

BARTON COUNTY COMMUNITY COLLEGE

Financial Statements With Independent Auditors' Report

For the Years Ended June 30, 2025 and 2024

BARTON COUNTY COMMUNITY COLLEGE
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For the Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of **Barton County Community College**, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of **Barton County Community College** as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Barton County Community College**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Barton County Community College's** basic financial statements. The supplementary financial information and single audit information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinions, based on our audit and the procedures performed as described above, the information as noted above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



ADAMSBROWN. LLC

Certified Public Accountants

Great Bend, Kansas

December 9, 2025

BARTON COUNTY COMMUNITY COLLEGE
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Overview of the Financial Statements and Financial Analysis

Barton County Community College ("College") is presenting this discussion and analysis of its financial statements to provide an overview of the financial activities for the year. The annual financial statements are presented in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments, including public institutions of higher learning. The statements and notes continue to improve so that readers may receive full value from this information.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the College, as well as its component unit, the Barton County Community College Foundation. Foundation financial information has been included in this audit; however, the following discussion focuses only on the College. Foundation financials are shown in separate columns and have separate applicable footnotes.

The basic financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. There are three financial statements presented: The Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. The discussions about these statements are based on comparative data.

Statement of Net Position

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 Barton County Community College. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent) and Net Position (assets minus liabilities).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors, investors and lending institutions.

Finally, the Statement of Net Position provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the institution but must be spent for specific purposes as determined by donors, the Board, and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted assets are available to the institution for any lawful purpose of the institution.

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets	\$ 44,119,587	43,997,578
Noncurrent Assets, Net	<u>30,691,566</u>	<u>28,249,760</u>
Total Assets	\$ 74,811,153	72,247,338

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Deferred Outflows of Resources	\$	<u>526,794</u>	<u>665,784</u>
Total Assets and Deferred Outflows of Resources		<u>75,337,947</u>	<u>72,913,122</u>
Liabilities			
Current Liabilities		4,475,639	4,089,772
Noncurrent Liabilities		<u>10,816,666</u>	<u>11,579,585</u>
Total Liabilities		15,292,305	15,669,357
Deferred Inflows of Resources		<u>780,573</u>	<u>675,182</u>
Total Liabilities and Deferred Inflows of Resources		<u>16,072,878</u>	<u>16,344,539</u>
Net Position			
Invested in Capital Assets, Net of Debt		21,114,862	18,366,397
Unrestricted		<u>38,150,207</u>	<u>38,202,186</u>
Total Net Position	\$	<u>59,265,069</u>	<u>56,568,583</u>

The College's Total Net Position improved over last year. Our overall credit hour production increased this past year by 12.2%. Barton Online credit hour production increased by 19.1%. The Barton Campus saw an increase of 3.05%, Fort Riley experienced a decrease of 2.5%; however, Fort Leavenworth experienced an increase of approximately 22.3% and our Grandview operations increased credit hours by 2.8%. Overall, these changes in credit hour production and operations can be attributed to better recruitment and retention of students, the value of Barton's educational offerings, enhanced dual credit offerings, changes in deployments and military training, and overall changes in our operations.

Statement of Revenues, Expenses and Change in Net Position

The purpose of the statement is to present the revenues received by the institution, both operating and nonoperating, the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution. In addition, the Total Net Position is provided for both the beginning of the year as well as the end of the year.

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. Examples of nonoperating revenues are state appropriations and local ad valorem taxes. These are "nonoperating" because the Kansas Board of Regents provides state appropriations to the institution, and the Kansas Board of Regents does not directly receive goods or services for those revenues. Like the state appropriations, the property owners of Barton County provide the local ad valorem taxes, and the property owners do not directly receive goods or services for those revenues.

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	<u>2025</u>	<u>2024</u>
Operating Revenues	\$ 19,509,566	19,146,114
Operating Expenses	47,571,902	(45,532,008)
Net Operating Loss	(28,062,336)	(26,385,894)
Net Nonoperating Revenues (Expense)	30,758,822	30,439,393
Change in Net Position	2,696,486	4,053,499
Total Net Position – Beginning, As Stated	56,568,583	54,011,262
Prior Period Restatement	-	(1,496,178)
Total Net Position – Beginning, As Restated	56,568,583	52,515,084
Total Net Position - Ending	\$ <u>59,265,069</u>	<u>56,568,583</u>

The Statement of Revenues, Expenses, and Change in Net Position reflects an increase for this year. Our credit hour production increased 12.2% for the year. Our in-state credit hour production increased by 7.60% and we also experienced an increase of 21.69% in out-of-state credit hours. Our overall operational revenues increased this year primarily due to increases in tuition revenue. Expenses also increased over the previous year due to wage changes, vacant positions that were filled, construction and the costs of operational expenses due to inflation. At the same time, our non-operating revenue (state funding) increased mainly due to special project funding. There were minor adjustments to our Tuition and Fee rates in an effort to compensate for higher employment and operational costs.

Operations at Ft. Riley decreased by 2.5%; however, Grandview saw an increase of 2.8% this last year. This was due to a trend in lower numbers associated with our military offerings, as well as reductions in military aid to soldiers. The number of students occupying student housing increased slightly over last year; however, we did see a typical decrease for the spring semester.

We again saw a decrease in state support of SB155 (high school students funded for tiered technical courses) primarily from the removal of eligible courses that these high school students can take, reclassification of the courses, and a lack of funding as compared to the number of high school students taking these courses system wide. This is a popular program, and our HS numbers continue to increase.

The Board of Trustees was able to provide salary increases of approximately 5% for our full-time employees for FY25. This allowed us to maintain “market level” salary levels for FY25. This made a positive impact in being able to fill vacant positions. Our health insurance plan, which operates on a self-insured basis, continues to see increases in its costs. The health insurance cash reserve was reduced this past year due to a number of specific claims, which invaded the reserve. Because health insurance is a major employee benefit, the college continues to cover the cost of a single plan for our employees.

Statement of Cash Flows

The final statement presented by Barton County Community 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 parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution (tuition and fees, grants, auxiliary enterprises,

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payments to employees and benefits, payments to suppliers, and activity revenues). The second section reflects cash flows from noncapital financing activities (state appropriations, local taxes, Pell and SEOG grants, and contributions). This section reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. 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 (purchase of capital assets, principle on debt, interest payments, and loss on sale of assets). 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 Change in Net Position.

	<u>2025</u>	<u>2024</u>
Operating Activities	\$ (26,288,504)	(24,700,696)
Noncapital Financing Activities	31,238,691	29,756,967
Capital and Related Financing Activities	(5,583,539)	(4,928,067)
Investing Activities	<u>(17,055,638)</u>	<u>(1,628,130)</u>
Net Change in Cash	(17,688,990)	(1,499,926)
Cash – Beginning of Year	<u>37,466,388</u>	<u>38,966,314</u>
 Cash – End of Year	 \$ <u>19,777,398</u>	 <u>37,466,388</u>

The cash balance at year-end saw a significant decrease as compared to the previous year due to increases in long-term investments. It is imperative that the College maintains sufficient cash reserves to protect the long-term health of the institution. The cash includes total College funds (not just the General/Post-Secondary funds). The College's cash balance will help the future operations of the College.

Capital Asset and Debt Administration

The College had \$54,425,377 of plant, property, and equipment, which is an increase of \$2,894,780 over the prior year. The related accumulated depreciation increased to \$23,733,811. More detailed financial activity related to the changes in Capital Assets is presented in Note 5.

The College decreased long-term debt by a net amount of \$396,646 for FY25. This decreases long-term debt to \$13,338,473 at fiscal year-end. More detailed financial information related to long-term debt is presented in Note 6.

Economic Outlook

Barton's overall credit hour production increased for FY25. We anticipated that we would see increases in enrollment from the prior year, however our overall increases exceeded our expectations.

Our dependency on state funding and local valuations for funding play a major role in our financial success. The ongoing political and financial uncertainty within the Federal and State Government continues to be a challenge for Higher Education. Barton experienced a decrease in state support as well as property tax collections for FY25. This was primarily due to the state reducing funding for several special projects as well as recentering of the funding formula. The college continues to focus its efforts in areas that will provide funding such as SB155, online, and specific targeted markets. With the additional funding also comes additional restrictions, labor, reporting, and management of these programs.

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Management's Discussion and Analysis
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The college will continue to increase the efficiency of its operation where it can, using the resources it receives to make the lives of our students and community better. We will take appropriate actions, evaluate current programs, and explore future opportunities to increase our credit hour production where possible and ensure the success of our educational operations.



Mark Dean
Vice President of Administration

BARTON COUNTY COMMUNITY COLLEGE

Basic Financial Statements

BARTON COUNTY COMMUNITY COLLEGE

Statements of Net Position
June 30, 2025 and 2024

	College		Foundation	
	2025	2024	2025	2024
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
<u>OF RESOURCES</u>				
Current Assets				
Cash - Unrestricted	\$ 17,287,070	34,110,625	513,124	157,296
Cash - Restricted	2,490,328	3,355,763	-	-
Total Cash	19,777,398	37,466,388	513,124	157,296
Investments	19,550,000	2,050,000	6,441,516	5,926,368
Accounts Receivable - Taxes in Process, Net of Uncollectible	334,963	769,737	-	-
Accounts Receivable, Students, Net of Allowance for Doubtful Accounts of \$2,837,580 and \$2,704,289, Respectively	3,975,881	3,048,470	-	-
Federal Grant Receivable	226,892	316,983	-	-
Lease Receivables	38,567	-	-	-
Other Receivables	-	-	43,874	33,783
Unconditional Promises to Give	-	-	377,164	29,220
Inventory	66,971	148,451	12,865	15,026
Prepaid Insurance and Other Expenses	148,915	197,549	-	-
Total Current Assets	44,119,587	43,997,578	7,388,543	6,161,693
Noncurrent Assets				
Beneficial Interest in Remainder Trusts	-	-	588,392	536,451
Beneficial Interest in Assets Held by Others	-	-	18,336	16,954
Endowment Investments - Restricted	-	-	6,908,981	6,265,198
Capital Assets, Not Depreciated	973,678	789,840	972,267	950,984
Capital Assets, Net of Accumulated Depreciation and Amortization of \$23,733,811 and \$23,280,837, Respectively	27,553,283	23,740,102	-	-
Construction in Progress	2,164,605	3,719,818	-	-
Total Noncurrent Assets	30,691,566	28,249,760	8,487,976	7,769,587
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	89,115	183,087	-	-
Deferred Outflows Related to OPEB	221,799	246,591	-	-
Deferred Refunding, Net of Accumulated Amortization of \$175,494 and \$155,268, Respectively	215,880	236,106	-	-
Total Deferred Outflows of Resources	526,794	665,784	-	-
Total Assets and Deferred Outflows of Resources	\$ 75,337,947	72,913,122	15,876,519	13,931,280

