

**CLOUD COUNTY
COMMUNITY COLLEGE**

Concordia, Kansas

Financial Statements and
Independent Auditors' Report with
Supplemental Information and
Federal Compliance Section

For the Year Ended June 30, 2008

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

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Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Cloud County Community College (The College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2008 with selected comparative information for the year ended June 30, 2007. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Cloud County Community College Foundation and is available for review at 2221 Campus Drive.

Using the Annual Report:

GASB 34 required a change in the way financial information is presented for state and local governments. GASB 35 merely amends GASB 34 and makes it apply to public colleges and universities. The purpose of GASB 34/35 is to make the financial statement presentation of public entities more closely resemble or emulate that of non-public for-profit enterprises. The hope is that it will "enhance the understandability of the general purpose external financial reports." One way the new model will enhance understandability is by bringing the activities under one consolidated total known as the Government-Wide Financial Statements. The annual financial report will include the basic financial statements and required supplementary information.

Basic financial statements are comprised of two parts:

1. Basic Financial Statements – These include Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows. These statements present the results on a single measurement focus and basis of accounting.
2. The Notes to the Basic Financial Statements are an integral and essential portion of the financial statements.

Required Supplementary Information:

M D & A - This is information that is required by standards to be presented but is not part of the basic financial statements.

The purpose for conversion to the GASB 34/35 model is usability and understandability.

Highlights to the Financial Statements:

Cloud County Community College completed a solid performance for the fiscal year ended June 30, 2008. At year end, the College's assets exceeded its

liabilities by \$11,505,194 compared to June 30, 2007 amount of \$10,010,476. Of this amount, \$6,363,384 is classified as unrestricted net assets as compared to \$5,667,902 in 2007. These unrestricted net assets may be used to meet the College's ongoing obligations and increased by \$695,482 in fiscal year 2008. Operating revenues increased by \$1,360,092 while operating expenses were up \$887,198. Non-operating revenues were up by \$134,119. The increases in operating revenues were seen in sales and services from auxiliary enterprises, state grants and contracts, activity funds and miscellaneous operating income. Small non-operating revenues increases were seen in state appropriations and property taxes while investment income was down slightly. Operating expenses increased significantly in instruction and more modestly in institutional support, scholarships grants and awards and decreased in academic support and auxiliary expenses. Most categories and cash and fund balances increased or remained approximately equal to the 2007 level in almost all funds. Total credit hours offered in 2008 were about equal to the credit hours in 2007. This was considered in the budget process and the budget projections were met.

This was the third year of a five year capital outlay mill levy. This is a 4 mill capital outlay tax continuing to 2010, allowing the College to make repairs and fund construction projects. The levy will provide the College with about \$270,000 per year.

The College continues with a capital lease to purchase Jenzabar Software, which is enterprise software that encompasses student, institutional advancement, human resources, and financial applications with a single database.

Combined Statement of Net Assets

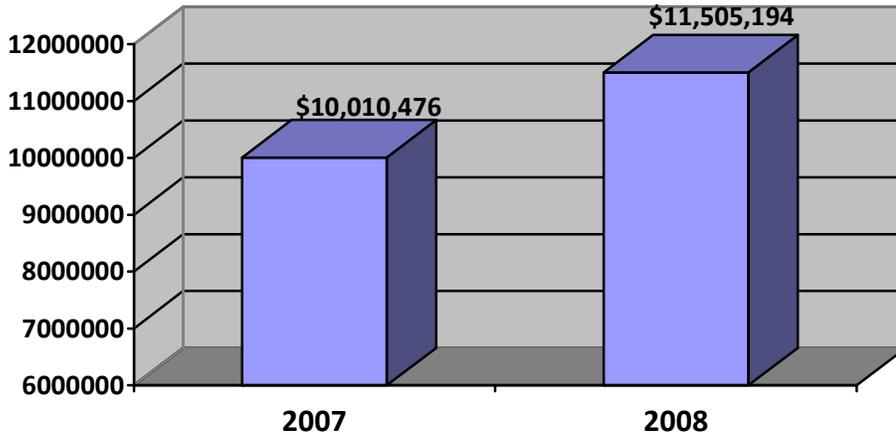
The combined statements of net assets present the assets, liabilities, and net assets of the College at June 30, 2008. The purpose of the combined statements of net assets is to present the financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. The difference is that current assets and current liabilities become payable within the normal 12 month accounting cycle, whereas noncurrent assets and liabilities become payable after 12 months.

Comparison of Assets – Fiscal Year 2007 to 2008

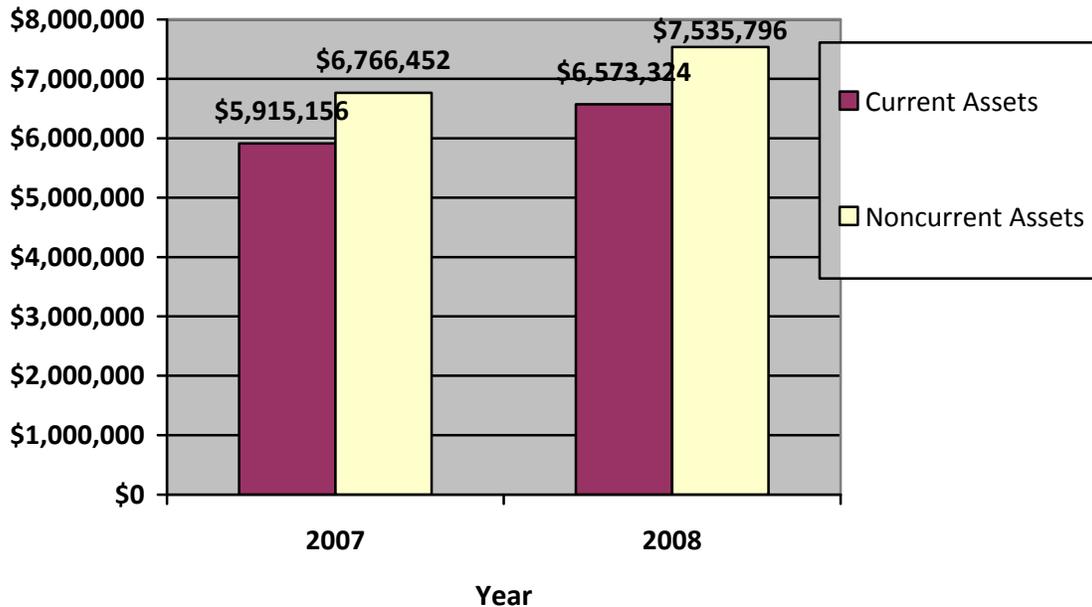
Net assets are presented in three major categories. The first is invested in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net assets increased during the current fiscal year from \$10,010,476 to \$11,505,194 for a total increase of \$1,494,718; on a percentage basis this is a 14.9 % increase.

Net assets for 2008 compared to 2007:

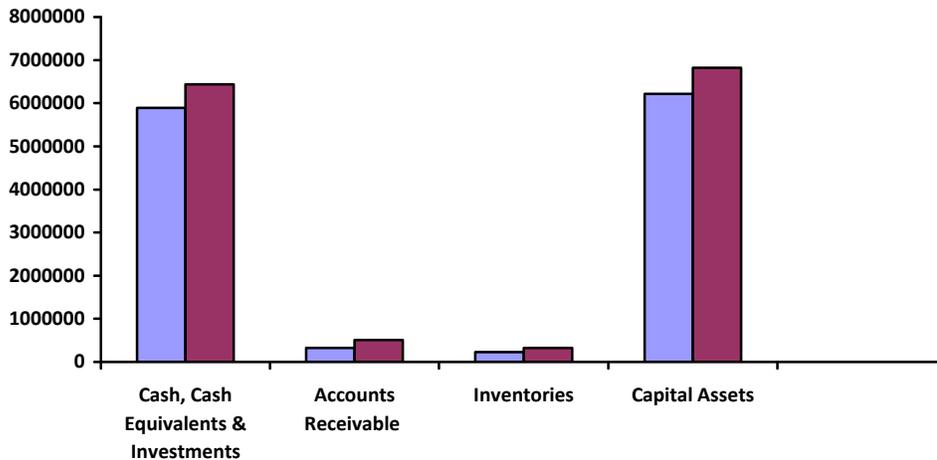


The College's current assets consist primarily of cash, short-term investments and accounts receivables, while noncurrent assets consist mainly of capital assets. The college's current assets in 2008 were \$6,573,324 compared to \$5,915,156 in 2007. This change from 2007 to 2008 in current assets is \$658,168 or an 11.1 % increase. Total breakdown of assets between current and noncurrent classification is as follows:

Total Assets



2007 and 2008 Total Assets by Type



Of the \$14,109,120 in total assets, approximately 46% are in cash and cash equivalents and investments. Capital assets represent 48% of total assets. Total assets increased by \$1,427,512 in 2008 which represents an 11.2% increase from FY 2007.

Comparison of Liabilities – Fiscal Year 2007 to 2008

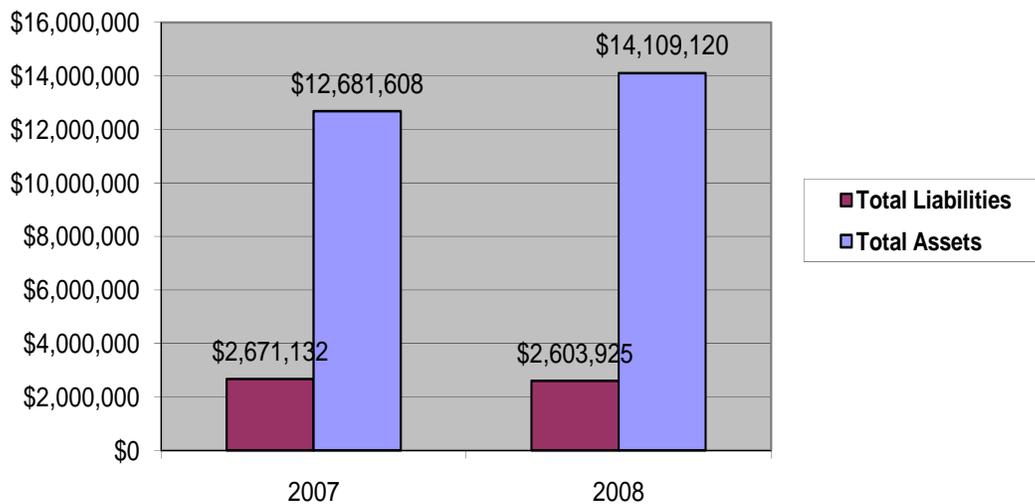
The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, deferred revenue and the current portion of revenue bonds payable. The noncurrent liabilities portion is due to the College's 1998 series Revenue Bonds and the Capital Lease Purchase of Jenzabar Software. The bond refinancing was completed in July of 2003 and served two primary purposes; 1) to provide adequate funding to complete the Student Center addition and; 2) to take advantage of historically low interest rates. The capital lease for the Jenzabar software is the purchase of a campus wide computer software system. The total current liabilities of the college were increased by \$123,764 or 22.8% for 2008 when compared to 2007. However, the current ratio of current assets to current liabilities still remained high at 10 to 1. The breakdown of current liabilities and noncurrent is as follows:

	2007	% Total 2007	2008	% Total 2008
Current Liabilities	542,652	20.32%	666,416	25.59%
Noncurrent Liabilities	2,128,480	79.68%	1,937,509	74.41%
Total Liabilities	2,671,132	100.00%	2,603,925	100.00%

Comparison of Assets to Liabilities

In 2008 total assets increased by \$1,427,512 and while total liabilities decreased by \$67,206 in 2007. This represents a 10.1% increase in total assets and a 2.5% decrease in total liabilities. The increase in total assets is caused mainly by increases in cash, cash equivalents and investments of \$543,570 and capital assets of \$604,093. The decrease liabilities is mainly caused by decreases attributed to payments on College's 1998 series Revenue Bonds and the Capital Lease Purchase of Jenzabar Software.

2008 & 2007 Assets and Liabilities



Combined Statements of Revenues, Expenses and Changes in Net Assets

The combined statements of revenues, expenses, and changes in net assets present the College's financial results for the fiscal year ending June 30, 2007. The statements include the College's revenue and expenses, both operating and non-operating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating

revenues would be County property tax revenue and state aid; whereby local and state taxpayers do not directly receive goods and services from the College.

Results of Operations Fiscal Year 2008

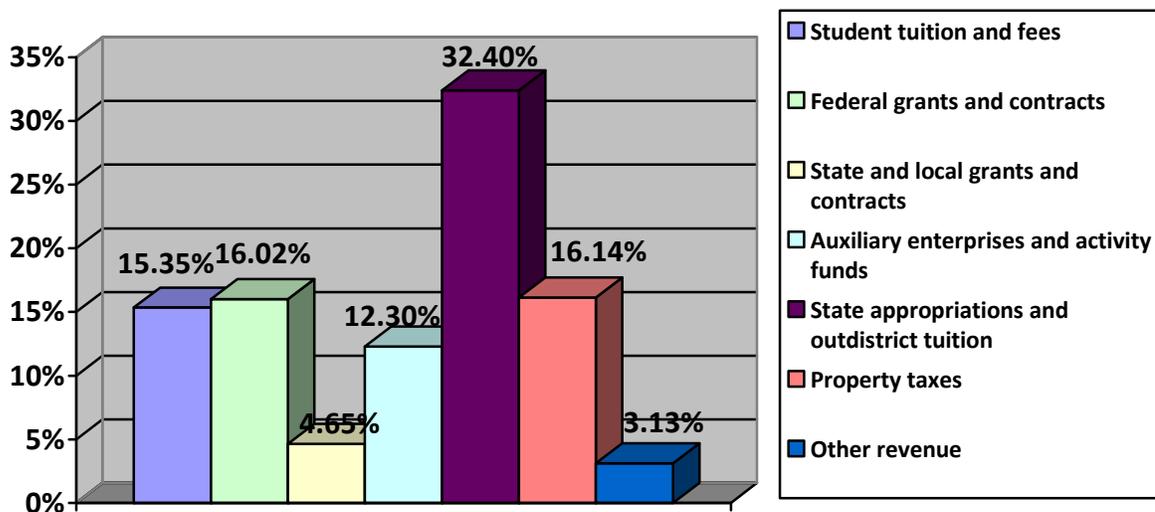
Revenue

Components and sources of revenue:

Cloud County Community College receives revenue from five major sources. They are: The State of Kansas; Federal Government; students, in the form of tuition and fees; local taxpayers, by way of property taxes; and through business style auxiliary enterprises. These sources are relatively stable year over year as a percentage of the total. The following charts show the comparison of revenue sources for 2007 and 2009 and the 2008 revenues by percentage.

