FORT HAYS TECH NORTH CENTRAL COLLEGE

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025



LOYD GROUP, LLC

Certified Public Accountants

Fort Hays Tech North Central College

June 30, 2025

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 12
Basic Financial Statements:	
Statements of Net Position	13
Statements of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Notes to Financial Statements	16 - 29
Required Supplementary Information	
Schedule of the College's Proportionate Share of the Net Pension Liability	30
Schedule of College Contributions	31
Notes to Required Supplementary Information	32
Single Audit Section:	
Schedule of Expenditures of Federal Awards	33
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	34 - 35
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	36 - 37
Schedule of Findings and Questioned Costs	38 - 39
Summary Schedule of Prior Year Audit Findings	40

LOYD GROUP, LLC

520 S. Main Street
P.O. Box 7
Galva, KS 67443
620-654-7565
www.loyd-group.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Fort Hays Tech North Central College
Beloit, Kansas

Report on the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Fort Hays Tech North Central College (the College), a component unit of Fort Hays State University, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Fort Hays Tech North Central College as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and pension information on pages 4-12 and 30-32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 on our consideration of Fort Hays Tech North Central College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Loyd Group, LLC

Loyd Group, LLC
Galva, Kansas

December 3, 2025

Management's Discussion and Analysis

Introduction

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

Using the Annual Report

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

Basic financial statements are comprised of two parts

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

Required Supplementary Information

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

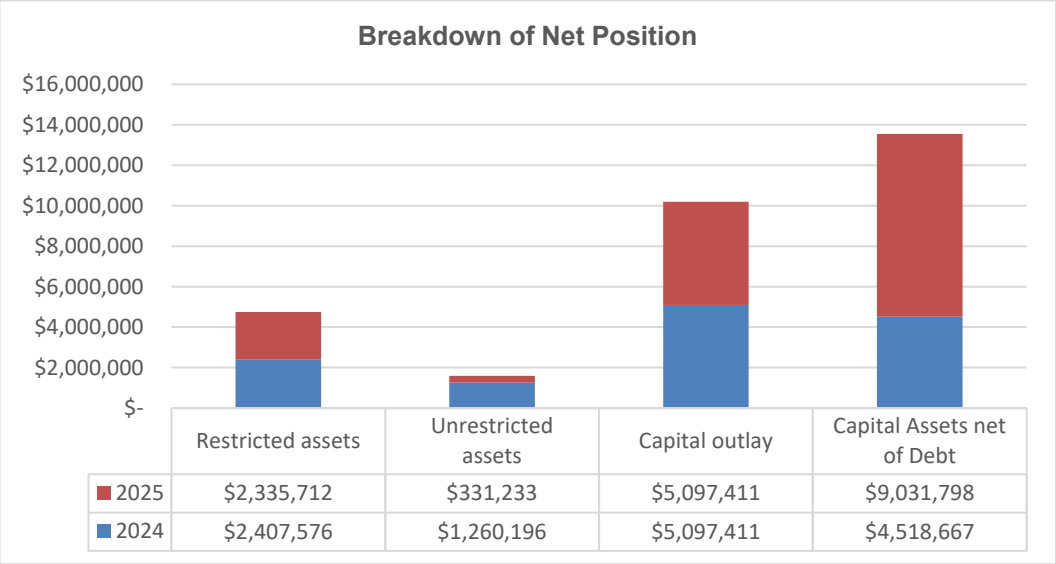
Highlights to the Financial Statements

Statement of Net Position

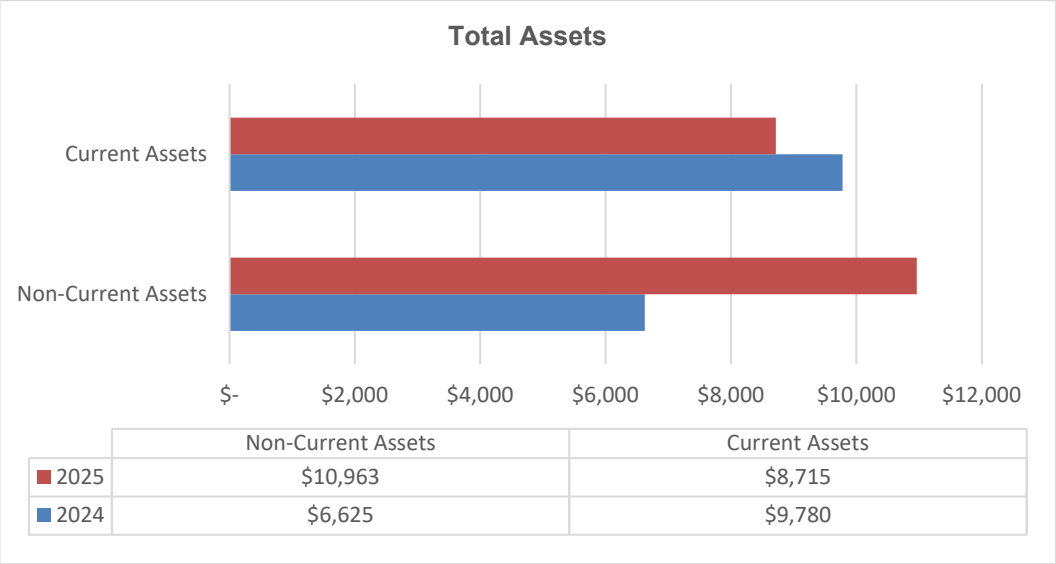
Comparison Net Position – Fiscal Year 2024 and 2025

