SEWARD COUNTY COMMUNITY COLLEGE

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2025

SEWARD COUNTY COMMUNITY COLLEGE
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2025

TABLE OF CONTENTS

Independent Auditors' Report 1-3

Management's Discussion and Analysis 4-11

Basic Financial Statements
- Statement of Net Position 12-13
- Statement of Revenues, Expenses, and Change in Net Position 14
- Statement of Cash Flows 15-16
- Notes to Financial Statements 17-39

Required Supplementary Information 40-43

Supplementary Financial Information
Combining Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance – Actual and Budget – Current Funds – Unrestricted (Regulatory Basis) 44-45

Notes to Supplementary Information 46

Single Audit Information

Independent Auditors' 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* 47-48

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 49-51

Schedule of Expenditures of Federal Awards 52

Notes to Schedule of Expenditures of Federal Awards 53

Schedule of Findings and Questioned Costs 54-55

Summary Schedule of Prior Audit Findings 56-57

ADAMS BROWN
Strategic Allies and CPAs
adamsbrowncpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Seward County Community College
Liberal, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of **Seward County Community College**, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of **Seward County 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.

We did not audit the financial statements of the Seward County Community College Foundation (the Foundation), which represents 100% of the assets and revenues of the discretely presented component unit as of June 30, 2025, and the respective changes in financial position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide*, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Seward County Community College**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the management's discussion and analysis and required supplementary information listed in the table of contents 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Seward County Community College's** basic financial statements. The supplementary financial information and single audit information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 opinions, based on our audit and the procedures performed as described above, the information as noted above is 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 January 12, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Adams Brown, LLC

ADAMSBROWN. LLC
Certified Public Accountants
Great Bend, Kansas

January 12, 2026

Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Seward County Community College (The College) is to introduce and give an understanding of the basic financial statements of the College for the year ended June 30, 2025, with selected comparative information for the year ended June 30, 2024. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Seward County Community College Foundation and is available for review from the SCCC Foundation, Director, P.O. Box 1137, Liberal, KS 67905-1137.

Using the Annual Report:

The audit is conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the Kansas Municipal Audit and Accounting Guide, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The hope is that it will "enhance the understandability of the general purpose external financial reports." To conclude, the annual financial report will include basic financial statements and required supplementary information.

Basic financial statements are comprised of two parts:

1. Basic Financial Statements – These include Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present the results on a single measurement focus and basis of accounting.
2. The Notes to the Basic Financial Statements are an integral and essential portion of the financial statements.

Required Supplementary Information:

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

Highlights to the Financial Statements:

Seward County Community College had a slight decrease to the net position in FY2025. At year-end, the College's net position was $26,054,461. Of this amount, $7,694,998 is classified as unrestricted net position. These unrestricted assets may be used to meet the College's on-going obligations. Net Position showed a decrease of $1,691,523 for 2025, primarily due to campus renovations and growth. Net current assets (current assets less current liabilities) decreased by $2,476,420. The current ratio of current assets to current liabilities (the ability to pay current liabilities from current assets) decreased from 6.09 times in 2024 to 4.17 times in 2025. Cash and cash equivalents ended the year at $11,567,385, a decrease of $1,010,635 from 2024.

Statement of Net Position

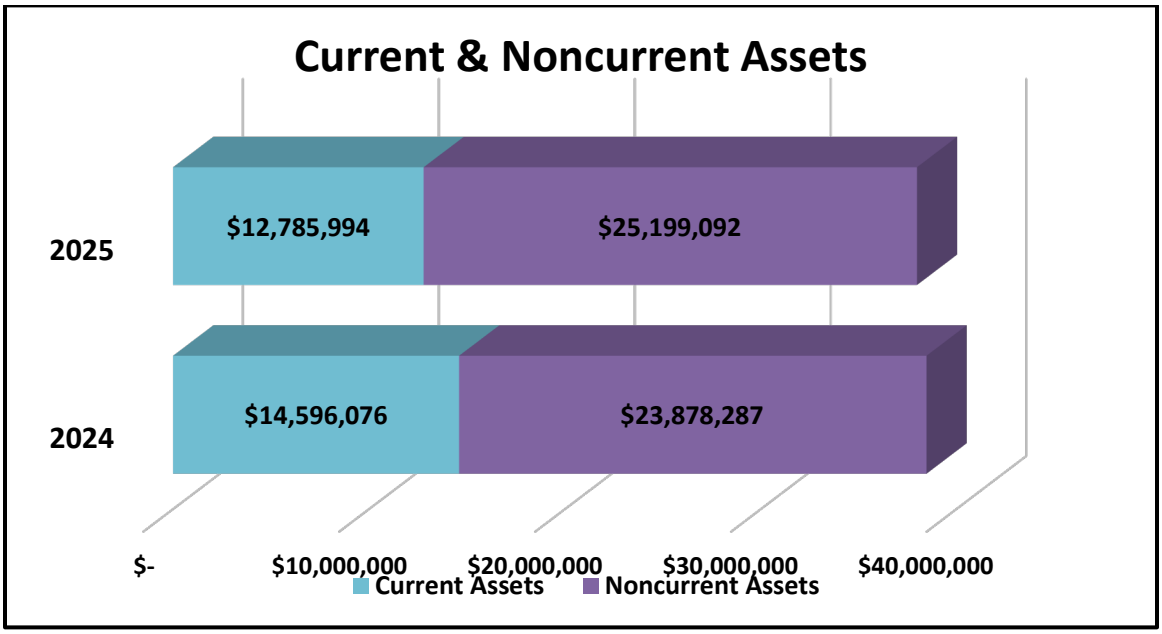
The statements of net position present the assets, liabilities, and net position of the College at June 30, 2025. The purpose of the statements of net position is to present the financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. Noncurrent assets are externally restricted cash and investments restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, such as capital assets. Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent assets.

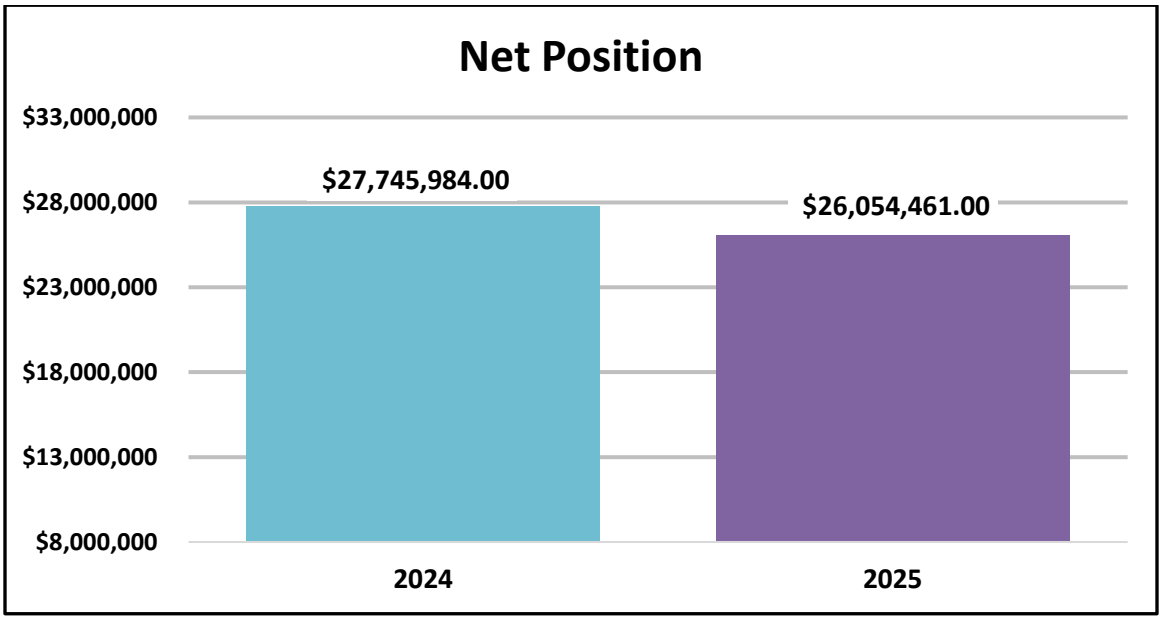
Comparison of Assets – Fiscal Year 2024 to 2025

	2024	% Total 2024	2025	% Total 2025
Current Assets	$ 14,596,076	37.94%	$ 12,785,994	33.66%
Non-Current Assets	$ 23,878,287	62.06%	$ 25,199,092	66.34%
Total Assets	$ 38,474,363	100.00%	$ 37,985,086	100.00%
Deferred Outflows	$ 394,146		$ 355,471	

The College's current assets consist primarily of cash and accounts receivable, while noncurrent assets consist mainly of capital assets. The total breakdown of assets between current and noncurrent classification is as follows:



Total assets decreased by $489,277 while net position decreased by $1,691,523. Net return on assets equaled -4.45%



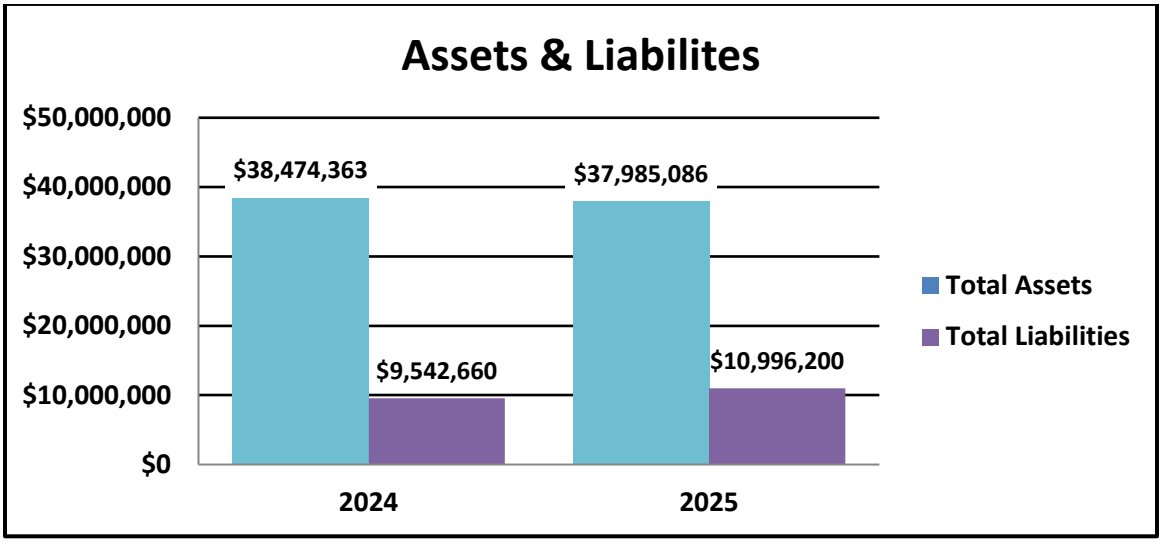
Of the $37,985,086 in total assets, 30.45% are in cash and cash equivalents. Capital assets represent 66.34% of total assets.