	2007	% Total 2007	2008	% Total 2008
Student tuition and fees	2,368,835	17.01%	2,366,349	15.35%
Federal grants and contracts	2,516,485	18.07%	2,469,681	16.02%
State and local grants and contracts	167,867	1.21%	716,447	4.65%
Auxiliary enterprises and activity funds	1,092,452	7.84%	1,894,899	12.30%
State appropriations and outdistrict tuition	4,902,236	35.20%	4,994,123	32.40%
Property taxes	2,423,176	17.40%	2,487,226	16.14%
Other revenue	455,507	3.27%	482,876	3.13%
Total revenue	13,926,558	100.00%	15,411,601	100.00%

2008 Total Revenue Sources by Percentage



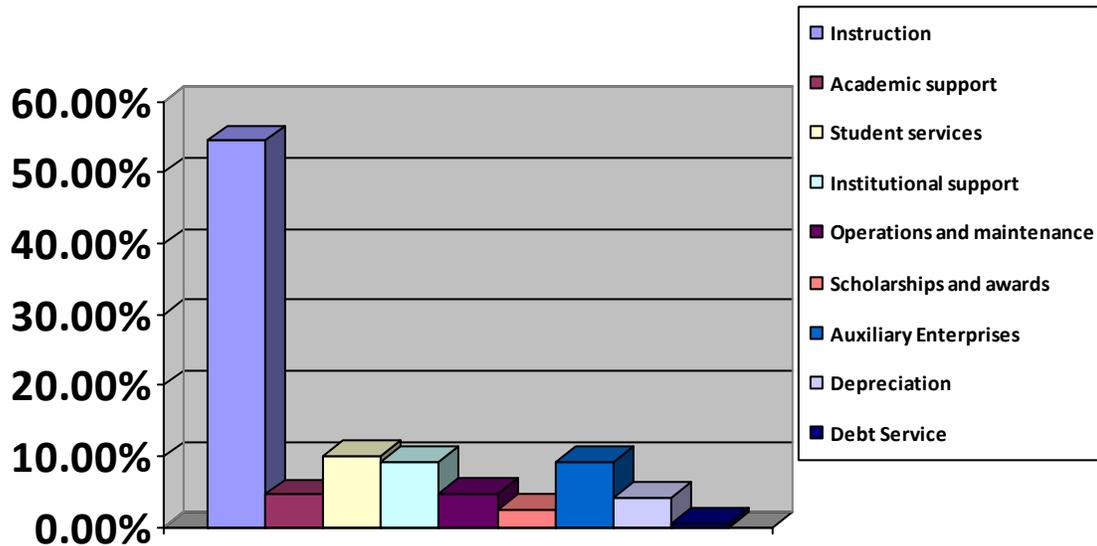
Expenditures

Components of expenses:

Cloud County Community College incurs expenses of nine types. They are: Instruction, Academic Support, Student Services, Institutional Support, Operations and Maintenance, Scholarships and awards, Auxiliary Enterprises, Depreciation and Debt Services. These expenses are relatively stable year over year as a percentage of the total. The following charts show the comparison of expenses by function for 2007 and 2009 and the 2008 expenses by percentage:

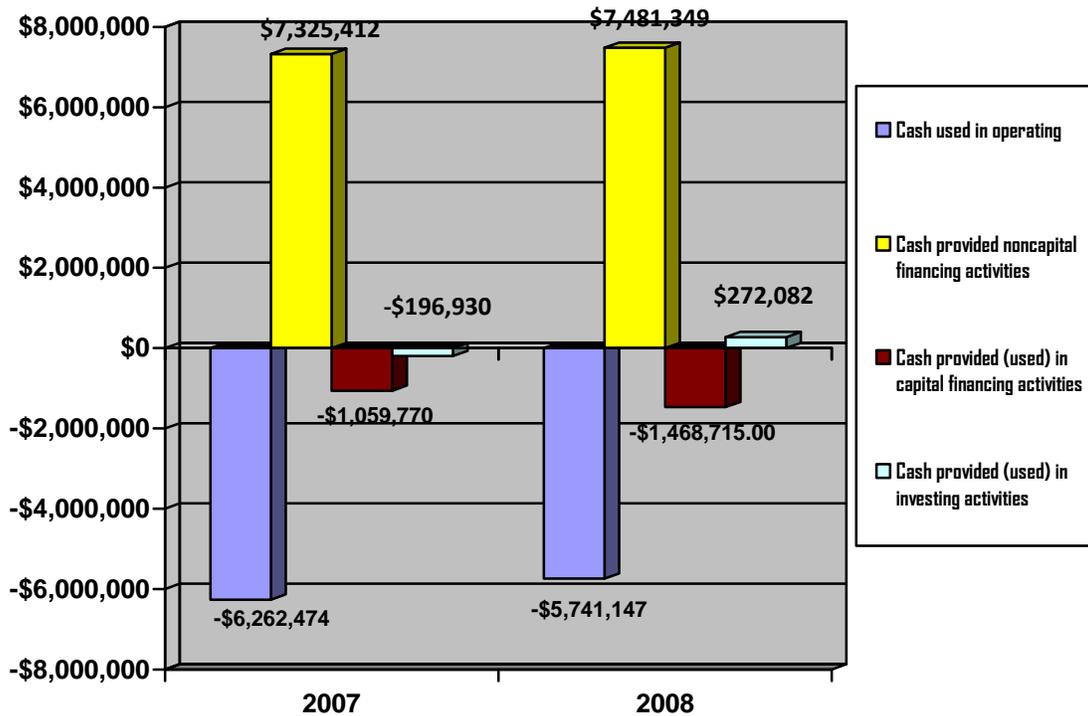
	2007	% Total 2007	2008	% Total 2008
Instruction	6,650,825	51.0%	7,585,893	54.5%
Academic support	907,276	7.0%	645,073	4.6%
Student services	1,371,286	10.5%	1,402,699	10.1%
Institutional support	1,160,655	8.9%	1,292,080	9.3%
Operations and maintenance	635,386	4.9%	674,264	4.8%
Scholarships and awards	245,153	1.9%	362,713	2.6%
Auxiliary Enterprises	1,404,581	10.8%	1,279,018	9.2%
Depreciation	568,816	4.4%	589,436	4.2%
Debt Service	94,876	0.7%	90,159	0.6%
Total Education and General	13,038,854	100.0%	13,921,335	100.0%

2008 Expenses by Percentage



Statement of Cash Flows

The statement of cash flows present information about cash receipts and cash payments during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The largest sources of cash from operating activities were student tuition and fees, federal financial aid and sales and services of auxiliary enterprises. Major uses of cash were payments made to employees and vendors. Net cash used in operations in 2008 declined by \$521,327 from 2007 while cash provided from noncapital financing in 2008 increased by \$155,937 from 2007. Cash used in capital financing activities in 2008 increased \$408,945 and cash provided from investing activities in 2008 increased by \$469,012. The net increase in cash and cash equivalents for 2008 was \$543,569 as compared to a decrease of \$193,763 in 2007.



Summary of Overall Performance

Cloud County Community College's financial condition improved significantly overall this fiscal year despite stable credit hours. Net assets increased, on an accrual basis, in 2008 from 2007 by \$695,482 to \$6,363,384. Operating revenues were \$1,360,092 while operating expenses were up only \$887,198. In

2008 total assets increased by \$1,427,512 and while total liabilities decreased by \$67,206. Cash, cash equivalents and investments increased by \$543,570 while capital assets increased by \$604,093. Current assets exceeded current liabilities \$5,906,908 which represented an increase of \$534,404. The next two or more fiscal years will challenge the college due to projected reductions in state appropriations. The college is making adjustments in expenses and seeking to increase existing revenue sources to deal with the future state appropriation reductions.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Cloud County Community College
Concordia, Kansas

We have audited the accompanying statement of net assets of Cloud County Community College, Concordia, Kansas, as of June 30, 2008, and the related statement of revenues, expenses, and changes in net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidance in the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cloud County Community College as of June 30, 2008, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2009, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Trustees
Cloud County Community College
Concordia, Kansas

The management's discussion and analysis on pages i through ix, are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Cloud County Community College. The supplemental schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



JARRED, GILMORE & PHILLIPS, PA.
Certified Public Accountants

P.O. Box 779
Chanute, Kansas 66720
(620) 431-6342
February 15, 2009

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
Statement of Net Assets
June 30, 2008

	Primary Institution	Component Unit - Foundation
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 5,753,260.17	\$ 443,586.85
Accounts Receivable, Net	498,747.83	-
Promises to Give	-	50,000.00
Interest Receivable	-	7,374.03
Inventories	321,315.83	-
Total Current Assets	<u>6,573,323.83</u>	<u>500,960.88</u>
Noncurrent Assets		
Cash and Cash Equivalents	682,552.84	-
Investments	-	1,447,465.87
Accounts Receivable, Net	10,955.00	-
Promises to Give	-	1,199,552.20
Cash Value of Life Insurance	-	2,534.66
Bond Issuance Costs, Net of Accumulated Amortization	22,464.71	-
Capital Assets, Net of Accumulated Depreciation	6,819,823.55	32,782.09
Total Noncurrent Assets	<u>7,535,796.10</u>	<u>2,682,334.82</u>
TOTAL ASSETS	<u>\$ 14,109,119.93</u>	<u>\$ 3,183,295.70</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 347,366.98	\$ 103,757.77
Accrued Wages	57,434.80	-
Accrued Interest	33,044.38	-
Deferred Revenue	85,950.00	-
Compensated Absences	108,425.94	-
Deposits Held in Custody for Others	34,194.13	-
Total Current Liabilities	<u>666,416.23</u>	<u>103,757.77</u>
Noncurrent Liabilities		
Revenue Bonds Payable	1,690,000.00	-
Capital Lease Payable	247,509.41	-
Total Noncurrent Liabilities	<u>1,937,509.41</u>	<u>-</u>
TOTAL LIABILITIES	<u>2,603,925.64</u>	<u>103,757.77</u>
NET ASSETS		
Investment in Capital Assets, Net of Related Debt	4,882,314.14	32,782.09
Restricted- Expendable:		
Bond and Interest	113,044.38	-
Bond Reserve	146,451.88	-
Other Temporarily Restricted	-	1,452,910.61
Restricted- Nonexpendable	-	1,261,492.95
Unrestricted	6,363,383.89	332,352.28
TOTAL NET ASSETS	<u>11,505,194.29</u>	<u>3,079,537.93</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,109,119.93</u>	<u>\$ 3,183,295.70</u>

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

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Statement of Revenues, Expenses, and Changes in Net Assets
 For the Year Ended June 30, 2008

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees, (net of scholarship discounts and allowances of \$832,261.83)	\$ 2,366,349.13	\$ -
Federal Grants and Contracts	2,469,680.87	-
State Grants and Contracts	716,447.23	-
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$1,182,003.61)	964,919.99	-
Activity Fund Revenues	929,978.67	-
Miscellaneous Operating Income	210,793.80	1,448.71
Total Operating Revenues	<u>7,658,169.69</u>	<u>1,448.71</u>
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	7,585,892.54	-
Academic Support	645,073.33	-
Student Services	1,402,699.31	-
Institutional Support	1,292,080.20	42,817.62
Operation and Maintenance	674,264.15	-
Scholarships, Grants and Awards	362,712.56	101,493.33
Fund Raising	-	31,463.17
Auxiliary Enterprises	1,279,018.93	-
Activity Fund Expenses	-	56,155.68
Depreciation Expense	589,435.64	-
Total Operating Expenses	<u>13,831,176.66</u>	<u>231,929.80</u>
Operating Income (Loss)	<u>(6,173,006.97)</u>	<u>(230,481.09)</u>
Nonoperating Revenues (Expenses)		
State Appropriations	4,637,408.31	-
County Out District Aid	356,715.00	-
County Appropriations	2,487,225.89	-
Gifts and Contributions	-	1,549,347.78
Investment Income	272,081.81	(58,125.40)
Debt Service	(83,607.69)	-
Gain (Loss) on Sale of Assets	(2,098.00)	-
Net Operating Revenues (Expenses)	7,667,725.32	1,491,222.38
Increase (Decrease) in Net Assets	1,494,718.35	1,260,741.29
Net Assets - Beginning of Year	<u>10,010,475.94</u>	<u>1,818,796.64</u>
Net Assets - End of Year	<u>\$ 11,505,194.29</u>	<u>\$ 3,079,537.93</u>