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

BARTON COUNTY COMMUNITY COLLEGE

Statements of Net Position
June 30, 2025 and 2024

	College		Foundation	
	2025	2024	2025	2024
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Current Liabilities				
Current Obligations - Certificates of Participation	\$ 545,000	525,000	-	-
Current Obligations - Purchase Agreement	38,601	36,722	-	-
Current Obligations - Right-to-Use SBITAs	1,058,264	727,179	-	-
Current Obligations - Right-to-Use Leases	60,282	51,439	-	-
Current Obligations - Compensated Absences	819,660	815,194	-	-
Accounts Payable	222,189	70,765	5,319	12,760
Accrued Payroll and Benefits	958,163	905,089	-	-
Accrued Interest Payable	42,832	47,029	-	-
Deferred Tuition	16,146	399,101	-	-
Deposits and Other Payables	714,502	512,254	-	-
Total Current Liabilities	4,475,639	4,089,772	5,319	12,760
Noncurrent Liabilities				
Noncurrent Obligations - Certificate of Participation	5,395,000	5,940,000	-	-
Noncurrent Obligations - Purchase Agreement	886,909	925,510	-	-
Noncurrent Obligations - Right-to-Use SBITAs	1,404,932	1,415,324	-	-
Noncurrent Obligations - Right-to-Use Leases	133,344	193,626	-	-
Noncurrent Obligations - Compensated Absences	2,025,295	1,964,645	-	-
Total OPEB Liability	508,893	490,706	-	-
Net Pension Liability	192,041	345,105	-	-
Bond Premium, Net of Accumulated Amortization of \$152,979 and \$118,561, Respectively	270,252	304,669	-	-
Total Noncurrent Liabilities	10,816,666	11,579,585	-	-
Deferred Inflows of Resources				
Deferred Inflows Related to OPEB	650,323	675,182	-	-
Deferred Inflows Related to Pensions	92,987	-	-	-
Deferred Inflows Related to Leases	37,263	-	-	-
Total Deferred Inflows of Resources	780,573	675,182	-	-
Total Liabilities and Deferred Inflows of Resources	16,072,878	16,344,539	5,319	12,760
<u>NET POSITION</u>				
Invested in Capital Assets, Net of Related Debt	21,114,862	18,366,397	-	-
Restricted - Expendable for Other	-	-	6,501,224	4,947,334
Restricted - Nonexpendable	-	-	5,516,246	5,366,406
Unrestricted	38,150,207	38,202,186	3,853,730	3,604,780
Total Net Position	\$ 59,265,069	56,568,583	15,871,200	13,918,520

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

BARTON COUNTY COMMUNITY COLLEGE
Statements of Revenues, Expenses and Change in Net Position
For the Years Ended June 30, 2025 and 2024

	College		Foundation	
	2025	2024	2025	2024
Operating Revenues				
Tuition and Fees	\$ 17,623,615	14,845,999	-	-
Less: Student Scholarship Allowances	(7,794,922)	(6,649,068)	-	-
Net Tuition and Fees	9,828,693	8,196,931	-	-
Federal Grants and Contracts	1,769,644	3,712,144	-	-
Housing Payments	2,563,235	2,467,457	-	-
Bookstore Sales	523,988	562,908	-	-
Activity Revenue and Other	4,824,006	4,206,674	39	159
Contributions and Other Fundraisers	-	-	2,414,155	2,828,620
Total Operating Revenues	19,509,566	19,146,114	2,414,194	2,828,779
Operating Expenses				
Instruction	16,088,951	15,437,866	-	-
Public Service	735,549	767,501	-	-
Academic Support	4,310,887	4,004,860	-	-
Student Services	4,678,522	4,559,542	-	-
Institutional Support	12,210,376	11,116,311	516,112	257,611
Physical Plant Operations	3,411,869	4,004,821	-	-
Student Financial Support	1,174,246	1,157,299	1,253,266	1,794,610
Auxiliary Services	2,582,819	2,179,358	-	-
Depreciation and Amortization	2,378,683	2,304,450	-	-
Total Operating Expenses	47,571,902	45,532,008	1,769,378	2,052,221
Net Operating Income (Loss)	(28,062,336)	(26,385,894)	644,816	776,558
Nonoperating Revenues (Expense)				
State Appropriations	14,082,963	14,135,376	-	-
County Property Taxes	10,417,477	10,643,609	-	-
Pell and SEOG Grants	5,294,571	4,365,287	-	-
Contributions	1,008,906	1,197,635	-	-
Interest Income	385,426	394,008	-	-
Investment Income	21,673	27,862	1,307,864	1,562,605
Gain (Loss) From Sale of Assets	(6,410)	286	-	-
Interest Expense on Debt	(445,784)	(324,670)	-	-
Net Nonoperating Revenues (Expense)	30,758,822	30,439,393	1,307,864	1,562,605
Change in Net Position	2,696,486	4,053,499	1,952,680	2,339,163
Total Net Position - Beginning, As Stated	56,568,583	54,011,262	13,918,520	11,579,357
Prior Period Restatement	-	(1,496,178)	-	-
Total Net Position - Beginning, As Restated	56,568,583	52,515,084	13,918,520	11,579,357
Total Net Position - Ending	\$ 59,265,069	56,568,583	15,871,200	13,918,520

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

BARTON COUNTY COMMUNITY COLLEGE
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Student Tuition and Fees, Net of Scholarships	\$ 8,518,327	7,851,590
Grants and Contracts	1,859,735	3,786,723
Auxiliary Enterprise Revenue	3,087,223	3,030,655
Payments to Employees and for Employee Benefits	(25,729,913)	(25,161,067)
Payments to Suppliers	(19,011,563)	(18,391,407)
Activity Revenue and Other	4,987,687	4,182,810
Net Cash Used by Operating Activities	(26,288,504)	(24,700,696)
Cash Flows From Noncapital Financing Activities		
State Appropriations	14,082,963	14,135,376
County Property Taxes	10,852,251	10,058,669
Pell and SEOG Grants	5,294,571	4,365,287
Contributions	1,008,906	1,197,635
Net Cash Provided by Noncapital Financing Activities	31,238,691	29,756,967
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets	(2,951,886)	(2,752,825)
Proceeds From Sale of Assets	4,336	15,103
Principal Paid on Certificates of Participation	(525,000)	(510,000)
Principal Paid on Purchase Agreement	(36,722)	(34,935)
Principal Paid on Right-to-Use SBITAs	(1,559,714)	(1,262,035)
Principal Paid on Right-to-Use Leases	(64,572)	(54,639)
Interest Paid on Certificates of Participation	(210,569)	(224,313)
Interest Paid on Purchase Agreement	(47,278)	(49,065)
Interest Paid on Right-to-Use SBITAs	(184,009)	(49,484)
Interest Paid on Right-to-Use Leases	(8,125)	(5,874)
Net Cash Used by Capital and Related Financing Activities	(5,583,539)	(4,928,067)
Cash Flows From Investing Activities		
Investment Income	21,673	27,862
Interest Income	385,426	394,008
Lease Income	37,263	-
Certificates of Deposit	(17,500,000)	(2,050,000)
Net Cash Usd by Investing Activities	(17,055,638)	(1,628,130)
Net Change in Cash	(17,688,990)	(1,499,926)
Cash - Beginning of Year	37,466,388	38,966,314
Cash - End of Year	\$ 19,777,398	37,466,388
Cash per Statements of Net Position		
Cash - Unrestricted	\$ 17,287,070	34,110,625
Cash - Restricted	2,490,328	3,355,763
Total Cash per Statements of Net Position	\$ 19,777,398	37,466,388
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities		
Net Operating Loss	\$ (28,062,336)	(26,385,894)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	2,378,683	2,304,450
(Increase) Decrease in		
Accounts Receivable	(875,887)	(350,940)
Inventory	81,480	(15,345)
Prepaid Insurance and Other Expenses	48,634	107,540
Increase (Decrease) in		
Accounts Payable	151,424	(599,087)
Accrued Payroll and Benefits	53,074	(86,545)
Compensated Absences	65,116	187,762
Deferred Tuition	(382,955)	80,468
Net OPEB Obligation	18,120	21,064
Net Pension Liability	33,895	59,695
Other Liabilities	202,248	(23,864)
Net Cash Used by Operating Activities	\$ (26,288,504)	(24,700,696)
Schedule of Noncash Financing and Investing Activities		
Initiation of Right-to-Use SBITAs	\$ 1,880,407	1,174,271
Initiation of Right-to-Use Leases	13,133	272,327

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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Barton County Community College is located in central Kansas in Barton County. The College is a modern comprehensive community college authorized by Kansas House Bill #893-1963 and approved by the State Superintendent of Education in July 1965. The College offers a multi-faceted curriculum for a student population of approximately 3,500 full-time equivalent students annually. Presently, about one-third of the students attend classes on the main campus. The other two-thirds are either enrolled in BartOnline courses or at one of a number of off-campus sites operated in the six surrounding counties, as well as, in or near the cities of Salina and Junction City, Kansas.

Financial Reporting Entity

The College is governed by an elected six-member board. The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to colleges and universities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These financial statements present **Barton County Community College** (the primary government) and its component unit. The component unit is included in the College's reporting entity because of the significance of its operational or financial relationship with the College.

Barton County Community College Foundation (the "Foundation") is a discretely presented component unit of the College and is included in the component unit column in the College's basic financial statements. It is reported in a separate column to emphasize that it is a not-for-profit entity legally separate from the College. Foundation board members are appointed by the existing Foundation board members. The discretely presented component unit has a June 30 year end.

The Foundation is a nonprofit corporation whose purpose is to raise private sector funds by providing leadership and to prudently manage gifts to benefit educational opportunities and initiatives of **Barton County Community College**. The majority of the contributions received are from individual supporters of the Foundation. Scholarships totaling \$335,659 and \$266,416 and expenditure reimbursements of \$826,567 and \$1,443,847 were provided to the College during the 2025 and 2024 years, respectively.

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

Use of Estimates

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

Measurement Focus and Basis of Accounting

For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows. All significant intra-agency

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used in the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first and then unrestricted resources as needed.

Cash

For purposes of the statements of cash flows, the College considers all unrestricted, highly liquid deposits with original maturities of three months or less as cash. The Foundation considers the checking account as cash. Cash contributions that are restricted by the donor for long-term purposes are not included in the definition of cash even though the funds are invested in short-term liquid investments.