Comparison of Liabilities – Fiscal Year 2024 to 2025

	2024	% Total 2024	2025	% Total 2025
Current Liabilities	$ 2,396,939	25.12%	$ 3,063,277	27.86%
Non-Current Liabilities	$ 7,145,721	74.88%	$ 7,932,923	72.14%
Total Liabilities	$ 9,542,660	100.00%	$ 10,996,200	100.00%
Deferred Inflows	$ 1,238,266		$ 1,289,896	

Liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, deferred revenue, deposits held in custody for others and debt payments due within one year. The noncurrent liabilities portion is comprised of the College's Capital Leases and Other Post-Employment Benefits.

Comparison of Assets to Liabilities



Total liabilities increased by $1,453,540 from $9,542,660 in 2024 to $10,996,200 in 2025, while total assets decreased $489,277 from $38,474,363 in 2024 to $37,985,086 in 2025. As a result, the asset to liability ratio decreased from 4.03 ($38,474,363/$9,542,660) in 2024 to 3.45 ($37,985,086/$10,996,200) in 2025. Assets exceeded liabilities by $26,988,886.

Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources is defined as a consumption of net assets by the college, related to the college's pension plan that is applicable to a future reporting period. It has a natural debit balance and, therefore, increases net position similar to assets.

Deferred Inflows of Resources is defined as an acquisition of net assets by the college, related to its pension plan that is applicable to a future reporting period. It has a natural credit balance and, therefore, decreases net position similar to liabilities.

The figures reported are based upon the most recent actuarial study, in accordance with Government Accounting Standards Board No. 75 (GASB 75). GASB 75 titled "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" replaces GASB 45 effective for fiscal years beginning after June 15, 2017.

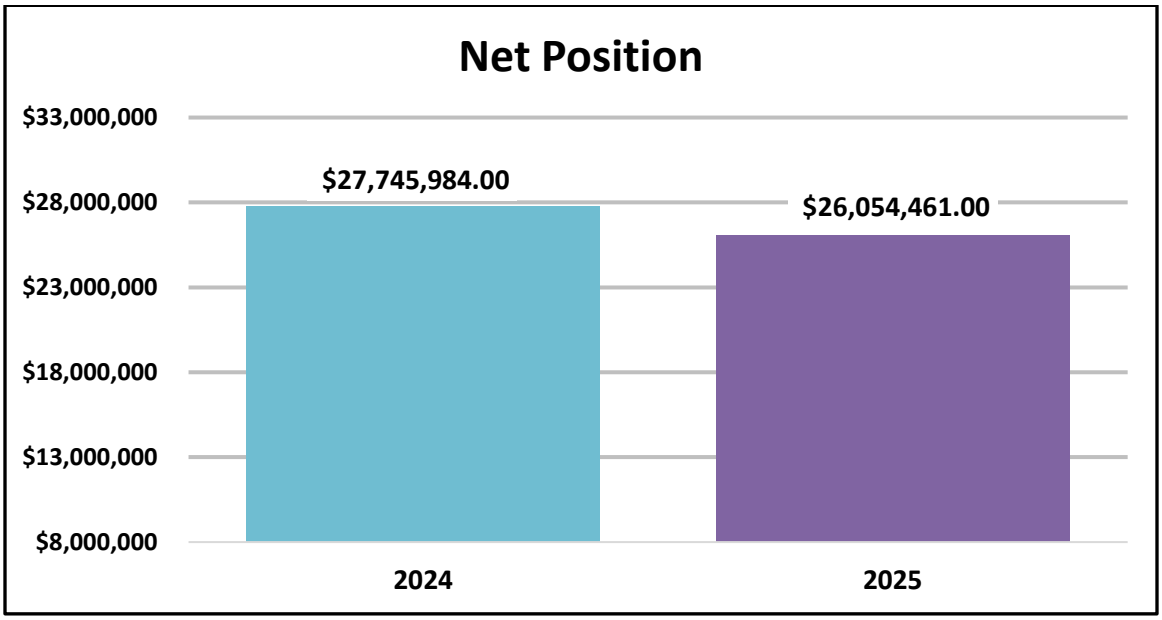
Pension & OPEB Related Deferred Outflows decreased from $394,146 in 2024 to $355,471 in 2025.

Pension & OPEB Related Deferred Inflows increased from $1,238,266 in 2024 to $1,289,896 in 2025.

Comparison of Net Position – Fiscal Year 2024 to 2025

Net position is presented in three major categories. The first is investment in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position decreased during the current fiscal year from $27,745,984 to $26,054,461 for a total decrease of $1,691,523.

Net position for 2024 compared to 2025:



Statement of Revenues, Expenses, and Changes in Net Position

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

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

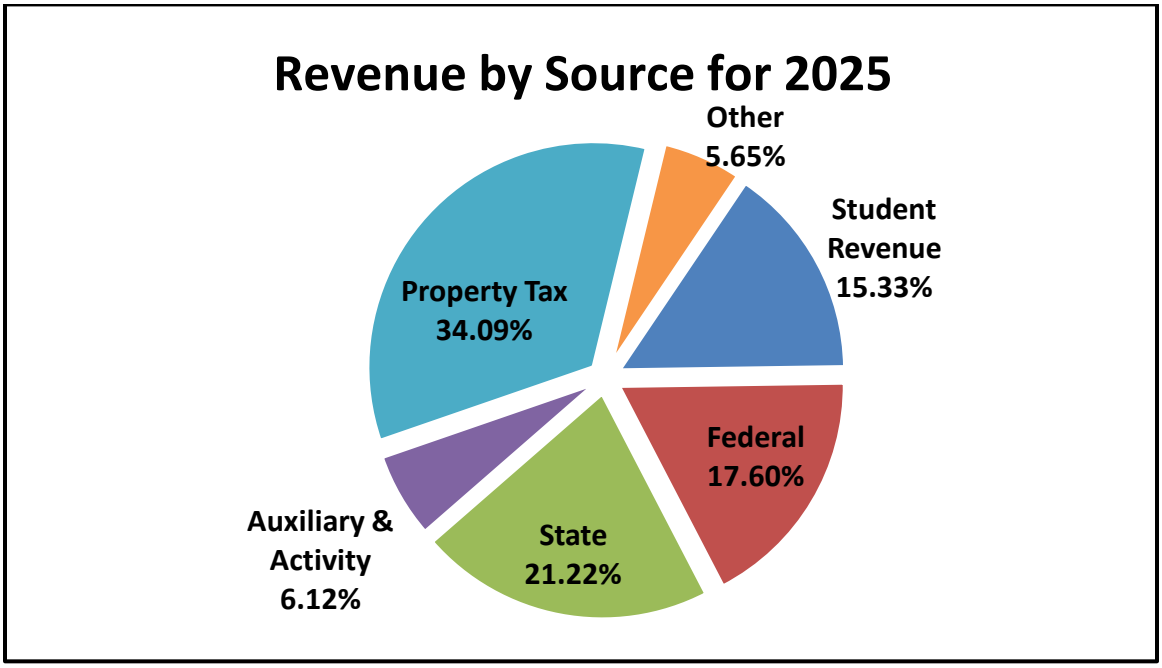
Results of Operations Fiscal Year 2025

Revenue

Components and sources of revenue:

Seward County Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government (including Pell Grants); students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. These sources are relatively stable each year as a percentage of the total.

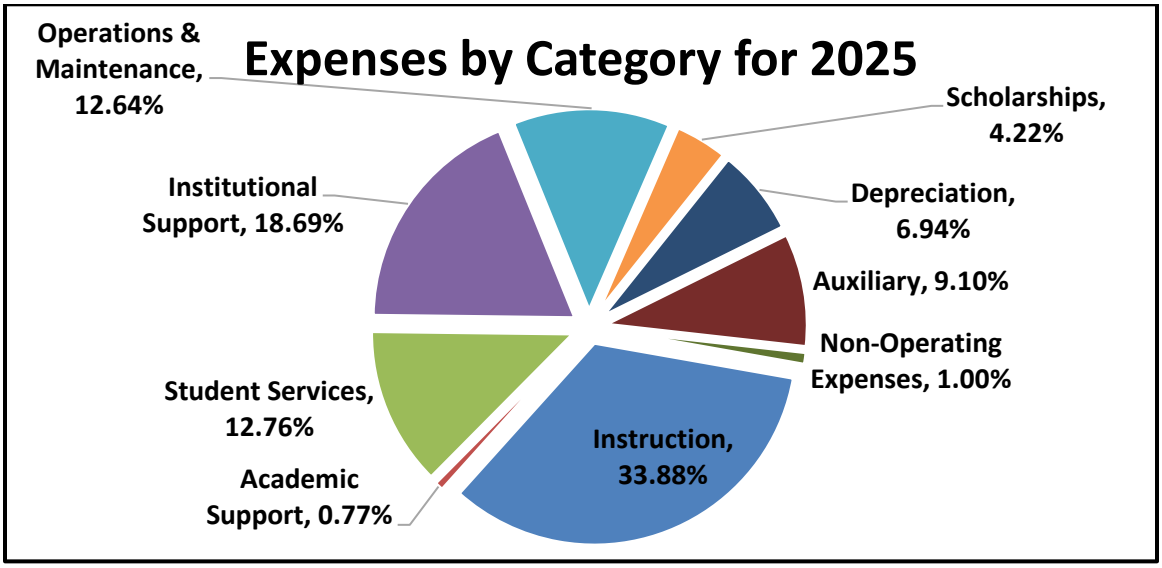
	2024	% Total 2024	2025	% Total 2025
Student Revenue	$ 3,465,451.00	11.97%	$ 4,571,250.00	15.33%
Federal	$ 4,333,169.00	14.97%	$ 5,250,058.00	17.60%
State	$ 6,333,052.00	21.88%	$ 6,329,418.00	21.22%
Auxiliary & Activity	$ 1,687,672.00	5.83%	$ 1,824,168.00	6.12%
Property Tax	$ 10,159,243.00	35.10%	$ 10,166,270.00	34.09%
Other	$ 2,963,372.00	10.24%	$ 1,684,417.00	5.65%
Total Revenue	$ 28,941,959.00	100.00%	$ 29,825,581.00	100.00%



Expenditures

Detail of the 2024 and 2025 Education and General expenditures:

	2024	% Total 2024	2025	% Total 2025
Instruction	$ 9,971,589.00	33.30%	$ 10,679,538.00	33.88%
Academic Support	$ 219,905.00	0.73%	$ 242,151.00	0.77%
Student Services	$ 3,913,716.00	13.07%	$ 4,021,190.00	12.76%
Institutional Support	$ 6,244,992.00	20.86%	$ 5,889,999.00	18.69%
Operations & Maintenance	$ 3,994,896.00	13.34%	$ 3,982,289.00	12.64%
Scholarships	$ 1,128,508.00	3.77%	$ 1,328,808.00	4.22%
Depreciation	$ 2,506,565.00	8.37%	$ 2,188,258.00	6.94%
Auxiliary	$ 1,859,667.00	6.21%	$ 2,869,451.00	9.10%
Non-Operating Expenses	$ 100,841.00	0.34%	$ 315,420.00	1.00%
Total	$ 29,940,679.00	100.00%	$ 31,517,104.00	100.00%



Statement of Cash Flows

The statement of cash flows presents information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The statement is divided into five parts. The first part deals with the operational 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 reflects cash received and spent for non-operation, non-investing, and non-capital financing purposes. The third section reflects cash flows from capital and related financing activities. This section deals with the cash used in acquisition and construction of capital assets and related items. The fourth section reflects the cash flows from investing activities, and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position. The reader of the cash flow statement should be aware that the "Cash Provided by Operations" will always be negative due to the definitions of operation revenues and operation expenses as defined by GASB 35.