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Statement of Cash Flows

For the Year Ended June 30, 2008

	Primary Institution	Component Unit - Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	\$ 2,176,357.48	\$ -
Federal Grants and Contracts	2,469,680.87	-
State Grants and Contracts	716,447.23	-
Sales and Services of Auxiliary Enterprises	964,919.99	-
Activity Fund Revenues	929,978.67	-
Miscellaneous Income	210,793.80	1,448.71
Payments on Behalf of Employees	(8,169,529.99)	-
Payments for Supplies and Materials	(1,946,931.96)	-
Payments for Other Expenses	(3,092,862.72)	(129,947.35)
Net cash provided by (used in) operating activities	<u>(5,741,146.63)</u>	<u>(128,498.64)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	4,637,408.31	-
County Out District Aid	356,715.00	-
County Appropriations	2,487,225.89	-
Gifts and Contributions	-	268,395.58
Net cash provided by (used in) noncapital financing activities	<u>7,481,349.20</u>	<u>268,395.58</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Fixed Assets	(1,195,626.20)	-
Interest Paid on Capital Debt and Leases	(82,118.31)	-
Principal Payments on Revenue Bonds	(190,970.45)	-
Net cash provided by (used in) capital financing activities	<u>(1,468,714.96)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned on Investments	272,081.81	104,443.87
Proceeds from the Sales and Maturities of Investments	-	859,351.20
Purchase of Investments	-	(751,828.02)
Net cash provided by (used in) investing activities	<u>272,081.81</u>	<u>211,967.05</u>
Net Increase (Decrease) in Cash and Cash Equivalents	543,569.42	351,863.99
Cash and Cash Equivalents, Beginning of Year	<u>5,892,243.59</u>	<u>91,722.86</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,435,813.01</u>	<u>\$ 443,586.85</u>

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Statement of Cash Flows

For the Year Ended June 30, 2008

	Primary Institution	Component Unit - Foundation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (6,173,006.97)	\$ (230,481.09)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation Expense	589,435.64	861.45
(Increase) Decrease in Receivables	(188,888.65)	-
(Increase) Decrease in Inventory	(92,450.65)	-
Increase (Decrease) in Accounts Payable	98,791.65	101,121.00
Increase (Decrease) in Accrued Wages	12,087.92	-
Increase (Decrease) in Accrued Interest	(826.25)	-
Increase (Decrease) in Deferred Revenue	(1,103.00)	-
Increase (Decrease) in Compensated Absences	13,679.24	-
Increase (Decrease) in Deposits Held for Others	1,134.44	-
Net cash provided by (used in) operating activities	<u>\$ (5,741,146.63)</u>	<u>\$ (128,498.64)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS		
Cash and Cash Equivalents classified as current assets	\$ 5,753,260.17	\$ 443,586.85
Cash and Cash Equivalents classified as non-current assets	682,552.84	-
Total Cash and Cash Equivalents	<u>\$ 6,435,813.01</u>	<u>\$ 443,586.85</u>
Supplemental Information		
Non-Cash Contributions - Donation of Land	<u>\$ -</u>	<u>\$ 31,400.00</u>
Cash Paid During the Period for:		
Interest Expense	<u>\$ 82,118.31</u>	<u>\$ -</u>

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Notes to the Financial Statements
For the Year Ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cloud County Community College, Concordia, Kansas, have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies follow.

Reporting Entity

The financial reporting entity, as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

Component Units

The component unit section of the financial statements includes the financial data of the discretely presented component unit, the Cloud County Community College Foundation. The component unit is reported separately to emphasize that it is legally separate from the College. The economic resources received or held by the component unit are held almost entirely for the direct benefit of the College. The Cloud County Community College Foundation was formed to promote and foster the educational purposes of the College, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the College. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. The Foundation's financial statements should be included with the College's financial statements. Separate audited financial statements are prepared and are available at the Foundation, and can be requested from the College's controller. The Foundation is considered a component unit.

The College's component unit is a private not-for-profit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the component unit's financial information in the College's financial report for these differences. The component unit's financial data has, however, been aggregated into like categories for presentation purposes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Financial Statement Presentation

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB No. 35, *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows and replaces the fund-group perspective previously required.

Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The College has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The College has elected to not apply FASB pronouncements issued after the applicable date.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

Investments

The College accounts for its investments at fair value in accordance with GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net assets.

Inventories

Inventories consist of books and supplies held for resale in the bookstore and are valued at cost, using the first-in, first-out method (FIFO).

Capital Assets

Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$1,000.00 or more, and an estimated useful life of greater than one year. Renovations to building, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is provided on straight-line method over the estimated useful lives of the respective classes of property. Estimated useful lives are as follows:

Buildings	35 Years
Building Improvements	20 Years
Furniture	10 Years
Vehicles	5-7 Years
Equipment, including computers	3-7 Years

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Noncurrent Cash, Investments, and Noncurrent Accounts Receivable

Cash, investments, and accounts receivable that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net assets.

Bond Issuance Cost

Costs relating to obtaining bond financing are capitalized and amortized over the term of the related debt using the straight-line method.

Accounts Receivable and Deferred Revenue

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2008.

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in November 2007 are recorded as taxes receivable. Approximately 2% to 6% of these taxes are normally distributed after June 30, 2008, and are presented as accounts receivable-taxes in process and deferred revenue to indicate that they are not appropriable. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; or (3) other liabilities that although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Net Assets

The College's net assets are classified as follows:

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Assets (Continued)

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

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

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Compensated Absences

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation payable in the statement of net assets, and a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net assets.

Income Taxes

The College, as a political subdivision of the State of Kansas, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundation is exempt from income taxes under Section 501(C)(3) of the Internal Revenue Code.

Classification of Revenues

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge and the goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

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 the reported amounts of 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.

Pension Plan

Substantially all full-time College employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The College's policy is to fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Accounts Receivable and Allowance for Doubtful Accounts

The College regularly extends unsecured credit to various students. The College uses the allowance method to account for uncollectible accounts receivable.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for current funds - unrestricted and plant funds (unless specifically exempted by statute). The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

Annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenue is recognized when cash is received. Expenditures include cash disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for Current Funds - Restricted and Agency Funds.

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

Compliance with Bond Covenants

The bond resolution to issue the Student Union and Dormitory System Refunding and Improvement Revenue Bonds contains the following requirements:

1. All income from operation of the Revenue Fund are to be placed in the Revenue Fund.
2. Disbursements from the Revenue Fund are required as follows:
 - (a) Monthly transfers to the Debt Service Account not less than 1/6th of the next revenue bond interest.
 - (b) Monthly transfers to the Debt Service Account not less than 1/12th of the next revenue bond principal.
 - (c) A balance in an amount equal to the lesser of 10% of the original principal amounts of the bonds or one times the maximum future debt service requirements of the bonds or 125% of the average annual debt service requirements of the bonds is to be maintained in the Debt Service Reserve Fund
 - (d) On June 30th each year, after meeting all requirements of (a) through (c) above, all remaining money in the Dormitory and Student Union Account shall be paid to the Replacement and Reserve Account. This fund may pay costs of operation, maintenance, repair, improvements or redeem the revenue bonds prior to their normal maturity.
 - (f) The College agrees to maintain rental rates, fees and charges for the use of buildings and facilities, which will be sufficient to have each fiscal year a net operating revenue of at least 125% of the annual requirement for principal and interest requirements of the current fiscal year of the Dormitory Revenue Bonds.

For the fiscal year ended June 30, 2008, the College met the gross operating income covenant, as follows:

Increase (Decrease) in Net Assets (Page 28)	\$ (62,601.78)
Net Transfers	73,044.38
Capital Outlay	349,485.55
Net Income as defined by Bond Agreements	<u>\$ 359,928.15</u>
Required 125% of current year principle and interest	<u>\$ 177,393.76</u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Compliance with Bond Covenants (Continued)

During the fiscal year ended June 30, 2008, all of the transfers required by #2 above, were made. At June 30, 2008, the bond reserves had the following balances:

	<u>REQUIRED</u>	<u>ACTUAL</u>
Debt Service Account	\$ 113,044.38	\$127,890.36
Dormitory Bond Reserve Account	146,451.88	147,000.00

Compliance with Kansas Statutes

Supplemental Schedules 3 to 10 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Schedules 3 to 10, the College was in apparent compliance with Kansas cash basis and budget laws.

Management is aware of no other statutory violations for the period covered by the audit.

3. DEPOSITS AND INVESTMENTS

Deposits and Investments - Primary Institution

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2008.

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits: At year-end, the College's carrying amount of deposits including certificates of deposit listed as investments was \$6,435,363.01 and the bank balance was \$6,657,397.78. The bank balance was held by three banks and the State of Kansas Fiscal Office resulting in a concentration of credit risk. Of the bank balance \$322,802.72, was covered by FDIC insurance, \$6,221,550.68 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name, and \$113,044.38 was held in escrow by the State of Kansas Fiscal Office.

Deposits and Investments – Component Unit

At year-end the carrying amount of the Foundation's deposits, including certificates of deposit and money market accounts held with brokers, was \$443,586.85. The bank balance was held by two bank resulting in a concentration of credit risk. The bank balance was \$472,018.98. Of the bank balance \$76,346.09 was covered by FDIC insurance and the remaining \$395,672.89 was covered with SPIC insurance.

As of year end, the Foundation has the following investments:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Rating</u>
Non Current:			
U.S. Government Obligations	\$ 310,794.73	\$ 312,265.80	Various
Corporate Securities	120,120.63	118,701.65	Various
Bonds	100,000.00	105,062.78	Various
Equity Income Investments	892,155.28	911,435.64	Various
Total Non Current Investments	<u>\$ 1,423,070.64</u>	<u>\$ 1,447,465.87</u>	

4. RESTRICTED CASH

At year-end, the College has made payment toward the 2003 Series Student Union Dormitory System Refunding and Improvements Bond, which are not due until July 1, 2008. These monies are held in trust, by the Office of the State Treasurer of the State of Kansas, until the time the bonds are redeemed.

The College is required by certain revenue bond ordinances to maintain certain restricted accounts as discussed in Note 2.

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2008, consisted of the following :

Current	
Taxes in Process	\$ 74,995.00
Federal Grants	35,075.72
Student Accounts	<u>388,677.11</u>
Total Current Accounts Receivable	<u>498,747.83</u>
Non Current	
Taxes in Process	<u>10,955.00</u>
Total Accounts Receivable	<u>\$ 509,702.83</u>

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of \$299,235.38 at June 30, 2007.

6. UNCONDITIONAL PROMISES TO GIVE

Component Unit

Unconditional promises to give at June 30, 2008 consist of the following:

		<u>2008</u>
Endowed funds:	Less than one year	\$ 50,000.00
	One to five years	214,908.10
	More than five years	<u>984,644.10</u>
		<u>\$ 1,249,552.20</u>

Uncollectible amounts for unconditional promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

7. INVENTORIES

Inventories consisted of the following at June 30, 2008:

Book Store Inventory	
Textbooks	\$ 298,978.92
Soft Goods and Supplies	<u>22,336.91</u>
Total Bookstore Inventory	<u>\$ 321,315.83</u>

8. CAPITAL ASSETS

Primary Institution:

Following are the changes in capital assets for the year ended June 30, 2008:

	Balance 06/30/2007	Additions/ Transfers	Retirements/ Transfers	Balance 06/30/2008
Capital assets not being depreciated				
Land	\$ 429,388.00	\$ -	\$ -	\$ 429,388.00
Construction in progress	216,991.95	182,460.40	(216,991.95)	182,460.40
Total Capital Assets not being depreciated	<u>\$ 646,379.95</u>	<u>\$ 182,460.40</u>	<u>\$ (216,991.95)</u>	<u>\$ 611,848.40</u>
Other Capital Assets				
Buildings	\$ 7,770,806.86	\$ 890,604.25	\$ (2,098.00)	\$ 8,659,313.11
Equipment	2,114,928.47	201,802.92	(123,438.14)	2,193,293.25
Furniture	26,777.75	9,150.58	-	35,928.33
Vehicles	528,921.65	128,600.00	(153,937.00)	503,584.65
Total Other Capital Assets	<u>\$ 10,441,434.73</u>	<u>\$ 1,230,157.75</u>	<u>\$ (279,473.14)</u>	<u>\$ 11,392,119.34</u>
Accumulated Depreciation				
Buildings	\$ 3,179,391.73	\$ 188,475.96	\$ -	\$ 3,367,867.69
Equipment	1,257,090.22	326,964.64	(123,438.14)	1,460,616.72
Furniture	21,597.15	2,209.46	-	23,806.61
Vehicles	414,004.59	71,785.58	(153,937.00)	331,853.17
Total Accumulated Depreciation	<u>\$ 4,872,083.69</u>	<u>\$ 589,435.64</u>	<u>\$ (277,375.14)</u>	<u>\$ 5,184,144.19</u>
Total Net Capital Assets	<u>\$ 6,215,730.99</u>	<u>\$ 823,182.51</u>	<u>\$ (219,089.95)</u>	<u>\$ 6,819,823.55</u>

8. CAPITAL ASSETS (Continued)

Component Unit:

Following are the changes in capital assets for the year ended June 30, 2008:

	Balance 06/30/2007	Additions	Retirements	Balance 06/30/2008
Other Capital Assets				
Land	\$ -	\$ 31,400.00	\$ -	\$ 31,400.00
Equipment	13,947.86	-	-	13,947.86
Total Other Capital Assets	<u>\$ 13,947.86</u>	<u>\$ 31,400.00</u>	<u>\$ -</u>	<u>\$ 45,347.86</u>
Accumulated Depreciation				
Equipment	\$ 11,704.32	\$ 861.45	\$ -	\$ 12,565.77
Total Accumulated Depreciation	<u>\$ 11,704.32</u>	<u>\$ 861.45</u>	<u>\$ -</u>	<u>\$ 12,565.77</u>
Total Net Capital Assets	<u>\$ 2,243.54</u>	<u>\$ 30,538.55</u>	<u>\$ -</u>	<u>\$ 32,782.09</u>

8. BOND ISSUANCE COST

Cost related to obtaining bond financing are capitalized and amortized over the term of the related debt using the straight-line method. Accumulated amortization at June 30, 2008 was \$7,322.79. When the loan is paid in full, any unamortized financing charges are removed from the related accounts and charged to operations.

