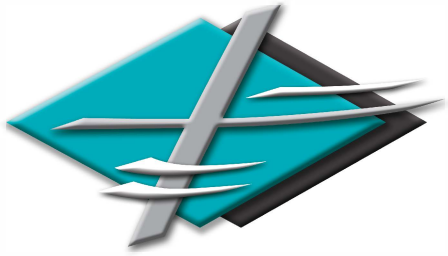
DODGE CITY COMMUNITY COLLEGE

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025



LOYD GROUP, LLC

Certified Public Accountants

Dodge City Community College

June 30, 2025
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Dodge City Community College
Dodge City, Kansas

Report on the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Dodge City Community College (the College), as of and for the year ended June 30, 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 present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Dodge City Community College as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other post-employment benefits and pension information on pages 4-12 and 41-47, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The individual fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

of America. In our opinion, the individual fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025 on our consideration of Dodge City Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Loyd Group, LLC

Loyd Group, LLC
Galva, Kansas

December 8, 2025

Management's Discussion and Analysis

Introduction

The following discussion and analysis of the financial performance and activity of Dodge City Community College (The College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2025, with selected comparative information for the year ended June 30, 2024. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness and accuracy of this information.

Using the Annual Report

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

Basic financial statements are comprised of two parts

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

Required Supplementary Information

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

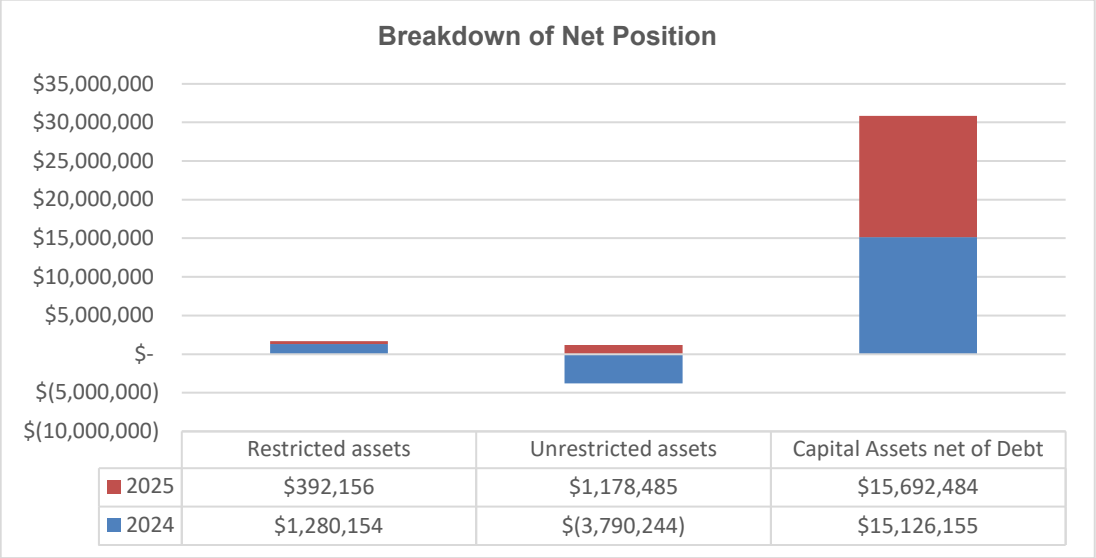
Highlights to the Financial Statements

Statement of Net Position

Comparison Net Position – Fiscal Year 2024 and 2025

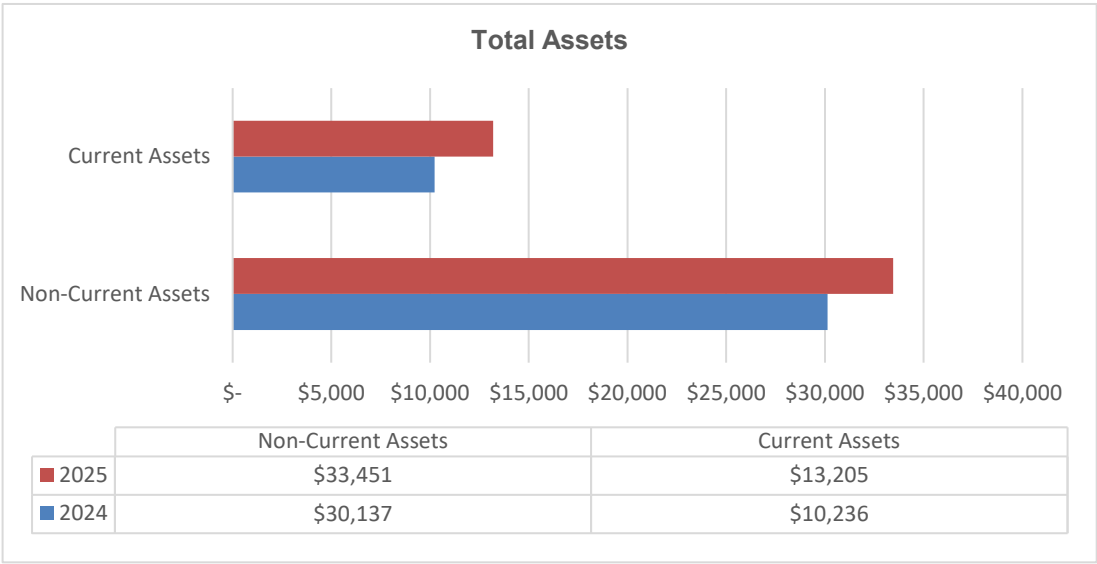
The Statement of Net Position presents the assets, deferred outflow of resources (deferred outflows), liabilities, deferred inflow of resources (deferred inflows) and net position of the College as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The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

Net assets increased from $12,616,065 in 2024 to $17,263,125 in 2025. This is a increase of $4,647,060 over the previous year, primarily due to regular activities of the College, and the $4 million construction project to renovate the Coleman Webb Dorm.



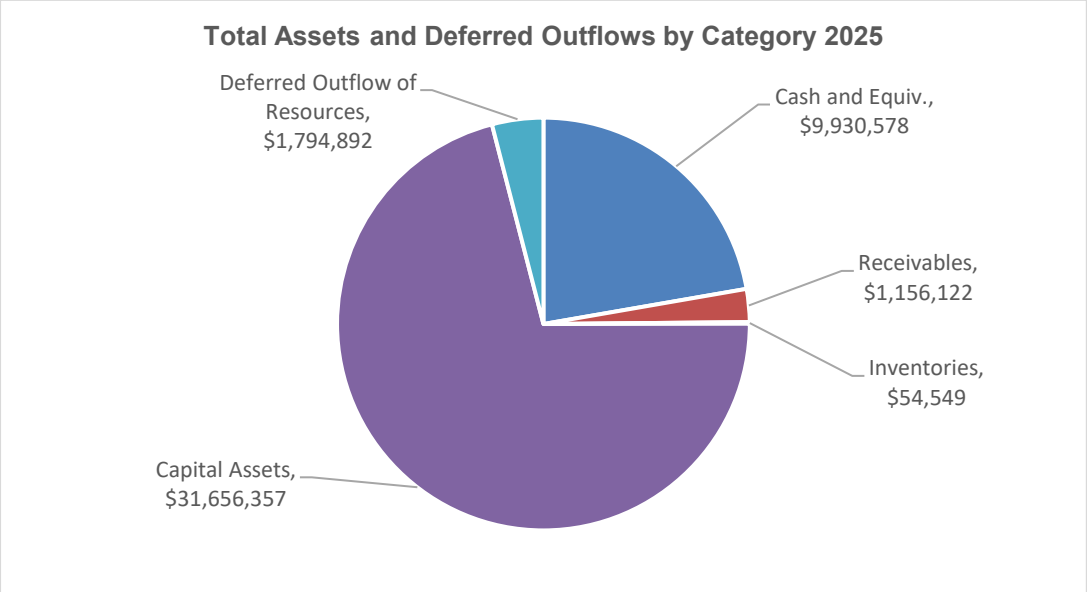
	Restricted assets	Unrestricted assets	Capital Assets net of Debt
2025	$392,156	$1,178,485	$15,692,484
2024	$1,280,154	$(3,790,244)	$15,126,155

Total breakdown of assets between current and noncurrent classification for 2024 through 2025 is as follows:



	Non-Current Assets	Current Assets
2025	$33,451	$13,205
2024	$30,137	$10,236

Dollars (000)

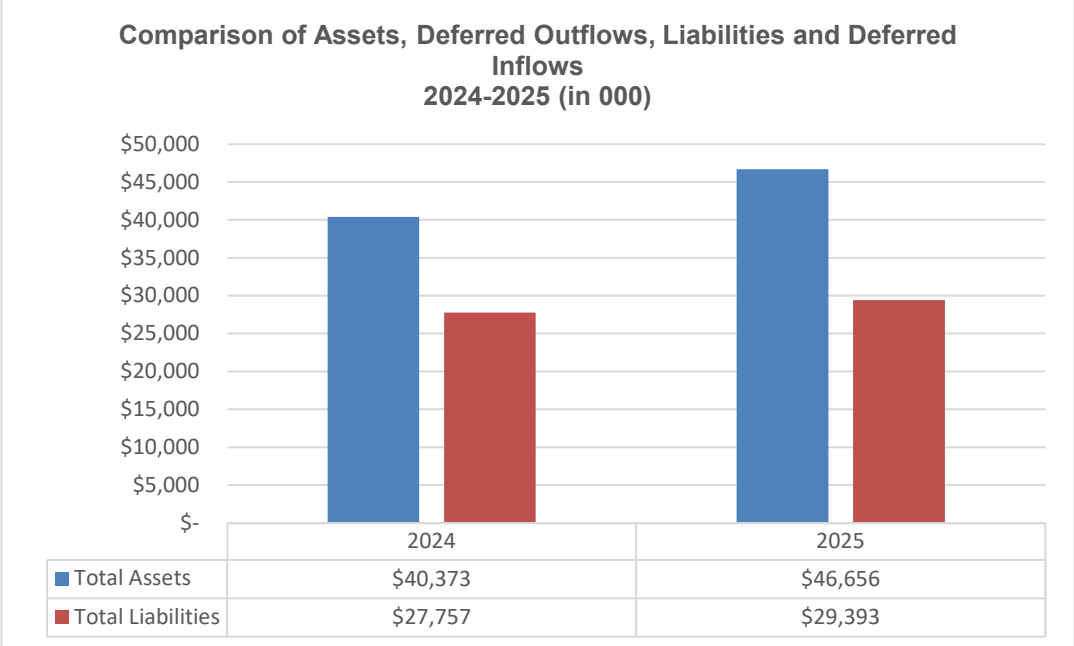


Of the $44,592,498 in total assets and deferred outflows, approximately 22% are in cash and cash equivalents and capital assets represent 71% of total assets.