ABBREVIATED STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30

	2024	2025
Net Cash Flows From Operating Activities	($19,563,920)	($16,662,938)
Net Cash Flows From Non-Capital Financing Activities	$ 19,612,626	$ 18,040,390
Net Cash Flows From Capital & Related Financing Activities	($ 7,433,941)	($ 3,166,370)
Net Cash Flows From Investing Activities	$ 662,406	$ 778,052
Net Change in Cash	($ 6,722,829)	($ 1,010,866)
Cash, Beginning of Year, July 1	$ 19,301,104	$ 12,578,275
Cash, End of Year, June 30	$ 12,578,275	$ 11,567,409

Major uses of cash were payments made to employees, vendors, and contractors. Major sources of cash were from students, government grants and appropriations, and property

tax receipts. Overall, cash and cash equivalents decreased by $1,010,866 to $11,567,409, primarily due to an increase in wages and continued campus renovations as compared to 2024.

Capital Assets and Debt Administration

During the year, the College invested $3,475,138 in capital assets, changing the total (net of accumulated depreciation) to $25,199,068.

Certificates of Participation

Seward County Community College currently has one certificate of participation note outstanding as of June 30, 2025. The note is being retired through revenues earned in the college's general fund operations.

Series 2018

This series of certificates was issued to refund the college's outstanding lease purchase agreement, and to assist with the funding of the Colvin Family Center for Allied Health construction. The amount of issue was $3,610,000. The outstanding principle as of June 30, 2025 is $2,600,000 with estimated future interest of $646,848. This series of certificates matures April 1, 2038.

Summary of Overall Performance

Seward County Community College's financial condition was impacted by several events in 2025 including but not limited to:

- Regional, state, and national economic trends.
- Addition of West Campus location.
- Market Wage Increases.
- Increased campus renovations.
- Increased Student Enrollment
- Student Retention Growth

Seward County Community College continues to invest in growth, campus improvements, and competitive wages. Taking into account the above challenges, the college had a net return on assets of -4.45%. Total assets decreased $489,277, and total liabilities increased $1,453,540. This resulted in a decrease in the current ratio to 4.17 in 2025, down 1.92 from 2024; and the asset to liability ratio decreasing from 4.03 in 2024 to 3.45 in 2025. Cash and cash equivalents decreased by $1,010,635, decreasing the percentage of cash and cash equivalents to total assets from 32.69% in 2024 to 30.45% in 2025. Capital assets net of depreciation increased by $1,321,036, increasing capital assets as a percentage of total assets from 62.06% in 2024 to 66.34% in 2025.

Madalen Day

Madalen Day
Vice President of Business Affairs

SEWARD COUNTY COMMUNITY COLLEGE

Basic Financial Statements

SEWARD COUNTY COMMUNITY COLLEGE
Statement of Net Position
June 30, 2025

	College	Foundation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash - Unrestricted	$ **11,567,385**	**829,759**
Taxes Receivable, Net of Allowance	**171,911**	**-**
Accounts Receivable, Students, Net of Allowance for Doubtful Accounts of $1,017,971	**545,812**	**-**
Federal and State Grants Receivable	**38,529**	**-**
Other Receivables	**2,625**	**-**
Investments	**-**	**13,650,373**
Inventory	**205,543**	**-**
Prepaid Insurance and Other Expenses	**254,189**	**-**
Total Current Assets	**12,785,994**	**14,480,132**
Noncurrent Assets		
Cash - Restricted	**24**	**-**
Capital Assets, Not Depreciated	**568,953**	**-**
Capital Assets, Net of Accumulated Depreciation of $53,596,680	**24,040,390**	**-**
Construction in Progress	**589,725**	**-**
Total Noncurrent Assets	**25,199,092**	**-**
Total Assets	**37,985,086**	**14,480,132**
Deferred Outflows of Resources		
Deferred Outflows - Pension	**80,265**	**-**
Deferred Outflows - OPEB	**275,206**	**-**
Total Deferred Outflows of Resources	**355,471**	**-**
Total Assets and Deferred Outflows of Resources	$ **38,340,557**	**14,480,132**

The notes to the financial statements are an integral part of this statement.

SEWARD COUNTY COMMUNITY COLLEGE
Statement of Net Position
June 30, 2025

	College	Foundation
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Certificates of Participation, Current Portion	$ 165,000	-
Right-to-Use Lease Payable, Current Portion	36,204	-
Right-to-Use SBITAs, Current Portion	819,726	-
Lease Payable, Current Portion	296,198	-
Accounts Payable	203,664	-
Accrued Interest	20,960	-
Accrued Payroll and Taxes	213,760	-
Deferred Revenue	337,359	-
Compensated Absences, Current Portion	333,476	-
Deposits Held in Custody for Others	477,734	-
Early Retirement Liability, Current Portion	159,196	-
Total Current Liabilities	3,063,277	-
Noncurrent Liabilities		
Certificates of Participation, Noncurrent Portion	2,435,000	-
Right-to-Use Lease Payable, Noncurrent Portion	56,964	-
Right-to-Use SBITAs, Noncurrent Portion	1,694,005	-
Lease Payable, Noncurrent Portion	1,336,508	-
Total OPEB Liability	1,645,152	-
Net Pension Liability	162,103	-
Compensated Absences, Noncurrent Portion	388,954	-
Early Retirement Liability, Noncurrent Portion	214,237	-
Total Noncurrent Liabilities	7,932,923	-
Total Liabilities	10,996,200	-
Deferred Inflows of Resources		
Deferred Inflows - Pension	4,678	-
Deferred Inflows - OPEB	1,285,218	-
Total Deferred Inflows of Resources	1,289,896	-
Total Liabilities and Deferred Inflows of Resources	12,286,096	-
NET POSITION		
Invested in Capital Assets, Net of Related Debt	18,359,463	-
Restricted - Expendable for Other	-	6,765,074
Restricted - Nonexpendable	-	7,083,579
Unrestricted	7,694,998	631,479
Total Net Position	26,054,461	14,480,132
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 38,340,557	14,480,132

The notes to the financial statements are an integral part of this statement.

SEWARD COUNTY COMMUNITY COLLEGE
Statement of Revenues, Expenses, and Change in Net Position
For the Year Ended June 30, 2025

	College	Foundation
Operating Revenues		
Tuition and Fees	$ 3,497,614	-
Less: Scholarship Discounts and Allowances	(1,823,459)	-
Less: Bad Debt Expense	(126,402)	-
Net Tuition and Fees	1,547,753	-
Federal Grants and Contracts	2,850,765	-
State Grants and Contracts	1,423,863	-
Auxiliary Income	2,500,594	-
Less: Scholarship Discounts and Allowances	(676,426)	-
Net Auxiliary Income	1,824,168	-
Activity Revenue	3,023,497	-
Other	547,341	-
Total Operating Revenues	11,217,387	-
Operating Expenses		
Educational Services		
Instruction	10,679,538	-
Academic Support	242,151	-
Student Services	4,021,190	69,490
Institutional Support	5,889,999	427,826
Operation and Maintenance	3,982,289	-
Scholarships, Grants, and Awards	1,328,808	1,400,089
Auxiliary Enterprises	2,188,258	-
Depreciation and Amortization	2,869,451	-
Total Operating Expenses	31,201,684	1,897,405
Net Operating Loss	(19,984,297)	(1,897,405)
Nonoperating Revenues (Expense)		
State Appropriations	4,905,555	-
County Property Taxes	10,166,270	-
Pell Grants	2,399,293	-
Investment Gain	778,052	1,164,164
Loss on Sale of Assets	(137,302)	-
Contributions	496,326	1,739,698
Interest on Capital Asset Debt	(315,420)	-
Net Nonoperating Revenues (Expense)	18,292,774	2,903,862
Change in Net Position	(1,691,523)	1,006,457
Net Position - Beginning of Year, As Stated	28,087,583	13,473,675
Prior Period Restatement	(341,599)	-
Net Position - Beginning of Year, As Restated	27,745,984	13,473,675
Net Position - End of Year	$ 26,054,461	14,480,132

The notes to the financial statements are an integral part of this statement.

SEWARD COUNTY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash Flows From Operating Activities		
Student Tuition and Fees, Net of Discount	$	**1,539,795**
Grants and Contracts		**4,639,325**
Auxiliary Enterprise Revenue		**1,824,168**
Payments to Employees and for Employee Benefits		**16,125,483**
Payments to Suppliers		**(42,174,289)**
Auxiliary Enterprise Expense		**(2,188,258)**
Activity Revenue and Other		**3,570,838**
Net Cash Used by Operating Activities		**(16,662,938)**
Cash Flows From Investing Activities		
Interest on Investments		**778,052**
Cash Flows From Noncapital Financing Activities		
State Appropriations		**4,905,555**
County Property Taxes		**10,239,216**
Pell Grants		**2,399,293**
Contributions		**496,326**
Net Cash Provided by Noncapital Financing Activities		**18,040,390**
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets		**(3,475,138)**
Proceeds From Lease		**1,632,706**
Payments on Lease Payable and Right-to-Use SBITAs		**(931,880)**
Principal Paid on Long-Term Debt		**(160,000)**
Interest Paid on Long-Term Debt		**(232,058)**
Net Cash Used by Capital and Related Financing Activities		**(3,166,370)**
Net Decrease in Cash		**(1,010,866)**
Cash - Beginning of Year		**12,578,275**
Cash - End of Year	$	**11,567,409**
Cash per Statement of Net Position		
Cash - Unrestricted	$	**11,567,385**
Cash - Restricted		**24**
Total Cash per Statement of Net Position	$	**11,567,409**

The notes to the financial statements are an integral part of this statement.

