SNEAD STATE
COMMUNITY COLLEGE

Annual Financial Report

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Jimmy Baker, Chancellor – Alabama Community College System
Dr. Joe Whitmore, President – Snead State Community College
Boaz, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Snead State Community College (the "College"), a component unit of the State of Alabama, and its discretely presented component unit, Snead State Community College Foundation ("the Foundation"), as of and for the year ended September 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, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the College as of September 30, 2025, and the respective changes in financial position and, where applicable, its cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Foundation, which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of March 31, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Snead State Community College Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of proportionate share of the net OPEB liability, and the schedule of OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of

management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Other Information

Management is responsible for the other information included in the report. The other information comprises the Listing of College Officials, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

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

Mauldin & Jenkins, LLC

Athens, AL
January 15, 2026

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Management's Discussion and Analysis

ANNUAL FINANCIAL REPORT
SNEAD STATE COMMUNITY COLLEGE

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Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

In the accompanying documentation, Snead State Community College presents its financial statements for fiscal year 2025. This report on the College's financial statements provides an overview of financial activities and emphasizes current year data. There are three financial statements presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the College as of September 30, 2025. The Statement of Net Position is a point- in-time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Snead State Community College. The Statement of Net Position presents end-of-year data concerning assets (current and non-current), deferred outflows, liabilities (current and non-current), deferred inflows and net position (assets and deferred outflows minus liabilities and deferred inflows).

From the data presented, readers of the Statement of Net Position can determine the College's financial position for current and future operations of the institution. They are also able to determine how much the institution owes to vendors and lending institutions. In summary, the Statement of Net Position provides a picture of the net position (assets and deferred outflows minus liabilities and deferred inflows) and their availability for expenditure by the institution.

The Statement of Net Position utilizes three major categories.

- Net Investment in Capital Assets reflects the College's equity in property, plant, and equipment.
- Restricted net position class restricted resources of the College as either non-expendable or expendable. The non-expendable class is donated restricted assets that the College maintains in investment instruments. The Expendable class is funds that are available for expenditure by the College; these funds have limited purposes as determined by the donors and/or external entities.
- Unrestricted net position is assets that are available to the institution for any appropriate or approved purpose of the institution.

For fiscal year 2025, the net position of the institution increased approximately $7.8 million. Construction for a Workforce and Career Institution (WACI) was started in fiscal year 2023 with reported expenses of $8.9 million, $15.3 million was expensed in fiscal year 2024, and $4.2million in fiscal year 2025, for a total completed project cost of $28.4 million. A majority of the project was funded by Public School and College Authority (PSCA) funds. The College had $2.6 million remaining from the 2019 Debt Series that was applied to the WACI. With only a small percentage of the project being funded by debt, the College has a substantial asset with only a minor liability. In June, 2025, the College purchased the Aviation Center from the City of Albertville, Alabama, with a total cost of $1,634,796. This acquisition was fully funded by a Special State Supplemental Appropriation awarded in the amount of $10,687,500. The remaining

balance of the Special State Supplemental Appropriation award is $9,052,704. This balance will fund additional renovations and purchases in fiscal year 2026

Total cash and investments increased almost $5 million for fiscal year 2025. The decrease in current assets and increase in noncurrent assets is due to decrease in short term investments and an increase in long term investments. The College invested available cash funds in CD's and U.S. Agency Securities. Several factors contributed to the overall increase in cash and investments balance; credit hour production increased 8.5%, tuition cost increased $2 per credit hour, investment income of approximately $1.2 million was reported, and state appropriation funding increased 7%.

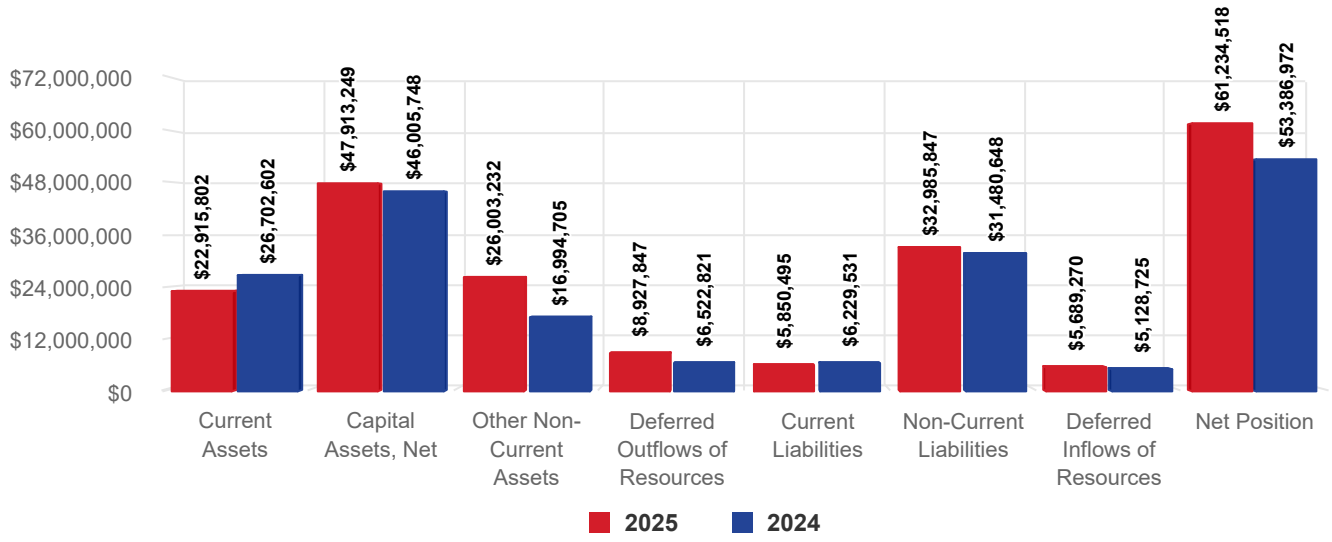
The following schedule summarizes the Statement of Net Position as of September 30, 2025 and 2024:

Statement of Net Position

	2025	2024
Assets		
Current Assets	$ 22,915,802	$ 26,702,602
Capital Assets, Net	47,913,249	46,005,748
Other Non-Current Assets	26,003,232	16,994,705
Total Assets	**96,832,283**	**89,703,055**
Deferred Outflows of Resources	**8,927,847**	**6,522,821**
Liabilities		
Current Liabilities	5,850,495	6,229,531
Non-Current Liabilities	32,985,847	31,480,648
Total Liabilities	**38,836,342**	**37,710,179**
Deferred Inflows of Resources	**5,689,270**	**5,128,725**
Net Position		
Invested Capital Assets (Net of Debt)	34,989,303	32,503,384
Restricted (Non-Expendable)	2,217,366	2,289,881
Restricted (Expendable)	1,478,007	1,165,718
Unrestricted	22,549,842	17,427,989
Total Net Position	**$ 61,234,518**	**$ 53,386,972**

The following is a graphic presentation of the College's Statements of Net Position as of September 30, 2025 and 2024:

Statement of Net Position



Statement of Revenues, Expenses and Changes in Net Position

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

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the institution. For non-operating revenues, there generally is no exchange of goods or services. For example, state appropriations are reported as non-operating revenue because the legislature provides the funds to the institution without the legislature directly receiving commensurate goods and services for the funds.

Highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Position are presented in the following charts.

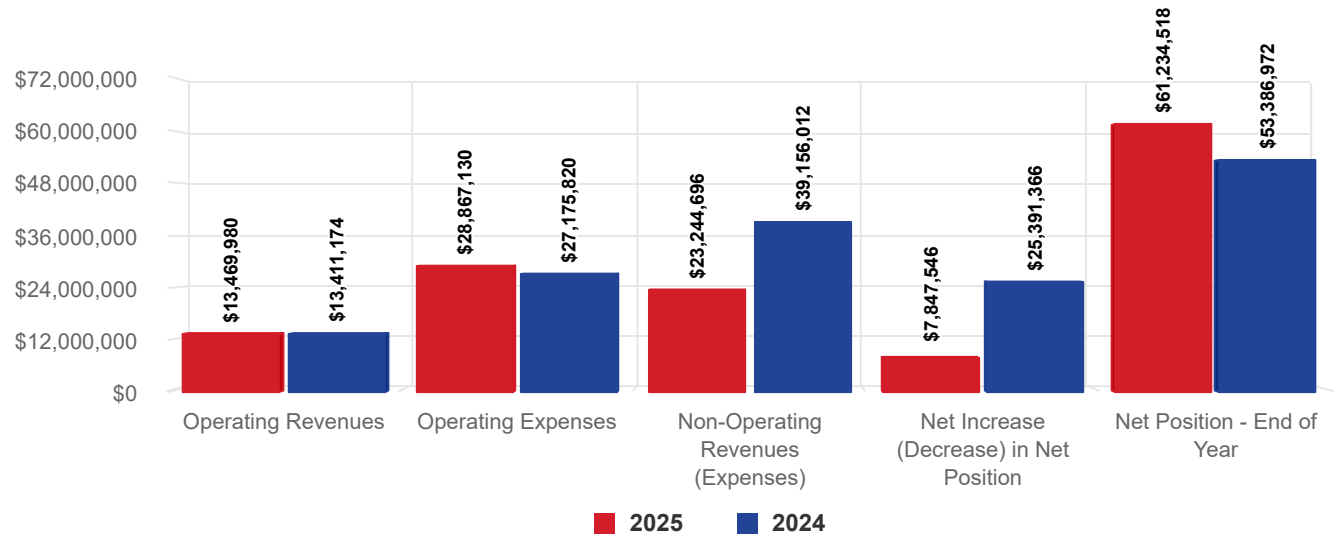
A condensed Statement of Revenues, Expenses and Changes in Net Position for the year ended September 30, 2025 and 2024 is presented below.

Statement of Revenues, Expenses, and Changes in Net Position

	2025	2024
Operating Revenues	$ 13,469,980	$ 13,411,174
Operating Expenses	28,867,130	27,175,820
Operating Income (Loss)	(15,397,150)	(13,764,646)
Non-Operating Revenues (Expenses)	23,244,696	39,156,012
Net Increase (Decrease) in Net Position	7,847,546	25,391,366
Net Position - Beginning of Year	53,386,972	27,995,606
Restatements	-	-
Net Position - End of Year	**$ 61,234,518**	**$ 53,386,972**

The following is a graphic presentation of the College's Statement of Revenues, Expenses & Changes in Net Position for the years ended September 30, 2025 and 2024:

Statement of Revenues, Expenses, and Changes in Net Position



Statement of Revenues, Expenses and Changes in Net Position

For fiscal year 2025, the Statement of Revenues, Expenses, and Changes in Net Position reflects an increase of $7.8 million; revenue totaled $37.2 million and expenses totaled $29.4 million. In comparison with fiscal year 2024 reporting, revenues totaled $53 million, and expenses totaled $27.6 million, for an overall increase of $25.4 million. Fiscal year 2024 total revenues were much greater due to capital appropriations and grant funding for the Workforce and Career Institution (WACI), $18.2 million in 2024 and $2.4 million in 2025 as reflected in other non operating revenues.

For fiscal year 2025, total operating revenue was fairly consistent with fiscal year 2024 with an overall increase of about $50 thousand. Total operating expenses were slightly higher for fiscal year 2025 with a $1.7 million overall increase. Depreciation expense increased due to the addition of the $28 million WACI building and additional equipment. Instructional costs account for the highest operational cost for the College, accounting for approximately 38% of the general operating budget in fiscal year 2025 and 36% in fiscal year 2024. Startup costs for three new technical programs housed at the new Workforce and Career Institute account for the greatest increase in instructional expense. The College took care of many minor deferred maintenance projects including replacing non-operational HVAC systems in two buildings during fiscal year 2025. The overall economic increase in cost of materials and supplies added to expense increase as well.

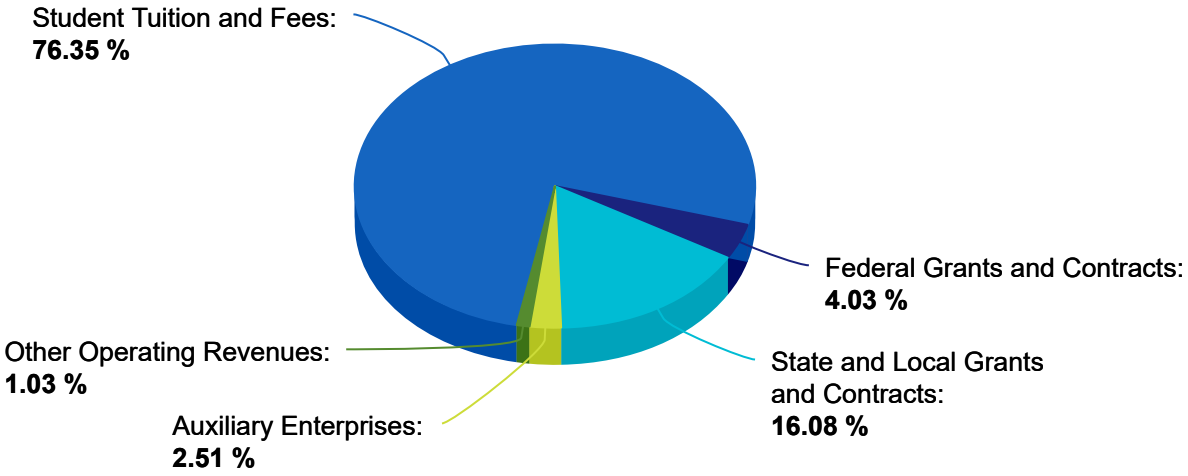
In fiscal year 2022, the College implemented GASB 87 for lease agreement reporting. In fiscal year 2023 the College implemented GASB 96 for subscription-based IT agreements (SBITA) reporting. The College leases the Arab Center for classes, the Sanford-Gant Recreation Center for Athletic training, and the College Bookstore. The long-term and short-term lease liability for fiscal year 2025 was approximately $93,000 and $55,000 respectively. The long-term and short-term SBITA liability for fiscal year 2025 was minor at approximately $44,000 and $21,000 respectively.

Operating Revenues

	2025	2024
Operating Revenues		
Student Tuition and Fees	$ 10,284,353	$ 10,382,557
Federal Grants and Contracts	542,761	519,130
State and Local Grants and Contracts	2,165,615	2,066,500
Auxiliary Enterprises	337,902	421,091
Other Operating Revenues	139,349	21,896
Total Operating Revenues	**$ 13,469,980**	**$ 13,411,174**

The following is a graphic presentation of the total revenues by source for the fiscal year ended September 30, 2025.

