

**Manhattan Area Technical College**  
**Board of Directors Meeting Agenda**  
**January 27, 2026/MATC Advanced Technology Center/5:30pm (zoom/live stream)**

Mission: Manhattan Area Technical College provides high quality technical, general, and adult education to prepare individuals to pursue technologically advanced careers and lead productive lives in a dynamic and diverse global environment.

Vision: As a leader in technical education, Manhattan Area Technical College will enhance student-

**HELPING IGNITE** the ambition and passion:

- in our students through self-advocacy
- in our faculty and staff by providing student centered support
- of our community by supporting regional workforce needs.

**REVOLUTIONIZE EDUCATION** through:

- active learning with hands-on instruction from day one
- faculty delivering cutting-edge industry driven expertise
- inspiring innovative lifelong learning.

Objectives:

- Offering associate of applied science degrees and technical certificates upon completion of programs and courses in technical fields to meet student, employer, and community needs.
- Complementing technical instruction with general education courses emphasizing written and verbal communication, quantitative literacy, and critical thinking/problem solving.
- Creating opportunities for secondary students in technical and general education through partnerships.
- Providing student-centered services to include counseling, financial aid, skill enhancement and assessment, employability preparation, and student-led organizations.
- Assessing student performance and outcomes to enhance learning.
- Allocating resources to ensure a safe, accessible, and student-friendly learning environment.
- Maintaining integrity through interaction with Business and Industry Leadership Teams (BILT), our Board of Directors, and ensure compliance with approving agencies.
- Serving as a valued community leader and partner in the educational, economic, and workforce development of our service area.

Board of Directors Statement of Ownership: The Board of Directors for Manhattan Area Technical College has identified its moral ownership, to which it has a fiduciary or trusteeship responsibility, as the general public of the college's service areas.

VISION AND MISSION: The Vision and Mission of the Manhattan Area Technical College Board of Directors is to ensure that MATC strives to be a leader in postsecondary technical education in Kansas to prepare people for productive and enriched lives.

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## Attendance: Board of Directors

Tim Flanary, Chair (Pottawatomie)  
Brett Ballou (Riley)  
Julie Crimmins (Clay)  
Dan Strom (Pottawatomie)  
Leslie Goodwin (Geary)

David Urban, Vice Chair (Riley)  
John Armbrust (Riley)  
Heather Peterson (Pottawatomie)  
Stephanie Pierce (Riley)

## Administration/Staff

James Genandt, President/CEO  
Josh Gfeller, Vice President of Operations  
Kerri Bellamy, Dean, Advanced Technologies  
Neil Ross, Dean, Institutional Effectiveness, CSSO  
Brian Koch, Faculty, Chair, Faculty Senate

Pam Imperato, Special Advisor to President  
Chris Boxberger, Vice President, Education & Engagement  
Kim Davis, Dean, Nursing Ed & Health  
Peter Vopata, Coordinator, Human Resources  
Suzy Baker, Senior Executive Officer, Board Clerk

## Agenda (\*items require Board action)

1. Call to Order
  - a. Introductions (if necessary)
  - b. Agenda revisions (if necessary) \*
2. Consent Agenda\*
  - a. Previous board minutes (**Attachment 1**) \*
  - b. Previous month check register and related financial information (**Attachment 2**) \*
  - c. Organizational update (**Attachment 3**) \*
3. General Agenda (\*items that may require Board action)
  - a. Finance
    - i. Audit Report (**Attachment 4.1, 4.2, 4.3**)
    - ii. Financial Dashboard (**Attachment 5**)
  - b. Partnerships/Outreach
    - i. Update report
    - ii. The Grind: The Heart of Student Support (AACC repost of Rachel's article on the TLC)
      1. <https://www.aacc21stcenturycenter.org/article/the-heart-of-student-support/>
  - c. Faculty Senate
    - i. Update report (**Attachment 6**)
  - d. Operations
    - i. Facilities update
  - e. Academics
    - i. No updates
  - f. Policies
    - i. No updates
  - g. Student Services

- i. Discuss Spring 26 Events (Open House, Career Fair, National Signing Day)
  - h. Resource Development
    - i. No updates
  - i. Governance Monitoring Reports (as required)
    - i. Strategic Plan (**Attachment 7**)
  - j. President's Report
    - i. Monthly update report (**Attachment 8**)
  - k. Executive Session (10 min)
    - i. Personnel
- 4. Events/Meetings Calendar
  - a. February 10 – AutoTech Donation Ceremony, 10a
  - b. February 24 – Board of Directors Monthly Meeting, 5:30p
  - c. February 26 – Open House, 9a-1p
  - d. March 11 – Manhattan Chamber After Hours, 5:30p
  - e. March 16-20 – Spring Break – Campus Closed
  - f. March 25 – Career Fair, 1p
  - g. April 16 – National Signing Day, 12:30p
  - h. May 15 – Nursing Pinning, 2p
  - i. May 16 – Commencement, 10a
  - j. May 25 – Memorial Day – Campus Closed
- 5. Adjournment

	<b>Schedule of President's Monitoring Reports</b>
Monthly Through BOD Meetings  Written Report in December	<p>1. <b>GENERAL EXECUTIVE CONSTRAINT</b></p> <p>a) The President shall not cause or allow any practice, activity, decision or organizational circumstance which is illegal, imprudent, or unethical</p>
June	<p>2. <b>TREATMENT OF PEOPLE</b></p> <p>a) With respect to treatment of students, staff, volunteers and the community, dealings shall not be inhumane, unfair, or undignified.</p>
October	<p>3. <b>BUDGETING/FINANCIAL PLANNING/FORECASTING</b></p> <p>a) Budgeting shall not deviate significantly from board priorities, or risk fiscal jeopardy.</p>
Quarterly (Reports to Include Both MATC Operating Financials as Well as MATC	<p>4. <b>FINANCIAL CONDITION</b></p> <p>a) With respect to the actual, ongoing condition of the organization's financial health, the President shall not cause or allow the development of fiscal jeopardy or a significant deviation of actual expenditures from board priorities established in policies.</p> <p>b) July – September</p> <p>c) October - December    January – March</p>

Foundation Impact)	d) April – June
Ongoing	<p>5. <b>INFORMATION AND ADVICE</b></p> <p>a) With respect to providing information and counsel to the board, the President shall not permit the board to be uninformed.</p>
October	<p>6. <b>ASSET PROTECTION</b></p> <p>a) Assets shall not be unprotected, inadequately maintained, or unnecessarily risked.</p>
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January & August	<p>8. <b>STRATEGIC PLAN (General Executive Constraint &amp; Board Governance Process)</b></p> <p>a) Annual presentation of Strategic Plan...the President shall not operate the college without a Strategic Plan.</p> <p>b) Monitoring progress of Strategic Plan.</p>
February & October	<p>9. <b>ACHIEVMENT OF ENDS</b></p> <p>a) Vision &amp; Mission</p> <p>b) Essential Skills</p> <p>c) Work Preparedness</p> <p>d) Workforce Development</p> <p>e) Leadership</p>

**Manhattan Area Technical College**  
**Board of Directors Meeting Minutes**  
**December 9, 2025/MATC Advanced Technology Center/5:30pm (zoom/live stream)**

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Brett Ballou (Riley) ZOOM  
Julie Crimmins (Clay)  
~~Dan Strom (Pottawatomie)~~  
Leslie Goodwin (Geary)

David Urban, Vice Chair (Riley)  
John Armbrust (Riley)  
Heather Peterson (Pottawatomie)  
~~Stephanie Pierce (Riley)~~

**Administration/Staff**

James Genandt, President/CEO  
Josh Gfeller, Vice President of Operations  
Kerri Bellamy, Dean, Advanced Technologies  
Kim Davis, Dean, Nursing Ed & Health  
~~Peter Vopata, Coordinator, Human Resources~~  
~~Brian Koch, Faculty, Chair, Faculty Senate~~

Pam Imperato, Special Advisor to President  
Chris Boxberger, Vice President, Education & Engagement  
Cara Prichard, Chief Financial Officer  
~~Neil Ross, Dean, Institutional Effectiveness, CSSO~~  
~~Kim Withroder, Director, Institutional Research/Effectiveness~~  
Suzy Baker, Senior Executive Officer, Board Clerk

Agenda (\*items require Board action)

1. Call to Order **Tim called the meeting to order at 5:31p.**
  - a. Introductions (if necessary)
  - b. Agenda revisions (if necessary) \* **Personnel executive session changed to 15 min**
2. Consent Agenda\* **Tim asked for a motion to approve the consent agenda as notes, David 1<sup>st</sup> Julie 2<sup>nd</sup> 7 yes 0 no, motion approved.**
  - a. Previous board minutes (Attachment 1) \*
  - b. Previous month check register and related financial information (Attachment 2) \*
  - c. Organizational update (Attachment 3) \*
3. General Agenda (\*items that may require Board action)
  - a. Partnerships/Outreach
    - Update report (Attachment 4) **Chris:**
      - **Gave his attached report on ongoing monthly tracking of external partner contacts and activities.**
      - **Marysville trip: Demonstrations at Marysville High School on professional health day; superintendent Allie Hines and Rotary Club attendees engaged with VR.**
      - **VR trailer: Completing soft opening; planning a formal launch (“hard” opening). Positive engagement including a music teacher’s VR experience; plan to follow up with students in spring.**
      - **Engagement with “Signal” (likely DES, associated with CompTIA/IT credentials for soldiers) about potential CompTIA trainings; progressing at their pace.**
      - **Parade participation: Third consecutive win for “best use of lights”; students collaborated on design features (lighting schemes, spinning wheels, candy cane wipers, fog machine).**
    - **Conclusion: Outreach efforts active; spring student follow-ups planned; VR trailer nearing formal launch.**

b. Faculty Senate

- Update report (Attachment 5) **No report or representative at this meeting. Praised our newest faculty for passion, enthusiasm & talent. Commencement: Smaller ceremony, primarily lineman students; expected to be brief.**

c. Operations

- Facilities update **Josh:**
- **Furniture rotation project underway; orders finalized; majority of deliveries over Christmas break; setup included in bids (vendor to assemble/unpack).**
- **Parking expansion: Fence extended; painting and initial coating underway; about 22 additional spots as short-term relief; next-phase planning needed.**
- **Collaboration with program faculty and students on facilities tasks (plumbing, electrical, water systems.**
- **Building repairs: Old penetrations removed/cleaned, resealed; guttering fixed; repair completed instead of full replacement (quote exists for full replacement). Power desks: In-house electrician confirmed floor electrical capacity.**
- **Conclusion: Operational improvements on track; short-term parking relief implemented; educational integration with facilities work successful.**

d. Finance

- Updates as required **Cara:**
- **No major financial updates this month; quarterly update due in January; year-end on track.**
- **CFO (Cara) departing; last official day January 2; will assist ~10 hours/week for taxes in January and transition.**
- **Recruitment: Decent applicant pool; second interview conducted; handoff prepared with improved accuracy and transparency; Josh engaged as temporary CFO.**
- **Audit: Expected completion, audit presentation targeted for January board meeting.**
- **Conclusion: CFO transition planned with interim support; audit timeline set for January.**

e. Academics

- No updates

f. Policies

- 4.2.6 Field Trips (Removal) (Attachment 6) **Chris:**
- **Some activities categorized under labs rather than field trips; field trips involve reservations/outings, labs involve program-specific work. Example: IMT group tours at Jeffrey Energy Center noted as external engagement.**