SEWARD COUNTY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2025

Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities	
Net Operating Loss	$ **(19,984,297)**
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation and Amortization	**2,869,451**
Changes in Operating Assets and Liabilities	
(Increase) Decrease in	
Accounts Receivable	**(10,583)**
Federal Grants Receivable	**252,761**
Inventory	**64,475**
Prepaid Insurance and Other Expenses	**419,848**
Deferred Outflows	**38,675**
Increase (Decrease) in	
Accounts Payable	**(291,120)**
Accrued Payroll and Benefits	**66,024**
Deposits Held in Custody for Others	**65,044**
Deferred Inflows	**(267,777)**
Deferred Revenue	**114,561**
Net Cash Used by Operating Activities	$ **(16,662,938)**

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Seward County Community College is located in Liberal, Kansas. The College is a public two-year community college offering a comprehensive curriculum with liberal arts and sciences, as well as vocational and technical programs for students from Seward County and surrounding communities.

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The College's reports are based on applicable Governmental Accounting Standards Board (GASB) pronouncements and its accounting policies conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities.

Financial Reporting Entity

The College is governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present **Seward County Community College** (the primary government) and its component unit. The component unit is included in the College's reporting entity because of the significance of its operational or financial relationship with the College.

Seward County Community College Foundation is a discretely presented component unit of the College and is included in the component unit column in the College's basic financial statements. The component unit is reported separately to emphasize that it is legally separate from the College. The economic resources received or held by the component unit are held almost entirely for the direct benefit of the College. The Foundation was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the College. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. The Foundation's financial statements should be included with the College's financial statements.

Seward County Community College Foundation is a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation. The Foundation reports its financial results under Financial Accounting Standard Board (FASB) Statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. The component unit's financial data has, however, been aggregated into like categories for presentation purposes.

Separate audited financial statements are prepared and are available at the Foundation and can be requested from the College's controller.

Measurement Focus and Basis of Accounting

For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Non-exchange 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. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used in the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

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

Cash
For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents with the exception of money market funds which are for long-term investment purposes.

Property Taxes
Property taxes are levied each calendar year on all taxable real property located in the taxing district. Property taxes are recorded on an accrual basis of accounting. The College's property taxes are assessed on a calendar year basis, are levied, and become a lien on the property on November 1st of each year. The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20th and the second half is due May 10th. The College draws available funds from the County Treasurer's office at designated times throughout the year.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. A percent of property taxes levied in November 2024 are normally distributed after June 30, 2025 and are presented as accounts receivable. As of June 30, 2025, the County Treasurer had distributed to the College approximately 97% of ad valorem taxes levied in the prior year. The receivable for taxes in process was $171,911 at June 30, 2025.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole. Delinquent tax payments are recognized as revenue in the year received.

Accounts Receivable
Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Federal and State Grants Receivable includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Other receivables includes receipts received subsequent to year-end that are recognized as revenue for the current year-end. Accounts receivable are recorded net of estimated allowances for uncollectible amounts.

Management determines the adequacy of the allowance for doubtful accounts based upon a level that in management's judgment is adequate to absorb the losses inherent to student services. Amounts determined uncollectible are charged to the allowance account and removed from accounts receivable.

Inventories and Prepaid Items
Inventories consist of books and supplies held for resale in the bookstore and cosmetology center and are valued at cost, using the first-in, first-out method (FIFO) The College records certain payments to vendors that reflect costs applicable to future accounting periods as prepaid items in its financial statements.

Restricted Cash
Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net position.

Investments
The Foundation's investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net position.

Donor Restricted Gifts
Unconditional promises to give cash and other assets to the Foundation are recognized when the donor makes a promise to give to the Foundation that is in substance unconditional. Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Contributions are recorded when received as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Foundation receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. The fair market value of the contributed services were not recognized in the financial statements as they did not meet the criteria for recognition under professional standards.

Capital Assets
Capital assets include property, plant, equipment, and infrastructure, such as streets, sidewalks, parking lots, water system and sewer system. Capital assets are stated at cost at the date of acquisition. Donated capital assets are recorded at estimated acquisition value at the date of donation. The College's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated useful life of greater than two years. Renovations to building, infrastructure, 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 provided on straight-line method over the estimated useful lives of the respective classes of property. Estimated useful lives are as follows:

Assets	Years
Buildings	20-40
Building Improvements	5-20
Furniture	10
Vehicles	5-7
Equipment, including computers	3-7

Deferred Inflows of Resources/Deferred Outflows of Resources
In addition to assets and liabilities, the statement of net position may report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until then. Deferred inflows of resources represent 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 deferred outflows and deferred inflows for pensions and OPEB that qualify for reporting in this category. See Note 15 and 17, respectively, for more information on the deferred outflows and deferred inflows for pensions and OPEB.

On-Behalf Payments for Employee Benefits
The College recognizes revenues and expenses for the contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS and KPERS Death and Disability OPEB Plan) on behalf of the College's employees.

Deferred Revenue
Deferred revenue is recognized when various Federal and State grants are received but not expended yet. As of June 30, 2025, the College had $337,359 of deferred revenue.

Net Position
The College's net position is classified as follows:

a. *Invested in capital assets, net of related debt:* This represents the College's total investment in capital assets, net of accumulated depreciation, and 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 investment in capital assets, net of related debt.

b. *Restricted net position – expendable for other*: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

c. *Restricted net position – nonexpendable*: Nonexpendable restricted 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 inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal, in accordance with donor restrictions.

d. *Unrestricted net position*: Unrestricted net position represents resources derived from student tuition and fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

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

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

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as

nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, property taxes, and investment income.

Federal Financial Assistance Programs
The College participates in federally funded PELL Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loans. 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*.

Scholarship Discounts and Allowances
Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge and the goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, 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 discount and allowance.

Income Taxes
The College, as a political subdivision of the State of Kansas, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

The Foundation is a not-for-profit organization that is exempt form income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is not classified as a private foundation under the Internal Revenue Code.

The Foundation's U.S. federal income tax returns and the Foundation's tax returns for the state of Kansas prior to fiscal year 2022 are closed to IRS examination.

Budgetary Information
Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted

increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ended June 30, 2025.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

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 Board.

Budgetary Compliance – Regulatory Basis
By statute, the College prepares its annual budget on the regulatory basis of accounting. A reconciliation of these regulatory basis statements to the GAAP statements is presented in the notes to supplementary information.

Adoption of New Governmental Accounting Standards Board Statements
GASB Statement No. 102, *Certain Risk Disclosures,* aims to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement had no effect on previously reported amounts or disclosures.

Pending Governmental Accounting Standards Board Statements
GASB Statement No. 103, *Financial Reporting Model Improvements,* aims to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements for this statement are effective for periods beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets,* aims to provide users with essential information about capital assets and requires certain types of capital assets to be disclosed separately in the note disclosures required by Statement 34. The requirements for this statement are effective for periods beginning after June 15, 2025.

NOTE 2 – CASH

Seward County Community College follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized in the individual fund financial statements.

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

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

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

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The College does not use "peak periods".

The College's carrying amount of deposits was $11,567,409 and the bank balance was $11,909,662 at June 30, 2025. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, $750,000 was covered by federal depository insurance, $11,159,638 was collateralized with securities held by pledging financial institutions' agents in the College's name, and $24 was held in Federal Government Obligations.

At June 30, 2025, the total carrying amount of the Foundation's deposits was $829,759 and the bank balance was $835,359. Of the bank balance, $586,421 was covered by federal depository insurance and $248,938 was collateralized with securities held by pledging financial institutions' agents in the Foundation's name.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The College had no investments at June 30, 2025.

NOTE 3 – RESTRICTED CASH

At June 30, 2025, the College had $24 of restricted cash to be used for making debt service payments.

NOTE 4 – INVESTMENTS

The Foundation's investments at June 30, 2025, are comprised of the following:

Certificates of Deposit	$	**677,288**
Common Stocks		**8,707,913**
Mutual Funds		**3,767,095**
Bonds		**498,077**
Total	$	**13,650,373**

Fair Value Measurements
Accounting guidance establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described below.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis:

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

Mutual Funds: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Foundation are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

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

Common Stock: Valued at the closing price reported on the New York Stock Exchange.

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30, 2025.

		Fair Value Measurements at June 30, 2025			
		Total	Level 1	Level 2	Level 3
Investments					
Certificates of Deposit	$	**677,288**	677,288	-	-
Common Stock		**8,707,913**	8,707,913	-	-
Mutual Funds		**3,767,095**	3,767,095	-	-
Bonds		**498,077**	-	498,077	-
Total Investments	$	**13,650,373**	**13,152,297**	**498,077**	**-**

NOTE 5 – INVENTORIES

Inventories consisted of the following at June 30, 2025:

Bookstore	$	**180,009**
Cosmetology		**25,534**
Total Inventory	$	**205,543**

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in the various capital asset categories for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	**Ending Balance**
Land	$ 461,153	-	-	**461,153**
Land Improvements	434,486	-	9,675	**424,811**
Art Collection	107,800	-	-	**107,800**
Library Materials	1,089,413	6,545	-	**1,095,958**
Buildings	51,162,743	3,813,137	233,357	**54,742,523**
Buildings and Equipment Under Capital Lease	6,103,684	-	-	**6,103,684**
Furniture and Equipment	4,511,652	18,640	96,331	**4,433,961**
Grounds Equipment	1,771,502	222,915	79,970	**1,914,447**
Vehicles	2,045,893	143,815	-	**2,189,708**
Computer Hardware/Software	2,485,884	-	186,199	**2,299,685**
Leased Equipment	221,040	7,731	40,698	**188,073**
SBITAs	3,399,301	844,919	-	**4,244,220**
Total	73,794,551	5,057,702	646,230	**78,206,023**
Less: Accumulated Depreciation	(51,236,158)	(2,869,451)	(508,929)	**(53,596,680)**
Construction in Progress	1,319,639	3,195,143	3,925,057	**589,725**
Capital Assets, Net	$ 23,878,032	5,383,394	4,062,358	**25,199,068**

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	**Balance June 30, 2025**	Due Within One Year
Certificates of Participation	$ 2,760,000	-	(160,000)	**2,600,000**	165,000
Right-to-Use Lease Payable	136,470	7,731	(51,033)	**93,168**	36,204
Right-to-Use SBITAs	2,465,140	827,630	(779,039)	**2,513,731**	819,726
Purchase Agreement	-	1,632,706	-	**1,632,706**	296,198
Total OPEB Liability	1,797,383	-	(152,231)	**1,645,152**	-
Net Pension Liability	131,058	31,045	-	**162,103**	-
Early Retirement Liability	571,654	-	(198,221)	**373,433**	159,196
Compensated Absences (net change)	655,410	67,020	-	**722,430**	333,476
Total Long-Term Liabilities	$ **8,517,115**	**2,566,132**	**(1,340,524)**	**9,742,723**	**1,809,800**

The compensated absences, early retirement, OPEB, net pension liability, and right-to-use lease payable are generally liquidated by the General Fund. The certificates of participation will be paid through revenues generated from the various auxiliary enterprise funds and the General Fund. The SBITAs are generally liquidated by the Technology Fee Fund and General Fund. The purchase agreement is generally liquidated by the Capital Outlay Fund.