Comparison of Liabilities

	2024	% Total 2024	2025	% Total 2025
Current Liabilities	$ 3,296,616	11.88%	$ 2,394,275	8.15%
Noncurrent Liabilities	$ 24,460,475	88.12%	$ 26,998,810	91.85%
	$ 27,757,091		$ 29,393,085	

Noncurrent liabilities in 2025 include, but are not limited to, bonds payable related to student housing, lease payments, and other postemployment benefits. Current liabilities consist primarily of accounts payable and accrued liabilities, deposits held in custody for others, and the current portion of the bond and lease payments.



Total liabilities and deferred inflows increased from $27,757,091 in 2024 and $29,393,085 for 2025. This is an increase of $1,635,994 from the previous year. Assets and deferred outflows increased from $40,373,156 in 2024 to $46,656,210 in 2025. The asset to liability ratio (total assets/total liabilities) was 1.45 in 2024 and 1.59 in 2025. The increase in total assets is primarily from the addition of the transfer of assets from the Foundation. The decrease in liabilities is due from normally scheduled repayments of debt and changes in pension and OPEB. The increase in assets is primarily due to increased funding from state sources, the nearly completed $4 million construction project of renovating Coleman Webb Forms and regular activities of the College.

Results of Operations Fiscal Year 2025

Statement of Revenues, Expenses and Changes in Net Position

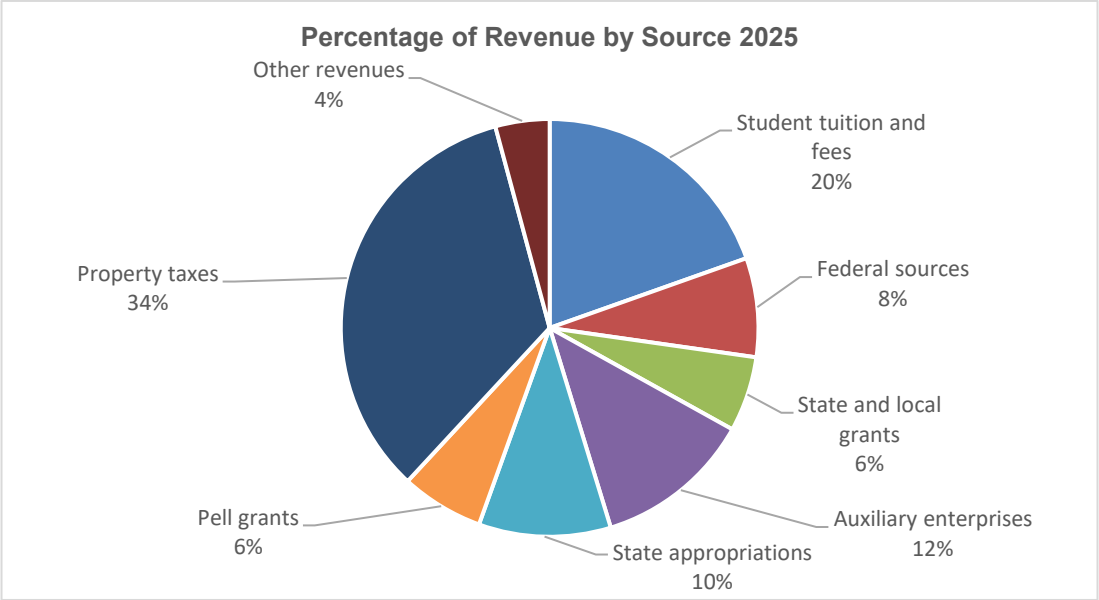
Changes in total net position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the institution, both operating and nonoperating, and the expenses paid by the institution, operating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

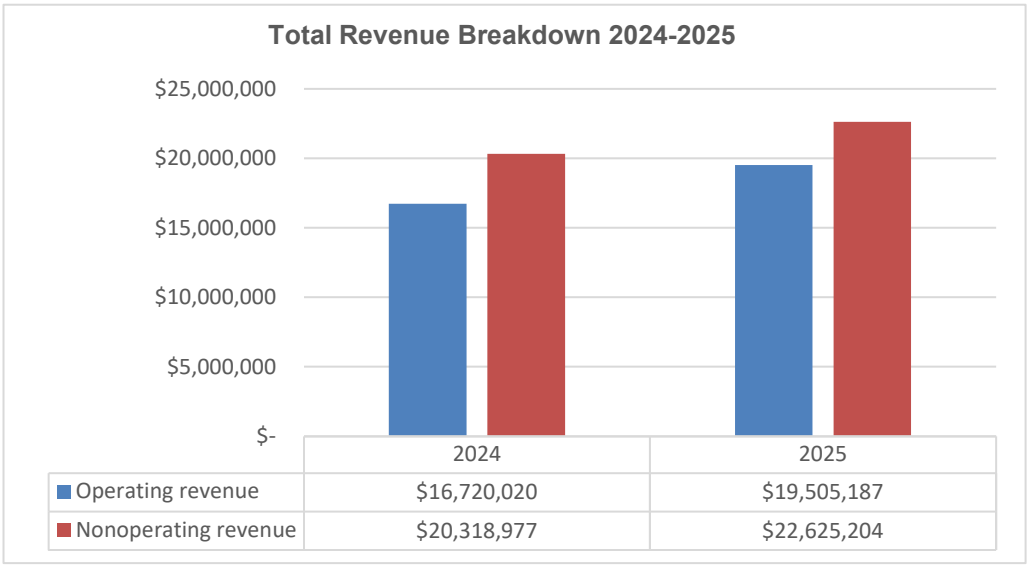
Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out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

Revenue

The College receives revenue from a number of sources. In broad terms, they are: the State of Kansas, the Federal Government, students--in the form of tuition and fees, local taxpayers--by way of property taxes, business style auxiliary enterprises, and private gifts and grants. These sources are relatively stable from year to year as a percentage of the total. Student tuition and fees increased due to allowance and bad debt writeoffs. Federal funding was an increase due to SFA funding. State funding increased from the new grant funding of Student success grant and DRAW grant. Property taxes increased due to increase in levy.

	2024	% Total 2024	2025	% Total 2025
Student tuition and fees	$ 7,723,415	19.74%	$ 8,246,706	19.57%
Federal sources	3,109,720	7.95%	3,239,525	7.69%
State and local grants	1,347,436	3.44%	2,445,180	5.80%
Auxiliary enterprises	5,113,828	13.07%	5,144,189	12.21%
State appropriations	4,310,867	11.02%	4,310,867	10.23%
Pell grants	2,590,151	6.62%	2,689,066	6.38%
Property taxes	13,897,762	35.53%	14,284,486	33.91%
Other revenues	1,025,073	2.62%	1,770,372	4.20%
Total revenues	$ 39,118,252	100.00%	$ 42,130,391	100.00%


Percentage of Revenue by Source 2025
Other revenues 4%
Student tuition and fees 20%
Federal sources 8%
State and local grants 6%
Auxiliary enterprises 12%
State appropriations 10%
Pell grants 6%
Property taxes 34%

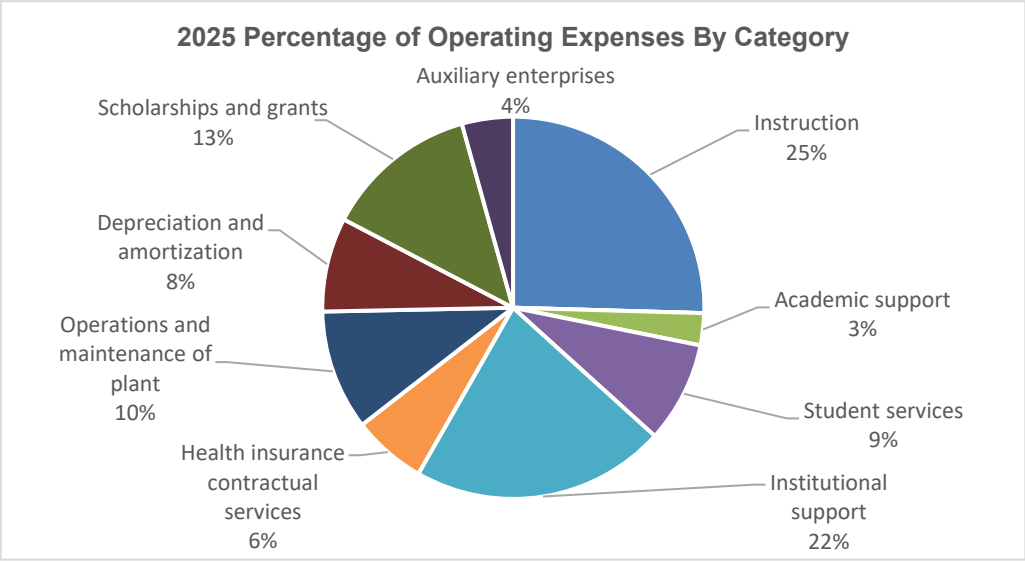

Total Revenue Breakdown 2024-2025
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
2024
2025
Operating revenue
$16,720,020
$19,505,187
Nonoperating revenue
$20,318,977
$22,625,204

Expenses

Detail of the 2024 through 2025 education, general, and auxiliary enterprise operating and nonoperating expenditures:

	2024	% Total 2024	2025	% Total 2025
Operating Expenses				
Instruction	$ 6,213,147	16.59%	$ 9,549,255	24.95%
Public services	-	0.00%	-	0.00%
Academic support	5,451,755	14.55%	1,014,458	2.65%
Student services	1,851,206	4.94%	3,204,188	8.37%
Institutional support	8,749,851	23.36%	8,091,793	21.14%
Health insurance contractual services	2,428,269	6.48%	2,342,597	6.12%
Operations and maintenance of plant	3,703,038	9.89%	3,818,939	9.98%
Depreciation and amortization	3,217,083	8.59%	2,992,127	7.82%
Scholarships and grants	2,989,289	7.98%	4,879,359	12.75%
Auxiliary enterprises	2,267,059	6.05%	1,623,512	4.24%
Subtotal	36,870,697	98.43%	37,516,228	98.03%
Nonoperating Expenses				
Debt issue costs	96,466	0.26%	-	0.00%
Interest on Capital asset-related debt	493,082	1.32%	755,062	1.97%
Subtotal	589,548	1.57%	755,062	1.97%
Total Expenses	$ 37,460,245	100.00%	$ 38,271,290	100.00%

The College did an analysis of expense accounts in 2025 and what activity type they were grouped to which resulted in several adjustments between categories. This is the primary reason for the change between years in the above categories.