Investments

The College's investments consist of certificates of deposit with original maturities of more than three months. Foundation investments are recorded at cost if purchased, fair value on date of donation if donated. Thereafter, investments are reported at their fair values in the statements of net position. Net investment return (loss) is reported in the statements of revenues, expenses and change in net position and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property Taxes

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

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. A percent of property taxes levied in November 2024 are normally distributed after June 30, 2025 and are presented as accounts receivable, net of estimated uncollectible amounts. As of June 30, 2025 and 2024, the County Treasurer had distributed to the College approximately 93% and 89%, respectively, of ad valorem taxes levied.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole. Personal property taxes are recognized as revenue when made available and distributed by the County Treasurer.

BARTON COUNTY COMMUNITY COLLEGE

Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of estimated allowances for uncollectible amounts. Accounts receivable also include amounts due from the federal government, state and local governments (including property taxes) or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

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

Unconditional Promises to Give

Unconditional promises to give are recorded at net realizable value. Generally accepted accounting principles require that unconditional promises to give that are due beyond the next year be discounted using risk free interest rates. The effect of recording these promises to give at net realizable value is not materially different than the discounted amount that would have been recorded at year end. The Foundation considers all pledges receivable to be collectible and therefore, the financial statements do not include an allowance for uncollectible accounts.

Inventory and Prepaid Items

Inventory, consisting mainly of new and used textbooks, school supplies and soft goods held for resale by the bookstore is stated at the lower of cost or net realizable value. The College records certain payments to vendors that reflect costs applicable to future accounting periods as prepaid items in its financial statements.

Capital Assets

Capital assets include property, plant, equipment and infrastructure, such as streets, sidewalks, parking lots, water system and sewer system. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and have a useful life of at least 2 years. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

During the year ended June 30, 2021, the College prospectively adopted GASB Statement No. 89, which states that interest costs incurred during the construction period of an asset should be expensed in the year incurred. Prior to this adoption, the College capitalized interest cost incurred on funds used during the construction phase to construct property, plant and equipment. The capitalized interest was recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized, net of accumulated amortization, was \$157,844 and \$165,356 at June 30, 2025 and 2024, respectively.

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

Property, plant, and equipment of the College are depreciated using the straight-line method over the following estimated useful lives (see Note 5 for further detail):

Assets	Years
Buildings	80
Improvements	20-40
Furniture/Fixtures/Equipment	20-40
Vehicles	5
Library Materials	80
Infrastructure	10-80

BARTON COUNTY COMMUNITY COLLEGE
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The Foundation has an extensive collection of artwork that has been either donated to or purchased by the Foundation. All donations of artwork are recorded at fair value as of the date of the donation. All purchases of artwork are recorded at cost. Starting in 2025 and over the next 10 years, the artwork will have selective appraisals completed to help in collection management. The current value of the collection is not known. The collection is not depreciated as part of capital assets.

The artwork is on display in the Shafer Art Gallery in the Fine Arts Building on the campus of **Barton County Community College** and at various offices and meeting rooms on campus, and is sometimes on loan to businesses in the community. The artwork that is not currently out for viewing is stored in a climate controlled and secure room in the Fine Arts Building.

Various individuals have donated books on Kansas history to the Foundation. The books are kept in the Cohen Center for Kansas History in the Barton County Community College Library. The books have been recorded on the Foundation's books at fair value as of the date of the donation.

Deferred Inflows of Resources/Deferred Outflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College currently reports deferred charges on early retirement on debt refunding. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The College also reports a collective deferred outflow of resources related to pensions and deferred outflows for OPEB, which is described further in Note 14 and Note 16, respectively.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College reports a collective deferred inflow of resources related to leases, pensions, and OPEB, which are described further in Note 3, Note 14, and Note 16, respectively.

On-Behalf Payments for Employee Benefits

The College recognizes revenues and expenses for contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERs and KPERs Death and Disability OPEB) on behalf of the College's employees.

Net Position

The College's net position is classified as follows:

- a. *Invested in capital assets, net of related debt*: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- b. *Restricted – expendable*: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
- c. *Restricted – nonexpendable*: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal in accordance with donor restrictions.

BARTON COUNTY COMMUNITY COLLEGE
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For the Years Ended June 30, 2025 and 2024

- d. *Unrestricted*: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, 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 lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Revenue Classification

The College has classified its revenues as either operating or nonoperating 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, (3) most federal, state and local grants and contracts, and (4) interest on institutional student loans.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, property taxes and investment income.

Scholarship Allowances

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the statements of revenues, expenses, and change in net position. Scholarship allowances are the difference 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.

Budgetary Information

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

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

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

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

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

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Board.

Budgetary Compliance – Regulatory Basis

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

Adoption of New Governmental Accounting Standards Board Statements

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement resulted in a prior period restatement detailed in Note 21.

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

Pending Governmental Accounting Standards Board Statements

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

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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 2 – CASH, INVESTMENTS AND INVESTMENT RETURN

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

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

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

The College's carrying amount of deposits was \$19,777,398 and \$37,466,388 and the bank balance was \$20,011,765 and \$37,768,859 at June 30, 2025 and 2024, respectively. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$7,046,387 and \$9,903,564 was covered by federal depository insurance and \$12,965,378 and \$27,865,295 was collateralized with securities held by the pledging financial institutions' agents in the College's name at June 30, 2025 and 2024, respectively.

The carrying amount of the Foundation's checking account at June 30, 2025 was \$513,124 and the bank balance was \$506,216. The carrying amount of the Foundation's checking accounts at June 30, 2024 was \$157,296 and the bank balance was \$162,783. The difference between the carrying amount and bank balance is due to outstanding checks and/or deposits in transit. Of the bank balance at June 30, 2025, \$250,000 was covered by federal depository insurance and \$256,216 was collateralized with securities held by the pledging financial institutions' agents in the Foundation's name. The bank balance at June 30, 2024 was fully covered by federal depository insurance.

Cash is restricted for the following purposes:

	2025	2024
Flexible Spending Funds	\$ 47,011	53,680
Benefit Management Self-Insured Funds	2,443,317	3,302,083
Board Designated Agency Funds (Student Club and Fundraising Funds)	4,397,926	4,615,081
Total Restricted and Board Designated Cash	6,888,254	7,970,844
Less Board Designated Agency Funds	(4,397,926)	(4,615,081)
Total Cash – Restricted	\$ 2,490,328	3,355,763

BARTON COUNTY COMMUNITY COLLEGE
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For the Years Ended June 30, 2025 and 2024

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

The College's carrying amount of certificates of deposits was \$19,550,000 and \$2,050,000 at June 30, 2025 and 2024, respectively. The entire investment account was collateralized with securities held by the pledging financial institutions' agents in the College's name at June 30, 2025 and 2024.

The Foundation had the following investments as of June 30, 2025:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 10
Certificates of Deposit	\$ 1,657,500	1,657,500	-
Money Market Fund	573,433	573,433	-
Equity Funds	4,993,630	-	4,993,630
Common Stocks	2,662,840	-	2,662,840
Government Obligations	2,017,150	-	2,017,150
Non-government Obligations	1,445,944	-	1,445,944
	<u>\$ 13,350,497</u>	<u>2,230,933</u>	<u>11,119,564</u>

The Foundation had the following investments as of June 30, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 10
Certificates of Deposit	\$ 1,866,132	1,866,132	-
Money Market Fund	89,778	89,778	-
Equity Funds	3,358,620	-	3,358,620
Common Stocks	3,930,452	-	3,930,452
Government Obligations	1,921,868	-	1,921,868
Non-government Obligations	1,024,716	-	1,024,716
	<u>\$ 12,191,566</u>	<u>1,955,910</u>	<u>10,235,656</u>

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes establish a two-year limitation on investment maturities. The Foundation is not exposed to significant interest rate risk.

Fair value measurement. The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

At June 30, 2025, the Foundation's fiduciary fund investments were categorized within the fair value hierarchy as follows:

Fair Value Measurements at June 30, 2025				
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 1,657,500	-	-	1,657,500
Money Market Fund	573,433	-	-	573,433
Equity Funds	4,993,630	-	-	4,993,630
Common Stocks	2,662,840	-	-	2,662,840
Government Obligations	2,017,150	-	-	2,017,150
Non-government Obligations	1,445,944	-	-	1,445,944
Beneficial Interest in Remainder Trusts	-	-	588,392	588,392
Beneficial Interest in Assets Held by Others	-	-	18,336	18,336
Total	\$ 13,350,497	-	606,728	13,957,225

At June 30, 2024, the Foundation's fiduciary fund investments were categorized within the fair value hierarchy as follows:

Fair Value Measurements at June 30, 2024				
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 1,866,132	-	-	1,866,132
Money Market Fund	89,778	-	-	89,778
Equity Funds	3,358,620	-	-	3,358,620
Common Stocks	3,930,452	-	-	3,930,452
Government Obligations	1,921,868	-	-	1,921,868
Non-government Obligations	1,024,716	-	-	1,024,716
Beneficial Interest in Remainder Trusts	-	-	536,451	536,451
Beneficial Interest in Assets Held by Others	-	-	16,954	16,954
Total	\$ 12,191,566	-	553,405	12,744,971

NOTE 3 – LEASE RECEIVABLE

On July 1, 2024, the College entered into a 24 month lease as the lessor for the use of office space. The initial lease receivable was recorded in the amount of \$74,525. As of June 30, 2025, the value of the lease receivable is \$38,567. The lessee is required to make monthly fixed payments of \$3,364. The lease has an interest rate of 8.50%. The value of the deferred inflow of resources as of June 30, 2025 is \$37,263, and the College recognized lease revenue of \$37,263 during the fiscal year.

Future minimum lease payments are as follows:

	Principal	Interest	Total
2026	\$ 38,567	1,801	40,368

BARTON COUNTY COMMUNITY COLLEGE
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 4 – BENEFICIAL INTEREST IN REMAINDER TRUSTS

The Foundation was named as a 50% beneficiary of a trust that contains cash and marketable securities. The income earned by the trust's assets is distributed to five beneficiaries and then, upon the death of the last income beneficiary, a portion of the trust corpus will be distributed to the Foundation. The Foundation has recorded its respective interest in the trust based on the fair value of the investments at year end. The amounts recorded as the beneficial interest of this trust at June 30, 2025 and 2024 are \$588,392 and \$536,451, respectively.

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2025 and 2024 for **Barton County Community College**.

	2025			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 789,840	-	-	789,840
Improvements	279,186	-	-	279,186
Infrastructure	843,340	-	-	843,340
Buildings	28,538,907	3,812,943	-	32,351,850
Vehicles	2,193,998	72,612	(51,997)	2,214,613
Machinery and Equipment	7,406,778	427,228	(46,708)	7,787,298
Library Materials	1,956,986	10,448	(40,390)	1,927,044
Right-to-Use SBITAs	5,482,428	1,880,406	(1,811,520)	5,551,314
Right-to-Use Leases	319,316	13,133	-	332,449
Total	47,810,779	6,216,770	(1,950,615)	52,076,934
Less: Accumulated Depreciation	(23,280,837)	(2,392,878)	1,939,904	(23,733,811)
Construction in Progress	3,719,818	2,393,111	(3,948,324)	2,164,605
Assets Not In Use	-	183,838	-	183,838
Capital Assets, Net	\$ 28,249,760	6,400,841	(3,959,035)	30,691,566

As of June 30, 2025, the total costs of the College's right-of-use leases are recorded as \$332,449, less accumulated amortization of \$140,666, and the total costs of the College's subscription assets are recorded as \$5,551,314, less accumulated amortization of \$2,717,835.