Certificate of Participation Bonds – Direct Borrowing
Series 2018
The College entered into a certificate of participation dated March 27, 2018, with Security Bank of Kansas City the purchase, construction, equip, and furnish the Allied Health Center on the College campus in Liberal, Kansas. The total cost was $3,610,000. The lease calls for varying annual payments, including interest between 3.00% and 4.00% semiannually, maturing April 1, 2038.

Long-term debt activity for the year ended June 30, 2025 was as follows:

	Outstanding June 30, 2024	Additions	Reductions	Outstanding June 30, 2025	Current Portion	Interest Paid
Certificates of Participation Series 2018	$ 2,760,000	-	160,000	2,600,000	165,000	89,113

The following is a schedule of future payments for the debt obligations:

Fiscal Year Ending	Principal	Interest	Total
2026	$ 165,000	84,313	249,313
2027	170,000	79,363	249,363
2028	175,000	74,263	249,263
2029	180,000	69,013	249,013
2030	185,000	63,613	248,613
2031-2035	1,025,000	226,758	1,251,758
2036-2038	700,000	49,525	749,525
Total	$ **2,600,000**	**646,848**	**3,246,848**

Purchase Agreement – Direct Borrowing
During the year ended June 30, 2025, the College entered into a purchase agreement for the acquisition of building improvements.

Long-term debt activity for the year ended June 30, 2025 was as follows:

	Outstanding June 30, 2024	Additions	Reductions	Outstanding June 30, 2025	Current Portion	Interest Paid
Lease Purchase Agreement	$ -	1,632,706	-	1,632,706	296,198	142,944

The following is a schedule of future payments for the debt obligations:

Fiscal Year Ending	Principal	Interest	Total
2026	$ 296,198	-	296,198
2027	192,618	103,579	296,197
2028	207,546	88,651	296,197
2029	223,631	72,567	296,198
2030	240,963	55,235	296,198
2031-2035	471,750	52,999	524,749
Total	$ **1,632,706**	**373,031**	**2,005,737**

Right-to-Use Leases – Direct Borrowing
The College entered into multiple equipment leases for copiers. Lease agreements are summarized as follows:

Lease Description	Start Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	**Balance June 30, 2025**
Presidents Office Copier	1/1/2023	36 Months	310.42	2.82%	10,703	$ **1,847**
Cosmetology Copier	1/1/2023	36 Months	179.11	2.82%	6,176	**1,066**
Epworth Copier	1/1/2023	36 Months	316.34	2.82%	10,907	**1,883**
Administration Copier	1/1/2023	36 Months	253.89	2.82%	8,754	**1,511**
Admission Copier	1/1/2023	36 Months	253.89	2.82%	8,754	**1,511**
Jetz	1/1/2023	60 Months	1,270.46	2.82%	71,016	**36,759**
Library #1 Copier	6/1/2023	60 Months	288.97	3.21%	15,998	**9,642**
Library #2 Copier	6/1/2023	60 Months	288.97	3.21%	15,998	**9,642**
Allied Health Copier	6/1/2023	60 Months	288.97	3.21%	15,998	**9,642**
Financial Aid Copier	2/1/2024	60 Months	159.74	7.75%	7,925	**5,981**
Athletics Copier	5/1/2024	60 Months	163.53	7.75%	8,113	**6,490**
Student Health Center	2/10/2025	60 Months	155.83	7.75%	7,731	**7,194**
Total Lease Agreements						$ **93,168**

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 36,204	3,076	39,280
2027	29,463	1,935	31,398
2028	21,751	834	22,585
2029	4,687	259	4,946
2030	1,063	28	1,091
Total	$ **93,168**	**6,132**	**99,300**

Right-to-Use Subscription Based Information Technology Arrangements (SBITAs) – Direct Borrowing
The College entered into multiple subscription based information technology arrangements for various right-to-use assets. The subscriptions are summarized as follows for the year ended June 30, 2025:

Subscription Name	Start Date	Payment Amount	Interest Rate	**Balance**
Clean Catalog Software	1/17/2023	$ 20,700	2.8220%	$ **39,711**
Ellucian Subscription	7/1/2023	355,982	3.2123%	**1,741,113**
ScoreVision Renewal	7/1/2023	4,500	2.6700%	**4,383**
Canvas Software	8/1/2023	40,138	3.2123%	**43,681**
Nuventive Software Contract	11/1/2023	21,250	3.2123%	**20,589**
Maxient	11/1/2023	5,000	3.2123%	**18,492**
Mongoose	2/1/2024	9,500	2.6760%	**18,264**
Zoom - KANREN FY25	7/1/2024	19,218	2.6760%	**18,735**
Honorlock Renewal 8/30/24	8/15/2024	17,850	2.6760%	**34,424**
QuickLaunch Renewal 09/2024	9/10/2024	7,748	2.6760%	**29,029**
Ellucian Insights	10/1/2024	12,675	2.6760%	**54,409**
Ellucian CRM Recruit	12/1/2024	63,525	2.6760%	**191,150**
Ellucian CRM Advance	1/1/2025	52,788	2.6760%	**264,031**
Zendesk - Upgrade	2/14/2025	18,580	2.6760%	**35,720**
Total				$ **2,513,731**

The following is a schedule of future payments for the debt obligations:

Fiscal Year Ending		Principal	Interest	Total
2026	$	819,726	72,925	892,651
2027		787,764	51,915	839,679
2028		784,191	27,674	811,865
2029		122,050	3,292	125,342
Total	$	**2,513,731**	**155,806**	**2,669,537**

NOTE 8 – RESTRICTED NET POSITION – EXPENDABLE FOR OTHER

Restricted Net Position – Expendable for Other for the Foundation consists of donations received and restricted to use at June 30, 2025 of $6,765,074.

NOTE 9 – RESTRICTED NET POSITION - NONEXPENDABLE

For the Foundation, changes in endowments as of June 30, 2025 are as follows:

Restricted Net Position, Beginning of Year	$	**6,920,653**
Contributions		**162,926**
Restricted Net Position, End of Year	$	**7,083,579**

The Foundation classifies permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTE 10 – COMPENSATED ABSENCES

Annual leave is provided to individual employees in full-time 12-month positions. Salaried/exempt employees earn leave at 2 days per calendar month worked. Hourly/non-exempt employees earn leave at 1 day per calendar month worked for the first two full fiscal years worked, then 1 ½ days of leave per calendar months worked thereafter. Annual leave can be carried over from one fiscal year beyond which it was earned.

Sick leave is provided to all full-time employees at a rate of 10 days of sick leave per fiscal year and may accumulate unused sick leave to a maximum of 50 days. Employees are not paid for accumulated sick leave upon termination.

The College accrues a liability for compensated absences which meet the following criteria:

1. The College's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

The estimated liability for compensated absences at June 30, 2025 was $722,430.

NOTE 11 – CONCENTRATIONS

The Foundation was formed to promote and foster the educational purposes of **Seward County Community College**, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for scholarships for the year ended June 30, 2025. Scholarships totaling $947,703 and expenditure reimbursements totaling $423,708 were provided to the College during 2025.

The College receives a significant portion of its revenues from grants for student financial aid, all of which are subject to audit by federal and state governments. The ultimate determination of amounts awarded under these programs generally is based upon eligibility of students based upon their financial need. Until such audits have been completed, there exists a contingency to refund any amount awarded to a student that was not eligible for student financial assistance. Management is of the opinion that no material liability will result from such audits.

NOTE 12 – LITIGATION

The College is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the College.

NOTE 13 – RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 14 – CONTINGENCIES

Seward County Community College participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the College has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the College, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

The College is privy to a tax appeals legal proceeding currently ongoing that could have a material effect in subsequent years depending on the judge's ruling on the case. Until the ruling is determined, an estimate of the potential impact is indeterminable. The College is not a party listed on this case; however, if the tax abatement is granted, the College would be liable for refunding taxes to the county.

NOTE 15 – DEFINED BENEFIT PENSION PLAN

Plan Description

Seward County Community College participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees

Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

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

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the College are included in the State/School employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

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

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

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The 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 after January 1, 2015 was created. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Special Funding Situation
The employer contributions for community colleges, as defined in K.S.A.74-4931(2) and (3), are funded by the State of Kansas on behalf of the employer. Therefore, the College is 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 the College does 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 their 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 community college. In addition, each community college 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.

The College also makes contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of these agencies "working after retirement" contributions and resulting net position liability are attributable to the College. These amounts are reflected separately and recorded in the financial statements.

Contributions
Member contributions 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 are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 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 statutory contribution rate was 11.54% for the fiscal year ended June 30, 2025.

Contributions to the pension plan for the College were $15,925 for the fiscal year ended June 30, 2025.

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 identity 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.

The allocation percentages for the College's share of the collective pension amounts as of June 30, 2024 was based on the ratio of each employer's contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

Net Pension Liability
Net pension liability activity for the year ended June 30, 2025 is as follows:

State Share of Net Pension Liability	$ 11,633,579
College Share of Net Pension Liability	$ 162,103
Measurement Date	June 30, 2024
Valuation Date	December 31, 2023
College's Proportion	.0036%
Change in Proportion	.0009%

Actuarial Assumptions
The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.50 to 15.50%, including inflation
Investment rate of return net of investment expense, including price inflation	7.00%

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 actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study conducted for the four year period January 1, 2019 through December 31, 2022. The experience study is dated January 29, 2024.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class 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 for the year ended June 30, 2025 was 7.00%.