- **Conclusion: Policy refinement continues; clearer categorization of experiential activities.**

g. Student Services

- Updates: Neil:
- **Slate software implementation progressing; meeting timelines. Significant behind-the-scenes integration with third-party systems; staff (Josh and team) collaborating.**
- **Expected benefits: Greater automation and efficiency with data and services; impact may not be immediately visible.**
- **Conclusion: Implementation on track; foundational work to improve institutional efficiency.**

h. Resource Development

- No updates

i. Governance Monitoring Reports (as required)

- No requirements this month

j. President's Report

- Monthly update report (Attachment 7) Jim:
- **Presented his report as attached, and also the added document.**
- **Nursing: Not considered a “professional degree” per recent administrative/congressional developments; biggest impact at bachelor’s level and above (limited direct impact on this institution).**
- **New FAFSA clause: Programs with average salaries below high school graduate levels may lose federal aid eligibility; impacts more likely at proprietary institutions; ongoing monitoring.**
- **Anticipated federal shifts: Emphasis on Department of Labor pathways; uncertainty in DC; financial aid not yet heavily altered.**
- **Conclusion: Monitoring policy changes; potential risk for certain programs based on earnings metrics.**

**Donor Engagement and Funding Strategy**

- **New donor document developed to present institutional performance and funding opportunities.**
- **Highlights: National/state rankings; Aspen Institute submission; Kansas #1 since 2018; top five since 2022; strong ROI (Georgetown data); 96%+ job placement; 87–93% graduates remain in-state; student debt < \$10,000.**
- **Menu of options: Naming rights (ATC), credentialing/professional credit, health science facility, endowed scholarships (credit and noncredit), adult education support (federal/state funding uncertain).**
- **InTrust engagement: Prior \$125,000 contribution; leadership (Tony Parker, Kirk Fisher) interested; bank’s 150th anniversary; potential “stretch” contribution considered; next steps to align options with their mission.**
- **Conclusion: Strategic donor outreach active; tailored proposals prepared; next alignment discussions planned.**

## Forward-Looking Data, Alliances, and Adult Learning Initiatives

- Use of Kansas Department of Labor projections; desire to add forward-looking data to donor materials.
- Considering participation in Alliance for Innovation and Transformation (AFIT) Moonshot on financial prosperity; cost \$12,000; access to McAllister and Cleaner.com intelligence, discounts; aim to expand public/private funding strategies.
- Lumina adult learning project: Institution among few national participants; access to data; funded pilot marketing; promoting AAS via stacked certificates across multiple fields (e.g., plumbing, HVAC, electrician).
- Emphasis: Many trained roles are resilient to AI replacement.
- Noncredit/professional credit: High potential (estimated 6% of institutional potential for revenue/service); customized employer training resonated with donors (examples include Manco Florence and others).
- AFIT 2026: Event in Albuquerque; quantum computing focus; planning engagement.
- Conclusion: Pursuing data-driven, forward-looking strategies; expanding noncredit/professional credit offerings; exploring new funding and innovation avenues.

### k. Executive Session (10 min)

- Finance
  1. David moved to go into Executive Session at 6:05p for 10 minutes, going back into open session at 6:15p. John 2<sup>nd</sup>. Meeting went into Executive Session at 6:05p.
  2. Tim moved that we go back into open session at 6:13p. Leslie moved, John 2<sup>nd</sup>. Back in open session at 6:13p.

### l. Executive Session (15 min)

- Personnel
  1. David moved to go into Executive Session at 6:13p for 15 minutes, going back into open session at 6:28p. John 2<sup>nd</sup>. Meeting went into Executive Session at 6:13p.
  2. Tim moved that we go back into open session at 6:28p. Heather 1<sup>st</sup>, Julie 2<sup>nd</sup>. 7 yes, 0 no. Back in open session at 6:28p.

## 4. Events/Meetings Calendar

- a. December Commencement (December 13, 2025)
  - b. End of Semester Celebration (December 15, 2025, 10a-12p)
  - c. Winter Break – Campus Closed (December 22-January 4)
5. Adjournment **Tim made a motion to adjourn the meeting at 6:31p.**

<b>Schedule of President's Monitoring Reports</b>
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February &  
October

**9. ACHIEVMENT OF ENDS**

- a) Vision & Mission
- b) Essential Skills
- c) Work Preparedness
- d) Workforce Development
- e) Leadership





**MEMORADUM TO:** The Board of Directors  
**FROM:** Jim Genandt, President  
 Human Resources  
**DATE:** January 27, 2026  
**SUBJECT:** Consent Agenda: Organizational Update

New Hire/Rehires					
Employee Name	Position Title	DOH	Department	Funding Source	Status
Tom Madden	Welding Faculty	1/26/2026	Advanced Tech Faculty	Operating	New Hire
Kloie Simons	Student Account Specialist	1/5/2026	Business Office	Operating	New Hire
Emily Trent	Chief Financial Officer	TBD	Exec Admin/ Business Office	Operating	New Hire
Promotions/Title Changes					
Employee Name	Position Title	DOC	Department	Funding Source	Status
Alan Keithley	Director of Maintenance & Grounds	1/16/2026	Maintenance & Facilities	Operating	Departmental Update due to Personnel Gap
John Chingway	Construction Tech Faculty	1/8/2026	Advanced Tech Faculty	Operating	Internal Hire
Separations/Retirements					
Employee Name	Position Title	DOS	Department	Funding Source	Status
Edward Zahler	Construction Tech Faculty	12/11/2026	Advanced Tech Faculty	Operating	Separation
Jacob Boley	Welding Faculty	12/20/2025	Advanced Tech Faculty	Operating	Resignation
Russell Chrest	Head of Maintenance	1/8/2026	Maintenance & Facilities	Operating	Resignation
Chanel Williams	Assistant to the Dean of Nursing	1/9/2026	Nursing & Health Education	Operating	Resignation
Janae Haskell	ELL Program Advisor & Assistant	1/30/2026	Adult Education & ELL	Operating	Resignation
Bryce Blackwell	Chief Financial Officer	2/3/2026	Business Office	Operating	Resignation
New/Advertised Positions					
Position Title		Department	Funding Source	Status	
Adjunct Faculty & Clinical Instructors		Nursing & Health Education	Operating	Open	
Concurrent Instructors		Academic Partnerships	Operating	Open	
Full-Time Associate Degree Nursing Instructor		Nursing & Health Education	Operating	Open	
Full-Time Technical Education Program Assistant		Advanced Tech Staff	Operating	Open	
Nursing Education & Healthcare Program Coordinator		Nursing & Health Education	Operating	Open	
Full-Time Admissions Recruiter		Admissions	Operating	Open	
HVAC Program Assistant & Adjunct		Advanced Tech Staff	Operating	Open	

**To the Board of Directors**

Manhattan Area Technical College  
3136 Dickens Ave  
Manhattan, KS 66502

January 21, 2026

We have audited the financial statements of the business-type activities and the discretely presented component unit of Manhattan Area Technical College (the College) as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about the responsibilities under general accepted auditing standards, the *Kansas Municipal Audit and Accounting Guide*, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 5, 2025. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters***Qualitative Aspects of Significant Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any significant estimates.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule of adjusting journal entries details each of the corrected misstatements for the current year.

*Disagreements with Managements*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Significant Audit Matters (Continued)***Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 21, 2026.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Management Consultations with Us*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the Management Discussion & Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Budgetary Comparison Schedule, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Limitation on the Use of This Report**

This information is intended solely for the use of the board of directors and management of the College and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Manhattan, Kansas

Manhattan Area Technical College Audit - 2025 (generated on: 01/21/2026 20:49:43 UTC)  
Attachment 4.2

**SUMMARY**

Currently showing **all** types of journal entries.

Adjustment Type	Assets	Liabilities	Equity	Net Income
Adjusting (3)	12,110	(107,045)	2,919	116,236
Reclassifying (1)	-	-	-	-
<b>Total</b>	<b>12,110</b>	<b>(107,045)</b>	<b>2,919</b>	<b>116,236</b>

**Adjustment 1**

Notes: To roll forward net position. (Client should post entry as of June 30, 2025)

Adjusting

Account	Debits	Credits
MATC: 1.17.500.680.0.25 - Miscellaneous supplies	940.00	-
Foundation: 0.75.120.120.0.00 - Due from GMCF Agency Fund	149,973.00	-
Foundation: 3.44.400.263.9.40 - Foundation BHE Donation	-	8,331.00
Foundation: 0.70.120.120.0.00 - Due from other funds	-	138,977.00
Foundation: 0.71.120.120.0.00 - Due from Found General Fund	-	686.00
Foundation: 3.70.400.260.9.31 - Foundation General Fund	-	1,979.00
MATC: 0.19.300.300.0.00 - Fund balance - General	-	940.00
<b>✓ Net income effect: 7,391</b>	<b>Dr: 150,913.00</b>	<b>Cr: 150,913.00</b>

**Adjustment 2**

Notes: To adjust transfers between the College and Foundation to be in agreement (Client should post this entry as of June 30, 2025).

