SALINA AREA TECHNICAL COLLEGE
Salina, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
June 30, 2021

SALINA AREA TECHNICAL COLLEGE
Salina, Kansas

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SALINA AREA TECHNICAL COLLEGE
Salina, Kansas

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Salina Area Technical College
Salina, Kansas

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component unit of Salina Area Technical College, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit as of June 30, 2021 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, 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 inquires of management regarding 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 assurance on the information because limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the net position of the business activities and aggregate discretely presented component unit of the College as a whole. The supplementary information which includes the schedule of revenues and expenses compared to budget and the schedule of expenses by function and object for the year ended June 30, 2021 (as listed in the table of contents) are presented for analysis and are not a required part of the 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The schedules listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 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 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 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.

Harold K. Mayes Jr

Harold K Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Ks
December 15, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Our discussion and analysis of Salina Area Technical College (College) financial performance provides an overview of the College's financial activities for the fiscal year ended June 30, 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, it should be read in conjunction with the College's financial statements, which follow this section.

USING THIS ANNUAL REPORT

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* issued June 1999; and GASB Statement No. 37, *Basic Financial Statement – and Management Discussion and Analysis – for State and Local Governments: Omnibus,* an amendment to GASB Statement No. 21 and No. 34, issued in June 2001. This financial statement format (implemented in the fiscal year ended June 30, 2010) focuses on the College as a whole.

The financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus on the Statement of Net Position is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of College activities, which are supported substantially by state aid, state and federal grants, student tuition and fees. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

FINANCIAL HIGHLIGHTS

Total net position was $5,320,887 on June 30, 2021 which is an increase of $291,652 from the previous year. This increase was due to an increase in state appropriation and federal grant funds. A larger proportionate enrollment from HS students which led to an increase in state revenue in secondary aid but a lower-than-expected postsecondary enrollment which led to a lower-than-expected tuition revenue. The cumulative effect led to a decrease in revenue. The expenses were higher due to the larger enrollment but some of the expected costs were offset by federal grants from the federal (HEERF grant) funding. Some of these funds were able to reduce expected costs for the year. Due to nonoperating higher revenues and lower expenses, the college set up an endowed fund with the foundation to cover future expenses. This endowed fund was matched by an external foundation which increased the amount available for the future.

Overall revenues were $6,250,857 which was more than expenses of $5,959,205 by $291,652. Revenue from postsecondary tuition and fees were lower than the previous year but secondary aid increased. The main cause of the decrease in revenue can be linked to COVID-19 pandemic. The economic outlook for the near future is positive due to expected increases in enrollment next year.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the College. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first three statements, provide both short-term and long-term information about the entity's overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the College operations in more detail. The College has only one fund as of June 30, 2021.

OVERVIEW OF FINANCIAL STATEMENTS - continued

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of supplementary information that further explains and supports the financial statements.

Government-Wide Statements

The government-wide statements report information about the College as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the College's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in fund balance regardless of when cash is received or paid.

The government-wide statements report the College's net position and how it has changed. Net position, the difference between the assets and liabilities, are one way to measure the College's financial health.

- Over time, increases or decreases in the College's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the College, one needs to consider additional non-financial factors such as changes in enrollment, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the College include all activities. The College's basic services are included here, such as regular education, maintenance, and general administration. Tuition, state aid and federal and state grants finance most of these activities.

Fund Financial Statements

- The fund financial statements provide more detailed information about the College's most significant funds; not the College as a whole. Funds are accounting devices that the College uses to keep track of specific sources of funding and spending for particular programs. As of June 30, 2020 the College only has one fund.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

FINANCIAL HIGHLIGHTS

As the College completed the year, its operations reported a net increase of $291,652 over last year's operations. Tuition and state appropriations are the primary source of funding for the College's academic programs.

Net Position

The College's combined net position was $5,320,887 at June 30, 2021. See Table 1 which follows.

Operating Fund Budgetary Highlights

Over the course of the year, the College may revise its annual budget to reflect unexpected changes in revenues and expenditures. If applicable, a schedule of the College's original and final budget amounts compared with actual revenues and expenses is provided in the supplemental section of the audited financial report.

Changes in Net Position

The College's total revenues were $6,250,857. Revenue sources are as follows: state aid of $3,165,813 or 51%, student tuition and fees of $1,711,177or 27%, grants and contracts of $1,145,482 or 18%, other of $134,817 or 2%, bookstore sales of $88,703 or 1%, and interest income of $4,865 or less than 1%. See Table 2 which follows. The total cost of all programs and services was $5,959,205. The College's expenses are predominately related to instruction of students of $2,659,907 or 45%, academic support of $253,322 or 4%, and student services expenses of $485,504 or 8%. The College's other expenses were administrative expenses of $956,946 or 16%, maintenance expenses of $899,641 or 15%, cost of books sold of $103,642 or 2%, grants and contract expenses of $519,665 or 9% and other of $80,578 or 1%. There are currently no other known facts, decisions or conditions that will have a significant effect on the financial position (net position) or results of operations (revenues, expenses, and change in net position).

Table 1 -- Net Position
This schedule is prepared from the College's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

	2021 Business-type Activities	2020 Business-type Activities	Net change
ASSETS			
Currents Assets			
Cash and demand deposits	$ 3,032,956	$ 2,634,173	$ 398,783
Cash - Student accounts	16,401	14,205	2,196
Accounts receivable net of allowance for doubtful accounts	457,075	516,600	(59,525)
Inventory	138,706	116,530	22,176
Prepaid expenses	12,389	78,599	(66,210)
Total current assets	3,657,527	3,360,107	297,420
Noncurrent Assets			
Capital assets, net	1,917,149	1,908,867	8,282
Total noncurrent assets	1,917,149	1,908,867	8,282
Total assets	$ 5,574,676	$ 5,268,974	$ 305,702
LIABILITIES			
Current Liabilities			
Accounts payable	$ 42,741	$ 42,311	$ 430
Accrued liabilities	194,647	183,223	11,424
Due to student accounts	16,401	14,205	2,196
Total current liabilities	253,789	239,739	14,050
NET POSITION			
Invested in capital assets, net of any related debt	1,917,149	1,908,867	8,282
Unrestricted	3,403,738	3,120,368	283,370
Total net position	$ 5,320,887	$ 5,029,235	$ 291,652