The State/School groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

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

In addition, 2017 Senate Sub for Sub HB 2052 delayed $64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of $6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of $194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of $56 million and $82 million be made to the System. The $56 million payment was received by the System on June 30, 2018 and recorded as Fiscal Year 2018 contributions. The $82 million was received July 1, 2019 and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of $115 million to KPERS, received in March 2019. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of $51 million.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 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 paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

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 at some point in the future. 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the College's proportionate share of the net pension liability as of June 30, 2025 calculated using the discount rate of 7.00%, as well as what the College's proportionate share of 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 (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
$238,766	$162,103	$97,888

Pension Expense
For the year ended June 30, 2025, the College recognized pension expense $1,670,542 and revenue of $1,631,397 for support provided by the State in the form of non-employer contributions to KPERS on the College's behalf.

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 pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$	10,293	-
Net Differences Between Projected and Actual Earnings on Investments		1,447	-
Changes in Assumptions		10,887	4,175
Changes in Proportionate Share		41,713	503
Contributions Subsequent to Measurement Date		15,925	-
Total	$	**80,265**	**4,678**

The $15,925 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$23,006
2027	24,609
2028	7,410
2029	4,637
2030	-
Thereafter	-

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS – KPERS DEATH AND DISABILITY

Plan Description

The College contributes to the KPERS Long-Term Disability plan, a single-employer defined benefit other post-employment benefit (OPEB) plan which is administered by a board of trustees appointed by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4925. 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, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

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.

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of 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, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

Members Covered by Benefit Terms

At June 30, 2024 (the measurement date), members covered by the benefit terms consisted of 180 active and 1 disabled member.

Total OPEB Liability

At June 30, 2024, the total OPEB liability recognized by the State of Kansas that was attributable to the College was $94,279. The OPEB liability was measured as of June 30, 2024, for the year ended June 30, 2025 and was determined by actuarial valuation as of December 31, 2023, rolled forward to June 30, 2024.

For the year ended June 30, 2025, the College recognized OPEB expense and revenue of $572 for support provided by the State in the form of non-employer contributions on the College's behalf.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

Price Inflation	2.75%
Payroll Growth	3.00%
Salary Increases, Including Inflation	3.5% to 11.65%
Discount Rate	3.93%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The discount rate increased from 3.65% on June 30, 2023 to 3.93% on June 30, 2024.

Mortality rates were based on the Pub-2010 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021 for the December 31, 2023 actuarial valuation.

The actuarial assumptions used in the June 30, 2024 valuation were based on the actual KPERS experience.

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE

General Information About the Plan

Plan Description
The health insurance benefit plan is a single-employer defined benefit healthcare plan administrated by **Seward County Community College**. K.S.A. 12-5040 established the authority that post-employment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirement and can amend benefit provisions by state legislature. The plan provides medical and dental insurance benefits to eligible retirees and their spouses. The benefit is available for selection at retirement and is extended to retirees until the retiree becomes covered under another employer health plan of until the age of 65. Costs under the self-insured program are paid from general operating funds. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

Benefits Provided
As provided and required by K.S.A. 12-5040, the College allows retirees and their spouses to participate in the group health insurance plan for medical and dental coverage. Kansas statutes, which can be amended by State legislature, established that participating retirees may remain in the College's health insurance plan by paying the full amount of the applicable premium. Conceptually, the College is subsidizing the retirees because each participant is charged a level of premium regardless of age. The total premium is approximately $2,020 and $940 per month for employee with family and single coverage, respectively. Qualifying retirees are charged active employee contribution rates for medical and dental coverage to age 65.

Employees Covered by Benefit Terms
At July 1, 2024 census, members covered by the benefit terms consisted of 177 active employees and 9 former employees.

Total OPEB Liability
The College's total OPEB liability of $1,645,152 was measured as of June 30, 2025. The June 30, 2025 liability was determined by an actuarial valuation date as of July 1, 2024, which was rolled forward to June 30, 2025.

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

Average Salary Scale	4.0% per year
Discount Rate	4.8%
Healthcare Cost Trend Rates	7.25% decreasing 0.25% per year until reaching an ultimate trend rate of 4.75%

The discount rate was based on the S&P Municipal Bond 20 Year High Grade and the Fidelity Municipal AA Yield Curve indexes.

Mortality rates were based on the Society of Actuaries Scale with MP-2021 Full Generational Improvement.

Changes in the Total OPEB Liability
The following table shows the changes in the College's total OPEB liability for the year ended June 30, 2025.

Total OPEB Liability – Beginning of Year	$	**1,797,383**
A. Service Cost		**139,118**
B. Interest Cost		**76,609**
C. Differences Between Actual and Expected Experience		**(164,019)**
D. Changes in Benefit Terms		**-**
E. Changes in Assumptions *		**(67,939)**
F. Employer Contributions (Benefit Payments)		**(136,000)**
Net Changes (A+B+C+D+E+F)		**(152,231)**
Total OPEB Liability – End of Year	$	**1,645,152**

*Changes in assumptions reflect a change in the discount rate from 4.1% in 2024 to 4.8% in 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following represents the total OPEB liability of the College as of June 30, 2025, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage lower (3.8%) or one percentage higher (5.8%) than the current discount rate.

	1% Decrease (3.8%)	Discount Rate (4.8%)	1% Increase (5.8%)
Total OPEB Liability	$ 1,749,703	$ 1,645,152	$ 1,548,101

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the College as of June 30, 2025, as well as what the College's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (6.25% decreasing to 3.75%)	Health Cost Trend Rates (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 5.75%)
Total OPEB Liability	$ 1,499,954	$ 1,645,152	$ 1,815,083

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2025, the College recognized OPEB expense of $81,938. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of June 30, 2025:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$	-	1,016,149
Changes in Assumptions		275,206	269,069
Total	$	**275,206**	**1,285,218**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year		Amount
2026	$	(133,789)
2027		(133,789)
2028		(133,789)
2029		(133,784)
2030		(162,059)
Thereafter		(312,802)

NOTE 18 – EARLY RETIREMENT PROGRAM

Plan Description: The College provides an early retirement program for certain eligible employees. Those eligible under the program may receive benefits for up to 5 years. Eligible employees will receive health insurance coverage (single membership) equal to that of a fulltime employee from the time the employee chooses to take early retirement and will continue until the early retirement employee becomes eligible for Medicare or reaches age 65, whichever occurs first. The College also provides annual payments in amounts based upon the final year of contracted salary for eligible individuals retiring from employment. The College recognizes a liability and expense for voluntary termination benefits when the offer is accepted and the amount can be estimated. Payments for the retired employees under this plan were $197,020 for the year ended June 30, 2025. The following is a schedule of benefits payable for eligible employees which have taken early retirement as of June 30, 2025:

Fiscal Year		Amount
2026	$	159,196
2027		121,317
2028		60,670
2029		29,234
2030		1,499
2031		1,517
Total	$	**373,433**

NOTE 19 – CORRECTION OF AN ERROR AND RESTATEMENT

For the year ended June 30, 2025, management identified accounts that were previously included in the College's statement of revenues, expenses, and change in net position that are actually deposits held in custody that should be reflected on the College's statement of net position. Management also identified an

error in the calculation of GASB 101 that was early implemented during the year ended June 30, 2024. The correction of these errors had the following effect on the beginning net position:

	As Previously Stated	Prior Period Restatement	Restated
Deposits Held in Custody	$ (412,690)	(1,580)	(414,270)
Compensated Absences, Current Portion	(26,690)	(97,792)	(124,482)
Compensated Absences, Noncurrent Portion	(288,701)	(242,227)	(530,928)
Net Position	(28,087,583)	341,599	(27,745,984)

NOTE 20 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 12, 2026, which is the date the financial statements were available to be issued on **Seward County Community College**.

The Foundation has evaluated subsequent events through November 14, 2025, which is the date the financial statements were available to be issued.

SEWARD COUNTY COMMUNITY COLLEGE

Required Supplementary Information

SEWARD COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2025

Schedule of Changes in the College's Total Other Post-Employment Benefits and Related Ratios

		2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service Cost	$	**139,118**	111,009	109,534	126,668	140,725	165,405	201,301	64,213
Interest Cost		**76,609**	65,485	59,177	33,000	47,070	63,378	86,306	32,461
Differences Between Actual and Expected Experience		**(164,019)**	(224,707)	(17,256)	(15,154)	(342,431)	(354,395)	(660,812)	-
Changes in Benefit Terms		**-**	189,843	-	-	-	-	-	-
Changes in Assumptions and Other Inputs		**(67,939)**	145,131	(10,160)	(241,536)	45,312	(75,904)	30,855	339,329
Employer Contributions (Benefit Payments)		**(136,000)**	(31,000)	(15,000)	(22,000)	(52,000)	(100,000)	(149,000)	(132,000)
Net Changes in Total OPEB Liability		**(152,231)**	255,761	126,295	(119,022)	(161,324)	(301,516)	(491,350)	304,003
Total OPEB Liability - Beginning of Year		**1,797,383**	1,541,622	1,415,327	1,534,349	1,695,673	1,997,189	2,488,539	2,184,536
Total OPEB Liability - End of Year	$	**1,645,152**	1,797,383	1,541,622	1,415,327	1,534,349	1,695,673	1,997,189	2,488,539
Covered-Employee Payroll	$	**9,673,253**	9,673,253	8,051,017	8,051,017	7,408,638	7,408,638	7,707,303	7,707,303
Total OPEB Liability as a Percentage of Covered-Employee Pa		**17.01%**	18.58%	19.15%	17.58%	20.71%	22.89%	25.91%	32.29%

Notes to Schedule

Changes of Assumptions and Other Inputs
Changes of assumptions and other inputs reflect a change in the discount rate from 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 mortality assumption used was from 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.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

Schedule of Changes in the College's Death and Disability Total OPEB Liability and Related Ratios

		2025	2024	2023	2022	2021	2020	2019	2018
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
Total OPEB Liability									
Service Cost	$	**22,331**	23,836	21,031	20,253	18,190	16,790	16,606	18,748
Interest Cost		**3,510**	3,560	1,145	2,454	3,249	4,494	13,081	11,083
Differences Between Actual and Expected Experience		**(3,936)**	(27,932)	49,723	(18,405)	29,665	(23,126)	(255,244)	-
Changes in Assumptions and Other Inputs		**56**	(269)	10,480	101	6,633	1,084	(1,064)	(11,868)
Benefit Payments		**(2,986)**	(1,200)	(73,733)	(52,737)	(30,454)	(17,548)	(28,039)	(50,479)
Net Changes in Total OPEB Liability		**18,975**	(2,005)	8,646	(48,334)	27,283	(18,306)	(254,660)	(32,516)
Total OPEB Liability - Beginning of Year		**75,304**	77,309	68,663	116,997	89,714	108,020	362,680	395,196
Total OPEB Liability - End of Year	$	**94,279**	75,304	77,309	68,663	116,997	89,714	108,020	362,680
State's Proportionate Share of the Total OPEB Liability	$	**94,279**	75,304	77,309	68,663	116,997	89,714	108,020	362,680
Covered Payroll	$	**9,396,690**	8,413,139	8,416,750	8,289,285	8,139,444	7,891,822	7,734,830	8,002,887
Total OPEB Liability as a Percentage of Covered Payroll		**1.00%**	0.90%	0.92%	0.83%	1.44%	1.14%	1.40%	4.53%

Notes to Schedule

Changes of Assumptions and Other Inputs
Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% on June 30, 2016, 3.58% on June 30, 2017, 3.87% on June 30, 2018, 3.5% on June 30, 2019, 2.21% on June 30, 2020, 2.16% on June 30, 2021, 3.54% on June 30, 2022, 3.65% on June 30, 2023, and 3.93% on June 30, 2024.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the College will present information for those years for which information is available.