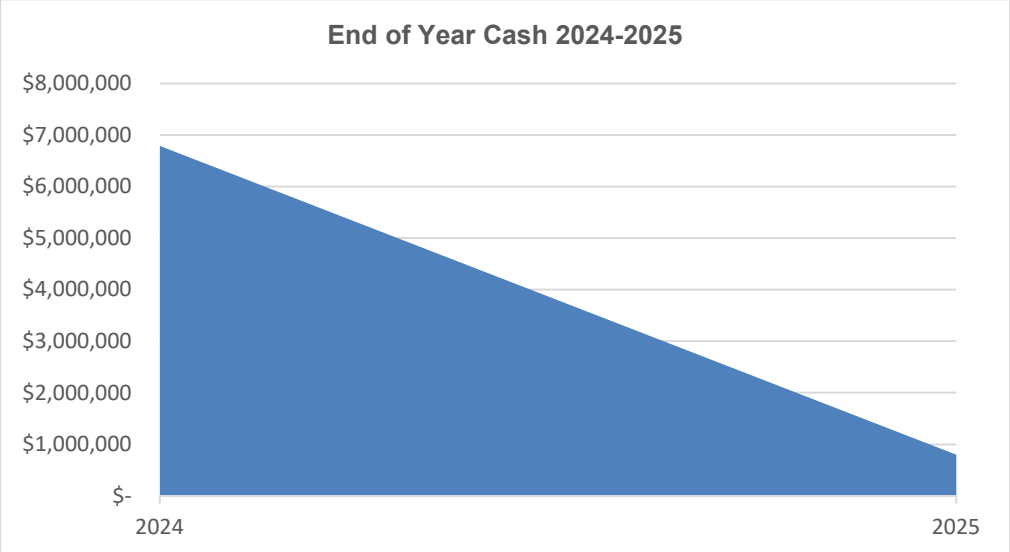
Statement of Cash Flows

The final statement presented by the College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year.

The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used in the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. This section includes the cash received and spent from state and local appropriations and private gifts. The third section reflects the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section deals with cash flows from investing activities and shows the interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Summary Statement of Cash Flows information

	2024	2025
Net Cash From:		
Operating activities	$ (15,075,544)	$ (13,879,884)
Noncapital financing activities	19,728,320	20,588,755
Capital and related financial activities	(4,556,654)	(4,018,983)
Investing activities	388,229	(8,681,889)
Net Change in Cash	484,351	(5,992,001)
Cash beginning of year	6,305,096	6,789,447
Cash end of year	$ 6,789,447	$ 797,446



Summary of Overall Performance

Cash balances decreased $5,992,001 from fiscal year 2024 due to the presentation of cash and investments to align with GASB standards.. Combined operating and nonoperating revenue and expenses for 2025 increased by approximately $2.2 million from the same measures in 2024 due to overall decrease in operating costs of the College. Combined operating and non-operating revenue and expense for 2025 increased by $3.8 million from the same measures in 2024 due to overall increase in funding sources.

Capital Assets and Long Term Debt Activities

Capital Assets

The College has invested $31.6 million in capital assets (net of depreciation). The majority of changes during the include some small additions and depreciation expense. Capital assets held by the College at the end of the current year are as follows:

	Beginning Balance	Increases	(Decrease) Adjustments	Ending Balance
Non-depreciable capital assets:				
Land	$ 148,086	$ -	$ -	$ 148,086
Construction in progress	-	3,908,621	-	3,908,621
Total non-depreciable capital assets	148,086	3,908,621	-	4,056,707
Depreciable capital assets:				
Buildings and Improvements	30,160,232	1,936,744	(8,196)	32,088,780
Furniture and Equipment	8,180,556	377,318	(89,422)	8,468,452
Infrastructure	467,336	-	-	467,336
Dorm	16,802,197	511,940	(2,169)	17,311,968
Leased Assets	1,228,205	-	(262,873)	965,332
Total depreciable capital assets	56,838,526	2,826,002	(362,660)	59,301,868
Less accumulated depreciation:				
Buildings and Improvements	(14,365,063)	(1,855,273)	9,970	(16,210,366)
Furniture and Equipment	(6,159,198)	(342,304)	38,425	(6,463,077)
Infrastructure	(410,777)	(7,230)	-	(418,007)
Dorm	(7,264,672)	(709,799)	1,409	(7,973,062)
Leased Assets	(741,151)	(77,521)	180,966	(637,706)
Total accumulated depreciation	(28,940,861)	(2,992,127)	230,770	(31,702,218)
Total capital assets, net	$ 28,045,751	$ 3,742,496	$ (131,890)	$ 31,656,357

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

Long-Term Liabilities

At the end of the current year, the College had long-term liabilities totaling $21 million. This includes $15.3 million in capital leases, $302,000 in net pension liability, $1.2 million net OPEB obligation, $337,000 in compensated absences payable, $37,000 in early retirement benefit obligations, and $3.1 million in revenue bonds payable. All of the leases outstanding as of the end of the year were secured by liens on the property purchased.

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

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Current Portion
Lease obligations	$ 12,379,188	$ 4,100,000	$ (1,107,818)	$ 15,371,370	$ 1,362,740
Premium on capital lease	285,331	-	(37,445)	247,886	40,003
Revenue bonds	3,265,000	-	(145,000)	3,120,000	150,000
Compensated absences	302,537	34,863	-	337,400	182,404
Early retirement benefits	61,759	-	24,313	37,446	24,313
Other post employment benefits	1,183,614	76,600	-	1,260,214	-
Net pension liability	332,931	-	(31,275)	301,656	-
Total long-term liabilities	$ 17,810,360	$ 4,211,463	$ (1,297,225)	$ 20,675,972	$ 1,759,460

The College has completed two technical building projects; both fully funded by state and federal grants. A new auto technician program building and an industrial maintenance facility were completed in time for classes to begin in August 2024.

A rehabilitation and refurbishment of the Coleman Webb dorm is underway utilizing approximately $4.1 million of bond financing. The project is expected to be completed by August of 2025, welcoming 45 DC3 residential students.

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

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

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

BASIC FINANCIAL STATEMENTS

Dodge City Community College
Statements of Net Position
Year Ended June 30, 2025

	Dodge City Community College	Component Unit DCCC Foundation
ASSETS		
Current Assets		
Cash and cash equivalents	$ 561,225	$ 5,487,925
Restricted cash	236,221	-
Investments	9,369,353	-
Restricted investments	1,827,491	-
Receivables - federal and state grants and contracts	21,081	-
Receivables - students (net of allowance)	1,135,041	-
Inventories	54,549	-
Total current assets	13,204,961	5,487,925
Noncurrent Assets		
Unconditional promises to give	-	89,009
Capital assets, net of accumulated depreciation	31,656,357	-
Total noncurrent assets	31,656,357	89,009
TOTAL ASSETS	44,861,318	5,576,934
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	361,391	-
Deferred outflows related to other post-employment benefits	1,152,690	-
Deferred outflows related to net pension liability	280,811	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,794,892	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 46,656,210	$ 5,576,934
LIABILITIES		
Current Liabilities		
Accounts payable	$ 460,040	$ -
Deposits held in custody for others	(31,708)	-
Accrued interest payable	206,483	-
Compensated absences payable	182,404	-
Early retirement benefits payable	24,313	-
Capital lease obligations	1,402,743	-
Promissory note payable	-	12,318
Bonds payable	150,000	-
Total current liabilities	2,394,275	12,318
Noncurrent Liabilities		
Compensated absences payable	154,996	-
Early retirement benefits payable	13,133	-
Other postemployment benefits payable	1,260,214	-
Net pension liabilities	301,656	-
Capital lease obligations	14,216,513	-
Bonds payable	2,970,000	-
Total noncurrent liabilities	18,916,512	-
TOTAL LIABILITIES	21,310,787	12,318
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	620,989	-
Deferred inflows related to other post-employment benefits	7,166,732	-
Deferred inflows related to net pension liability	294,577	-
TOTAL DEFERRED INFLOWS OF RESOURCES	8,082,298	-
NET POSITION		
Net investment in capital assets	15,692,484	-
Restricted for:		
Nonexpendable - endowments	-	2,831,676
Expendable:		
Foundation activity	-	2,402,964
Debt retirement	392,156	-
Unrestricted	1,178,485	329,976
Total net position	17,263,125	5,564,616
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 46,656,210	$ 5,576,934

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

Dodge City Community College
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

	Dodge City Community College	Component Unit DCCC Foundation
OPERATING REVENUES		
Student tuition and fees	$ 9,200,179	$ -
Less allowances for institutional scholarships	5,096	-
Less allowances for federal grants	948,377	-
Net student source revenue	8,246,706	-
Federal sources	3,239,525	-
State sources	2,445,180	-
Auxiliary enterprises:		
Residential life	1,510,118	-
Campus store	98,841	-
Union	5,000	-
Child development center	269,695	-
Food service	1,095,319	-
Health insurance charges for services	2,165,216	-
Other operating revenues	429,587	-
Total operating revenues	19,505,187	-
OPERATING EXPENSES		
Educational and General:		
Instruction	9,549,255	-
Academic support	1,014,458	-
Student services	3,204,188	-
Institutional support	6,750,125	209,020
KPERS contribution paid directly by the State of Kansas	1,341,668	-
Health insurance contractual services	2,342,597	-
Operations and maintenance of plant	3,818,939	-
Depreciation and amortization	2,992,127	-
Scholarships and grants	4,879,359	-
Auxiliary Enterprises:		
Residential life	90,895	-
Campus store	187,927	-
Union	14,353	-
Child development center	383,862	-
Food service	946,475	-
Total operating expenses	37,516,228	209,020
Operating income (loss)	(18,011,041)	(209,020)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,969,199	-
State contribution directly to the KPERS retirement system	1,341,668	-
Local sources	14,284,486	-
Pell grants	2,689,066	-
Private grants and gifts	646,004	259,739
Investment income	303,627	479,506
Interest on capital asset-related debt	(755,062)	-
Net nonoperating revenues (expenses)	21,478,988	739,245
Income (loss) before other revenues	3,467,947	530,225
Capital grants and gifts	391,154	-
Net increase (decrease) in net position	3,859,101	530,225
NET POSITION		
Net position - beginning of year	12,616,065	5,034,391
Change in accounting principle	787,959	-
Net position - beginning of year, restated	13,404,024	5,034,391
Net position - end of year	$ 17,263,125	$ 5,564,616