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

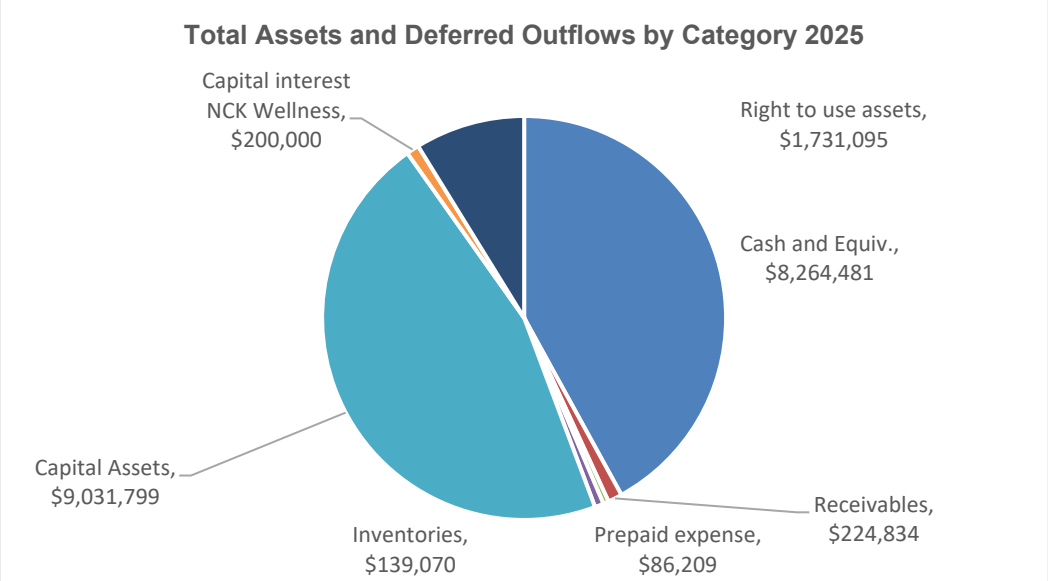
Net assets increased from $13,283,850 in 2024 to $16,796,154 for 2025. This is a increase of $3,512,304 over the previous year, primarily due to regular activities of the College and an increase in grant and state funding.



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



Dollars (000)

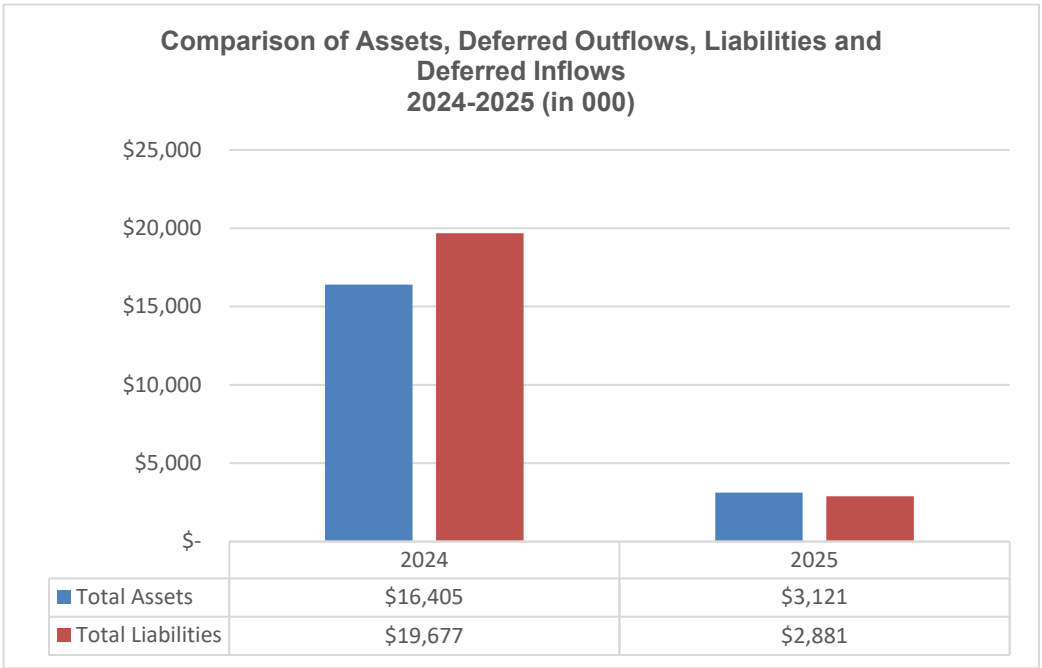


Of the $19,677,488 in total assets and deferred outflows, approximately 42% are in cash and cash equivalents, 8.8% in right to use assets, and capital assets represent 45.9% of total assets.

Comparison of Liabilities

	2024	% Total 2024	2025	% Total 2025
Current Liabilities	$ 1,351,229	43.29%	$ 1,226,852	42.58%
Noncurrent Liabilities	$ 1,770,177	56.71%	$ 1,654,482	57.42%
	$ 3,121,406		$ 2,881,334	

Noncurrent liabilities in 2025 include, but are not limited to, lease payments, and compensated absences. Current liabilities consist primarily of accounts payable and accrued liabilities, deposits held in custody for others, and the current portion of the lease payments.



Total liabilities and deferred inflows decreased from $3,121,406 in 2024 and $2,881,334 for 2024. This is a decrease of $240,072 from the previous year. Assets and deferred outflows increased from $16,405,256 in 2024 to $19,677,488 in 2025. The asset to liability ratio (total assets/total liabilities) was 5.26 in 2024 and 6.83 in 2025. The increase in total assets is primarily from the addition to cash due to receipts of state and federal grants that have not fully been spent at the end of the 2025 year.