SEWARD COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2025

Schedule of the College's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System (KPERS)

Fiscal Year-End	**June 30, 2025**	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
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
The College's proportion of the collective net pension liability	**0.0036%**	0.0027%	0.0026%	0.0025%	0.0014%	0.0018%	0.2675%	0.2301%	0.0069%	0.0486%
The College's proportionate share of the net pension liability	$ **162,103**	131,058	131,333	97,299	70,396	82,981	121,402	105,353	3,121	22,555
The State's proportionate share of the net pension liability	**11,633,579**	11,504,413	11,726,900	9,812,303	12,871,375	11,094,104	11,414,682	12,639,689	13,158,331	13,656,854
Total proportionate share of the net pension liability	$ **11,795,682**	11,635,471	11,858,233	9,909,602	12,941,771	11,177,085	11,536,084	12,745,042	13,161,452	13,679,409
The College's covered payroll	$ **10,310,234**	9,057,106	8,669,275	8,788,531	8,530,959	8,115,032	8,402,292	8,399,928	8,644,951	8,413,915
The College's proportionate share of the collective net pension liability as a percentage of its covered payroll	**1.57%**	1.45%	1.51%	1.11%	0.83%	1.02%	1.44%	1.25%	0.04%	0.27%
Plan fiduciary net position as a percentage of the total pension liability	**72.75%**	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

Covered payroll is measured as of the measurement date, the most recent of which was June 30, 2024.

Note: Information on this schedule is measured as of the measurement date.

Share of the College's Contributions
Kansas Public Employees Retirement System (KPERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ **17,707**	13,406	12,875	12,183	6,714	8,258	10,656	7,775	217	1,415
Contributions in relation to the contractually required contribution	**17,707**	13,406	12,875	12,183	6,714	8,258	10,656	7,775	217	1,415
Contribution deficiency (excess)	$ **-**	-	-	-	-	-	-	-	-	-
The College's covered payroll	$ **10,606,426**	10,310,234	9,057,106	8,669,275	8,788,531	8,530,959	8,115,032	8,402,292	8,399,928	8,644,951
Contributions as a percentage of covered payroll	**0.17%**	0.13%	0.14%	0.14%	0.08%	0.10%	0.13%	0.09%	0.00%	0.02%

KPERS Pension Plan

Changes in assumptions.

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 7.00%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

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%.

As a result of the experience study completed in January 2024, there were several changes made to the actuarial assumptions and methods since the prior valuation.

- The general wage growth assumption was increased from 12.00% to 15.50%.

- The active member mortality assumption was modified to also be based on the Pub 2010 Mortality Table with adjustments.

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

- Retirement rates for the C60 group were adjusted to partially reflect observed experience.
- The probability of KPERS 1 members leaving their contributions with the System were modified to better reflect observed experience.
- Disability rates were reduced.
- Factors 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 component of the actuarial required contribution rate was increased from 0.18% to 0.23%.
- The merit salary increase assumption was increased.

SEWARD COUNTY COMMUNITY COLLEGE

Supplementary Financial Information

SEWARD COUNTY COMMUNITY COLLEGE
Combining Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Actual and Budget
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2025

	General			Postsecondary Technical Education			Adult Supplementary Education			Truck Driver Training Course			Capital Outlay		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
Revenues															
Student Tuition and Fees	$ 2,310,300	3,900,000	(1,589,700)	1,127,208	1,225,000	(97,792)	79,891	200,000	(120,109)	88,990	465,000	(376,010)	-	-	-
County Property Taxes	9,874,543	10,196,428	(321,885)	-	-	-	-	-	-	-		-	364,673	-	364,673
Federal Grants and Contracts	1,272,638	250,000	1,022,638	-	-	-	-	-	-	-	75,000	(75,000)	-	1,200,000	(1,200,000)
State Grants and Contracts	1,662,731	2,900,731	(1,238,000)	2,136,662	2,449,544	(312,882)	-	-	-	93,689		93,689	177,091	664,673	(487,582)
Investment Income	759,961	650,000	109,961	-	-	-	-	-	-	-		-	360	100	260
Miscellaneous	632,782	1,850,000	(1,217,218)	166,583	125,000	41,583	20,739	50,000	(29,261)	7,200	40,000	(32,800)	478,067	550,000	(71,933)
Total Revenues	16,512,955	19,747,159	(3,234,204)	3,430,453	3,799,544	(369,091)	100,630	250,000	(149,370)	189,879	580,000	(390,121)	1,020,191	2,414,773	(1,394,582)
Expenditures and Encumbrances															
Educational Services															
Instruction	3,300,856			4,300,011			134,044			611,796			114,441		
Academic Support	170,099			83,317			-			-			7,896		
Student Services	2,950,943			333,642			-			-			13,038		
Institutional Support	3,588,433			688,417			-			-			223,081		
Operation and Maintenance	4,183,882			1,192,385			-			-			-		
Scholarships, Grants, and Awards	1,209,746			-			-			-			-		
Auxiliary Enterprises	22,336			4,666			-			-			-		
Bad Debt	106,748			-			-			-			-		
Total Expenditures and Encumbrances	15,533,043	17,616,194	2,083,151	6,602,438	7,420,000	817,562	134,044	185,000	50,956	611,796	1,024,533	412,737	358,456	4,200,000	3,841,544
Revenues Over (Under) Expenditures and Encumbrances	979,912	2,130,965	(1,151,053)	(3,171,985)	(3,620,456)	448,471	(33,414)	65,000	(98,414)	(421,917)	(444,533)	22,616	661,735	(1,785,227)	2,446,962
Other Financing Sources															
Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	1,507,492	2,000,000	(492,508)
Transfers In	231,741	-	231,741	3,250,000	3,250,000	-	-	-	-	350,000	350,000	-	37,000	-	37,000
Transfers Out	(3,728,984)	(3,728,985)	1	-	-	-	-	-	-	-	-	-	(37,000)	-	(37,000)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Encumbrances	(2,517,331)	(1,598,020)	(919,311)	78,015	(370,456)	448,471	(33,414)	65,000	(98,414)	(71,917)	(94,533)	22,616	2,169,227	214,773	1,954,454
Fund Balance - Beginning of Year	6,354,306	7,194,491	(840,185)	177,952	548,407	(370,455)	50,154	18,001	32,153	94,327	94,533	(206)	(1,637,205)	(150,677)	(1,486,528)
Fund Balance, End of Year	**$ 3,836,975**	**5,596,471**	**(1,759,496)**	**255,967**	**177,951**	**78,016**	**16,740**	**83,001**	**(66,261)**	**22,410**	**-**	**22,410**	**532,022**	**64,096**	**467,926**

SEWARD COUNTY COMMUNITY COLLEGE
Combining Schedule of Revenues, Expenditures,
Encumbrances, and Changes in Fund Balance - Actual and Budget
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2025

	Bookstore			Dorm/Cafeteria			Cosmetology			Auto Business Management			Total Auxiliary Enterprise		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
Revenues															
Student Tuition and Fees	$ -	-	-	-	-	-	2,277	-	2,277	-	-	-	2,277	-	2,277
Auxiliary Income	717,938	750,000	(32,062)	1,628,095	1,600,000	28,095	53,761	50,000	3,761	-	-	-	2,399,794	2,400,000	(206)
Miscellaneous	-	-	-	1,500	-	1,500	-		-	-	-	-	1,500	-	1,500
Total Revenues	717,938	750,000	(32,062)	1,629,595	1,600,000	29,595	56,038	50,000	6,038	-	-	-	2,403,571	2,400,000	3,571
Expenditures and Encumbrances															
Educational Services															
Student Services	-			55,099			-			-			55,099		
Operation and Maintenance	-			54,388			-			-			54,388		
Auxiliary Enterprises	664,351			1,471,536			35,812			-			2,171,699		
Total Expenditures and Encumbrances	664,351	735,000	70,649	1,581,023	1,675,000	93,977	35,812	50,000	14,188	-	-	-	2,281,186	2,460,000	178,814
Revenues Over (Under) Expenditures and Encumbrances	53,587	15,000	38,587	48,572	(75,000)	123,572	20,226	-	20,226	-	-	-	122,385	(60,000)	182,385
Other Financing Uses															
Transfers Out	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Encumbrances	53,587	15,000	38,587	48,572	(75,000)	123,572	20,226	-	20,226	-	-	-	122,385	(60,000)	182,385
Fund Balance - Beginning of Year	5,407	8,093	(2,686)	1,229,555	1,326,657	(97,102)	274,330	274,990	(660)	7,226	7,226	-	1,516,518	1,616,966	(100,448)
Fund Balance, End of Year	**$ 58,994**	**23,093**	**35,901**	**1,278,127**	**1,251,657**	**26,470**	**294,556**	**274,990**	**19,566**	**7,226**	**7,226**	**-**	**1,638,903**	**1,556,966**	**81,937**

SEWARD COUNTY COMMUNITY COLLEGE
Notes to Supplementary Information
For the Year Ended June 30, 2025

Reconciliation of Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on a regulatory basis to GAAP basis.