9. LONG-TERM DEBT

Long-term debt of the College consists of the following as of June 30, 2008:

Revenue Bonds:

1.0 to 4.50% Student Union and Dormitory System
Refunding and Improvement revenue bonds issued
2003, maturing serially through July 1, 2023, Secured
by dormitory gross revenues. \$ 1,690,000.00

The following is a summary of changes in long-term debt for the year ended June 30, 2008:

<u>OBLIGATIONS</u>	<u>PRINCIPAL JUNE 30, 2007</u>	<u>PRINCIPAL RECEIVED (PAID)</u>	<u>PRINCIPAL JUNE 30, 2008</u>	<u>INTEREST PAID</u>
Revenue Bonds -- Series 2003	<u>\$ 1,765,000.00</u>	<u>\$ (75,000.00)</u>	<u>\$ 1,690,000.00</u>	<u>\$ 66,913.76</u>

9. LONG-TERM DEBT (Continued)

The bond principal and interest requirements for the next five years and thereafter are as follows:

FISCAL YEAR <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$ 80,000.00	\$ 65,088.76	\$ 145,088.76
2010	80,000.00	62,968.76	142,968.76
2011	85,000.00	60,510.01	145,510.01
2012	85,000.00	57,747.51	142,747.51
2013	90,000.00	54,748.76	144,748.76
2014-2018	505,000.00	219,394.38	724,394.38
2019-2023	625,000.00	102,302.50	727,302.50
2024	140,000.00	3,150.00	143,150.00
	<u>\$1,690,000.00</u>	<u>\$ 625,910.68</u>	<u>\$2,315,910.68</u>

10. CAPITAL LEASES

The College entered into a capital lease agreement dated September 15, 2005, with California First National Bank for the purchase of Jenzabar software system. The total cost was \$474,552.00. The lease calls for annual payments of \$132,000.00, including interest at 4.41% per annum, maturing September 30, 2009.

<u>Capital Lease - Janzabar Software</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2009	\$ 132,000.00
2010	132,000.00
Total Net Minimum Lease Payments	264,000.00
Less: Imputed Interest	(16,490.59)
Net Present Value of Capital Lease	247,509.41
Less: Current Maturities	(121,084.77)
Long-Term Capital Lease Obligations	<u>\$ 126,424.64</u>

11. LEASE AGREEMENTS

The College has entered into a lease agreement with Geary County to lease buildings for outreach classes. The agreement calls for rental payments that shall include a base rent of the amount equal to \$3,500.00 per month and variable rents, determined by enrollment, of \$3.00 for all credit hours in excess of the preceding school year total enrollment. The lease payments are due monthly. This lease is subject to change or termination at any time by the Kansas legislature. In the event of a change in the Kansas statutory or case law which makes this lease agreement illegal, this lease shall be terminated with no recourse by either party.

The total payments made under these lease agreements during the year ended June 30, 2008, was \$42,000.00. Future minimum rental payments are as follows:

06/30/2009	\$ 21,000.00
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11. LEASE AGREEMENTS (Continued)

The College has entered into various other rental agreements for the rental of office equipment. Total rent payments made under these agreements during the year ended June 30, 2008, was \$46,923.60. Future minimum rental payments are as follows:

06/30/2009	\$ 58,102.00
06/30/2010	23,976.00
06/30/2011	22,983.00
06/30/2012	1,667.00

12. DEFINED BENEFIT PENSION PLAN

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

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. The State of Kansas contributed 7.37% of covered payroll. These contributions requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for school municipality employees for the years ending June 30, 2008, 2007, and 2006 were \$220,815,154, \$192,425,626, and \$159,728,918, respectively, equal to the statutory required contributions for each year. During the year ended June 30, 2008, payments made by the State of Kansas to KPERS on behalf of the College totaled \$440,545.73.

13. OTHER POST EMPLOYMENT BENEFITS

Early Retirement Benefits: The College has adopted a policy providing early retirement health care benefit options. Employees who have met eligibility for full retirement under KPERS, and who have completed 15 years of continuous full-time employment at Cloud County Community College shall be eligible to continue under the College's health plan until the retiree reaches age 65, or upon death if prior to age 65. The following is a schedule of benefits paid and payable for eligible employees which have taken early retirement as of June 30, 2008:

<u>Paid or Payable</u>	<u>Year Ended June 30th</u>	<u>Amount</u>
Paid	2008	\$ 30,839.12
Payable	2009	21,600.64
Payable	2010	13,320.92
Payable	2011	10,709.76
Payable	2012	9,371.04
Payable	2013	5,354.88
Payable	2014-2018	23,650.72

13. OTHER POST EMPLOYMENT BENEFITS (Continued)

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

14. COMPENSATED ABSENCES

Full-time administrators earn vacation time according to the following schedule:

- 12-month contracts: 20 workdays per year
- 11-month contracts: 10 workdays per year
- Less than 11-month contracts: no vacation time is earned

Vacation time can be accumulated until it reaches 1.5 times the scheduled time. In no case shall accumulated vacation exceed 30 workdays in one contract year.

Less than full-time administrators shall earn vacation on the schedule but prorated to the percentage the contract is of a full-time contract.

Full-time support staff personnel earn vacation hours based upon the following schedule:

- 0 to 6 years of service – 80 hours annually
- 7 to 14 years of service – 120 hours annually
- 15 and over years of service – 160 hours annually

Less than full-time support staff shall earn vacation on the schedule but prorated to the percentage of hours worked to 2,088 hours.

The provision for and accumulation of sick leave is based upon employment classification and years of service. Employees are not paid for accumulated sick leave upon termination.

The College accrues a liability for compensated absences which meet the following criteria:

1. The College's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the College has accrued a liability for vacation and not recorded a liability for sick leave which has been earned, but not taken, inasmuch as the amount cannot be reasonably estimated because the rights do not vest.

15. CONTINGENT LIABILITIES

In the normal course of operations, the College receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

16. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employee; employees' health and life; and natural disasters. The College manages these risks of loss through the purchase of insurance policies.

17. CONCENTRATION OF RISK

49.45% of the Foundation's monies are invested in equities in the stock market. The effect in the future on the Foundation's equity portfolio is unknown and is subject to market economic conditions.

18. RELATED PARTY TRANSACTIONS

The Foundation was formed to promote and foster the educational purposes of the Cloud County Community College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for the year ended June 30, 2008, \$101,121.00. The Foundation disbursed on behalf of the College through its activity funds for the year ended June 30, 2008, \$56,155.68. The College disbursed on behalf of the Foundation donated services and facilities for the year ended June 30, 2008, \$116,895.65.

19. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Reason</u>	<u>Amount</u>
Bookstore	Revenue Bonds	Debt Service	\$ 73,044.38
Campus Housing	Revenue Bonds	Debt Service	73,044.38

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

20. SEGMENT INFORMATION

A segment is an identifiable activity reported as a stand alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains, losses, assets, and liabilities that are required by an external party to be accounted for separately. The Auxiliary Enterprise Housing Fund qualifies as a segment and is as follows:

Condensed Statement of Net Assets

Assets:	
Current assets	\$ <u>106,338.47</u>
Liabilities	
Current liabilities	\$ 26,453.91
Net assets	
Unrestricted	<u>79,884.56</u>
Total Assets and Liabilities	<u>\$ 106,338.47</u>

Condensed Statement of Revenues, Expenses and

Changes in Net Assets	
Operating revenues	\$ 919,328.66
Other operating expenses	<u>(911,292.38)</u>
Operating income	<u>8,036.28</u>
Investment income -	
Interest Income	2,406.32
Transfers In (Out)	(73,044.38)
Change in net assets	(62,601.78)
Beginning net assets	<u>142,486.34</u>
Ending net assets	<u>\$ 79,884.56</u>

Condensed statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 528,021.22
Capital and related financing activities	<u>(422,529.93)</u>
Net increase (decrease) in cash	(105,491.29)
Beginning cash and cash equivalents	<u>211,829.76</u>
Ending cash and cash equivalents	<u>\$ 106,338.47</u>

21. REVENUE BOND DISCLOSURES

Insurance is carried on property constituting the system covered by the Series 2003 Student Union and Dormitory System Refunding and Improvement Revenue Bonds in the amount of \$22,816,392 blanket property coverage through EMC Insurance Company for the period June 30, 2007, through July 1, 2008, renewable annually. The premiums paid were \$23,445.00.

Total system users for the fall 2007 and the spring of 2008 were as follows:

	<u>Fall 2007</u>	<u>Spring 2008</u>
Unduplicated Head Count	2,858	2,778

SUPPLEMENTAL INFORMATION

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Combining Statement of Net Assets - Primary Institution
 June 30, 2008

	GENERAL	VOCATIONAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	EMPLOYEE BENEFITS	AUXILIARY ENTERPRISE BOOKSTORE
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 2,783,831.17	\$ 501.52	\$ 31,702.90	\$ 106,553.52	\$ 411.95	\$ 613,231.30
Receivables - Taxes in Process	74,995.00	-	-	-	-	-
Receivables - Federal	-	-	-	-	-	-
Receivables - Other Receivables	308,950.77	-	-	-	-	79,726.34
Inventories	-	-	-	-	-	321,315.83
Total Current Assets	<u>3,167,776.94</u>	<u>501.52</u>	<u>31,702.90</u>	<u>106,553.52</u>	<u>411.95</u>	<u>1,014,273.47</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net of Amortization	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 3,167,776.94</u></u>	<u><u>\$ 501.52</u></u>	<u><u>\$ 31,702.90</u></u>	<u><u>\$ 106,553.52</u></u>	<u><u>\$ 411.95</u></u>	<u><u>\$ 1,014,273.47</u></u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 246,815.83	\$ 590.13	\$ 31,393.48	\$ 1,458.18	\$ -	\$ -
Accrued Wages	43,257.76	-	-	-	-	1,404.80
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	74,995.00	-	-	-	-	-
Compensated Absences	90,734.95	5,500.49	-	1,634.62	-	1,321.29
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>455,803.54</u>	<u>6,090.62</u>	<u>31,393.48</u>	<u>3,092.80</u>	<u>-</u>	<u>2,726.09</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>455,803.54</u>	<u>6,090.62</u>	<u>31,393.48</u>	<u>3,092.80</u>	<u>-</u>	<u>2,726.09</u>
NET ASSETS						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	2,711,973.40	(5,589.10)	309.42	103,460.72	411.95	1,011,547.38
TOTAL NET ASSETS	<u>2,711,973.40</u>	<u>(5,589.10)</u>	<u>309.42</u>	<u>103,460.72</u>	<u>411.95</u>	<u>1,011,547.38</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,167,776.94</u></u>	<u><u>\$ 501.52</u></u>	<u><u>\$ 31,702.90</u></u>	<u><u>\$ 106,553.52</u></u>	<u><u>\$ 411.95</u></u>	<u><u>\$ 1,014,273.47</u></u>

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Combining Statement of Net Assets - Primary Institution
 June 30, 2008

	AUXILIARY ENTERPRISE HOUSING	AUXILIARY ENTERPRISE FOOD SERVICE	AUXILIARY ENTERPRISE WELLNESS CENTER	AUXILIARY ENTERPRISE SCHOLARSHIPS	AUXILIARY ENTERPRISE CHILDREN'S CENTER	AUXILIARY ENTERPRISE BUILDING DEVELOPMENT
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 106,338.47	\$ 41,988.31	\$ 3,014.68	\$ 65,778.61	\$ 41,587.90	\$ 382,383.84
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>106,338.47</u>	<u>41,988.31</u>	<u>3,014.68</u>	<u>65,778.61</u>	<u>41,587.90</u>	<u>382,383.84</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net of Amortization	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 106,338.47</u></u>	<u><u>\$ 41,988.31</u></u>	<u><u>\$ 3,014.68</u></u>	<u><u>\$ 65,778.61</u></u>	<u><u>\$ 41,587.90</u></u>	<u><u>\$ 382,383.84</u></u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages	2,914.00	-	-	-	1,649.66	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	3,991.93	-	-	-	1,807.97	-
Deposits Held in Custody for Others	19,547.98	-	-	-	-	-
Total Current Liabilities	<u>26,453.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,457.63</u>	<u>-</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>26,453.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,457.63</u>	<u>-</u>
NET ASSETS						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	79,884.56	41,988.31	3,014.68	65,778.61	38,130.27	382,383.84
TOTAL NET ASSETS	<u>79,884.56</u>	<u>41,988.31</u>	<u>3,014.68</u>	<u>65,778.61</u>	<u>38,130.27</u>	<u>382,383.84</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 106,338.47</u></u>	<u><u>\$ 41,988.31</u></u>	<u><u>\$ 3,014.68</u></u>	<u><u>\$ 65,778.61</u></u>	<u><u>\$ 41,587.90</u></u>	<u><u>\$ 382,383.84</u></u>

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Combining Statement of Net Assets - Primary Institution
 June 30, 2008