Results of Operations Fiscal Year 2025

Statement of Revenues, Expenses and Changes in Net Position

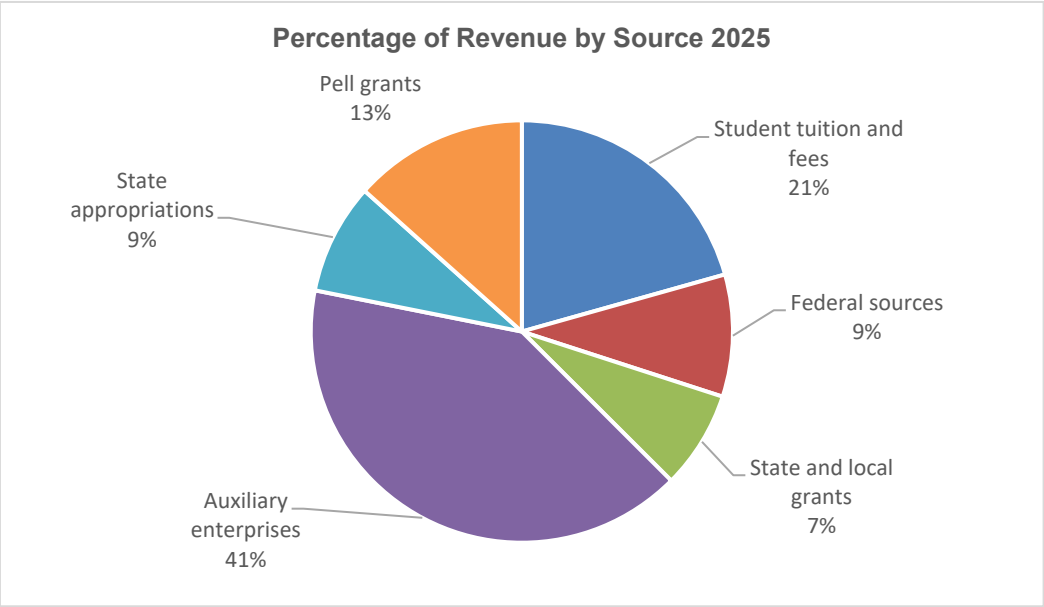
Changes in total net position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the institution, both operating and nonoperating, and the expenses paid by the institution, operating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

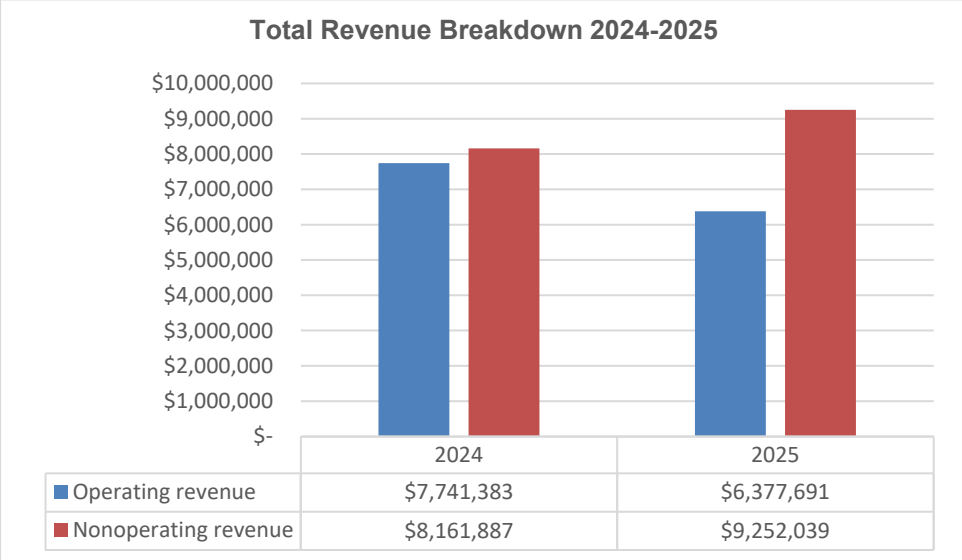
Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out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

Revenue

The College receives revenue from a number of sources. In broad terms, they are: the State of Kansas, the Federal Government, students--in the form of tuition and fees, business style auxiliary enterprises, and private gifts and grants. These sources are relatively stable from year to year as a percentage of the total. Federal funding was a decrease due to receipt of the ERC credit in prior year. Other revenues increased due to a substantial private donation.

	2024	% Total 2024	2025	% Total 2025
Student tuition and fees	$ 3,368,790	20.30%	$ 3,411,556	20.64%
Federal sources	3,310,344	19.95%	1,547,565	9.36%
Auxiliary enterprises	1,012,353	6.10%	1,237,297	7.48%
State appropriations and grants	6,642,420	40.03%	6,719,700	40.65%
Pell grants	1,180,745	7.12%	1,403,273	8.49%
Other revenues	1,079,631	6.51%	2,212,082	13.38%
Total revenues	$ 16,594,283	100.00%	$ 16,531,473	100.00%


Percentage of Revenue by Source 2025
Pell grants 13%
Student tuition and fees 21%
State appropriations 9%
Federal sources 9%
State and local grants 7%
Auxiliary enterprises 41%

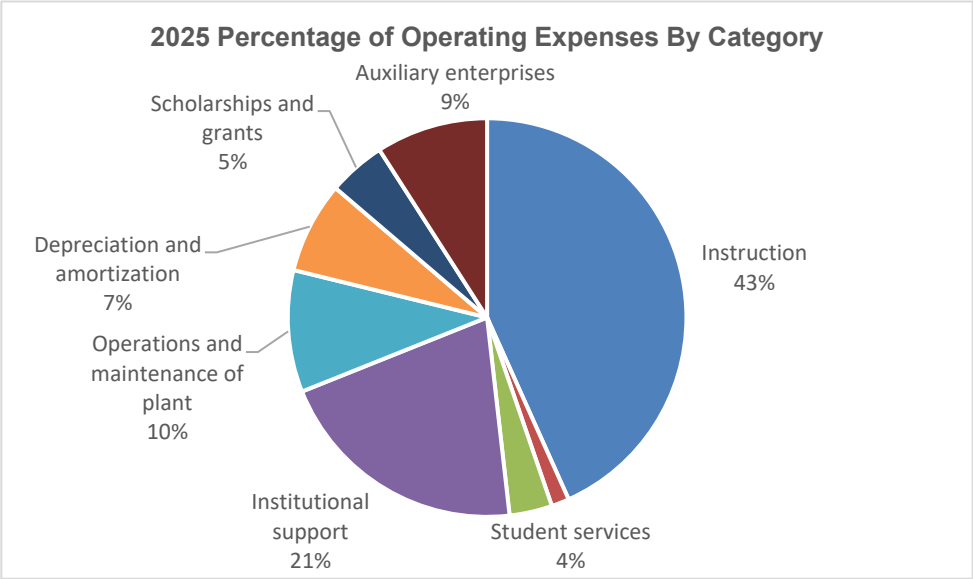

Total Revenue Breakdown 2024-2025
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
2024
2025
Operating revenue
$7,741,383
$6,377,691
Nonoperating revenue
$8,161,887
$9,252,039