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

Dodge City Community College
Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 9,470,952
Grants and contracts	7,521,487
Sales and services of auxiliary enterprises	2,978,973
Health insurance charges for services	2,165,216
Other receipts	429,587
Payments to employees for salaries and benefits	(3,437,588)
Payments to suppliers	(31,815,768)
Loans issued to students	(1,192,743)
Net cash provided (used) by operating activities	(13,879,884)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	2,969,199
County and local appropriations	14,284,486
Pell grants	2,689,066
Private gifts and grants	646,004
Net cash provided (used) by noncapital financing activities	20,588,755
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(6,602,733)
Principal paid on debt and capital lease	(1,263,979)
Interest paid on debt and capital lease	(658,425)
Capital gifts and grants	391,154
Net cash provided (used) by capital and related financing activities	(4,018,983)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(9,940,010)
Redemption of investments	954,494
Interest on investments	303,627
Net cash provided (used) by investing activities	(8,681,889)
Net increase (decrease) in cash and cash equivalents and investments	(5,992,001)
Cash, cash equivalents and investments - beginning of year	6,789,447
Cash, cash equivalents and restricted cash - end of year	$ 797,446
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	
Operating loss	$ (18,011,041)
Depreciation and amortization expense	2,992,127
Changes in operating assets and liabilities:	
Receivables, net	(315,031)
Inventories	(2,854)
Accounts payable	154,671
Deposits held in custody	(179,200)
Compensated absences payable	34,863
Early retirement benefits	(24,313)
Other postemployment benefits	76,600
Net pension liabilities	(31,275)
Deferred inflows and outflows related to net pension and other post employment benefits	(537,088)
Employee benefits paid directly by State of Kansas	1,341,668
Net cash provided (used) in operating activities	$ (13,879,884)

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

1. Summary of Significant Accounting Policies

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

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

(a) Reporting Entity

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

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

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

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

1. Summary of Significant Accounting Policies (Cont.)

(a) Reporting Entity (Cont.)

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

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

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

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

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

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

Cash and Cash Equivalents and Investments

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

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

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

Receivables

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

1. Summary of Significant Accounting Policies (Cont.)

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

Inventories

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

Capital Assets

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

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

Estimated useful lives used for calculating depreciation are as follows:

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

Unearned Revenues

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

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

Compensated Absences Payable

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

Section 125 Plan

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

1. Summary of Significant Accounting Policies (Cont.)

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

Noncurrent Liabilities

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

Pensions

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

Deferred Outflow/Inflow of Resources

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

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

Net Position

The College's net positions are classified as follows:

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

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

1. Summary of Significant Accounting Policies (Cont.)

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

Net Position (Cont.)

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

Unrestricted net position – Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose.

Interfund Activity

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

Net Position Flow Assumption

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

Classification of Revenues

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

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

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

Property Tax Information

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

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

1. Summary of Significant Accounting Policies (Cont.)

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

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the differences between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants, such as PELL, Supplemental Educational Opportunity Grants (SEOG), and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance.

Use of Estimates

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

2. Stewardship, Compliance, and Accountability

(a) Budgetary Information

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

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

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for this year.

The College's legal level of budget control is at the fund level. Kansas statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

(a) Budgetary Information (Cont.)

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

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

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

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

Kansas municipalities are subject to the cash-basis law as stated in KSA 10-1113. Some sub-funds of the Restricted Funds have a negative unencumbered cash balance at June 30, 2025, which is allowable under KSA 12-1663. This fund will be reimbursed from federal grants, state grants, and other contracts for expenditures already incurred by the College in the following fiscal year. This combined receivable has been recognized for GAAP purposes on these financial statements.

3. Cash, Cash Equivalents, and Investments

As of June 30, 2025, the College had cash and cash equivalents as listed below:

Deposits in financial banking institutions	$ 797,446
Total cash and cash equivalents	$ 797,446
Investments - certificates of deposit, current	$ 11,196,844
Investments - certificates of deposit, noncurrent	-
Total investments	$ 11,196,844

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

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

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

GASB requires the accounting treatment for certificate of deposits to be based on its original maturity date. Certificates of deposit that have an original maturity of three months (90 days) or less are reported as cash equivalents. Certificates of deposit that have an original maturity date of more than three months are reported as an investment. Those certificates of deposit that are considered investments are then classifed as current if the maturity date is less than one year from the statement of net position date or noncurrent if more than one year from the statement of net position date.

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

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

Credit risk – State law limits the amount of credit risk by restricting governments to specific investment types as listed in KSA 12-1675. The College's practice is to place idle funds in certificates of deposits, United States obligations, and the Kansas Municipal Investment Pool (KMIP). The KMIP was rated AAAf/S1+ by Standard & Poor's as of March, 2024. The KMIP is permitted to invest in fully collateralized certificates of deposit, certain obligations of the United States, certain repurchase/reverse repurchase agreements, and other types of investments.The fair value of the investments in the pool are the same as the value of the pool shares. The KMIP is managed by the Pool Investment Board of which four members are appointed by the Governor of the State of Kansas.

Custodial credit risk – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. KSA 9-1402 and 9-1405 requires that governments obtain security for all deposits. The College manages its custodial credit risk by requiring the financial institutions to grant a security interest in securities held by third-party custodial banks. Monies in the KMIP are not required to have pledged securities. As of June 30, 2025, the College was not exposed to custodial credit risk with its deposits or investments.

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

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

At June 30, 2025, the College had invested in funds in the State's Municipal Investment Pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	(Decrease) Adjustments	Ending Balance
Non-depreciable capital assets:				
Land	$ 148,086	$ -	$ -	$ 148,086
Construction in progress	-	3,908,621	-	3,908,621
Total non-depreciable capital assets	148,086	3,908,621	-	4,056,707
Depreciable capital assets:				
Buildings and Improvements	30,160,232	1,936,744	(8,196)	32,088,780
Furniture and Equipment	8,180,556	377,318	(89,422)	8,468,452
Infrastructure	467,336	-	-	467,336
Dorm	16,802,197	511,940	(2,169)	17,311,968
Leased Assets	1,228,205	-	(262,873)	965,332
Total depreciable capital assets	56,838,526	2,826,002	(362,660)	59,301,868
Less accumulated depreciation:				
Buildings and Improvements	(14,365,063)	(1,855,273)	9,970	(16,210,366)
Furniture and Equipment	(6,159,198)	(342,304)	38,425	(6,463,077)
Infrastructure	(410,777)	(7,230)	-	(418,007)
Dorm	(7,264,672)	(709,799)	1,409	(7,973,062)
Leased Assets	(741,151)	(77,521)	180,966	(637,706)
Total accumulated depreciation	(28,940,861)	(2,992,127)	230,770	(31,702,218)
Total capital assets, net	$ 28,045,751	$ 3,742,496	$ (131,890)	$ 31,656,357

Depreciation expense and amortization for the year ended June 30, 2025, is $2,992,127.

5. Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2025:

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Current Portion
Lease obligations	$ 12,379,188	$ 4,100,000	$ (1,107,818)	$ 15,371,370	$ 1,362,740
Premium on capital lease	285,331	-	(37,445)	247,886	40,003
Revenue bonds	3,265,000	-	(145,000)	3,120,000	150,000
Compensated absences	302,537	34,863	-	337,400	182,404
Early retirement benefits	61,759	-	24,313	37,446	24,313
Other post employment benefits	1,183,614	76,600	-	1,260,214	-
Net pension liability	332,931	-	(31,275)	301,656	-
Total long-term liabilities	$ 17,810,360	$ 4,211,463	$ (1,297,225)	$ 20,675,972	$ 1,759,460

5. Long-Term Liabilities (Cont.)

Payments on the vehicle leases are made from the General Fund. The science building lease is paid from the Vocational Education and Capital Outlay Funds. The note payable and industrial revenue bonds are being paid by the Foundation. Compensated absences, early retirement benefits, postemployment healthcare benefits, and the pension benefits are paid from the General and Vocational Education Fund. The dormitory revenue bonds are paid from the Student Housing Fund. Compensated absences beginning balances have been restated for effect of GASB 101 and the change in liability is a net number.

(a) Revenue bonds

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

Revenue bonds for student union and dormitory system improvements were issued February 1, 2016 in the original amount of $4,195,000. Interest rates are 1.50% to 4.00% and the maturity date is May 1, 2041. The principal balance at June 30, 2025 is $3,120,000.

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

Year Ending	Principal	Interest	Total
6/30/2026	150,000	114,035	264,035
6/30/2027	155,000	109,685	264,685
6/30/2028	160,000	105,035	265,035
6/30/2029	165,000	100,075	265,075
6/30/2030	170,000	94,795	264,795
6/30/31 - 6/30/35	935,000	379,690	1,314,690
6/30/36 - 6/30/40	1,130,000	189,570	1,319,570
6/30/2040	255,000	10,200	265,200
Total	$ 3,120,000	$ 1,103,085	$ 4,223,085

(b) Leases

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

The College has entered into a seven-year $2,320,000 lease purchase entered into on May 21, 2024 for the purchase of the SAC building. The interest rate is 5.00%. The obligation is secured by the building.

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

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

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

5. Long-Term Liabilities (Cont.)

(b) Leases (cont.)

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

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

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

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

The College has entered into an twenty five-year $4,100,000 lease agreement on September 17, 2024, for the Coleman Webb Dorm remodel. The interest rate is estimated at 3.645%. The obiligation is secured by the property.