	AUXILIARY ENTERPRISE CAMPUS PATROL	AUXILIARY ENTERPRISE LAUNDRY	AUXILIARY ENTERPRISE CONTINGENCY	AUXILIARY ENTERPRISE TRUSTEE DISCRETIONARY	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 28,393.52	\$ 24,869.72	\$ 25,000.00	\$ 348,561.18	\$ -	\$ -
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	26,180.00	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>28,393.52</u>	<u>24,869.72</u>	<u>25,000.00</u>	<u>348,561.18</u>	<u>26,180.00</u>	<u>-</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net of Amortization	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 28,393.52</u>	<u>\$ 24,869.72</u>	<u>\$ 25,000.00</u>	<u>\$ 348,561.18</u>	<u>\$ 26,180.00</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 26,180.00	\$ -
Accrued Wages	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,180.00</u>	<u>-</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,180.00</u>	<u>-</u>
NET ASSETS						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	<u>28,393.52</u>	<u>24,869.72</u>	<u>25,000.00</u>	<u>348,561.18</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>28,393.52</u>	<u>24,869.72</u>	<u>25,000.00</u>	<u>348,561.18</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 28,393.52</u>	<u>\$ 24,869.72</u>	<u>\$ 25,000.00</u>	<u>\$ 348,561.18</u>	<u>\$ 26,180.00</u>	<u>\$ -</u>

CLOUD COUNTY COMMUNITY COLLEGE
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 June 30, 2008

	FEDERAL SEOG GRANTS	FEDERAL ACG GRANTS	FEDERAL WORK STUDY	CARL PERKINS TECH PREP GRANT	STATE TECH GRANT	KAN-ED GRANT
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 14,230.50	\$ 18,621.23
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	6,600.00	-	-	-	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>6,600.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,230.50</u>	<u>18,621.23</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net of Amortization	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,600.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,230.50</u>	<u>\$ 18,621.23</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 6,600.00	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>6,600.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>6,600.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	-	-	-	-	14,230.50	18,621.23
TOTAL NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,230.50</u>	<u>18,621.23</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,600.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,230.50</u>	<u>\$ 18,621.23</u>

CLOUD COUNTY COMMUNITY COLLEGE
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 Combining Statement of Net Assets - Primary Institution
 June 30, 2008

	CARL PERKINS PROGRAM IMPROVEMENT GRANT	TITLE III GRANT	CHILD CARE RESOURCE AND REFERRAL GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	INNOVATIVE TECHNOLOGY GRANT	MARION ELLET BEQUEST
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 10,750.42	\$ -	\$ 80,061.09	\$ (29.60)	\$ 300,000.00	\$ 16,859.19
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	250.00	-	2,045.72	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>10,750.42</u>	<u>250.00</u>	<u>80,061.09</u>	<u>2,016.12</u>	<u>300,000.00</u>	<u>16,859.19</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net of Amortization	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 10,750.42</u>	<u>\$ 250.00</u>	<u>\$ 80,061.09</u>	<u>\$ 2,016.12</u>	<u>\$ 300,000.00</u>	<u>\$ 16,859.19</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 10,750.42	\$ 250.00	\$ 23,313.94	\$ 15.00	\$ -	\$ -
Accrued Wages	-	-	6,704.58	1,504.00	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	2,353.34	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>10,750.42</u>	<u>250.00</u>	<u>32,371.86</u>	<u>1,519.00</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>10,750.42</u>	<u>250.00</u>	<u>32,371.86</u>	<u>1,519.00</u>	<u>-</u>	<u>-</u>
NET ASSETS						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	-	-	47,689.23	497.12	300,000.00	16,859.19
TOTAL NET ASSETS	<u>-</u>	<u>-</u>	<u>47,689.23</u>	<u>497.12</u>	<u>300,000.00</u>	<u>16,859.19</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,750.42</u>	<u>\$ 250.00</u>	<u>\$ 80,061.09</u>	<u>\$ 2,016.12</u>	<u>\$ 300,000.00</u>	<u>\$ 16,859.19</u>

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Combining Statement of Net Assets - Primary Institution
 June 30, 2008

	CLOUD COUNTY COMMUNITY COLLEGE ACTIVITY	CAPITAL OUTLAY	REVENUE BONDS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 693,972.60	\$ -	\$ -	\$ -	\$ 14,646.15	\$ 5,753,260.17
Receivables - Taxes in Process	-	-	-	-	-	74,995.00
Receivables - Federal	-	-	-	-	-	35,075.72
Receivables - Other Receivables	-	-	-	-	-	388,677.11
Inventories	-	-	-	-	-	321,315.83
Total Current Assets	<u>693,972.60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,646.15</u>	<u>6,573,323.83</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	407,662.48	274,890.36	-	-	682,552.84
Receivables - Taxes in Process	-	10,955.00	-	-	-	10,955.00
Bond Issuance Costs, Net of Amortization	-	-	22,464.71	-	-	22,464.71
Capital Assets	-	-	-	12,003,967.74	-	12,003,967.74
Accumulated Depreciation	-	-	-	(5,184,144.19)	-	(5,184,144.19)
Total Noncurrent Assets	<u>-</u>	<u>418,617.48</u>	<u>297,355.07</u>	<u>6,819,823.55</u>	<u>-</u>	<u>7,535,796.10</u>
TOTAL ASSETS	<u>\$ 693,972.60</u>	<u>\$ 418,617.48</u>	<u>\$ 297,355.07</u>	<u>\$ 6,819,823.55</u>	<u>\$ 14,646.15</u>	<u>\$ 14,109,119.93</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,366.98
Accrued Wages	-	-	-	-	-	57,434.80
Accrued Interest	-	-	33,044.38	-	-	33,044.38
Deferred Revenue	-	10,955.00	-	-	-	85,950.00
Compensated Absences	1,081.35	-	-	-	-	108,425.94
Deposits Held in Custody for Others	-	-	-	-	14,646.15	34,194.13
Total Current Liabilities	<u>1,081.35</u>	<u>10,955.00</u>	<u>33,044.38</u>	<u>-</u>	<u>14,646.15</u>	<u>666,416.23</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	1,690,000.00	-	1,690,000.00
Capital Lease Payable	-	-	-	247,509.41	-	247,509.41
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,937,509.41</u>	<u>-</u>	<u>1,937,509.41</u>
TOTAL LIABILITIES	<u>1,081.35</u>	<u>10,955.00</u>	<u>33,044.38</u>	<u>1,937,509.41</u>	<u>14,646.15</u>	<u>2,603,925.64</u>
NET ASSETS						
Investment in capital assets, net of related debt	-	-	-	4,882,314.14	-	4,882,314.14
Restricted for:						
Bond and Interest	-	-	113,044.38	-	-	113,044.38
Bond Reserve	-	-	146,451.88	-	-	146,451.88
Unrestricted	692,891.25	407,662.48	4,814.43	-	-	6,363,383.89
TOTAL NET ASSETS	<u>692,891.25</u>	<u>407,662.48</u>	<u>264,310.69</u>	<u>4,882,314.14</u>	<u>-</u>	<u>11,505,194.29</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 693,972.60</u>	<u>\$ 418,617.48</u>	<u>\$ 297,355.07</u>	<u>\$ 6,819,823.55</u>	<u>\$ 14,646.15</u>	<u>\$ 14,109,119.93</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
For the Year Ended June 30, 2008

	GENERAL	VOCATIONAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	EMPLOYEE BENEFITS	AUXILIARY ENTERPRISE BOOKSTORE
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ 2,604,879.93	\$ -	\$ -	\$ 52,615.50	\$ -	\$ -
Federal Grants and Contracts	18,621.00	-	85,957.00	-	-	-
State Grants and Contracts	-	-	55,973.00	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	1,004,832.38
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	164,166.80	-	-	-	-	-
Total Operating Revenues	<u>2,787,667.73</u>	<u>-</u>	<u>141,930.00</u>	<u>52,615.50</u>	<u>-</u>	<u>1,004,832.38</u>
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	5,250,835.45	705,471.07	141,620.58	68,448.55	-	-
Academic Support	312,559.36	72,558.24	-	-	-	-
Student Services	1,381,678.62	22,119.69	-	-	-	-
Institutional Support	1,670,378.04	50,585.46	-	-	-	-
Operation and Maintenance	556,144.68	-	-	-	-	-
Scholarships and Awards	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	720,258.91
Total Operating Expenses	<u>9,171,596.15</u>	<u>850,734.46</u>	<u>141,620.58</u>	<u>68,448.55</u>	<u>-</u>	<u>720,258.91</u>
Operating Income (Loss)	<u>(6,383,928.42)</u>	<u>(850,734.46)</u>	<u>309.42</u>	<u>(15,833.05)</u>	<u>-</u>	<u>284,573.47</u>
Nonoperating Revenues (Expenses)						
State Appropriations	3,787,408.31	850,000.00	-	-	-	-
County Out District Aid	356,715.00	-	-	-	-	-
County Appropriations	2,176,691.74	-	-	-	-	-
Interest Income	259,682.76	-	-	-	-	2,406.32
Debt Service	(132,000.00)	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	(73,044.38)
Increase (Decrease) in Net Assets	64,569.39	(734.46)	309.42	(15,833.05)	-	213,935.41
Net Assets - Beginning of Year	2,647,404.01	(4,854.64)	-	119,293.77	411.95	797,611.97
Net Assets - End of Year	<u>\$ 2,711,973.40</u>	<u>\$ (5,589.10)</u>	<u>\$ 309.42</u>	<u>\$ 103,460.72</u>	<u>\$ 411.95</u>	<u>\$ 1,011,547.38</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
For the Year Ended June 30, 2008

	AUXILIARY ENTERPRISE HOUSING	AUXILIARY ENTERPRISE FOOD SERVICE	AUXILIARY ENTERPRISE WELLNESS CENTER	AUXILIARY ENTERPRISE SCHOLARSHIPS	AUXILIARY ENTERPRISE CHILDREN'S CENTER	AUXILIARY ENTERPRISE BUILDING DEVELOPMENT
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ 455,180.25	\$ -	\$ 85,935.28
Federal Grants and Contracts	-	-	-	-	6,893.90	-
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	919,328.66	16,093.05	-	-	79,901.51	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	<u>919,328.66</u>	<u>16,093.05</u>	<u>-</u>	<u>455,180.25</u>	<u>86,795.41</u>	<u>85,935.28</u>
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	-	532,017.00	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	911,292.38	16,647.36	6,495.00	-	71,964.13	94,316.28
Total Operating Expenses	<u>911,292.38</u>	<u>16,647.36</u>	<u>6,495.00</u>	<u>532,017.00</u>	<u>71,964.13</u>	<u>94,316.28</u>
Operating Income (Loss)	<u>8,036.28</u>	<u>(554.31)</u>	<u>(6,495.00)</u>	<u>(76,836.75)</u>	<u>14,831.28</u>	<u>(8,381.00)</u>
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Out District Aid	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Interest Income	2,406.32	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Operating Transfers	<u>(73,044.38)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	(62,601.78)	(554.31)	(6,495.00)	(76,836.75)	14,831.28	(8,381.00)
Net Assets - Beginning of Year	<u>142,486.34</u>	<u>42,542.62</u>	<u>9,509.68</u>	<u>142,615.36</u>	<u>23,298.99</u>	<u>390,764.84</u>
Net Assets - End of Year	<u>\$ 79,884.56</u>	<u>\$ 41,988.31</u>	<u>\$ 3,014.68</u>	<u>\$ 65,778.61</u>	<u>\$ 38,130.27</u>	<u>\$ 382,383.84</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
For the Year Ended June 30, 2008

	AUXILIARY ENTERPRISE CAMPUS PATROL	AUXILIARY ENTERPRISE LAUNDRY	AUXILIARY ENTERPRISE CONTINGENCY	AUXILIARY ENTERPRISE TRUSTEE DISCRETIONARY	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	-	-	-	-	1,587,164.00	1,890,887.00
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	2,990.00	7,178.00	-	116,600.00	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	<u>2,990.00</u>	<u>7,178.00</u>	<u>-</u>	<u>116,600.00</u>	<u>1,587,164.00</u>	<u>1,890,887.00</u>
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	-	-	1,587,164.00	1,890,887.00
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	4,672.01	5,137.30	-	46,210.54	-	-
Total Operating Expenses	<u>4,672.01</u>	<u>5,137.30</u>	<u>-</u>	<u>46,210.54</u>	<u>1,587,164.00</u>	<u>1,890,887.00</u>
Operating Income (Loss)	<u>(1,682.01)</u>	<u>2,040.70</u>	<u>-</u>	<u>70,389.46</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Out District Aid	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	(1,682.01)	2,040.70	-	70,389.46	-	-
Net Assets - Beginning of Year	<u>30,075.53</u>	<u>22,829.02</u>	<u>25,000.00</u>	<u>278,171.72</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 28,393.52</u>	<u>\$ 24,869.72</u>	<u>\$ 25,000.00</u>	<u>\$ 348,561.18</u>	<u>\$ -</u>	<u>\$ -</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
For the Year Ended June 30, 2008

	FEDERAL SEOG GRANTS	FEDERAL ACG GRANTS	FEDERAL WORK STUDY	BOARD OF REGENTS NURSING GRANT	KAN-ED GRANT	CARL PERKINS PROGRAM IMPROVEMENT GRANT
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	53,800.00	47,867.00	109,503.00	-	-	113,893.00
State Grants and Contracts	-	-	-	48,972.00	18,621.23	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	46,627.00	-	-	-
Total Operating Revenues	<u>53,800.00</u>	<u>47,867.00</u>	<u>156,130.00</u>	<u>48,972.00</u>	<u>18,621.23</u>	<u>113,893.00</u>
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	48,056.52	-	-
Academic Support	-	-	-	-	-	113,893.00
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	53,800.00	47,867.00	156,130.00	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	<u>53,800.00</u>	<u>47,867.00</u>	<u>156,130.00</u>	<u>48,056.52</u>	<u>-</u>	<u>113,893.00</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>915.48</u>	<u>18,621.23</u>	<u>-</u>
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Out District Aid	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	-	-	-	915.48	18,621.23	-
Net Assets - Beginning of Year	-	-	-	13,315.02	-	-
Net Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,230.50</u>	<u>\$ 18,621.23</u>	<u>\$ -</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
For the Year Ended June 30, 2008