Operating Revenues by Source



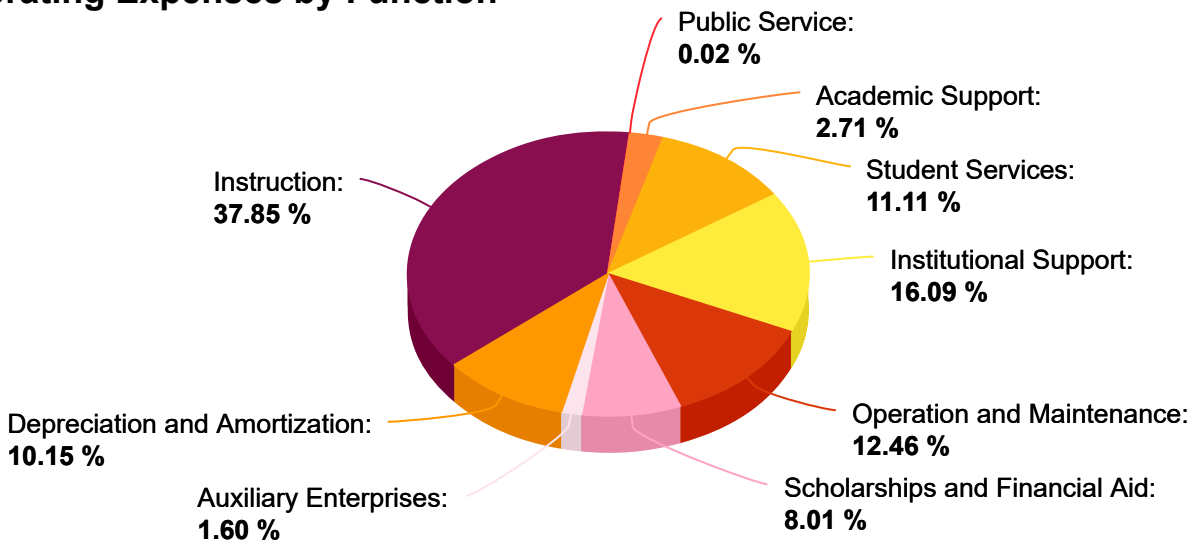
Instructional costs account for the highest operational cost to the College, accounting for approximately 38% of the general operating budget. Student aid decrease is due to Higher Education Emergency Relief Funds (HEERF) reported in fiscal year 2024.

Operating Expenses

	2025	2024
Operating Expenses		
Instruction	$ 10,925,062	$ 9,720,298
Public Service	7,153	9,745
Academic Support	781,114	801,384
Student Services	3,208,282	2,996,989
Institutional Support	4,645,964	4,238,062
Operation and Maintenance	3,595,868	4,268,088
Scholarships and Financial Aid	2,312,138	2,508,337
Auxiliary Enterprises	461,625	425,748
Depreciation and Amortization	2,929,924	2,207,169
Total Operating Expenses	**$ 28,867,130**	**$ 27,175,820**

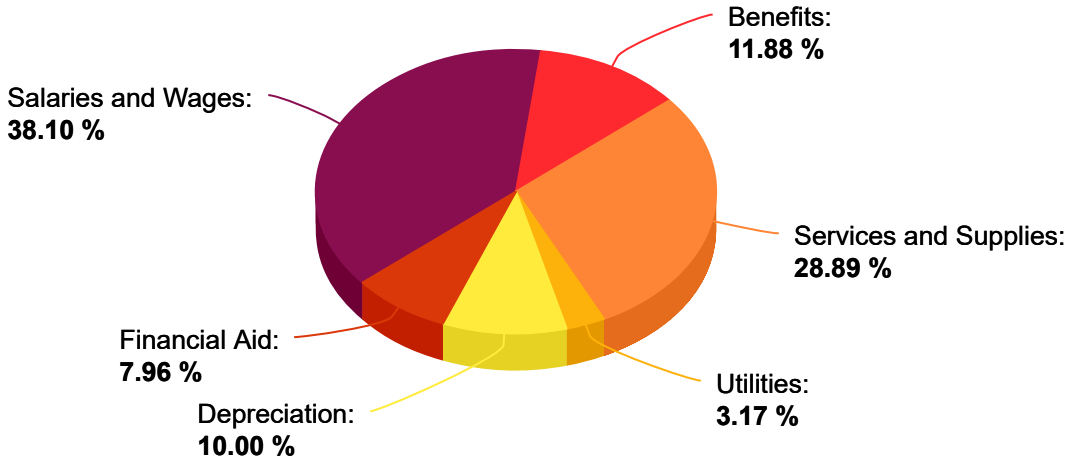
The following is a graphic presentation of operating expenses by function for the fiscal year ended September 30, 2025.

Operating Expenses by Function



Operating expenses are summarized here by natural classification.

Operating Expenses by Natural Classification

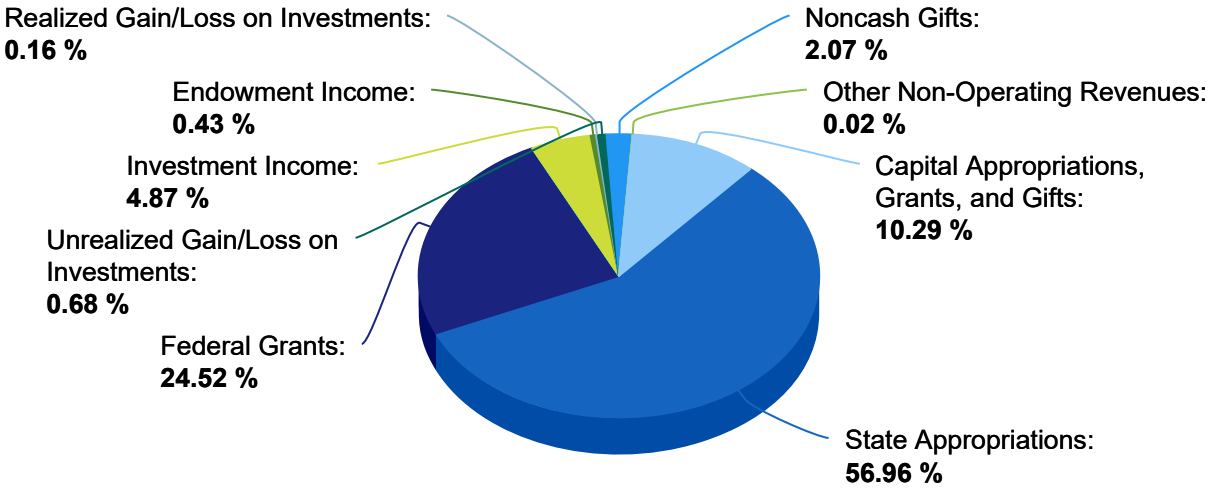


Comparison of Non-Operating Revenue

	2025	2024
Non-Operating Revenue		
State Appropriations	$ 13,563,114	$ 12,643,140
Federal Grants	5,836,252	6,093,838
Gifts	-	1,166
Investment Income	1,160,034	896,375
Endowment Income	102,068	97,927
Realized Gain/Loss on Investments	38,710	26,100
Unrealized Gain/Loss on Investments	160,861	1,046,340
Noncash Gifts	492,232	27,400
Other Non-Operating Revenues	3,979	4,206
Capital Appropriations, Grants, and Gifts	2,448,514	18,822,608
Total Non-Operating Revenue	**$ 23,805,764**	**$ 39,659,100**

The following chart displays the non-operating revenues by type and their relationship with one another for the fiscal year ended September 30, 2025.

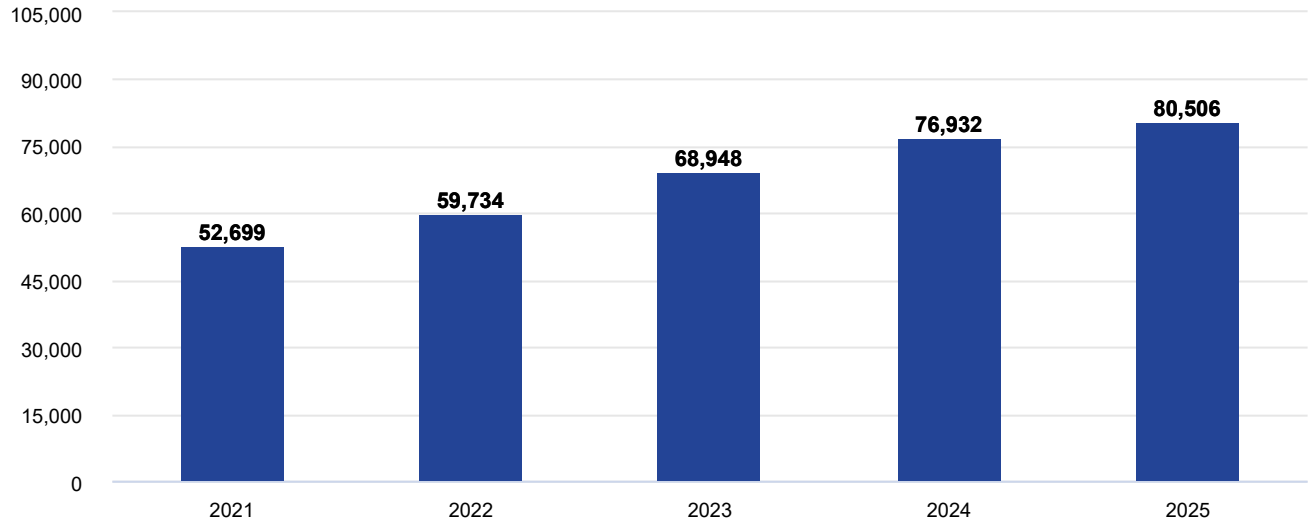
Comparison of Non-Operating Revenue



Credit hour production increased about 5% in fiscal year 2025.

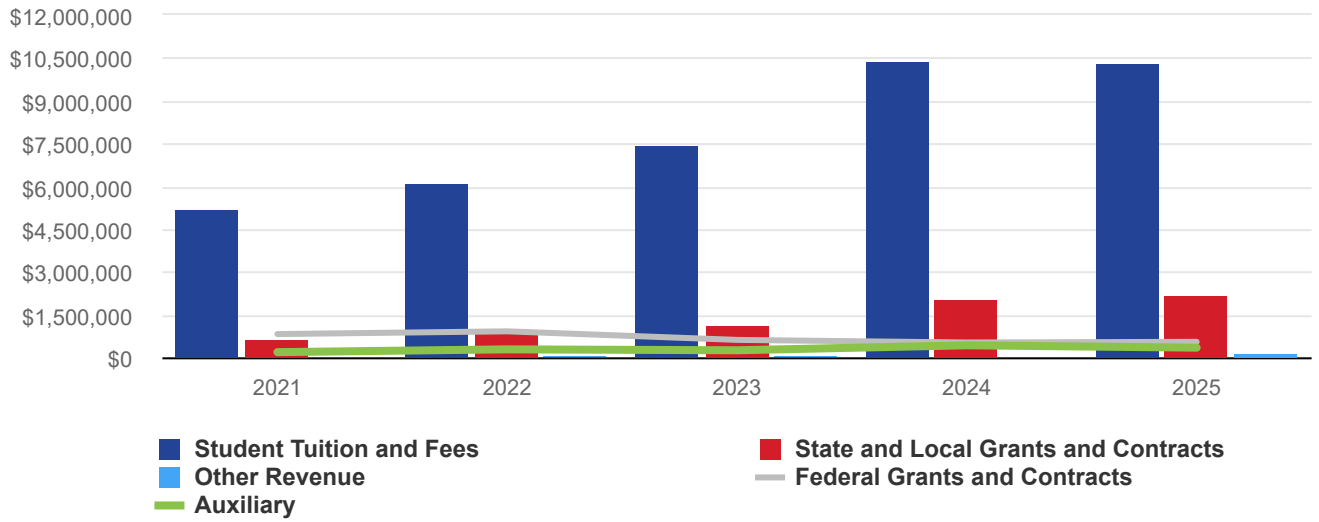
The following chart displays the 5 Year Comparision of Credit Hours for the fiscal year ended September 30, 2025.

5 Year Comparision of Credit Hours



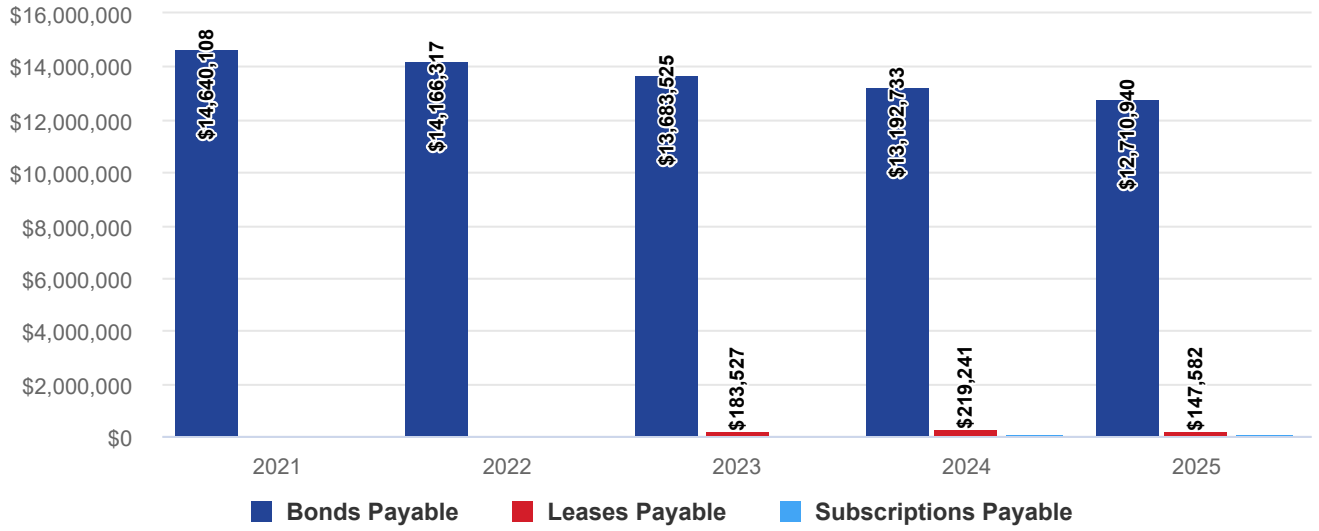
The following chart displays the 5 Year Comparison of Operating Revenue for the fiscal year ended September 30, 2025.