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 789,840	-	-	789,840
Improvements	279,186	-	-	279,186
Infrastructure	843,340	-	-	843,340
Buildings	28,538,204	703	-	28,538,907
Vehicles	2,066,983	172,302	(45,287)	2,193,998
Machinery and Equipment	6,996,457	428,252	(17,931)	7,406,778

BARTON COUNTY COMMUNITY COLLEGE
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For the Years Ended June 30, 2025 and 2024

Library Materials	\$ 1,942,170	14,816	-	1,956,986
Right-to-Use SBITAs	4,403,332	1,266,024	(186,928)	5,482,428
Right-to-Use Leases	46,990	272,326	-	319,316
Total	45,906,502	2,154,423	(250,146)	47,810,779
Less: Accumulated Depreciation	(21,197,526)	(2,318,642)	235,331	(23,280,837)
Construction in Progress	1,583,068	2,136,750	-	3,719,818
Capital Assets, Net	\$ 26,292,044	1,972,531	(14,815)	28,249,760

As of June 30, 2024, the total costs of the College's right-of-use leases are recorded as \$319,316, less accumulated amortization of \$75,444, and the total costs of the College's subscription assets are recorded as \$5,482,428, less accumulated amortization of \$3,196,056.

The following is a summary of changes in the various capital asset categories for the years ended June 30, 2025 and 2024 for the Foundation.

2025				
	Beginning Balance	Increases	Decreases	Ending Balance
Art Collection	\$ 821,010	20,219	-	841,229
Book Collection	129,974	1,064	-	131,038
Total	\$ 950,984	21,283	-	972,267

2024				
	Beginning Balance	Increases	Decreases	Ending Balance
Art Collection	\$ 772,940	48,070	-	821,010
Book Collection	129,579	395	-	129,974
Total	\$ 902,519	48,465	-	950,984

NOTE 6 – LONG-TERM LIABILITIES

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

	Outstanding June 30, 2024	Additions	Reductions	Outstanding June 30, 2025	Current Portion
Certificates of Participation	\$ 6,465,000	-	525,000	5,940,000	545,000
Real Estate Installment Purchase	962,232	-	36,722	925,510	38,601
Right-to-Use SBITAs	2,142,503	1,880,407	1,559,714	2,463,196	1,058,264
Right-to-Use Leases	245,065	13,133	64,572	193,626	60,282
Compensated Absences (net change)	2,779,839	65,116	-	2,844,955	819,660
Total OPEB Liability	490,706	18,187	-	508,893	-
Net Pension Liability	345,105	-	153,064	192,041	-
Bond Premium, Net	304,669	-	34,417	270,252	-
Total Long-Term Liabilities	\$ 13,735,119	1,976,843	2,373,489	13,338,473	2,521,807

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Long-term liability activity for the year ended June 30, 2024 was as follows:

	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024	Current Portion
Certificates of Participation	\$ 6,975,000	-	510,000	6,465,000	525,000
Real Estate Installment Purchase	997,167	-	34,935	962,232	36,722
Right-to-Use SBITAs	2,138,514	1,174,271	1,170,282	2,142,503	727,179
Right-to-Use Leases	27,377	272,327	54,639	245,065	51,439
Compensated Absences (net change)	2,592,078	187,761	-	2,779,839	815,194
Total OPEB Liability	580,461	-	89,755	490,706	-
Net Pension Liability	273,956	71,149	-	345,105	-
Bond Premium, Net	339,087	-	34,418	304,669	-
Total Long-Term Liabilities	\$ 13,923,640	1,705,508	1,894,029	13,735,119	2,155,534

Certificates of Participation Bonds

Series 2015

On November 3, 2015, the College issued certificates of participation bonds with an interest rate of 2.0% to 4.0% in the amount of \$4,530,000 for the purpose of providing funds for refunding the Series 2008 certificates of participation.

Series 2021

On November 10, 2021, the College issued certificates of participation bonds with an interest rate of 3.0% in the amount of \$3,595,000 for the purpose of providing funds for refunding the Series 2013 certificates of participation.

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

	Outstanding June 30, 2024	Additions	Reductions	Outstanding June 30, 2025	Current Portion	Interest Paid
Certificates of Participation						
Series 2015	\$ 3,500,000	-	220,000	3,280,000	230,000	121,619
Series 2021	2,965,000	-	305,000	2,660,000	315,000	88,950
Total Long-Term Debt	\$ 6,465,000	-	525,000	5,940,000	545,000	210,569

Long-term debt activity for the year ended June 30, 2024 was as follows:

	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024	Current Portion	Interest Paid
Certificates of Participation						
Series 2015	\$ 3,715,000	-	215,000	3,500,000	220,000	126,513
Series 2021	3,260,000	-	295,000	2,965,000	305,000	97,800
Total Long-Term Debt	\$ 6,975,000	-	510,000	6,465,000	525,000	224,313

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 545,000	195,206	740,206
2027	555,000	178,281	733,281
2028	570,000	161,269	731,269
2029	590,000	143,944	733,944
2030	610,000	124,894	734,894
2031-2035	2,415,000	316,969	2,731,969
2036-2037	655,000	24,016	679,016
Total	\$ 5,940,000	1,144,579	7,084,579

Purchase Agreement – Direct Borrowing

During the year ended June 30, 2023, the College entered into a purchase agreement for the acquisition of land and a building.

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

	<u>Outstanding June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2025</u>	<u>Current Portion</u>	<u>Interest Paid</u>
Purchase Agreement	\$ 962,232	-	36,722	925,510	38,601	47,278

Long-term debt activity for the year ended June 30, 2024 was as follows:

	<u>Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2024</u>	<u>Current Portion</u>	<u>Interest Paid</u>
Purchase Agreement	\$ 997,167	-	34,935	962,232	36,722	49,065

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 38,601	45,399	84,000
2027	40,576	43,424	84,000
2028	42,652	41,348	84,000
2029	44,834	39,166	84,000
2030	47,128	36,872	84,000
2031-2033	711,719	93,316	805,035
Total	\$ 925,510	299,525	1,225,035

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Subscription Based Information Technology Arrangements (SBITAs) – Direct Borrowing

The College entered into multiple subscription based information technology arrangements for various right-to-use assets. The subscriptions are summarized as follows for the years ended June 30, 2025 and 2024:

Subscription Name	Start Date	End Date	Annual Payment	Interest Rate	6/30/2025 Balance	6/30/2024 Balance
Blackboard V507542 Ally contract	07/01/2024	06/30/2027	\$ 16,940	8.5000%	\$ 32,258	-
Canvas # Q-252026-1	08/01/2022	07/31/2027	107,554	2.5360%	207,174	306,944
CashNet	07/01/2021	03/09/2026	70,019	0.6870%	-	69,541
CDWG # GD78054	01/16/2023	01/15/2026	3,555	2.7960%	-	3,458
Ellucian CRM Advance # B0007-237654-060222	07/01/2022	06/30/2026	54,424	2.4450%	54,719	106,538
Ellucian Experience # B0007-217702-072420	07/01/2021	07/31/2025	20,349	0.5600%	-	20,236
Ellucian Insights	09/01/2023	06/30/2026	83,475	8.0000%	81,930	155,067
Ellucian Managed Cloud Services V42355	07/01/2024	06/30/2027	369,108	8.5000%	737,897	-
Ellucian Oracle Cloud V432355	07/01/2024	06/30/2027	97,224	8.5000%	195,793	-
Evisions - IntelCheck AP Enterprise	02/01/2023	01/31/2026	2,197	2.7960%	-	2,137
Evisions-Intelcheck04844 Payroll Enterprise	02/01/2025	01/31/2029	1,466	7.5000%	6,176	-
Galaxy Digital	08/29/2022	08/28/2025	4,300	2.1940%	-	4,208
Greater Giving	07/01/2021	05/31/2026	1,295	0.6870%	-	1,286
Initium Software LLC Instant Address V551987	08/01/2024	07/31/2027	6,300	8.5000%	11,158	-
Intellidemia-Concourse 493550	10/01/2023	09/30/2026	9,500	8.5000%	8,756	16,826
Kanren Barton Campus access circuit 08028	07/01/2023	06/30/2028	41,364	2.0000%	120,345	158,884
Kanren Fort Riley # 22012110550303181	07/01/2022	06/30/2029	29,807	2.5360%	113,266	139,834
Kanren GVP 100Mb # 2012110490303180	07/01/2022	06/30/2027	21,500	2.5360%	41,884	62,044
KanRenFirewall#00001276 V08028	07/01/2024	06/30/2027	4,200	8.5000%	7,700	-
Nex-Tech Cloud Phone	08/11/2022	08/10/2030	78,408	2.9520%	369,689	436,116
NexTech Surveillance System V470201	04/01/2024	03/31/2030	68,441	8.5000%	266,707	310,438
NexTechArubaTower Agreement V470201	01/01/2024	12/31/2025	39,900	8.5000%	19,465	56,006
NextGen Web Solutions Scholarship Manager V5455517	05/01/2024	04/30/2027	10,000	8.5000%	9,217	17,711
Opendorse NIL athletic compliance V558079	09/01/2024	08/31/2027	6,000	8.5000%	10,627	-
PrestoSports506888 athletic software	11/01/2023	10/31/2026	6,004	8.5000%	5,709	10,795
Rave Mobile Safety and Panic Button V436322	02/01/2025	01/31/2028	8,836	7.5000%	15,866	-
SHI international Adobe 000514870	07/28/2023	07/27/2026	17,065	8.2500%	15,764	30,327
Swank Motion Pictures V14579	07/15/2024	07/14/2029	8,800	8.5000%	30,396	-
TandemCyberLLC V523714 Cybersecurity	07/01/2023	06/30/2026	77,326	8.2500%	72,131	138,066
Watermark	01/01/2024	12/31/2026	15,753	8.5000%	28,569	40,159
Zendesk 3-31-23 suite professional	04/01/2023	06/30/2025	57,000	2.0000%	-	55,882
Total Subscriptions					\$ 2,463,196	2,142,503

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

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 1,058,264	137,190	1,195,454
2027	886,410	65,393	951,803
2028	211,108	21,255	232,363
2029	174,358	11,897	186,255
2030	126,538	3,201	129,739
2031	6,518	16	6,534
Total	\$ 2,463,196	238,952	2,702,148

