LABETTE
COMMUNITY COLLEGE

Parsons, Kansas

Independent Auditor's Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2025

LABETTE COMMUNITY COLLEGE
Parsons, Kansas

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LABETTE COMMUNITY COLLEGE
Parsons, Kansas

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LABETTE COMMUNITY COLLEGE

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

The discussion and analysis of Labette Community College's financial statements focuses on the College as a whole and provides an overview of the College's financial activities for the year ended June 30, 2025 with selected comparative information for the year ended June 30, 2024. The emphasis of discussion about these statements is on current year data and based on currently known facts. This discussion should be read along with the College's basic financial statements and the footnotes to those statements. A separate audit is issued for the Labette Community College Foundation.

Labette Community College is required to present annual financial statements in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB); the authoritative body for establishing U.S. generally accepted accounting principles for state and local governments, including public institutions of higher education. These pronouncements (GASB 34 and 35) permit public colleges and universities to use the guidance for special purpose governments engaged only in business-type activities in their separately issued financial statements. As a result, the presentation format was shifted from a columnar fund group format to a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements issued by a typical business enterprise or a not-for-profit organization.

There are three financial statements presented: The Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities and net position of the College as of the end of the fiscal year. Net position, an accounting concept, is defined as total assets less total liabilities and reflects those values and the equity (ownership) in the total assets of the College at a specific point in time.

This statement is one of the indicators of the current financial condition of the College. Total net position represents the balance in the College's assets after liabilities are deducted. The assets and liabilities are categorized between current and noncurrent based on a projected period of time. Current assets and liabilities are typically short-term and become payable within the normal 12-month account cycle. Noncurrent assets and liabilities are considered to be long-term and will become payable after 12 months.

The Governmental Accounting Standards Board, GASB, implemented Statement 96 for Subscription-Based Information Technology Arrangements which was effective for fiscal year 2024. The fundamental principle of GASB 96 requires a subscription liability and an intangible asset which represents the right to use the subscription asset at the commencement of the subscription term.

GASB Statement 101, Compensated Absences, was implemented in fiscal year 2025. GASB 101 requires the recognition of compensated absences, like accrued vacation, as liabilities in the financial statements at the current rates of pay. The cumulative effect of implementing GASB 101 resulted in a prior period adjustment to restate the 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 $123,067.77.

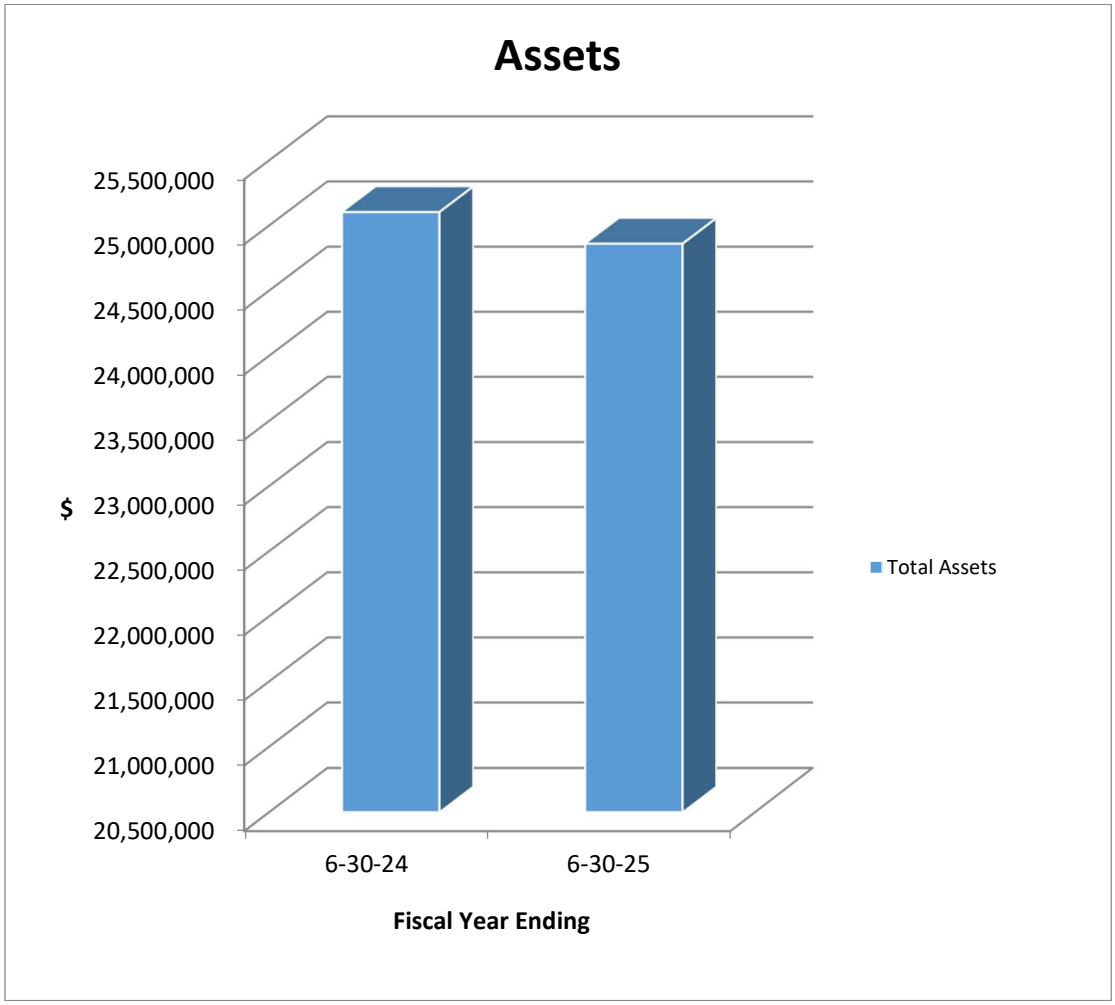
Analysis of Assets, Liabilities and Net Position

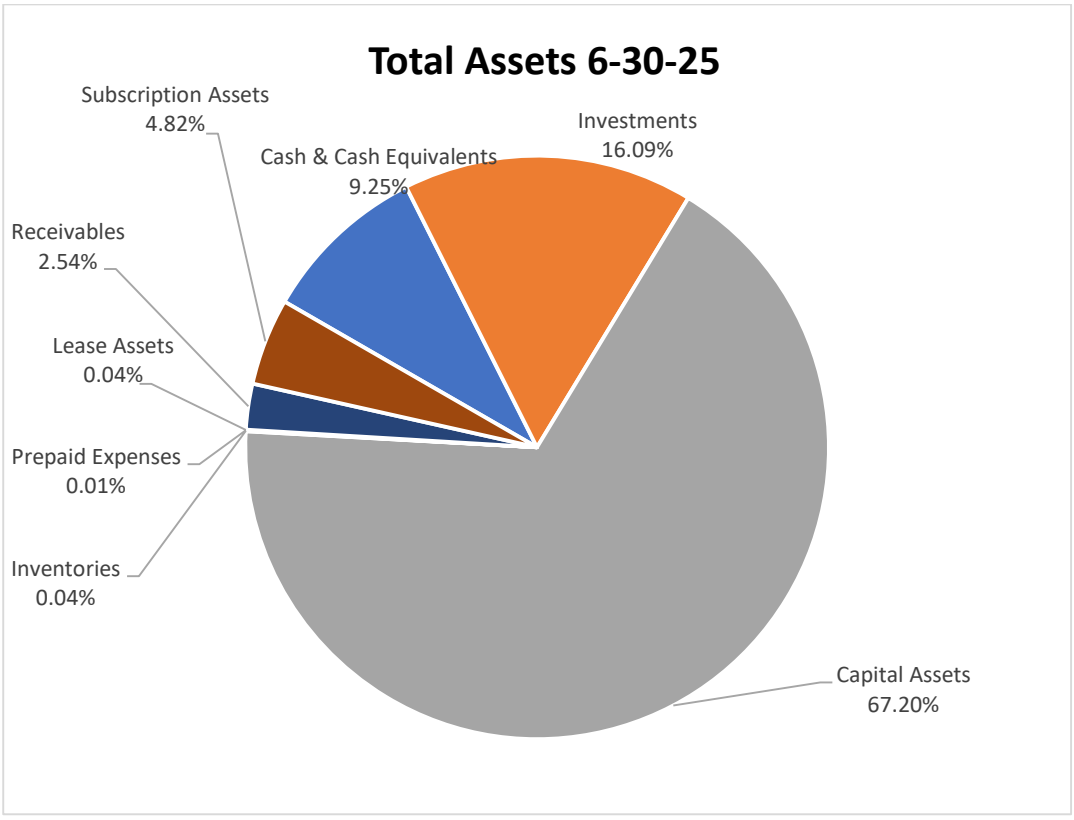
Assets

Comparison of Assets – Fiscal Year 2024 to 2025

	2024	% Total 2024	2025	% Total 2025
Current Assets	$ 5,962,477	23.75%	$ 5,971,550	24.02%
Non-Current Assets	$ 19,140,788	76.25%	$ 18,888,938	75.98%
Total Assets	$ 25,103,265	100.00%	$ 24,860,488	100.00%
Deferred Outflows	$ 45,559		$ 83,200	

For the year, ended June 30, 2025, total assets decreased $242,777 over the previous fiscal year.


Assets
25,500,000
25,000,000
24,500,000
24,000,000
23,500,000
$ 23,000,000
22,500,000
22,000,000
21,500,000
21,000,000
20,500,000
6-30-24
6-30-25
Fiscal Year Ending
Total Assets

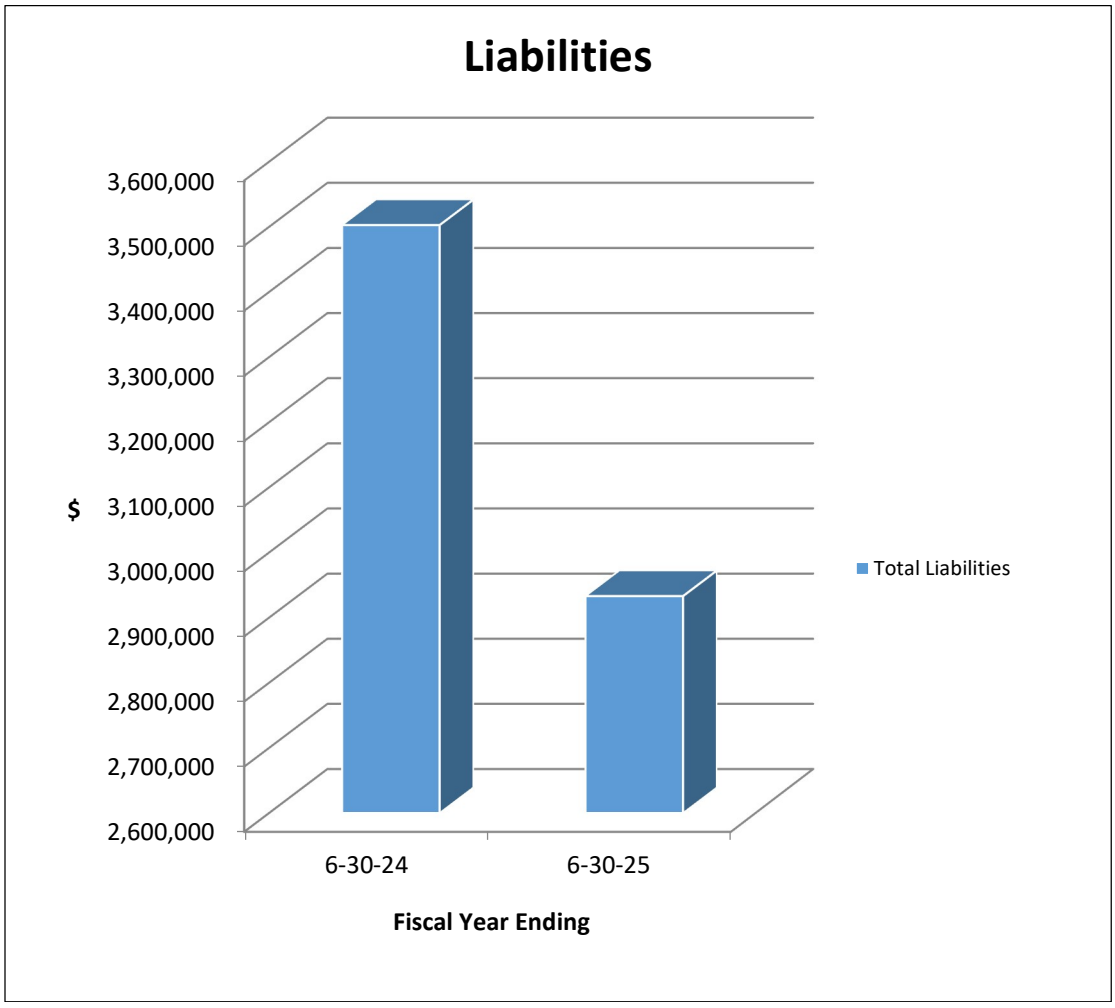

Total Assets 6-30-25
Subscription Assets 4.82%
Investments 16.09%
Cash & Cash Equivalents 9.25%
Receivables 2.54%
Lease Assets 0.04%
Prepaid Expenses 0.01%
Inventories 0.04%
Capital Assets 67.20%