	TITLE III GRANT	CHILD CARE RESOURCE AND REFERRAL GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	INNOVATIVE TECHNOLOGY GRANT	MARION ELLET BEQUEST	CLOUD COUNTY COMMUNITY COLLEGE ACTIVITY
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	265,229.71	-	180,752.26	-	-	-
State Grants and Contracts	-	292,881.00	-	300,000.00	-	-
Sales and Services of						
Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	929,978.67
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	<u>265,229.71</u>	<u>292,881.00</u>	<u>180,752.26</u>	<u>300,000.00</u>	<u>-</u>	<u>929,978.67</u>
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	253,916.21	180,906.26	-	-	945,495.20
Academic Support	265,229.71	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	<u>265,229.71</u>	<u>253,916.21</u>	<u>180,906.26</u>	<u>-</u>	<u>-</u>	<u>945,495.20</u>
Operating Income (Loss)	<u>-</u>	<u>38,964.79</u>	<u>(154.00)</u>	<u>300,000.00</u>	<u>-</u>	<u>(15,516.53)</u>
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Out District Aid	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	-	38,964.79	(154.00)	300,000.00	-	(15,516.53)
Net Assets - Beginning of Year	-	8,724.44	651.12	-	16,859.19	708,407.78
Net Assets - End of Year	<u>\$ -</u>	<u>\$ 47,689.23</u>	<u>\$ 497.12</u>	<u>\$ 300,000.00</u>	<u>\$ 16,859.19</u>	<u>\$ 692,891.25</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
For the Year Ended June 30, 2008

	CAPITAL OUTLAY	REVENUE BONDS	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ 3,198,610.96	\$ (832,261.83)	\$ 2,366,349.13
Federal Grants and Contracts	-	-	-	4,360,567.87	(1,890,887.00)	2,469,680.87
State Grants and Contracts	-	-	-	716,447.23	-	716,447.23
Sales and Services of						
Auxiliary Enterprises	-	-	-	2,146,923.60	(1,182,003.61)	964,919.99
Activity Fund Revenues	-	-	-	929,978.67	-	929,978.67
Miscellaneous Income	-	-	-	210,793.80	-	210,793.80
Total Operating Revenues	-	-	-	11,563,322.13	(3,905,152.44)	7,658,169.69
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	(8,857.30)	7,585,892.54	-	7,585,892.54
Academic Support	-	-	(119,166.98)	645,073.33	-	645,073.33
Student Services	-	-	(1,099.00)	1,402,699.31	-	1,402,699.31
Institutional Support	-	-	(428,883.30)	1,292,080.20	-	1,292,080.20
Operation and Maintenance	157,764.11	-	(39,644.64)	674,264.15	-	674,264.15
Scholarships and Awards	-	-	-	4,267,865.00	(3,905,152.44)	362,712.56
Depreciation Expense	-	-	589,435.64	589,435.64	-	589,435.64
Auxiliary Enterprises	-	-	(597,974.98)	1,279,018.93	-	1,279,018.93
Total Operating Expenses	157,764.11	-	(606,190.56)	17,736,329.10	(3,905,152.44)	13,831,176.66
Operating Income (Loss)	(157,764.11)	-	606,190.56	(6,173,006.97)	-	(6,173,006.97)
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	4,637,408.31	-	4,637,408.31
County Out District Aid	-	-	-	356,715.00	-	356,715.00
County Appropriations	310,534.15	-	-	2,487,225.89	-	2,487,225.89
Interest Income	-	7,586.41	-	272,081.81	-	272,081.81
Debt Service	-	(142,578.14)	190,970.45	(83,607.69)	-	(83,607.69)
Gain (Loss) on Sale of Assets	-	-	(2,098.00)	(2,098.00)	-	(2,098.00)
Operating Transfers	-	146,088.76	-	-	-	-
Increase (Decrease) in Net Assets	152,770.04	11,097.03	795,063.01	1,494,718.35	-	1,494,718.35
Net Assets - Beginning of Year	254,892.44	253,213.66	4,087,251.13	10,010,475.94	-	10,010,475.94
Net Assets - End of Year	\$ 407,662.48	\$ 264,310.69	\$ 4,882,314.14	\$ 11,505,194.29	\$ -	\$ 11,505,194.29

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Statements of Revenues, Expenditures, and
Changes in Unencumbered Cash – Budget and Actual

For the Year Ended June 30, 2008

Schedules 3 to 10 are prepared in accordance with Kansas cash basis and budget laws (Budget Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 General Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Student Tuition and Fees						
In State	\$ 2,231,281.35	\$ 2,377,651.70	\$ (125,786.52)	\$ 2,251,865.18	\$ 2,349,000.00	\$ (97,134.82)
Out-of-State	174,321.20	173,680.50	-	173,680.50	187,500.00	(13,819.50)
Other Student Fees	51,994.69	53,547.73	-	53,547.73	266,442.00	(212,894.27)
Total Student Tuition and Fees	2,457,597.24	2,604,879.93	(125,786.52)	2,479,093.41	2,802,942.00	(323,848.59)
Federal Sources						
Federal Grants	9,796.68	18,621.00	-	18,621.00	-	18,621.00
State Sources						
State Operating Grant	3,381,878.00	3,342,559.00	-	3,342,559.00	3,354,047.00	(11,488.00)
Other State Sources	17,905.00	444,849.31	(440,545.73)	4,303.58	-	4,303.58
Total State Sources	3,399,783.00	3,787,408.31	(440,545.73)	3,346,862.58	3,354,047.00	(7,184.42)
County Sources						
Out-of-District Aid	379,176.00	356,715.00	-	356,715.00	356,715.00	-
Local Sources						
Ad Valorem Tax	1,850,869.23	1,856,904.94	-	1,856,904.94	2,025,211.00	(168,306.06)
Motor Vehicle Tax	255,412.98	267,080.59	-	267,080.59	238,677.00	28,403.59
Recreational Vehicle	3,475.06	-	-	-	3,289.00	(3,289.00)
Delinquent Tax	28,964.49	52,706.21	-	52,706.21	18,344.00	34,362.21
In Lieu of Tax	3,895.48	-	-	-	7,675.00	(7,675.00)
Total Local Sources	2,142,617.24	2,176,691.74	-	2,176,691.74	2,293,196.00	(116,504.26)
Other Sources						
Capital Lease Proceeds	-	-	-	-	-	-
Interest Income	288,794.34	259,682.76	-	259,682.76	200,000.00	59,682.76
Miscellaneous	151,588.45	164,166.80	-	164,166.80	470,821.00	(306,654.20)
Total Other Sources	440,382.79	423,849.56	-	423,849.56	670,821.00	(246,971.44)
TOTAL REVENUES	8,829,352.95	9,368,165.54	(566,332.25)	8,801,833.29	9,477,721.00	(675,887.71)

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 General Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
EXPENDITURES						
Education and General						
Instruction	\$ 4,742,345.75	\$ 5,250,835.45	\$ (448,271.43)	\$ 4,802,564.02	\$ 3,550,000.00	\$ 1,252,564.02
Academic Support	333,274.76	312,559.36	(1,702.19)	310,857.17	582,000.00	(271,142.83)
Student Services	1,374,750.01	1,381,678.62	(4,149.47)	1,377,529.15	2,000,000.00	(622,470.85)
Institutional Support	1,286,564.43	1,670,378.04	4,387.16	1,674,765.20	3,100,000.00	(1,425,234.80)
Operation and Maintenance	490,037.11	556,144.68	-	556,144.68	1,000,000.00	(443,855.32)
Scholarships and Awards	-	-	-	-	200,000.00	(200,000.00)
Debt Service	132,000.00	132,000.00	-	132,000.00	-	132,000.00
Operating Transfers to:						
Trustee Discretionary Fund	49,500.00	-	-	-	-	-
TOTAL EXPENDITURES	8,408,472.06	9,303,596.15	(449,735.93)	8,853,860.22	10,432,000.00	(1,578,139.78)
Excess of Revenues Over (Under) Expenditures	420,880.89	64,569.39	(116,596.32)	(52,026.93)	(954,279.00)	902,252.07
Unencumbered Cash Beginning of Year	2,124,903.62	2,647,404.01	(101,619.50)	2,545,784.51	2,444,023.00	101,761.51
End of Year	<u>\$ 2,545,784.51</u>	<u>\$ 2,711,973.40</u>	<u>\$ (218,215.82)</u>	<u>\$ 2,493,757.58</u>	<u>\$ 1,489,744.00</u>	<u>\$ 1,004,013.58</u>

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Vocational Education Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
State Sources						
State Operating Grant	\$ 865,000.00	\$ 850,000.00	\$ -	\$ 850,000.00	\$ 838,512.00	\$ 11,488.00
Total State Sources	865,000.00	850,000.00	-	850,000.00	838,512.00	11,488.00
Local Sources						
Delinquent Tax	-	-	-	-	-	-
Total Local Sources	-	-	-	-	-	-
TOTAL REVENUES	865,000.00	850,000.00	-	850,000.00	838,512.00	11,488.00
EXPENDITURES						
Education and General						
Instruction	722,913.85	705,471.07	246.47	705,717.54	850,000.00	(144,282.46)
Academic Support	82,630.50	72,558.24	-	72,558.24	110,000.00	(37,441.76)
Student Services	25,351.29	22,119.69	(2,046.94)	20,072.75	50,000.00	(29,927.25)
Institutional Support	46,994.44	50,585.46	-	50,585.46	55,000.00	(4,414.54)
TOTAL EXPENDITURES	877,890.08	850,734.46	(1,800.47)	848,933.99	1,065,000.00	(216,066.01)
Excess of Revenues Over (Under) Expenditures	(12,890.08)	(734.46)	1,800.47	1,066.01	(226,488.00)	227,554.01
Unencumbered Cash						
Beginning of Year	11,735.46	(4,854.64)	3,700.02	(1,154.62)	(14,316.00)	13,161.38
End of Year	\$ (1,154.62)	\$ (5,589.10)	\$ 5,500.49	\$ (88.61)	\$ (240,804.00)	\$ 240,715.39

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Adult Education Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Federal Sources						
Federal Grants	\$ 69,275.00	\$ 85,957.00	\$ -	\$ 85,957.00	\$ 100,000.00	\$ (14,043.00)
State Sources						
State Grants	46,053.00	55,973.00	-	55,973.00	50,000.00	5,973.00
TOTAL REVENUES	115,328.00	141,930.00	-	141,930.00	150,000.00	(8,070.00)
EXPENDITURES						
Education and General Instruction	115,328.00	141,620.58	-	141,620.58	150,000.00	(8,379.42)
TOTAL EXPENDITURES	115,328.00	141,620.58	-	141,620.58	150,000.00	(8,379.42)
Excess of Revenues Over (Under) Expenditures	-	309.42	-	309.42	-	309.42
Unencumbered Cash Beginning of Year	-	-	-	-	-	-
End of Year	\$ -	\$ 309.42	\$ -	\$ 309.42	\$ -	\$ 309.42

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Adult Supplemental Education Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Student Tuition and Fees In State	\$ 39,083.76	\$ 52,615.50	\$ -	\$ 52,615.50	\$ 100,000.00	\$ (47,384.50)
TOTAL REVENUES	39,083.76	52,615.50	-	52,615.50	100,000.00	(47,384.50)
EXPENDITURES						
Education and General Instruction	24,826.90	68,448.55	(1,634.62)	66,813.93	100,000.00	(33,186.07)
Operations and Maintenance	-	-	-	-	60,000.00	(60,000.00)
TOTAL EXPENDITURES	24,826.90	68,448.55	(1,634.62)	66,813.93	160,000.00	(93,186.07)
Excess of Revenues Over (Under) Expenditures	14,256.86	(15,833.05)	1,634.62	(14,198.43)	(60,000.00)	45,801.57
Unencumbered Cash Beginning of Year	105,036.91	119,293.77	-	119,293.77	119,274.00	19.77
End of Year	\$ 119,293.77	\$ 103,460.72	\$ 1,634.62	\$ 105,095.34	\$ 59,274.00	\$ 45,821.34

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Employee Benefits Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Local Sources						
Delinquent Tax	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ (50.00)
Total Local Sources	-	-	-	-	50.00	(50.00)
TOTAL REVENUES	-	-	-	-	50.00	(50.00)
EXPENDITURES						
Education and General Institutional Support	-	-	-	-	462.00	(462.00)
Excess of Revenues Over (Under) Expenditures	-	-	-	-	(412.00)	412.00
Unencumbered Cash Beginning of Year	411.95	411.95	-	411.95	412.00	(0.05)
End of Year	\$ 411.95	\$ 411.95	\$ -	\$ 411.95	\$ -	\$ 411.95

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Auxiliary Enterprise Funds (Budget Basis)
 For the Year Ended June 30, 2008