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Right-to-Use Leases – Direct Borrowing

The College leases various equipment, the terms of which expire in various years through 2029. The leases are summarized as follows for the years ended June 30, 2025 and 2024:

Lease Name	Start Date	End Date	Annual Payment	Interest Rate	6/30/2025 Balance	6/30/2024 Balance
OPI-Copier Admin	07/01/2020	07/07/2025	\$ 1,320	2.0000%	\$ -	1,306
OPI-Copier - Center Innovation	07/01/2020	04/22/2025	900	2.0000%	-	743
OPI-Copier - Learning Resource Center	07/01/2020	07/24/2025	1,320	2.0000%	-	1,306
OPI-Copier - Science Bldg	07/01/2020	07/07/2025	1,320	2.0000%	-	1,306
OPI-Copier - Child Development	11/27/2020	11/27/2025	624	2.0000%	259	871
OPI-Copier - Athletics	09/05/2021	09/04/2026	720	2.0000%	888	1,583
Pitney Bowes-GVP postal machine id11869	09/28/2021	09/28/2026	264	2.0000%	327	582
Pitney Bowes-Fort Riley postal machine id11869	09/29/2021	09/28/2026	680	2.0000%	837	1,492
OPI-Copier Library	08/11/2022	08/11/2027	1,560	2.0000%	3,305	4,783
OPI-Copier - Class Room	11/08/2022	11/08/2027	1,200	2.0000%	2,829	3,960
OPI-Copier-Print Shop V11284 south V800 north V700	07/10/2023	07/09/2028	43,464	2.0000%	126,457	166,953
OPI-Copier-Bookstore	11/15/2023	07/14/2025	624	8.5000%	-	596
Quadient GB Postal machine lease V547901	01/01/2024	12/31/2028	4,428	8.5000%	13,364	16,509
OPI-Copier - C Building	01/23/2024	01/22/2029	1,380	8.5000%	4,165	5,145
OPI Copier Fine Arts	01/23/2024	01/22/2029	1,740	8.5000%	5,252	6,488
OPI Copier Tech Building Office	01/23/2024	01/22/2029	3,780	8.5000%	11,409	14,094
OPI-Copier Klrkman Bldg V11284	04/09/2024	04/08/2029	3,780	8.5000%	12,102	14,730
OPI-Copier V11284 Ag Building	04/23/2024	04/22/2029	672	8.5000%	2,151	2,618
OPI-RSVP copier 1025 Main V11284	07/23/2024	07/22/2029	720	9.0000%	2,411	-
OPI-copier Ellsworth correctional facility/V11284	02/06/2025	02/05/2030	1,175	7.5000%	3,935	-
OPI-copier Larned Correctional Facility V11284	05/01/2025	04/30/2030	1,175	7.5000%	3,935	-
Total Leases					\$ 193,626	245,065

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

Fiscal Year Ending	Principal	Interest	Total
2026	\$ 60,282	6,718	67,000
2027	60,941	4,550	65,491
2028	60,781	2,293	63,074
2029	11,622	451	12,073
Total	\$ 193,626	14,012	207,638

NOTE 7 – DONOR-RESTRICTED ENDOWMENTS

The Foundation has donor-restricted endowments with net appreciation of \$6,908,981 on investments available for authorization for expenditure by the governing board. The entire amount is classified as true endowments and require the principal to be maintained inviolate and in perpetuity. Details for the amounts of the net appreciation on investments and how they are reported are presented in the table below.

Donor-restricted Endowments	Amount of Net Appreciation Available for Expenditure	Reported in Net Position
True Endowments	\$ 2,298,187	Expendable
True Endowments	4,610,794	Nonexpendable

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The Foundation follows the policy of appropriating for distribution earnings from endowed funds based on a calculation of funds available April 30th of the fiscal year preceding the fiscal year in which the distribution is planned. The established practice of determining funds available for distribution is calculating the difference between endowment market value and endowment principal balance with 5% held in reserve. The remaining balance is available for distribution, with consideration of donor restrictions on amounts available for distribution.

Expendable funds are those funds that may be expended for either a stated purpose or for a general purpose as per the endowment gift terms. Nonexpendable funds are those required to be retained in perpetuity.

NOTE 8 – CONCENTRATIONS

Barton County Community College provides the personnel that are used by Barton County Community College Foundation in its day to day operations and pays for some of the Foundation's office expenses. A change in this agreement between the College and the Foundation could adversely affect the Foundation's operations.

NOTE 9 – LITIGATION

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

NOTE 10 – SELF-INSURANCE PLANS

During the years ended June 30, 2025 and 2024, employees of **Barton County Community College** were covered by the College's medical self-insurance plan. For the year ended June 30, 2025, the total premium contributed was approximately \$1,745, \$1,195, \$1,250 and \$700 per month per employee with family, employees with dependents or spouses, and single coverage, respectively. The College contributed \$1,285, \$955, \$975 and \$700 per month per employee with family, employees with dependents or spouses, and single coverage, respectively, with the employee paying the difference through authorized payroll withholdings. For the year ended June 30, 2024, the total premium contributed was approximately \$1,627, \$1,094, \$1,145 and \$615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively. The College contributed \$1,200, \$870, \$890 and \$615 per month per employee with family, employees with dependents or spouses, and single coverage, respectively, with the employee paying the difference through authorized payroll withholdings. Claims were paid by a third party administrator acting on behalf of the College. The administration contract between the College and the third party administration is renewable annually and administration fees are included in the contractual provisions. Stop loss coverage was in effect for individual claims exceeding \$90,000, which is based on a factor determined monthly by HCC Life and the College.

Self-Insurance Liability	2024-2025	2023-2024
Beginning of Fiscal Year Liability	\$ 360,590	429,555
Claims and Changes in Estimates	3,809,188	3,113,270
Claim Payments	(3,585,982)	(3,182,235)
End of Fiscal Year Liability	\$ 583,796	360,590
Assets Available To Pay Claims At June 30	\$ 2,443,317	3,302,083

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NOTE 11 – RISK MANAGEMENT

Barton County Community 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. The College has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the College joined together with other entities in the State of Kansas to participate in the Kansas Educational Risk Management Pool, LLC (KICS), a public entity risk pool currently operating as a common risk management and insurance program for 155 participating members.

The College pays an annual premium to Kansas Educational Risk Management Pool, LLC (KICS) for its commercial insurance coverage. The agreement to participate provides that KICS will be self-sustaining through member premiums and will reinsure through commercial companies for property claims in excess of \$600,000 for each insured event, depending on the type of insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KICS management.

Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 12 – GRANTS AND SHARED REVENUES

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

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

NOTE 13 – DEFERRED COMPENSATION PLAN

Barton County Community College sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The College is not required to make any contributions.

NOTE 14 – DEFINED BENEFIT PENSION PLAN

Plan Description

Barton County Community College participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERs), a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

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

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

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

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

Benefits

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

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

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

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting after January 1, 2015 was created. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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

Special Funding Situation

The employer contributions for community colleges, as defined in K.S.A. 74-4931(2) and (3), are funded by the State of Kansas on behalf of the employer. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68. The State is treated as a nonemployer contributing entity in the System. Since the College does not contribute directly to the System for active employees, there is no net pension liability or deferred inflows or outflows to report in the financial statements for active employees.

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The notes to their financial statements must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the community college. In addition, each community college employer must recognize the pension expense associated with their employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with their employer.

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

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

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

The statutory contribution rate was 11.54% and 12.57% for the fiscal years ended June 30, 2025 and 2024, respectively.

Contributions to the pension plan for the College were \$7,118 and \$20,972 for the fiscal years ended June 30, 2025 and 2024, respectively.

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.

The allocation percentages for the College's share of the collective pension amounts as of June 30, 2024 and 2023 were based on the ratio of each employer's contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2024 and 2023, respectively. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

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Net Pension Liability

Net pension liability activity for the following years ended is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
State Share of Net Pension Liability	\$ 21,310,678	\$ 22,604,959
College Share of Net Pension Liability	192,041	345,105
Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	December 31, 2023	December 31, 2022
College's Proportion	.0029%	.0050%
Change in Proportion	.0021%	.0011%

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

Actuarial Assumptions

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

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

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

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

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-Term Target Allocation		Long-Term Expected Real Rate of Return	
Non-U.S. Equities	43.00	%	8.20	%
Core Fixed Income	13.00		2.20	
Yield Driven	12.00		5.30	
Infrastructure	3.00		6.80	
Real Estate	15.00		5.70	
Alternatives	11.00		12.00	
Short-term Investments	3.00		0.30	
Total	100.00	%		

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Discount Rate

The discount rate used to measure the total pension liability for the years ended June 30, 2025 and 2024, was 7.00%.

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

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

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

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

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

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer \$1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first \$253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining \$871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, \$600 million was transferred in May/June 2022.

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability as of June 30, 2025 and 2024 calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

<u>Fiscal Year</u>	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
June 30, 2025	\$282,860	\$192,041	\$115,966
June 30, 2024	\$496,388	\$345,105	\$218,709

Pension Expense

For the years ended June 30, 2025 and 2024, the College recognized pension expense of \$3,029,497 and \$3,529,562, respectively, and revenue of \$2,988,433 and \$3,435,932 for support provided by the State in the form of non-employer contributions to KPERS on the College's behalf.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

	<u>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 12,194	-	12,503	-
Net differences between projected and actual earnings on investments	1,714	-	23,488	-
Changes in assumptions	12,898	4,946	38,135	-
Changes in proportion	55,191	88,041	87,989	-
Contributions subsequent to measurement date	7,118	-	20,972	-
Total	\$ 89,115	92,987	183,087	-

The \$7,118 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ 6,694
2027	13,808
2028	(9,455)

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2029	\$ (22,037)
2030	-
Thereafter	-

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – KPERS DEATH AND DISABILITY

Plan Description

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

Special Funding Situation

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

Benefits Provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability and life insurance benefits to eligible disabled members. Benefits provided are self-funded, and the full cost of the benefits is covered by the OPEB Plan. The monthly benefit is 60% of the member's monthly rate of compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs. Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

Employees Covered by Benefit Terms

At June 30 (the measurement date), the following members were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Active Employees	306	295
Disabled Employees	1	1
Total	<u>307</u>	<u>296</u>

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Total OPEB Liability

The total OPEB liability recognized by the State of Kansas that was attributable to the College was \$227,574 and \$213,121, respectively. The OPEB liability was measured as of June 30, 2024 and 2023, for the years ended June 30, 2025 and 2024, respectively, and was determined by actuarial valuations as of December 31, 2023 and 2022, rolled forward to June 30, 2024 and 2023, respectively.