The annual debt service requirements for leases are as follows:

Year Ending	Principal	Interest	Total
6/30/2026	$ 1,362,741	$ 556,960	$ 1,919,701
6/30/2027	1,345,257	506,165	1,851,422
6/30/2028	1,382,850	455,430	1,838,280
6/30/2029	1,440,522	402,500	1,843,022
6/30/2030	1,405,000	348,024	1,753,024
6/30/31 - 6/30/34	4,475,000	1,094,405	5,569,405
6/30/35 - 6/30/40	1,790,000	597,350	2,387,350
6/30/41 - 6/30/45	980,000	358,600	1,338,600
6/30/46 - 6/30/50	1,190,000	146,200	1,336,200
Total	$ 15,371,370	$ 4,465,634	$ 19,837,004

Interest expense for the fiscal year was $551,293.

(c) Early Retirement Benefit Plan

Full-time employees may voluntarily elect to retire early. Qualifying employees must have at least 15 years of service with the College, must meet the KPERS Early Retirement Qualification of 85 points (years of experience plus age), and must not be more than 64 years of age. The annual rate of retirement compensation is twelve percent of the last annual salary. Benefits will end after five years or when the retiree reaches age 65, whichever occurs first. For the year ended June 30, 2025, the College paid $47,689 in benefits. The liability for the early retirement benefit plan includes the expected cash outflows discounted at a range of 1.48% to 4.329%. At year end, there were 4 retirees receiving benefits.

5. Long-Term Liabilities (Cont.)

(d) Revenue Bond Covenants

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

The 2016 Revenue Bond covenants request the number of users served by the Student Union and Dormitory System (System). The number of users totaled 359.

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

Character	Amount	Expiration Date	Annual Premium
Building	$ 26,950,440	7/1/2025	$ 73,433

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

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

5. Long-Term Liabilities (Cont.)

(d) Revenue Bond Covenants (Cont.)

Student Union and Dormitory System Revenue Bonds Series 2016

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

Condensed Statement of Net Assets	
Assets:	
Current assets	$ 1,499,392
Capital assets, net	9,338,906
Total assets	10,838,298
Deferred outflows of resources:	
Deferred charge on refunding	361,391
Total assets and deferred outflows of resources	$ 11,199,689
Liabilities:	
Current liabilities	$ 65,423
Long-term liabilities	9,976,164
Total liabilities	10,041,587
Net Position:	
Invested in capital assets, net of related debt	(275,867)
Restricted	814,709
Unrestricted	619,260
Total net position	1,158,102
Total liabilities and net position	$ 11,199,689
Condensed Statement of Revenues, Expenses and Changes in Net Assets	
Operating Revenue	$ 1,515,118
Depreciation and amortization expense	(709,799)
Other operating expense	(105,249)
Operating income	700,070
Nonoperating revenues (expenses):	
Interest expense	(354,341)
Interfund transfers	-
Change in net assets	345,729
Beginning net assets	812,373
Ending net assets	$ 1,158,102
Condensed Statement of Cash Flows	
Net cash provided (used) by:	
Operating activities	$ 1,409,869
Capital financing activities	(1,478,073)
Net increase (decrease)	(68,204)
Beginning cash and cash equivalents and investments	1,567,596
Ending cash and cash equivalents and investments	$ 1,499,392

6. Other Postemployment Healthcare Benefits (OPEB)

Plan description

The Dodge City Community College Medical Benefit Plan is a single-employer defined benefit healthcare plan administered by the College. The College sponsors medical, prescription drug and dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance with stop-loss coverage. Qualifying retirees are those employees who retire with immediate benefits under the Kansas Public Employees Retirement System. The College does not issue separate financial statements for the Medical Benefit Plan. There are no assets accumulated in a trust to pay related benefits.

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

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

Retirees and beneficiaries receiving benefits	8
Active plan members	146
Total	154

Funding Policy

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

Employer Contribution

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

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual OPEB Cost and Net OPEB Obligation (Cont.)

	June 30, 2025
Total OPEB liability - beginning of year	$ 1,183,614
Service cost	86,142
Interest cost	50,686
Changes in benefit terms	-
Differences between actual and expected experience	82,308
Changes in assumptions and inputs	(75,536)
Employer contributions (benefit payments)	(67,000)
Net changes	76,600
Net OPEB liability - end of year	$ 1,260,214

The College saw no benefit changes to the disabilitant's percentage of replacement income due to the changes from FY24 to FY25.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.10% in 2024 to 4.80% in 2025 in accordance with GASB 75.

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

- The discount rate changed from 4.1% to 4.8%.
- The assumed mortality was revised from PUB 2010 to PUB 2016, as published by the Society of Actuaries. The mortality projection scale remains at MP 2021.
- The assumed retirement and turnover assumptions were updated taking into account the latest statistics from the KPERS pension valuation report.
- The projected per capita costs and retiree contribution premiums were updated. The July 1, 2025 renewal was taken into account.

Total OPEB Liability

The College's total OPEB liability of $1,260,214 reported as of June 30, 2025 was measured as of June 30, 2025 (the measurement date), and was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions:

Valuation Procedures and Discount Rate

Salary increases; including wage increases	2.50%
Discount rate	4.80%

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

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

Valuation Procedures and Discount Rate (Cont.)

In order to determine the municipal bond rate the actuaries took the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes. The selected average rates are 4.1% and 4.8% as of the beginning and end of year measurement dates, respectively. These were used as the discount rates to determine present value costs.

The assumed mortality was revised from PUB 2010 to PUB 2016, as published by the Society of Actuaries. The mortality projection scale remains at MP 2021.

The financial information for fiscal year 2024-25 is based upon a GASB 75 actuarial valuation performed as of January 1, 2024 using the participant census as of January 1, 2024.

The measurement date as selected by the College under GASB 75 Standards is June 30, 2025. The results of the valuation were projected to the beginning of year and end of year measurement dates using standard actuarial techniques.

In the July 1, 2024, actuarial valuation, the Entry Age Normal - Level Percent of pay Actuarial Cost method was applied. The actuarial assumptions included a 4.00% investment rate of return, which is a blended rate of the expected long-term investment returns on Plan assets and on the College's pooled funds and investments. The valuation assumed annual healthcare cost trend rate of 7.00% in the first year and then 6.50% in year two, decreasing by 0.50% until year 5 and then decreasing by 0.25% until year 7 when it reaches an ultimate rate of 4.50%. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results.

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	$ 1,113,396	$ 1,260,214	$ 1,434,720
Increase / (Decrease) from Baseline	(146,818)		174,506

Sensitivity of Total OPEB Liability to changes in the Discount Rate

	1% Decrease 3.1%	Current Single Discount Rate Assumption 4.1%	1% Increase 5.1%
Total OPEB Liability	$ 1,369,075	$ 1,260,214	$ 1,160,693
Increase / (Decrease) from Baseline	108,861		(99,521)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Category	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 300,532	$ 2,830,852
Changes in assumptions	852,158	4,335,880
Benefit payments subsequent to the measurement date (1)	-	-
Total	$ 1,152,690	$ 7,166,732

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

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

Year ended June 30:	Amount
2026	$ (576,462)
2027	(576,462)
2028	(576,462)
2029	(599,917)
2030	(651,953)
Thereafter	(3,032,786)

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

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

Contributions

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended June 30, 2025, totaled ($4,676).

Special Funding Situation

The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are made by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation. Accordingly, the State is required to recognize the total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense for the OPEB plan attributable to the College. The College records revenue and OPEB expense in an amount equal to the expense recognized by the State on behalf of the College.

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

Benefits

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

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

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

Covered Employees

The College has the following employees covered by the Plan as of June 30, 2024:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	188
Total	188

Total OPEB Liability

At June 30, 2024 (actuarial report date), the total OPEB liability recognized by the State of Kansas that was attributable to the College was $107,047.

Actuarial Assumptions

The financial information for fiscal year 2024-25 is based upon actuarial valuation performed as of December 31, 2023 rolled forward to June 30, 2024, using the participant census as of July 1, 2023.

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

Price inflation	2.75%
Salary increases, including wage increases	3.50-10.00%
Discount rate (based on the 20 year municipal bond rate with an average rating of AA/Aa or better, obtained from the index.)	3.93%

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

Actuarial Assumptions (Cont.)

Generational mortality improvements were projected for future years using Projection Scale MP-2021.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of an actuarial experience study during 2019-2022.

Revenue and OPEB Expense Recorded by the College

For the year ended June 30, 2025, the College recognized revenue and OPEB expense in an equal amount of ($4,676).

8. Defined Benefit Pension Plan

Plan Description

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

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

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

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

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

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

8. Defined Benefit Pension Plan (Cont.)

Benefits Provided

Benefits are established by statute and may only be changed by the Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

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

8. Defined Benefit Pension Plan (Cont.)

Contributions (cont.)

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

The College's contractually required contributions rate for the year ended June 30, 2024, was 13.38% of the annual college payroll of which .01% of payroll was required from the College and 99.99% of payroll was required from the State. The College's contributions to the pension plan were $32,944 for the year ended June 30, 2024 (actuarial report date).

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

Employer Allocations

Although KPERS administers one cost sharing, multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Fireman
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

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

At June 30, 2025, (report year ended June 30, 2024) the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the net pension liability	$ 301,656
State's proportionate share of the net pension liability associated with the College	12,426,839
	$ 12,728,495

8. Defined Benefit Pension Plan (Cont.)

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

The net pension liability was measured as of December 31, 2023, which was rolled forward to June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the that date. The College's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and non-employer contributions of the group for the fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2025, the combined College and State's proportion was 0.1947%, which decreases 0.01% from its proportion measured as of the year ended June 30, 2024.

For the actuarial report as of June 30, 2024, there were changes in assumptions and benefits as described in the notes to the required supplemental information.

There were no changes between the measurement date of December 31, 2023, rolled forward to June 30, 2024, and the College's reporting date of June 30, 2025.

For the year ended June 30, 2025, the College recognized pension expense of $1,336,991 and revenue of $1,336,991 for support provided by the state. For the portion related to the "working after retirement" the College recognized pension expense of $31,275, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. At the measurement date of June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions for the College from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,154	$ -
Changes of assumptions	20,260	7,770
Net difference between projected and actual earnings on pension plan investments	2,693	-
Changes in proportion and differences between College contributions and proportionate share of contributions	238,704	286,807
Total	$ 280,811	$ 294,577

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

Year ended June 30:	Amount
2025	$ 14,170
2026	48,203
2027	(69,152)
2028	(6,987)
2029	-
Thereafter	-
	$ (13,766)

8. Defined Benefit Pension Plan (Cont.)

Actuarial assumptions

The total pension liability recognized by the State and the portion recognized by the College, were determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The long-term expected rate of return on 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. 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	3.00%	0.30%
Total	100.00%	

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 was based on member and employer contributions as outlined below.