Adjusting

Account	Debits	Credits
Foundation: 3.70.100.100.0.00 - Cash - Operating Account	1,800.00	-
Foundation: 3.44.401.263.9.40 - Transfer to College- BHE Donation	-	1,800.00
MATC: 1.17.400.422.0.00 - Miscellaneous Income	36,109.00	-
MATC: 1.17.550.425.0.29 - Transfers in from Foundation	-	36,109.00
Foundation: 3.75.401.264.9.31 - Transfer to College from GMCF	-	2,036.00
Foundation: 3.71.401.261.9.31 - Transfer to College- Scholarships	2,036.00	-
Foundation: 3.75.401.264.9.31 - Transfer to College from GMCF	-	1,500.00
Foundation: 3.71.401.261.9.31 - Transfer to College- Scholarships	1,500.00	-
<b>✓ Net income effect: 1,800</b>	<b>Dr: 41,445.00</b>	<b>Cr: 41,445.00</b>

**Adjustment 3**

Notes: To reverse the June 30, 2024 accrued payroll and record the FY 2025 change in accrued payroll such that the ending June 30, 2025 accrued payroll is properly stated (Client should post this entry as of June 30, 2025).

Adjusting

Account	Debits	Credits
MATC: 0.17.210.215.0.00 - Accrued Payroll	99,437.00	-
MATC: 1.17.500.500.0.25 - Salaries- FT Central Services	-	3,639.00
MATC: 1.17.510.500.0.26 - Salaries- FT Facilities	-	7,540.00
MATC: 1.17.515.500.0.25 - Salaries - Safety and Security	1,760.00	-
MATC: 1.17.520.500.0.25 - Salaries - FT IT Tech Support	-	1,149.00
MATC: 1.17.600.500.0.21 - Salaries - Student Services - full time	-	1,034.00
MATC: 1.17.620.500.0.21 - Salaries- FT Admissions	-	2,400.00
MATC: 1.17.710.536.0.22 - TLC- Peer Tutor	288.00	-
MATC: 1.17.802.500.0.10 - Salaries- FT Air Cond	-	4,018.00
MATC: 1.17.806.500.0.10 - Salaries- FT Auto Tech	-	12,223.00
MATC: 1.17.807.501.0.10 - Salaries- PT BIO	-	1,008.00
MATC: 1.17.808.500.0.10 - Salaries- FT BTR	-	3,996.00
MATC: 1.17.808.501.0.10 - Salaries- PT BTR	-	1,892.00
MATC: 1.17.810.500.0.10 - Salaries- Full Time BA	-	4,318.00
MATC: 1.17.814.500.0.10 - Salaries- Full Time EPD	-	2,398.00
MATC: 1.17.815.500.0.10 - Salaries- EMT Faculty	-	8,878.00
MATC: 1.17.822.500.0.10 - Salaries- Full Time INT	-	10,846.00
MATC: 1.17.822.501.0.10 - Salaries- PT INT	-	710.00
MATC: 1.17.823.500.0.10 - Salaries- MLT	-	5,348.00

**Manhattan Area Technical College Audit - 2025 (generated on: 01/21/2026 20:49:43 UTC)**

Account	Debits	Credits
MATC: 1.17.824,500.0.10 - Salaries- FT ADN	-	109.00
MATC: 1.17.824,500.0.22 - Salaries- Full Time ADN	-	2,083.00
MATC: 1.17.826,500.0.10 - Salaries - FT PN	-	4,249.00
MATC: 1.17.826,500.0.22 - Salaries - Full Time - PN	971.00	-
MATC: 1.17.828,500.0.10 - Salaries- FT WLD	1,086.00	-
MATC: 1.17.829,500.0.10 - Salaries- FT - IET	-	2,412.00
MATC: 1.19.818,500.0.10 - Salaries- FT Gen Ed	-	20,280.00
MATC: 1.19.818,502.0.10 - Salaries- Adjunct Gen Edu	5,259.00	-
MATC: 1.19.825,500.0.10 - Salaries- FT SCI	-	8,699.00
MATC: 1.27.712,501.0.22 - RTC - Salary - Part Time	-	474.00
MATC: 1.46.401,500.0.10 - Salaries - Apprenticeship Funds	865.00	-
MATC: 1.48.401,500.0.10 - Salaries - Student Success Funds	1,424.00	-
MATC: 4.21.900,500.0.11 - Salaries - ALC Instruction	-	2,338.00
MATC: 4.21.930,500.0.11 - Salaries - ALC Instruction	825.00	-
MATC: 4.21.930,500.0.19 - Salaries - ALC Support Staff	126.00	-
MATC: 1.17.590,521.0.00 - Fringe - fica & medicare taxes	-	7,608.00
MATC: 0.17.230,231.0.00 - FICA & Medicare payable	7,608.00	-
<b>✓ Net income effect: 107,045</b>	<b>Dr: 119,649.00</b>	<b>Cr: 119,649.00</b>

**Adjustment 4**

Reclassifying

Notes: Adjust current portion of LTD to actual based on schedule (Client does not need to make this entry)

Account	Debits	Credits
MATC: 0.17.270,279.0.00 - Non-Current Governmental Capital - Roof	7,786.00	-
MATC: 0.17.250,279.0.00 - Current porition - Roof Municipal Lease	-	7,786.00
<b>✓ Net income effect: 0</b>	<b>Dr: 7,786.00</b>	<b>Cr: 7,786.00</b>

**Manhattan Area Technical College**

**Financial Statements  
As of June 30, 2025  
and For the Year Then Ended**

**With Report by Independent Auditors**



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**To the Board of Directors**  
Manhattan Area Technical College  
3136 Dickens Ave  
Manhattan, KS 66502

January 21, 2026

## **Independent Auditor's Report**

### **Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and discretely presented component unit of the College as of June 30, 2025, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit 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 *Kansas Municipal Auditing and Accounting Guide*. Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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**Eric Kientz**  
CPA, CMA, CNAP  
Senior Audit Partner  
(785) 477-9053  
[Eric@KPMHK.CPA](mailto:Eric@KPMHK.CPA)

PO Box 754  
Manhattan, KS 66505  
[KPMHK.CPA](http://KPMHK.CPA)

**Taylor Penick**  
CPA, CNAP  
Managing Partner  
(785) 817-7716  
[Taylor@KPMHK.CPA](mailto:Taylor@KPMHK.CPA)

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, the *Kansas Municipal Auditing and Accounting Guide* 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, including omissions, 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, the *Kansas Municipal Auditing and Accounting Guide* 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 management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the supplementary information described above 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**

The Budgetary Comparison Schedule, as listed in the table of contents, is presented for the purpose of additional analysis. This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

We have applied certain limited procedures to this 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Schedule of Expenditures of Federal Awards**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

**Other Reporting**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Certified Public Accountants  
Manhattan, Kansas

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of the Manhattan Area Technical College (College) annual financial report, the College's management provides narrative discussion and analysis of the financial activities of the College for the year ended June 30, 2025. The College's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Introduction

The College is a public two-year technical college offering 12 programs of study, as well as numerous general education courses. Most programs offer both a certificate (1-year) and an associate degree (2-year) option. The College is accredited by the Higher Learning Commission, coordinated by the Kansas Board of Regents, and governed by the seven-member Board of Directors. The College has served the community of northeast Kansas for over 50 years. Though the primary service area is the six counties contiguous to the College's location in Riley County, the College serves individuals from all locations in Kansas, other states, and other countries.

### Overview of the College's Financial Reporting Model

This financial report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

This section of College's financial report presents management's discussion and analysis of the College's financial activities during the fiscal year ended June 30, 2025, with selected comparative information for the year ended June 30, 2024. This discussion should be read in conjunction with the College's annual financial statements, report of independent auditors, notes to the financial statements, and supplementary information.

As required by GASB, this report includes the following three basic financial statements that provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. Each of these statements will be discussed.

### Statement of Net Position

The statement of net position presents the financial position of the College at the end of the fiscal year and includes all of the College's assets and liabilities. The difference between total assets and total liabilities is net position and is an indicator of the College's current financial condition. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

	<u>As of June 30, 2025</u>	<u>As of June 30, 2024</u>	<u>Change</u>
<b>Assets</b>			
Current assets	\$ 3,780,624	\$ 3,236,174	\$ 544,450
Noncurrent assets	21,235,507	19,137,148	2,098,359
<b>Total Assets</b>	<u>\$ 25,016,131</u>	<u>\$ 22,373,322</u>	<u>\$ 2,642,809</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Current liabilities	\$ 561,368	\$ 554,331	\$ 7,037
Noncurrent liabilities	12,492,214	11,452,987	1,039,227
<b>Total Liabilities</b>	<u>13,053,582</u>	<u>12,007,318</u>	<u>1,046,264</u>
<b>Net Position</b>			
Net investment in capital assets	8,571,139	7,539,119	1,032,020
Restricted - expendable	500,000	500,000	-
Unrestricted	2,891,410	2,326,885	564,525
<b>Total Net Position</b>	<u>11,962,549</u>	<u>10,366,004</u>	<u>1,596,545</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 25,016,131</u>	<u>\$ 22,373,322</u>	<u>\$ 2,642,809</u>

**Statement of Net Position (Continued)**

Current liabilities are primarily related to accounts payable, the current portion of notes payable and deferred revenue which relates to advance grant funding received from the Kansas Department of Commerce for construction of new facilities. Amounts due to employees for salaries and related benefits earned but not yet paid as of June 30, 2025, totaled \$166,419. The current portion of notes payable totaled \$172,154. Accounts payable as of June 30, 2025 was \$46,486.

Noncurrent liabilities at year end are comprised of four long term debt obligations of which the original loan proceeds were used to finance (1) the 2019 replacement of an older roof with a new standing seam metal roof, (2) the acquisition and improvements to a new educational facility in Wamego, Kansas, (3) the financing of the Building HIRE Education expansion project and (4) the lease of two cars.

**Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as other nonoperating revenues and expenses and the resulting effect on net position.