Expenses

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

	2024	% Total 2024	2025	% Total 2025
Operating Expenses				
Instruction	$ 4,789,162	42.03%	$ 5,634,644	43.28%
Academic support	285,186	2.50%	188,972	1.45%
Student services	455,423	4.00%	450,539	3.46%
Institutional support	2,197,522	19.28%	2,701,626	20.75%
Operations and maintenance of plant	1,620,262	14.22%	1,287,987	9.89%
Depreciation and amortization	583,278	5.12%	964,891	7.41%
Scholarships and grants	531,214	4.66%	607,474	4.67%
Auxiliary enterprises	933,532	8.19%	1,183,036	9.09%
Subtotal	11,395,579	100.00%	13,019,169	100.00%

Expenses stayed relatively stable with the exception of instruction and institutional support costs. Instruction increases reflect the costs associated with the affilation merger with Fort Hays State University as well as overall increases in costs due to economic changes. Changes in institutional support costs reflect increases in property insurance due to completion of building projects, as well as consulting fees from these projects.



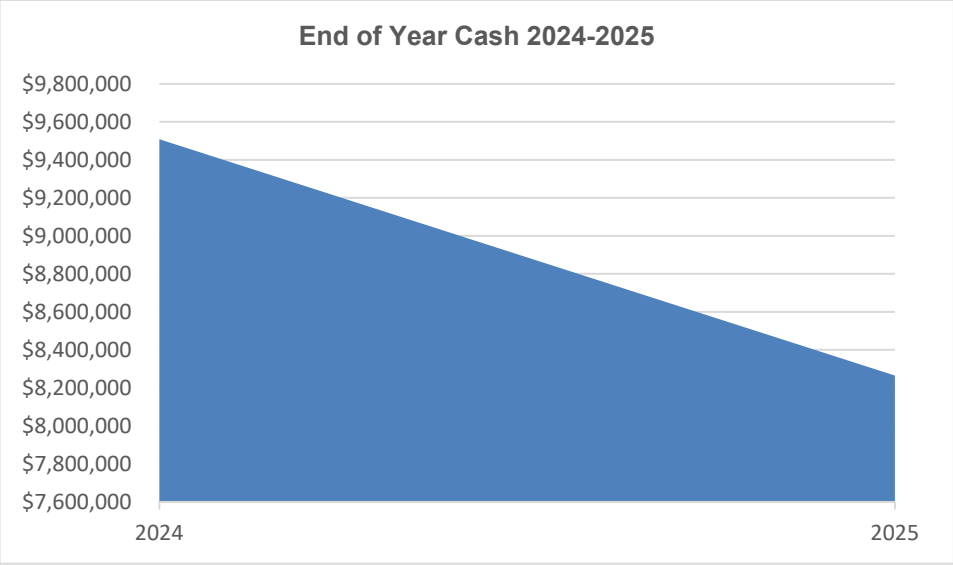
Statement of Cash Flows

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

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

Summary Statement of Cash Flows information

	2024	2025
Net Cash From:		
Operating activities	$ (2,260,974)	$ (5,485,221)
Noncapital financing activities	7,261,710	8,301,518
Capital and related financial activities	(900,864)	(4,415,124)
Investing activities	304,372	354,716
Net Change in Cash	4,404,244	(1,244,111)
Cash beginning of year	5,104,348	9,508,592
Cash end of year	$ 9,508,592	$ 8,264,481



Summary of Overall Performance

Cash balances decreased $1,244,111 from fiscal year 2024 balances primarily from a increase in noncapital and capital related financing activities. Combined operating and nonoperating revenue and expenses for 2025 decreased by approximately $1.6 million from the same measures in 2024 due to overall increase in state grant revenue and the employee retention credit in prior year. Administration realizes the importance of increasing cash balances by improving the College's net position on an annual basis.

Capital Assets and Long Term Debt Activities

Capital Assets

The College has invested $5.0 million in capital assets (net of depreciation). The majority of changes during the include some additions to buidlings and equipment and depreciation expense. Capital assets held by the College at the end of the current year are as follows:

	Beginning Balance	Increases	(Decreases) Adjustments	Ending Balance
Non-depreciable capital assets:				
Land	$ 28,206	$ -	$ -	$ 28,206
Construction in progress	89,330	-	(89,330)	-
Total non-depreciable capital assets	117,536	-	(89,330)	28,206
Depreciable capital assets:				
Buildings and improvements	7,809,039	341,989	(290,667)	7,860,361
Equipment	9,267,407	745,189	271,212	10,283,808
Vehicles	920,483	112,606	(26,000)	1,007,089
Total depreciable capital assets	17,996,929	1,199,784	(45,455)	19,151,258
Less accumulated depreciation:				
Buildings and improvements	(6,041,867)	(180,287)	15,248	(6,206,906)
Equipment	(6,845,355)	(584,397)	80,000	(7,349,752)
Vehicles	(708,576)	(68,469)	51,725	(725,320)
Total accumulated depreciation	(13,595,798)	(833,153)	146,973	(14,281,978)
Total capital assets, net	$ 4,518,667	$ 366,631	$ 12,188	$ 4,897,486

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

Long-Term Liabilities

At the end of the current year, the College had long-term liabilities totaling $2 million. This includes $1.7 million in capital leases and $113,000 in compensated absences payable. All of the leases outstanding as of the end of the year were secured by liens on the property purchased.