For the year ended June 30, 2025 and 2024, the College recognized OPEB expense and revenue of \$28,859 and \$27,551, respectively, for support provided by the State in the form of non-employer contributions on the College's behalf.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise noted:

	<u>2024</u>	<u>2023</u>
Price Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Salary Increases, Including Inflation	3.5% to 11.65%	3.5% to 11.5%
Discount Rate	3.93%	3.65%

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

Mortality rates were based on the Pub-2010 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021 for the December 31, 2023 actuarial valuation. Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021 for the December 31, 2022 actuarial valuation.

The actuarial assumptions used in the June 30, 2024 and 2023 valuations were based on the actual KPERs experience.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description

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

Benefits Provided

As provided and required by K.S.A. 12-5040, the College allows retirees and their spouses to participate in the group health insurance plan for medical and dental coverage. Kansas statutes, which can be amended by State legislature, established that participating retirees may remain in the College's health insurance plan by paying the full amount of the applicable premium. Conceptually, the College is subsidizing the retirees

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because each participant is charged a level of premium regardless of age. The total premium per month per employee with family, employees with dependents or spouses, and single coverage is approximately \$1,745, \$1,195, \$1,250 and \$700, respectively, for the plan year ending October 31, 2025, and \$1,627, \$1,094, \$1,145 and \$615, respectively, for the plan year ending October 31, 2024. Retirees and spouses must contribute 125% of group plan premiums to maintain coverage. Upon retiree death or attainment of age 65, spouses may elect Cobra for up to 3 years. The College does not pay a portion of the premium.

Employees Covered by Benefit Terms

As of the November 1, 2023 census, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	308

Total OPEB Liability

At June 30, 2025 and 2024, the total OPEB liability was \$508,893 and \$490,706, respectively. The OPEB liability was measured as of June 30, 2025 and 2024 and was determined by an actuarial valuation performed as of November 1, 2023, which was rolled forward to June 30, 2025 and 2024, respectively.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 and 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

	<u>2025</u>	<u>2024</u>
Average Salary Scale	2.0% per year	2.0% per year
Discount Rate	4.8%	4.1%
Healthcare Cost Trend Rates	7.25% for 2024-2025, 7.00% for 2025-2026, 6.75% for 2026-2027, 6.50% for 2027-2028, 6.25% for 2028-2029, 6.00% for 2029-2030, 5.75% for 2030-2031, 5.50% for 2031-2032, 5.25% for 2032-2033, 5.00% for 2033-2034. 4.75% for 2034-2035 and 4.50% for 2035- 2036 (ultimate)	7.50% for 2023-2024, 7.00% for 2024-2025, 6.50% for 2025-2026, 6.00% for 2026-2027, 5.75% for 2027-2028, 5.50% for 2028-2029, 5.25% for 2029-2030, 5.00% for 2030-2031, 4.75% for 2031-2032, and 4.50% for 2032- 2033 (ultimate)

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and the Fidelity GO AA-20 year published yields.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans headcount-weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement for June 30, 2025 and 2024.

Changes in the Total OPEB Liability

The following table shows the changes of the College's total OPEB liability for the year:

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		2025	2024
Total OPEB Liability – Beginning of Year	\$	490,706	580,461
A. Service Cost		37,864	34,833
B. Interest Cost		21,487	24,452
C. Differences Between Actual and Expected Experience		(29,271)	(28,594)
D. Changes in Assumptions		(2,893)	(112,446)
E. Employer Contributions (Benefit Payments)		(9,000)	(8,000)
Net Changes (A+B+C+D+E)		18,187	(89,755)
Total OPEB Liability – End of Year	\$	508,893	490,706

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (3.8%)	Discount Rate (4.8%)	1% Increase (5.8%)
Total OPEB Liability	\$ 570,885	508,893	453,864

The following represents the total OPEB liability of the College as of June 30, 2024, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage lower (3.1%) or one percentage higher (5.1%) than the current discount rate:

	1% Decrease (3.1%)	Discount Rate (4.1%)	1% Increase (5.1%)
Total OPEB Liability	\$ 550,178	490,706	437,662

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates for the year ended June 30, 2025:

	1% Decrease (6.25% decreasing to 3.25%)	Health Cost Trend Rates (7.25% decreasing to 4.5%)	1% Increase (8.25% decreasing to 5.25%)
Total OPEB Liability	\$ 433,781	508,893	600,313

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates for the year ended June 30, 2024:

	1% Decrease (6.5% decreasing to 3.5%)	Health Cost Trend Rates (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Total OPEB Liability	\$ 420,592	490,706	575,833

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OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, and 2024, the College recognized OPEB expense of \$27,120 and \$29,064, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 76,790	145,682	85,850	129,760
Changes in assumptions	145,009	504,641	160,741	545,422
Total	\$ 221,799	650,323	246,591	675,182

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

<u>Year Ending June 30</u>	
2026	\$ (32,231)
2027	(32,231)
2028	(32,231)
2029	(32,231)
2030	(31,860)
Thereafter	(267,740)

NOTE 17 – TAX ABATEMENTS

Barton County Community College participates in the Neighborhood Revitalization Rebate Program which provides to promote revitalization and development of participating Cities within Barton County by stimulating new construction and the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents. Abatements are obtained through application by the property owner to the participating cities, including proof that the improvements or construction have been made, and equal 95 percent in the first year of the additional property tax resulting from the increase in assessed value as a result of the improvements or construction. The abatement is on a sliding scale from 95% to 20% over a 10 year process. The amount of the abatement is deducted from the recipient's tax bill.

For the years ended June 30, 2025 and 2024, the College's property tax revenues were reduced by \$89,335 and \$67,991, respectively.

NOTE 18 – COMPENSATED ABSENCES

Vacation

All 12-month employees of **Barton County Community College**, such as the executive, 12-month faculty, hourly and exempt personnel are entitled to vacation under the following schedule:

1. Executive personnel shall earn vacation at the rate of 14 hours per month (21 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 16 hours per month (24 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 350 hours (44 days).

BARTON COUNTY COMMUNITY COLLEGE
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2. 12-month faculty on the Barton Campus and full-time exempt staff shall earn 8 hours of vacation per month (12 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 12 hours per month (18 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).
3. 12-month faculty on the Fort Riley Campus shall earn vacation at the rate of 20 hours per month (30 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 22 hours per month (33 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).
4. Full-time hourly personnel shall earn 7 hours of vacation per month (10.5 days per year) for the first 5 years and thereafter shall earn vacation at the rate of 10 hours per month (15 days per year) with an increase of 2 hours per month for every 5 additional years and allowed to accrue a maximum of 264 hours (33 days).

The College's potential liability for vacation at June 30, 2025 and 2024 has been estimated at \$1,195,140 and \$1,180,465, respectively, and is recorded in the financial statements.

Sick Leave

The College provides sick leave to its eligible employees as follows:

1. Executive personnel, faculty and full-time staff shall earn sick leave at the rate of 8 hours per month (12 days per year) and allowed to accrue a maximum of 960 hours (120 days).
2. Part-time hourly staff shall earn sick leave at the rate of .0462 hours per each hour worked and allowed to accrue a maximum of 960 hours (120 days).

Accumulated sick leave is not paid upon termination of employment except for those employees qualifying for early retirement. A qualified early retiree will be paid for accumulated sick leave at a rate of the retiree's average base salary for the last four years of employment times the number of accrued sick days up to \$100 per day. The College's potential liability for sick leave at June 30, 2025 and 2024 has been estimated at \$1,649,815 and \$1,599,374, respectively, and is recorded in the financial statements.

The College has a donated leave program that allows its employees to contribute their paid leave time to their colleagues who are in need of it. Maximum leave which could be transferred to an employee requesting donated leave is 480 hours. Individuals must have a minimum of 126 hours of accrued sick leave before being eligible to donate sick leave under this program.

Personal Leave

The College provides personal leave to its eligible employees. All full-time staff shall earn 16 hours of personal leave per fiscal year (2 days per year). All part-time staff shall earn 8 hours of personal leave per fiscal year (1 day per year). Unused leave does not carry over.

NOTE 19 – RISKS AND UNCERTAINTIES

Barton County Community College Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the activities of the Foundation.

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The Foundation has tried to minimize the risk associated with these investment securities by having an investment committee review the investment activity throughout the year and by having regular meetings with the investment company representatives.

NOTE 20 – RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 21 – PRIOR PERIOD RESTATEMENT

For the year ended June 30, 2025, the College implemented GASB 101, which was applied retrospectively to June 30, 2024 balances. The College also reviewed prior period passed adjustments for GASB 87 and determined that the effects of the waived amounts were material to the current year. The College retrospectively applied GASB 87 to June 30, 2024. The implementation of these standards had the following effect on the beginning net position:

	As Previously Stated	Prior Period Restatement	Restated
Capital Assets, Net of Accumulated Depreciation and Amortization	\$ 23,496,230	243,872	23,740,102
Current Obligations - Right-to-Use Leases	-	(51,439)	(51,439)
Noncurrent Obligations - Right-to-Use Leases	-	(193,626)	(193,626)
Current Obligations - Compensated Absences	(1,180,465)	365,271	(815,194)
Noncurrent Obligations - Compensated Absences	-	(1,964,645)	(1,964,645)
Instruction	15,394,562	43,304	15,437,866
Depreciation and Amortization	2,249,237	55,213	2,304,450
Interest Expense on Debt	318,798	5,872	324,670
Total Net Position	(54,011,262)	1,496,178	(52,515,084)

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 9, 2025, which is the date the financial statements were available to be issued on **Barton County Community College**.

BARTON COUNTY COMMUNITY COLLEGE

Required Supplementary Information

BARTON COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 37,864	34,833	32,498	63,844	84,740	58,275	49,958	47,930
Interest Cost	21,487	24,452	20,797	16,860	25,631	11,766	20,296	18,518
Differences Between Actual and Expected Experience	(29,271)	(28,594)	5,450	(44,989)	16,679	(99,985)	114,441	-
Changes in Assumptions and Other Inputs	(2,893)	(112,446)	26,465	(304,129)	(244,444)	204,860	(17,621)	2,776
Employer Contributions (Benefit Payments)	(9,000)	(8,000)	(11,000)	(9,000)	-	-	(12,000)	(6,000)
Net Changes in Total OPEB Liability	18,187	(89,755)	74,210	(277,414)	(117,394)	174,916	155,074	63,224
Total OPEB Liability - Beginning of Year	490,706	580,461	506,251	783,665	901,059	726,143	571,069	507,845
Total OPEB Liability - End of Year	\$ 508,893	490,706	580,461	506,251	783,665	901,059	726,143	571,069
Covered-Employee Payroll	\$ 15,124,546	15,124,546	14,066,154	14,066,154	13,713,288	13,713,288	12,486,051	12,486,051
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.36%	3.24%	4.13%	3.60%	5.71%	6.57%	5.82%	4.57%

Notes to Schedule

Changes of Assumptions and Other Inputs

Changes of assumptions and other inputs reflect a change in the discount rate from 3.35% in 2017, 3.3% in 2018, 3.0% in 2019, 2.6% in 2020, 2.0% in 2021, 3.9% in 2022, 4.0% in 2023, 4.1% in 2024, and 4.8% in 2025.

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

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

	2025	2024	2023	2022	2021	2020	2019	2018
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability								
Service Cost	\$ 42,323	38,704	36,285	40,138	34,192	32,467	32,135	32,981
Interest Cost	9,254	8,284	4,764	5,132	7,440	7,909	7,170	4,892
Changes in Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Actual and Expected Experience	(32,746)	(26,363)	(34,297)	(49,500)	(31,443)	(32,524)	(29,699)	(4,535)
Changes in Assumptions and Other Inputs	(526)	(894)	8,174	286	7,336	2,469	(1,985)	(3,852)
Benefit Payments	(3,852)	(3,852)	(3,852)	(3,852)	(3,852)	(3,852)	(3,852)	-
Net Changes in Total OPEB Liability	14,453	15,879	11,074	(7,796)	13,673	6,469	3,769	29,486
Total OPEB Liability - Beginning of Year	213,121	197,242	186,168	193,964	180,291	173,822	170,053	140,567
Total OPEB Liability - End of Year	\$ 227,574	213,121	197,242	186,168	193,964	180,291	173,822	170,053
State's Proportionate Share of the Total OPEB Liability	\$ 227,574	213,121	197,242	186,168	193,964	180,291	173,822	170,053
Covered Payroll	\$ 18,000,585	16,378,972	14,976,296	14,465,647	15,840,045	15,139,481	14,769,205	14,148,381
Total OPEB Liability as a Percentage of Covered Payroll	1.26%	1.30%	1.32%	1.29%	1.22%	1.19%	1.18%	1.20%

Notes to Schedule

Changes of Assumptions and Other Inputs

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

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

BARTON COUNTY COMMUNITY COLLEGE
Required Supplementary Information
June 30, 2025

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

Fiscal Year-End	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Measurement Date	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
The College's proportion of the collective net pension liability	0.0029%	0.0050%	0.0038%	0.0033%	0.0030%	0.0021%	0.0019%	0.0018%	0.0015%	0.0014%
The College's proportionate share of the net pension liability	\$ 192,041	345,105	273,956	183,895	226,937	138,717	121,793	118,859	129,202	94,092
The State's proportionate share of the net pension liability	21,310,678	22,604,959	21,176,701	16,872,055	24,853,217	21,434,232	21,116,290	22,186,878	22,571,922	22,827,255
Total proportionate share of the net pension liability	<u>\$ 21,502,719</u>	<u>22,950,064</u>	<u>21,450,657</u>	<u>17,055,950</u>	<u>25,080,154</u>	<u>21,572,949</u>	<u>21,238,083</u>	<u>22,305,737</u>	<u>22,701,124</u>	<u>22,921,347</u>
The College's covered payroll	\$ 19,122,247	18,101,719	15,870,713	15,278,895	16,670,919	15,903,427	15,301,030	14,889,833	14,497,297	14,506,193
The College's proportionate share of the collective net pension liability as a percentage of its covered payroll	1.00%	1.91%	1.73%	1.20%	1.36%	0.87%	0.80%	0.80%	0.89%	0.65%
Plan fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

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

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 20,972	35,307	26,854	23,022	21,644	13,808	10,694	8,771	8,984	5,903
Contributions in relation to the contractually required contribution	20,972	35,307	26,854	23,022	21,644	13,808	10,694	8,771	8,984	5,903
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The College's covered payroll	\$ 19,744,123	19,122,247	18,101,719	15,870,713	15,278,895	16,670,919	15,903,427	15,301,030	14,889,833	14,497,297
Contributions as a percentage of covered payroll	0.106%	0.185%	0.148%	0.145%	0.142%	0.083%	0.067%	0.057%	0.060%	0.041%

BARTON COUNTY COMMUNITY COLLEGE
Notes to Required Supplementary Information
June 30, 2025

KPERS Pension Plan

Changes in assumptions.

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

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

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

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

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation.

- The investment return assumption was lowered from 7.75% to 7.00%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

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

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

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

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

BARTON COUNTY COMMUNITY COLLEGE
Notes to Required Supplementary Information
June 30, 2025

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

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

- Retirement rates for the C60 group were adjusted to partially reflect observed experience.
- The probability of KPERS 1 members leaving their contributions with the System were modified to better reflect observed experience.
- Disability rates were reduced.
- Factors that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense component of the actuarial required contribution rate was increased from 0.18% to 0.23%.
- The merit salary increase assumption was increased.

BARTON COUNTY COMMUNITY COLLEGE

Supplementary Financial Information

BARTON COUNTY COMMUNITY COLLEGE**General Fund**

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

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Tuition and Fees	\$ 16,000,000	13,598,396	(2,401,604)
Federal Appropriations	1,000,000	-	(1,000,000)
Activity Revenue and Other	1,373,755	426,747	(947,008)
State Appropriations	10,538,394	10,996,276	457,882
County Property Taxes	11,512,161	10,852,251	(659,910)
Interest Income	230,000	355,459	125,459
Total Revenues	40,654,310	36,229,129	(4,425,181)
Expenditures			
Instruction	14,900,000	10,409,768	4,490,232
Academic Support	3,000,000	2,883,356	116,644
Student Services	5,000,000	3,811,066	1,188,934
Institutional Support	4,700,000	3,951,242	748,758
Operation and Maintenance	11,700,000	4,374,579	7,325,421
Scholarships	280,000	289,574	(9,574)
Total Expenditures	39,580,000	25,719,585	13,860,415
Excess Revenues Over (Under) Expenditures	1,074,310	10,509,544	9,435,234
Other Financing Uses			
Transfers Out	(10,420,000)	(10,863,373)	(443,373)
Excess Revenues and Other Financing Uses Over (Under) Expenditures	(9,345,690)	(353,829)	8,991,861
Fund Balance - Beginning	19,601,015	17,537,750	(2,063,265)
Fund Balance - Ending	\$ 10,255,325	17,183,921	6,928,596

BARTON COUNTY COMMUNITY COLLEGE
Post Secondary Technical Education Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Current Funds - Unrestricted (Regulatory Basis)
For the Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Appropriations	\$ 300,000	156,565	(143,435)
State Appropriations	2,378,617	2,378,617	-
Other Revenues	6,159,333	376,707	(5,782,626)
Total Revenues	<u>8,837,950</u>	<u>2,911,889</u>	<u>(5,926,061)</u>
Expenditures			
Instruction	7,980,000	4,615,361	3,364,639
Academic Support	3,000,000	1,448,591	1,551,409
Institutional Support	11,000,000	6,603,630	4,396,370
Physical Plant Operations	20,000	181	19,819
Total Expenditures	<u>22,000,000</u>	<u>12,667,763</u>	<u>9,332,237</u>
Excess Revenues Over (Under) Expenditures	(13,162,050)	(9,755,874)	3,406,176
Other Financing Sources			
Transfers In	<u>10,350,000</u>	<u>9,757,498</u>	<u>(592,502)</u>
Excess Revenues and Other Financing Sources Over (Under) Expenditures	(2,812,050)	1,624	2,813,674
Fund Balance - Beginning	<u>50,000</u>	<u>16,027</u>	<u>(33,973)</u>
Fund Balance - Ending	\$ <u><u>(2,762,050)</u></u>	<u><u>17,651</u></u>	<u><u>2,779,701</u></u>

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

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Appropriations	\$ 124,051	124,051	-
State Appropriations	57,065	57,065	-
Other Revenues	195,550	-	(195,550)
Total Revenues	<u>376,666</u>	<u>181,116</u>	<u>(195,550)</u>
Expenditures			
Instruction	250,000	125,160	124,840
Student Services	15,000	-	15,000
Institutional Support	115,000	124,735	(9,735)
Physical Plant Operations	10,000	-	10,000
Total Expenditures	<u>390,000</u>	<u>249,895</u>	<u>140,105</u>
Excess Revenues Over (Under) Expenditures	(13,334)	(68,779)	(55,445)
Other Financing Sources			
Transfers In	-	70,000	70,000
Excess Revenues and Other Financing Sources Over (Under) Expenditures	(13,334)	1,221	14,555
Fund Balance - Beginning	<u>20,000</u>	<u>16,204</u>	<u>(3,796)</u>
Fund Balance - Ending	\$ <u><u>6,666</u></u>	<u><u>17,425</u></u>	<u><u>10,759</u></u>

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

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Other Revenues	\$ 5,000	-	(5,000)
Expenditures			
Instruction	5,000	-	5,000
Excess Revenues Over (Under) Expenditures	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	-	-

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

	Student Dormitory Fund			Student Union Fund			Athletic Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues									
Housing Payments	\$ 2,780,000	2,563,235	(216,765)	-	-	-	-	-	-
Bookstore Sales	-	-	-	800,000	538,312	(261,688)	-	-	-
Interest	-	28,061	28,061	-	150	150	-	-	-
Other Revenue	120,000	406	(119,594)	2,100,000	827,542	(1,272,458)	160,000	-	(160,000)
Total Revenues	<u>2,900,000</u>	<u>2,591,702</u>	<u>(308,298)</u>	<u>2,900,000</u>	<u>1,366,004</u>	<u>(1,533,996)</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
Expenditures									
Auxiliary Services	2,507,200	1,963,050	544,150	2,900,000	1,271,412	1,628,588	160,000	-	160,000
Debt Principal Payments	305,000	305,000	-	-	-	-	-	-	-
Debt Interest Payments	87,800	87,800	-	-	-	-	-	-	-
Total Expenditures	<u>2,900,000</u>	<u>2,355,850</u>	<u>544,150</u>	<u>2,900,000</u>	<u>1,271,412</u>	<u>1,628,588</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Excess Revenues Over (Under) Expenditures	-	235,852	235,852	-	94,592	94,592	-	-	-
Other Financing Uses									
Transfers Out	-	-	-	-	-	-	-	(159,186)	(159,186)
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	-	235,852	235,852	-	94,592	94,592	-	(159,186)	(159,186)
Fund Balance - Beginning	5,691,241	5,664,761	(26,480)	764,834	762,497	(2,337)	159,186	159,186	-
Fund Balance - Ending	<u>\$ 5,691,241</u>	<u>5,900,613</u>	<u>209,372</u>	<u>764,834</u>	<u>857,089</u>	<u>92,255</u>	<u>159,186</u>	<u>-</u>	<u>(159,186)</u>