	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Operating Income (Loss)</b>			
Operating revenues	\$ 8,479,847	\$ 9,033,577	\$ (553,730)
Operating expense	<u>(8,798,506)</u>	<u>(8,121,730)</u>	<u>(676,776)</u>
<b>Operating Income (Loss)</b>	<u>(318,659)</u>	<u>911,847</u>	<u>(676,776)</u>
 <b>Nonoperating Revenue, Net</b>			
State appropriations	2,613,997	2,793,728	(179,731)
Other nonoperating revenues	253,364	262,275	(8,911)
Other nonoperating expense	<u>(952,157)</u>	<u>(593,227)</u>	<u>(358,930)</u>
<b>Total Nonoperating Revenue, Net</b>	<u>1,915,204</u>	<u>2,462,776</u>	<u>(547,572)</u>
 <b>Change in Net Position</b>	1,596,545	3,374,623	(1,778,078)
<b>Net Position – Beginning</b>	<u>10,366,004</u>	<u>6,991,381</u>	<u>3,374,623</u>
<b>Net Position – Ending</b>	<u>\$ 11,962,549</u>	<u>\$ 10,366,004</u>	<u>\$ 1,596,545</u>

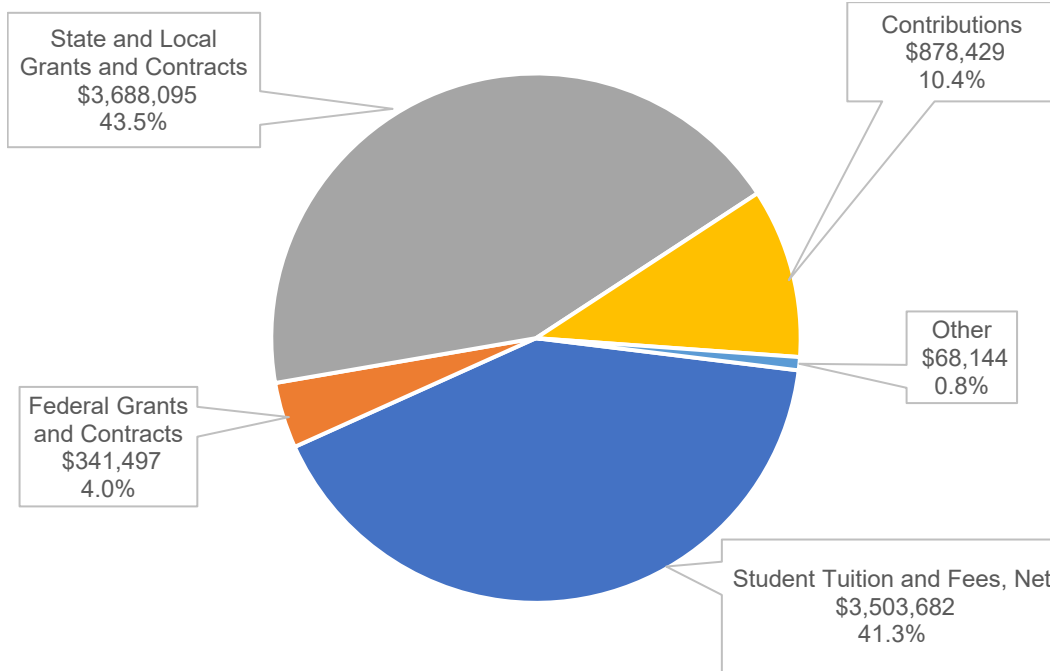
The College operates its programs from a financial position which requires a mix of student tuition and fees paid by students and nonoperating revenues, which are primarily received in the form of state appropriations. For years ended June 30, 2025 and 2024 the proportion of operating revenues to nonoperating revenues was as follows:

	<u>2025</u>		<u>2024</u>	
Operating revenues	\$ 8,479,847	75%	\$ 9,033,577	75%
Nonoperating revenues	2,867,361	25%	3,056,003	25%
<b>Total revenues</b>	<u>\$ 11,347,208</u>		<u>\$ 10,672,596</u>	

Of the nonoperating revenue totals, state appropriations comprise 91% for each of the years ended June 30, 2025 and 2024. Even though the state appropriates these funds to support the operations of the College, the GASB financial reporting model regards this funding source as nonoperating revenue because there is no exchange (or direct benefit) received by the state in providing the appropriation. For this reason, operating losses are currently and historically reported by the College.

**Operating Revenues**

Operating revenues include activities having characteristics of exchange transactions (the payer/sponsor receives a benefit approximately equal in value to the payment or award) whereas nonoperating revenues include those activities having characteristics of nonexchange transactions (the payer/sponsor makes a voluntary transfer without directly receiving equal value in return). The following is a graphic illustration of operating revenues by source:



- Student tuition and fees, net were earned as revenue for the following program areas during the year ended June 30, 2025:

Postsecondary Technical Education	\$ 3,027,345	86.4%
General Fund	476,337	13.6%
	<u>\$ 3,503,682</u>	

- Federal grants and contracts are an important source for funding the development and implementation of new programs as well as the modernization of existing programs. For the year ended June 30, 2025, the primary funding sources of these operating revenues are summarized as follows:

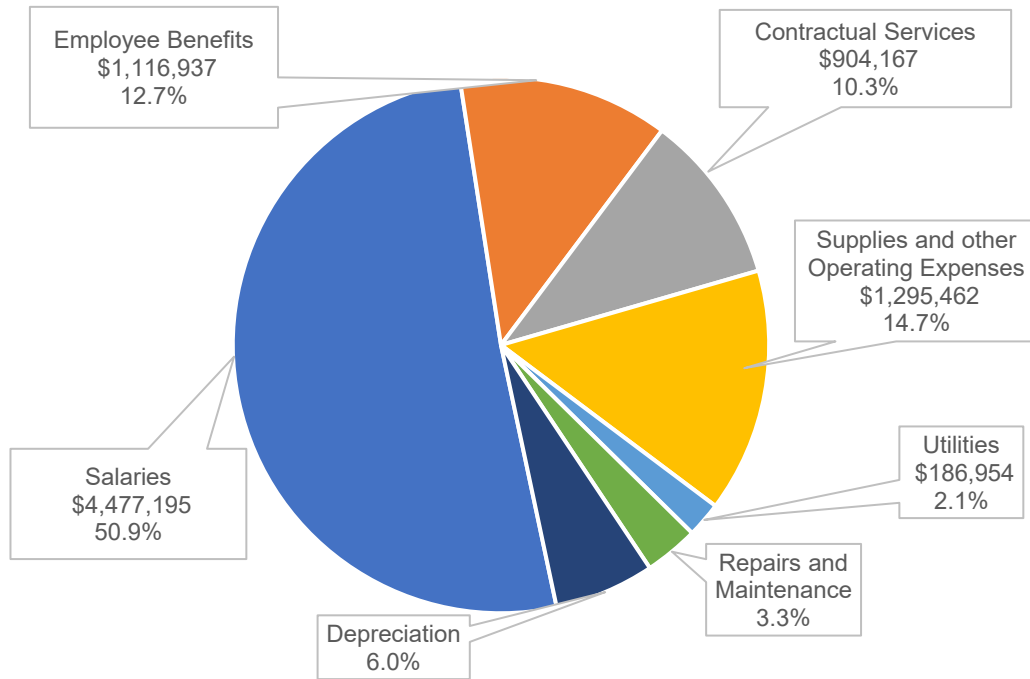
Federal awards passed through Kansas State University	\$ 96,533	28.3%
Federal awards passed through the Kansas Board of Regents	244,964	71.7%
	<u>\$ 341,497</u>	

- State and local grants and contracts are an important source for funding the development and implementation of new programs as well as the modernization of existing programs. For the year ended June 30, 2025, the primary funding sources of these operating revenues are summarized as follows:

State awards from the Kansas Board of Regents	\$ 3,353,807	90.9%
Other sources	334,288	9.1%
	<u>\$ 3,688,095</u>	

**Operating Expenses**

Operating expenses are the ordinary and necessary costs associated with the day-to-day operation, maintenance, and management of the College. Operating expenses for 2025 consisted of the following:



- Operating expenses consisted of the following functional categories during 2025:

Instruction	\$ 4,012,848	45.6%
Academic Support	503,157	5.7%
Student Services	826,744	9.4%
Institutional Support	3,367,030	38.3%
Other	88,727	1.0%
	<u>\$ 8,798,506</u>	

**Statement of Cash Flows**

The Statement of Cash Flows presents information on the College’s sources and uses of cash. Operating activities primarily reflect receipt of tuition and fees, grants, and auxiliary enterprises. It also reflects payments to suppliers, employees and employee benefit vendors. Noncapital financing activities are mainly those monies received from the state appropriation and post-secondary grant aid. Cash from capital and related financing activities is the debt principal proceeds or repayments related to capital asset purchases for.

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
<b>Cash Provided by (Used in)</b>			
Operating activities	\$ 205,216	\$ (606,810)	\$ 812,026
Noncapital financing activities	2,613,997	2,793,728	(179,731)
Capital and related financing activities	(2,477,307)	(1,692,506)	(784,801)
Investing activities	214,255	183,321	30,934
<b>Net Increase in Cash and Equivalents</b>	<u>556,161</u>	<u>677,733</u>	<u>(121,572)</u>
<b>Cash and Equivalents – Beginning of Year</b>	<u>2,942,392</u>	<u>2,264,659</u>	<u>677,733</u>
<b>Cash and Equivalents – End of Year</b>	<u>\$ 3,498,553</u>	<u>\$ 2,942,392</u>	<u>\$ 556,161</u>

**Shaping the College Future and the Workforce Priority:**

The College is moving as rapidly as resources and time permits to expand workforce education beyond the current traditional structure. This expansion is necessary for several reasons:

- Skilled workforce shortages exist in essential areas of the economy: healthcare, IT/cybersecurity, construction and manufacturing, energy and transportation, and more;
- The quickly advancing capabilities and capacities of artificial intelligence (AI) affecting almost every aspect of work, education, and life;
- Engagement with employers with our students to enhance student motivation, job placement, and potential acceleration and re-structuring of learning and working via the College, and;
- The likely significant changes underway in higher education due to political and governmental actions, increased access to learning and the learner market, and the abilities and differences in teaching members of generations Z, Alpha, and Beta.