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

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Current Portion
Lease obligations	$ 1,867,892	$ -	$ (136,797)	$ 1,731,095	$ 136,342
Compensated absences	83,491	-	29,374	112,865	52,681
Total long-term liabilities	$ 1,951,383	$ -	$ (107,423)	$ 1,843,960	$ 189,023

The College currently has a large construction project underway on the Hays Campus. The building will house the PHAC, Electrical, Construction and CDL programs with a goal of doubling the class size in each program. Funding consists of state and local grants and donations.

The College has been approved for a Disaster Supplemental NOFO Grant through the EDA. This grant will be used to purchase six large equipment items for the Heavy Equipment Program on the Beloit Campus and will be finalized in the coming year.

The College received ACEN accreditation for the new Respiratory Care Program on the Hays Campus.

The College will continue to search for sources of funding for future growth and will develop additional programs as needed to continue to send top quality employees into the workforce every year.

The future continues to be positive for Fort Hays Tech North Central College. The commitment of the College to offer student-centered, service-oriented instruction and learning continues the impetus for strong credit enrollment. In addition, market driven business and industry noncredit offerings are planned for growth and expansion as the College serves the needs of that segment of the community. In July 2024, the College became affiliated with Fort Hays State University and changed their name to Fort Hays State University - Fort Hays Tech North Central College doing business as Fort Hays Tech | North Central.

Diana Baumann
Vice President of Finance & Hays Operations

BASIC FINANCIAL STATEMENTS

Fort Hays Tech North Central College
Statements of Net Position
June 30, 2025

	College	Component Unit Foundation
ASSETS		
Current Assets		
Cash and cash equivalents	$ 8,264,481	$ 132,975
Restricted cash and cash equivalents	-	1,914,590
Investments	-	762,558
Receivables - federal and state grants and contracts	6,186	-
Receivables - students (net of allowance of $0)	45,821	-
Receivables - other	172,827	28,577
Prepaid expense	86,209	-
Inventories	139,070	-
Total current assets	8,714,594	2,838,700
Noncurrent Assets		
Capital interest in NCK Wellness Center, Inc.	200,000	-
Right to use assets	1,731,095	-
Capital assets, net of accumulated depreciation	9,031,799	1,404,816
Total noncurrent assets	10,962,894	1,404,816
TOTAL ASSETS	$ 19,677,488	$ 4,243,516
LIABILITIES		
Current Liabilities		
Accounts payable	$ 270,101	$ -
Accrued salaries and benefits	429,486	-
Medical claims payable	279,755	-
Deposits held in custody	58,032	-
Accrued interest payable	-	21,810
Compensated absences payable	52,681	-
Lease obligations	136,797	-
Notes payable	-	64,008
Total current liabilities	1,226,852	85,818
Noncurrent Liabilities		
Compensated absences payable	60,184	-
Lease obligations	1,594,298	-
Notes payable	-	785,468
Total noncurrent liabilities	1,654,482	785,468
TOTAL LIABILITIES	2,881,334	871,286
NET POSITION		
Net investment in capital assets	9,031,798	-
Restricted for:		
Nonexpendable - endowments	-	1,376,309
Expendable:		
Endowment activity	-	1,300,839
Capital outlay	5,097,411	-
Restricted funds	1,803,803	-
Health insurance	531,909	-
Unrestricted	331,233	695,082
Total net position	16,796,154	3,372,230
TOTAL LIABILITIES AND NET POSITION	$ 19,677,488	$ 4,243,516

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

Fort Hays Tech North Central College
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

	College	Component Unit Foundation
OPERATING REVENUES		
Student tuition and fees	$ 4,522,098	$ -
Less allowances for institutional scholarships	(56,213)	-
Less allowances for federal grants	(1,054,329)	-
Net student source revenue	3,411,556	-
Federal sources	1,547,565	-
Auxiliary enterprises:		
Residential life	313,520	-
Campus store	433,265	-
Union	61,838	-
Food Service	428,674	-
Other operating revenues	181,273	114,029
Total operating revenues	6,377,691	114,029
OPERATING EXPENSES		
Educational and General:		
Instruction	5,634,644	-
Academic support	188,972	-
Student services	450,539	-
Institutional support	2,169,855	472,367
KPERS contribution paid directly by the State of Kansas	531,771	-
Operations and maintenance of plant	1,287,987	-
Depreciation and amortization	964,891	-
Scholarships and grants	607,474	-
Auxiliary Enterprises:		
Residential life	147,241	-
Campus store	366,664	-
Union	162,176	-
Food Service	506,955	-
Total operating expenses	13,019,169	472,367
Operating income (loss)	(6,641,478)	(358,338)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	6,148,245	-
State contribution directly to the KPERS retirement system	571,455	-
Federal Pell Grants	1,403,273	
Private grants and gifts	750,000	831,627
Gain on disposal of capital assets	24,350	-
Investment income	354,716	98,607
Net nonoperating revenues (expenses)	9,252,039	930,234
Income(loss) before other revenues	2,610,561	571,896
Capital grants and gifts	901,743	-
Net increase (decrease) in net position	3,512,304	571,896
NET POSITION		
Net position - beginning of year	13,283,850	2,800,334
Net position - end of year	$ 16,796,154	$ 3,372,230

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

Fort Hays Tech North Central College
Statement of Cash Flows
For the Year Ended June 30, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 3,299,902
Federal and state sources	3,197,070
Sales and services of auxiliary enterprises	1,237,297
Other operating receipts	33,555
Payments to employees for salaries and benefits	(6,091,195)
Payments to suppliers	(5,517,818)
Loans issued to students	(1,644,032)
Net change in cash flows from operating activities	(5,485,221)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations received	6,148,245
Pell grants received	1,403,273
Private gifts and grants received	750,000
Net change in cash flows from noncapital financing activities	8,301,518
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(5,368,175)
Proceeds from sales of capital assets	51,308
Capital gifts and grants received	901,743
Net change in cash flows from capital and related financing activities	(4,415,124)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	354,716
Net change in cash flows from investing activities	354,716
Net change in cash and cash equivalents	(1,244,111)
Cash and cash equivalents - beginning of year	9,508,592
Cash and cash equivalents - end of year	$ 8,264,481
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	$ (6,641,478)
Depreciation and amortization expense	964,891
Changes in operating assets and liabilities:	
Receivables, net	(141,474)
Prepaid expense	9,638
Inventories	(8,171)
Accounts payable and accrued expenses	(70,900)
Unearned revenue	-
Compensated absences payable	89,679
Deposits held in custody for others	(122,064)
Employee benefits paid directly by State of Kansas	571,455
Net change in cash flows from operating activities	$ (5,348,424)