In KPERS, the Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so.

Based on legislation first passed in 1993, the employer contribution rates certified by KPERS Board may not increase by more than the statutory cap. Subsequent legislation in 2012 set the statutory cap at 0.90 percent for Fiscal Year 2014, 1.00 percent for Fiscal Year 2015, 1.10 percent for 2016 and 1.20 percent for Fiscal Years 2017 and beyond.

8. Defined Benefit Pension Plan (Cont.)

Discount Rate (cont.)

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the statutorily capped rates.

In 2015, S.B. 4, reduced the previously certified State/School statutory rate from 11.27 percent to 8.65 percent for the last half of Fiscal Year 2015. That same session, S.B. 228 recertified statutory rates to 10.91 percent for Fiscal Year 2016 and 10.781 percent for Fiscal Year 2017 in anticipation of the issuance of $1.0 billion in pension obligation bonds.

Legislation in the 2016 session (S.B. 161) provided for the delay of up to $100.0 million in State and School contributions to the Retirement System for Fiscal Year 2016. Concurrently, 2016 H. Sub for S.B. 249 provided that the delayed contributions would be paid in full, with interest at 8.00 percent, by June 30, 2018. However, legislation passed by the 2017 Legislatue removed the repayment provision. In addition, 2017 S. Sub for H.B. 2052 delayed $64.0 million in Fiscal Year 2017 contributions, to be paid over 20 years in level dollar installments. The first-year payment of $6.4 million was paid in full at the beginning of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made for the State/School group at the statutory contribution rate of 12.01 percent for that year.

Additional legislation in the 2017 Session (S. Sub for H.B. 2022) provided for a reduction of $194.0 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as receivables by the System.

The 2018 Legislature passed H. Sub for S.B. 109 that provided additional contributions to the school group of $56.0 million in Fiscal Year 2018 and $82.0 million in Fiscal Year 2019.

The 2019 Legislature passed S.B. 9 that provided additional contributions to the school group of $115.0 million in Fiscal Year 20109. H. Sub for S.B. 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of $51.0 million.

The 2021 Legislature passed House Bill 2405, which authorizes the state of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School Group's unfunded actuarial liability, assuming certain criteria are met. As a result, the State/School contribution rate was recertified for Fiscal Years 2022 and 2023, lowering them respectively to 13.86 and 13.11 percent. The bond proceeds were received on August 26, 2021.

The 2022 Legislature passed S.B. 421, which authorized the state of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600.0 million was transferred to the System. S.B. 421 authorized two additional transfers totaling $271.0 million in Fiscal Year 2023 (reflected in the projected cash flows of the System).

The 2023 Legislature passed HB 2196, which expanded the Deferred Retirement Option Plan (DROP) in KP&F to include all of that System's employers as of April 27, 2023. Under that same Bill, the Kansas Department of Wildlife and Parks (KWDP) became an affiliated KP&F employer making certain law enforcement positions in the Agency Eligible for KP&F future service participations as of July 1, 2023. HB 2100 was also passed, defining and establishing limits on environmental, social and governance factors when entering into contracts (including investment contracts) and when making proxy votes on behalf of the System. This latter change was not expected to materially affect the asset allocation. Neither act impacted the valuation results.

8. Defined Benefit Pension Plan (Cont.)

The 2024 Legislature passed HB 2711 that increased both the lump sum retiree death benefit from $4,000 to $6,000 and employer contribution rates for State/School for FY 2025 and FY 2026 and for Local empoyers for CY 2025 to fund this benefit improvement. The Bill also increased the employer contribution threshold for the 30% Working After Retirement (WAR) rate from $25,000 to $40,000; and the earnings limit for KP&F retirees from $25,000 to $40,000; while creating an exemption from employer contributions for nurses and direct support workers at Community Development Disability Organizations (CDDOs). Further, the Bill increased the alternative investment cap from 15% to 25% and requires the System to divest all publicly traded securities held in funds by countries of concern. None of the changes from this legislation had any impact on the valuation.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

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

The table below presents the net pension liability of the Pension Plan as of June 30, 2024, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.0%) than the current rate:

1% Decrease (6.00%)	Discount rate (7.00%)	1% Increase (8.00%)
$444,316	$301,656	$182,158

9. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

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

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

Unpaid claims, June 30, 2024	$ 364,929
Claims and changes in estimates	2,343,462
Claim payments	(2,346,851)
Unpaid claims, June 30, 2025	$ 361,540

10. Related Party Transactions

The Dodge City Community College Foundation paid $84,100 in student scholarships during the current fiscal year.

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

A Board member is affiliated with a local vendor for vehicle purchases. Transactions amounted to $350 for the year.

A Board member of the College is also a board member of a local bank used by the College. Deposits at year end held at this bank were $2,505.

11. Contingent Liabilities

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

12. Change in Accounting Principle and Correction of Error

During the year, the College made the following changes to net position:

* The College made a correction to fix payables and receivables. This resulted in an increase in net position of $684,975.

* The College implemented GASB 101, Compensated Absences for the year ended June 30, 2025. The standard requires it to be retroactively applied. As a result of implementation, there was an increase to net position of $102,984.

13. Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION

Dodge City Community College
Schedule of Changes in the Net OPEB Liability and Related Ratios - Healthcare
For the Year Ended June 30, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability - Beginning of year	$ 1,183,614	$ 3,374,746	$ 3,484,494	$ 7,542,698	$ 5,853,233	$ 6,515,924	$ 5,247,449	$ 4,321,581	For 2016 to 2017, this data is not yet available.	
Service Cost	86,142	356,359	430,707	931,235	769,912	594,429	505,656	451,132		
Interest Cost	50,686	147,664	150,158	168,949	171,175	212,636	188,153	161,167		
Changes in Benefit Terms	-	-	-	-	-	-	-	-		
Differences between actual and expected experience	82,308	(498,849)	69,759	(2,323,263)	(94,201)	(1,610,691)	441,241	-		
Changes in assumptions and inputs	(75,536)	(2,117,306)	(630,372)	(2,782,125)	921,579	185,935	236,425	378,569		
Employer contributions	(67,000)	(79,000)	(130,000)	(53,000)	(79,000)	(45,000)	(103,000)	(65,000)		
Net Changes	76,600	(2,191,132)	(109,748)	(4,058,204)	1,689,465	(662,691)	1,268,475	925,868		
Total OPEB Liability - End of year	$ 1,260,214	$ 1,183,614	$ 3,374,746	$ 3,484,494	$ 7,542,698	$ 5,853,233	$ 6,515,924	$ 5,247,449		
Covered-employee payroll	$ 8,525,859	$ 8,525,859	$ 8,692,893	$ 8,692,893	$ 7,694,653	$ 7,694,653	$ 7,116,677	$ 7,116,677		
Net OPEB liability as a percentage of covered-employee payroll	14.8%	13.9%	38.8%	40.1%	98.0%	76.1%	91.6%	73.7%		

Note: There are no assets accumulated in a trust to pay related benefits.

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2016-2017 is not available under the measurement requirements of GASB 75.

Dodge City Community College
Schedule of Changes in the Total OPEB Liability and Related Ratios - KPERS Death & Disability
For the Year Ended June 30, 2025

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability - Beginning of year	$ 102,371	$ 109,912	$ 95,918	$ 103,781	$ 92,627	$ 93,797	$ 83,286	For 2016-18, this data is not available		
Service Cost	30,105	27,246	23,948	24,120	23,003	22,569	22,277	For 2016-18, this data is not available		
Interest Cost	4,836	4,807	2,502	2,757	3,930	4,439	3,722	For 2016-18, this data is not available		
Changes in Benefit Terms	-	-	-	-	-	-	-	For 2016-18, this data is not available		
Differences between actual and expected experience	(30,032)	(36,355)	(15,414)	(28,465)	(11,949)	(25,944)	(11,389)	For 2016-18, this data is not available		
Changes in assumptions and inputs	(233)	(462)	11,089	101	2,902	1,098	(838)	For 2016-18, this data is not available		
Benefit Payments	-	(2,777)	(8,131)	(6,376)	(6,732)	(3,332)	(3,261)	For 2016-18, this data is not available		
Net Changes	4,676	(7,541)	13,994	(7,863)	11,154	(1,170)	10,511	For 2016-18, this data is not available		
Total OPEB Liability - End of year	$ 107,047	$ 102,371	$ 109,912	$ 95,918	$ 103,781	$ 92,627	$ 93,797	For 2016-18, this data is not available		

Note: There are no assets accumulated in a trust to pay related benefits.

Note: For June 30, 2019, GASB 75 was implemented. The information for years 2016-2018 is not available under the measurement requirements of GASB 75.

Dodge City Community College
Schedule of the College's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

Fiscal year ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
College's proportion share of the net pension liability (asset)	0.003%	0.003%	0.009%	0.003%	0.004%	0.004%	0.005%	0.004%	0.002%	0.002%
College's proportionate share of the net pension liability (asset)	$ 301,656	$ 332,931	$ 913,469	$ 196,909	$ 384,057	$ 354,107	$ 404,326	$ 386,206	$ 167,471	$ 141,865
State's proportionate share of the net pension liability (asset)	0.121%	0.130%	0.141%	0.123%	0.136%	0.149%	0.156%	0.166%	0.175%	0.189%
State's proportionate share of the net pension liability (asset)	$ 12,426,839	$ 13,897,743	$ 14,979,418	$ 9,574,097	$ 14,269,822	$ 13,249,727	$ 14,208,476	$ 15,341,965	$ 15,727,234	$ 15,651,512
Total collective net pension liability (asset)	$ 12,728,495	$ 14,230,674	$ 15,892,887	$ 9,771,006	$ 14,653,879	$ 13,603,834	$ 14,612,802	$ 15,728,171	$ 15,894,705	$ 15,793,377
College's covered-employee payroll	$ 11,585,713	$ 11,484,822	$ 11,216,113	$ 10,535,543	$ 10,374,666	$ 10,681,793	$ 9,936,236	$ 10,182,062	$ 10,069,264	$ 10,086,731
Toal collective net pension liability (asset) as a percentage of its covered-employee payroll	109.864%	123.909%	141.697%	92.743%	141.247%	127.355%	147.066%	154.469%	157.854%	156.576%
Plan fiduciary net position as a percentage of the total pension liability	72.750%	70.699%	69.752%	76.404%	66.302%	69.878%	67.119%	65.097%	64.946%	66.602%

* The amounts presented for each fiscal year were determined as of the measurement date.

Dodge City Community College
Schedule of College Contributions
For the Year Ended June 30, 2025

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 32,944	$ 34,063	$ 89,550	$ 24,651	$ 36,626	$ 35,251	$ 35,498	$ 27,378	$ 11,645	$ 8,900
Contributions in relation to the contractually required contribution	(32,944)	(34,063)	(89,550)	(24,651)	(36,626)	(35,251)	(35,498)	(27,378)	(11,645)	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,900
College's covered-employee payroll	$ 11,585,713	$ 11,484,822	$ 11,216,113	$ 10,535,543	$ 10,374,666	$ 10,681,793	$ 9,936,236	$ 10,182,062	$ 10,069,264	$ 10,086,731
Contributions as a percentage of covered-employee payroll	0.28%	0.30%	0.80%	0.23%	0.35%	0.33%	0.36%	0.27%	0.12%	0.09%

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

* The amounts presented for each fiscal year were determined as of the measurement date.

Dodge City Community College
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Other Post Employment Benefits - Healthcare

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

- Changes in assumptions and other inputs reflect a change in the discount rate from 2.7% in 2016, 3.4% in 2017, 3.3% in 2018, 3.0% in 2019, 2.6% in 2020, 2.0% in 2021, 3.9% in 2022, 4.0% in 2023, 4.1% in 2024, and 4.8% in 2025.
- The assumed mortality was revised from PUB 2010 to PUB 2016, as published by the Society of Actuaries. The mortality projection scale remains at MP 2021.
- The assumed retirement and turnover assumptions were updated taking into account the latest statistics from the KPERS pension valuation report.
- The projected per capita costs and retiree contribution premiums were updated. The July 1, 2025 renewal was taken into account.
- The mortality assumption was changed from the Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale MP-2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.

Other Post Employment Benefits - KPERS Death and Disability

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

- Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016, 3.58% in 2017, 3.87% in 2018, 3.5% in 2019, 2.21% in 2020, 2.16% in 2021, 3.54% in 2022, 3.65 % in 2023, and 3.93 % in 2024.
- Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2018. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2021.

Defined Benefit Pension Plan

The major items of impact in the actuarial valuation dated December 31, 2014 relative to the prior valuation are as follows:

- Reduce disability rates by 20% for all three KPERS groups.
- Increase the termination of employment rates for State-Males and Local-Males and Females.
- Modify the election of a deferred benefit by Local vested members who terminate employment in future years.
- Modify the retirement rates for the C60 group.
- Increase the load for the impact of final average salary provisions for Local, C55 and C60 members hired before July 1, 1993.
- Establish an interest crediting rate of 6.50% for KPERS 3 members.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.
- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.5%.

Changes from the January 2020 experience study that impacted State/School groups are listed below:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

Changes from the January 2024 experience study that impacted State/School groups are listed below:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The administrative expense load for contributions rates was increased from 0.18% to 0.23%.
- The rate of mortality used the Pub-2010 Tables adjusted by an age setback or set forward. Rates are projected into the future using Scale MP-2021.

SUPPLEMENTARY INFORMATION

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Cash Receipts				
Student sources	$ 4,248,288	$ 4,248,288	$ 3,542,810	$ (705,478)
State sources	1,607,526	1,607,526	2,096,207	488,681
County sources	11,622,798	11,622,798	13,399,374	1,776,576
Other sources	255,324	255,324	709,552	454,228
Total Cash Receipts	$ 17,733,936	$ 17,733,936	19,747,943	$ 2,014,007
Expenditures and Transfers Subject to Budget				
Instruction	$ 2,645,292	$ 2,645,292	2,832,127	$ 186,835
Academic support	1,502,794	1,502,794	1,312,654	(190,140)
Student services	4,332,930	4,332,930	4,007,093	(325,837)
Institutional support	4,790,946	4,790,946	3,877,812	(913,134)
Operation and maintenance	4,153,690	4,153,690	3,971,158	(182,532)
Scholarships	191,653	191,653	103,973	(87,680)
Debt service	-	-	428,162	428,162
Nonmandatory transfers out	1,750,000	1,750,000	2,800,000	1,050,000
Total Expenditures and Transfers Subject to Budget	$ 19,367,305	$ 19,367,305	19,332,979	$ (34,326)
Receipts Over (Under) Expenditures			414,964	
Unencumbered Cash, July 1			6,297,807	
Change in accounting principle and correction of error			853,993	
Unencumbered Cash, June 30			$ 7,566,764	
Unencumbered Cash, June 30			$ 7,566,764	
Encumbrances			-	
GAAP fund balance (internal books)			$ 7,566,764	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Postsecondary Technical Education Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Student sources	$ 5,689,102	$ 5,689,102	$ 2,551,455	$ (3,137,647)
State sources	1,209,591	1,209,591	1,209,591	-
Local sources	-	-	400,000	400,000
Other sources	79,005	79,005	2,777	(76,228)
Transfer from General Fund	-	-	550,000	550,000
Total Cash Receipts	$ 6,977,698	$ 6,977,698	4,713,823	$ (2,263,875)
Expenditures Subject to Budget				
Instruction	$ 5,359,487	$ 5,359,487	3,273,219	$ (2,086,268)
Academic support	638,366	638,366	202,971	(435,395)
Student services	27,082	27,082	4,683	(22,399)
Institutional support	2,613,120	2,613,120	1,307,512	(1,305,608)
Operation and maintenance	265,647	265,647	124,746	(140,901)
Total Expenditures Subject to Budget	$ 8,903,702	$ 8,903,702	4,913,131	$ (3,990,571)
Receipts Over (Under) Expenditures			(199,308)	
Unencumbered Cash, July 1			50,644	
Change in accounting principle and correction of error			186,721	
Unencumbered Cash, June 30			$ 38,057	
Unencumbered Cash, June 30			$ 38,057	
Encumbrances			-	
GAAP fund balance (internal books)			$ 38,057	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Adult Education Fund
Year Ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
Cash Receipts				
Federal sources	$ 149,290	$ 149,290	$ 149,121	$ (169)
State sources	124,193	124,193	110,212	(13,981)
County sources	5,518	5,518	56,761	51,243
Other sources	-	-	1,000	1,000
Total Cash Receipts	$ 279,001	$ 279,001	317,094	$ 38,093
Expenditures Subject to Budget				
Instruction	$ 439,500	$ 439,500	-	$ (439,500)
Institutional support	-	-	318,181	318,181
Total Expenditures Subject to Budget	$ 439,500	$ 439,500	318,181	$ (121,319)
Receipts Over (Under) Expenditures			(1,087)	
Unencumbered Cash, July 1			196,249	
Unencumbered Cash, June 30			$ 195,162	
Unencumbered Cash, June 30			$ 195,162	
Encumbrances			-	
GAAP fund balance (internal books)			$ 195,162	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Adult Supplementary Fund
Year Ended June 30, 2025

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

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Auxiliary Enterprise Funds
Year Ended June 30, 2025

	Budgeted Amounts		Actual						Variance With Final
	Original	Final	Bookstore	Child Dev Center	Food Service	Housing	Student Union	Total Budgetary Basis	Budget Over (Under)
Cash Receipts									
Charges for services	$ 3,292,700	$ 3,292,700	$ 98,841	$ 269,695	$ 1,095,319	$ 1,510,118	$ 5,000	$ 2,978,973	$ (313,727)
Other	10,000	10,000	-	-	-	-	-	-	(10,000)
Total Cash Receipts	$ 3,302,700	$ 3,302,700	98,841	269,695	1,095,319	1,510,118	5,000	2,978,973	$ (323,727)
Expenditures and Transfers Subject to Budget									
Salaries and benefits	$ 748,295	$ 748,295	74,017	306,830	-	266,816	-	647,663	$ (100,632)
General operating	612,453	612,453	24,400	44,999	15,204	345,999	14,413	445,015	(167,438)
Supplies	17,550	17,550	3,544	32,033	-	4,998	-	40,575	23,025
Cost of sales	995,500	995,500	85,183	-	913,802	-	-	998,985	3,486
Capital expenses	38,900	38,900	3,624	-	17,469	34,623	-	55,716	16,816
Mandatory transfers out (in)	-	-	-	-	-	348,437	-	348,437	348,437
Total Expenditures and Transfers Subject to Budget	$ 2,412,698	$ 2,412,698	190,768	383,862	946,475	1,000,873	14,413	2,536,391	$ 123,694
Receipts Over (Under) Expenditures			(91,927)	(114,167)	148,844	509,245	(9,413)	442,582	
Unencumbered Cash, July 1			37,949	(427,934)	539,707	1,560,635	(80,288)	1,630,069	
Unencumbered Cash, June 30			$ (53,978)	$ (542,101)	$ 688,551	$ 2,069,880	$ (89,701)	$ 2,072,651	*

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

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Capital Outlay Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Cash Receipts				
Local sources	$ 764,501	$ 764,501	$ 828,351	$ 63,850
Other sources	81,573	81,573	-	(81,573)
Total Cash Receipts	$ 846,074	$ 846,074	828,351	$ (17,723)
Expenditures and Transfers Subject to Budget				
Operations and maintenance:				
Capital expense	$ -	$ -	75,400	$ 75,400
Retirement of indebtedness	715,000	715,000	-	(715,000)
Interest and fees	416,650	416,650	-	(416,650)
Total Expenditures and Transfers Subject to Budget	$ 1,131,650	$ 1,131,650	75,400	$ (1,056,250)
Receipts Over (Under) Expenditures			752,951	
Unencumbered Cash, July 1			1,431,108	
Unencumbered Cash, June 30			$ 2,184,059	