MATC has remained stable during the past fiscal year, despite a reduction in state appropriations of over \$800,000. College leadership made adjustments, including reduction in force decisions, to ensure an operating budget within revenue streams. Even with the decrease in state funds, the College moved ahead with starting a new program in Plumbing Technology, and a revised program in Industrial Maintenance Technology. Regional donors provided financial assistance for health care workforce education through MATC. Faculty continue to provide applied learning with their students resulting in student performance that is among the highest in the state and nation in terms of retention and graduation rates, and earnings and job placement. New programs in electrical technology and computer support specialist with cybersecurity pathways are in development for the fall of 2026. The College also increased engagement with regional business and industry for skills education resulting in reducing employee turnover and increasing productivity.

**Request for Information**

These financial statements and discussions are designed to provide a general overview of the College's finances for all those with an interest in the entity's finances. Questions concerning any information provided in this report should be addressed to James Genandt, President, 3136 Dickens Avenue, Manhattan, Kansas 66503.

## **BASIC FINANCIAL STATEMENTS**

	<u>College</u>	<u>Component Unit - Foundation</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,998,553	\$ 25,602
Restricted cash equivalent	500,000	-
Student receivables, net	91,496	-
Other receivables	146,347	-
Due from activity funds	20,283	-
Prepaid expenses	23,945	-
<b>Total Current Assets</b>	<u>3,780,624</u>	<u>25,602</u>
<b>Noncurrent Assets</b>		
Capital assets, net	21,235,507	-
Beneficial interest in community foundation	-	278,752
<b>Total Noncurrent Assets</b>	<u>21,235,507</u>	<u>278,752</u>
<b>Total Assets</b>	<u>\$ 25,016,131</u>	<u>\$ 304,354</u>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 46,486	\$ -
Payroll and other related liabilities	166,419	-
Custodial deposits	104,675	-
Notes payable	172,154	-
Accrued interest	17,516	-
Deferred revenue	54,118	-
<b>Total Current Liabilities</b>	<u>561,368</u>	<u>-</u>
<b>Noncurrent Liabilities</b>		
Notes payable	12,492,214	-
<b>Total Liabilities</b>	<u>13,053,582</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	8,571,139	-
Restricted - expendable	500,000	-
Unrestricted	2,891,410	304,354
<b>Total Net Position</b>	<u>11,962,549</u>	<u>304,354</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 25,016,131</u>	<u>\$ 304,354</u>

	<u>College</u>	<u>Component Unit - Foundation</u>
<b>Operating Revenues</b>		
Student tuition and fees, net	\$ 3,503,682	\$ -
Federal grants and contracts	341,497	-
State and local grants and contracts	3,688,095	-
Contributions	878,429	161,619
Other	68,144	3,000
<b>Total Operating Revenues</b>	<u>8,479,847</u>	<u>164,619</u>
<b>Operating Expenses</b>		
Salaries	4,477,195	-
Employee benefits	1,116,937	-
Contractual services	904,167	4,802
Supplies and other operating expenses	1,295,462	10,404
Utilities	186,954	-
Repairs and maintenance	286,847	-
Depreciation	530,944	-
<b>Total Operating Expenses</b>	<u>8,798,506</u>	<u>15,206</u>
<b>Operating Income</b>	<u>(318,659)</u>	<u>149,413</u>
<b>Nonoperating Revenue (Expense)</b>		
State appropriations	2,613,997	-
Change in beneficial interest in community foundation	-	15,098
Net contributions between College and Foundation	39,109	(39,109)
Interest income	214,255	-
Interest expense	(946,207)	-
Loss on disposal of capital assets	(5,950)	-
<b>Total Nonoperating Revenue (Expense)</b>	<u>1,915,204</u>	<u>(24,011)</u>
<b>Change in Net Position</b>	1,596,545	125,402
<b>Net Position – Beginning</b>	10,366,004	178,952
<b>Net Position – Ending</b>	<u>\$ 11,962,549</u>	<u>\$ 304,354</u>

	<u>College</u>	<u>Component Unit - Foundation</u>
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 3,525,705	\$ -
Grants and contracts	4,050,930	-
Other sources	54,851	3,000
Vendors, suppliers and contractors	(2,725,977)	(15,206)
Employee salaries and benefits	(5,578,722)	-
Contributions	878,429	161,619
<b>Net Cash Provided by Operating Activities</b>	<u>205,216</u>	<u>149,413</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
State appropriations	<u>2,613,997</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital assets	(2,635,253)	-
Net contributions between College and Foundation	39,109	(39,109)
Proceeds from notes payable	1,210,481	-
Principal payments on notes payable	(144,142)	-
Interest payments on notes payable	(947,502)	-
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(2,477,307)</u>	<u>(39,109)</u>
<b>Cash Flows from Investing Activities</b>		
Additions to beneficial interest in community foundation	-	(145,000)
Withdrawals from beneficial interest in community foundation	-	44,670
Interest income	214,255	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>214,255</u>	<u>(100,330)</u>
<b>Increase in Cash, Cash Equivalents and Restricted Cash</b>	556,161	9,974
<b>Cash, Cash Equivalents and Restricted Cash – Beginning</b>	<u>2,942,392</u>	<u>15,628</u>
<b>Cash, Cash Equivalents and Restricted Cash – Ending</b>	<u>\$ 3,498,553</u>	<u>\$ 25,602</u>
<b>Composition of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 2,998,553	\$ 25,602
Restricted cash equivalent	500,000	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ 3,498,553</u>	<u>\$ 25,602</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ (318,659)	\$ 149,413
Depreciation	530,944	-
<b>Changes in operating assets and liabilities</b>		
Student receivables, net	(8,591)	-
Other receivables	30,614	-
Due from activity funds	(10,312)	-
Accounts payable	(52,547)	-
Payroll and other related liabilities	15,410	-
Custodial deposits	(2,981)	-
Deferred revenue	21,338	-
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 205,216</u>	<u>\$ 149,413</u>

**Note 1: Summary of Significant Accounting Policies****Nature of Operations and Governance**

Manhattan Area Technical College (the College) is a public technical college organized under the laws of the State of Kansas and is governed by an appointed Board of Directors. The College is located in Manhattan, Kansas with satellite programs and locations in various communities within the State of Kansas and is accredited by The Higher Learning Commission. The President of the College reports to the Board of Directors and supervises all College operations and instruction. In addition, the College is advised by more than 120 volunteer program advisory board members and general advisory members representing a cross section of business and industry.

The mission of the College is to provide high quality technical, general, and adult education to prepare individuals to pursue technologically advanced careers and lead productive lives in a dynamic and diverse global environment. This mission is fulfilled by the following objectives:

- Offering associate of applied science degrees and technical certificates upon completion of programs and courses in technical fields to meet student, employer, and community needs.
- Complementing technical instruction with general education courses emphasizing critical thinking, problem solving, and communication skills.
- Creating opportunities for secondary students in technical education through articulation agreements.
- Providing student services to include counseling, financial aid, skill enhancement and assessment, employability preparation, and student-directed activities.
- Assessing student performance and outcomes to enhance learning.
- Allocating resources to ensure a safe, accessible, and student-friendly learning environment.
- Monitoring integrity through interaction with program advisory councils, a general advisory council, and evaluation by approving agencies.
- Serving as a valued community leader and partner in the educational, economic, and workforce development of our service area.

Included in the range of programs are the following educational pathways:

- Business and Information Technology
- Construction, Energy, & Manufacturing
- Industrial Technologies
- General and Adult Education
- Healthcare
- Short Term Healthcare Trainings

**The Financial Reporting Entity**

The Manhattan Area Technical College Foundation (the Foundation) is a discreetly 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 nonprofit entity legally separate from the College. Foundation board members are appointed by the existing Foundation board members. The discreetly presented component unit has a June 30 year end.

The Foundation acts primarily as a fundraising organization to supplement funds to provide scholarships to students at the College and to provide other financial support to the College.

The Foundation is a nonprofit 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 Standards Board (FASB) Statements.

**Note 1: Summary of Significant Accounting Policies (Continued)****The Financial Reporting Entity (Continued)**

As such, certain revenue recognition criteria and presentation features are different from Government Accounting Standards Board (GASB) revenue recognition 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.

**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 transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, includes federal, state and local grants; state appropriations and other contributions. 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 and Cash Equivalents**

The College considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents.

**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 uncollectible amounts. The allowance is calculated as 100% of the accounts receivable balance outstanding greater than 190 days, 40% of the balance that is more than 120 days old but less than 190 days old outstanding and 10% of the remaining balance outstanding.

**Capital Assets**

*Original Recognition.* Capital assets are recorded at cost at the date of acquisition, or at acquisition value at the date of donation in the case of gifts. For equipment purchased as a single asset, the College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. When multiple equipment items are purchased as an integrated system of assets, they are considered as a single asset when applying the above capitalization rules. Items purchased together, but that can function individually on a stand-alone basis, are considered on an item-by-item basis when applying the above thresholds.

*Repairs, Maintenance and Improvements.* Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

**Note 1: Summary of Significant Accounting Policies (Continued)****Capital Assets (Continued)**

*Depreciation Expense.* Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 5 to 13 years for equipment, 5 years for vehicles and 3 years for software. Construction in progress includes assets that are capitalized but have not yet been placed in service and depreciation has not yet begun.

*Capital Asset Impairment.* The College evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended June 30, 2025.

**Compensated Absences**

Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as part of the balance of payroll and other related liabilities in the statement of net position, and as a component of salaries expense in the statement of revenues, expenses and changes in net position.

**Cost-Sharing Defined Benefit Pension Plan**

The employer contributions for technical colleges are funded by the State of Kansas (the State) on behalf of these employers for active employees. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68. The State is treated as a nonemployer contributing entity in the Kansas Public Employees Retirement System (KPERs). Since these employers do not contribute directly to KPERs for active employees, there is no net pension liability or deferred inflows or outflows to report in their financial statements for active employees.