5 Year Comparison of Operating Revenue



The following chart displays 5 Year Comparison of Long-Term Debt Principal for the fiscal year ended September 30, 2025.

5 Year Comparison of Long-Term Debt Principal



Statement of Cash Flows

The final statement presented by Snead State Community College is the Statement of Cash Flows which presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution, which are primarily tuition and fees and payments to employees, scholarships, and vendors. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received for non-operating, non-investing, and non-capital financing purposes, which primarily consist of state appropriations and Pell grants. The third section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth section deals with cash flows from capital and related financing activities.

This section deals with the cash used for the acquisition and construction of capital and related items. The fifth section reconciles cash flows from operating activities to operating income of the Statement of Revenues, Expenses, and Changes in Net Position.

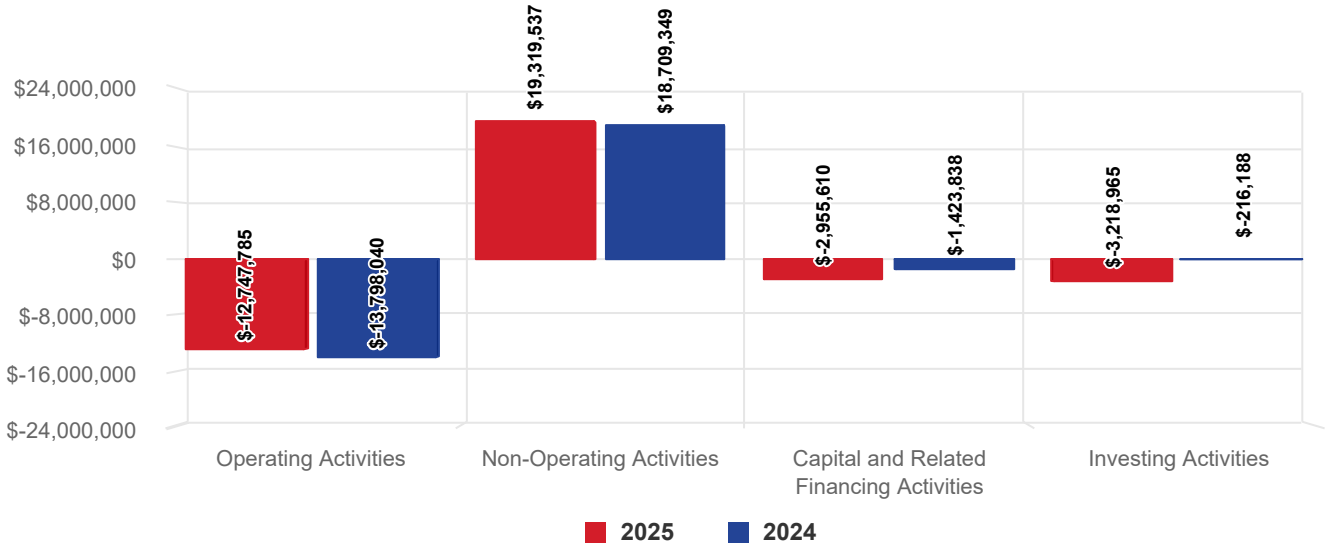
A condensed Statement of Cash Flows for the years ended September 30, 2025 and 2024 is presented below.

Statement of Cash Flows

	2025	2024
Cash Provided by (Used in):		
Operating Activities	$ (12,747,785)	$ (13,798,040)
Non-Operating Activities	19,319,537	18,709,349
Investing Activities	(3,218,965)	(216,188)
Capital and Related Financing Activities	(2,955,610)	(1,423,838)
Net Change in Cash and Cash Equivalents	**397,177**	**3,271,283**
Cash and Cash Equivalents, Beginning of Year	15,643,622	12,372,339
Cash and Cash Equivalents, End of Year	**$ 16,040,799**	**$ 15,643,622**

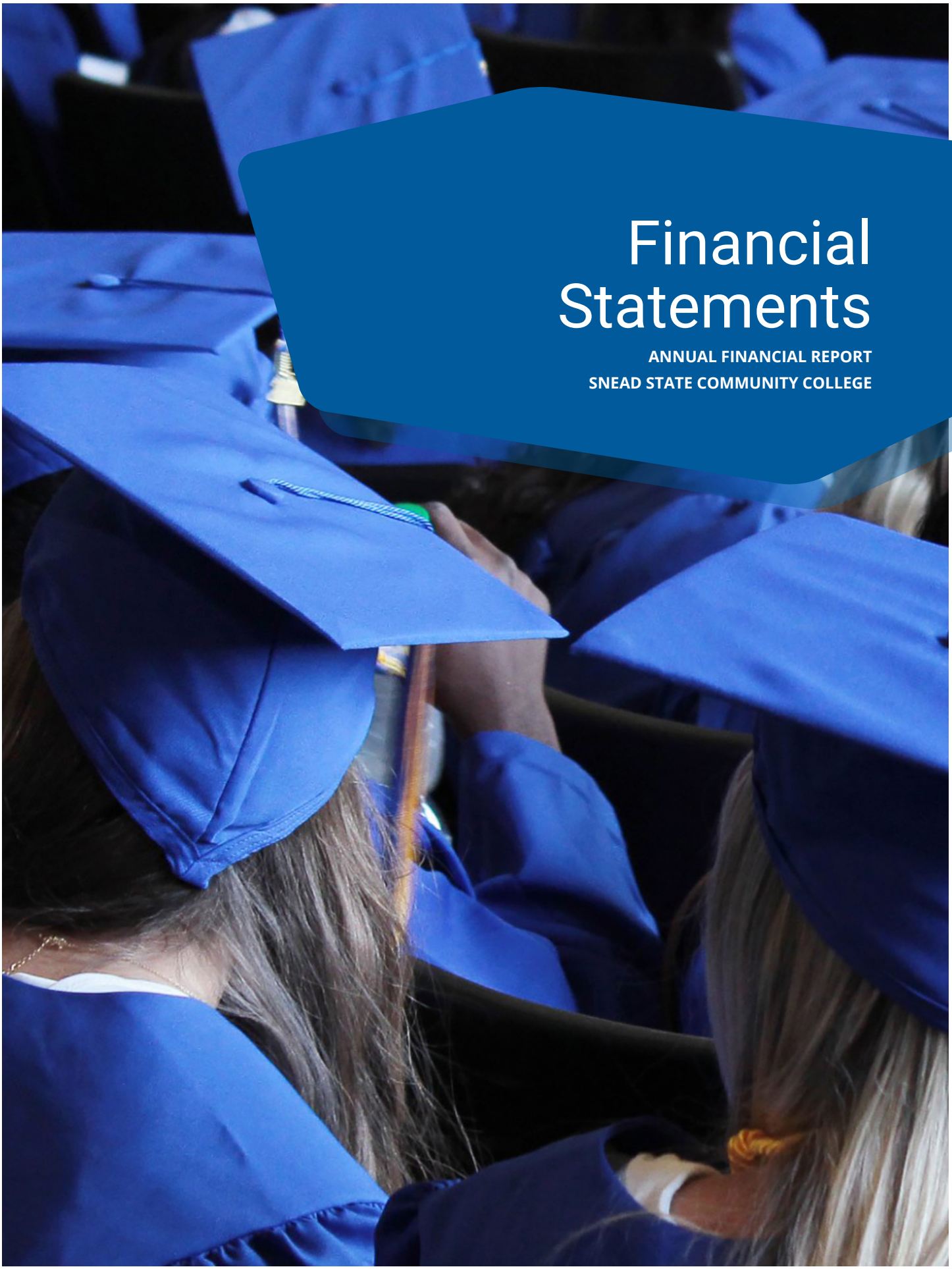
The following chart visually depicts the cash flow figures used to generate the net change in cash for the year 2025 and 2024.

Statement of Cash Flows



Economic Outlook

The College will continue to use extreme care in utilization of resources and maintain a flexible budget to ensure the College is financially stable, with the ability to react to any unexpected changes, and ensure that our students receive the best possible educational experience. Through budgetary controls and level spending, the College continues to maintain more than the required two-month operating reserve. Snead State maintains approximately a 9-month operating reserve. The College's overall financial position remains positive and stable, and the same pattern is anticipated for the next fiscal year.



Financial Statements

ANNUAL FINANCIAL REPORT

SNEAD STATE COMMUNITY COLLEGE

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Statement of Net Position
September 30, 2025

	2025
Assets	
Current Assets	
Cash and Cash Equivalents	$ 16,040,799
Short Term Investments	933,400
Accounts Receivable (net of allowance for doubtful accounts of $833,140)	5,901,392
Other Current Assets	40,211
Total Current Assets	**22,915,802**
Non-Current Assets	
Long-Term Investments	23,785,866
Endowment Investments	2,217,366
Capital Assets, Net of Depreciation and Amortization	47,913,249
Total Non-Current Assets	**73,916,481**
Total Assets	**96,832,283**
Deferred Outflows of Resources	
Deferred Outflows of Resources Related to Pension	3,129,105
Deferred Outflows of Resources Related to OPEB	5,798,742
Total Deferred Outflow of Resources	**8,927,847**

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

Statement of Net Position (Continued)
September 30, 2025

	2025
Liabilities	
Current Liabilities	
Deposits	$ 149,907
Accounts Payable and Accrued Liabilities	1,839,112
Bond Surety Payable	2,743
Unearned Revenue	3,219,798
Compensated Absences	64,807
Right of Use Asset – Lease Payable	54,619
Bonds Payable	498,262
Subscriptions Payable	21,247
Total Current Liabilities	**5,850,495**
Non-Current Liabilities	
Compensated Absences, net of current portion	583,263
Right of Use Asset – Lease Payable, net of current portion	92,963
Subscriptions Payable, net of current portion	44,177
Bonds Payable, net of current portion	12,212,678
Net Pension Liability	13,449,507
Net OPEB Liability	6,603,259
Total Non-Current Liabilities	**32,985,847**
Total Liabilities	**38,836,342**
Deferred Inflows of Resources	
Deferred Inflows of Resources Related to Pension	2,553,630
Deferred Inflows of Resources Related to OPEB	3,135,640
Total Deferred Inflow of Resources	**5,689,270**
Net Position	
Net Investment in Capital Assets	34,989,303
Restricted Non-Expendable:	
Scholarships and Fellowships	2,217,366
Restricted Expendable:	
Scholarships and Fellowships	479,128
Other	873,352
Retirement of Debt	125,527
Unrestricted	22,549,842
Total Net Position	**$ 61,234,518**

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

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2025

		2025
Operating Revenues		
Student Tuition and Fees (net of scholarship allowances of $7,724,577)	$	10,284,353
Federal Grants and Contracts		542,761
State and Local Grants and Contracts		2,165,615
Auxiliary Enterprises		
Bookstore		172,637
Food Service (net of scholarship allowance of $59,222)		66,612
Vending		7,517
Campus Housing (net of scholarship allowance of $129,274)		91,136
Other Operating Revenues		139,349
Total Operating Revenues		**13,469,980**
Operating Expenses		
Instruction		10,925,062
Public Service		7,153
Academic Support		781,114
Student Services		3,208,282
Institutional Support		4,645,964
Operation and Maintenance		3,595,868
Scholarships and Financial Aid		2,312,138
Auxiliary Enterprises		461,625
Depreciation and Amortization		2,929,924
Total Operating Expenses		**28,867,130**
Operating Loss		**(15,397,150)**

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

Statement of Revenues, Expenses and Changes in Net Position (Continued)
For the Year Ended September 30, 2025

		2025
Non-Operating Revenues (Expenses)		
State Appropriations	$	13,563,114
Federal Grants		5,836,252
Gifts		-
Investment Income		1,160,034
Endowment Income		102,068
Realized Gain/Loss on Investments		38,710
Unrealized Gain/Loss on Investments		160,861
Noncash Gifts		492,232
Other Non-Operating Revenues		3,979
Capital Appropriations, Grants, and Gifts		2,448,514
Bond Surety Fee Expense		(78,828)
Other Non-Operating Expense		(1,925)
Interest on Debt		(420,318)
Loss on Disposal of Capital Assets		(59,997)
Total Non-Operating Revenues (Expenses)		**23,244,696**
Net Increase in Net Position		**7,847,546**
Net Position - Beginning of Year		53,386,972
Net Position - End of Year	**$**	**61,234,518**

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

Statement of Cash Flows
For the Year Ended September 30, 2025

	2025
Cash Flows from Operating Activities	
Tuition and Fees	$ 9,986,646
Grants and Contracts	2,932,951
Payments to Suppliers	(8,068,431)
Payments for Utilities	(818,564)
Payments for Employees	(11,159,439)
Payments for Benefits	(3,433,295)
Payments for Scholarships	(2,312,135)
Other Receipts	250,162
Auxiliary Enterprises	(125,680)
Net Cash Used in Operating Activities	**(12,747,785)**
Cash Flows from Non-Capital Financing Activities	
State and Local Appropriations	13,563,114
Gifts and Grants for Other than Capital Projects	681
Federal Grants	5,836,252
Other Non-Operating Expenditures	(80,510)
Federal Direct Loan Receipts	1,350,403
Federal Direct Loan Disbursements	(1,350,403)
Net Cash Provided by Non-Capital Financing Activities	**19,319,537**
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets and Construction	(4,837,423)
Gifts and Grants for Capital Projects	2,940,746
Proceeds from Disposal	(56,700)
Principal Paid on Capital Debt and Leases	(579,990)
Interest Paid on Capital Debt	(420,318)
Other Capital and Related Financing	(1,925)
Net Cash Used in Capital and Related Financing Activities	**(2,955,610)**
Cash Flows from Investing Activities	
Proceeds from Sale and Maturity of Investments	4,400,405
Investment Income	1,461,672
Purchase of Investments	(9,081,042)
Net Cash Used in Investing Activities	**(3,218,965)**

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

Statement of Cash Flows (Continued)
For the Year Ended September 30, 2025

	2025
Net Increase in Cash and Cash Equivalents	**397,177**
Cash and Cash Equivalents, Beginning of Year	15,643,622
Cash and Cash Equivalents, End of Year	**$ 16,040,799**
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	(15,397,150)
Adjustments to Reconcile Net Operating Loss (Income) to Net Cash Used in Operating Activities	
Depreciation and Amortization Expense	2,929,924
Bad Debt Expense	(311,792)
Pension and OPEB Expense	193,167
Changes in Assets and Liabilities:	
Increase/Decrease in Receivables	138,604
Increase/Decrease in Other Assets	29,276
Increase/Decrease in Accounts Payable and Accrued Expenses	(705,352)
Increase/Decrease in Unearned Revenue	329,226
Increase/Decrease in Compensated Absences	46,312
Adjustments	-
Net Cash Used in Operating Activities	**$ (12,747,785)**

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

Snead State Community College Foundation, Inc.