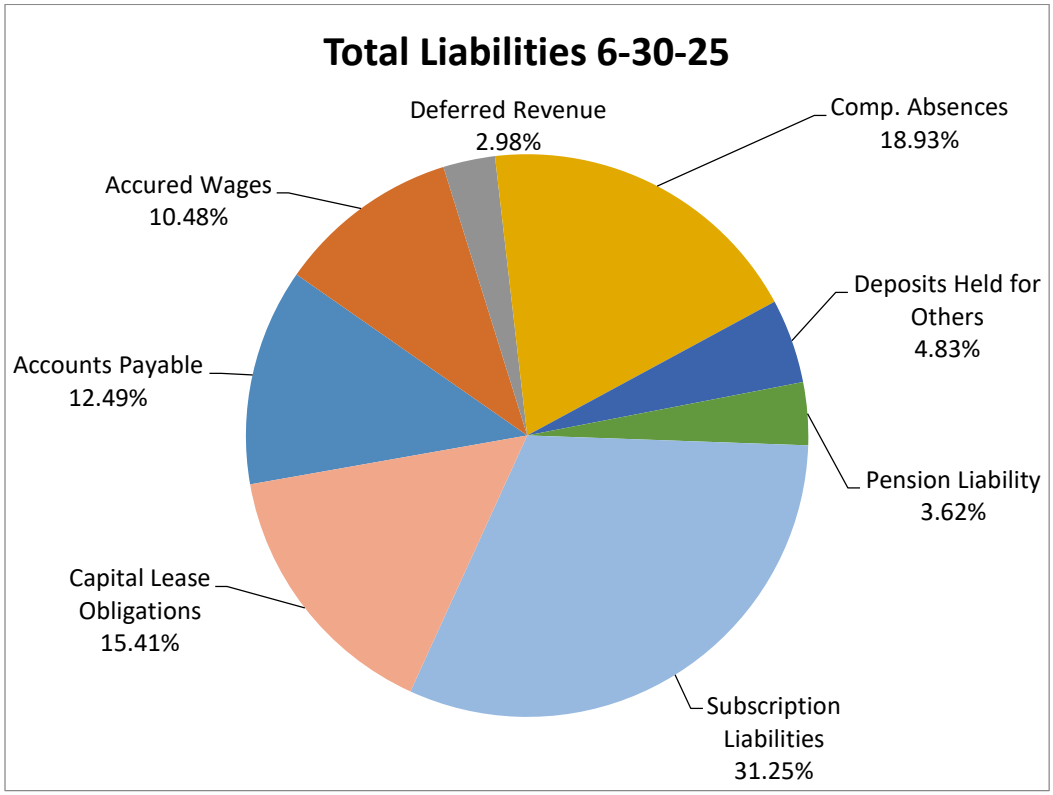
Liabilities

Comparison of Liabilities – Fiscal Year 2024 to 2025

	2024	% Total 2024	2025	% Total 2025
Current Liabilities	$ 1,826,211	52.14%	$ 1,704,596	58.12%
Non-Current Liabilities	$ 1,676,337	47.86%	$ 1,228,376	41.88%
Total Liabilities	$ 3,502,548	100.00%	$ 2,932,972	100.00%
Deferred Inflows	$ 543,946		$ 425,846	

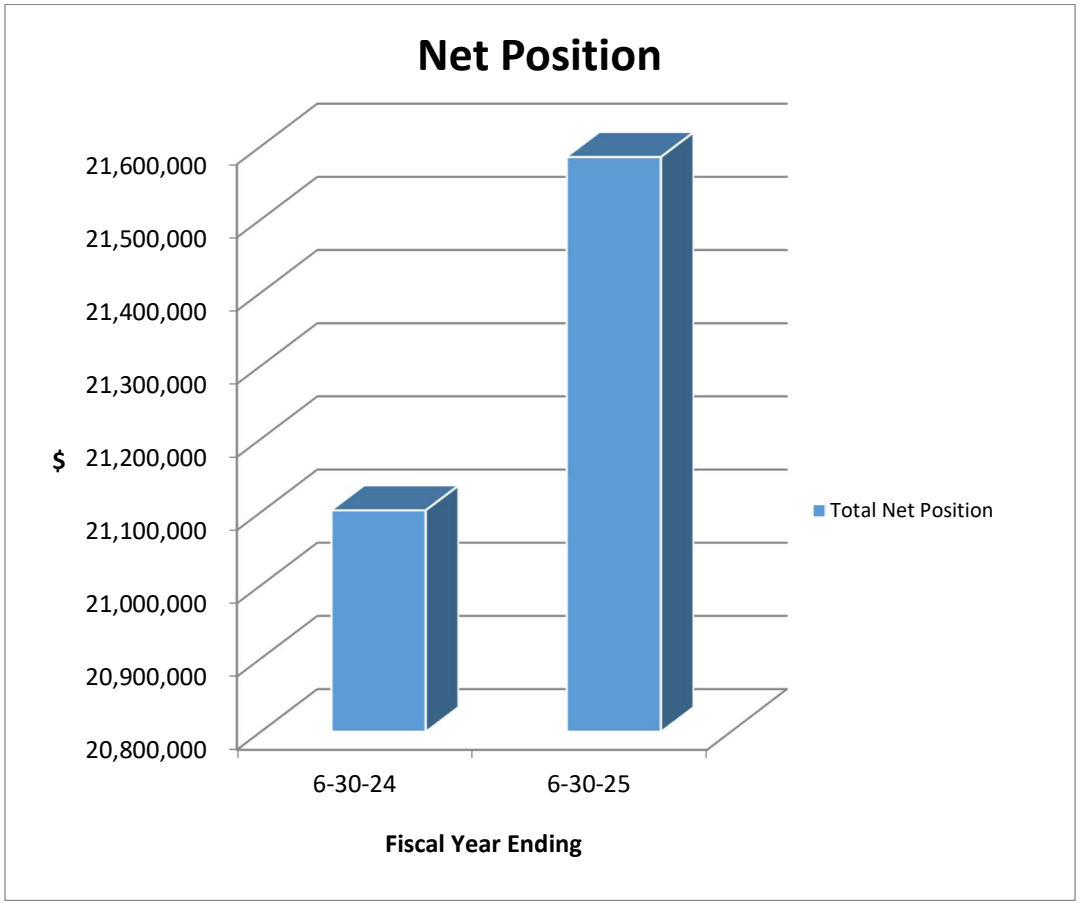
For the year ending June 30, 2025, total liabilities decreased $569,576 over the previous year.





Net Position

The Net Position for the College increased $482,898 for the year ending June 30, 2025.



Statement of Revenues, Expenses and Changes is Net Position

The Statement of Revenues, Expenses and Changes in Net Position reflect the results of operations and other changes for the fiscal year. The purpose of the statement is to present the revenues received by the institution, both operating and non-operating, and the expenses paid by the institution, operating and non-operating, and any other revenues, expenses, gains or losses received or spent by the institution. Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position.

Operating Revenues are generally generated by providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods or services for those revenues.

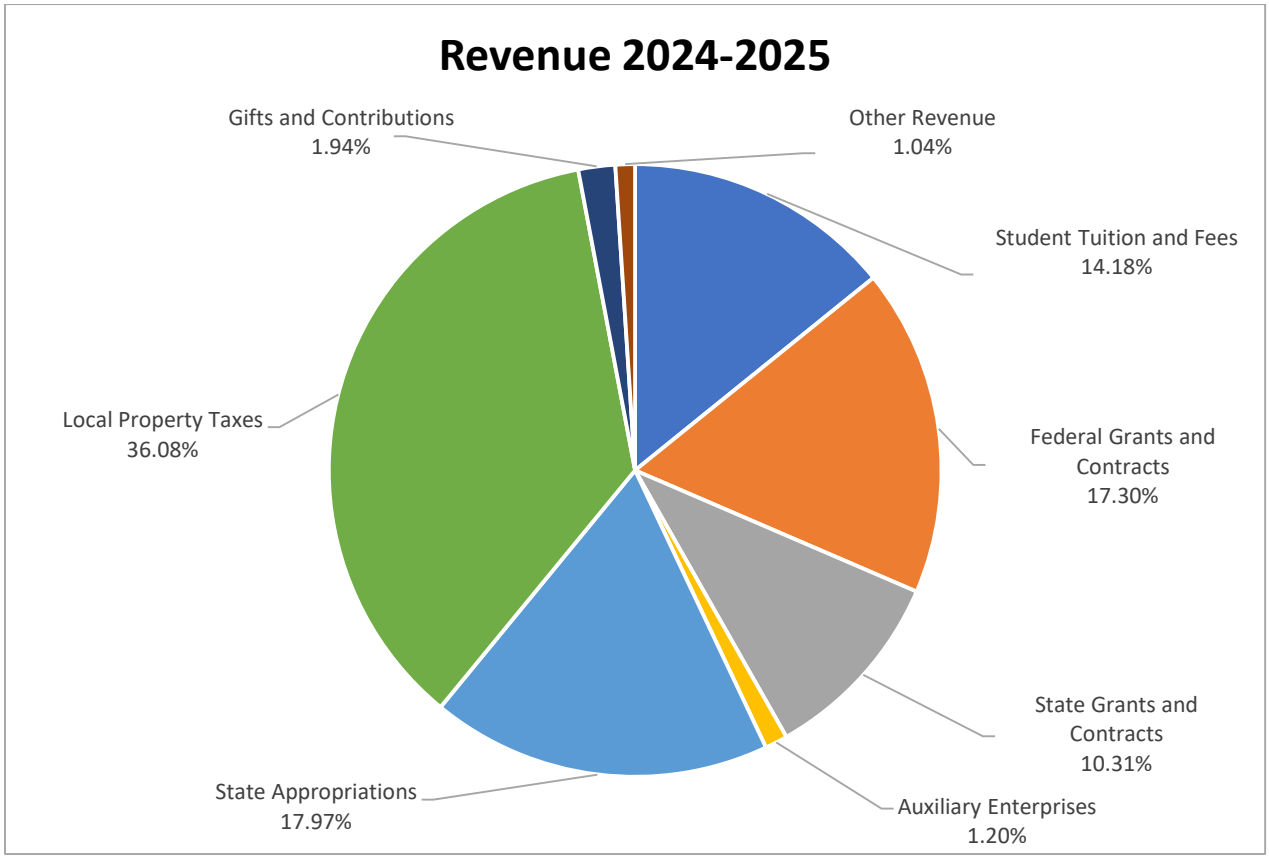
Analysis of Revenues and Expenses

Revenues

Revenue	2024	% Total 2024	2025	% Total 2025
Student Tuition and Fees	$ 1,956,408	12.28%	$ 2,477,325	14.18%
Federal Grants and Contracts	$ 2,649,174	16.63%	$ 3,021,847	17.30%
State Grants and Contracts	$ 1,385,544	8.70%	$ 1,800,864	10.31%
Auxiliary Enterprises	$ 180,599	1.13%	$ 209,552	1.20%
State Appropriations	$ 3,492,456	21.92%	$ 3,139,318	17.97%
Local Property Taxes	$ 5,886,252	36.95%	$ 6,303,090	36.08%
Gifts and Contributions	$ 84,331	.53%	$ 338,673	1.94%
Other Revenue	$ 296,512	1.86%	$ 181,096	1.04%
Total Revenue	$ 15,931,276	100.00%	$ 17,471,765	100.00%

Total revenue for the 2024-2025 fiscal year increased $1,510,489.