Table 2 -- Changes in Net Position

	2021 Business-type Activities	2020 Business-type Activities	Net Change
REVENUES			
Operating Revenues			
Student tuition	$ 1,379,206	$ 1,585,446	$ (206,240)
Institution fees	162,127	180,171	(18,044)
Program fees	108,858	146,068	(37,210)
Testing Fee	60,986	62,213	(1,227)
Administrative	7,342	5,823	1,519
Bookstore sales	88,703	125,143	(36,440)
Other	28,481	24,444	4,037
Total operating revenues	1,835,703	2,129,308	(293,605)
EXPENSES			
Operating Expenses			
Instruction	2,659,907	2,400,806	259,101
Academic support	253,322	219,174	34,148
Student services	485,504	428,909	56,595
Administration	956,946	972,487	(15,541)
Maintenance	899,641	910,713	(11,072)
Cost of books sold	103,642	146,376	(42,734)
Total operating expenses	5,358,962	5,078,465	280,497
Operating income (loss)	(3,523,259)	(2,949,157)	(574,102)
NONOPERATING REVENUES (EXPENSES)			
State appropriations	3,165,813	3,018,021	147,792
Capital outlay grant	121,941	120,669	1,272
Capital outlay expenses	(29,438)	0	(29,438)
Carl Perkins grant	64,988	75,637	(10,649)
Carl Perkins expenses	(67,921)	(69,705)	1,784
COVID grant	933,553	57,651	875,902
COVID grant expenses	(422,306)	(57,651)	(364,655)
Vehicle Extravaganza income	4,859	5,967	(1,108)
Vehicle Extravaganza expenses	(4,067)	(2,416)	(1,651)
Summer Camp revenue	2,540	4,447	(1,907)
Summer Camp expenses	(3,280)	0	(3,280)
Other grants	25,000	228,497	(203,497)
Other expenses	0	(146,030)	146,030
Work orders revenue	86,931	41,268	45,663
Work orders expenses	(73,231)	(29,088)	(44,143)
Rent income	4,664	6,994	(2,330)
Investment income	4,865	22,957	(18,092)
Net nonoperating revenues	3,814,911	3,277,218	537,693
Increase in net position	291,652	328,061	(36,409)
Net position - beginning of year	5,029,235	4,701,174	328,061
Net position - end of year	$ 5,320,887	$ 5,029,235	$ 291,652

CAPITAL ASSETS

Table 3 -- Capital Assets

	2021 Business-type Activities	2020 Business-type Activities	Net Change
Capital Assets			
Leasehold improvements	$ 3,162,453	$ 3,162,452	$ 1
Furniture	120,831	120,831	0
Equipment	2,123,965	1,794,175	329,790
Vehicles	95,644	95,644	0
Computer software	167,671	150,761	16,910
Computer	749,839	749,839	0
Construction in process	5,766	0	5,766
TOTAL COSTS	6,426,169	6,073,702	352,467
Less Accumulated Depreciation			
Leasehold improvements	1,754,578	1,544,747	209,831
Furniture	109,026	102,846	6,180
Equipment	1,707,767	1,637,300	70,467
Vehicles	90,404	87,269	3,135
Computer software	152,170	150,761	1,409
Computer	695,075	641,912	53,163
TOTAL ACCUMULATED DEPRECIATION	4,509,020	4,164,835	344,185
Net Capital Assets	$ 1,917,149	$ 1,908,867	$ 8,282

The College did not report capital assets and accumulated depreciation until 2010 when the College switched from a cash basis reporting in 2009 to full accrual basis. The College believes that capital assets not capitalized in prior years would be fully depreciated and thus has not made any adjustments for capital assets and accumulated depreciation for years prior to July 1, 2009.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economic outlook is questionable due to the continuance of the COVID-19 pandemic. The future enrollment trend is upward, but factors surrounding the pandemic may cause unintended consequences within some programs that might affect enrollment. The college received continued accreditation from the Higher Learning Commission in 2021. The College also seeks to expand partnerships with USDs in the area to bolster recruitment and access for our service area.

The Excel in CTE initiative has support in the legislature and the governor's office. A recent change in law allocates the funding of secondary aid one time per year based upon fall enrollment to be reconciled in future budget years. This will stabilize the projected secondary aid projection for the year, but reconciliation will affect future budgets. Statewide economic outlook for FY22 and FY23 are positive, but there is a projected gap in funding beyond that timeframe.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES – continued

The College has approximately 38 general education courses taught throughout the institution, but approximately 10 are available on campus. The College has expanded online course offerings to bolster the general education enrollment and provide options for students in various programs. The College is looking to expand online and hybrid course offerings in some technical programs.

The College has continued to expand their general education course offering to give students a more diverse education. With accreditation, the College is expanding its inventory of general education courses and now offers a wide array on campus, online, and with our concurrent partners. These course are low enrolled but continue to expand and grow.

The College is sound fiscally and has grown the current asset position in the current year. Expenditures are carefully monitored to keep the College positioned for unanticipated events, such as gaps in state appropriations. The College has no debt and is able to maintain a healthy reserve position relative to the approved budget.

The College utilizes a network of industry partners to secure equipment and materials needed within various programs. The College also seeks various grants, such as those used to remodel the LRC and the Nursing expansion grant, to leverage the limited resources on hand. The need for additional partnerships and philanthropy will continue as questions about future state funds and other resources.

Looking to the Future

The College experienced growth for four years prior to the COVID-19 pandemic. There was a lower enrollment this year, but future years should return to increased growth. Staff and faculty positions will need to be evaluated to ensure appropriate levels for meeting student and enrollment needs. The college is limited in space within its current facilities and should look to change the enrollment options to increase capacity during alternate times of the day in order to manage the past growth and future needs.