The College does make contributions directly to KPERs for KPERs retirees filling KPERs covered positions per K.S.A. 74-4937, known as "working after retirement" employees. The resulting proportional share of the "working after retirement" contributions and resulting net pension liability, deferred inflows of resources and deferred outflows of resources are attributable to the College. For the year ended June 30, 2025 the College has determined that the proportional share of the net pension liability, deferred inflows of resources and deferred outflows of resources attribute to the College is not significant and as such has not been included in statements of net position.

KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs' website at [www.kpers.org](http://www.kpers.org) or by writing to KPERs (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1.888.275.5737.

**Net Position**

*Net Investment in Capital Assets.* This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

*Restricted - Expendable.* Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

*Unrestricted.* Unrestricted net position represents resources derived from student fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the College, and may be used to meet current expenses for any lawful purposes and in accordance with board policy.

**Note 1: Summary of Significant Accounting Policies (Continued)****Net Position (Continued)**

The College first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

**Income Taxes - College**

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

**Income Taxes - Foundation**

The Foundation is organized as a Kansas nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3). Further, the Center qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and has been determined not to be a private foundation under IRC Sections 509(a)(1).

The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. For the year ended June 30, 2025, the Foundation has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Returns are subject to IRS examination, generally for three years after each return is filed. No taxing authorities have commenced income tax examinations for open tax years.

**Classification of Revenues**

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

*Nonoperating Revenues.* Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue resources that are defined as nonoperating revenues by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34, such as state appropriations and investment income.

**Student Tuition and Fees, Net**

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

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

**State Appropriations**

State funds for the Kansas state education institutions are appropriated to the Kansas Board of Regents (KBOR). KBOR allocates funds budgeted for technical colleges. Appropriations are recognized as revenue when received and available. Amounts that are not expensed by fiscal year-end do not have to be returned.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through January 21, 2026 which is the date the financial statements were available to be issued.

**Note 2: Cash and Cash Equivalents**

*Credit Risk.* Kansas statutes limit the College’s investment of idle funds to time deposits, open accounts, and certificates of deposit; repurchase agreements; U.S. government securities; notes; temporary no-fund warrants; and the Kansas Municipal Investment Pool. As of June 30, 2025, the College maintained cash balances in checking and savings accounts.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the College’s deposits may not be returned to it. Kansas statutes also require that collateral pledged must have a fair market value equal to 100% of the deposits, less insured amounts, and must be assigned for the benefit of the College. At June 30, 2025, the College’s deposits were not exposed to custodial credit risk.

The following table summarizes the College’s bank deposits and exposure to custodial credit risk on June 30, 2025:

	<u>College</u>	<u>Foundation</u>
<b>Depository Security Coverage</b>		
FDIC insurance	\$ 798,904	\$ 25,552
Pledged securities	4,099,993	-
<b>Total Depository Security Coverage</b>	<u>4,898,897</u>	<u>25,552</u>
Bank balance of deposits	<u>3,645,455</u>	<u>25,552</u>
<b>Bank Balance Over Secured</b>	<u>\$ 1,253,442</u>	<u>\$ -</u>

The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the College, the pledging bank, and the independent third-party bank holding the pledged securities.

*Concentration of Credit Risk.* The College’s deposit policy does not place any limitations on the percentage of the College’s total deposits that may be with any one issuer. Kansas statutes place no limit on the amount the College may deposit in any one bank as long as the deposits are adequately secured under K.S.A. 9-1402 and 9-1405. For each of the years ended June 30, 2025, the College’s deposits were concentrated in two banks.

**Note 3: Student Receivables, Net**

Student receivables, net consisted of the following at June 30, 2025:

Gross student receivables	\$ 610,048
Allowance for uncollectable student receivables	(518,552)
<b>Student Receivables, Net</b>	<u>\$ 91,496</u>

**Note 4: Student Tuition and Fees, Net**

Student tuition and fees consisted of the following for the year ended June 30, 2025:

Gross charges for tuition and fees	\$ 3,547,206
Estimated allowance for uncollectible accounts	(34,642)
Tuition waivers and discounts	(8,882)
<b>Total Student Tuition and Fees, Net</b>	<u><u>\$ 3,503,682</u></u>

**Note 5: Federal Awards - Student Financial Aid Program**

The College operates federal financial aid programs on behalf of students. The following are the cash disbursement totals for each program for the year ended June 30, 2025:

Direct student loans	\$ 808,593
Pell grant program	820,773
Supplemental educational opportunity grants	13,324
Work-study program	2,608
	<u><u>\$ 1,645,298</u></u>

**Note 6: Capital Assets, Net**

Capital assets, net of accumulated depreciation was as follows for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Capital Assets – Not Depreciated</b>				
Construction in progress	\$ 13,020,457	\$ 1,548,747	\$ 14,469,279	\$ 99,925
Land	80,934	-	-	80,934
<b>Total Capital Assets – Not Depreciated</b>	<u>13,101,391</u>	<u>1,548,747</u>	<u>14,469,279</u>	<u>180,859</u>
<b>Capital Assets – Depreciated, Net Cost Basis</b>				
Buildings and improvements	6,661,527	14,836,495	-	21,498,022
Furniture, fixtures and equipment	1,817,800	653,869	37,280	2,434,389
Vehicles	359,176	66,354	21,000	404,530
Software and hardware	416,381	-	-	416,381
<b>Total Cost Basis</b>	<u>9,254,884</u>	<u>15,556,718</u>	<u>58,280</u>	<u>24,753,322</u>
<b>Accumulated Depreciation</b>				
Buildings and improvements	1,473,672	208,199	4,318	1,677,553
Furniture, fixtures and equipment	1,012,905	310,730	37,279	1,286,356
Vehicles	316,169	12,015	9,800	318,384
Software and hardware	416,381	-	-	416,381
<b>Total Accumulated Depreciation</b>	<u>3,219,127</u>	<u>530,944</u>	<u>51,397</u>	<u>3,698,674</u>
<b>Total Capital Assets – Depreciated, Net</b>	<u>6,035,757</u>	<u>15,025,774</u>	<u>6,883</u>	<u>21,054,648</u>
<b>Total Capital Assets, Net</b>	<u><u>\$ 19,137,148</u></u>	<u><u>\$ 16,574,521</u></u>	<u><u>\$ 14,476,162</u></u>	<u><u>\$ 21,235,507</u></u>

**Note 7: Building HIRE Education Campus Expansion Project**

The College's Building HIRE Education campaign is an ambitious initiative designed to expand and modernize the College's campus, ensuring it remains a dynamic hub for higher education and workforce development. This campaign aims to enhance the college's facilities, create cutting-edge learning environments, and increase capacity to meet the growing needs of students and the community. By investing in state-of-the-art infrastructure and resources, the College is committed to equipping students with the skills and training necessary for success in today's competitive job market. The Building HIRE Education campaign represents a transformative step forward, strengthening the college's role as a cornerstone of education and economic growth in the region.

Capital project authorizations with approved change orders compared with expenditures from project inception to June 30, 2025 are as follows:

	<u>Project Authorization</u>	<u>Expenditures From Inception to June 30, 2025</u>
Building HIRE Education campus expansion project	\$ 14,469,279	\$ 14,469,279

The project listed above is predominantly financed by notes payable which are more fully described below in Note 8.

**Note 8: Notes Payable**

Notes payable consist of the following on June 30, 2025:

**KS StateBank – Roof Replacement.** On May 23, 2019, the College issued \$866,110 of notes payable at an interest rate of 4.40% to finance a roof replacement at the main building in Manhattan, Kansas. This note matures on May 24, 2029. \$ 391,620

**Government Capital Corporation.** On February 28, 2020, the College issued \$1,350,000 of notes payable at an interest rate of 4.95% to finance the acquisition and improvement of a facility in Wamego, Kansas. This note matures on February 27, 2040. 1,108,207

**KS StateBank – Campus Expansion.** On November 2, 2022, the College entered a lease-purchase agreement with funds used to construct a campus expansion. The total loan proceeds were \$11,130,000 with an interest rate of 7.99%. The agreement calls for interest only monthly payments through May 15, 2026 then 264 monthly payments of \$89,656 thereafter with the final maturity on May 15, 2048. 11,130,000

**Briggs Auto Group.** On October 2, 2023, the College entered into a motor vehicle lease. Total lease cost of \$14,469 is due in three equal yearly payments of \$4,823 starting in October 2024. On October 16, 2024 the College entered into a second motor vehicle lease. Total lease cost of \$23,995 is due in three equal yearly payments of \$6,137 starting in October 2025. 34,541

**Total Notes Payable** \$ 12,664,368

Notes payable due within one year \$ 172,154

Notes payable due in more than one year 12,492,214

**Total Notes Payable** \$ 12,664,368

**Note 8: Notes Payable (Continued)**

Changes in notes payable for the year ended June 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
KS StateBank – Roof Replacement	\$ 479,442	\$ -	\$ 87,822	\$ 391,620
Government Capital Corporation	1,160,604	-	52,397	1,108,207
KS StateBank – Campus Expansion	9,943,514	1,186,486	-	11,130,000
Briggs Auto Group	14,469	23,995	3,923	34,541
	<u>\$ 11,598,029</u>	<u>\$ 1,210,481</u>	<u>\$ 144,142</u>	<u>\$ 12,664,368</u>

Future debt service obligations as of June 30, 2025 are as follows:

<u>Due in Fiscal Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 172,154	\$ 804,665	\$ 976,819
2027	359,939	938,288	1,298,227
2028	381,914	915,549	1,297,463
2029	394,555	891,185	1,285,740
2030	311,771	865,076	1,176,847
2031 – 2035	1,945,427	3,938,811	5,884,238
2036 – 2040	2,801,623	3,082,587	5,884,210
2041 – 2045	3,506,067	1,873,322	5,379,389
2046 – 2048	2,790,918	347,059	3,137,977
	<u>\$ 12,664,368</u>	<u>\$ 13,656,542</u>	<u>\$ 26,320,910</u>

**Note 9: Related Party Disclosure Required by the U.S. Department of Education**

To comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability To Benefit regulation promulgated by the U.S. Department of Education, the College reports that there were no related party transactions during the year ending June 30, 2025.