Statement of Financial Position – Discretely Presented Component Unit
March 31, 2025

		2025
Assets		
Current Assets		
Cash and Cash Equivalents	$	1,450,505
Investments		4,169,457
Total Assets		**5,619,962**
Liabilities and Net Assets		
Liabilities		
Net Assets		
Without Donor Restrictions		3,099,401
With Donor Restrictions		2,520,561
Total Net Assets		**5,619,962**
Total Liabilities and Net Assets	**$**	**5,619,962**

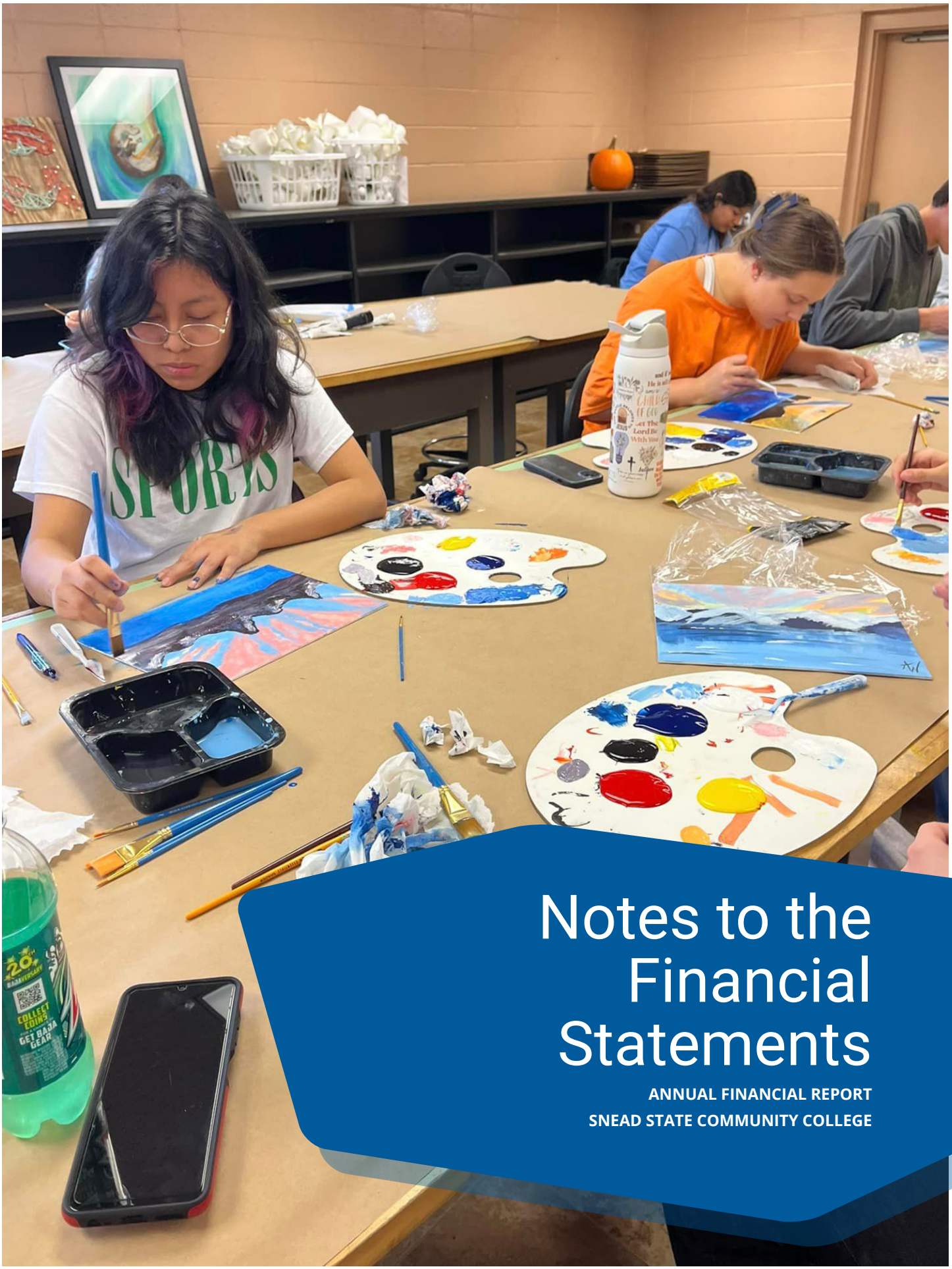
The accompanying notes are an integral part of these financial statements.

Snead State Community College Foundation, Inc.

Statement of Activities – Discretely Presented Component Unit
For the Year Ended March 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Revenue and Support			
Contributions	$ -	$ 410,816	$ 410,816
Student Organization Income	-	264,960	264,960
Dividend Income	145,899	63,243	209,142
Interest Income	46,816	-	46,816
Net Loss on Investments	(100,230)	-	(100,230)
Net Assets Released from Restrictions	313,860	(313,860)	-
Total Support and Revenue	**406,345**	**425,159**	**831,504**
Expenses			
Program Services	313,860	-	313,860
General and Administrative	178,602	-	178,602
Total Expenses	**492,462**	**-**	**492,462**
Change in Net Assets	**(86,117)**	**425,159**	**339,042**
Net Assets at Beginning of Year	3,185,518	2,095,402	5,280,920
Net Assets at End of Year	**$ 3,099,401**	**$ 2,520,561**	**$ 5,619,962**

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



Notes to the Financial Statements

ANNUAL FINANCIAL REPORT

SNEAD STATE COMMUNITY COLLEGE

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Note 1. Summary of Significant Accounting Policies

Nature of Operations

The financial statements of Snead State Community College (the "College" or "SSCC") are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of Snead State Community College are described below.

Reporting Entity

The College is a component unit of the State of Alabama. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The Governmental Accounting Standards Board (GASB) in Statement Number 14, *The Financial Reporting Entity*, states that a primary government is financially accountable for a component unit if it appoints a voting majority of an organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In this case, the primary government is the State of Alabama which through the Alabama Community College System Board of Trustees governs the Alabama Community College System. The Alabama Community College System through its Chancellor has the authority and responsibility for the operation, management, supervision and regulation of the College. In addition, the College receives a substantial portion of its funding from the State of Alabama (potential to impose a specific financial burden). Based on these criteria, the College is considered for financial reporting purposes to be a component unit of the State of Alabama.

Component Units

Snead State Community College Foundation (the "Foundation" or "SSCCF") is a legally separate, tax-exempt organization that is organized exclusively for charitable, scientific and educational purposes for the benefit of the College. Because of the significance of the relationship between the College and the Foundation, the Foundation is considered a component unit of the College. Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Although the College does not control the timing or amount of receipts from SSCCF, the majority of resources, or income thereon that SSCCF holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by SSCCF can only be used by, or for the benefit of, the College, SSCCF is discretely presented as a component unit of the College. SSCCF is reported in

its original format on separate financial statements because of the difference in its reporting model as further described below. Complete financial statements for SSCCF are available from the Foundation's director upon request.

The Foundation is a not-for-profit organization that reports its financial results under the Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model is Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures (see Note 11) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Snead State Community College follows all applicable GASB pronouncements. The financial statements of Snead State Community College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

It is the policy of the College to first apply restricted resources when an expense is incurred and then apply unrestricted resources when both restricted and unrestricted net position are available.

The Statement of Revenues, Expenses and Changes in Net Position distinguishes between operating and non-operating revenues. Operating revenues, such as tuition and fees, result from exchange transactions associated with the principal activities of the College. Exchange transactions are those in which each party to the transactions receives or gives up essentially equal values. The College has determined that all federal grant and contracts (excluding Pell grants), state grants and contracts, local grants and contracts and non-governmental grants and contracts, which are not designated for the purchase of capital assets, will be considered operating revenue. Non-operating revenues arise from exchange transactions not associated with the College's principal activities, such as investment income and from all non-exchange transactions, such as state appropriations, gifts, and Pell grants.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the College to invest in the same type of instruments as allowed by Alabama law for domestic life insurance companies. This includes a wide range of investments, such as direct obligations of the United States of America, obligations issued or guaranteed by certain federal agencies, and bonds

of any state, county, city, town, village, municipality, district or other political subdivision of any state or any instrumentality or board thereof or of the United States of America that meet specified criteria.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period.

Receivables

Accounts receivable relate to amounts due from students, federal grants, state grants, state appropriations, third party tuition, and auxiliary enterprise sales, such as food service, bookstore and residence halls. The receivables are shown net of allowance for doubtful accounts.

Capital Assets

Capital assets, which include property, collections, and equipment other than intangible assets, with a unit cost of over $10,000 (increased from $5,000, effective October 1, 2024) and an estimated useful life in excess of one year, and all library books, are recorded at historical cost or estimated historical cost if purchased or constructed. Right-to-use assets are defined as assets resulting from a lease or subscription-based information technology arrangements. The capitalization threshold for intangible assets such as capitalized software and internally generated computer software is $1 million and $100,000 for easements and land use rights and patents, trademarks and copyrights. In addition, works of art and historical treasures and similar assets are recorded at their historical cost. Donated capital assets are recorded at fair market value at the date of donation. Land, construction in progress, and intangible assets with indefinite lives are the only capital assets that are not depreciated. Depreciation is not allocated to a functional expense category. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon the sale or retirement of fixed assets being depreciated using the straight-line method, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operation.

The method of depreciation and useful lives of the capital assets are as follows:

Assets	Depreciation Method	Useful Lives
Buildings	Straight Line	50 years
Building Alterations	Straight Line	25 years
Improvements other than Buildings and Infrastructure	Straight Line	25 years
Furniture and Equipment	Straight Line	5-10 years
Right-to-Use Leased Equipment	Straight Line	5-10 Years
Library Materials	Composite	20 years
Capitalized Software	Straight Line	10 years
Easement and Land Use Rights	Straight Line	20 years
Patents, Trademarks, and Copyrights	Straight Line	20 years

Leases

During the prior year, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right- to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The College is a lessee in multiple non-cancellable leases of equipment and property. The College recognizes lease liabilities and intangible right-to-use lease assets in the statement of net position. At the commencement of each lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments to be made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets and liabilities are reported on the Statement of Net Position.

Deferred Outflow of Resources

Deferred outflows of resources are reported in the Statement of Net Position. Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds/Warrant premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds/Warrants payable are reported net of the applicable bond/warrant premium or discount.

Unearned Tuition and Fee Revenue

Unearned revenue consists primarily of amounts received for fall student tuition and fees that are not earned until the next fiscal year. Unearned revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

The College records liabilities for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. A liability is recognized when leave is (1) attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Substantially all employees of the College earn 12 days of sick leave each year, with unlimited accumulation. In accordance with Alabama law, sick leave balances generally convert to service credit in the Teachers' Retirement System of Alabama (TRS) upon retirement. Because those balances are more likely than not to be settled through conversion to TRS service credit rather than paid or otherwise settled, no liability is recorded for sick leave. All non-instructional employees earn annual leave at a rate that varies from 12 to 24 days per year depending on length of service, with accumulation limited to 60 days. Instructional employees do not earn annual leave. Payment is made to employees for unused annual leave at termination or retirement. Accordingly, the College records a liability for accrued but unused vacation leave, including salary-related payments directly and incrementally associated with that leave.

Deferred Inflow of Resources

Deferred inflows of resources are reported in the Statement of Net Position. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources decrease net position, similar to liabilities.

Pensions

The Teachers' Retirement System of Alabama (the "Plan") financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to plan requirements. Benefits and refunds are recognized as revenues when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made.

Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Annual Comprehensive Financial Report.

Postemployment Benefits Other than Pensions (OPEB)

The Alabama Retired Education Employees' Health Care Trust (the "Trust") financial statements are prepared by using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to plan requirements. Benefits are recognized when due and payable in accordance with the terms of the plan. Subsequent events were evaluated by management through the date the financial statements were issued.

Net Position

Net position is defined as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is required to be classified for accounting and reporting purposes into the following categories:

- **Net Investment in Capital Assets** – Capital assets, including restricted capital assets, reduced by accumulated depreciation and by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Any unspent related debt proceeds or inflows of resources at year-end related to capital assets are not included in this calculation.
- **Restricted**:
  - *Expendable* – Net position whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. These include funds held in federal loan programs.
  - *Non-expendable* – Net position subject to externally imposed stipulations that it be maintained permanently by the College. Such assets would include permanent endowment funds.
- **Unrestricted** – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted resources may be designated for specific purposes by action of management or the Alabama Community College System Board of Trustees.

Federal Financial Assistance Programs

The College participates in various federal programs. Federal programs are audited in accordance with the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).*

Scholarship Allowances and Student Aid

Student tuition and fees are reported net of scholarship allowances and discounts. The amount for scholarship allowances and discounts is the difference between the stated charge for goods and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The College uses the case-by-case method to determine the amount of scholarship allowances and discounts.

Change in Accounting Estimate: Capitalization Threshold

On October 1, 2024, the College increased its capitalization threshold for tangible capital assets from $5,000 to $10,000. This change was implemented to align with federal regulations and enhance administrative efficiency. It is accounted for as a change in accounting estimate, applied prospectively in accordance with GASB Statement No. 100, which mandates that changes in estimates be recognized in the current and future periods only, without restating prior-period financial statements.

Under the revised threshold, assets previously capitalized with historical costs between $5,000 and $9,999.99 that remain undepreciated as of October 1, 2024, will continue to record depreciation expense and associated accumulated depreciation according to their remaining useful lives. Assets within that cost range which are already fully depreciated have been removed from the Property, Plant & Equipment (PP&E) ledger. Going forward, effective October 1, 2024, only assets with acquisition costs of at least $10,000 will be capitalized.