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

Fort Hays Tech North Central College
Notes to Financial Statements
June 30, 2025

1. Summary of Significant Accounting Policies

Fort Hays Tech North Central College (the College) is a public, two-year post-secondary educational institution, organized under the laws of the State of Kansas, and is governed by an elected Board of Trustees. It was established in 1963 to be a leader in workforce development by maximizing value for students, employers and communities through educational excellence. Beginning in July 2024, the college is a component unit of the Fort Hays State University.

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

(a) Reporting Entity

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. It is governed by a Board of Trustees selected by incumbent Board Members through an extensive application process. In July of 2024, the College became affiliated with Fort Hays State University, but maintains its legally separate federal identity, independent accreditation, and fiscal independence. Because of this affiliation, for reporting purposes, the College is considered a component unit of Fort Hays State University. The accompanying financial statements present the activities of the College (the primary government for purposes of this financial statement presentation) and its discretely presented component units. The component units discussed below are included in the College's reporting entity because of the significance of their financial relationship with the College. The financial data of the College's component units are discretely presented in a separate column to emphasize that it is a legally separate entity.

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

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

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

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

1. Summary of Significant Accounting Policies (Cont.)

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

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

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

Cash and Cash Equivalents and Investments

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

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

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

Receivables

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

Inventories

Inventories consist of equipment used in the various shops for customer repairs and service.

Capital Assets

Capital assets, which include property, plant, and equipment, are recorded at cost at the date of acquisition, or their estimated fair market value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $2,500 or more, and an estimated useful life of greater than one year. Renovations to buildings and land improvements over $20,000 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.

1. Summary of Significant Accounting Policies (Cont.)

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

Depreciation is computed on assets having a value of more than $2,500 using the straight-line method over the estimated useful lives of the assets. Depreciation is not allocated to the various functions of the College but is reported separately on these financial statements.

Estimated useful lives used for calculating depreciation are as follows:

Buildings - 40 years
Building improvements - 20 years
Building content replacements - 10 years
Office furniture and software - 10 years
Instructional equipment - 7 years
Office equipment - 3 years
Vehicles - 3 years

Unearned Revenue

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

Federal Financial Assistance Programs

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

Compensated Absences Payable

Employee vacation and sick leave pay is accrued at year end for financial statement purposes. The liability is recorded in the statement of net position and a related expense is recorded in the statement of revenues, expenses, and changes in net position.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of lease payables with maturities greater than one year, related premiums and discounts.

Pensions

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

1. Summary of Significant Accounting Policies (Cont.)

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

Net Position

The College's net positions are classified as follows:

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

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

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

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

Net Position Flow Assumption

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

Classification of Revenues

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

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

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

1. Summary of Significant Accounting Policies (Cont.)

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

Scholarship Allowances

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

Use of Estimates

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

2. Cash and Cash Equivalents and Investments

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

Deposits in financial banking institutions	$ 8,264,481

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

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

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

Credit risk – State law limits the amount of credit risk by restricting governments to specific investment types as listed in KSA 12-1675. The College's practice is to place idle funds in certificates of deposits, United States obligations.

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

2. Cash and Cash Equivalents and Investments (Cont.)

Concentration of credit risk – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area.

Component unit – Investments of the Fort Hays Tech North Central Foundation consist of mutual funds, treasury obligations, certificates of deposit, and other investments. These investments are managed by the Treasurer and Director of Advancement. These types of investments are not regulated by Kansas statutes. These investments are subject to all normal market risks.

3. Capital Assets

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

	Beginning Balance	Increases	(Decreases) Adjustments	Ending Balance
Non-depreciable capital assets:				
Land	$ 28,206	$ -	$ -	$ 28,206
Construction in progress	89,330	-	(89,330)	-
Total non-depreciable capital assets	117,536	-	(89,330)	28,206
Depreciable capital assets:				
Buildings and improvements	7,809,039	4,599,719	(29,276)	12,379,482
Equipment	9,267,407	745,190	(80,000)	9,932,597
Vehicles	920,483	112,606	(64,656)	968,433
Right to use lease	2,142,855	-	-	2,142,855
Total depreciable capital assets	20,139,784	5,457,515	(173,932)	25,423,367
Less accumulated depreciation:				
Buildings and improvements	(6,041,867)	(180,287)	15,248	(6,206,906)
Equipment	(6,845,355)	(579,338)	80,000	(7,344,693)
Vehicles	(708,576)	(68,469)	51,725	(725,320)
Right to use lease	(274,963)	(136,797)	-	(411,760)
Total accumulated depreciation	(13,870,761)	(964,891)	146,973	(14,688,679)
Total capital assets, net	$ 6,386,559	$ 4,492,624	$ (116,289)	$ 10,762,894

Depreciation and amortization expense for the year ended June 30, 2025 is $964,891.

4. Long-Term Liabilities

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

	Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Current Portion
Lease obligations	$ 1,867,892	$ -	$ (136,797)	$ 1,731,095	$ 136,342
Compensated absences	83,491	29,374	-	112,865	52,681
Total long-term liabilities	$ 1,951,383	$ 29,374	$ (136,797)	$ 1,843,960	$ 189,023

4. Long-Term Liabilities (Cont.)

Lease Obligations

The College leases four buildings on the Hays campus from the Foundation with carrying amounts of $1,731,095 for the year ended June 30, 2025, to the college under three written operating leases. The College is the responsible part for insuring the buildings and paying the policy premiums.

The first written leases, dated February 7, 1992, is for the business occupations building. The lease is for a term of one year but is composed of 40-year terms, which are automatically renewed each year. Rent is payable in annual installments of $47,522, due February 1.