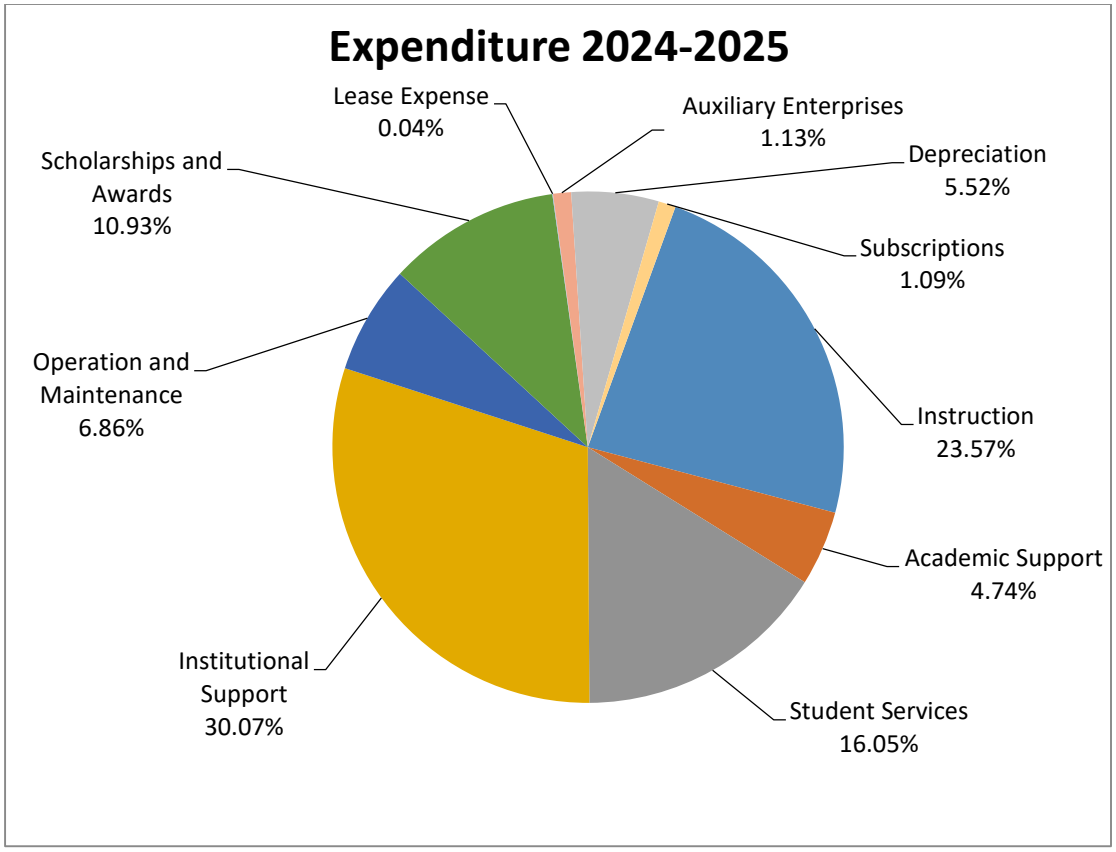
Labette Community College receives revenue from eight sources:



Expenses

Total operating expenses for fiscal year 2025 increased $1,414,521 or 9%.

Detail of Education & General Expenditures	2024	% Total 2024	2025	% Total 2025
Instruction	$ 3,626,579	23.33%	$ 3,997,462	23.57%
Academic Support	$ 700,245	4.50%	$ 803,972	4.74%
Student Services	$ 2,517,946	16.20%	$ 2,721,887	16.05%
Institutional Support	$ 5,020,796	32.30%	$ 5,100,244	30.07%
Operation and Maintenance	$ 1,110,148	7.14%	$ 1,162,546	6.86%
Scholarships and Awards	$ 1,331,033	8.56%	$ 1,853,849	10.93%
Lease Expense	$ 2,638	.02%	$ 7,028	0.04%
Auxiliary Expense	$ 184,781	1.19%	$ 191,749	1.13%
Depreciation Expense	$ 981,131	6.31%	$ 936,688	5.52%
Subscription Expense	$ 69,049	.44%	$ 183,442	1.09%
Total	$ 15,544,346	100.00%	$ 16,858,866	100.00%



Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the institution during the fiscal year. The statement is divided into five parts:

1) Operating Activities-This section deals with operating cash flows and shows the net cash used by the operating activities of the institution.

2) Noncapital Financing Activities-This section shows the cash received and spent for non-operating, non-investing and noncapital financing purposes.

3) Capital Financing Activities-This section deals with the cash used for the acquisition and construction of capital and related items.

4) Investing Activities-This section shows the interest received from investing activities.

5) Net Change in Cash-The final section reconciles the net cash used in relation to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Comparative Cash Position

During fiscal year 2025 Labette Community College's overall cash, cash equivalents and CD investments increased by $220,843, from $6,079,657 to $6,300,500.

Capital Assets and Debt Administration

The only debt the College has is the bridge loan for the athletic facility expansion project. The final payment is scheduled for July 2026.

Economic Outlook

Labette Community College will continue its efforts to strengthen enrollment while responsibly managing expenses. The administration will closely monitor State and Federal legislative actions which may affect future funding. The assessed valuation of property in Labette County has remained stable, with modest growth over recent years, providing a steady local revenue base. The College remains fiscally sound through prudent financial planning, budgets aligned with strategic priorities, careful oversight of expenditures, and the active pursuit of grant opportunities when feasible to enhance available resources.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Labette Community College
Parsons, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Labette 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 Labette 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 27 to the financial statements, during the year ended June 30, 2025, the College implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the standard 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 Labette 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 Labette 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 Labette 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 Labette 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, Schedule of the College's Proportionate Share of net Pension Liability Kansas Public Employees Retirement System, and Schedule of the College Pension Contributions Kansas Public Employees Retirement System on pages i to xi and 32 to 33 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 Labette Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 34 to 47, 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 Labette Community College as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated January 31, 2025 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 5 to 10 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 December 22, 2025 on our consideration of the Labette 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 Labette 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 Labette Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 22, 2025

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Statement of Net Position
June 30, 2025

	Primary Institution	Component Unit - Foundation
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,325,237.04	$ 1,127,570.04
Investments	4,000,000.00	248,714.89
Beneficial Interest in Assets Held by Parsons Area Community Foundation	-	1,970,309.52
Accounts Receivable, Net	632,506.12	-
Inventories	10,736.15	-
Prepaid Expenses	3,070.59	-
Unconditional Promises to Give	-	64,720.78
Total Current Assets	5,971,549.90	3,411,315.23
Noncurrent Assets		
Cash and Cash Equivalents	975,263.02	-
Capital Assets, Net of Accumulated Depreciation	16,707,412.70	-
Lease Assets, Net of Accumulated Amortization	9,218.22	-
Subscription Assets, Net of Accumulated Amortization	1,197,044.17	-
Unconditional Promises to Give	-	80.00
Total Noncurrent Assets	18,888,938.11	80.00
TOTAL ASSETS	24,860,488.01	3,411,395.23
DEFERRED OUTFLOWS OF RESOURCES	83,200.30	-
LIABILITIES		
Current Liabilities		
Accounts Payable	366,229.44	1,322.11
Accrued Wages	307,461.39	-
Deferred Revenue	87,543.85	-
Compensated Absences, Due Within One Year	196,957.10	-
Deposits Held in Custody for Others	141,750.26	74,084.35
Accrued Interest, Lease Liabilities	61.95	-
Lease Liabilities, Due Within One Year	3,957.69	-
Subscription Liabilities, Due Within One Year	156,684.30	-
Finance Lease Liabilities, Due Within One Year	443,950.29	-
Total Current Liabilities	1,704,596.27	75,406.46
Noncurrent Liabilities		
Compensated Absences	358,279.80	-
Lease Liabilities	4,142.80	-
Subscriptions Liabilities	759,802.45	-
Net Pension Liability	106,151.00	-
Total Noncurrent Liabilities	1,228,376.05	-
TOTAL LIABILITIES	2,932,972.32	75,406.46
DEFERRED INFLOWS OF RESOURCES	425,486.15	-
NET POSITION		
Investment in Capital Assets, Net of Related Debt	16,545,075.61	-
Restricted- Expendable	-	827,910.54
Restricted- Nonexpendable	-	908,631.76
Unrestricted	5,040,154.23	1,599,446.47
TOTAL NET POSITION	$ 21,585,229.84	$ 3,335,988.77

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

LABETTE COMMUNITY COLLEGE
Parsons, 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 scholarship discounts and allowances of $1,051,822.90)	$ 2,447,325.60	$ -
Federal Grants and Contracts	865,674.50	-
State Grants and Contracts	1,800,864.28	-
Sales and Services of Auxiliary Enterprises	209,551.75	-
Activity Fund Revenues	46,845.37	-
Miscellaneous Operating Income	47,289.94	5,065.64
Total Operating Revenues	5,417,551.44	5,065.64
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	3,997,462.02	-
Academic Support	803,972.28	-
Student Services	2,721,887.38	-
Institutional Support	5,100,243.67	636,838.02
Operation and Maintenance	1,162,545.99	-
Scholarships, Grants and Awards	1,853,849.28	156,155.00
Fundraising	-	79,943.20
Lease Expense	7,028.04	-
Subscription Expense	183,442.09	-
Auxiliary Enterprises	191,748.53	-
Depreciation Expense	936,688.19	-
Total Operating Expenses	16,958,867.47	872,936.22
Operating Income (Loss)	(11,541,316.03)	(867,870.58)
Nonoperating Revenues (Expenses)		
State Appropriations	3,139,318.00	-
County Appropriations	6,303,090.45	-
Federal Pell Grants	2,156,172.23	-
Gifts and Contributions	338,672.81	430,614.61
Investment Income	97,778.35	230,638.14
Gain (Loss) on Sale of Assets	(1,517.36)	-
Debt Service	(9,300.29)	-
Net Nonoperating Revenues (Expenses)	12,024,214.19	661,252.75
Increase (Decrease) in Net Position	482,898.16	(206,617.83)
Net Position - Beginning of Year, As Previously Reported	21,225,399.45	3,542,606.60
Prior Period Adjustment, See Note 27	(123,067.77)	-
Net Position - Beginning of Year, Restated	21,102,331.68	3,542,606.60
Net Position - End of Year	$ 21,585,229.84	$ 3,335,988.77

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

LABETTE COMMUNITY COLLEGE
Parsons, 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	$ 2,482,226.70	$ -
Federal Grants and Contracts	865,674.50	-
State Grants and Contracts	1,800,864.28	-
Sales and Services of Auxiliary Enterprises	209,551.75	-
Activity Fund Revenues	46,845.37	-
Miscellaneous Income	47,289.94	5,065.64
Payments on Behalf of Employees	(9,386,312.77)	-
Payments for Supplies and Materials	(1,144,070.21)	-
Payments for Lease Expense	(4,262.52)	-
Payments for Subscriptions Expense	(683,674.62)	-
Payments for Other Expenses	(4,909,681.16)	(678,391.21)
Net cash provided by (used in) operating activities	(10,675,548.74)	(673,325.57)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	3,139,318.00	-
County Appropriations	6,303,090.45	-
Federal Pell Grant	2,156,172.23	-
Federal Direct Loans	681,345.00	-
Federal Direct Loans Payments	(681,345.00)	-
Gifts and Contributions	338,672.81	363,067.91
Net cash provided by (used in) noncapital financing activities	11,937,253.49	363,067.91
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(929,388.35)	-
Interest Paid on Long Term Debt	(9,300.29)	-
Proceeds from the Issuance of Long-Term Debt	266,503.21	-
Principal Payments on Long Term Debt	(466,454.83)	-
Cash Collections from Endowment Contributions	-	68,535.00
Net cash provided by (used in) capital financing activities	(1,138,640.26)	68,535.00
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned on Investments	97,778.35	110,001.85
Purchase of Investments	(6,000,000.00)	(415,338.54)
Proceeds from Investments Sold	2,000,000.00	284,901.36
Net cash provided by (used in) investing activities	(3,902,221.65)	(20,435.33)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,779,157.16)	(262,157.99)
Cash and Cash Equivalents, Beginning of Year	6,079,657.22	1,389,728.03
Cash and Cash Equivalents, End of Year	$ 2,300,500.06	$ 1,127,570.04

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

LABETTE COMMUNITY COLLEGE
Parsons, 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)	$ (11,541,316.03)	$ (867,870.58)
Adjustments to Reconcile Change in Net Position to Net Cash Used in Operating Activities:		
Depreciation Expense	936,688.19	-
Amortization Expense	182,513.92	-
Non-cash Donations	-	185,548.03
(Increase) Decrease in Receivables	62,282.85	
(Increase) Decrease in Prepaid Expenses	211,258.65	-
(Increase) Decrease in Inventory	(1,252.61)	-
(Increase) Decrease in Pension Related Deferred Outflows	(37,640.95)	-
Increase (Decrease) in Accounts Payable	(169,823.02)	(591.82)
Increase (Decrease) in Accrued Wages	35,814.84	-
Increase (Decrease) in Accrued Interest	(28.92)	-
Increase (Decrease) in Deferred Revenue	(27,381.75)	-
Increase (Decrease) in Compensated Absences	57,009.30	-
Increase (Decrease) in Lease Liabilities	(3,780.84)	-
Increase (Decrease) in Subscription Liabilities	(322,321.06)	-
Increase (Decrease) in Net Pension Liability	61,283.00	-
Increase (Decrease) in Deposits Held for Others	(394.82)	9,588.80
Increase (Decrease) in Pension Related Deferred Inflows	(118,459.49)	-
Net cash provided by (used in) operating activities	$ (10,675,548.74)	$ (673,325.57)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents classified as current assets	$ 1,325,237.04	$ 1,127,570.04
Cash and Cash Equivalents classified as noncurrent assets	975,263.02	-
Total Cash and Cash Equivalents	$ 2,300,500.06	$ 1,127,570.04
Supplemental Information		
Non-Cash Donations:		
Management and General	$ -	$ 135,425.04
Items for Annual Auction	-	50,122.99

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

1. NATURE OF ACTIVITIES

Labette Community College (the College), located in Parsons, 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 Labette Community College Foundation and Alumni Association (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 Labette 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.

Accounts Receivable and Allowance for Doubtful Accounts
The College regularly extends unsecured credit to various students. The College uses the allowance method to account for uncollectible accounts receivable.

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.

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

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

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.

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.

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

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.

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). 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 held 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. The College had no budget amendments for this year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 5 to 9 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. Based upon these schedules, the College was in apparent compliance with Kansas cash basis and budget laws.

4. DEPOSITS

Primary Institution:
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.

4. DEPOSITS (Continued)

Deposits: At year-end, the College's carrying amount of deposits including certificates of deposit was $6,295,950.75 and the bank balance was $6,413,972.39. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $3,000,000.00 was covered by FDIC insurance and $3,413,972.39 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

Component Unit:
At year-end, the Foundation's carrying amount of the deposits including certificates of deposit was $1,127,570.04 and the bank balance was $1,063,284.04. The bank balance was held by three banks and two investment companies resulting in a concentration of credit risk. Of the bank balance, $637,801.51 was covered by FDIC insurance, $424,617.47 was covered by a repurchase agreement signed with the bank, and the remaining $865.06 was covered by SIPC insurance.

5. INVESTMENTS

Primary Institution:
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 $4,000,000.00. 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 4.23 percent to 4.75 percent, with maturities generally not exceeding one year.

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.

Component Unit:
Investment Policy
The primary objective of the Foundation's investment policy is to provide for long-term growth, a modest rate of return, and an average risk. 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 cash, fixed income, and equity holdings.

5. INVESTMENTS (Continued)

Component Unit (Continued):
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:

Investment	Fair Value
Corporate Bonds	$ 64,659.07
Municipal Bonds	154,518.65
U.S. Treasury Securities	29,537.17
	$ 248,714.89

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.

6. FAIR VALUE MEASUREMENTS (Continued)

Component Unit (Continued):
The 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.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Municipal Bonds: Valued using a market approach and in some cases, the income approach (discounted cash flow models). Prices are obtained from independent, nationally recognized third-party pricing models.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit rates.

	June 30, 2025	
	Level 2	Total
Corporate Bonds	$ 64,659.07	$ 64,659.07
Municipal Bonds	154,518.65	154,518.65
U.S. Treasury Securities	29,537.17	29,537.17
Totals	$ 248,714.89	$ 248,714.89

7. INVESTMENTS IN PARSONS AREA COMMUNITY FOUNDATION

Component Unit:
The Foundation has established a fund with the Parsons Area Community Foundation as a vehicle for donors to donate for the benefit of the Foundation. Donor contributions are held at the Parsons Area Community Foundation, who will invest the funds and make distributions available upon request on an annual basis. If the income is not distributed in a particular calendar year, the undistributed net income for such year shall be added to the principal. The value of the funds held as Agency funds at June 30, 2025 is $1,970,309.52.

8. ACCOUNTS RECEIVABLE, NET

Accounts receivable at June 30, 2025, consisted of the following:

	Primary Institution
Current:	
Taxes in Process	$ 411,870.15
Federal Grants	20,003.00
State Grants	4,319.00
Student Accounts	196,313.97
Total Current	$ 632,506.12

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of $1,709,932.92 at June 30, 2025.

9. INVENTORIES

Inventories consisted of the following at June 30, 2025:

Book Store Inventory	
Main Campus Retail	$ 573.86
Food Service	10,162.29
	$ 10,736.15

10. UNCONDITIONAL PROMISES TO GIVE

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

Capital Campaign	
Less than one year	$ 59,316.51
One to five years	80.00
Employee Pledges	
Less than one year	3,678.55
Non-Employee Pledges	
Less than one year	1,725.72
	$ 64,800.78

During the current fiscal year, the Foundation reviewed outstanding promises to give and determined that some of the pledges will not be collected. Accordingly, $141,474.00 previously expected under the pledges are no longer collectible and, because the pledge was recognized in prior periods, in accordance with ASC 958-310, has been removed from promises to give and the write-off has been recorded as bad debt expense, consistent with the Foundation's policy for subsequent-period collectability adjustments.

11. CAPITAL ASSETS

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

	Balance 06/30/2024	Additions	Retirements	Balance 06/30/2025
Capital assets not being depreciated				
Construction in progress	$ -	$ 16,957.50	$ -	$ 16,957.50
Other capital assets				
Buildings, land, and improvements	29,588,543.61	378,677.59	(10,925.00)	29,956,296.20
Equipment	2,696,588.87	175,581.00	-	2,872,169.87
Vehicles	282,435.23	60,140.00	-	342,575.23
Total other capital assets	32,567,567.71	614,398.59	(10,925.00)	33,171,041.30
Accumulated depreciation				
Buildings, land, and improvements	13,522,575.90	684,752.19	(9,407.64)	14,197,920.45
Equipment	1,811,581.90	232,545.43	-	2,044,127.33
Vehicles	219,147.75	19,390.57	-	238,538.32
Total accumulated depreciation	15,553,305.55	936,688.19	(9,407.64)	16,480,586.10
Total net capital assets	$ 17,014,262.16	$ (305,332.10)	$ (1,517.36)	$ 16,707,412.70

12. LEASES

Primary Institution:
The College has entered into a lease agreement for a postage machine that met 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 space postage machine, equipment, and copy 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:	
Postage Machine	$ 2,765.52
Total Amortization Expense	2,765.52
Interest on Lease Liability	452.76
Total Lease Expense	$ 3,218.28

Lease Assets:

	Beginning	Additions Modifications	Subtractions	Ending
Postage Machine	$ 39,226.22	$ 0.00	$ 0.00	$ 39,226.22
Less Accumulated Amortization				
Postage Machine	(27,242.48)	(2,765.52)	0.00	(30,008.00)
Net Lease Assets	$ 11,983.74	$ (2,765.52)	$ 0.00	$ 9,218.22

	Beginning	Additions Modifications	Principal	Ending
Lease Liabilities:	$ 11,881.33	$ 0.00	$ (3,780.84)	$ 8,100.49

Future Maturity Analysis:

	Principal	Interest	Total Payments
2026	$ 3,957.69	$ 304.83	$ 4,262.52
2027	4,142.80	119.72	4,262.52
Totals	$ 8,100.49	$ 424.55	$ 8,525.04

Lease Liabilities Accrued Interest:

	Beginning	Adjustment	Ending
Postage Machine	$ 90.87	$ (28.92)	$ 61.95

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Primary Institution:
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 2032. 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.

SBITA Expense:

Amortization expense by class of underlying asset:	
SBITA – GASB 96	$ 179,748.40
Interest on SBITA Liability	33,900.99
Total SBITA Expense	$ 213,649.39

SBITA Assets:

	Beginning	Additions	Subtractions	Ending
SBITA – GASB 96	$ 1,211,191.65	$ 298,032.26	$ 0.00	$ 1,509,223.91
Less Accumulated Amortization				
SBITA – GASB 96	(132,431.34)	(179,748.40)	0.00	(312,179.74)
Net SBITA Assets	$ 1,078,760.31	$ 118,283.86	$ 0.00	$ 1,197,044.17

	Beginning	Additions	Reductions	Ending
SBITA Liabilities:	$ 972,304.60	$ 266,503.21	$ (322,321.06)	$ 916,486.75

Future Maturity Analysis:

	Principal	Interest	Total Payments
2026	$ 156,684.30	$ 31,799.59	$ 188,483.89
2027	168,064.80	26,084.32	194,149.12
2028	143,626.29	19,949.71	163,576.00
2029	152,874.18	15,001.82	167,876.00
2030	142,960.56	9,739.44	152,700.00
2031-2032	152,276.62	5,023.38	157,300.00
Totals	$ 916,486.75	$ 107,598.26	$ 1,024,085.01

14. LONG-TERM LIABILITY ACTIVITY

Primary Institution
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
Compensated Absences	$ 498,227.60	$ -	$ 57,009.30	*	$ 555,236.90	$ 196,957.10
Lease Liability	11,881.33	-	(3,780.84)		8,100.49	3,957.69
Subscription Liability	972,304.60	266,503.21	(322,321.06)		916,486.75	156,684.30
Financing Lease Payable	910,405.12	-	(466,454.83)		443,950.29	443,950.29
	$ 2,392,818.65	$ 266,503.21	$ (735,547.43)		$ 1,923,774.43	$ 801,549.38

* Change in the compensated absences liability is presented as a net change

15. FINANCE LEASES

Primary Institution:
The College entered into a lease purchase agreement dated December 1, 2021, with Commercial Bank for the construction and renovation of the athletic facility. The lease requires thirty-six monthly payments of $39,646.26 and one payment of $11,075.07 with 1.33% interest. The lease payments start in July 1, 2023 and reach maturity at June 30, 2026. The lease calls for monthly payments as follows:

Finance Lease – Athletic Facility	
Debt requirements are as follows:	
June 30,	
2026	$ 447,183.93
Total Net Minimum Lease Payments	477,183.93
Less: Imputed Interest	(3,233.64)
Net Present Value of Financing Lease	443,950.29
Less: Current Maturities	(443,950.29)
Long-Term Finance Lease Obligations	$ 0.00

16. DEFINED BENEFIT PENSION PLANS

Primary Institution:
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".

16. DEFINED BENEFIT PENSION PLANS (Continued)

Primary Institution(Continued):
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.

At June 30, 2024, the College's proportion of the net pension liability was 0.108023%, which was an decrease of 0.001552% from the proportion measured of 0.109575% at June 30, 2023. The proportion recognized by the State of Kansas on behalf of the College was 0.108023% (special funding situation). The proportion recognized by the College for KPERS retirees was 0.001624%.

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.

16. DEFINED BENEFIT PENSION PLANS (Continued)

Primary Institution(Continued):
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 $7,060,833.00 and $7,622,547.00, respectively.

The State of Kansas contributed $767,674.51 and $789,887.81 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 $7,354.30 and $10,578.35, respectively. The College reported a liability for its proportionate share of the net pension liability related to these employees of $106,151.00 and $44,868.00 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, 2023, 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, 2022, 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 0.001624% and 0.007543% at June 30, 2025 and 2024, respectively. The College recognized pension expense of $13,792.05, related to the College's net pension liability.

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

	2025	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and Actual experience	$ 6,740.00	$ 0.00
Net difference between projected and actual earning on pension plan investments	947.00	0.00
Change in proportion	61,030.00	(10,882.00)
Change in assumptions	7,129.00	(2,734.00)
Total	$ 75,846.00	$ (13,616.00)

16. DEFINED BENEFIT PENSION PLANS (Continued)

Primary Institution (Continued):
The net $62,230.00 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	$ 11,820.00
2027	25,450.00
2028	15,785.00
2029	9,175.00

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.

16. DEFINED BENEFIT PENSION PLANS (Continued)

Primary Institution (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	100.00%	

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%)*
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	156,353.00	106,151.00	64,101.00

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. COMPENSATED ABSENCES

Primary Institution:
Vacation Leave:
Administrative Personnel and Support Staff may accumulate up to 225 unused hours. Vacation is not available to Faculty. Earned hours not used during active employment are paid out at termination.

17. COMPENSATED ABSENCES (Continued)

Primary Institution (Continued):
Shared Sick Leave Pool:
Employees may donate up to five (5) days of sick leave annually to the shared sick leave pool After sick leave days are donated to a shared sick leave pool, the donating employee relinquished all ownership and claims to those donated days.

Employees who have suffered a catastrophic injury or illness and do not have sufficient sick leave days may apply to the Shared Sick Leave Pool Committee to utilize days from the shared sick leave pool. The employee must have had been absent for ten (10) working days before applying to the Shared Sick Leave Bank. There are additional guidelines that apply to the Shared Sick Leave Pool that were adopted on June 12, 1995.

Comp Time:
Compensatory time off is available to Administrative Personnel.

A non-exempt employee approved to work over 36 hours in a defined workweek may take compensatory time off in lieu of overtime pay. Compensatory time off is paid at the rate of 1.5 times the overtime hours worked and may be accrued to a total 75 hours. After that limit has been reached, all overtime work will be paid at the rate of 1.5 times the employee's regular hourly rate. If the employment of a non-exempt employee is terminated, either voluntarily or involuntarily, that employee will be paid for all unused compensatory time at the regular hourly rate of the employee at the time of termination.

In accordance with the College's compensated-absences accounting policy (see Note 2), a liability has been recorded for vacation leave, shared sick leave pool and comp time because payment for unused vacation, shared sick leave and comp time 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.

18. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Primary Institution
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)	$ 75,846.00	$ 13,616.00
Pensions – KPERS Subsequent Pension Payments (GASB 68)	7,354.30	0.00
Taxes in Process	0.00	411,870.15
Total	$ 83,200.30	$ 425,486.15

19. EMPLOYEE BENEFIT PLANS

Primary Institution:
The College has a 403(b) plan available for its employees. An employee is eligible to participate from the date of hire. The College will match contributions of up to $65.00 per month or $780.00 per year to the plan. Employer contributions will vest according to the following schedule:

Years of Service (from date of hire)	Vesting %
5	25%
6	40%
7	55%
8	70%
9	85%
10	100%

Total contributions made by the College into the plan on behalf of the employees for the year ended June 30, 2025, was $79,920.00

20. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

21. 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 employee; employees' health and life; and natural disasters. The College manages these risks of loss through the purchase of insurance policies.

22. CONCENTRATION OF RISK

Component Unit:
18.07% of the Foundation's monies are invested in corporate bonds and US treasury securities. The effect in the future on the Foundation's portfolio is unknown and is subject to market economic conditions.

23. RELATED PARTY TRANSACTIONS

The Labette Community College Foundation and Alumni Association 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 collected capital campaign money and disbursed to the College for the years ended June 30, 2025, $360,797.99. The Foundation disbursed to the College for the years ended June 30, 2025, $156,155.00 for scholarships. The College disbursed on behalf of the Foundation donated services and facilities for the years ended June 30, 2025, $135,425.04.

24. RESTRICTED NET POSITION - EXPENDABLE

Component Unit:
Restricted Net Position – Expendable consists of the following donations received and restricted to use at June 30, 2025 of $827,910.54.

25. RESTRICTED NET POSITION - NONEXPENDABLE

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

	Nonexpendable
Restricted Net Position, Beginning of Year	$ 840,096.76
Contributions	68,535.00
Restricted Net Position, End of Year	$ 908,631.76

All endowment funds are considered to be permanently restricted. 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.

26. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Reason	Amount
General	Postsecondary Technical Education	Operating Expenses	$ 1,767,155.59
General	Auxiliary Enterprise	Operating Expenses	1,000.74
General	Miscellaneous Grants	Operating Expenses	619.29

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.

27. NEW ACCOUNTING STANDARDS AND PRIOR PERIOD ADJUSTMENTS

Primary Institution

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 $123,067.77.

Summary of Restatements of Beginning Net Position:

Description	Effect on Beginning Net Position
Implementation of GASB 101 – Compensated Absences	$ (123,067.77)
Total Decrease in Beginning Net Position	$ (123,067.77)

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

28. KANSAS BOARD OF REGENTS DISCLOSURE

Primary Institution

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	$ 16,958,867.47
2.	Depreciation and Amortization	936,688.19
3.	Auxiliary Depreciation	0.00
4.	Depreciation Subtotal	936,688.19
5.	Current Assets: Cash and Cash Equivalents	1,325,237.04
6.	Investments: Only Highly Liquid & Certificates of of Deposit with an Original Maturity less than 3 Mo.	0.00
7.	Cash on Hand Subtotal	1,325,237.04
8.	Net Operating Expenses	16,022,179.28
9.	Net Operating Expenses Converted to Months	1,335,181.61
10.	Months Cash on Hands for the Year Ended June 30, 2025	0.99

29. SUBSEQUENT EVENTS

On November 13, 2025 the College approved a lease purchase agreement in the amount of $500,000.00 with Bank of Commerce at an interest rate of 3.89%. The purpose of the finance lease agreement is to purchase and install the Variable Refrigerant Flow System for the Zetmeir Building.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

Schedule of the College's Proportionate Share of Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
College's proportion of the collective net pension liability	0.001624%	0.000645%	0.000216%	0.000031%	0.000746%
College's proportionate share of the collective net pension liability	$ 106,151.00	$ 44,868.00	$ 15,434.00	$ 1,747.00	$ 55,741.00
State's proportionate share of the collective net pension liability associated with the College	7,060,833.00	7,622,547.00	8,312,681.00	6,866,561.00	9,115,907.00
Total	$7,166,984.00	$7,667,415.00	$8,328,115.00	$6,868,308.00	$9,171,648.00
College's covered payroll*	$6,349,008.81	$6,109,514.41	$6,187,532.97	$6,162,960.49	$6,047,376.83
College's proportionate share of the collective net pension liability as a percentage of its covered payroll	1.6719%	0.7344%	0.2494%	0.0283%	0.9217%
Plan (KPERS) fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%	76.40%	66.30%

	2020	2019	2018	2017	2016
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
College's proportion of the collective net pension liability	0.001050%	0.000897%	0.000842%	0.000696%	0.000186%
College's proportionate share of the collective net pension liability	$ 67,911.00	$ 58,516.00	$ 56,574.00	$ 46,754.00	$ 30,860.00
State's proportionate share of the collective net pension liability associated with the College	7,766,151.00	7,733,090.00	8,218,664.00	8,504,116.00	9,125,838.00
Total	$7,834,062.00	$7,791,606.00	$8,275,238.00	$8,550,870.00	$9,156,698.00
College's covered payroll*	$5,727,774.00	$5,540,117.50	$5,571,934.68	$5,806,785.88	$5,616,634.47
College's proportionate share of the collective net pension liability as a percentage of its covered payroll	1.1856%	1.0562%	1.0153%	0.8052%	0.5494%
Plan (KPERS) fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%

*Covered payroll is as of the measurement date.

Schedule 2

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

Schedule of the College Pension Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually required contribution	$ 11,595.00	$ 4,590.00	$ 1,516.00	$ 217.00	$ 5,318.00
Contributions in relation to the contractually required contribution	(11,595.00)	(4,590.00)	(1,516.00)	(217.00)	(5,318.00)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
College's covered payroll*	$ 6,716,717.56	$ 6,349,008.81	$ 6,109,514.41	$ 6,187,532.97	$ 6,162,960.49
Contributions as a percentage of covered-payroll	0.17%	0.07%	0.02%	0.00%	0.09%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 6,760.00	$ 5,138.00	$ 4,174.00	$ 3,251.00	$ 1,936.00
Contributions in relation to the contractually required contribution	(6,760.00)	(5,138.00)	(4,174.00)	(3,251.00)	(1,936.00)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -
College's covered payroll*	$ 6,047,376.83	$ 5,727,774.00	$ 5,540,117.50	$ 5,571,934.68	$ 5,806,785.88
Contributions as a percentage of covered-payroll	0.11%	0.09%	0.08%	0.06%	0.03%

*The amounts presented for each fiscal year were determined as of June 30.

Notes to Schedule:
Contractually required contributions for the College consist of “working after retirement” contribution for KPERS retirees who are filing KPERS covered positions as College employees under K.S.A. 74-4937.

SUPPLEMENTARY INFORMATION

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2025

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT EDUCATION	UNEXPENDED (CAPITAL OUTLAY)	AUXILIARY ENTERPRISE	FEDERAL PELL GRANTS
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 602,145.20	$ 284,755.48	$ 127,817.82	$ -	$ 11,629.37	$ 5,565.73
Investments	4,000,000.00	-	-	-	-	-
Receivables - Taxes in Process	407,226.99	-	4,643.16	-	-	-
Receivables - Federal	-	-	-	-	-	14,396.00
Receivables - Other Receivables	193,326.44	-	-	-	2,987.53	-
Inventories	-	-	-	-	10,736.15	-
Prepaid Expenses	3,070.59	-	-	-	-	-
Total Current Assets	5,205,769.22	284,755.48	132,460.98	-	25,353.05	19,961.73
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	975,263.02	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Lease Assets	-	-	-	-	-	-
Accumulated Amortization	-	-	-	-	-	-
Subscription Assets	-	-	-	-	-	-
Accumulated Amortization	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	975,263.02	-	-
TOTAL ASSETS	5,205,769.22	284,755.48	132,460.98	975,263.02	25,353.05	19,961.73
DEFERRED OUTFLOWS OF RESOURCES	83,200.30	-	-	-	-	-
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts Payable	191,789.44	39,968.10	-	-	11,629.37	14,396.00
Accrued Wages	149,949.56	157,511.83	-	-	-	-
Deferred Revenue	83,177.91	-	-	-	-	-
Compensated Absences, Due Within One Year	159,241.61	30,958.93	-	-	4,132.67	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Accrued Interest, Lease Liabilities	-	-	-	-	-	-
Lease Liabilities, Due Within One Year	-	-	-	-	-	-
Subscription Liabilities, Due Within One Year	-	-	-	-	-	-
Finance Lease Liabilities, Due Within One Year	-	-	-	-	-	-
Total Current Liabilities	584,158.52	228,438.86	-	-	15,762.04	14,396.00
Noncurrent Liabilities						
Compensated Absences	289,672.49	56,316.62	-	-	7,517.64	-
Lease Liabilities	-	-	-	-	-	-
Subscription Liabilities	-	-	-	-	-	-
Net Pension Liability	106,151.00	-	-	-	-	-
Total Noncurrent Liabilities	395,823.49	56,316.62	-	-	7,517.64	-
TOTAL LIABILITIES	979,982.01	284,755.48	-	-	23,279.68	14,396.00
DEFERRED INFLOWS OF RESOURCES	420,842.99	-	4,643.16	-	-	-
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Unrestricted	3,888,144.52	-	127,817.82	975,263.02	2,073.37	5,565.73
TOTAL NET POSITION	$ 3,888,144.52	$ -	$ 127,817.82	$ 975,263.02	$ 2,073.37	$ 5,565.73

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2025

	FEDERAL DIRECT LOANS	FEDERAL SEOG GRANTS	FEDERAL WORK STUDY	MISCELLANEOUS GRANTS	TRIO- STUDENT SUPPORT SERVICES GRANT	TALENT SEARCH GRANT
ASSETS						
Current Assets						
Cash and Cash Equivalents	$ 1,594.25	$ -	$ -	$ 26,145.89	$ 3,747.99	$ -
Investments	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	5,607.00	-	-	-	-	-
Receivables - Other Receivables	-	-	-	4,319.00	-	-
Inventories	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	7,201.25	-	-	30,464.89	3,747.99	-
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Lease Assets	-	-	-	-	-	-
Accumulated Amortization	-	-	-	-	-	-
Subscription Assets	-	-	-	-	-	-
Accumulated Amortization	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
TOTAL ASSETS	7,201.25	-	-	30,464.89	3,747.99	-
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts Payable	5,607.00	-	-	28,023.38	632.03	-
Accrued Wages	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences, Due Within One Year	-	-	-	2,623.89	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Accrued Interest, Lease Liabilities	-	-	-	-	-	-
Lease Liabilities, Due Within One Year	-	-	-	-	-	-
Subscription Liabilities, Due Within One Year	-	-	-	-	-	-
Finance Lease Liabilities, Due Within One Year	-	-	-	-	-	-
Total Current Liabilities	5,607.00	-	-	30,647.27	632.03	-
Noncurrent Liabilities						
Compensated Absences	-	-	-	4,773.05	-	-
Lease Liabilities	-	-	-	-	-	-
Subscription Liabilities	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	4,773.05	-	-
TOTAL LIABILITIES	5,607.00	-	-	35,420.32	632.03	-
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Unrestricted	1,594.25	-	-	(4,955.43)	3,115.96	-
TOTAL NET POSITION	$ 1,594.25	$ -	$ -	$ (4,955.43)	$ 3,115.96	$ -

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Combining Schedule of Net Position - Primary Institution
June 30, 2025

	CARES ACT GRANTS	LABETTE COMMUNITY COLLEGE ACTIVITY	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 77,525.09	$ 41,534.99	$ -	$ 142,775.23	$ 1,325,237.04
Investments	-	-	-	-	4,000,000.00
Receivables - Taxes in Process	-	-	-	-	411,870.15
Receivables - Federal	-	-	-	-	20,003.00
Receivables - Other Receivables	-	-	-	-	200,632.97
Inventories	-	-	-	-	10,736.15
Prepaid Expenses	-	-	-	-	3,070.59
Total Current Assets	77,525.09	41,534.99	-	142,775.23	5,971,549.90
Noncurrent Assets					
Cash and Cash Equivalents	-	-	-	-	975,263.02
Capital Assets	-	-	33,187,998.80	-	33,187,998.80
Accumulated Depreciation	-	-	(16,480,586.10)	-	(16,480,586.10)
Lease Assets	-	-	39,226.22	-	39,226.22
Accumulated Amortization	-	-	(30,008.00)	-	(30,008.00)
Subscription Assets	-	-	1,509,223.91	-	1,509,223.91
Accumulated Amortization	-	-	(312,179.74)	-	(312,179.74)
Total Noncurrent Assets	-	-	17,913,675.09	-	18,888,938.11
TOTAL ASSETS	77,525.09	41,534.99	17,913,675.09	142,775.23	24,860,488.01
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	83,200.30
LIABILITIES AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	73,159.15	-	-	1,024.97	366,229.44
Accrued Wages	-	-	-	-	307,461.39
Deferred Revenue	4,365.94	-	-	-	87,543.85
Compensated Absences, Due Within One Year	-	-	-	-	196,957.10
Deposits Held in Custody for Others	-	-	-	141,750.26	141,750.26
Accrued Interest, Lease Liabilities	-	-	61.95	-	61.95
Lease Liabilities, Due Within One Year	-	-	3,957.69	-	3,957.69
Subscription Liabilities, Due Within One Year	-	-	156,684.30	-	156,684.30
Finance Lease Liabilities, Due Within One Year	-	-	443,950.29	-	443,950.29
Total Current Liabilities	77,525.09	-	604,654.23	142,775.23	1,704,596.27
Noncurrent Liabilities					
Compensated Absences	-	-	-	-	358,279.80
Lease Liabilities	-	-	4,142.80	-	4,142.80
Subscription Liabilities	-	-	759,802.45	-	759,802.45
Net Pension Liability	-	-	-	-	106,151.00
Total Noncurrent Liabilities	-	-	763,945.25	-	1,228,376.05
TOTAL LIABILITIES	77,525.09	-	1,368,599.48	142,775.23	2,932,972.32
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	425,486.15
NET POSITION					
Investment in capital assets, net of related debt	-	-	16,545,075.61	-	16,545,075.61
Unrestricted	-	41,534.99	-	-	5,040,154.23
TOTAL NET POSITION	$ -	$ 41,534.99	$ 16,545,075.61	$ -	$ 21,585,229.84

LABETTE COMMUNITY COLLEGE
Parsons, 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	AUXILIARY ENTERPRISE	UNEXPENDED (CAPITAL OUTLAY)	FEDERAL PELL GRANTS
REVENUES						
Operating Revenues						
Student Tuition and Fees	$ 2,028,092.01	$ 1,471,056.49	$ -	$ -	$ -	$ -
Federal Grants and Contracts	-	79,259.00	-	-	-	-
State Grants and Contracts	1,354,955.51	264,028.00	-	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	209,551.75	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	47,289.94	-	-	-	-	-
Total Operating Revenues	3,430,337.46	1,814,343.49	-	209,551.75	-	-
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	1,540,903.38	2,349,209.86	80,298.28	-	-	-
Academic Support	457,124.30	346,847.98	-	-	-	-
Student Services	1,862,816.85	208,061.06	-	-	-	-
Institutional Support	4,103,551.86	1,132,925.08	-	-	-	-
Operation and Maintenance	854,294.65	270,013.16	-	-	278,364.00	-
Scholarships and Awards	480,691.29	167,897.92	-	-	-	2,156,172.23
Lease Expense	4,262.52	-	-	-	-	-
Subscription Expense	361,353.56	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	205,728.53	-	-
Total Operating Expenses	9,664,998.41	4,474,955.06	80,298.28	205,728.53	278,364.00	2,156,172.23
Operating Income (Loss)	(6,234,660.95)	(2,660,611.57)	(80,298.28)	3,823.22	(278,364.00)	(2,156,172.23)
Nonoperating Revenues (Expenses)						
State Appropriations	1,947,929.00	913,025.00	-	-	278,364.00	-
County Appropriations	6,232,010.38	-	71,080.07	-	-	-
Federal Pell Grants	-	-	-	-	-	2,156,172.23
Gifts and Contributions	338,672.81	-	-	-	-	-
Interest Income	97,778.35	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Debt Service	(475,755.12)	-	-	-	-	-
Operating Transfers	(1,768,775.62)	1,767,155.59	-	1,000.74	-	-
Increase (Decrease) in Net Position	137,198.85	19,569.02	(9,218.21)	4,823.96	-	-
Net Position - Beginning of Year	3,750,945.67	(19,569.02)	137,036.03	(2,750.59)	975,263.02	5,565.73
Net Position - End of Year	$ 3,888,144.52	$ -	$ 127,817.82	$ 2,073.37	$ 975,263.02	$ 5,565.73

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

	FEDERAL DIRECT LOANS	FEDERAL SEOG GRANTS	FEDERAL WORK STUDY	MISCELLANEOUS GRANTS	TRIO- STUDENT SUPPORT SERVICES GRANT	TALENT SEARCH GRANT
REVENUES						
Operating Revenues						
Student Tuition and Fees	$ -	$ -	$ -	$ -	$ -	$ -
Federal Grants and Contracts	681,345.00	37,242.00	28,758.00	35,519.74	316,491.70	275,137.23
State Grants and Contracts	-	-	-	181,880.77	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	681,345.00	37,242.00	28,758.00	217,400.51	316,491.70	275,137.23
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	174,800.67	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	605.38	316,491.70	275,137.23
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	681,345.00	37,242.00	28,758.00	34,910.74	-	-
Lease Expense	-	-	-	-	-	-
Subscription Expense	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	681,345.00	37,242.00	28,758.00	210,316.79	316,491.70	275,137.23
Operating Income (Loss)	-	-	-	7,083.72	-	-
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Operating Transfers	-	-	-	619.29	-	-
Increase (Decrease) in Net Position	-	-	-	7,703.01	-	-
Net Position - Beginning of Year	1,594.25	-	-	(12,658.44)	3,115.96	-
Net Position - End of Year	$ 1,594.25	$ -	$ -	$ (4,955.43)	$ 3,115.96	$ -