Prepaid Expenses and Unearned Scholarships

Prepaid expenses are composed predominantly of prepaid insurance. Unearned scholarship expense results from the Fall academic term spanning across the fiscal year end. The College prorates scholarship expense to recognize only the amounts incurred in each fiscal year.

New Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. This Statement supersedes prior guidance based on vesting and instead requires recognizing a liability only when leave is *more likely than not* to be used, paid in cash, or otherwise settled. The College adopted this Statement for the fiscal year ended September 30, 2025. The adoption had no impact on the previously reported beginning net position, as liabilities for vacation leave were already recognized and sick leave converts to service credit in the Teachers' Retirement System of Alabama rather than being paid or otherwise settled.

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures, which is effective for fiscal years beginning after June 15, 2024. This Statement requires governments to disclose potential risks arising from vulnerabilities due to certain concentrations or constraints when those conditions make the government vulnerable to a substantial impact, and when associated events have occurred, are in process, or are more likely than not to occur within 12 months of the issuance of the financial statements.The College adopted this Statement for the fiscal year ended September 30, 2025. The adoption did not impact amounts previously reported in net position, and no new disclosures were required, as management was not aware of any concentrations or constraints with related events that met all of the disclosure criteria as of the issuance of these financial statements.

Note 2. Deposits and Investments

Deposits

Deposits at year-end were held by financial institutions in the State of Alabama's Security for Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the ***Code of Alabama 1975***, *Sections 41-14A-1 through 41-14A-14.* Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

The Statement of Net Position classification "Cash and Cash Equivalents" includes all readily available cash such as petty cash, demand deposits, and certificates of deposits with original maturities of three months or less from the date of acquisition.

Investments

The College invests its funds in securities and investments in accordance with the ***Code of Alabama 1975***, *Section 16-13-2, Sections 27-1-8 and 27-1-9, and Sections 27-41-1 through 27-41-41.* These laws provide that the College may invest in the same type of instruments as allowed by Alabama law for domestic life insurance companies. This includes a wide range of investments, such as direct obligations of the United States of America, obligations issued or guaranteed by certain federal agencies, and bonds of any state, county, city, town, village, municipality, district or other political subdivision of any state or any instrumentality or board thereof of the United States of America that meet specified criteria. The College 's investment policy permits investments in the following:

1. U.S. Treasury bills, notes, bonds, and stripped Treasuries;
2. U.S. Agency notes, bonds, debentures, discount notes and certificates;
3. Certificates of Deposits (CDs), checking and money market accounts of savings and loan associations, mutual savings banks, or commercial banks whose accounts are insured by FDIC/FSLIC, and who are designated a Qualified Public Depository (QPD) under the SAFE Program;
4. Mortgage Backed Securities (MBSs);
5. Mortgage related securities to include Collateralized Mortgage Obligations (CMOs) and Real Estate Mortgage Investment Conduits (REMIC) securities;
6. Repurchase agreements; and
7. Stocks and Bonds which have been donated to the institution.

The College's portfolio shall consist primarily of bank CDs and interest bearing accounts, U.S. Treasury securities, debentures of a U.S. Government Sponsored Entity (GSE) and securities backed by collateral issued by GSEs. In order to diversify the portfolio's exposure to concentration risk, the portfolio's maximum allocation to specific product sectors is as follows:

1. U.S. Treasury bills, notes and bonds can be held without limitation as to amount. Stripped Treasuries shall never exceed 50 percent of the institution's total investment portfolio. Maximum maturity of these securities shall be ten years.
2. U.S. Agency securities shall have limitations of 50 percent of the College's total investment portfolio for each Agency, with two exceptions: TVA and SLMA shall be limited to ten percent of total investments. Maximum maturity of these securities shall be ten years.
3. CDs with savings and loan associations, mutual savings banks, or commercial banks may be held without limit provided the depository is a QPD under the SAFE Program. CD maturity shall not exceed five years.
4. The aggregate total of all MBSs may not exceed 50 percent of the institution's total investment portfolio. The aggregate average life maturity for all holdings of MBS shall not exceed seven years, while the maximum average life maturity of any one security shall not exceed ten years.
5. The total portfolio of mortgage related securities shall not exceed 50 percent of the institution's total investment portfolio. The aggregate average life maturity for all holdings shall not exceed seven years while the average life maturity of one security shall not exceed ten years.
6. The College may enter into a repurchase agreement so long as:
   a) the repurchase securities are legal investments under state law for Colleges;
   b) the College receives a daily assessment of the market value of the repurchase securities, including accrued interest, and maintains an adequate margin that reflects a risk assessment of the repurchase securities and the term of the transaction; and
   c) the College has entered into signed contracts with all approved counterparties.
7. The College has discretion to determine if it should hold or sell other investments that it may receive as a donation.

The College shall not invest in stripped mortgage backed securities, residual interest in CMOs, mortgage servicing rights or commercial mortgage related securities.

Investment of debt proceeds and deposits with trustees is governed by the provisions of the debt agreement. Funds may be invested in any legally permissible document.

Endowment donations shall be invested in accordance with the procedures and policies developed by the College and approved by the Chancellor in accordance with the "Alabama Uniform Prudent Management of Institutional Funds Act", ***Code of Alabama 1975***, *Section 19-3C-1* and following.

To the extent available, the College's investments are recorded at fair value as of September 30, 2025. GASB Statement Number 72 – *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how

market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 – Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.
- Level 2 – Investments with inputs, other than quoted prices included within Level 1, that are observable for an asset either directly or indirectly.
- Level 3 – Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

Investments' fair value measurements are as follows at September 30, 2025:

		Fair Value Measurements Using		
Investments	**Fair Value**	**Level 1 Inputs**	**Level 2 Inputs**	**Level 3 Inputs**
Certificates of Deposit	$ 7,000,906	$ 7,000,906	$ -	$ -
Debt Securities				
U.S. Agency Securities	19,715,576	-	19,715,576	-
Total Debt Securities	**19,715,576**	**-**	**19,715,576**	**-**
Equities				
Domestic Common and Preferred Stock	220,150	220,150	-	-
Total Equity Securities	**220,150**	**220,150**	**-**	**-**
Total Investments	**$ 26,936,632**	**$ 7,221,056**	**$ 19,715,576**	**$ -**

* Footnote

The U.S. Agency Securities in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk – This risk pertains to changes in interest rates that adversely affect the fair value of an investment. While there is an active market for the below investments, generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the College's investment policy limits its investment maturities as follows:

Investment Type	Maximum Maturity
Stripped Treasuries	10 years
U.S. Agencies (except for TVA and SLMA)	10 years
TVA and SLMA	10 years
Mortgage-Backed Securities and Mortgage Related Securities	7 years*/ 10 years**

* Aggregate life

** Average life maturity of any one security

At year end, the College had the following investments and maturities:

		Investment Maturities		
Investments Type	**Fair Value**	**1-5 years**	**6-10 years**	**Thereafter**
Certificates of Deposit	$ 7,000,906	$ 7,000,906	$ -	$ -
U.S. Agency Securities	19,715,576	17,872,439	1,843,137	-
Equities/Stocks	220,150	220,150	-	-
Total	**$ 26,936,632**	**$ 25,093,495**	**$ 1,843,137**	**$ -**

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The College does not have a formal investment policy that specifically addresses its investment choices related to this risk. The College's investments in Federal National Mortgage Association and Federal Home Loan Banks are rated Aaa by Moody's Investor Services and AA+ by Standard and Poor's Fitch Ratings.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of a counterparty, the government will not be able to cover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have an investment policy that limits the amount of securities that can be held by counterparties.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have a formal investment policy that places limits on the amount the College may invest in any one issuer to less than 5%. Instead, the College's policy was to limit investments by type to the percentages shown below:

Investment Type	% of Investment
Stripped Treasuries	50%
U.S. Agencies (except for TVA and SLMA)	50%
TVA and SLMA	10%
Certificate of Deposit	No Limit
Mortgage Backed Securities and Mortgage Related Securities	50%

Note 3. Receivables

Receivables are reported and summarized as follows:

Description	Amount
Federal	$ 345,557
Student	1,215,348
State	3,915,017
Third-Party	765,559
Auxiliary	300,744
Interest	191,829
Other	478
Less: Allowance for Doubtful Accounts	(833,140)
Total Accounts Receivable	**$ 5,901,392**

Note 4. Capital Assets

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

Description	Beginning Balance	Additions	Deductions & Adjustments	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	$ 722,707	$ 605,490	$ -	$ -	$ 1,328,197
Construction in Progress	24,267,409	985,368	-	(24,520,997)	731,780
Total Nondepreciable Capital Assets	**24,990,116**	**1,590,858**	**-**	**(24,520,997)**	**2,059,977**
Other Capital Assets					
Buildings	9,778,965	1,510,638	-	24,520,997	35,810,600
Building Alterations	23,898,169	164,900	(125,000)	-	23,938,069
Improvements other than Buildings and Infrastructure	2,867,835	-	-	-	2,867,835
Furniture and Equipment greater than $25,000	6,006,494	1,148,174	(26,316)	-	7,128,352
Furniture and Equipment $25,000 or less	3,074,765	482,852	(563,468)	-	2,994,149
Right to Use Assets - Buildings and Equipment	304,985	-	-	-	304,985
Right to Use Assets - Software Subscriptions	123,038	-	(24,220)	-	98,818
Total Other Capital Assets	**46,054,251**	**3,306,564**	**(739,004)**	**24,520,997**	**73,142,808**
Less Accumulated Depreciation/ Amortization					
Buildings	7,820,509	703,476	-	(714,031)	7,809,954
Building Alterations	11,191,590	951,847	(65,000)	714,031	12,792,468
Improvements other than Buildings and Infrastructure	1,396,297	104,130	-	-	1,500,427
Furniture and Equipment greater than $25,000	2,472,410	617,137	(26,317)	-	3,063,230
Furniture and Equipment $25,000 or less	2,033,120	456,939	(563,469)	-	1,926,590
Right to Use Assets - Buildings and Equipment	88,178	72,574	-	-	160,752
Right to Use Assets - Software Subscriptions	36,515	23,821	(24,221)	-	36,115
Total Accumulated Depreciation/Amortization	**25,038,619**	**2,929,924**	**(679,007)**	**-**	**27,289,536**
Total Capital Assets, Net	**$ 46,005,748**	**$ 1,967,498**	**$ (59,997)**	**$ -**	**$ 47,913,249**

Note 5. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The TRS, a cost-sharing multiple-employer public employee retirement plan, was established as of September 15, 1939, pursuant to the ***Code of Alabama 1975***, *Title 16, Chapter 25* (Act 419 of the Legislature of 1939) for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control which consists of 15 trustees. The plan is administered by the Retirement Systems of Alabama (RSA). The ***Code of Alabama 1975***, *Title 16, Chapter 25* grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after 10 years of creditable service. TRS members who retire after age 60 with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation.

Act 2022 of the Legislature of 2022 for TRSA provides that any Tier 2 member who withdraws from service after the completion of at least 30 years of creditable service is entitled to an annual retirement benefit.

Act 316 of the Legislature of 2019 established the Partial Lump Sum Option Plan (PLOP) in addition to the annual service retirement benefit payable for life for Tier 1 and Tier 2 members of the TRS. A member can elect to receive a one-time lump sum distribution at the time that they receive their first monthly retirement benefit payment. The member's annual retirement benefit is then actuarially reduced based on the amount of the PLOP distribution which is not to exceed the sum of 24 months of the maximum monthly retirement benefit that the member could receive. Members are eligible to receive a PLOP distribution if they are eligible for a service retirement benefit as defined above from the TRS on or after October 1, 2019. A TRS member who receives an annual disability retirement benefit or who has participated in the Deferred Retirement Option Plan (DROP) is not eligible to receive a PLOP distribution.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending June 30 are paid to a qualified beneficiary.

Contributions

Covered Tier 1 members of the TRS contributed 5% of earnable compensation to the TRS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the TRS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the TRS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the TRS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the TRS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Effective October 1, 2021, the covered Tier 2 members contribution rate increased from 6.0% to 6.2% of earnable compensation to the TRS as required by statute. Effective October 1, 2021, the covered Tier 2 certified law enforcement, correctional officers, and firefighters contribution rate increased from 7.0% to 7.2% of earnable compensation to the TRS as required by statute. These Tier 2 member contribution rate increases were a result of Act 537 of the Legislature of 2021 which allows sick leave conversion for Tier 2 members.

Participating employers' contractually required contribution rate for the fiscal year ended September 30, 2025 was 13.57% of annual pay for Tier 1 members and 12.60% of annual pay for Tier 2 members. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the College were $1,290,135 for the year ended September 30, 2025.

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

At September 30, 2025, the College reported a liability of $13,449,507 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023. The College's proportion of the collective net pension liability was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers. At September 30, 2024, the College's proportion was 0.103376%, which was a decrease of 0.000476% from its proportion measured as of September 30, 2023.

For the year ended September 30, 2025, the College recognized pension expense of $1,662,763. At September 30, 2025 the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 1,333,970	$ 97,000
Changes of Assumptions	206,000	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	2,206,630
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	299,000	250,000
Employer Contributions Subsequent to the Measurement Date	1,290,135	-
Total	**$ 3,129,105**	**$ 2,553,630**

The $1,290,135 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Amount
2026	(97,000)
2027	766,000
2028	(684,000)
2029	(699,660)
2030	-
Thereafter	-
	$ (714,660)

Actuarial Assumptions

The total pension liability as of September 30, 2024 was determined by an actuarial valuation as of September 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected Salary Increases	3.25% - 5.00%
Investment Rate of Return *	7.45%

* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of September 30, 2023, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2020. The Board of Control accepted and approved these changes in September 2021 which became effective at the beginning of fiscal year 2021.

Mortality Rate

Mortality rates were based on the Pub-2010 Teacher tables with the following adjustments, projected generationally using scale MP-2020 adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+) / Set Back (-)	Adjustment to Rates
Service Retirees	Teacher Retiree – Below Median	Male: +2, Female: +2	Male: 108% ages < 63, 96% ages > 67; Phasing down 63-67 Female: 112% ages < 69 98% > age 74 Phasing down 69-74
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: None	None
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	15.00%	2.80%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
Int'l Developed Mkt Stocks	12.00%	9.50%
Int'l Emerging Mkt Stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real Estate	10.00%	6.50%
Cash Equivalents	5.00%	1.50%
Total	**100.00%**	

* Includes assumed rate of inflation of 2.00%.