The second written lease, dated February 14, 2003, is for the automotive and residential electric buildings. The lease is for a term of one year but is composed of 40-year terms, which are automatically renewed each year. Rent is payable in annual installments of $65,404, due February 1. Increases or decreases in the annual rental amount are subject to agreement between the lessee and lessor and can only occur on the anniversary date of the lease agreement.

The third written lease, dated July 27, 2015, is for the nursing building. The lease is for a term of one year, but implies renewal terms are intended through the debt period of which the building is secured. Rent is payable in annual payments of $25,704 due March 1.

Future minimum lease payments for the written leases are as follows:

Year Ended June 30:	Principal	Interest	Total
2026	$ 136,343	$ 2,288	$ 138,631
2027	135,890	2,741	138,631
2028	135,438	3,192	138,630
2029	134,988	3,642	138,630
2030	134,540	4,090	138,630
2031-2035	501,307	19,687	520,994
2036-2040	309,037	17,983	327,020
2041-2044	243,552	18,062	261,614
	$ 1,731,095	$ 71,685	$ 1,802,780

5. Defined Benefit Pension Plan

Plan Description

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

5. Defined Benefit Pension Plan (Cont.)

Plan Description (Cont.)

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

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

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

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

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

Benefits Provided

Benefits are established by statute and may only be changed by the Legislature. Members 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 a member’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, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by KSA 74-4922.

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

5. Defined Benefit Pension Plan (Cont.)

Benefits Provided (Cont.)

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.20% of total payroll for the fiscal year ended June 30, 2024.

The State is required to contributed 100% of the College's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. However, they do make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per KSA 74-4937, "working after retirement" employees. The resulting proportional share of the "working after retirement" contributions and resulting new pension liability are attributable to the employer. This amount is immaterial to the College and is therefore, not presented on the College's financials.

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

The College's contractually required contributions rate for the actuarial report date year ended June 30, 2024, was 13.38% of the annual college payroll of which 1.2% of payroll was required from the College and 98.80% of payroll was required from the State. The College's contributions to the pension plan were $15,397 for the year ended June 30, 2024 (actuarial report date).

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

5. Defined Benefit Pension Plan (Cont.)

Employer Allocations

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

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

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

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

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

College's proportionate share of the net pension liability	$ -
State's proportionate share of the net pension liability associated with the College	5,600,467
	$ 5,600,467

The net pension liability was measured as of December 31, 2023, which was rolled forward to June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the that date. The College's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and non-employer contributions of the group for the fiscal year ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2024, the combined College and State's proportion was 0.1%, which was a decrease of .07% from its proportion measured as of the year ended June 30, 2023.

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

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

5. Defined Benefit Pension Plan (Cont.)

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

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

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

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

Actuarial Assumptions

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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset class	Long-term target allocation	Long-term expected real rate of return
Non-U.S. Equities	43.00%	8.20%
Core Fixed Income	13.00%	2.20%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Real Estate	15.00%	5.70%
Alternatives	11.00%	12.00%
Short-term Investments	3.00%	0.30%
Total	100.00%	

The discount rate used to measure the total pension liability at the measurement date of June 30, 2024 was 7.00 percent. The discount rate used to measure total pension liability at the prior measurement date of June 30, 2023 was 7.00 percent. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

5. Defined Benefit Pension Plan (Cont.)

Actuarial Assumptions (Cont.)

The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below. In KPERS, the Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so.

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

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

In 2015, SB 4, reduced the previously certified State/School statutory rate from 11.27 percent to 8.65 percent for the last half of Fiscal Year 2015. That same session, SB 228 recertified statutory rates to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of $1.0 billion in pension obligation bonds.

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

Additional legislation in the 2017 Session (S. Sub for HB 2002) provided for a reduction of $194.0 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as receivables by the System.

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

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

The 2021 Legislature passed HB 2405, which authorizes the state of Kansas to issue bonds with net proceeds of $500.0 million to fund a portion of the School's unfunded actuarial liability. SB 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09 percent to 13.33 percent and Fiscal Year 2023 from 13.86 percent to 13.11 percent. The bond proceeds were received by KPERS on August 26, 2021.

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

5. Defined Benefit Pension Plan (Cont.)

Actuarial Assumptions (Cont.)

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

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

Based on the employer contribution history described above, it is a reasonable assumption 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 the 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.

6. Risk Management

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

7. Joint Venture

On January 4, 2006, NCK Wellness Center, Inc. (a not-for-profit corporation), was formed. Operating and funding agreements were entered into on April 29, 2004, by the College, the Mitchell County Hospital, and the City of Beloit. The Wellness Center provides a facility that promotes programs that can improve the quality of life for patients of the hospital, students and faculty of the College, and citizens of North Central Kansas.

The College agreed to contribute $200,000 to the construction of the facility and reports this interest in the statement of net position. The College is also required to contribute a use fee on an annual basis of approximately $95 for each full-time student enrolled on the Beloit campus.

7. Joint Venture (Cont.)

The Wellness Center's year end is December 31. Summarized financial information as presented on the Organization's December 31, 2024 tax return is as follows:

	2024
Revenues	$ 427,270
Expenses	349,262
Change in net assets	78,008
Net assets, beginning of year	1,610,763
Net unrealized gains (losses) on investments	77,115
Net assets, end of year	$ 1,765,886

8. Related Party Transactions Between the College and its Component Unit

The Fort Hays Tech North Central Foundation paid $248,981 in student scholarships to the College during the current fiscal year.

The College provides administrative support, office space, and other services to the Fort Hays Tech North Central Foundation. The Foundation does not reimburse the College for expenses incurred.

9. Related Party Transactions Between the College and Fort Hays State University

The College is a component unit of Fort Hays State University. Transactions between the two entites include student fees and the President's salary and benefits. The total value of these transactions was $277,098 for the year ended June 30, 2025.

10. Contingent Liabilities

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

11. Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION

Fort Hays Tech North Central College

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

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion share of the net pension liability (asset)	0.001%	0.001%	0.001%	0.001%	0.001%	0.000%	Information not available from 2016 to 2019.			
College's proportionate share of the net pension liability (asset)	$ 140,990	$ 107,754	$ 115,184	$ 67,383	$ 90,037	$ 57,175	Information not available from 2016 to 2019.			
State's proprotionate share of the net pension liability (asset)	0.052%	0.059%	0.067%	0.050%	0.037%	0.022%	Information not available from 2016 to 2019.			
State's proprotionate share of the net pension liability (asset)	$ 5,600,467	$ 6,216,143	$ 5,959,913	$ 4,587,999	$ 3,385,517	$ 5,535,544	Information not available from 2016 to 2019.			
Total collective net pension liability (asset)	$ 5,741,457	$ 6,323,897	$ 6,075,097	$ 4,655,382	$ 3,475,554	$ 5,592,719	Information not available from 2016 to 2019.			
College's covered-employee payroll	$ 4,608,071	$ 4,546,180	$ 4,456,476	$ 4,309,250	$ 5,001,216	$ 4,396,204	Information not available from 2016 to 2019.			
Toal collective net pension liability (asset) as a percentage of its covered-employee payroll	124.596%	139.104%	136.321%	108.032%	69.494%	127.217%	Information not available from 2016 to 2019.			
Plan fiduciary net position as a percentage of the total pension liability	72.750%	70.699%	69.752%	68.876%	67.119%	65.097%	Information not available from 2016 to 2019.			

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

Fort Hays Tech North Central College

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

Kansas Public Employees Retirement System

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 15,397	$ 11,026	$ 11,291	$ 8,437	$ 8,590	$ 5,694	Information not available from 2016 to 2019.			
Contributions in relation to the contractually required contribution	(15,397)	(11,026)	(11,291)	(8,437)	(8,590)	(5,694)	Information not available from 2016 to 2019.			
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
College's covered-employee payroll	$ 4,608,071	$ 4,546,180	$ 4,456,476	$ 4,309,250	$ 5,001,216	$ 4,396,204				
Contributions as a percentage of covered-employee payroll	0.33%	0.24%	0.25%	0.20%	0.17%	0.13%				

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

* The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

Fort Hays Tech North Central College

Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Defined Benefit Pension Plan

Changes in benefit terms:

There are no changes in benefits.

Changes in assumptions:

Changes from the beginning to the end of year measurement for the valuation report dated June 30, 2025, are noted below:

- Price inflation remained unchanged at 2.75 percent.
- Investment return assumption remained unchanged at 7.00 percent compounded annually, net of investment expense, and including price inflation.
- General wage growth assumption was raised from 3.5 percent to 15.50 percent, including price inflation.

SUPPLEMENTARY INFORMATION

SINGLE AUDIT SECTION

Fort Hays Tech North Central College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Number	Identifying Number	Disbursements/ Expenditures
Department of Education			
Direct Programs:			
Student Financial Aid (SFA) Cluster			
Supplemental Education Opportunity Grant	84.007	P007A241541	$ 13,642
Federal Work Study Program	84.033	P033A241541	9,293
PELL Grant	84.063	P063P242620	1,403,273
Federal Direct Student Loan	84.268	P268K252620	1,677,072
Total Student Financial Aid (SFA) Cluster			3,103,280
Passed Through Kansas Board of Regents:			
Vocational Education - Basic	84.048	VO48A240016	220,307
Total passed through Kansas Board of Regents			220,307
TOTAL DEPARTMENT OF EDUCATION			3,323,587
Department of Labor			
Direct Programs:			
Community Project	17.289	24A60CP00214	384,826
TOTAL DEPARTMENT OF LABOR			384,826
Department of the Treasury			
ARPA	21.027	R2CUAEFTQCN5	1,814,478
TOTAL DEPARTMENT OF THE TREASURY			1,814,478
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 5,522,891

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Fort Hays Tech North Central College, Beloit, Kansas, under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Account Policies

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

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

LOYD GROUP, LLC

520 S. Main Street
P.O. Box 7
Galva, KS 67443
620-654-7565
www.loyd-group.com

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

Board of Trustees
Fort Hays Tech North Central College
Beloit, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the business-type activities, and the aggregate discretely presented component units of Fort Hays Tech North Central College as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise Fort Hays Tech North Central College's basic financial statements, and have issued our report thereon dated December 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fort Hays Tech North Central 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 Fort Hays Tech North Central College's internal control. Accordingly, we do not express an opinion on the effectiveness of Fort Hays Tech North Central College's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fort Hays Tech North Central 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
December 3, 2025

LOYD GROUP, LLC

520 S. Main Street
P.O. Box 7
Galva, KS 67443
620-654-7565
www.loyd-group.com

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

Board of Trustees
Fort Hays Tech North Central College
Beloit, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
December 3, 2025

Fort Hays Technical North Central College

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

Section 1 – Summary of Auditor's Results

Financial Statements

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

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	None Reported
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	Yes
4. Identification of major programs:	
	Federal Assistance No.
Student Financial Aid Programs:	
Federal Supplemental Educational Opportunity Grant Program	84.007
Federal Work-Study Program	84.033
Federal PELL Grant Program	84.063
Federal Direct Student Loan Program	84.268
ARPA	21.027
5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	Yes

Section 2 – Findings – Financial Statement Audit

There were no significant deficiencies noted for the current year.

Section 3 – Findings and Questioned Costs – Major Federal Award Programs

Student Financial Aid Programs

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

There were no significant deficiencies noted for the current year.

ARPA, Federal Assistance No. 21.027.

There were no significant deficiencies noted for the current year.

FORT HAYS TECH
NORTH CENTRAL

Fort Hays Tech North Central College

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

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

Student Financial Aid Programs

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

2024-001 SIGNIFICANT DEFICIENCY – STATUS UPDATE

Condition: Not all Graduate status changes were updated in the NSLDS system.

Current Status: The issues noted in 2024 have been corrected.