Dodge City Community College

Schedule of Cash Receipts, Expenditures, and Changes in Unencumbered Cash
Budget and Actual - Budgetary Basis
Revenue Bond Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
Cash Receipts				
Local sources	$ 1,485,500	$ 1,485,500	$ -	$ (1,485,500)
Other sources	(1,180,000)	(1,180,000)	348,437	(1,528,437)
Total Cash Receipts	$ 305,500	$ 305,500	348,437	$ 42,937
Expenditures and Transfers Subject to Budget				
Retirement of indebtedness	$ -	$ -	229,014	$ 229,014
Interest and fees	375,000	375,000	119,423	(255,577)
Total Expenditures and Transfers Subject to Budget	$ 375,000	$ 375,000	348,437	$ (26,563)
Receipts Over (Under) Expenditures			-	
Unencumbered Cash, July 1			95,884	
Unencumbered Cash, June 30			$ 95,884	

SINGLE AUDIT SECTION

Dodge City Community College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Identifying Number	Disbursements/ Expenditures
Department of Education			
Direct Programs:			
Student Financial Aid (SFA) Cluster			
Supplemental Education Opportunity Grant	84.007	P007A201505	$ 99,823
Federal Work Study Program	84.033	P033A201505	27,350
PELL Grant	84.063	P063P201462	2,683,951
Federal Direct Student Loan	84.268	P268K201462	1,192,743
Total Student Financial Aid (SFA) Cluster			4,003,867
Title V - Connecting to Success	84.031S	P031S200047	465,315
TRIO Cluster			
TRIO - Student Support Services	84.042A	P042A200085-21	292,106
TRIO - Talent Search Program	84.044		265,261
Total TRIO Cluster			557,367
Passed Through Kansas Board of Regents:			
Adult Education State Grant	84.002	V002A190016	138,548
Vocational Education - Carl Perkins	84.048	V048A190016	70,389
TOTAL DEPARTMENT OF EDUCATION			5,235,486
U.S. Department of Defense			
Passed through University of Kansas Center for Research, Inc. Kansas Coalition Intelligence Community Center for Academic Excellence	12.598		37,737
TOTAL DEPARTMENT OF DEFENSE			37,737
National Science Foundation			
Passed through Kansas State University			
Pathways to STEM: Kansas Louis Stokes Alliance for Minority Participation	47.076		23,169
National Science Foundation	47.050		34,333
TOTAL NATIONAL SCIENCE FOUNDATION			57,502
U.S Department of Health and Human Services			
Passed through Kansas State University:			
Kansas Bridges to the Future	93.859		14,324
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			14,324

Dodge City Community College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Identifying Number	Disbursements/ Expenditures
Corporation for National & Community Service			
Direct program:			
Retired and Senior Volunteer Program	94.002		$ 26,097
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			26,097
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 5,371,146

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Dodge City Community College of Dodge City, Kansas, under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position,

Note 2 - Summary of Significant Account Policies

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

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Dodge City Community College
Dodge City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the business-type activities, and the aggregate discretely presented component units of Dodge City Community College as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise Dodge City Community College's basic financial statements, and have issued our report thereon dated December 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dodge City Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2025-002 to 2025-003.

Dodge City Community College's Response to Findings

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

Purpose of this Report

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

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
December 8, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Dodge City Community College
Dodge City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-002 to 2025-003. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on Dodge City Community College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Dodge City Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on Dodge City Community College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Dodge City Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
December 8, 2025

Dodge City Community College

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

Section 1 – Summary of Auditor's Results

Financial Statements

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

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	Yes
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs:	

	Federal Assistance No.
Student Financial Aid Programs:	
Federal Supplemental Educational Opportunity Grant Program	84.007
Federal Work-Study Program	84.033
Federal PELL Grant Program	84.063
Federal Direct Student Loan Program	84.268

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

Section 2 – Findings – Financial Statement Audit

2025-001 SIGNIFICANT DEFICIENCY – ACCOUNTS RECEIVABLE RECONCILATIONS

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

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

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

Effect: Incorrect reconciliation of accounts receivable.

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

2025-001 SIGNIFICANT DEFICIENCY – ACCOUNTS RECEIVABLE RECONCILATIONS (CONT.)

Perspective: Several adjustments have been needed with relation to software issues. In 2025, immaterial adjustments were made to tie the aging reports to the trial balance. The main step needed going forward is monthly reconciliations should be performed. In addition, the College has a better understanding of what reports to use going forward and now that other issues have been solved, they look to complete this step in the 25-26 year. The College is in contact with their software provider to get the subsidiary ledger to agree to general ledger.

Recommendation: Accounts receivable reconciliations should be completed timely and tie between the subledger and general ledger balances.

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

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

Student Financial Aid Programs

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

2025-002 SIGNIFICANT DEFICIENCY – STATUS CHANGES

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

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

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

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

Perspective: All withdrawn students tested were reported accurately, but there were a few fall students that were not submitted timely. Spring students tested were timely. The new Director came on in at the end of the June 30, 2024 year and worked to correct the reporting. The fall period was the first time through the submission, but by Spring, no issues remained.

Recommendation: The College has moved up the initial reporting date after semester the semester ends to correct the timeliness issue.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved in enrollment reporting to the NSLDS agree with this finding and have already taken steps to ensure timely reporting in the future.

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT (CONT.)

2025-003 SIGNIFICANT DEFICIENCY – RETURN OF TITLE IV FUNDS

Condition: During our review of the return of Title IV funds, we noted that there were 4 students in the fall that were reported late.

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

Cause: Student Financial Aid personnel did not have the fall end of term submission set timely.

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

Perspective: Significant personnel changes were made at the end of the June 30, 2024 year and the fall term was the first time submitting the end of term report. Spring submissions were all timely.

Recommendation: We recommend training of Student Financial Aid personnel on the rules and regulations over return of funds. In addition, we recommend that submissions dates are pre-determined and verified that they will be timely.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved are undergoing training to learn requirements. Processes and procedures have been developed to ensure timely calculations and refunds. In addition, they have changed submission dates to avoid issues in the future.

Dodge City Community College

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2025

FINDINGS--FINANCIAL STATEMENTS AUDIT

2024-001 Accounts Receivable Reconciliations

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

Recommendation: Accounts receivable reconciliations should be completed timely and tie between the subledger and general ledger balances.

Current Status: Conditions are still present. The balance was off an immaterial difference. However, the monthly reconciliations were not performed. See finding 2025-001.

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

Student Financial Aid Programs

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

2024-002 SIGNIFICANT DEFICIENCY – STATUS UPDATE

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

Recommendation: We recommend that personnel in charge of enrollment reporting be diligent in reviewing the roster file to ensure that all appropriate students are shown and attendance changes are reported in a timely and accurate manner. We also recommend contacting the Clearinghouse to ensure the correct reports are being used by the Clearinghouse and possibly changing the deadline for submission of the Graduates only report as it currently has a very quick turnaround and not all grades are known or submitted by the current deadline.

Current Status: Condition is still present in part. All withdrawn students tested were reported accurately, but there were a few fall students that were not submitted timely. Spring students tested were timely. The new Director came on in at the end of the June 30, 2024 year and worked to correct the reporting. The fall period was the first time through the submission, but by Spring, no issues remained.

2024-003 SIGNIFICANT DEFICIENCY – TITLE IV RECONCILIATIONS

Condition: There were no monthly Title IV reconciliations performed.

Current Status: During the 2025 audit, monthly reconciliations were occurring monthly.

2024-004 SIGNIFICANT DEFICIENCY – RETURN OF TITLE IV FUNDS

Condition: During our review of the return of Title IV funds, we noted that students were not being properly identified as withdrawn, either officially or unofficially. This resulted in 4 students noted that never had a calculation performed, but should have, and 4 students that were reported late.

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

Current Status: In the current year, we noted 4 fall students reported late. Significant personnel changes were made at the end of the June 30, 2024 year. No spring students tested were noted to be late or inaccurate.

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CORRECTIVE ACTION PLAN

December 8, 2025

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

Name and address of independent public accounting firm:

Loyd Group, LLC
520 S. Main St
Galva, KS 67443

Audit period: July 1, 2024 through June 30, 2025

The findings from the June 30, 2025 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

FINDINGS AND QUESTIONED COSTS – Financial Statement Audit

2025-001 SIGNIFICANT DEFICIENCY – ACCOUNTS RECEIVABLE RECONCILATIONS

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

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

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

Effect: Incorrect reconciliation of accounts receivable.

Perspective: Several adjustments have been needed with relation to software issues. In 2025 immaterial adjustments were made to tie the aging reports to the trial balance. The main step needed going forward is monthly reconciliations should be performed. In addition, the College has a better understanding of what reports to use going forward and now that other issues have been solved, they look to complete this step in the 25-26 year.

Recommendation: Accounts receivable reconciliations should be completed timely and tie between the subledger and general ledger balances.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. They have gone through extensive work to correctly setup accounts and determine correct balances. The final step will be to begin monthly reconciliations. The College has also been in contact with software support for assistance in correcting.

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

Student Financial Aid Programs

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

2025-002 SIGNIFICANT DEFICIENCY – STATUS CHANGES

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

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

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

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

Perspective: All withdrawn students tested were reported accurately, but there were a few fall students that were not submitted timely. Spring students tested were timely. The new Director came on in at the end of the June 30, 2024 year and worked to correct the reporting. The fall period was the first time through the submission, but by Spring, no issues remained.

Recommendation: The College has moved up the initial reporting date after semester the semester ends to correct the timeliness issue.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved in enrollment reporting to the NSLDS agree with this finding and have already taken steps to ensure timely reporting in the future.

2025-003 SIGNIFICANT DEFICIENCY – RETURN OF TITLE IV FUNDS

Condition: During our review of the return of Title IV funds, we noted that there were 4 students in the fall that were reported late.

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

Cause: Student Financial Aid personnel did not have the fall end of term submission set timely.

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

Perspective: Significant personnel changes were made at the end of the June 30, 2024 year and the fall term was the first time submitting the end of term report. Spring submissions were all timely.

Recommendation: We recommend training of Student Financial Aid personnel on the rules and regulations over return of funds. In addition, we recommend that submissions dates are pre-determined and verified that they will be timely.

Views of Responsible Officials and Planned Corrective Actions: Dodge City Community College staff involved are undergoing training to learn requirements. Processes and procedures have been developed to ensure timely calculations and refunds. In addition, they have changed submission dates to avoid issues in the future.

If the Oversight Agency has questions regarding this plan, please call Jeff Cermin at (620) 227-9213.

Sincerely yours,



Jeff Cermin
Vice President for Administration and Finance
Chief Financial Officer