**SUPPLEMENTARY INFORMATION**

	<u>Budget</u>	<u>Actual</u>	<u>Variance of Actual Over (Under) Budget</u>
<b>Operating Revenues</b>			
Student tuition and fees, net	\$ 3,483,947	\$ 3,503,682	\$ 19,735
Federal grants and contracts	103,555	341,497	237,942
State and local grants and contracts	3,664,047	3,688,095	24,048
Contributions	-	878,429	878,429
Other	15,500	68,144	52,644
<b>Total Operating Revenues</b>	<u>7,267,049</u>	<u>8,479,847</u>	<u>1,212,798</u>
<b>Operating Expenses</b>			
Salaries	4,317,326	4,477,195	159,869
Employee benefits	1,110,886	1,116,937	6,051
Contractual services	745,780	904,167	158,387
Supplies and other operating expenses	2,373,654	1,295,462	(1,078,192)
Utilities	195,695	186,954	(8,741)
Repairs and maintenance	56,000	286,847	230,847
Depreciation	351,812	530,944	179,132
<b>Total Operating Expenses</b>	<u>9,151,153</u>	<u>8,798,506</u>	<u>(352,647)</u>
<b>Operating Income (Loss)</b>	<u>(1,884,104)</u>	<u>(318,659)</u>	<u>1,565,445</u>
<b>Nonoperating Revenue (Expense)</b>			
State appropriations	2,613,997	2,613,997	-
Net contributions between College and Foundation	-	39,109	39,109
Interest income	100,000	214,255	114,255
Interest expense	(955,000)	(946,207)	8,793
Gain on disposal of capital assets	-	(5,950)	(5,950)
<b>Total Nonoperating Revenue (Expense)</b>	<u>1,758,997</u>	<u>1,915,204</u>	<u>156,207</u>
<b>Change in Net Position</b>	<u>\$ (125,107)</u>	<u>\$ 1,596,545</u>	<u>\$ 1,596,545</u>

**EXPENDITURES OF FEDERAL AWARDS**



**To the Board of Directors**  
Manhattan Area Technical College  
3136 Dickens Ave  
Manhattan, KS 66502

January 21, 2026

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance**

**Opinion on Each Major Federal Program**

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

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

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibility of Management for Compliance**

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

**Auditor's Responsibility for the Audit of Compliance**

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

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Eric Kientz  
CPA, CMA, CNAP  
Senior Audit Partner  
(785) 477-9053  
[Eric@KPMHK.CPA](mailto:Eric@KPMHK.CPA)

PO Box 754  
Manhattan, KS 66505  
[KPMHK.CPA](http://KPMHK.CPA)

Taylor Penick  
CPA, CNAP  
Managing Partner  
(785) 817-7716  
[Taylor@KPMHK.CPA](mailto:Taylor@KPMHK.CPA)

*Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with 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 the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Internal Control Over Compliance**

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

*A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Kientz & Penick, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas



**To the Board of Directors**  
Manhattan Area Technical College  
3136 Dickens Ave  
Manhattan, KS 66502

January 21, 2026

**Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statement  
Performed in Accordance with Government Auditing Standards**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Manhattan Area Technical College (the College) as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 21, 2026.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the 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 the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. ***The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.***

**Purpose of this Report**

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

*Kientz & Penick, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

Federal and Passthrough Grantors and Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Award Expenditures
<b>National Science Foundation</b>			
<b>Passed through Kansas State University</b>			
NSF Technology, Innovation, and Partnerships	47.084	N/A	96,533
<b>U.S. Department of Education</b>			
<b>Student Financial Assistance Cluster</b>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	13,324
Federal Work-Study Program	84.033	N/A	2,608
Federal Pell Grant Program	84.063	N/A	820,773
Federal Direct Student Loans	84.268	N/A	808,593
<b>Total Student Financial Assistance Cluster</b>			<u>1,645,298</u>
<b>Passed through the Kansas Board of Regents</b>			
Adult Education – Basic Grants to States	84.002	MATC	113,014
Career and Technical Education – Basic Grants to States (Perkins IV)	84.048	MATC	92,488
Career and Technical Education – Basic Grants to States (Perkins IV)	84.048	MATC	8,000
<b>Total Passed through the Kansas Board of Regents</b>			<u>213,502</u>
<b>Total U.S. Department of Education</b>			<u>1,858,800</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,955,333</u>

**Note 1: Significant Accounting Policies**

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Manhattan Area Technical College (the 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). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the statements of net position, changes in net position or cash flows of the College.

Expenditures reported on the Schedule are reported on the accrual basis of accounting modified to exclude depreciation expense and to include capital outlay disbursements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 2: Indirect Cost Rate**

The College has not elected to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance Section 414, for reporting costs charged to federal award programs.

**Note 3: Federal Loan Funds**

The College has certain federal student loan funds not subject to ongoing compliance requirements, such as the Federal Direct Student Loans. Since the College does not administer the program, the outstanding loan balances have not been included in the Schedule. New loans made during the year under this program are included.

**Note 4: Subrecipients**

The College did not provide any federally sourced funding or assistance to subrecipient organizations.

**Section I - Summary of Auditor's Results**

**Auditor's Opinions**

Report on financial statements in accordance with U.S. GAAP	Unmodified
Report on compliance for major federal award programs	Unmodified

**Internal Control Over Financial Reporting:**

Significant deficiencies or material weaknesses identified	None Reported
Reportable conditions identified but not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	None Reported

**Internal Control Over Federal Awards:**

Significant deficiencies or material weaknesses identified	None Reported
Reportable conditions identified but not considered to be material weaknesses	None Reported

<b>Audit Findings Required to be Reported by 2 CFR 200.516(a)</b>	None Reported
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<b>Major Program Selected for Testing</b>	Student Financial Assistance Cluster
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<b>Threshold Used to Distinguish Type A and B Programs</b>	\$750,000
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<b>Auditee Qualified as a Low-Risk Auditee</b>	Yes
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**Section II – Reportable Financial Statement Findings**

Findings	None reported
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**Section III – Findings and Questioned Costs for Federal Awards**

Findings	None reported
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<b>FY26 Cash Flow Budget</b>
FY 26 Q2 Actuals

	12/31/2025	6/30/2026		6/30/2025
	<i>actuals</i>	<i>budget</i>		<i>actuals</i>
<b>Cash Flows from Operations</b>				
Student tuition	\$ 1,022,917	\$ 2,103,115	49%	\$ 2,079,032.00
Credit Hour/Lab Fee	\$ 727,132	\$ 1,564,993	46%	\$ 1,383,066.00
Federal grants and contracts	\$ 85,393	\$ 291,648	29%	\$ 284,657.00
State Appropriations	\$ 4,605,768	\$ 5,870,200	78%	\$ 6,062,376.00
Building Hire Education Fund	\$ 200,000	\$ 470,334	43%	\$ 1,017,116.00
Nursing Funds from Via Christi	\$ 30,000	\$ 228,100	13%	\$ 56,741.74
Auxiliary Sales and Services	\$ 23,239	\$ 49,189	47%	\$ 37,496.00
Interest Income	\$ 82,627	\$ 125,000	66%	\$ 214,255.00
Misc. Income	\$ 58,538	\$ 65,595	89%	\$ 59,048.00
Remaining Operational Contingency from FY25	\$ 400,479	\$ 400,479	100%	\$ -
<b>Total Cash Flows from Operations</b>	<b>\$ 7,206,093</b>	<b>\$ 11,168,653</b>	<b>65%</b>	<b>\$ 11,137,046</b>

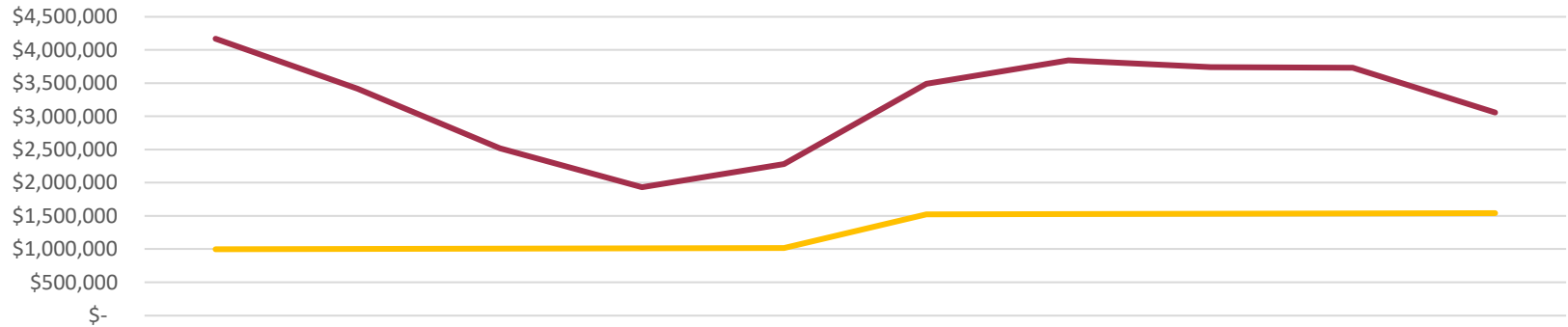
<b>Cash Outflows from Operations</b>				
Salaries & Benefits	\$ 2,896,193	\$ 5,663,598	51%	\$ 5,518,739.00
Contractual Expenditures	\$ 619,745	\$ 1,581,292	39%	\$ 1,694,260.00
Non Contractual Expenditures	\$ 455,212	\$ 1,142,732	40%	\$ 732,209.00
Capital Outlay	\$ 437,744	\$ 1,466,698	30%	\$ 1,705,896.00
Interest Expense	\$ 456,027	\$ 931,253	49%	\$ 947,502.00
Operational Liabilities	\$ 1,749	\$ 1,000	175%	\$ -
Reserves	\$ -	\$ -	-	\$ 500,000
<b>Total Cash Outflows from Operations</b>	<b>\$ 4,864,921</b>	<b>\$ 10,786,573</b>	<b>45%</b>	<b>\$ 11,098,606</b>

<b>OPERATING INCOME (LOSS)</b>	<b>\$ 2,341,172</b>	<b>\$ 382,080</b>		<b>\$ 38,440</b>
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MANHATTAN AREA TECHNICAL COLLEGE