	Prior Year	CURRENT YEAR							
	Total Auxiliary Enterprise Funds Budget Basis	Bookstore GAAP	Campus Housing GAAP	Food Service GAAP	Wellness Center GAAP	Activity Fee Scholarship GAAP	Children's Center GAAP	Building Development GAAP	Campus Patrol GAAP
REVENUES									
Sales and Services of Auxiliary Enterprises	\$ 1,538,547.20	\$ 1,004,832.38	\$ 919,328.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Sources									
Other Student Fees	566,687.23	-	-	16,093.05	-	455,180.25	79,901.51	85,935.28	2,990.00
Federal Sources									
Federal Grants	15,468.20	-	-	-	-	-	6,893.90	-	-
Other Revenues									
Miscellaneous	-	-	-	-	-	-	-	-	-
Interest	7,013.28	2,406.32	2,406.32	-	-	-	-	-	-
Operating Transfers from:									
General Fund	49,500.00	-	-	-	-	-	-	-	-
Bookstore Fund	67,500.00	-	-	-	-	-	-	-	-
Building Development Fund	67,500.00	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,312,215.91	1,007,238.70	921,734.98	16,093.05	-	455,180.25	86,795.41	85,935.28	2,990.00
EXPENDITURES									
Auxiliary Enterprise									
Salaries and Benefits	284,213.32	70,464.03	122,384.56	-	-	-	64,063.73	-	-
General Operating Expense	158,251.15	11,435.80	120,613.87	11,013.17	-	-	775.90	-	4,672.01
Supplies	7,539.34	-	2,441.65	-	-	-	7,124.50	-	-
Capital Outlay	386,120.46	62,197.05	349,485.55	-	-	-	-	94,316.28	-
Scholarships	428,048.44	-	-	-	-	532,017.00	-	-	-
Food Service	303,268.39	-	316,366.75	-	-	-	-	-	-
Books and Merchandise	623,217.70	576,162.03	-	-	-	-	-	-	-
Operating Transfer to:									
General Fund	-	-	-	-	-	-	-	-	-
Revenue Bonds Fund	142,738.76	73,044.38	73,044.38	-	-	-	-	-	-
Campus Housing Fund	135,000.00	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,468,397.56	793,303.29	984,336.76	11,013.17	-	532,017.00	71,964.13	94,316.28	4,672.01
Excess of Revenues Over (Under) Expenditures	(156,181.65)	213,935.41	(62,601.78)	5,079.88	-	(76,836.75)	14,831.28	(8,381.00)	(1,682.01)
Unencumbered Cash									
Beginning of Year	1,840,750.46	797,611.97	142,486.34	42,542.62	9,509.68	142,615.36	23,298.99	390,764.84	30,075.53
End of Year	\$ 1,684,568.81	\$ 1,011,547.38	\$ 79,884.56	\$ 47,622.50	\$ 9,509.68	\$ 65,778.61	\$ 38,130.27	\$ 382,383.84	\$ 28,393.52

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Auxiliary Enterprise Funds (Budget Basis)
 For the Year Ended June 30, 2008

	Current Year							Variance Over (Under)
	Laundry Service GAAP	Contingency GAAP	Trustee Discretionary GAAP	Total Auxiliary Enterprise Funds GAAP	Adjustments to Budget Basis	Total Auxiliary Enterprise Funds Budget Basis	Final Budget	
REVENUES								
Sales and Services of Auxiliary Enterprises	\$ 7,178.00	\$ -	\$ -	\$ 1,931,339.04	\$ (79,726.34)	\$ 1,851,612.70	\$ 1,950,000.00	\$ (98,387.30)
Student Sources								
Other Student Fees	-	-	-	640,100.09	526.65	640,626.74	1,145,000.00	(504,373.26)
Federal Sources								
Federal Grants	-	-	-	6,893.90	-	6,893.90	-	6,893.90
Other Revenues								
Miscellaneous	-	-	-	-	-	-	900,000.00	(900,000.00)
Interest	-	-	-	4,812.64	-	4,812.64	-	4,812.64
Operating Transfers from:								
General Fund	-	-	-	-	-	-	-	-
Bookstore Fund	-	-	-	-	-	-	-	-
Building Development Fund	-	-	-	-	-	-	-	-
TOTAL REVENUES	7,178.00	-	-	(79,199.69)	(79,199.69)	2,503,945.98	3,995,000.00	(1,491,054.02)
EXPENDITURES								
Auxiliary Enterprise								
Salaries and Benefits	-	-	-	256,912.32	1,933.38	258,845.70	445,000.00	(186,154.30)
General Operating Expense	10.00	-	-	148,520.75	-	148,520.75	1,150,000.00	(1,001,479.25)
Supplies	-	-	-	9,566.15	-	9,566.15	-	9,566.15
Capital Outlay	5,127.30	-	-	511,126.18	-	511,126.18	1,170,000.00	(658,873.82)
Scholarships	-	-	-	532,017.00	-	532,017.00	333,558.00	198,459.00
Food Service	-	-	-	316,366.75	-	316,366.75	-	316,366.75
Books and Merchandise	-	-	-	576,162.03	92,450.65	668,612.68	700,000.00	(31,387.32)
Operating Transfer to:								
General Fund	-	-	-	-	-	-	639,487.00	(639,487.00)
Revenue Bonds Fund	-	-	-	146,088.76	-	146,088.76	-	146,088.76
Campus Housing Fund	-	-	-	-	-	-	73,044.00	(73,044.00)
TOTAL EXPENDITURES	5,137.30	-	-	94,384.03	94,384.03	2,591,143.97	4,511,089.00	(1,919,945.03)
Excess of Revenues Over (Under) Expenditures	2,040.70	-	-	(173,583.72)	(173,583.72)	(87,197.99)	(516,089.00)	428,891.01
Unencumbered Cash								
Beginning of Year	22,829.02	25,000.00	278,171.72	1,904,906.07	(220,337.26)	1,684,568.81	1,767,889.00	(83,320.19)
End of Year	\$ 24,869.72	\$ 25,000.00	\$ 278,171.72	\$ 1,731,322.35	\$ (133,951.53)	\$ 1,597,370.82	\$ 1,251,800.00	\$ 345,570.82

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Plant Funds
 Revenue Bonds Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Other Sources						
Interest Income	\$ 7,262.07	\$ 7,586.41	\$ -	\$ 7,586.41	\$ 8,000.00	\$ (413.59)
Operating Transfers from:						
Bookstore Fund	71,369.38	73,044.38	-	73,044.38	73,457.00	412.62
Campus Housing Fund	71,369.38	73,044.38	-	73,044.38	73,457.00	412.62
TOTAL REVENUES	150,000.83	153,675.17	-	153,675.17	154,914.00	411.65
EXPENDITURES						
Plant, Equipment and Facility						
Capital Outlay	-	-	-	-	15,261.00	(15,261.00)
Debt Service						
Bond Principal	75,000.00	75,000.00	-	75,000.00	80,000.00	(5,000.00)
Bond Interest	68,432.51	66,087.51	826.25	66,913.76	66,914.00	(0.24)
Debt Service Expense	1.25	1,490.63	(1,489.38)	1.25	-	1.25
TOTAL EXPENDITURES	143,433.76	142,578.14	(663.13)	141,915.01	162,175.00	20,259.99
Excess of Revenues and Transfers Over (Under) Expenditures	6,567.07	11,097.03	663.13	11,760.16	(7,261.00)	(19,848.34)
Unencumbered Cash						
Beginning of Year	256,563.13	253,213.66	9,916.54	263,130.20	154,261.00	108,869.20
End of Year	\$ 263,130.20	\$ 264,310.69	\$ 10,579.67	\$ 274,890.36	\$ 147,000.00	\$ 89,020.86

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Plant Funds
 Unexpended (Capital Outlay) Fund (Budget Basis)
 For the Year Ended June 30, 2008
 With Comparative Actual Amounts for the Year Ended June 30, 2007

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
REVENUES						
Local Sources						
Ad Valorem Tax	\$ 267,102.64	\$ 267,698.76	\$ -	\$ 267,698.76	\$ 289,379.00	\$ (21,680.24)
Motor Vehicle Tax	10,976.69	38,061.18	-	38,061.18	34,080.00	3,981.18
Recreational Vehicle Tax	169.07	-	-	-	470.00	(470.00)
Delinquent Tax	1,748.65	4,774.21	-	4,774.21	2,619.00	2,155.21
In-Lieu of Tax	561.39	-	-	-	1,096.00	(1,096.00)
TOTAL REVENUES	280,558.44	310,534.15	-	310,534.15	327,644.00	(17,109.85)
EXPENDITURES						
Plant, Equipment and Facility Capital Outlay	224,348.48	157,764.11	-	157,764.11	377,295.00	(219,530.89)
TOTAL EXPENDITURES	224,348.48	157,764.11	-	157,764.11	377,295.00	(219,530.89)
Excess of Revenues and Transfers Over (Under) Expenditures	56,209.96	152,770.04	-	152,770.04	(49,651.00)	202,421.04
Unencumbered Cash Beginning of Year	198,682.48	254,892.44	-	254,892.44	219,166.00	35,726.44
End of Year	<u>\$ 254,892.44</u>	<u>\$ 407,662.48</u>	<u>\$ -</u>	<u>\$ 407,662.48</u>	<u>\$ 169,515.00</u>	<u>\$ 238,147.48</u>

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Changes in Assets and Liabilities
 All Agency Funds - Primary Institution
 For the Year Ended June 30, 2008

ACCOUNT NAME	Primary Institution			BALANCE JUNE 30, 2008
	BALANCE JUNE 30, 2007	ADDITIONS	DEDUCTIONS	
AGENCY FUND				
School Projects Accounts				
Sales Tax	\$ 5,407.26	\$ 66,721.09	\$ 70,876.74	\$ 1,251.61
Scholarships	2,225.00	183,187.91	183,950.90	1,462.01
Total School Projects	\$ 7,632.26	\$ 249,909.00	\$ 254,827.64	\$ 2,713.62
Student Organization Accounts				
Block & Bridle	\$ 731.38	\$ -	\$ -	\$ 731.38
Child Care Club	6,053.00	3,195.00	2,599.37	6,648.63
Fellow Christ. Ath.	-	73.77	73.77	-
J.C. PHI THETA KAPPA	1,869.91	2,309.00	2,096.68	2,082.23
J.C. Student Senate	576.62	-	165.00	411.62
PHI THETA KAPPA	142.20	1,951.61	1,829.81	264.00
Geary Co. SIFE	1,686.04	-	-	1,686.04
Radio Club	108.63	-	-	108.63
Total Student Organizations	\$ 11,167.78	\$ 7,529.38	\$ 6,764.63	\$ 11,932.53
TOTAL AGENCY FUNDS	\$ 18,800.04	\$ 257,438.38	\$ 261,592.27	\$ 14,646.15
Assets				
Cash and Investments	\$ 18,800.04	\$ 257,438.38	\$ 261,592.27	\$ 14,646.15
TOTAL ASSETS	\$ 18,800.04	\$ 257,438.38	\$ 261,592.27	\$ 14,646.15
Liabilities				
Accounts Payable	\$ 296.00	\$ -	\$ 296.00	\$ -
Deposits Held For Others	18,504.04	257,438.38	261,296.27	14,646.15
TOTAL LIABILITIES	\$ 18,800.04	\$ 257,438.38	\$ 261,592.27	\$ 14,646.15

**CLOUD COUNTY COMMUNITY COLLEGE
CONCORDIA, KANSAS**

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2008

AUDITOR INFORMATION SHEET

CLOUD COUNTY COMMUNITY COLLEGE

2221 Campus Drive
CONCORDIA, KANSAS 66901

EIN NUMBER: 48-0732624
OPE ID NUMBER: 00190900
DUNS NUMBER: 193521770

TELEPHONE : (785) 243-1435
FAX: (785) 243-1043

PRESIDENT: Dr. Richard Underbakke
CONTACT PERSON & TITLE: Mary LaBarge, Director of Accounting Services

LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: KS 8005
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
P.O. Box 779
Chanute, Kansas 66720
FIRM'S FEDERAL ID NUMBER : 20-3906022
TELEPHONE: (620) 431-6342
FAX: (620) 431-0724

PROGRAMS EXAMINED:	PELL	84.063
	FSEOG	84.007
	FWS	84.033
	FDL	84.268
	ACG	84.375

For the Award Year that ended during the institution's fiscal year, the percentage of:

Correspondence or telecommunication courses to total courses	NONE
Regular students enrolled in correspondence courses	NONE
Regular students that are incarcerated	NONE
Regular students enrolled based on ability to benefit	NONE
For short term programs—	
Completion	N/A
Placement	N/A

The campuses/locations considered as part of this entity and covered or excluded by this examination are:

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Concordia	Yes	Yes	Yes	1965	N/A	2007	N/A
Abilene	Yes	Yes	Yes	1990	N/A	2007	N/A
Clay Center	Yes	Yes	Yes	1978	N/A	2007	N/A
Junction City	Yes	Yes	Yes	1991	N/A	2007	N/A

Institution's Primary Accrediting Organization: North Central Association of Colleges and Schools

The College does not use a servicer.