To realize new avenues for expansion, the College is seeking different ways to utilize the campus. Most of the full time programs the College offers are held during the daytime, with minimal activity occurring during nights, weekends, and the summer months. The College is investigating ways of offering courses during these times, if applicable. The College is also seeking to improve recruiting efforts to attract more students in postsecondary programs. In addition, the College is seeking ways to leverage business and industry training, especially due to the pandemic.

Contingencies and Commitments

Accreditation – The Kansas Board of Regents requires that all technical colleges be accredited by the Higher Learning Commission. Salina Area Technical College is accredited by the Higher Learning Commission, a regional accreditation agency recognized by the U.S Department of Education.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, Kansas Board of Regents, taxpayers, parents, participants, investors and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. For further information please contact Greg Nichols, President, 2562 Centennial Rd. Bldg. A, Salina, Kansas 67401.

FINANCIAL STATEMENTS

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Statements of Net Position

June 30, 2021

	Business-type Activities	Component Unit Foundation
ASSETS		
CURRENT ASSETS		
Cash and demand deposits	$ 3,032,956	$ 401,152
Cash - Student accounts	16,401	0
Total cash & cash equivalents	3,049,357	401,152
Investments - available for sale	0	745,464
Accounts receivable, net of allowance for doubtful accounts	457,075	885
Inventories	138,706	0
Prepaid expenses	12,389	0
Total other current assets	608,170	746,349
Total current assets	3,657,527	1,147,501
NONCURRENT ASSETS		
Capital assets, net	1,917,149	0
Total noncurrent assets	1,917,149	0
Total assets	$ 5,574,676	$ 1,147,501
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 42,741	$ 2,500
Accrued liabilities	194,647	0
	16,401	0
Total current liabilities	253,789	2,500
NET POSITION		
Invested in capital assets	$ 1,917,149	$ 0
Restricted for		
Expendable		
Scholarships and fellowships	0	709,556
Unrestricted - unassigned	3,403,738	435,445
Total net position	$ 5,320,887	$ 1,145,001

The accompanying notes are an integral part of these statements.

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Statements of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Business-type Activities	Component unit Foundation
REVENUES		
Operating Revenues		
Student tuition	$ 1,379,206	$ 0
Institution fees	162,127	0
Program fees	108,858	0
Testing fees	60,986	0
Administrative	7,342	0
Bookstore	88,703	0
Contributions	0	749,336
Other	28,481	0
Total operating revenues	1,835,703	749,336
EXPENSES		
Operating Expenses		
Instruction	2,659,907	0
Academic support	253,322	0
Student Services	485,504	0
Administration	956,946	0
Maintenance	899,641	0
Bookstore	103,642	0
Scholarships	0	51,386
Other	0	28,523
Total operating expenses	5,358,962	79,909
Operating income (loss)	(3,523,259)	669,427
NONOPERATING REVENUES (EXPENSES)		
State appropriations	3,165,813	0
Capital outlay grant	121,941	0
Capital outlay expenses	(29,438)	0
Carl Perkins grant	64,988	0
Carl Perkins expenses	(67,921)	0
COVID grant	933,553	0
COVID grant expenses	(422,306)	0
Vehicle Extravaganza income	4,859	0
Vehicle Extravaganza expenses	(4,067)	0
Summer Camp revenue	2,540	0
Summer Camp expenses	(3,280)	0
Other grants	25,000	0
Work orders revenue	86,931	0
Work orders expenses	(73,231)	0
Rent Income	4,664	0
Investment income	4,865	17,805
Investment fees	0	(4,583)
Realized gains (losses) on investments	0	(14)
Unrealized appreciation (depreciation) on investments	0	117,163
Net nonoperating revenues	3,814,911	130,371

The accompanying notes are an integral part of these statements.

SALINA AREA TECHNICAL COLLEGE
Salina, Kansas

Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021

	Business-type Activities	Component unit Foundation
Increase (Decrease) in net assets	$ 291,652	$ 799,798
NET POSITION		
Net position - beginning of year	5,029,235	345,203
Net position - end of year	$ 5,320,887	$ 1,145,001

The accompanying notes are an integral part of these statements.

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Statements of Cash Flows

For the Year Ended June 30, 2020

	Business-type Activities	Component unit Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition	$ 1,426,368	$ 0
Institution fees	162,127	0
Program fees	108,858	0
Testing fees	60,986	0
Administrative	7,342	0
Bookstore sales	88,703	0
Contributions	0	749,336
Other	28,481	0
Employee and supplier expense	(4,946,526)	(79,909)
Net cash provided (used) by operating activities	(3,063,661)	669,427
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	3,165,813	0
Grant income	1,145,482	0
Grant expenses	(519,665)	0
Other Income	98,994	0
Other Expense	(80,578)	0
Increase in cash for student accounts	2,195	0
Net cash provided by noncapital financing activities	3,812,241	0
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of capital assets	(352,466)	0
Net cash used by capital financing activities	(352,466)	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest/dividends on investments	4,865	17,805
Investment fees	0	(4,584)
Investment purchases	0	(284,656)
Investment sales	0	0
Net cash provided by investing activities	4,865	(271,435)
Net increase (decrease) in cash	400,979	397,992
Cash - beginning of the year	2,648,378	3,160
Cash - end of year	$ 3,049,357	$ 401,152
REFLECTED ON STATEMENT OF NET POSITION:		
Cash and demand deposits	$ 3,032,956	$ 401,152
Cash in Student accounts	16,401	0
	$ 3,049,357	$ 401,152

The accompanying notes are an integral part of these statements.

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Statements of Cash Flows

For the Year Ended June 30, 2020

	Business-type Activities	Component unit Foundation
Reconciliation of net operating Income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$ (3,523,259)	$ 669,427
Adjustments to reconcile net income (loss) to net cash:		
Depreciation expense	344,185	0
Bad debt expense	12,363	0
Change in assets and liabilities:		
(Increase)/Decrease in receivables	47,162	0
(Increase)/Decrease in inventories	(22,176)	0
(Increase) Decrease in prepaid expenses	66,210	0
Increase/(Decrease) in accounts payable	430	0
Increase/(Decrease) in accrued liabilities	11,424	0
	$ (3,063,661)	$ 669,427

The accompanying notes are an integral part of these statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Salina Area Technical College (College), Salina, Kansas, a member institution of the Kansas Board of Regents system, provides a range of educational programs to meet the needs of the adult population of Salina Area. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula consistent with the needs of employers in the College's service area. The College also provides various developmental education programs, support services and offering to assist students in meeting their personal and professional educational objectives.

The College was originally established in 1964 as the Salina Area Vocational Technical School under the Kansas Statutes Annotated 72-4401 *et seq.* The School was governed by the local public school board, USD 305 until July 1, 2009. As a result of legislative action, the School applied to become an independent technical college and was granted college status under Kansas Statutes Annotated 72-4477a, et, seq. On July 1, 2009 the College began operations as Salina Area Technical College with a new Board of Trustees as their governance model.

The Board consists of nine members recruited and selected by the Board of Trustees. Members will serve staggered three year terms, not to exceed two consecutive terms. The board will try to maintain a diversity of members from various industries represented by the curricula of the college. The Board of Trustees establishes policy and overall direction by which the College is governed.

A. Reporting Entity

The Board of Trustees of Salina Area Technical College control is the basic level of government, which has oversight responsibility and control over all activities related to providing educational services to students. The Board receives funding from federal and state government source entities and must comply with the compliance requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity", as defined by the Governmental Accounting Standards Board pronouncement, since board members are appointed by various levels of local government and have their own board and have decision making authority, the power to designate management, the ability to significantly influence operations, and have primary accountability for fiscal matters.

The College has implemented Governmental Accounting Standards Board (GASB) Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity* to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

There are two methods of presentation of component units:

1. Blended component units, although a legally separate entity from the College, they are, in substance part of the College's operations and so data from these component units are combined with data of the College.
2. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the College.

The College has one component unit: Salina Area Technical College Foundation. The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation does not issue separate financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

A. Reporting Entity - continued

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operation and reporting model are FASB Statement 116, Accounting for Contributions Received and Contributions Made, and FASB Statement No. 117, Financial Reporting for Not-for-Profit Organizations.

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; however significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial statements – and Management's Discussion and Analysis, for State and Local Governments,* Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities*, issued in June and November, 1999 and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The financial statement presentation required by GASB Statements No. 34, 35 and 37 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows. Accordingly for financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Consequently, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency and intra-fund transactions have been eliminated.

Fund types and major funds consist of the following:

Governmental funds: The College has no governmental funds.

Proprietary funds

Financial statements of the reporting entity's programs are organized and reported as an enterprise fund and are accounted for by providing a set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Enterprise funds are used to account for business-like activities provided to students. These activities are financed primarily by tuition and/or state and federal funding and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the College's activities as an enterprise fund

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes; federal, state, and local grants; state appropriations, and other contributions. On an accrual basis, revenue from grants, state appropriations, and other contributions is 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 or 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.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. The College's reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to the current year presentation. The following is a summary of the more significant policies.

C. Cash and Cash Equivalents

Cash includes deposits held at local financial institutions plus small amounts maintained for change funds. Cash equivalents include certificates of deposit with maturities of three months or less.

D. Accounts Receivable

Accounts receivable consist primarily of student accounts for books and class fees. An allowance for doubtful accounts is based upon accounts sent to collection.

E. Inventories and Prepaid Items

Inventories consist primarily of items held for resale by the bookstore. Value is determined by the cost method for the bookstore. The bookstore costs are recorded as expenses as the inventory is consumed. Certain payments to vendors reflect costs applicable to future periods. Such payments, in the accompanying financial statements, are recorded as prepaid items and reflected as other assets.

F. Deferred Revenues

Deferred revenues include: (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year; and (2) amounts received from grant and contract sponsors that have not been earned. Total deferred revenue for year ended June 30, 2021 was $0.

G. Net Position

GASB Statement No. 34 reports equity as "Net Position" rather than "fund balance". Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. The College's net position is classified as follows:

Invested in capital assets – This represents the College's total investment in capital assets, net of accumulated depreciation.

Restricted net position – expendable – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first; then unrestricted resources when they are needed.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. Net Position - continued

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

H. Capital Assets

Capital assets include property, plant equipment, and infrastructure assets, such as parking lots and sidewalks. The College defines capital assets as assets with an initial unit cost of $4,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays of capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the College are depreciated using the straight-line method over the following useful lives:

Building improvements	7-15 years
Equipment	5-10 years
Vehicles	5 years
Computers	3 years

I. Classification of Revenues

The College has classified its revenues as either Operating or Non-Operating. Operating revenues include activities that have the characteristics of exchange transactions, such as (a) student tuition and (b) fees and rentals. Non-operating revenue includes activities that have the characteristics of non-exchange transactions such as (a) state appropriations (b) most federal, state, and local grants and contracts and federal appropriations, and (c) gifts and contributions.

J. Federal Financial Assistance Programs

The College participates in federally funded Pell Grant and Federal Family Education Loans programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.

K. Financial Aid

Financial aid to students is reported in the basic financial statements under the alternative method as prescribed by the National Foundation of College and University Business Offices (NACUBO). Certain aid, such as loans and funds provided to students as awarded by third parties, is accounted for as a third party payment (credited to the student's account as if the student made the payment).

L. Estimates

The preparation of financial statements in accordance 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 at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from those estimates.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

M. Compensated Absences

It is the College's policy to grant faculty employee's ten (10) leave days for each school year. Any unused leave is allowed to accumulate to a maximum of 120 days. Upon retirement or resignation, those with fifteen (15) years or more of service shall receive compensation for days of unused accumulated leave. Staff employees may accumulate a maximum of 10 days of unused leave. The estimated amount of unused accumulated leave which qualifies for pay out was $2,945 for faculty and $38,257 for staff for year ended June 30, 2021 and is included in accrued liabilities.

N. Budget

In accordance with Kansas statutes, the College has prepared an annual operating budget for submission to the Kansas Board of Regents. The budget establishes the amount of post-secondary aid to be received. The budget sets the level for expenditures at the fund level. Post-secondary aid is established by formula so the budget is advisory only and is not legally binding. The operating budget is prepared on the accrual basis of accounting. The Board of Regents did not require a budget to be submitted this fiscal year.

O. Component Unit

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net position and changes therein are classified as follows:

With Donor Restrictions – Net position subject to donor-imposed stipulations that the Foundation must expend for a specific purpose outlined by the donor or must permanently maintain the donation and expend only the income from the donation

Without Donor Restrictions – Net position not subject to donor-imposed restrictions.

Revenues are reported as increases in without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

Expenses are reported as decreases in without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

P. Donor-Restricted Endowments

The Foundation invests all donor-restricted endowments in a mutual fund. Actual earnings of the investments are allocated based on each endowment's portion of the balance. Earnings are then transferred to the College for spending as restricted by the donor.

Q. Non-cash Transactions

During the year ended June 30, 2021 the College did not receive any donations of land, buildings or equipment.

2. DEPOSITS AND INVESTMENTS

As of June 30, 2021, the College was invested in money markets and certificates of deposit reported at fair value with a maturity of two years or less in accordance with Kansas Statutes.

K.S.A. 9-1401 establishes the depositories which may be used by the College. The statutes requires banks eligible to hold the College's funds have a main or branch 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 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 State 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 9-1405. The College's allocation of investments as of June 30, 2021 was 100% in money market funds.

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 institution 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's did not have any designated peak periods for the current year. All deposits were legally secured at June 30, 2021.

At June 30, 2021 the College's carrying amount of deposits $3,032,956 and the bank balance was $3,109,710. The difference between carrying amounts and bank balances represents primarily checks that have not cleared the bank and deposits in transit. The balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal deposit insurance and $2,859,710 was collateralized with securities held by the pledging financial institution's agent in the College's name.

The Foundation's purpose is to raise funds for the awarding of scholarships to students attending the College. The Foundation is a not-for-profit operating as a 501(c)3 under IRS regulation. This is the only component unit of the College and will be discretely presented in the financial statements. The investments are reported at fair market value. Fair market value was obtained from quoted market values.

At June 30, 2021 the Foundation's carrying amount of deposits $401,152 and the bank balance was $401,152. There is no difference between the carrying amounts and the bank balances. The balance was held by one financial institution resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal deposit insurance.

The Foundation determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determinations at each balance-sheet date. Debt securities are classified as held-to-maturity when the Foundation has the positive intent and ability to hold the securities to maturity. Debt securities for which the Foundation does not have the intent or ability to hold to maturity are classified as available-for-sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet, based on contractual maturity date and are stated at amortized cost. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized as earnings. Debt and marketable equity securities not classified as held-to-maturity or as trading, are classified as available-for-sale, and are carried at fair market value, with the unrealized gains and losses, included in the determination of changes in net assets.

2. DEPOSITS AND INVESTMENTS - continued

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework also provides a hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. Inputs used in the valuation methods can be either readily observable, market corroborated or generally unobservable inputs. Based on the observability of the inputs used in the valuation methods, the Foundation is required to provide the following information according to the fair value hierarchy.

In determining fair value, the Foundation used various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. The three levels of the fair value hierarchy are described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The 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.

Management is responsible for the determination of fair value. The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value. There has been no change in the levels or methodologies used from prior years as of June 30, 2021.

Investments are carried at fair value on the statements of net position. Fair value is determined using observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets (Level 2). Available-for-sale securities at June 30, 2021 were made up of the following types of securities:

Interest rate risk- as a means of limiting its exposure to fair value losses arising from rising interest rates, the College investment policy limits the College's investments in mutual bond funds to less than a year. The mutual bond funds noted above as of June 30, 2021, had a weighted average maturity of 9.5 months.

All investments are valued using Level 2 inputs

Exchange Traded Products	Cost	Fair Value	Less than 1 yr	1-2 yr	Rating
IShares TR Core MSCI EAFE ETF	$ 17,664	$ 22,832	$ 22,832	$ 0	N/A
IShares Inc Core MSCI Emerging Mkts ETF	17,698	23,447	23,447	0	N/A
JPM Exchg-Traded Fd TR Ultra-Short Income	9,998	9,996	9,996	0	N/A
Vanguard Total World Stock Index ETF	17,657	26,006	26,006	0	N/A
Total Exchange Traded Products	63,017	82,281	82,281	0	

2. DEPOSITS AND INVESTMENTS - continued

Mutual Funds					
AB High Income Fund	$ 20,243	$ 20,617	$ 20,617	$ 0	N/A
American Century Equity Income Fund	24,152	24,760	24,760	0	N/A
American Century Small-Cap Value Fund	9,024	9,188	9,188	0	N/A
Blackrock Emerging Markets Fund	5,013	5,112	5,112	0	N/A
Fidelity Emerging Markets Fund	17,526	18,127	18,127	0	N/A
Fidelity Mid Cap Enhanced Index Fund	19,534	20,375	20,375	0	N/A
First Eagle Global Fund Class 1	4,010	4,063	4,063	0	N/A
Ivy Mid Cap Growth Fund Class 1	7,513	7,850	7,850	0	N/A
Ivy Science and Technology Fund	22,023	35,758	35,758	0	N/A
JPMorgan Hedged Equity Fund Class 1	18,235	24,085	24,085	0	N/A
Janus Growth & Income Fund Class 1	32,752	44,717	44,717	0	N/A
JPMorgan Government Bond Fund	15,071	15,103	15,103	0	N/A
JPMorgan Equity Income Fund Class 1	47,737	61,139	61,139	0	N/A
JPMorgan Core Plus Bond Fund Class 1	19,387	20,393	20,393	0	N/A
Lord Abbett Core Plus Bond Fund	15,073	15,190	15,190	0	N/A
T Rowe Price Health Sciences Fund	23,715	27,085	27,085	0	N/A
PGIM Jennison Int'l Opportunities Fund	15,026	15,836	15,836	0	N/A
T Rowe Price Dividend Growth	29,872	42,388	42,388	0	N/A
T Rowe Price Global Stock	20,032	20,751	20,751	0	N/A
T Rowe Price Science & Tech Fund	39,497	53,611	53,611	0	N/A
T Row Price Value	18,569	27,360	27,360	0	N/A
Transamerica Bond Fund Class 1	34,196	35,442	35,442	0	N/A
Transamerica Capital Growth Fund	54,888	92,245	92,245	0	N/A
Total Mutual Funds	513,088	641,195	641,195	0	
Equities					
AT&T Inc	9,990	9,354	9,354	0	N/A
Duke Energy Corp	10,023	10,168	10,168	0	N/A
Total Equities	20,013	19,522	19,522	0	
Greater Salina Community Foundation	2,332	2,467	2,467	0	
Total Investments	$ 598,450	$ 745,465	$ 745,465	$ 0	

These are the only investments and consist of mutual funds under one investor. Unrealized gains for the year ended June 30, 2021 were $117,163.

Investment return for the year ended June 30, 2021 consists of the following:

	June 30, 2021
Interest and dividends	$ 17,805
Realized gains (losses)	(14)
Unrealized gains (losses)	117,163
Investment fees	(4,583)
Total investment return	$ 130,371

3. ACCOUNTS RECEIVABLE DETAIL

	Balance June 30, 2021
Accounts receivable	$ 113,908
Accounts receivable - student	327,227
Accounts receivable - collections	342,391
Undeposited Funds	245
Due from Student Activity	1,541
Due from Foundation	2,500
SkillsUSA receivables	11,654
Total accounts receivable	799,466
Less allowance for doubtful accounts	(342,391)
Net accounts receivable	$ 457,075

4. INVENTORY DETAIL

	Balance June 30, 2021
Books	$ 138,706
Total inventory	$ 138,706

5. CAPITAL ASSETS

The following table summarized the changes in capital assets for fiscal year 2021:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets				
Leasehold improvements	$ 3,162,453	$ 0	$ 0	$ 3,162,453
Furniture	120,831	0	0	120,831
Equipment	1,794,175	329,790	0	2,123,965
Vehicles	95,644	0	0	95,644
Computer software	150,761	16,910	0	167,671
Computer	749,839	0	0	749,839
Construction in process	0	5,766	0	5,766
Total Costs	6,073,703	352,466	0	6,426,169
Less Accumulated Depreciation				
Leasehold improvements	(1,544,747)	(209,831)	0	(1,754,578)
Furniture	(102,846)	(6,180)	0	(109,026)
Equipment	(1,637,300)	(70,467)	0	(1,707,767)
Vehicles	(87,269)	(3,135)	0	(90,404)
Computer software	(150,761)	(1,409)	0	(152,170)
Computer	(641,912)	(53,163)	0	(695,075)
Total Accumulated Depreciation	(4,164,835)	(344,185)	0	(4,509,020)
Net Capital Assets	$ 1,908,868	$ 8,281	$ 0	$ 1,917,149

6. ACCRUED LIABILITIES CONSIST OF THE FOLLOWING:

	Balance June 30, 2021
Payroll liabilities	$ 639
Payroll payable	187,885
Sales tax payable	810
Scholarships held for distribution	2,200
To be invoiced	3,113
Total accrued liabilites	$ 194,647

7. PENSION PLANS

Kansas Public Employees Retirement System

Plan Description – The College participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.SA. 74-4901, *et seq.* KPERS' provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas' law establishes and amends benefit provisions. KPERS' issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions - K.S.A. 74-4919 and K.S.A. 74-49210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rate for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments or $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

7. PENSION PLANS - continued

Kansas Public Employees Retirement System – continued

The State of Kansas is required to contribute the statutory required employer's share and makes these directly to KPERS.

Net Pension Liability - At June 30, 2021, the College's proportionate share of the collective net pension liability report by KPERS was $0, which is an obligation of the State of Kansas. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The College's proportion of the net pension liability was based on the ratio of the College's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Death and Disability Other Post-Employment Benefits - As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefits payments. The employer contribution rate is set at 1% for the year ended June 30, 2021.

403(b) Plan - The College also offers a 403(b) plan for faculty and administration employees hired before July 1, 2009. Under the plan the College will contribute $1,000 per contract year to eligible faculty members. The faculty members are not vested in the College's contribution until the 6th consecutive year of employment and then at the following schedule: 6th year 10%, 7th year 20%, 8th year 30%, 9th year 40%, 10th year 50%, 11th year 60%, 12th year 70%, 13th year 80%, 14th year 90% and 15th year 100%. The amount contributed by the College for this retirement plan for the year ended June 30, 2021 was $3,666.52.

8. RELATED PARTY TRANSACTIONS

During the year board members sometimes have students work on their vehicles to assist the student by providing hands on training. At year end there were no receivables from or payables to related parties.

9. FLEXIBLE BENEFIT PLAN (I.R.C. Section 125)

The College adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the College are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently, benefits offered through the Plan include health insurance and life insurance, dependent care coverage and a medical reimbursement plan.

10. POST EMPLOYMENT BENEFITS

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

11. CONTINGENCIES AND COMMITMENTS

Federal Financial Aid – Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, primarily the federal government. Any disallowed costs, including amounts already collected, may constitute a liability of the College. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although College management expects such amounts, if any, to be immaterial.

State Funding – Approximately 51% of the College's resources come from the State of Kansas. Due to continued funding uncertainties at the State level, future funding for the College may be reduced. The ultimate effect of this possible reduction in funding on the College's future operations is not yet determinable.

Accreditation – The Kansas Board of Regents requires that all technical colleges be accredited by the Higher Learning Commission. Salina Area Technical College is currently accredited with the Higher Learning Commission, a level accepted by the Kansas Board of Regents.

Compliance with Kansas Statutes - References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and reports and interpretation by the County Attorney and legal representation of the College. Management is not aware of any statute violations during the year.

12. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were not significant reductions in insurance coverage from coverage in prior years.

13. OPERATING LEASES

The College has entered into a lease agreement as lessee for the buildings and grounds on which the College currently operates. The College leases these facilities from Unified School District Number 305 of Salina Kansas in the amount of $1 per year for the year ended June 30, 2021. The College also has a lease for a truck and a trailer for the Truck Driving Program in the amounts of $1 and $50, respectively, per year for the year ended June 30, 2021 and for the following five years. The College also has two leases for postage meters with annual rents of $415 and $600 paid in year ended June 30, 2021. The postage meter leases require an annual rent for the next five years as follows: 2022 $600, 2023-2025 $600 each year and 2026 $300.

14. GREATER SALINA COMMUNITY FOUNDATION

The Greater Salina Community Foundation has created an account in the name of Salina Area Technical College. The College does not have access to any funds from the account until the balance reaches $10,000. Once that balance is achieved, the College will be able to access the income from the account to provide scholarships to students. At June 30, 2021 the balance was $21,823

15. FOUNDATION NET ASSETS AND INVESTMENT POLICY

Foundation net assets composition by type of fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions
Net Position - beginning of year	$ 305,074	$ 40,129
Investment Return		
Interest and dividends	17,805	0
Realized Gains (Losses)	(14)	0
Unrealized Gains (Losses)	117,163	0
Investment fees	(4,583)	0
Total investment return	130,371	0
Contributions	25,386	723,950
Scholarships	(25,386)	(26,000)
Other	0	(28,523)
Net of contributions and expenses	0	669,427
Net position - end of year	$ 435,445	$ 709,556

The Foundation currently does not have any formal written policy which outlines the Foundations purpose, policy, investment goals, standard of care, portfolio strategy or spending policy. The restrictions and expenditures for scholarships are based upon the requirements made by the donors which consisted of requests to use the donations for scholarships. The Foundation is in the process of reviewing the above and establishing formally polices in the future.

16. COVID-19

COVID-19: On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of corona virus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-1 9 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. As a result of COVID-19, the U.S. Department of the Treasury provided a grants thru Coronavirus Relief Fund in the amount of $389,223 and the U.S. Department of Education provided grants thru the Higher Education Emergency Relief Funds in the amount of $601,980.

17. SUBSEQUENT EVENTS

The College evaluated subsequent events through December 15, 2021, the date of the financial statements were available to be issued. The School District and the Salina Area Technical College have an agreement in which the School District gifted to the Salina Area Technical College on July 1, 2021 the land and buildings the College was leasing. The land and buildings are appraised at $15,164,610.

SUPPLEMENTARY INFORMATION

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Schedule of Revenues and Expenses compared to Budget

For the Year Ended June 30, 2021

	Actual	Original Budget	Budget Variance
REVENUES			
Operating Revenues			
Student tuition	$ 1,379,206	$ 1,550,000	$ 170,794
Institution fees	162,127	380,000	217,873
Program fees	108,858	0	(108,858)
Testing fees	60,986	0	(60,986)
Administrative	7,342	0	(7,342)
Bookstore	88,703	0	(88,703)
Other	28,481	15,000	(13,481)
Total operating revenues	1,835,703	1,945,000	109,297
EXPENSES			
Operating Expenses			
Instruction	2,659,907	2,765,166	105,259
Academic support	253,322	237,249	(16,073)
Student Services	485,504	518,194	32,690
Administration	956,946	898,225	(58,721)
Maintenance	555,456	606,233	50,777
Bookstore	103,642	0	(103,642)
Depreciation	344,185	370,000	25,815
Total operating expenses	5,358,962	5,395,067	36,105
Operating income (loss)	(3,523,259)	(3,450,067)	73,192
NONOPERATING REVENUES (EXPENSES)			
State appropriations	3,165,813	2,954,658	(211,155)
Capital outlay grant	121,941	0	(121,941)
Capital outlay expenses	(29,438)	0	29,438
Carl Perkins grant	64,988	0	(64,988)
Carl Perkins expenses	(67,921)	0	67,921
COVID grant	933,553	0	(933,553)
COVID grant expense	(422,306)	0	422,306
Vehicle Extravaganza income	4,859	0	(4,859)
Vehicle Extravaganza expenses	(4,067)	0	4,067
Summer camp revenue	2,540	0	(2,540)
Summer camp expenses	(3,280)	0	3,280
Other grants	25,000	0	(25,000)
Work orders revenue	86,931	0	(86,931)
Work orders expenses	(73,231)	0	73,231
Rent Income	4,664	0	(4,664)
Investment income	4,865	0	(4,865)
Net nonoperating revenues (expenses)	3,814,911	2,954,658	(860,253)
Increase (decrease) in net position	$ 291,652	$ (495,409)	$ (787,061)

See Independent Auditor's Report.

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Schedule of Expenses by Function and Object
For the Year Ended June 30, 2021

	Instruction	Academic Support	Student Services
Salaries	$ 1,858,803	$ 128,281	$ 295,721
Social security	137,869	9,653	21,773
Unemployment	4,426	312	705
Health insurance	122,677	10,314	34,621
Retirement	3,666	0	0
Faculty Professional Development	6,103	0	0
Supplies	153,409	0	3,974
Resource materials	1,693	0	0
Equipment expense	29,826	0	0
Software license	16,394	0	0
Instructional memberships	7,788	0	0
Student testing	73,011	0	0
Tuition assistance	31,654	0	0
High School SB155	133,650	0	0
Technology	69,920	0	0
Program development	115	0	0
Contract service	7,700	0	153
IT services	0	104,762	0
Student liability insurance	0	0	871
Graduation	0	0	16,263
Postage	0	0	15,467
Travel	1,203	0	111
Printing/advertising	0	0	89,251
Professional development	0	0	2,326
Student activity	0	0	3,160
Recruiting	0	0	1,108
Audit/consulting expense	0	0	0
Legal services	0	0	0
Advisory/Business meetings	0	0	0
Institutional memberships	0	0	0
HLC expense	0	0	0
KBI and drug testing	0	0	0
Bad debts	0	0	0
Payroll expense	0	0	0
HRA medical	0	0	0
Administration - misc.	0	0	0
Copy machine	0	0	0
Insurance - bldg/liability	0	0	0
Utilities	0	0	0
Building maintenance/repair	0	0	0
Depreciation	0	0	0
Equipment repair/replacement	0	0	0
Environmental	0	0	0
Care of grounds	0	0	0
Faculty/staff uniforms	0	0	0
Vehicle operation	0	0	0

See Independent Auditor's Report.

Administration	Maintenance	Book Store	Total
$ 528,716	$ 150,338	$ 0	$ 2,961,859
37,978	11,237	0	218,510
1,176	420	0	7,039
36,972	17,093	0	221,677
0	0	0	3,666
0	0	0	6,103
29,261	20,959	0	207,603
0	0	0	1,693
0	0	0	29,826
0	0	0	16,394
0	0	0	7,788
0	0	0	73,011
0	0	0	31,654
0	0	0	133,650
0	0	0	69,920
0	0	0	115
0	2,550	0	10,403
0	0	0	104,762
0	0	0	871
0	0	0	16,263
0	0	0	15,467
1,175	0	0	2,489
3,363	0	0	92,614
3,049	0	0	5,375
0	0	0	3,160
0	0	0	1,108
17,192	0	0	17,192
4,820	0	0	4,820
13,481	0	0	13,481
38,983	0	0	38,983
8,417	0	0	8,417
3,644	0	0	3,644
28,936	0	0	28,936
11,138	0	0	11,138
66,066	0	0	66,066
6,414	0	0	6,414
0	6,364	0	6,364
0	124,351	0	124,351
0	150,735	0	150,735
0	42,633	0	42,633
0	344,185	0	344,185
0	(3,705)	0	(3,705)
0	11,302	0	11,302
0	9,386	0	9,386
0	3,920	0	3,920
0	7,872	0	7,872

See Independent Auditor's Report.

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Schedule of Expenses by Function and Object
For the Year Ended June 30, 2021

	Instruction	Academic Support	Student Services
Contribution to Foundation	$ 0	$ 0	$ 0
Cost of books	0	0	0
	$ 2,659,907	$ 253,322	$ 485,504

See Independent Auditor's Report.

Administration	Maintenance	Book Store	Total
$ 116,165	$ 0	$ 0	$ 116,165
0	0	103,642	103,642
$ 956,946	$ 899,641	$ 103,642	$ 5,358,962

See Independent Auditor's Report.

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

	Federal CFDA Number	Revenues	Expenditures
U.S. Department of Education			
Direct Programs			
Student Financial Assistance Cluster (SFA)			
Pell Grant Program	84.063	$ 486,386	$ 486,386
Federal Direct Student Loans	84.268	575,213	575,213
Total for cluster		1,061,599	1,061,599
Education Stabilization Fund	84.425	101,980	101,980
Education Stabilization Fund	84.425	101,979	101,979
Education Stabilization Fund	84.425	296,041	296,041
Education Stabilization Fund	84.425	101,980	61,250
Passed through Kansas Board of Regents			
Career and Technical Education	84.048	64,988	64,988
Total U.S. Department of Education		1,728,567	1,687,837
U.S. Department of the Treasury			
Passed through Saline County, KS			
Coronavirus Relief Fund	21.019	154,306	154,306
Coronavirus Relief Fund	21.019	234,917	234,917
Total U.S. Department of the Treasury		389,223	389,223
Total Federal Assistance		$ 2,117,790	$ 2,077,060

There were no amounts that were passed through to subrecipients.

See Independent Auditor's Report.
See following notes to this schedule.

SALINA AREA TECHNICAL COLLEGE
Salina, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2021

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Salina Area Technical College under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of Salina Area Technical College, it is not intended to and does not present the statements of net position, changes in net position or cash flows of Salina Area Technical College.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of U.S. generally accepted accounting principles. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in the Uniform Guidance regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE C. NON-CASH ASSISTANCE, INSURANCE AND LOANS

The College did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2021.

NOTE D. INDIRECT COST RATES

Salina Area Technical College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SPECIAL REPORTS

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Harold K. Mayes, CPA
Jennifer L. Kettler, CPA
Lucille L. Hinderliter, CPA

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

Board of Trustees
Salina Area Technical College
Salina, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Salina Area Technical College as of and for the year ended June 30, 2021, and the related notes to the financial statements, which comprise Salina Area Technical College's basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Salina Area Technical College's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Salina Area Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of Salina Area Technical 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 deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements of the entity's financial statement 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 serve than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Salina Area Technical College's financial statement is free of 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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harold K. Mayes Jr

Harold K Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
December 15, 2021

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Salina Area Technical College
Salina, Kansas

Report on Compliance for Each Major Federal Program

We have audited the Salina Area Technical College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Salina Area Technical College's major federal programs for the year ended June 30, 2021. Salina Area Technical College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with types of compliance requirements referred to above that could have a direct and material effect on major federal program occurred. An audit includes examining, on a tests basis, evidence about Salina Area Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Salina Area Technical College's compliance.

Opinion on Each Major Federal Program

In our opinion, Salina Area Technical 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Salina Area Technical College is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Salina Area Technical College's internal control over compliance.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

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 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 federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harold K. Mayes Jr

Harold K Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
December 15, 2021

SALINA AREA TECHNICAL COLLEGE

Salina, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses:	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses:	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Uniform Guidance	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster	Amount
Student Financial Assistance Cluster (SFA)		
84.063	Pell Grant Program	$ 486,386
84.268	Federal Direct Student Loan	575,213
	Total for Student Financial Assistance Cluster	1,061,599
84.425	Education Stabilization Fund	561,250
21.019	Coronavirus Relief Fund	389,223
		$ 2,012,072

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as a low-risk auditee?	Yes

Schedule of Findings and Questioned Costs
Under Government Auditing Standards
None
For year ended June 30, 2021

Schedule of Findings and Questioned Costs
Under Uniform Guidance
None
For year ended June 30, 2021