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

	Camp Aldrich Fund			Total Auxiliary Enterprise Funds		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues						
Housing Payments	\$ -	-	-	2,780,000	2,563,235	(216,765)
Bookstore Sales	-	-	-	800,000	538,312	(261,688)
Interest	-	-	-	-	28,211	28,211
Other Revenue	110,000	-	(110,000)	2,490,000	827,948	(1,662,052)
Total Revenues	110,000	-	(110,000)	6,070,000	3,957,706	(2,112,294)
Expenditures						
Auxiliary Services	110,000	-	110,000	5,677,200	3,234,462	2,442,738
Debt Principal Payments	-	-	-	305,000	305,000	-
Debt Interest Payments	-	-	-	87,800	87,800	-
Total Expenditures	110,000	-	110,000	6,070,000	3,627,262	2,442,738
Excess Revenues Over (Under) Expenditures	-	-	-	-	330,444	330,444
Other Financing Uses						
Transfers Out	-	-	-	-	(159,186)	(159,186)
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	-	-	-	-	171,258	171,258
Fund Balance - Beginning	102,816	102,816	-	6,718,077	6,689,260	(28,817)
Fund Balance - Ending	\$ 102,816	102,816	-	6,718,077	6,860,518	142,441

BARTON COUNTY COMMUNITY COLLEGE
Capital Outlay Fund
Summary Schedule of Revenues, Expenditures,
Encumbrances and Changes in Fund Balance - Budget and Actual
Plant Funds (Regulatory Basis)
For the Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Contributions	\$ 900,000	-	(900,000)
Expenditures			
Plant Equipment and Facility	950,000	-	950,000
Excess Revenues Over (Under) Expenditures	(50,000)	-	50,000
Fund Balance - Beginning	348,544	348,544	-
Fund Balance - Ending	\$ 298,544	348,544	50,000

BARTON COUNTY COMMUNITY COLLEGE
Notes to Supplementary Information
June 30, 2025

Reconciliation of Revenues, Expenditures and Other Financing Sources (Uses) for Budgetary Funds on a Regulatory Basis to GAAP Basis.

	General	Post Secondary Technical	Adult Basic Education	Auxiliary Enterprise	Capital Outlay	Total Budgetary Funds	Non-budgetary Funds	Total All Funds
Revenues								
Actual Amounts (Regulatory Basis) Revenues	\$ 36,229,129	2,911,889	181,116	3,957,706	-	43,279,840	20,660,188	63,940,028
Adjustments								
Accounts Receivable	1,060,702	-	-	-	-	1,060,702	-	1,060,702
Change in Allowance for Doubtful Accounts	(133,291)	-	-	-	-	(133,291)	-	(133,291)
Federal Grant Receivable	-	-	2,576	-	-	2,576	(92,667)	(90,091)
Other Receivables	38,567	-	-	-	-	38,567	-	38,567
Deferred Tuition	382,955	-	-	-	-	382,955	-	382,955
Taxes Receivable	(434,774)	-	-	-	-	(434,774)	-	(434,774)
Total Revenues as Reported on the Statement of Revenues, Expenses and Change in Net Position	37,143,288	2,911,889	183,692	3,957,706	-	44,196,575	20,567,521	64,764,096
Expenditures								
Actual Amounts (Regulatory Basis) Expenditures	25,719,585	12,667,763	249,895	3,627,262	-	42,264,505	22,285,938	64,550,443
Adjustments								
Inventory Adjustment	-	-	-	81,480	-	81,480	-	81,480
Change in Compensated Absences	50,440	-	-	-	-	50,440	-	50,440
Change in Debt	24,388	(10,073)	-	(305,000)	-	(290,685)	(1,783)	(292,468)
Change in OPEB Obligation	18,120	-	-	-	-	18,120	-	18,120
Change in Net Pension Obligation	33,895	-	-	-	-	33,895	-	33,895
Change in Deferred Leases	37,263	-	-	-	-	37,263	-	37,263
Accrued Interest on Debt	(406)	-	-	(3,791)	-	(4,197)	-	(4,197)
Change in Prepaid Expenses	48,877	-	-	(243)	-	48,634	-	48,634
Change in Early Retirement Debt Refunding	16,888	-	-	3,338	-	20,226	-	20,226
Change in Debt Premium and Discount	(4,462)	-	-	(29,955)	-	(34,417)	-	(34,417)
Depreciation Expense	2,189,912	-	-	202,963	-	2,392,875	-	2,392,875
Additions to Capital Assets	(6,400,607)	-	-	-	-	(6,400,607)	(2,393,112)	(8,793,719)
Disposal of Capital Assets	1,967	-	-	8,744	-	10,711	3,948,324	3,959,035
Total Expenditures as Reported on the Statement of Revenue, Expenses and Change in Net Position	21,735,860	12,657,690	249,895	3,584,798	-	38,228,243	23,839,367	62,067,610
Other Financing Sources (Uses)								
Actual Amounts (Regulatory Basis) Other Financing Sources (Uses) From Schedule 1	(10,863,373)	9,757,498	70,000	(159,186)	-	(1,195,061)	1,195,061	-
Net Increase in Net Position, as Reported on the Statement of Revenue, Expenses and Change in Net Position	4,544,055	11,697	3,797	213,722	-	4,773,271	(2,076,785)	2,696,486
Net Position - Beginning	25,845,061	26,386	16,204	14,053,717	348,544	40,289,912	16,278,671	56,568,583
Net Position - Ending	\$ 30,389,116	38,083	20,001	14,267,439	348,544	45,063,183	14,201,886	59,265,069

BARTON COUNTY COMMUNITY COLLEGE

Single Audit Information

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

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of **Barton County Community College**, as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise **Barton County Community College's** basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

December 9, 2025

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

To the Board of Trustees
Barton County Community College
Great Bend, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Barton County Community College's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 **Barton County Community College's** compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable

possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

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

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

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

December 9, 2025

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

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Direct Funding			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	P063P242527	\$ 5,195,571
Federal Supplemental Educational Opportunity Grants	84.007	P007A241491	99,000
Federal Work-Study Program	84.033	P033A241491	53,941
Federal Direct Student Loans	84.268	P268K252527	2,686,088
Total Student Financial Assistance Cluster			<u>8,034,600</u>
TRIO Cluster			
TRIO Student Support Services	84.042	P042A201353	424,042
TRIO Educational Opportunity Centers	84.066	P066A220144	319,627
TRIO Upward Bound	84.047	P047A221138	293,290
TRIO Upward Bound	84.047	P047A221228	285,539
Total TRIO Cluster			<u>1,322,498</u>
Passed Through Kansas Board of Regents			
Career and Technical Education - Basic Grants to States	84.048	V048A240016	156,565
Adult Education - Basic Grants to States	84.002	V002A230016	126,627
Total Passed Through Kansas Board of Regents			<u>283,192</u>
Total U.S. Department of Education			<u>9,640,290</u>
U.S. Department of Agriculture			
Passed Through State Department of Education			
Child Nutrition Cluster			
Summer Food Service Program For Children	10.559	J0801	<u>5,010</u>
National Science Foundation			
Research and Development			
Passed Through Kansas State University			
Geosciences	47.050	2230413	22,783
STEM Education	47.076	S19032	11,011
Passed Through Fort Hays State University			
STEM Education	47.076	2345151	<u>1,625</u>
Total National Science Foundation			<u>35,419</u>
U.S. Department of the Treasury			
COVID-19 Funding			
Passed Through Kansas Office of Broadband Development			
Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24-DOCK-BCCC	<u>8,741</u>
National Endowment for the Arts			
Passed Through Kansas Department of Commerce			
Promotion of the Arts Partnership Agreements	45.025	25.SP.01.049	<u>10,000</u>
Corporation for National and Community Service			
Direct Funding			
AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP)	94.002	19SRWKS008	<u>50,841</u>
Total Expenditures of Federal Awards			\$ <u>9,750,301</u>

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

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

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

The College has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 4 – FEDERAL LOAN PROGRAMS

The Federal Direct Student Loans is a program where a student or student's parent applies for a federal loan. When the loan is approved, the money is transferred to a bank account in **Barton County Community College's** name, but the loan funds are designated for the individual student. Total new loans made to eligible students and/or students' parents pursuant to this program totaled \$2,686,088 for the year ended June 30, 2025.

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

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Business-Type Activities

Discretely Presented Component Unit

Unmodified

Unmodified

Internal control over financial reporting:

- | | | | | |
|---|-------------------|-----|------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> </u> | Yes | <u> X </u> | None Reported |
| • Noncompliance material to financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

FEDERAL AWARDS

Internal control over major programs:

- | | | | | |
|--------------------------------------|-------------------|-----|-------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> X </u> | Yes | <u> </u> | None Reported |

Type of auditors' report issued on compliance:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?

 X Yes No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
-----------------------------------	---

Student Financial Assistance Cluster

84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2025-001

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Special Tests and Provisions – Return to Title IV

Criteria or specific requirement

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must accurately determine the amount of Title IV aid earned by the student as of the student's withdrawal date. In order to accurately determine that amount, the institution must use the correct calendar dates related to that recipient's program of study, as well as determine the correct amount of institutional charges for the period.

Condition

Of the 37 students tested for Return to Title IV procedures, 2 were determined to have had errors in their calculation.

Context

For one of the students, an incorrect start date was used when determining the portion of the period that they had completed. For the other student, an incorrect amount was used for the institutional charges in the calculation.

Cause

The instances were a result of human error.

Effect

For the student that had an incorrect date utilized, the change resulted in an additional \$29 that should have been returned to the Department of Education. For the student that had incorrect institutional charges used in their calculation, the school delivered to the student and parent an additional \$4,705.

Recommendation

We recommend that the College review and update its policies to ensure that accurate Return to Title IV calculations are completed.

Views of responsible officials

See Corrective Action Plan.



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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted for the year ended June 30, 2024.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

2024-001

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Reporting and Special Tests and Provisions – Return to Title IV and Enrollment Reporting

Condition

The College's official policy is to be an attendance taking institution. However, the date of the institution's determinations for withdrawals does not fall within the required 14 day period, and it instead follows that of institutions that are not attendance taking. Additionally, during testing, it was identified that the College's quality control processes for Return to Title IV calculations were not completed within a timely manner, and that process determined that calculations needed to be adjusted for some of the students. Those corrections were not made within the required 45 day periods, and, as a result of the late corrections, the NSLDS enrollment reporting also had to be updated outside of its typical window.

Status
Corrected.

SIGNIFICANT DEFICIENCY

2024-002

Federal Program
Student Financial Assistance Cluster

Compliance requirements
Special Tests and Provisions – Enrollment Reporting

Condition

During testing, we identified that 6 of the 60 students tested did not have an enrollment status change properly reported.

Status
Corrected.