Discount Rate

The discount rate used to measure the total pension liability was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.45%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College 's Proportionate Share of the Collective Net Pension Liability	$ 18,697,000	$ 13,449,507	$ 9,028,000

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2024. The auditor's report on the Schedule of Employer Allocations and Pension Amounts by Employer and accompanying notes detail by employer and in aggregate information needed to comply with GASB 68. The additional financial and actuarial information is available at http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/.

Note 6. Other Postemployment Benefits (OPEB)

Summary of Significant Accounting Policies

General Information about the OPEB Plan

Plan Description

The Alabama Retired Education Employees' Health Care Trust (Self - Trust) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that administers healthcare benefits to the retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007 which authorized and directed the Public Education Employees' Health Insurance Board (Board) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in the Public Education Employees' Health Insurance Plan (PEEHIP). Active and retiree health insurance benefits are paid through PEEHIP. In accordance with GASB, the Trust is considered a component unit of the State of Alabama (State) and is included in the State's Annual Comprehensive Financial Report.

The PEEHIP was established in 1983 pursuant to the provisions of the ***Code of Alabama 1975***, *Title 16, Chapter 25A* (Act 83-455) to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions which provide instruction at any combination of grades K-14 (collectively, eligible employees), and to provide a method for funding the benefits related to the plan.

The four-year universities participate in the plan with respect to their retired employees and are eligible and may elect to participate in the plan with respect to their active employees. Responsibility for the establishment of the health insurance plan and its general administration and operations is vested in the Board. The Board is a corporate body for purposes of management of the health insurance plan. The ***Code of Alabama 1975***, *Section 16-25A-4* provides the Board with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years for the plan. All assets of the Alabama Retired Education Employees' Health Care Trust are held in trust for the payment of health insurance benefits. The Teachers' Retirement System of Alabama (TRS) has been appointed as the administrator of the PEEHIP and, consequently, serves as the administrator of the Trust.

Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services, and prescription drugs.

Active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO) in lieu of the basic hospital medical plan. The HMO includes hospital medical benefits, dental benefits, vision benefits, and an extensive formulary. However, participants in the HMO are required to receive care from a participating physician in the HMO plan.

The PEEHIP offers four optional plans (Hospital Indemnity, Cancer, Dental, and Vision) that may be selected in addition to or in lieu of the basic hospital medical plan or HMO. The Hospital Indemnity Plan provides a per-day benefit for hospital confinement, maternity, intensive care, cancer, and convalescent care. The Cancer Plan covers cancer disease only and benefits are provided regardless of other insurance. Coverage includes a per-day benefit for each hospital confinement related to cancer. The Dental Plan covers diagnostic and preventative services, as well as basic and major dental services. Diagnostic and preventative services include oral examinations, teeth cleaning, x-rays, and emergency office visits. Basic and major services include fillings, general aesthetics, oral surgery not covered under a Group Medical Program, periodontics, endodontics, dentures, bridgework, and crowns. Dental services are subject to a maximum of $1,250 per year for individual coverage and $1,000 per person per year for family coverage. The Vision Plan covers annual eye examinations, eyeglasses, and contact lens prescriptions.

PEEHIP members may opt to elect the PEEHIP Supplemental Plan as their hospital medical coverage in lieu of the PEEHIP Hospital Medical Plan. The PEEHIP Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer. Only active and non-Medicare retired members and covered dependents are eligible to enroll in the PEEHIP Supplemental Medical Plan. There is no premium required for this plan, and the plan covers most out-of-pocket expenses not covered by the primary plan. Members who are enrolled in the PEEHIP Hospital Medical Plan, VIVA Health Plan (offered through the Public Education Employees' Health Insurance Fund (PEEHIF), Marketplace (Exchange) Plans, Alabama State Employees Insurance Board, Local Government Health Insurance Board, Medicaid, ALL Kids, Tricare, or Champus, as their primary coverage, or are enrolled in a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA), are not eligible to enroll in the PEEHIP Supplemental Plan. The plan cannot be used as a supplement to Medicare. Retired members who become eligible for Medicare are eligible to enroll in the PEEHIP Group Medicare Advantage (PPO) Plan or the Optional Coverage Plans.

Effective January 1, 2023, United Health Care (UHC) Group replaced the Humana contract for Medicare eligible retirees and Medicare eligible dependents of retirees. The Medicare Advantage Prescription Drug Plan (MAPDP) is fully insured by UHC, and members are able to have all of their Medicare Part A, Part B, and Part D (prescription drug coverage) in one convenient plan. With the UHC plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

Contributions

The ***Code of Alabama 1975***, *Section 16-25A-8* and the ***Code of Alabama 1975***, *Section, 16-25A-8.1* provide the Board with the authority to set the contribution requirements for plan members and the authority to set the employer contribution requirements for each required class, respectively. Additionally, the Board is required to certify to the Governor and the Legislature, the amount, as a monthly premium per active employee, necessary to fund the coverage of active and retired member benefits for the following fiscal year. The Legislature then sets the premium rate in the annual appropriation bill.

For employees who retired after September 30, 2005, but before January 1, 2012, the employer contribution of the health insurance premium set forth by the Board for each retiree class is reduced by 2% for each year of service less than 25 and increased by 2% percent for each year of service over 25 subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree.

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the Board. This reduction in the employer contribution ceases upon notification to the Board of the attainment of Medicare coverage.

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

At September 30, 2025, the Snead State Community College reported a liability of $6,603,259 for its proportionate share of the Net OPEB liability. The Net OPEB liability was measured as of September 30, 2023 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation as of September 30, 2023. The Snead State Community College proportion of the Net OPEB liability was based on the Snead State Community College share of contributions to the OPEB plan relative to the total employer contributions of all participating PEEHIP employers. At September 30, 2024, the Snead State

Community College proportion was 0.071825%, which was a decrease of 0.003071% from its proportion measured as of September 30, 2023.

For the year ended September 30, 2025, the College recognized OPEB benefit of $124,554, with no special funding situations. At September 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 3,079,490	$ 1,425,165
Changes of Assumptions	2,274,114	934,254
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	162,913
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	188,674	613,308
Employer Contributions Subsequent to the Measurement Date	256,464	-
Total	**$ 5,798,742**	**$ 3,135,640**

The $256,464 reported as deferred outflows of resources related to OPEB resulting from the Snead State Community College contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB liability in the year ended September 30, 2026.

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

Year Ended September 30	Amount
2026	$ 232,627
2027	299,396
2028	254,861
2029	510,846
2030	843,544
Thereafter	265,364
	$ 2,406,638

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurment:

Inflation	2.50%
Salary Increases	5.00 - 3.25%, including 2.75% wage inflation
Long-term Investment Rate of Return	7.00% compounded annually, net of investment expense, and including inflation
Municipal Bond Index Rate at the Measurement Date	3.89%
Municipal Bond Index Rate at the Prior Measurement Date	4.53%
Year Fiduciary Net Position (FNP) is Projected to be Depleted	2040
Single Equivalent Interest Rate at Measurement Date	4.32%
Single Equivalent Interest Rate at Prior Measurement Date	7.00%
Healthcare Cost Trend Rates:	
Initial Trend Rate	
Pre-Medicare Eligible	6.75%
Medicare Eligible	**
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50% in 2033 FYE
Medicare Eligible	4.50% in 2033 FYE

** Initial Medicare claims are set based on renewal premium rates through calendar year 2025 with an assumed 0% increase for the upcoming 2026-2028 negotiiation period.

Mortality Rate

The rates of mortality are based on the Pub-2010 Public Mortality Plans Mortality Tables, adjusted generationally based on scale MP-2020, with an adjustment of 66-2/3% to the table beginning in year 2019. The mortality rates are adjusted forward and/or back depending on the plan and group covered, as shown in the table below.

Group	Membership Table	Set Forward (+) / Set Back (-)	Adjustment to Rates
Active Members	Teacher Employee Below Median	None	65%
Service Retirees	Teacher Below Median	Male: +2, Female: +2	Male: 108% ages < 63, 96% ages > 67; Phasing down 63 - 67 Female: 112% ages < 69, 98% ages > 74; Phasing down 69 - 74
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None
Beneficiaries	Teacher Contingent Survivor Below Median	Male: +2, Female: None	None

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2020, submitted to and adopted by the Teachers' Retirement System of Alabama Board on September 13, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) were based on the September 30, 2023 valuation.

Long-Term Expected Rate of Return

The long-term expected return on plan assets is to be reviewed as part of regular experience studies prepared every five years, in conjunction with similar analysis for the Alabama Teachers' Retirement System. Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), as developed for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected rate of return on the OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns.

The target asset allocation and best estimates of expected geometric real rates of return for each major asset class is summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.00%	4.40%
U.S. Large Stocks	38.00%	8.00%
U.S. Mid Stocks	8.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	15.00%	9.50%
Cash	5.00%	1.50%
Total	**100.00%**	

* Geometric mean, includes 2.50% inflation.

Discount Rate

The discount rate (also known as the Single Equivalent Interest Rate (SEIR), as described by GASB 74) used to measure the total OPEB liability was 4.32%. Premiums paid to the Public Education Employees' Health Insurance Board for active employees shall include an amount to partially fund the cost of coverage for retired employees. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly

employer rate that participating school systems must contribute for each active employee. Currently, the monthly employer rate is $800 per non-university active member. Approximately, 9.751% of the employer contributions were used to assist in funding retiree benefit payments in 2024 and it is assumed that the 9.751% will increase or decrease at the same rate as expected benefit payments for the closed group with a cap of 20.00%. It is assumed the $800 rate will remain flat until, based on budget projections, it increases to $904 in fiscal year 2026, $1,114 in fiscal year 2027 and then will increase with inflation at 2.50% starting in 2028. Retiree benefit payments for university members are paid by the Universities and are not included in the cash flow projections. The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. Therefore, the projected future benefit payments for all current plan members are projected through 2122.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the College 's proportionate share of the Net OPEB liability of the Trust calculated using the current healthcare trend rate, as well as what the Net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75% decreasing to 3.50% for pre-Medicare, Known decreasing to 3.50% for Medicare eligible)	Current Healthcare Trend Rate (6.75% decreasing to 4.50% for pre-Medicare, Known decreasing to 4.50% for Medicare eligible)	1% Increase (7.75% decreasing to 5.50% for pre-Medicare, Known decreasing to 5.50% for Medicare eligible)
Net OPEB Liability	$ 5,311,763	$ 6,603,259	$ 8,268,644

The following table presents the College 's proportionate share of the Net OPEB liability of the Trust calculated using the discount rate of 4.32%, as well as what the Net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.32%)	Current Rate (4.32%)	1% Increase (5.32%)
Net OPEB Liability	$ 8,021,435	$ 6,603,259	$ 5,469,980

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's Fiduciary Net Position is in the Trust's financial statements for the fiscal year ended September 30, 2025. The supporting actuarial information is included in the GASB Statement No. 74 Report for PEEHIP prepared as of September 30, 2024. Additional financial and actuarial information is available at www.rsa-al.gov.

Note 7. Other Significant Commitments

As of September 30, 2025, the College had been awarded approximately $9,515,099 in contracts and grants on which performance had not been accomplished and funds had not been received. These awards, which represent commitments of sponsors to provide funds for specific purposes, have not been reflected in the financial statements.

As of September 30, 2025, the College let a bid for the renovation and additions to the Bevill Center for Performing Arts in which no contract was yet awarded. The approximate total for the renovations will be $23,000,000. The College has commitments in the form of property leases in the amount of $147,581.

Note 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent amounts due at September 30, 2025, for goods and services received prior to the end of the fiscal year.

Description	Amount
Salaries, Wages and Benefits	$ 599,660
Interest Payable	41,666
Other	1,197,786
Total	**$ 1,839,112**

Note 9. Long-Term Liabilities

Long-term liabilities activity for the year ended September 30, 2025, was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Revenue Bonds					
2019 Issue	12,140,000	-	390,000	11,750,000	410,000
Bond Premium	1,052,733	-	91,793	960,940	88,262
Total Bonds Payable	**13,192,733**	**-**	**481,793**	**12,710,940**	**498,262**
Leases Payable	219,241	-	71,659	147,582	54,619
Subscriptions Payable	90,393	-	24,969	65,424	21,247
Compensated Absences	601,758	72,442	26,130	648,070	64,807
Total Long-Term Liabilities	**$ 14,104,125**	**$ 72,442**	**$ 604,551**	**$ 13,572,016**	**$ 638,935**

In July 2019, Board of Trustees issued $12,140,000 in revenue bonds for the refunding of the 2014 revenue bonds and the renovation of the McCain Center. The balance of the 2019 revenue bonds was $11,750,000 as of September 30, 2025; accrues interest at 2.67% and is being amortized over 25 years and scheduled to mature September 2044.

Bond Debt

Principal and interest maturity requirements on bond debt are as follows:

	Revenue Bonds		
Fiscal Year(s)	**Principal**	**Interest & Premium**	**Total**
2026	$ 410,000	$ 487,650	$ 897,650
2027	430,000	467,150	897,150
2028	450,000	445,650	895,650
2029	475,000	423,150	898,150
2030	500,000	399,400	899,400
2031-2035	2,810,000	1,680,800	4,490,800
2036-2040	3,415,000	1,072,800	4,487,800
2041-2045	3,260,000	332,600	3,592,600
Total	**$ 11,750,000**	**$ 5,309,200**	**$ 17,059,200**

Bond Premium

The College has a bond premium in connection with the issuance of its Revenue Bonds. The bond premium is being amortized using the straight-line method over the life of the applicable bonds.

Fiscal Year(s)	Premium Amortization
2026	88,262
2027	84,552
2028	80,661
2029	76,588
2030	72,290
2031-2035	304,217
2036-2040	194,172
2041-2045	60,198
Total	**$ 960,940**

Pledged Revenues

Snead State Community College pledged student tuition and fees to repay its 2019 Revenue Bonds Series, issued July 30, 2019.

$6,389,739 of the 2019 Revenue Bond Series was used to fully renovate the McCain Student Center. This center is widely used and houses student services, financial aid, business office, information technology, human resources, student study hall, and a conference room.

A resolution approved by the ACCS Board of Trustees allowed the remaining $2,573,805 to be used to aid in the construction of the Workforce and Career Institute in Guntersville, Alabama.

Future revenues of $17,059,200 are pledged to repay outstanding principal, premium, and interest on the bonds. Pledged revenues in the amount of $10,284,353 were received during fiscal year 2025 with $897,150 or 8.7% of pledged revenues being used to pay principal, premium, and interest during this fiscal year.