### Reserves & Cash on Hand



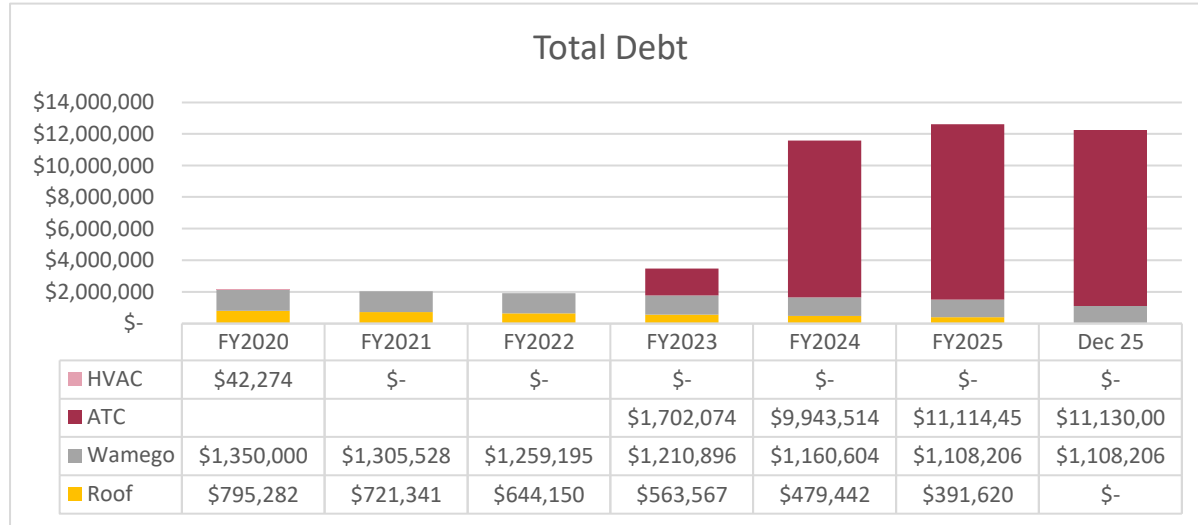
	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Series1	\$1,000,000	\$1,002,610	\$1,006,178	\$1,011,788	\$1,015,509	\$1,520,545	\$1,526,256	\$1,531,571	\$1,536,172	\$1,541,425
Series2	\$4,169,527	\$3,416,701	\$2,518,979	\$1,933,984	\$2,281,775	\$3,490,918	\$3,842,707	\$3,742,402	\$3,734,197	\$3,056,410

Days Cash on Hand (Reserves only): 52

### Foundation Funds (Unrestricted)



	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Series1	\$52,890	\$50,155	\$56,117	\$58,747	\$59,520	\$59,685	\$63,834	\$67,435	\$67,575	\$67,981



## **Faculty Senate Notes for January 2026 BOD Meeting**

Brian will add additional items, but the following are notes received from faculty:

- TLC Article written by Rachel, posted to the AACC (American Association of Community Colleges) blog:

<https://www.aacc21stcenturycenter.org/article/the-heart-of-student-support/>

- Nursing:

The nursing faculty and Dean attended the conference "Education Nurses: A Radical Transformation 2026" in Las Vegas, Nevada January 15-16th. This conference focused on bridging the gap between education and practice; to increase our graduate's ability to successfully complete this transition.

- IMT:

Need training equipment donation from Smithfield foods. Cs1800 drake machine. It covers almost all areas of IMT course load, the machine in new form would cost 500k-700k. As it sits used, it's value is around \$200k. Manhattan Wrecker has offered to transport for free only for some advertisement and recognition from us. The JUST grant machine will also be in route early Feb as another piece of education equipment.

- Early Childhood Education:

Lisa Isaacson has been nominated for the 2026 KS SHRM Advocacy in Action Award.

## Manhattan Area Technical College

### Strategic Directions Update: January 2026

MATC is shifting from a static strategic plan to a dynamic model centered on agile strategic directions. This approach aligns MATC with strategy practices of leading, innovation-driven organizations in higher education and industry. It is also informed by our recent HLC accreditation visit and thoughtful discussion among senior leadership. This dynamic model aligns with who have become and are recognized for: an institution with proven **pivot power**—the ability to respond quickly, creatively, and effectively to emerging opportunities. This agility is one of our greatest strengths and a core part of the value we deliver to our region through **HIRE Education**.

Strategic directions remain firmly grounded in our mission and vision, but expand our focus beyond credit-bearing courses and degree programs. They recognize the full scope of MATC’s impact:

- Professional and industry-recognized credentials
- Workforce services
- Partnerships that strengthen community and economic development

This approach positions us to serve not only *students* but *all learners*—any individual or organization seeking skills, growth, or improved performance.

### A Broader Focus: Learners and Partners

We are asking new questions that reflect our evolving role:

- How can MATC help a learner achieve their goals and aspirations?
- How can we help employers, agencies, and community partners increase productivity, strengthen their workforce, and enhance their value to the people they serve?

### Operational Excellence with Intentional Future Building

We continue to meet and exceed expectations in accreditation, compliance, accountability, and day-to-day operations. But excellence in operations is not enough. As Simon Sinek reminds us, *we are the architects of our situation*. We must shape our future deliberately—before external forces shape it for us.

MATC’s vision, mission, values, and purposes now center on three interconnected pillars:

1. **Learning** – Academic and professional credit that is high quality, relevant, and responsive.
2. **Learners** – Ensuring opportunities, success, and meaningful pathways for every individual who engages with us.
3. **Quality Workforce Education** – Strengthening quality of life and regional economic vitality through skilled workforce development.

To meet our performance and value standards in these areas, MATC will:

- **A. Optimize employee talent and capacity**  
Attract, retain, and invest in our employees; support collaboration, creativity, and professional growth.
- **B. Optimize resources for learners and those who support them**  
Ensure we have the tools, technologies, and systems needed for learner success.
- **C. Optimize evidence of our impact**  
Demonstrate performance, efficiency, accountability, and innovation through data driven/supported outcomes and compelling learner/partner stories.
- **D. Optimize engagement with employers and partners**  
Build mutually beneficial relationships that champion our mission and strengthen our region.

## **Current Strategic Directions**

### **1. Advance Automation, and AI and AR Integration**

Enhancing:

- Communication and outreach
- Data accuracy, analysis, and reporting, actionability
- Engagement with prospective and current learners
- Collaboration with employers and partners
- Support for faculty and staff in both daily operations and transformative initiatives

### **2. Evaluate and Invest in Emerging Technologies**

We are examining where MATC must invest to ensure our programs and people remain future ready:

- Technologies essential for validating learner skills and competencies
- Technologies strengthening employer partnerships and meet workforce expectations
- Technologies that support faculty and staff professional development

### **3. Expand Professional Credential and Credit Opportunities**

Developing new offerings that:

- Attract more learners
- Diversify revenue streams
- Expand geographic footprint
- Meet employer needs
- Provide validated, relevant skills and competencies

### **4. Differentiate MATC in the Marketplace**

Exploring new ideas and opportunities that:

- Advance our mission and vision
- Strengthen performance and impact
- Distinguish MATC through unique value to current and emerging markets

President's Report: January 2026

Institutional Performance

- I have been accepted as a presenter at the Spring Conference of the American Association of Community Colleges in Seattle in April.
- Pamela and I will be attending the CEO/Liaison Session with the Alliance For Innovation and Transformation (AFIT) in Albuquerque in late February. The planned topics for this session and the AFIT Summer Institute (in August) are quantum computing and AI with two-year colleges and integrating ExO 2.0 components to develop and start a Massive Transformational Purpose for the organization.

Institutional Leadership

- I worked with the technical colleges' lobbyist, Steve Kearney, during the holiday break, with a focus on the proposed bill to create the task force through the legislature to examine and develop a pilot funding approach based on results. Senator Starnes is carrying this forward.
- Harry and I attended Higher Education Day at the state capitol on January 26.
- I attended the Chamber Policy Breakfast in December, TEA budget and finance meeting in January, TEA meeting January, Ad Astra BIO CEO meeting (January), and Workforce Pell updates with the American Association of Community Colleges (January).
- I have accepted an invitation to be on the advisory committee for FESTO (connected to our Industrial Maintenance Technology program) with NC3.
- We had several folks attend the Regional Growth Summit January 23.

External Relations

- With the assistance of Chris, David, and Harry, we received letters of support to include the in the testimony of the Kansas Technical Colleges toward restoring our funding for FY 28. The letters included these businesses/organizations: Department of the Army/Ft. Riley, BHS Construction, Landoll Corporation, Manhattan Chamber of Commerce, and Torgeson Electric.

## President's Report: January 2026

- While the probably best case scenario for state funding is level from the current year (no restoration of cuts), there is still good likelihood of more cuts as the legislative leaders are clearly making the case for reducing the state budget, reducing taxes, and questioning proof of ROI (which is a benefit of the results-based funding).
- KBOR's efforts are primarily aimed at supporting the universities, not the two-year colleges. Also, the legislative leadership hired former ESU President Ken Hush to examine the use of state funds within the universities and the Regents operations.
- At the federal level, much is unknown, however in the latest House budget bill adult education funding was included (and past history shows the Senate has been a stronger advocate for adult education funding than the House).

### Budgetary/Fiscal Management (see financial information in the agenda packet)

- Harry, Chris, David, Josh, Pamela, Kerri, Laura, Neil and I met with Chris Ellis on January 20. Chris leads the Ellis Foundation, providing scholarship assistance to thousands of students, primarily in Kansas, Missouri, and Oklahoma. We entered into an agreement with the Ellis Foundation to enhance attracting high school students they want to support and point them toward MATC. We will provide more details at the board session.
- Pam and I had our first meeting with a representative of McAlister and Quinn (M&Q), through our membership with AFIT (Alliance for Innovation and Transformation), to discuss some of our initiatives and needs as M&Q will seek private and public funding/partnership programs that we can pursue for resources.
- We are in the process of accepting a major equipment donation through Smithfield Foods for the IMT program.

### Accreditation/Continuous Improvement (No current reporting requirements.)

- We are beginning to work on the Annual Institutional Update for the Higher Learning Commission (HLC). This also connects to an annual federal report we must do (IPEDS), and the usual state reports for the Regents.