	General	Postsecondary Technical Education	Adult Education	Truck Driver Training Course	Capital Outlay	Auxiliary Enterprise	**Total Budgetary Funds**	Non-budgetary Funds	**Total All Funds**
Revenues									
Actual Amounts (Regulatory Basis) Revenues									
from Combining Schedule	$ 16,512,955	3,430,453	100,630	189,879	2,527,683	2,403,571	**25,165,171**	6,094,445	**31,259,616**
Accounts Receivable Adjustment	(68,244)	(12,202)	(1,199)	(1,275)	-	25,708	**(57,212)**	15,944	**(41,268)**
Change in Allowance for Doubtful Accounts	(19,655)	-	-	-	-	-	**(19,655)**	-	**(19,655)**
Scholarship Discounts and Allowances - In and Out	(1,823,459)	-	-	-	-	(676,426)	**(2,499,885)**	-	**(2,499,885)**
Pension Revenue - In and Out	1,631,397	-	-	-	-	-	**1,631,397**	-	**1,631,397**
Deferred Tuition Adjustment	(40,857)	-	-	-	-	-	**(40,857)**	-	**(40,857)**
Federal and State Grants Receivable Adjustment	-	-	-	-	-	-	**-**	(252,761)	**(252,761)**
Federal and State Grants Deferred Revenue Adjustment	-	-	-	-	-	-	**-**	(73,704)	**(73,704)**
Total Revenues as Reported on the Statement of Revenues, Expenses and Change in Net Position	16,192,137	3,418,251	99,431	188,604	2,527,683	1,752,853	**24,178,959**	5,783,924	**29,962,883**
Expenditures									
Actual Amounts (Regulatory Basis) Expenditures									
from Combining Schedule	15,533,043	6,602,438	134,044	611,796	358,456	2,281,186	**25,520,963**	4,900,510	**30,421,473**
Adjustments:									
Inventory Adjustment	-	-	-	-	-	64,475	**64,475**	-	**64,475**
Change in Debt	(160,000)	-	-	-	1,632,706	-	**1,472,706**	5,289	**1,477,995**
Accrued Bond Interest	-	-	-	-	-	-	**-**	(1,157)	**(1,157)**
Change in Compensated Absences	67,020	-	-	-	-	-	**67,020**	-	**67,020**
Change in Prepaid Expenses	257,656	-	-	-	-	14,914	**272,570**	27,137	**299,707**
Net Capital Assets Transactions	(1,358,600)	(26,018)	-	-	(1,395,585)	(71,428)	**(2,851,631)**	(1,338,856)	**(4,190,487)**
Depreciation Expense	-	-	-	-	-	-	**-**	2,869,451	**2,869,451**
Change in OPEB Obligation	(54,062)	-	-	-	-	-	**(54,062)**	-	**(54,062)**
Change in Net Pension Obligation	23,181	-	-	-	-	-	**23,181**	-	**23,181**
Change in Early Retirement Obligation	(198,221)	-	-	-	-	-	**(198,221)**	-	**(198,221)**
Scholarship Discounts and Allowances - In and Out	(1,823,459)	-	-	-	-	(676,426)	**(2,499,885)**	-	**(2,499,885)**
Pension Revenue - In and Out	1,631,397	-	-	-	-	-	**1,631,397**	-	**1,631,397**
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the items are received for GAAP reporting -									
Less 2025 Encumbrances	(737,987)	(37,171)	-	-	(163,976)	(84,100)	**(1,023,234)**	(257,224)	**(1,280,458)**
Plus 2024 Encumbrances	663,241	75,933	-	-	1,486,529	-	**2,225,703**	798,274	**3,023,977**
Total Expenditures as Reported on the Statement of Revenue, Expenses and Change in Net Position	13,843,209	6,615,182	134,044	611,796	1,918,130	1,528,621	**24,650,982**	7,003,424	**31,654,406**
Revenues Over (Under) Expenditures	2,348,928	(3,196,931)	(34,613)	(423,192)	609,553	224,232	**(472,023)**	(1,219,500)	**(1,691,523)**
Other Financing Sources (Uses)									
Transfers In	231,741	3,250,000	-	350,000	37,000	-	**3,868,741**	(3,868,741)	**-**
Transfers Out	(3,728,984)	-	-	-	(37,000)	-	**(3,765,984)**	3,765,984	**-**
Net Increase (Decrease) in Net Position, as Reported on the Statement of Revenues, Expenses and Change in Net Position	(1,148,315)	53,069	(34,613)	(73,192)	609,553	224,232	**(369,266)**	(1,322,257)	**(1,691,523)**
Net Position, Beginning of Year, As Stated	8,854,413	622,763	47,616	289,907	1,532,517	3,317,816	**14,665,032**	13,422,551	**28,087,583**
Prior Period Restatement	(340,019)	-	-	-	-	-	**(340,019)**	(1,580)	**(341,599)**
Net Position, Beginning of Year, As Restated	8,514,394	622,763	47,616	289,907	1,532,517	3,317,816	**14,325,013**	13,420,971	**27,745,984**
Net Position, End of Year	$ 7,366,079	675,832	13,003	216,715	2,142,070	3,542,048	**13,955,747**	12,098,714	**26,054,461**

SEWARD COUNTY COMMUNITY COLLEGE

Single Audit Information

INDEPENDENT AUDITORS' 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*

To the Board of Trustees
Seward County Community College
Liberal, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business–type activities and the discretely presented component unit of **Seward County Community College**, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise **Seward County Community College's** basic financial statements, and have issued our report thereon dated January 12, 2026. The financial statements of Seward County Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Seward County Community College Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

January 12, 2026

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

To the Board of Trustees
Seward County Community College
Liberal, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditors' 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 **Seward County Community College's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and 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 **Seward County Community College's** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Seward County Community College's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of **Seward County Community College's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Seward County Community College's** internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

Government Auditing Standards requires the auditor to perform limited procedures on **Seward County Community College's** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Seward County 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001, to be a significant deficiency.

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 **Seward County 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. **Seward County 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

January 12, 2026

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

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
Department of Education			
Direct Funding			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	P063P243058	$ 2,399,293
Federal Supplemental Educational Opportunity Grants	84.007	P007A241551	52,745
Federal Work-Study Program	84.033	P033A241551	47,039
Federal Direct Student Loans	84.268	P268K253058	366,938
Total Student Financial Assistance Cluster			2,866,015
TRIO Cluster			
TRIO Student Support Services	84.042	P042A200580	345,904
Passed Through Kansas Board of Regents			
Career and Technical Education - Basic Grants to States	84.048	3539	157,166
Adult Education - Basic Grants to States	84.002	3042-3000	254,747
Total Passed Through Kansas Board of Regents			411,913
Total U.S. Department of Education			3,623,832
National Science Foundation			
Research and Development Programs			
Passed Through Fort Hays State University			
STEM Education	47.076	1758501	2,488
Passed Through Kansas State University			
STEM Education	47.076	S19033	8,729
Total National Science Foundation			11,217
Department of Defense			
Passed through Kansas State University			
Centers for Academic Excellence	12.598	N/A	27,948
Department of the Treasury			
Passed through Kansas Department of Commerce			
COVID-19 Funding - Coronavirus State and Local Fiscal Recovery Funds	21.027	FY23-CTC-SEW	676,945
Total Expenditures of Federal Awards			**$ 4,339,942**

Note: There were no awards to sub-recipients during the year.

See accompanying notes to schedule of expenditures of federal awards.

SEWARD COUNTY COMMUNITY COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Seward County Community College** under programs of the federal government for the year ended June 30, 2025**.**The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the net position, changes in net position, or cash flows of the College.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The College has elected not to use the de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 4 – FEDERAL LOAN PROGRAMS

The Federal Direct Student Loans is a program where a student or student's parent applies for a federal loan. When the loan is approved, the money is transferred to a bank account in **Seward County Community College's** name, but the loan funds are designated for the individual student. Total new loans made to eligible students and/or students' parents pursuant to this program totaled $366,938 for the year ended June 30, 2025.

SEWARD COUNTY COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:				
Business-Type Activities			Unmodified	
Discretely Presented Component Unit			Unmodified	
Internal control over financial reporting:				
● Material weakness identified?		Yes	X	No
● Significant deficiency identified?		Yes	X	None Reported
● Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
● Material weakness identified?		Yes	X	No
● Significant deficiency identified?	X	Yes		None Reported
Type of auditors' report issued on compliance for major programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	X	Yes		No

Identification of major programs:

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.268	Federal Direct Student Loans

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2025-001 – Student Financial Assistance Cluster – Special Tests and Provisions – NSLDS Enrollment Reporting

Criteria or specific requirement
Institutions are required to report enrollment information under the Pell Grant Program and the Federal Direct Student Loans via the National Student Loan Data System (NSLDS). Because the administration of the Title IV programs depends heavily upon the accuracy and timeliness of the enrollment information reported by institutions, they must review, update, and certify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file.

Condition
During testing, it was determined that 3 of the 60 students tested for enrollment status changes had a missing graduation status or a late certification date for a graduation status reflected within their NSLDS reporting.

Context
2 of the 3 students noted had graduated from their program, but that graduation status was not reported to NSLDS. Upon the students failing to enroll in the subsequent compulsory term, they were instead mistakenly reported as being withdrawn. For the final student, their graduation status was not reported timely.

Cause
The office responsible for the graduation reporting was short-staffed at times during the year ended June 30, 2025. As a result of the increased workload on the remaining staff members, reporting accuracy and timeliness was not always met. Human error was responsible for the remainder.

Effect
Certain students did not have wholly accurate and timely information reported within NSLDS.

Recommendation
We recommend that the College review its control policies to ensure that reporting is completed accurately and timely.

Views of responsible officials
See Corrective Action Plan.

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

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCIES

2024-001

Condition
Accounts payable were not clearing out of the liability accounts correctly.

Recommendation
We recommend that the liability accounts be periodically reviewed to determine whether the balances accurately reflect outstanding amounts.

Status
Corrected.

2024-002

Condition
Prior audit adjustments were not recorded on the books at year-end.

Recommendation
Audit adjustments provided to the College should be posted to ensure the balances in the accounting system are accurate as verified by the audit.

Status
Corrected.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

2024-003 – Student Financial Assistance Cluster – Special Tests and Provisions – NSLDS Enrollment Reporting

Condition
During testing, it was determined that 31 of the 60 students tested for enrollment status changes had missing status changes, late certification dates, or incorrect information reflected within their NSLDS reporting.

Recommendation
We recommend that the College review its control policies to ensure that reporting is completed accurately and timely. Wherever possible, any technological errors discovered should be pursued with the responsible party in order to try to determine a cause, and a solution or preventative measure should be

implemented to prevent future errors from occurring.

Status
Ongoing. See finding 2025-001.

Corrective Actions
During the year ended June 30, 2025, the National Student Clearinghouse reporting responsibility, excluding that of graduation reporting, was transitioned to the Financial Aid Office. The employee who took on that responsibility underwent training with the Clearinghouse and worked with the College's Office of Assessment and Research to ensure that all parameters were set up correctly within Banner to ensure that reported information pulls correctly from the software. Submission deadlines were also added to Financial Aid Office calendars to ensure that regular reporting deadlines are met.