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

	CARES ACT GRANTS	COMMUNITY COLLEGE ACTIVITY	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES						
Operating Revenues						
Student Tuition and Fees	$ -	$ -	$ -	$ 3,499,148.50	$ (1,051,822.90)	$ 2,447,325.60
Federal Grants and Contracts	93,266.83	-	-	1,547,019.50	(681,345.00)	865,674.50
State Grants and Contracts	-	-	-	1,800,864.28	-	1,800,864.28
Sales and Services of Auxiliary Enterprises	-	-	-	209,551.75	-	209,551.75
Activity Fund Revenues	-	46,845.37	-	46,845.37	-	46,845.37
Miscellaneous Income	-	-	-	47,289.94	-	47,289.94
Total Operating Revenues	93,266.83	46,845.37	-	7,150,719.34	(1,733,167.90)	5,417,551.44
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	93,266.83	-	(241,017.00)	3,997,462.02	-	3,997,462.02
Academic Support	-	-	-	803,972.28	-	803,972.28
Student Services	-	58,775.16	-	2,721,887.38	-	2,721,887.38
Institutional Support	-	-	(136,233.27)	5,100,243.67	-	5,100,243.67
Operation and Maintenance	-	-	(240,125.82)	1,162,545.99	-	1,162,545.99
Scholarships and Awards	-	-	-	3,587,017.18	(1,733,167.90)	1,853,849.28
Lease Expense	-	-	2,765.52	7,028.04	-	7,028.04
Subscription Expense	-	-	(177,911.47)	183,442.09	-	183,442.09
Depreciation Expense	-	-	936,688.19	936,688.19	-	936,688.19
Auxiliary Enterprises	-	-	(13,980.00)	191,748.53	-	191,748.53
Total Operating Expenses	93,266.83	58,775.16	130,186.15	18,692,035.37	(1,733,167.90)	16,958,867.47
Operating Income (Loss)	-	(11,929.79)	(130,186.15)	(11,541,316.03)	-	(11,541,316.03)
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	3,139,318.00	-	3,139,318.00
County Appropriations	-	-	-	6,303,090.45	-	6,303,090.45
Federal Pell Grants	-	-	-	2,156,172.23	-	2,156,172.23
Gifts and Contributions	-	-	-	338,672.81	-	338,672.81
Interest Income	-	-	-	97,778.35	-	97,778.35
Gain (Loss) on Sale of Assets	-	-	(1,517.36)	(1,517.36)	-	(1,517.36)
Debt Service	-	-	466,454.83	(9,300.29)	-	(9,300.29)
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	-	(11,929.79)	334,751.32	482,898.16	-	482,898.16
Net Position - Beginning of Year	-	53,464.78	16,210,324.29	21,102,331.68	-	21,102,331.68
Net Position - End of Year	$ -	$ 41,534.99	$ 16,545,075.61	$ 21,585,229.84	$ -	$ 21,585,229.84

LABETTE COMMUNITY COLLEGE
Parsons, Kansas

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

For the Year Ended June 30, 2025

Schedules 5 to 9 are prepared in accordance with Kansas cash basis and budget laws (Regulatory Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund in 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.

LABETTE COMMUNITY COLLEGE
Parsons, 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 Budget Basis Actual Amounts for the Year Ended June 30, 2024)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
Tuition	$ 765,397.53	$ 760,898.76	$ (29,172.03)	$ 731,726.73	$ 2,877,480.00	$ (2,145,753.27)
Student Fees	1,303,388.60	1,267,193.25	-	1,267,193.25	2,102,447.00	(835,253.75)
Total Student Tuition and Fees	2,068,786.13	2,028,092.01	(29,172.03)	1,998,919.98	4,979,927.00	(2,981,007.02)
Federal Sources						
Federal Grants	-	-	-	-	-	-
State Sources						
State Operating Grant	2,113,258.00	1,947,929.00	-	1,947,929.00	2,521,040.00	(573,111.00)
Other State Sources	264,170.00	1,354,955.51	(767,674.51)	587,281.00	14,170.00	573,111.00
Total State Sources	2,377,428.00	3,302,884.51	(767,674.51)	2,535,210.00	2,535,210.00	-
Local Sources						
Ad Valorem Tax	4,967,385.98	5,346,549.51	-	5,346,549.51	6,026,960.00	(680,410.49)
Motor Vehicle Tax	712,212.48	744,226.74	-	744,226.74	648,152.00	96,074.74
Recreational Vehicle	9,795.41	9,423.28	-	9,423.28	10,076.00	(652.72)
Delinquent Tax	123,766.01	129,842.09	-	129,842.09	24,122.00	105,720.09
In Lieu of Tax	6,564.47	1,968.76	-	1,968.76	-	1,968.76
Total Local Sources	5,819,724.35	6,232,010.38	-	6,232,010.38	6,709,310.00	(477,299.62)
Other Sources						
Interest Income	67,922.72	97,778.35	-	97,778.35	108,690.00	(10,911.65)
Gifts	-	338,672.81	-	338,672.81	404,108.00	(65,435.19)
Miscellaneous	84,721.74	47,289.94	-	47,289.94	63,976.00	(16,686.06)
Total Other Sources	152,644.46	483,741.10	-	483,741.10	576,774.00	(93,032.90)
TOTAL REVENUES	10,418,582.94	12,046,728.00	(796,846.54)	11,249,881.46	14,801,221.00	(3,551,339.54)

LABETTE COMMUNITY COLLEGE
Parsons, 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 Budget Basis Actual Amounts for the Year Ended June 30, 2024)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
EXPENDITURES						
Education and General						
Instruction	$ 1,544,889.23	$ 1,540,903.38	$ -	$ 1,540,903.38	$ 4,916,356.00	$ (3,375,452.62)
Academic Support	420,375.62	457,124.30	-	457,124.30	768,013.00	(310,888.70)
Student Services	1,563,279.93	1,862,816.85	-	1,862,816.85	2,189,911.00	(327,094.15)
Institutional Support	3,385,244.95	4,103,551.86	(1,043,870.05)	3,059,681.81	5,321,134.00	(2,261,452.19)
Operation and Maintenance	883,928.65	854,294.65	-	854,294.65	1,301,918.00	(447,623.35)
Scholarships and Awards	462,313.27	480,691.29	-	480,691.29	-	480,691.29
Lease Expense	4,474.02	4,262.52	-	4,262.52	-	4,262.52
Subscription Expense	175,505.05	361,353.56	-	361,353.56	-	361,353.56
Debt Service						
Principal Payments	460,308.82	466,454.83	-	466,454.83	-	466,454.83
Interest Payments	15,446.30	9,300.29	-	9,300.29	-	9,300.29
Operating Transfers:						
Postsecondary Technical Education Fund	1,745,418.17	1,767,155.59	-	1,767,155.59	18,000.00	1,749,155.59
Auxiliary Enterprise Fund	2,956.32	1,000.74	-	1,000.74	-	1,000.74
Miscellaneous Grants Fund	6,777.65	619.29	-	619.29	-	619.29
TOTAL EXPENDITURES	10,670,917.98	11,909,529.15	(1,043,870.05)	10,865,659.10	14,515,332.00	(3,649,672.90)
Excess of Revenues Over (Under) Expenditures	(252,335.04)	137,198.85	247,023.51	384,222.36	285,889.00	98,333.36
Unencumbered Cash Beginning of Year	4,128,518.88	3,750,945.67	125,238.17	3,876,183.84	2,634,258.00	1,241,925.84
End of Year	$ 3,876,183.84	$ 3,888,144.52	$ 372,261.68	$ 4,260,406.20	$ 2,920,147.00	$ 1,340,259.20

LABETTE COMMUNITY COLLEGE
Parsons, 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 Budget Basis Actual Amounts for the Year Ended June 30, 2024)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Student Tuition and Fees						
Tuition	$ 728,430.52	$ 944,897.56	$ -	$ 944,897.56	$ 557,284.00	$ 387,613.56
Student Fees	388,242.11	526,158.93	-	526,158.93	112,000.00	414,158.93
Total Student Tuition and Fees	1,116,672.63	1,471,056.49	-	1,471,056.49	669,284.00	801,772.49
Federal Sources						
Federal Grants	85,162.00	79,259.00	-	79,259.00	71,259.00	8,000.00
State Sources						
State Operating Grant	1,056,481.00	913,025.00	-	913,025.00	913,025.00	-
Other State Sources	285,522.00	264,028.00	-	264,028.00	264,028.00	-
Total State Sources	1,342,003.00	1,177,053.00	-	1,177,053.00	1,177,053.00	-
Operating Transfers from General Fund	1,745,418.17	1,767,155.59	-	1,767,155.59	-	1,767,155.59
TOTAL REVENUES	4,289,255.80	4,494,524.08	-	4,494,524.08	1,917,596.00	2,576,928.08
EXPENDITURES						
Education and General						
Instruction	2,353,794.40	2,349,209.86	-	2,349,209.86	5,324,394.00	(2,975,184.14)
Academic Support	279,869.22	346,847.98	-	346,847.98	252,762.00	94,085.98
Student Services	186,208.20	208,061.06	-	208,061.06	-	208,061.06
Institutional Support	1,058,771.69	1,132,925.08	(8,052.33)	1,124,872.75	20,809.00	1,104,063.75
Operation and Maintenance	240,516.54	270,013.16	-	270,013.16	-	270,013.16
Scholarships and Awards	161,229.04	167,897.92	-	167,897.92	-	167,897.92
TOTAL EXPENDITURES	4,280,389.09	4,474,955.06	(8,052.33)	4,466,902.73	5,597,965.00	(1,131,062.27)
Excess of Revenues Over (Under) Expenditures	8,866.71	19,569.02	8,052.33	27,621.35	(3,680,369.00)	3,707,990.35
Unencumbered Cash Beginning of Year	50,787.49	(19,569.02)	79,223.22	59,654.20	(2,028,936.00)	2,088,590.20
End of Year	$ 59,654.20	$ -	$ 87,275.55	$ 87,275.55	$ (5,709,305.00)	$ 5,796,580.55

LABETTE COMMUNITY COLLEGE
Parsons, 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 Budget Basis Actual Amounts for the Year Ended June 30, 2024)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Local Sources						
Ad Valorem Tax	$ 56,794.84	$ 60,972.02	$ -	$ 60,972.02	$ 68,813.00	$ (7,840.98)
Motor Vehicle Tax	8,132.76	8,430.66	-	8,430.66	7,411.00	1,019.66
Recreational Vehicle	111.89	107.61	-	107.61	115.00	(7.39)
Delinquent Tax	1,413.16	1,474.78	-	1,474.78	276.00	1,198.78
In Lieu of Tax	74.97	95.00	-	95.00	-	95.00
Total Local Sources	66,527.62	71,080.07	-	71,080.07	76,615.00	(5,534.93)
TOTAL REVENUES	66,527.62	71,080.07	-	71,080.07	76,615.00	(5,534.93)
EXPENDITURES						
Education and General						
Instruction	48,182.00	80,298.28	-	80,298.28	124,650.00	(44,351.72)
TOTAL EXPENDITURES	48,182.00	80,298.28	-	80,298.28	124,650.00	(44,351.72)
Excess of Revenues Over (Under) Expenditures	18,345.62	(9,218.21)	-	(9,218.21)	(48,035.00)	38,816.79
Unencumbered Cash Beginning of Year	118,690.41	137,036.03	-	137,036.03	107,025.00	30,011.03
End of Year	$ 137,036.03	$ 127,817.82	$ -	$ 127,817.82	$ 58,990.00	$ 68,827.82