Records for the accounting and administration of the SFA Programs are located at:

CLOUD COUNTY COMMUNITY COLLEGE
 2221 CAMPUS DRIVE
 CONCORDIA, KANSAS 67337

For Close-Out Examination only: N/A

Open bank accounts or unexercised securities that may contain Federal Funds:

<u>BANK</u>	<u>ACCOUNTS</u>
The Citizens National Bank	7419421
115 West 6 th St.	7419432
Concordia, Ks 66901	7419410

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct Programs:			
Student Financial Assistance Programs Cluster			
Federal Supplemental Education Opportunity	N/A	84.007 (M)	\$ 53,800.00
Federal Supplemental Education Opportunity - Administration	N/A	84.007 (M)	3,146.00
		Total 84.007	<u>56,946.00</u>
Federal College Workstudy	N/A	84.033 (M)	109,503.00
Federal Pell Grant	N/A	84.063 (M)	1,588,012.00
Federal Pell Grant Administration	N/A	84.063 (M)	3,610.00
		Total 84.063	<u>1,591,622.00</u>
Federal Direct Loan (1)	N/A	84.268 (M)	1,891,753.00
Academic Competitiveness Grant	N/A	84.375 (M)	47,867.00
Total Student Financial Assistance Programs Cluster			<u>3,697,691.00</u>
Strengthening Institutions	N/A	84.031A	265,229.71
TRIO - Student Support Services	N/A	84.042A	180,752.26
Passed through the State of Kansas Department of Education:			
Adult Basic Education Program	FY07- ABE	84.002	85,957.00
Carl Perkins Vocational Education Grants: Program Improvement	LEA#JO803	84.048	113,893.00
Total U.S. Department of Education			<u>4,343,522.97</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through the Clay County Head Start			
Child Care Development Block Grant	07-CCDBG	93.575	10,625.01
Total U.S. Department of Health and Human Services			<u>10,625.01</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the State Department of Education			
Child and Adult Care Food Program	LEA#JO803	10.558	6,893.90
Total U.S. Department of Agriculture			<u>6,893.90</u>
FEDERAL ASSISTANCE TOTALS			<u><u>\$ 4,361,041.88</u></u>

This schedule has been prepared in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned. Expenditures are recorded when goods or services are received.

(1) These are loans to students and parents at the College and are not included in the College's revenues and expenditures.

(M) Major Programs

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
Cloud County Community College
Concordia, Kansas

We have audited the financial statements of Cloud County Community College as of and for the year ended June 30, 2008, and have issued our report thereon dated February 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cloud County Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the College's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Cloud County Community College in a separate letter dated February 15, 2009.

This report is intended solely for the information and use of management, the Board of Trustees, others within the College, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA.
Certified Public Accountants

February 15, 2009
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Cloud County Community College
Concordia, Kansas

Compliance

We have audited the compliance of Cloud County Community College with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Cloud County Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cloud County Community College's management. Our responsibility is to express an opinion on Cloud County Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cloud County Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cloud County Community College's compliance with those requirements.

As described in item 2008-1 and 2008-2 in the accompanying schedule of findings and questioned costs, Cloud County Community College did not comply with requirements regarding Eligibility and Special Tests and Provisions that are applicable to its Student Financial Aid Cluster. Compliance with such requirements is necessary, in our opinion, for Cloud County Community College to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Cloud County Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Cloud County Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cloud County Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cloud County Community College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-1 and 2008-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2008-1 and 2008-2 to be material weaknesses.

Cloud County Community College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Cloud County Community College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Trustees, others within the College, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA.
Certified Public Accountants

February 15, 2009
Chanute, Kansas

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas

Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2008

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

The auditors' report expresses an unqualified opinion on the basic financial statements of Cloud County Community College.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____	X	_____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____	X	_____	No
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____	X	_____	No

Federal Awards:

Internal control over major programs:						
Material weakness(es) identified?	_____	X	_____	_____	_____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____	X	_____	No

The auditors' report on compliance for the major federal award programs for Cloud County Community College expresses an qualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	X	_____	_____	_____	No
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Identification of major programs:

U.S. DEPARTMENT OF EDUCATION

- Student Financial Aid Cluster
 - Federal Pell Grant Program – CFDA No. 84.063
 - Federal Family Education Loans – CFDA No. 84.032
 - Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007
 - Federal Work-Study Program – CFDA No. 84.033
 - Academic Competitiveness Grant – CFDA No. 84.375

The threshold for distinguishing Types A and B programs was \$300,000.00.

Auditee qualified as a low risk auditee?	_____	X	_____	_____	_____	No
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II. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

	Questioned Costs
U.S. DEPARTMENT OF EDUCATION	
Student Financial Aid Cluster	
Federal Pell Grant Program – CFDA No. 84.063	None
Federal Family Education Loans – CFDA No. 84.032	None
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007	None
Federal Work-Study Program – CFDA No. 84.033	None
Academic Competitiveness Grant – CFDA No. 84.375	None

Finding: 2008-01 – Eligibility

Student Financial Aid Cluster	
Federal Pell Grant Program – CFDA No. 84.063	
Federal Family Education Loans – CFDA No. 84.032	
Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007	
Federal Work-Study Program – CFDA No. 84.033	
Academic Competitiveness Grant – CFDA No. 84.375	

Criteria:

Proper awarding of student financial aid require the College to have controls in place for the properly determining eligibility. Determining the annual award is based on the cost of attendance, the EFC, and from the Payment or Disbursement Schedule for the student’s enrollment status (i.e., full-time, three quarter-time, half-time, or less than half-time).

Condition:

During the testing of Federal Pell Grant Program it was noted 3 of 60 tested students were under awarded the Federal Pell Grant based on the criteria presented above.

Effect:

The student did not get full benefit of the student Federal financial aid available.

Cause:

The College purchased a software program that awards the Federal aid, however, the College lacked proper internal controls over awarding and the error was not detected.

Recommendation:

Policies and procedures should be written to provide internal control over awarding of financial aid. We recommend the College establish a review process, such as sampling a portion of each awarded student population to ensure purchased computer software is properly awarding student financial aid.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on page 57 of the current year audit.

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding: 2008-02 – Special Tests and Provisions

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Family Education Loans – CFDA No. 84.032

Federal Supplemental Educational Opportunity Grant – CFDA No. 84.007

Federal Work-Study Program – CFDA No. 84.033

Academic Competitiveness Grant – CFDA No. 84.375

Criteria:

When a recipient of Title IV grant or loan assistance does not begin attendance at an institution during a payment period or period of enrollment, all disbursed Title IV grant and loan funds must be returned. The institution must determine which Title IV funds it must return or if it has to notify the lender or the Secretary to issue a final demand letter (34 CFR section 668.21).

Condition:

During the testing of the return of Title IV funds, it was noted 7 of 11 tested refunds were not returned in the required time limit.

Effect:

The institution kept Federal funds longer than allowed by Title IV regulations.

Cause:

The College did not have proper procedures in place that allowed for the timely notification to the fiscal department that the return of funds was due.

Recommendation:

Policies and procedures should be written to provide internal control over the return of Federal funds. We recommend the College establish a communication process that allows for the notification of the refund due and a control in place that allows the financial aid department to know the refund was returned timely.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on page 57 of the current year audit.

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Cloud County Community College is accredited by the Kansas State Department of Education and the North Central Association of Colleges and Secondary Schools. The audit fieldwork was conducted at the College's administrative building in Concordia, Kansas at various dates from October 27, 2008 to October 30, 2008. The following is a schedule of statistics for the year ended June 30, 2008:

TOTAL POPULATION:

	PELL	FDL	FSEOG	ACG	FWS
Universe					
Dollars	\$ 1,588,012	\$ 1,891,753	\$ 53,800	\$ 47,867	\$ 156,130
Students	724	667	160	58	129
Sample					
Dollars	\$ 144,375	\$ 158,745	\$ 3,200	\$ 5,975	\$ 13,688
Students	65	50	9	7	12

ENROLLED, GRADUATED OR STUDENTS ON AN APPROVED LEAVE OF ABSENCE:

	PELL	FDL	FSEOG	ACG	FWS
Universe					
Dollars	\$ 1,540,170	1,863,651	\$ 52,200	\$ 47,492	\$ 155,548
Students	752	649	152	57	128
Sample					
Dollars	\$ 125,669	\$ 153,004	\$ 2,600	\$ 5,225	\$ 11,766
Students	52	45	7	6	9

WITHDREW, DROPPED OR TERMINATED STUDENTS:

	PELL	FDL	FSEOG	ACG	FWS
Universe					
Dollars	\$ 47,842	28,102	\$ 1,600	\$ 375	\$ 582
Students	32	18	8	1	1
Sample					
Dollars	\$ 18,706	\$ 5,741	\$ 600	\$ 750	\$ 1,922
Students	13	5	2	1	3

WITHDREW, DROPPED OR TERMINATED STUDENTS:

	PELL	FDL	FSEOG	ACG	FWS
Universe					
Dollars Refunded	\$ 7,738	\$ 5,986	\$ - 0 -	\$ - 0 -	\$ - 0 -
Students	14	8	0	0	0
Sample					
Dollars Refunded	\$ 4,210	\$ 4,414	\$ - 0 -	\$ - 0 -	\$ - 0 -
Students	7	4	0	0	0

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

Schedule of Resolution of Prior Year's Audit Findings and Questioned Costs
For the Year Ended June 30, 2008

NONE

Corrective Action Plan

February 15, 2009

Cognizant or Oversight Agency for Audit

Cloud County Community College respectfully submits the following corrective action plan for the year ended June 30, 2008.

Name and address of independent public accounting firm: Jarred, Gilmore & Phillips, PA, P.O. Box 779, 1815 S Santa Fe, Chanute, Kansas 66720.

Audit period: Year ended June 30, 2008.

The findings from the February 15, 2009 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

Finding 2008-01 – Eligibility

Recommendation:

Policies and procedures should be written to provide internal control over awarding of financial aid. We recommend the College establish a review process, such as sampling a portion of each awarded student population to ensure purchased computer software is properly awarding student financial aid.

Action Taken:

The Financial Aid office has implemented procedures to ensure that reports are generated to check on ISIR's that have come in and are not posted. Copies of all new ISIR's that are imported are verified to make sure that the correct one is being used that was awarded upon. A report has also been built that shows students who are Pell eligible, their EFC, and the amounts to be disbursed. This report will be checked prior to disbursement, thus eliminating the chance of under or over-awarding.

Finding 2008-02 – Special Tests and Provisions

Recommendation:

Policies and procedures should be written to provide internal control over the return of Federal funds. We recommend the College establish a communication process that allows for the notification of the refund due and a control in place that allows the financial aid department to know the refund was returned timely.

Action Taken:

A written procedure is now in place to ensure the timely return of Federal Funds. When a student does a total withdrawal during the semester or an unofficial withdrawal at the end of the semester, the financial aid office completes the R2T4 form and calculates any repayment due. They submit any changes to the student accounts via the business office and also provides them a copy of the R2T4 form. The business office then returns the Title IV funds through the G5 government website and lets the Financial Aid office know the date the money was returned. This completes the repayment process between the business office and financial aid office.

If the Oversight Agency for Audit has questions regarding this plan, please call Sherry Campbell, Financial Aid Director, at (785) 243-1435 ext 284.

Sincerely,

Cloud County Community College

Cloud County Community College



February 15, 2009

MANAGEMENT LETTER

Board of Directors
Cloud County Community College
Concordia, Kansas

In planning and performing our audit of the financial statements of Cloud County Community College as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Cloud County Community College's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the college's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the college's financial statements that is more than inconsequential will not be prevented or detected by the college's internal control. We consider the deficiencies described below to be significant deficiencies in internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses:

Title IV - Eligibility

Proper awarding of student financial aid require the college to have controls in place for the properly determining eligibility, Determining the annual award is based on the cost of attendance, the EFC, and from the Payment or Disbursement Schedule for the student's enrollment status (i.e., full-time, three quarter-time, half-time, or less than half-time). During the testing of Federal Pell Grant Program it was noted 3 of 60 tested students were under awarded the Federal Pell Grant based on the criteria presented above. The College purchased a software program that awards the Federal aid, however, the College lacked proper internal controls over awarding and the error was not detected. Policies and procedures should be written to provide internal control over awarding of financial aid. We recommend the College establish a review process, such as sampling a portion of each awarded student population to ensure purchased computer software is properly awarding student financial aid.

CERTIFIED PUBLIC ACCOUNTANTS

412 W MAIN, PO BOX 97
NEODESHA, KANSAS 66757
(620) 325-3430

1815 S SANTA FE, PO BOX 779
CHANUTE, KANSAS 66720
(620) 431-6342

16 W JACKSON, PO BOX 768
IOLA, KANSAS 66749
(620) 365-3125

www.jgppa.com

Special Tests and Provisions – Title IV Refunds

When a recipient of Title IV grant or loan assistance does not begin attendance at an institution during a payment period or period of enrollment, all disbursed Title IV grant and loan funds must be returned. The institution must determine which Title IV funds it must return or if it has to notify the lender or the Secretary to issue a final demand letter (34 CFR section 668.21). During the testing of the return of Title IV funds, it was noted 7 of 11 tested refunds were not returned in the required time limit. The College did not have proper procedures in place that allowed for the timely notification to the fiscal department that the return of funds was due. Policies and procedures should be written to provide internal control over the return of Federal funds. We recommend the College establish a communication process that allows for the notification of the refund due and a control in place that allows the financial aid department to know the refund was returned timely.

Other Matters

As a result of planning and performing the audit, we noted certain other matters that came to our attention that are not reflected in the auditors' report or the financial statements which we feel worthy of consideration by management. These matters are presented below:

Bank Reconciliations

Although we were advised that all bank reconciliations are approved by a responsible employee, no indication of such review was evident on the reconciliations selected for review. We recommend that the reconciliations be signed or initialed as an indication of approval.

Bank Accounts

During our testing of bank accounts it was noted College staff had opened a separate checking account without Board consent. All accounts of the College should be opened only with Board approval and at that time authorized checks signers can be identified. We recommend all staff be reminded of the importance of Board oversight and not open any accounts without proper prior Board approval.

The preceding comments and recommendations have been considered in our audit of the financial statements for the year ended June 30, 2008. We appreciate the opportunity to be of service to the College. The College staff were very helpful during the audit. If you have any questions concerning the audit, management letter, or any other matters, please feel free to contact our office.

This communication is intended solely for the information and use of management, the Board of Trustees, others within the college, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants