599172
UEI NUMBER RTK3Q5NTGZ25

TELEPHONE: (620) 431-2820
FAX: (620) 431-0082

PRESIDENT: Dr. Brian Inbody
CONTACT PERSON & TITLE: Sondra K. Solander, Chief Financial Officer

LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 2005 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
P.O. Box 779
Chanute, Kansas 66720

FIRM'S FEDERAL ID NUMBER: 20-3906022
TELEPHONE: (620) 431-6342
FAX: (620) 431-0724

PROGRAMS EXAMINED:	PELL	84.063
	FSEOG	84.007
	DIRECT LOAN	84.268
	FWS	84.033
	TITLE III PART A	84.031A

For the Award Year that ended during the institution's fiscal year, the percentage of:

Correspondence or telecommunication courses to total courses	NONE
Regular students enrolled in correspondence courses	NONE
Regular students that are incarcerated	NONE
Regular students enrolled based on ability to benefit	NONE
For short term programs—	
Completion	N/A
Placement	N/A

The campuses/locations considered as part of this entity and covered or excluded by this examination are:

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Chanute, KS	Yes	Yes	Yes	1936	N/A	2025	N/A
Ottawa, KS	Yes	Yes	Yes	1991	N/A	2025	N/A
Independence, KS	Yes	Yes	Yes	2007	N/A	2025	N/A
Garnett, KS	Yes	Yes	Yes	2013	N/A	2025	N/A
Lawrence, KS	Yes	Yes	Yes	2016	N/A	2025	N/A

Institution's Primary Accrediting Organization: North Central Association of Colleges and Schools

The College does not use a servicer.

Records for the accounting and administration of the SFA Programs are located at:

NEOSHO COUNTY COMMUNITY COLLEGE
 800 W. 14th
 CHANUTE, KANSAS 66720

For Close-Out Examination only: N/A

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	ASSITANCE LISTING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	DISBURSE- MENTS/ EXPENDITURES
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grants:				
Student Financial Aid Cluster				
Federal Supplemental Education Opportunity	N/A	84.007	\$ -	\$ 49,335.00
Federal Direct Student Loan Program	N/A	84.268	(1) -	812,924.00
Federal Work-Study Program	N/A	84.033	-	24,579.60
Federal Work-Study Program - Admin	N/A	84.033	-	3,695.40
		Total 84.033	-	28,275.00
Federal Pell Grant	N/A	84.063	-	2,008,431.00
Federal Pell Grant - Admin	N/A	84.063	-	1,930.00
		Total 84.063	-	2,010,361.00
Total Student Financial Aid Cluster			-	2,900,895.00
TRIO Cluster				
TRIO - Talent Search	N/A	84.044	-	427,193.01
TRIO - Student Support Services	N/A	84.042	-	401,998.86
TRIO - Upward Bound	N/A	84.047	-	305,325.30
Total TRIO Cluster			-	1,134,517.17
Direct Grant				
Title III Part A, Charting New Pathways to Success	N/A	84.031A	-	543,962.32
Passed through the Kansas Board of Regents				
Adult Basic Education Program	FY25-ABE	84.002	-	255,988.69
Adult Basic Education Program - Discretionary	ABE -Professional Development	84.002	-	8,273.00
		Total 84.002	-	264,261.69
Passed through the Kansas Board of Regents				
Carl Perkins Vocational Education Grants:				
Career and Technical Education	V048A220016	84.048A	-	70,524.00
Career and Technical Education - Reserve Funds	V048A210016	84.048A	-	56,798.00
Career and Technical Education - Incentive	V048A210016	84.048A	-	8,000.00
		Total 84.048A	-	135,322.00
Total U.S. Department of Education			-	4,978,958.18

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	ASSISTANCE LISTING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	DISBURSE- MENTS/ EXPENDITURES
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Direct Grants:				
Retired and Senior Volunteer Program	N/A	94.002	\$ -	\$ 52,873.97
Total Corporation for National and Community Service			-	52,873.97
<u>U.S. DEPARTMENT OF LABOR</u>				
Passed through Kansas Department of Commerce				
WIOA Cluster				
WIA/WIOA Youth Activities	PY25-YSSA-NCCC	17.259	-	97,642.55
Total WIOA Cluster			-	97,642.55
Total U.S. Department of Labor			-	97,642.55
FEDERAL ASSISTANCE TOTALS			\$ -	\$ 5,129,474.70

NOTE A -- BASIS OF PRESENTATION

This schedule has been prepared in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned. Expenditures are recorded when goods or services are received.

NOTE B -- INDIRECT COST RATE

Neosho County Community College did not elect to use the de minimis cost rate.

(1) These are subsidized and unsubsidized loans to students and parents at the College and are not included in the College's revenues and expenditures.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**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**

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Neosho County Community College
Chanute, 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 (*Government Auditing Standards*), the financial statements of the Neosho County Community College, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Neosho County Community College's basic financial statements and have issued our report thereon dated November 7, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Neosho County Community College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Neosho County Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Neosho County Community College's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Neosho County Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 7, 2025

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Neosho County Community College
Chanute, Kansas

**Report on Compliance for Each Major Federal Program
Qualified and Unmodified Opinions**

We have audited Neosho Community College's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Neosho Community College's major federal programs for the year ended June 30, 2025. Neosho Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Student Financial Aid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Neosho Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Student Financial Aid for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of Neosho Community College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Neosho Community College's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Student Financial Aid Cluster

As described in the accompanying schedule of findings and questioned costs, Neosho Community College did not comply with requirements regarding Student Financial Aid Cluster as described in finding number 2025-001 for Special Tests and Provisions Compliance with such requirements is necessary, in our opinion, for Neosho Community College to comply with the requirements applicable to that program.