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

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
Sales and Services of Auxiliary Enterprises	$ 180,598.81	$ 209,551.75	$ (676.20)	$ 208,875.55	$ 226,004.00	$ (17,128.45)
Operating Transfers from General Fund	2,956.32	1,000.74	-	1,000.74	-	1,000.74
TOTAL REVENUES	183,555.13	210,552.49	(676.20)	209,876.29	226,004.00	(16,127.71)
EXPENDITURES						
Auxiliary Enterprise						
Salaries and Benefits	80,009.40	90,977.62	583.82	91,561.44	91,562.00	(0.56)
General Operating Expense	15,167.26	17,664.29	-	17,664.29	23,692.00	(6,027.71)
Supplies	14,595.01	12,887.92	-	12,887.92	14,750.00	(1,862.08)
Cost of Goods Sold	72,286.73	69,470.28	3,563.94	73,034.22	77,500.00	(4,465.78)
Equipment	1,496.73	14,728.42	-	14,728.42	18,500.00	(3,771.58)
TOTAL EXPENDITURES	183,555.13	205,728.53	4,147.76	209,876.29	226,004.00	(16,127.71)
Excess of Revenues Over (Under) Expenditures	-	4,823.96	(4,823.96)	-	-	-
Unencumbered Cash Beginning of Year	-	(2,750.59)	2,750.59	-	(259,203.00)	(259,203.00)
End of Year	$ -	$ 2,073.37	$ (2,073.37)	$ -	$ (259,203.00)	$ (259,203.00)

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Schedule of Revenues, Expenditures, and Changes
in Unencumbered Cash - Budget and Actual
Plant Funds
Unexpended (Capital Outlay) Fund (Regulatory Basis)
For the Year Ended June 30, 2025
(With Comparative Budget Basis Actual Amounts for the Year Ended June 30, 2024)

		Current Year				
	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	Variance Over (Under)
REVENUES						
State Sources						
Other State Sources	$ 322,717.00	$ 278,364.00	$ -	$ 278,364.00	$ 278,364.00	$ -
Local Sources						
Donations	84,331.04	-	-	-	899,000.00	(899,000.00)
Use of Money and Property						
Finance Lease Proceeds	-	-	-	-	-	-
TOTAL REVENUES	407,048.04	278,364.00	-	278,364.00	1,177,364.00	(899,000.00)
EXPENDITURES						
Plant, Equipment and Facility						
Capital Outlay	331,473.99	278,364.00	-	278,364.00	1,777,157.00	(1,498,793.00)
TOTAL EXPENDITURES	331,473.99	278,364.00	-	278,364.00	1,777,157.00	(1,498,793.00)
Excess of Revenues and Transfers Over (Under) Expenditures	75,574.05	-	-	-	(599,793.00)	599,793.00
Unencumbered Cash Beginning of Year	899,688.97	975,263.02	-	975,263.02	899,689.00	75,574.02
End of Year	$ 975,263.02	$ 975,263.02	$ -	$ 975,263.02	$ 299,896.00	$ 675,367.02

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds - Primary Institution
For the Year Ended June 30, 2025

	Primary Institution			
ACCOUNT NAME	BALANCE JUNE 30, 2024	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2025
AGENCY FUND				
School Projects Accounts				
Akccop	$ 1,059.59	$ -	$ 271.73	$ 787.86
Athletic Director	2,708.36	400.00	189.45	2,918.91
Athletic Trainer	1.06	-		1.06
TEAS Tests	5,255.09	9,450.00	9,310.00	5,395.09
Community Band & Orchestra	330.00	500.00	405.00	425.00
Computer Purchases	14.58	-	-	14.58
Concessions	3,559.75	1,811.80	1,740.49	3,631.06
Continuing Education Works	8,226.20	18,960.00	16,513.84	10,672.36
Cookbook	144.57	-	-	144.57
Educational Support Staff	923.86	-	-	923.86
Financial Aid	4,324.82	1,940.00	3,457.00	2,807.82
Gate Receipts	6,718.48	2,743.75	1,991.80	7,470.43
Library	17,695.62	7,456.57	3,966.12	21,186.07
Nursing Academics	454.34	1,683.00	1,833.50	303.84
Professional Staff	681.17	-	236.90	444.27
Seminar Account	3,196.36	-	-	3,196.36
Theatre	329.99	-	-	329.99
Education To Go	2,515.70	730.00	-	3,245.70
Food Bank	8,767.28	10,369.18	11,448.32	7,688.14
Scholarships	-	1,027,325.84	1,027,325.84	-
Total School Projects	66,906.82	1,083,370.14	1,078,689.99	71,586.97
Student Organization Accounts				
Baseball	620.49	19,567.95	16,062.16	4,126.28
Belonging Committee	229.00	372.00	-	601.00
Biology Clun	181.26	-	-	181.26
Campus Activity	15,842.93	53,000.00	61,955.11	6,887.82
Criminal Justice	979.93	-	-	979.93
Gay/Straight Alliance	416.00	-	413.95	2.05
Graphic Design	444.46	-	97.86	346.60
Men's Basketball	1,913.41	2,500.00	1,813.74	2,599.67
English Club	44.97	-	-	44.97
Music Club	921.84	-	-	921.84
Phi Theta Lambda	15,666.50	4,804.00	5,455.10	15,015.40
Phi Theta Kappa	2,488.70	2,172.00	4,053.65	607.05
Radiography Club	2,319.27	5,077.00	3,922.78	3,473.49
Respiratory Care	300.00	224.00	76.40	447.60
SGA	1,389.03	813.89	119.40	2,083.52

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Schedule of Changes in Assets and Liabilities
All Agency Funds - Primary Institution
For the Year Ended June 30, 2025

ACCOUNT NAME	Primary Institution BALANCE JUNE 30, 2024	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2025
AGENCY FUND (Continued)				
Student Organization Accounts (Continued)				
Spirit Squad	$ 934.95	$ 4,617.10	$ 3,991.86	$ 1,560.19
Student Nurses	2,411.81	3,800.00	1,929.14	4,282.67
Volleyball	60.04	8,486.00	5,883.71	2,662.33
Women's Basketball	6,711.38	1,282.88	-	7,994.26
Women's Softball	13,035.15	17,656.80	20,214.00	10,477.95
Wrestling	4,777.68	14,301.50	16,477.83	2,601.35
Debate/Forensics	101.77	-	-	101.77
Radiography Fees and Testing	380.19	-	-	380.19
Sonography	292.12	100.00	400.00	(7.88)
Welding Student Funds	2,775.38	1,600.00	2,583.40	1,791.98
Total Student Organizations	75,238.26	140,375.12	145,450.09	70,163.29
Total Agency Funds	$ 142,145.08	$ 1,223,745.26	$ 1,224,140.08	$ 141,750.26
Assets				
Cash and Investments	$ 146,080.83	$ 1,223,745.26	$ 1,227,050.86	$ 142,775.23
Total Assets	$ 146,080.83	$ 1,223,745.26	$ 1,227,050.86	$ 142,775.23
Liabilities				
Accounts Payable	$ 3,935.75	$ 1,024.97	$ 3,935.75	$ 1,024.97
Deposits Held For Others	142,145.08	1,223,745.26	1,224,140.08	141,750.26
Total Liabilities	$ 146,080.83	$ 1,224,770.23	$ 1,228,075.83	$ 142,775.23

LABETTE COMMUNITY COLLEGE
PARSONS, KANSAS

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2025

EIN NUMBER: 48-0698218
OPE ID NUMBER: 00193000
DUNS NUMBER: 083119693
UEI NUMBER: WDLAC66PNC86

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

PARSONS, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (FSEOG) (84.007)
FEDERAL WORK-STUDY PROGRAM (FWS) (84.033)
FEDERAL DIRECT STUDENT LOANS (DIRECT LOAN) (84.268)

AUDITOR INFORMATION SHEET

LABETTE COMMUNITY COLLEGE
200 S. 14TH SREET
PARSONS, KANSAS 67357

EIN NUMBER: 48-0698218
OPE ID NUMBER: 00193000
DUNS NUMBER: 083119693
UEI NUMBER: WDLAC66PNC86

TELEPHONE: (620) 421-6700
FAX: (620) 421-0180

PRESIDENT: Dr. Mark Watkins
CONTACT PERSON & TITLE: Leanna Doherty, Vice President of Finance and Operations

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
	FWS	84.033
	FDL	84.268

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
Parsons	Yes	Yes	Yes	1966	N/A	2025	N/A
Pittsburg	Yes	Yes	Yes	2008	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:

LABETTE COMMUNITY COLLEGE
200 S. 14TH STREET
PARSONS, KANSAS 67357

For Close-Out Examination only: N/A

LABETTE COMMUNITY COLLEGE
Parsons, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NUMBER		PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Student Financial Aid Cluster					
Federal Supplemental Education Opportunity Grants	84.007	N/A		$ -	$ 37,242.00
Federal Direct Loan Program	84.268	N/A	(1)	-	681,345.00
Federal Work-Study Program	84.033	N/A		-	28,758.00
Federal Pell Grant Program	84.063	N/A		-	2,156,172.23
Federal Pell Grant Program - Admin	84.063	N/A		-	1,940.00
		Total 84.063		-	2,158,112.23
Total Student Financial Aid Cluster				-	2,905,457.23
TRIO Cluster					
TRIO - Student Support Services	84.042(a)	N/A		-	316,491.70
TRIO - Talent Search	84.044(a)	N/A		-	275,137.23
Total TRIO Cluster				-	591,628.93
Passed through the Kansas Board of Regents:					
Carl Perkins Vocational Education Grants:					
Post Secondary Improvements	84.048	2025 Carl Perkins		-	79,259.00
Total U.S. Department of Education				-	3,576,345.16
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the University of Kansas Medical Center Research Institute, Inc.:					
Rural Public Health Workforce Training Network Program	93.912	Not Assigned		-	93,266.83
Total U.S. Department of Health and Human Services				-	93,266.83
FEDERAL ASSISTANCE TOTALS				$ -	$ 3,669,611.99

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
Labette Community College has not elected to use the 10% 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.

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
Labette Community College
Parsons, 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 Labette Community College, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Labette Community College's basic financial statements and have issued our report thereon dated December 22, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Labette 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 Labette Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Labette 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 Labette 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
December 22, 2025

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
Labette Community College
Parsons, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Labette 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 Labette Community College's major federal programs for the year ended June 30, 2025. Labette 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.

In our opinion, Labette Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Labette 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 Labette 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it

exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Labette Community College's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Labette 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 Labette Community College 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 Labette Community College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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.

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

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 22, 2025

LABETTE COMMUNITY COLLEGE
Parsons, 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 Labette Community College.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	__X__ No	
Significant deficiency(ies) identified?	____ Yes	__X__ None Reported	
Noncompliance or other matters required to be reported under *Government Auditing Standards*	____ Yes	__X__ No	

Federal Awards:

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	__X__ No	
Significant deficiency(ies) identified?	____ Yes	__X__ None Reported	

The auditor's report on compliance for the major federal award programs for Labette Community College expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? ____ Yes __X__ No

Identification of major programs:

U.S. DEPARTMENT OF EDUCATION

Student Financial Aid Cluster
- Federal Pell Grant Program – CFDA No. 84.063
- Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
- Federal Work-Study Program – CFDA No. 84.033
- Federal Direct Student Loan Program – CFDA No. 84.268

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

Auditee qualified as a low risk auditee? __X__ Yes ____ No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

LABETTE COMMUNITY COLLEGE
Parsons, Kansas

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

NONE