Lease Payable

The College follows GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of September 30, 2025, Snead State Community College, AL had 3 active leases. The leases have payments that range from $13,395 to $45,000 and interest rates that range from 2.3630% to 2.9010%. As of September 30,2025, the total combined value of the lease liability is $147,582, the total combined value of the short-term lease liability is $54,619. The combined value of the right to use asset, as of September 30, 2025, of $304,985 with accumulated amortization of $160,752 is included within the Lease

Class activities table found below. The leases had $0 of Variable Payments and $0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

A summary of the principal and interest amounts for the remaining leases are as follows:

Fiscal Year(s)	Principal	Interest	Total
2026	$ 54,619	$ 3,026	$ 57,645
2027	29,332	2,063	31,395
2028	30,110	1,285	31,395
2029	27,551	495	28,046
2030	5,970	30	6,000
Thereafter	-	-	-
Total	**$ 147,582**	**$ 6,899**	**$ 154,481**

Subscriptions Payable

The College follows GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of September 30, 2025, Snead State Community College, AL had 3 active subscriptions. The subscriptions have payments that range from $4,400 to $22,959 and interest rates that range from 2.6160% to 3.2380%. As of September 30, 2025, the total combined value of the subscription liability is $65,424, and the total combined value of the short-term subscription liability is $21,247. The combined value of the right to use asset, as of September 30, 2025 was $98,818 with accumulated amortization of $36,115.

Subscriptions Payable

The future subscription payments under these SBITA agreements are as follows:

Fiscal Year(s)	Principal	Interest	Total
2026	$ 21,247	$ 1,712	$ 22,959
2027	21,803	1,156	22,959
2028	22,374	585	22,959
Total	**$ 65,424**	**$ 3,453**	**$ 68,877**

Note 10. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College has insurance for its buildings and contents through the State Insurance Fund (SIF), part of the State of Alabama, Department of Finance; Division of Risk Management, which operates as a common risk management and insurance program for state owned properties. The College pays an annual premium based on the amount of coverage requested. The SIF provides coverage up to $2 million per occurrence and is self-insured up to a maximum of $6 million in aggregate claims. The SIF purchases commercial insurance for claims which in the aggregate exceed $6 million. The College purchases commercial insurance for its automobile coverage, general liability, and professional legal liability coverage. In addition, the College has fidelity bonds on the College's President, Vice-President, as well as on all other college personnel who handle funds.

Employee health insurance is provided through the Public Education Employees' Health Insurance Fund (PEEHIF) administered by the Public Education Employees' Health Insurance Board (PEEHIB). The Fund was established to provide a uniform plan of health insurance for current and retired employees of state educational institutions and is self-sustaining. Monthly premiums for employee and dependent coverage are determined annually by the plan's actuary and based on anticipated claims in the upcoming year, considering any remaining fund balance on hand available for claims. The College contributes a specified amount monthly to the PEEHIF for each employee and this amount is applied against the employee's premiums for the coverage selected and the employee pays any remaining premium.

Settled claims resulting from these risks have not exceeded the College's coverage in any of the past three fiscal years.

Claims which occur as a result of employee job-related injuries may be brought before the State of Alabama Board of Adjustment. The Board of Adjustment serves as an arbitrator and its decision is binding. If the Board of Adjustment determines that a claim is valid, it decides the proper amount of compensation (subject to statutory limitations) and the funds are paid by the College.

Note 11. Snead State Community College Foundation

Organization and Summary of Significant Accounting Policies

Nature of Organization

The Foundation was organized in 1989. The Foundation's purpose is to (1) provide funding for scholarships to deserving students attending Snead State Community College located in Boaz, Alabama, (2) provide funding for upkeep and maintenance of the buildings and grounds of Snead State Community College, and (3) collect and disburse funds for various student and athletic organizations of Snead State Community College.

Cash and Cash Equivalents

For purposes of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Credit Risk

The Foundation maintains its cash balances in one financial institution located in Boaz, Alabama. The balances are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). At March 31, 2025, and 2024, the Foundation had uninsured cash balances of $983,670 and $1,181,317, respectively.

Use of 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The accrual basis of accounting is followed.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence and nature of any donor restrictions.

Income Taxes

There is no provision for income taxes since the Foundation is a nonprofit organization exempt from both Federal and State income tax. The Foundation has received an exemption letter from the Internal Revenue Service which grants it tax-exempt status under Internal Revenue Code Section 501(c)(3).

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on derecognition, classification, treatment of interest and penalties, and disclosure of such positions. Management feels there are no uncertain tax positions that require recognition.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. All realized and unrealized gains and losses are included in the statements of activities.

Financial Statement Preparation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are classified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefitted. Such allocations are determined by management and are based upon employee time and effort towards each activity.

Fair Value Measurements

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 – inputs. Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – inputs. Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets, or liabilities in markets that are not active, that is, markets in which there are few transactions, prices are not current, or prices vary substantially over time. There were no Level 2 inputs at March 31,2025.

Level 3 – inputs. Valuation based on inputs that are unobservable for an asset or liability and should be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input, therefore, reflects the entity's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value.

- Equity and Debt Securities – Are valued based on quoted market prices for those or similar instruments.
- Mutual Funds – Are valued at unit values based on net asset value and dividends and capital gains declared.
- Bonds, Certificates of Deposit, and Structured Products - Are valued by the issuer, or an affiliate of the issuer.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Foundation's investments are reported at fair value in the accompanying statement of financial position as of March 31, 2025.

	Fair Value Measurements		
Description	**Level 1**	**Level 3**	**Total**
Equity and Debt Securities	$ 7,484	$ -	$ 7,484
Mutual Funds	3,011,674	-	3,011,674
Bonds, Certificates of Deposit, and Structured Products	-	1,150,299	1,150,299
Total	**$ 3,019,158**	**$ 1,150,299**	**$ 4,169,457**

Investments

Investments are stated at fair value and are summarized as follows as of March 31, 2025:

Description	**Fair Value**	**Cost**	**Carrying Value**
Equity and Debt Securities	$ 7,484	$ -	$ 7,484
Mutual Funds	3,011,674	2,579,423	3,011,674
Bonds, Certificates of Deposit, and Structured Products	1,150,299	1,150,008	1,150,299
Total	**$ 4,169,457**	**$ 3,729,431**	**$ 4,169,457**

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended March 31, 2025.

Description	**Without Donor Restrictions**	**With Donor Restrictions**
Interest Income	$ 46,816	$ -
Dividends	145,899	63,243
Unrealized Loss on Investments	(97,582)	-
Realized Loss on Investments	(2,648)	-
Total	**$ 92,485**	**$ 63,243**

Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the year ended March 31, 2025. To the extent that total support and revenue earned for the year is insufficient to cover expenses incurred, the remaining expenses are covered by net assets accumulated in previous years.

Description	Amount
Purpose Restrictions Accomplished	
Student Organizations	$ 256,937
Scholarships	56,923
Total Net Assets Released From Restrictions	**$ 313,860**

Restrictions on Net Assets

Net Assets with donor restrictions are held for the following purposes as of March 31, 2025.

Description	Amount
Scholarships	$ 2,216,254
Snead State Community College Student Organizations	304,307
Total	**$ 2,520,561**

Liquidity and Availability

As of March 31, 2025, the following table reflects the total financial assets held by the Foundation and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures.

Description	Amount
Total Financial Assets	$ 5,619,962
Donor-imposed Restrictions: Restricted Funds	(2,520,561)
Total	**$ 3,099,401**

Certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort, and usage of assets. For 2025, natural expense accounts were allocated as follows:

	Year Ending March 31, 2025		
Description	**Program**	**General and Administrative**	**Total**
Student Organization Expenses	$ 256,937	$ -	$ 256,937
Scholarships	56,923	-	56,923
Legal and Accounting Expenses	-	13,913	13,913
Donor Appreciation	-	159,912	159,912
Office Supplies	-	4,777	4,777
Dues and Subscriptions	-	-	-
Travel	-	-	-
Excise Tax	-	-	-
Other College Activities Expenses	-	-	-
Total	**$ 313,860**	**$ 178,602**	**$ 492,462**

Note 12. Endowments

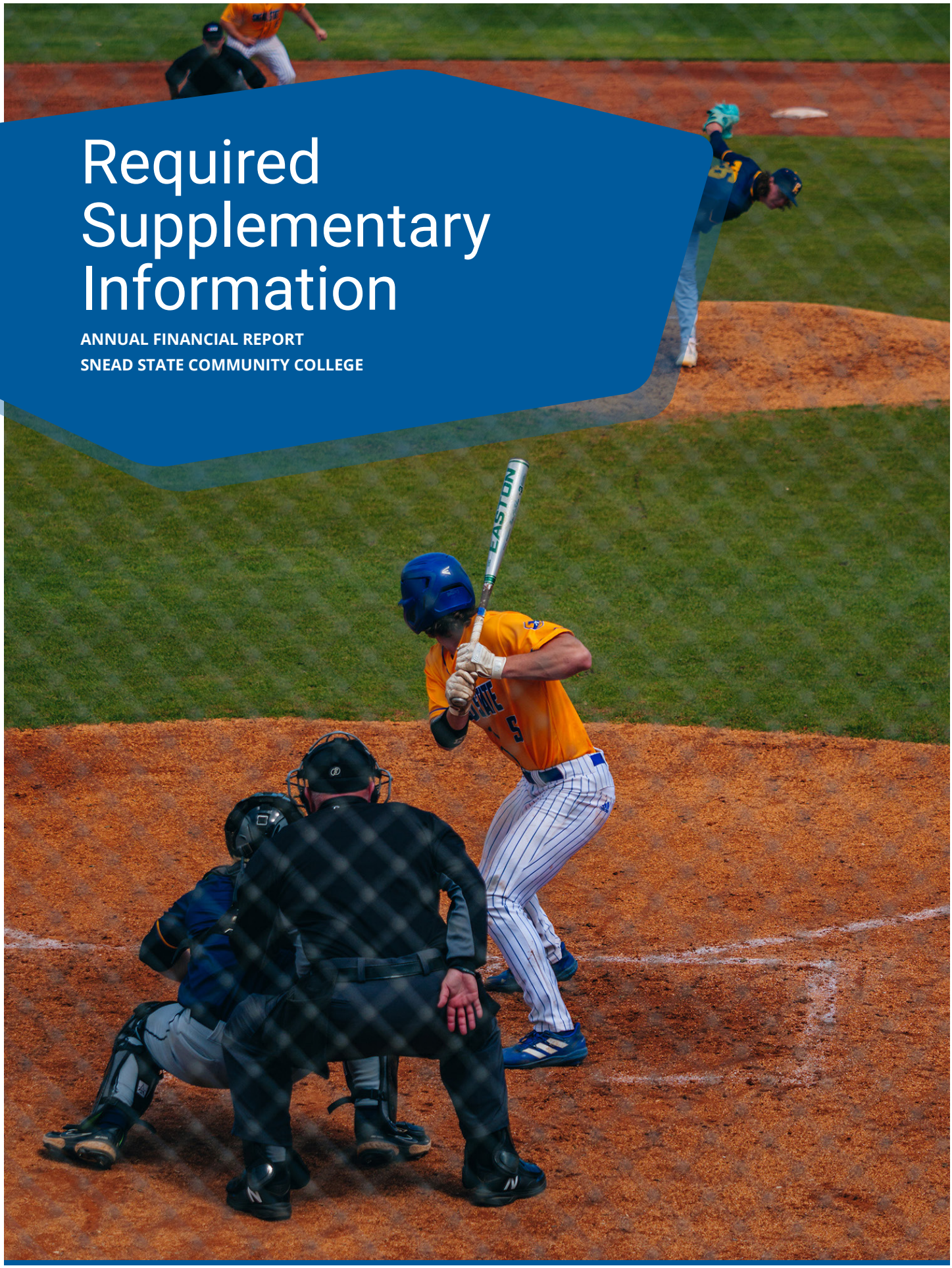
The College is the recipient of certain endowments, the corpus of which is to remain in perpetuity with only the investment income spent on specific areas of interest designated by the donor. If a donor has not provided specific instructions, state law permits the Alabama State Board of Education to authorize for expenditure the net appreciation (realized and unrealized) of the investments of endowment funds. Investments of endowment funds are identified in the Statement of Net Position. At September 30, 2025, net appreciation of $102,068 is available to be spent, all of which is restricted for educational purposes, and is recorded as endowment income in the accompanying 2025 statement of revenues, expenses and changes in net position.

Note 13. Subsequent Event

In preparing these financial statements, the College has evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report, which was the date the financial statements were available to be issued.

Required Supplementary Information

ANNUAL FINANCIAL REPORT
SNEAD STATE COMMUNITY COLLEGE



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Schedule of the Proportionate Share of the Net Pension Liability
Teachers' Retirement Plan of Alabama
For the Year Ended September 30

(Dollar Amounts in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's Proportion of the Net Pension Liability	0.103376%	0.103852%	0.102193%	0.097768%	0.108815%	0.103250%	0.105308%	0.104944%	0.102847%	0.100506%
College's Proportionate Share of the Net Pension Liability	$ 13,450	$ 16,575	$ 15,885	$ 9,212	$ 13,460	$ 11,416	$ 10,470	$ 10,314	$ 11,134	$ 10,519
College's Covered Payroll	$ 9,012	$ 8,520	$ 7,830	$ 6,924	$ 6,988	$ 7,307	$ 6,968	$ 6,896	$ 6,509	$ 6,379
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	149.25%	194.52%	202.87%	133.02%	192.62%	156.23%	150.26%	149.52%	171.06%	165.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.41%	63.57%	62.21%	76.44%	67.72%	69.85%	72.29%	71.50%	67.93%	67.51%

Notes to schedule:

Note 1: Per GASB 82, which amends GASB 68, covered payroll is defined as the payroll on which contributions to a pension plan are based. The covered payroll for this RSI Schedule (GASB 68 paragraph 81a) is for the measurement period, which for the September 30, 2025 year is October 1, 2023 through September 30, 2024.

Schedule of the Contributions Pension Teachers' Retirement Plan of Alabama For the Year Ended September 30

(Dollar Amounts in Thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 1,290	$ 1,099	$ 1,044	$ 951	$ 856	$ 938	$ 898	$ 846	$ 821	$ 781
Contributions in Relation to the Contractually Required Contribution	$ (1,290)	$ (1,099)	$ (1,044)	$ (951)	$ (856)	$ (938)	$ (898)	$ (846)	$ (821)	$ (781)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's Covered Payroll	$ 9,742	$ 9,012	$ 8,520	$ 7,830	$ 6,924	$ 6,988	$ 7,307	$ 6,968	$ 6,898	$ 6,509
Contributions as a Percentage of Covered Payroll	13.24%	12.19%	12.25%	12.15%	12.36%	13.42%	12.29%	12.14%	11.90%	12.00%

Notes to Schedule

Note 1: Per GASB 82, which amends GASB 68, covered payroll is defined as the payroll on which contributions to a pension plan are based, also known as pensionable payroll.

The covered payroll for this RSI Schedule (GASB 68 paragraph 81b) is for the most recent fiscal year end, which for the September 30, 2025 year is October 1, 2024 through September 30, 2025.

Note 2: The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contirbutions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year. For participants in TRS, this includes amounts paid for Accrued Liability, Normal Cost, Term Life Insurance, Pre-Retirement Death Benefit and Administrative Expenses.

Notes to Required Supplementary Information for Pension Benefits

Note 1. Changes of Benefit Terms

In 2022, the plan was amended to allow Tier II members to retire with 30 years of creditable service regardless of age with an early retirement reduction of 2% for each year that the member is less than age 62 at retirement (age 56 for police officers, firefighters, and correctional officers).

In 2022, the plan was amended to allow surviving spouses of retirement-eligible members who die in active service to receive an Option 2 monthly allowance.

In 2021 the plan was amended to allow sick leave conversion for Tier II members and to increase the member contribution rates for Tier II members to 6.20% for regular members and 7.20% for police officers, firefighters, and correctional officers effective on October 1, 2021.

The member contribution rates were increased from 5.00% (6.00% for certified law enforcement, correctional officers, and firefighters) of earnable compensation to 7.25% (8.25%) of earnable compensation effective October 1, 2011, and to 7.50% (8.50%) of earnable compensation effective October 1, 2012. Members hired on or after January 1, 2013, are covered under a new benefit structure, as follows:

1) A service retirement allowance is payable upon the request of any member who has attained age 62 and completed at least 10 years of creditable service (age 56 with 10 years of creditable service for a full-time certified firefighter, police officer or correctional officer).

2) Upon service or disability retirement a member receives a retirement allowance equal to 1.65% of the member's average final compensation multiplied by the number of years of creditable service. The benefit is capped at 80% of the member's average final compensation (the 5 highest years in the last 10 years of Creditable Service).

3) Regular members contribute 6% of salary and full-time certified firefighters, police officers and correctional officers contribute 7% of salary.

Note 2. Changes of Assumptions

In 2021, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2021, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience, including a change in the discount rate from 7.70% to 7.45%. In 2021 and later, the expectation of retired life mortality was changed to the Pub-2010 Teacher Retiree Below Median Tables projected generationally with 66- 2/3% of the MP-2020 scale beginning in 2019.

In 2018, the discount rate was changed from 7.75% to 7.70%.

In 2016, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 and later, the expectation of retired life mortality was changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females.

Note 3. Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of employer contributions are calculated three years prior to the end of the fiscal year in which contributions are reported (September 30, 2021 for the fiscal year 2024 amounts). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	26.9 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50 percent
Salary Increase	3.25 percent to 5.00 percent, including inflation
Investment Rate of Return	7.45 percent, net of pension plan investment expense, including inflation

Schedule of the Proportionate Share of the Collective Net Other Postemployment Benefits (OPEB) Liability
Alabama Retired Employees' Health Care Trust
For the Year Ended September 30*

(Dollar Amounts in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017
College's Proportion of the Net OPEB Liability	0.071825%	0.074896%	0.071733%	0.070962%	0.075678%	0.093583%	0.082224%	0.079933%
College's Proportionate Share of the Net OPEB Liability	$ 6,603	$ 1,440	$ 1,250	$ 3,666	$ 4,911	$ 3,531	$ 6,758	$ 5,937
College's Covered Payroll	$ 7,602	$ 7,282	$ 6,843	$ 7,108	$ 7,736	$ 7,415	$ 6,989	$ 6,852
College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	86.86%	19.77%	18.27%	51.58%	63.48%	47.61%	96.69%	86.65%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	20.41%	49.42%	48.39%	27.11%	19.80%	28.14%	14.81%	15.37%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the Contribution Other Postemployment Benefits (OPEB)
Alabama Retired Employees' Health Care Trust
For the Year Ended September 30*

(Dollar Amounts in Thousands)	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 256	$ 102	$ 114	$ 152	$ 122	$ 150	$ 246	$ 203
Contributions in Relation to the Contractually Required Contribution	$ (256)	$ (102)	$ (114)	$ (152)	$ (122)	$ (150)	$ (246)	$ (203)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's Covered Payroll	$ 8,353	$ 7,602	$ 7,282	$ 6,843	$ 7,108	$ 7,736	$ 7,415	$ 6,989
Contributions as a Percentage of Covered Payroll	3.06%	1.32%	1.56%	2.22%	1.72%	1.94%	3.32%	2.90%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information For Other Postemployment Benefits (OPEB)

Note 1. Changes in Actuarial Assumptions

In 2024, assumptions regarding aging factors were adjusted to reflect actual and anticipated experience more closely. Additionally, future healthcare trend rates for the Medicare Advantage Plan were updated.

In 2022, rates of plan participation and tobacco usage assumptions were adjusted to reflect actual experience more closely.

In 2021, rates of withdrawal, retirement, disability, and mortality were adjusted to reflect actual experience more closely. In 2021, economic assumptions and the assumed rates of salary increases were adjusted to reflect actual and anticipated experience more closely.

In 2019, the anticipated rates or participation, spouse coverage, and tobacco use were adjusted to reflect actual experience more closely.

Note 2. Recent Plan Changes

The September 30, 2022 valuation reflects the impact of Act 2022-222.

Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the MAPD plan.

The Health Plan is changed each year to reflect the Affordable Care Act maximum annual out-of-pocket amounts.

Note 3. Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Therefore, the actuarially determined employer contribution for fiscal year ending September 30, 2024 is determined based on the actuarial valuation as of September 30, 2021. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	6.50%
Medicare Eligible *	*
Ultimate Trend Rate:	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate Trend Rate	2031 for Pre-Medicare Eligible 2027 for Medicare Eligible
Optional Plans Trend Rate	2.00%
Investment Rate of Return	5.00%, including inflation

* Initial Medicare claims are set based on scheduled increases through plan year 2022.

Supplementary Information

ANNUAL FINANCIAL REPORT
SNEAD STATE COMMUNITY COLLEGE

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Schedule Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education Direct Programs				
Federal Pell Grant Program	84.063	N.A.	$ 0	$ 5,836,252
Federal Direct Student Loans	84.268	N.A.	0	1,350,403
Federal Work-Study Program	84.033	N.A.	0	72,761
Federal Supplemental Education Opportunity Grants	84.007	N.A.	0	74,400
Total Student Financial Assistance Cluster			**$ 0**	**$ 7,333,816**
TRIO Cluster				
U.S. Department of Education				
Direct Programs				
TRIO - Student Support Services	84.042	N.A.	$ 0	$ 287,433
Total TRIO Cluster			$ 0	$ 287,433
WIOA Cluster				
U.S. Department of Labor				
Passed Through the Alabama State Department of Education				
WIOA Adult Program	17.258	91102525		$ 1,773
Total WIOA Cluster			$ 0	$ 1,773
U.S. Department of Education				
Passed Through the Alabama State Department of Education				
Career and Technical Education Basic Grants to States	84.048	V048A170001	$ 0	$ 83,119
Total Federal Awards			**$ 0**	**$ 7,706,141**

N.A. = Not Applicable

* The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Snead State Community College (the "College") under programs of the federal government for the year ended September 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 financial position, changes in net position or cash flows of the College.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the College and agencies and departments of the federal government and all subawards to the College by nonfederal organizations pursuant to federal grants, contracts and similar agreements. The awards are classified into Type A and Type B categories in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Programs classified as Type A are as follows:

- Student Financial Assistance Programs

Assistance Listing Numbers

Assistance Listing numbers are assigned to contracts and grants on the basis of program type. Assistance Listing numbers and pass-through numbers are provided when available.

Note 3. Federal Direct Student Loan Program (Assistance Listing Number 84.268)

The Direct Loan program enables an eligible student or parent to obtain a loan to pay for the student's cost of attendance directly through the College rather than through private lenders. As a college qualified to originate loans, the College is responsible for handling the complete loan origination process, including funds management and promissory note functions. During the program year, the College processed approximately $1.35 million of student loans under the Direct Loan program.

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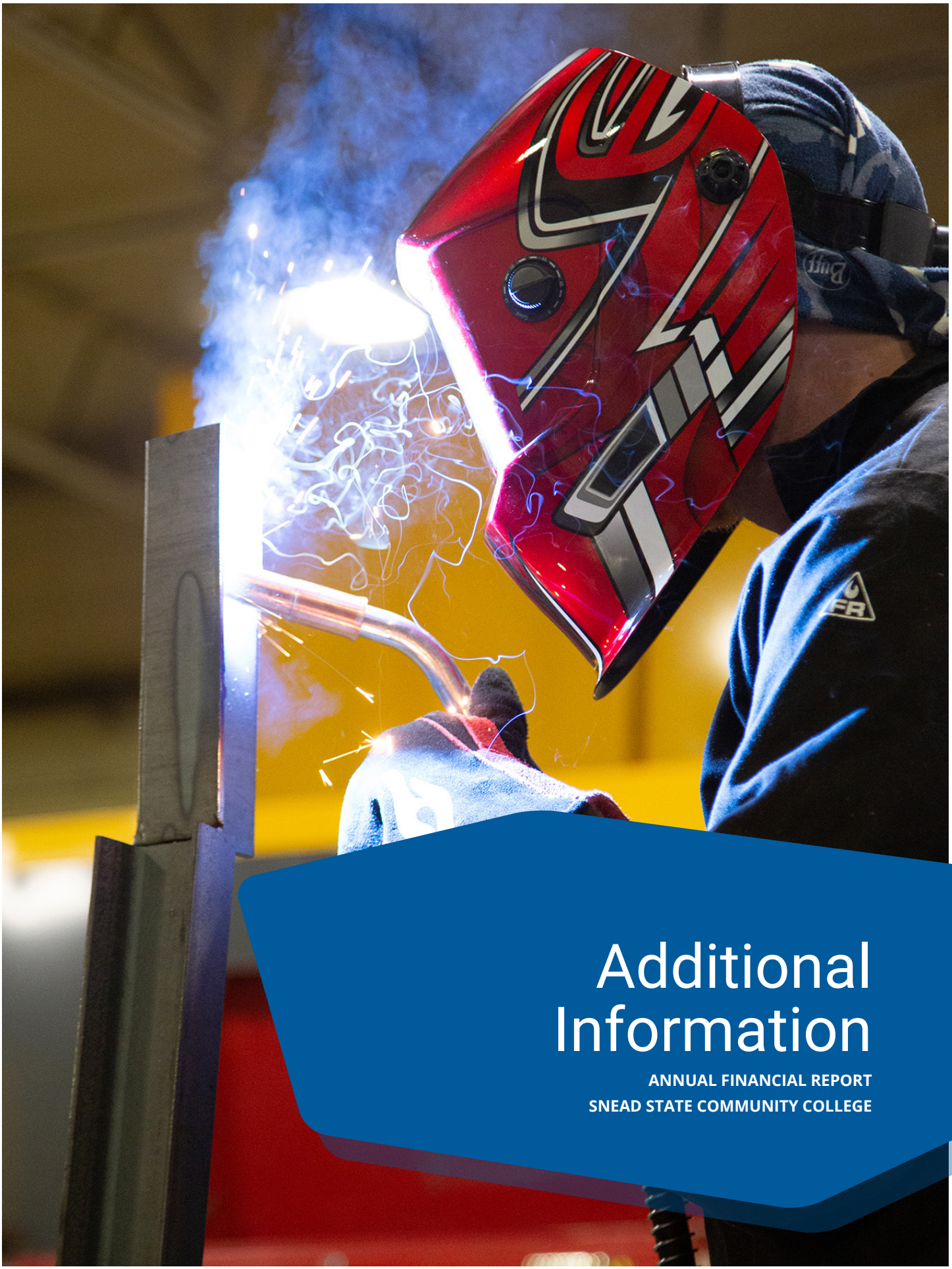

Additional Information

ANNUAL FINANCIAL REPORT

SNEAD STATE COMMUNITY COLLEGE

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Officials

Jimmy Baker
Chancellor

Dr. Joe Whitmore
President

Tina Simons
Regional Chief Financial Officer

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Independent Auditor Reports

ANNUAL FINANCIAL REPORT

SNEAD STATE COMMUNITY COLLEGE

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MAULDIN & JENKINS
CPAs & ADVISORS

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

Jimmy Baker, Chancellor – Alabama Community College System
Dr. Joe Whitmore, President – Snead State Community College
Boaz, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Snead State Community College (the "College"), a component unit of the State of Alabama, and the discretely presented component unit as of and for the year ended September 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 15, 2026. Our report includes a reference to other auditors who audited the financial statements of Snead State Community College Foundation (the "Foundation"), the discretely presented component unit, as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Athens, AL
January 15, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Jimmy Baker, Chancellor – Alabama Community College System
Dr. Joe Whitmore – Snead State Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Snead State Community College (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 September 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, Snead State Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the College, as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated January 15, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 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.

Mauldin & Jenkins, LLC

Athens, Alabama
January 15, 2026

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

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued:
   ☑ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
2. Internal control over financial reporting:
   Material weakness(es) identified? ☐ Yes ☑ No
   Significant deficiency(ies) identified? ☐ Yes ☑ None reported
3. Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

4. Internal control over major programs:
   Material weakness(es) identified? ☐ Yes ☑ No
   Significant deficiency(ies) identified? ☐ Yes ☑ None reported
5. Type of auditor's report issued on compliance for major programs:
   ☑ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ☐ Yes ☑ No
7. Identification of major programs:

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

8. Threshold used to determine Type A and Type B Programs: $1,000,000
9. Auditee qualified as low-risk auditee? ☑ Yes ☐ No

Section II – Financial Statement Findings

The audit did not disclose any financial statement findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

None

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

No matters were reported.

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