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 Neosho Community 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 Neosho Community College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Neosho Community College's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Neosho Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Neosho Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Neosho Community College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Neosho Community College's response to the noncompliance findings identified in our compliance audit described in the accompanying corrective action plan. Neosho 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be material weaknesses.

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.

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 Neosho Community College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying corrective action plan. Neosho 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.

Purpose of this Report

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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 7, 2025

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

The auditor's report expresses an unmodified opinion on the basic financial statements of Neosho County Community College.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____ <u>X</u> _____	Yes	_____ _____	No
Significant deficiency(ies) identified?	_____ _____	Yes	_____ <u>X</u> _____	None Reported

The auditor's report on compliance for the major federal award programs for Neosho County Community College expresses a qualified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ <u>X</u> _____	Yes	_____ _____	No
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Identification of major programs:

U.S. DEPARTMENT OF EDUCATION

- Student Financial Aid Cluster
 - Federal Pell Grant Program – 84.063
 - Federal Supplementary Educational Opportunity Grant – 84.007
 - Federal Work-Study Program – 84.033
 - Federal Direct Student Loan Program – 84.268
 - Title III Part A, Charting New Pathways to Success – 84.031A

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	Yes	_____ _____	No
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II. FINANCIAL STATEMENT FINDINGS

None

NEOSHO COUNTY COMMUNITY COLLEGE

Chanute, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS****Finding: 2025-001** – Special Tests and Provisions – Student Awards

Information of Federal Program:

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Family Education Loans – CFDA No. 84.032

Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Criteria: In accordance with 2 CFR § 668.32 and the program regulations of the Federal Pell Grant Program, institutions must determine student eligibility and award amounts based on the student's expected family contribution (EFC), enrollment status, and cost of attendance, as calculated using the U.S. Department of Education's payment schedules. Under 2 CFR § 200.303 and § 200.62, the College must maintain effective internal controls to ensure accurate and complete award determinations for all Pell recipients.

Condition: During testing of 40 Pell Grant recipients, we noted two students whose awards were not correctly calculated:

- One student was over-awarded due to use of an incorrect enrollment status when determining the payment amount.
- One student was under-awarded because the EFC used in the calculation did not agree to the value reported on the student's Institutional Student Information Record (ISIR).

These errors resulted in one Pell Grant being overstated and one being understated.

Questioned Costs: The net questioned costs totaled \$315.00 (consisting of an over-award of \$428.00 and an under-award of \$743.00). Because both occurred within the same program and offset in amount, the total questioned costs are not considered material to the program.

Cause: The errors resulted from insufficient review controls over manual data entry of Pell calculations and failure to perform a secondary reconciliation between ISIR data and the financial-aid management system prior to disbursement.

Effect or Potential Effect: Improper Pell disbursements were made to two students, resulting in non-compliance with program regulations and the potential for repayment or future adjustment in federal funding.

Context: We tested a nonstatistical sample of 40 Pell Grant recipients for compliance with federal eligibility and disbursement requirements. The two exceptions noted represent 5% of the sample and were isolated control errors rather than evidence of a systemic issue. No additional exceptions were identified in the remainder of the population tested.

Repeat Finding: This is not a repeat finding from the prior year.

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation: We recommend that the College implement procedures to:

- Require a secondary review and approval of all Pell award calculations prior to disbursement.
- Periodically reconcile ISIR data to the financial aid management system.
- Provide annual staff training on Pell Grant payment schedules and data entry accuracy.

Views of responsible officials and planned corrective action: Management concurs with the finding, See the Corrective Action Plan (CAP) on pages 64 for detailed information regarding specific corrective steps and implementation timelines.

NEOSHO COUNTY COMMUNITY COLLEGE
Chanute, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs
For the Year Ended June 30, 2025

None

Neosho County Community College

Corrective Action Plan

November 7, 2025

Cognizant or Oversight Agency for Audit

Neosho Community College respectfully submits the following corrective action plan for the year ended June 30, 2025.

Name and address of independent public accounting firm: Jarred, Gilmore & Phillips, PA, P.O. Box 779, 1815 S Santa Fe, Chanute, Kansas 66720.

Audit period: Year ended June 30, 2025.

The findings from the November 7, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding: 2025-001 – Special Tests and Provisions – Student Awards

Condition:

During testing of 40 Pell Grant recipients, two awards were miscalculated—one over-award and one under-award—due to data-entry errors and lack of a secondary review.

Corrective Action:

The College has reviewed all Pell awards for the 2024–2025 award year to identify and correct any additional errors. Effective immediately, the Financial Aid Office will:

1. Implement a secondary review of all Pell award calculations prior to disbursement.
2. Reconcile ISIR data to the financial-aid system each term.
3. Provide annual staff training on Pell payment schedules and data accuracy. Documentation of the secondary review will be retained in each student's electronic record.

Responsible Official: Director of Financial Aid

Planned Completion Date: March 31, 2026

Status: Implementation in progress as of audit report date.

If the Oversight Agency for Audit has questions regarding this plan, please call Sandi Solander, Chief Financial Officer, (620) 431-2820 Ext 222.

Sincerely,

Neosho Community College

Neosho Community College