

**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, 2011

**CLOUD COUNTY COMMUNITY COLLEGE**  
Concordia, Kansas

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**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, 2011 with selected comparative information for the year ended June 30, 2010. 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, Concordia, Kansas.

### **Highlights to the Financial Statements:**

Cloud County Community College completed a solid performance for the fiscal year ended June 30, 2011. In 2011 the College experienced a modest increase in enrollment but again reached the highest credit enrollment level in its history. Tuition and fees revenues, state appropriations, federal Pell grants, and auxiliary sales and service revenues increased. They increased by \$152,715, \$323,327, \$222,935 and \$266,281 respectively. The College also had a modest decline in county appropriations due to the College's decision for the fifth consecutive year to not change the request from local property taxpayers. At year end, the College's assets exceeded its liabilities by \$14,748,251 compared to the June 30, 2010 amount of \$13,661,872. Of this amount, \$7,361,119 is classified as unrestricted net assets compared to \$10,034,163 in 2010. These unrestricted net assets may be used to meet the College's ongoing obligations and decreased by \$2,673,045 in fiscal year 2011. The majority of this decrease is associated with the unrestricted net assets from capital lease proceeds and revenue bond proceeds being expended in fiscal year 2011. The capital lease proceeds were expended during 2011 for the installation of a geo-thermal HVAC system which was completed in Mid-August of 2011; and the remaining revenue bond proceeds were expended in early fiscal year 2011 for the completion of a new 74 bed residence life facility.

### **Combined Statement of Net Assets**

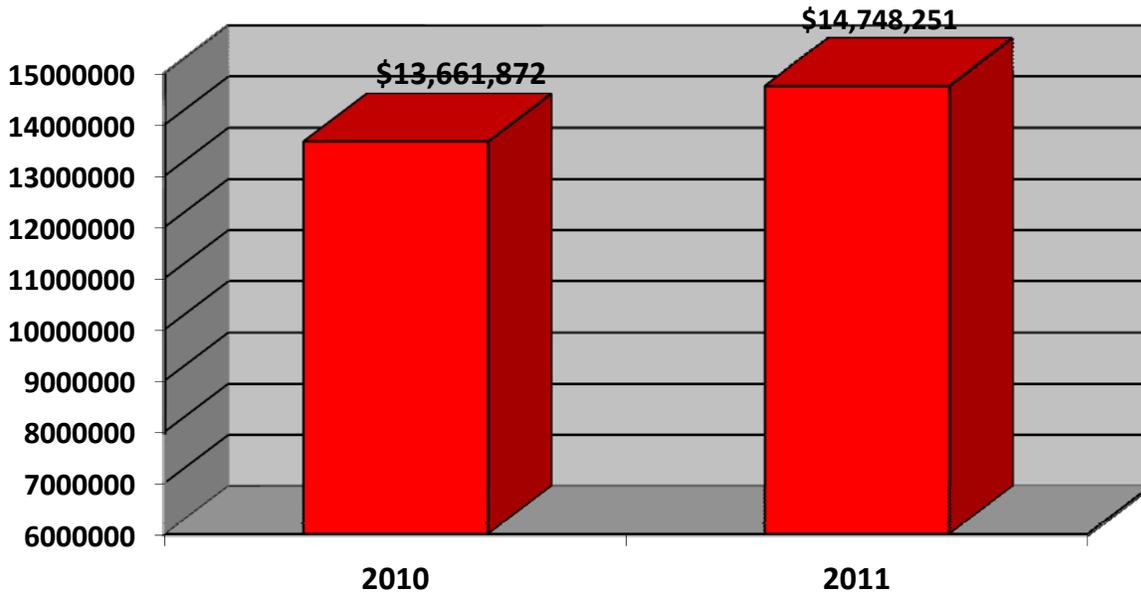
The combined statement of net assets presents the assets, liabilities, and net assets of the College at June 30, 2011. The purpose of the combined statements of net assets is to present the financial condition of the College.

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

**Comparison of Assets – Fiscal Year 2010 to 2011**

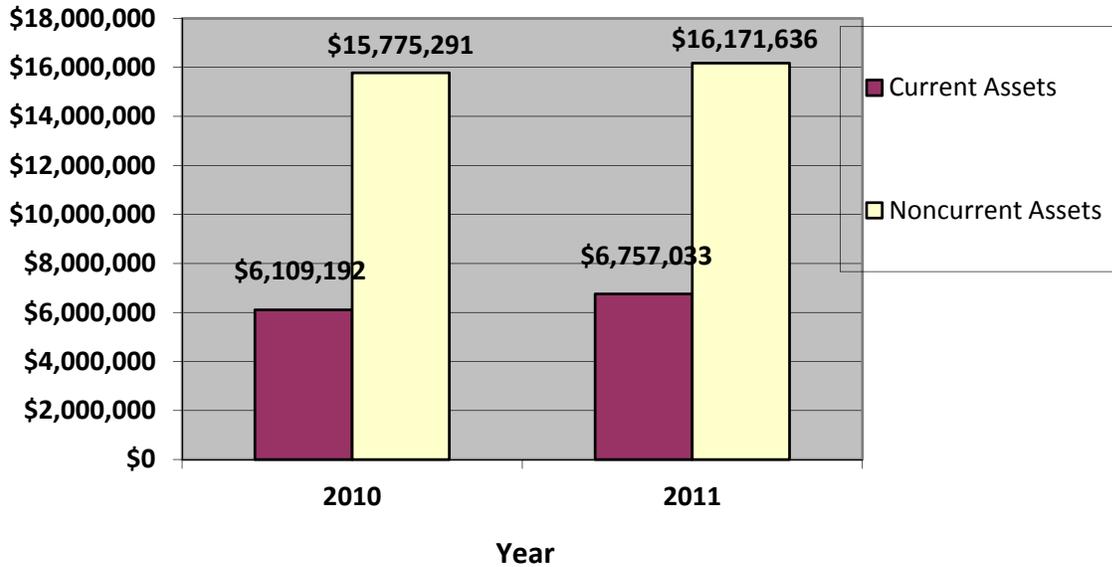
Net assets are presented in three major categories. The first is invested in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net assets increased during the current fiscal year from \$13,661,872 to \$14,748,251 for a total increase of \$1,086,378, or on a percentage basis this is an 8.0% increase.

**Net Assets for 2010 Compared to 2011:**

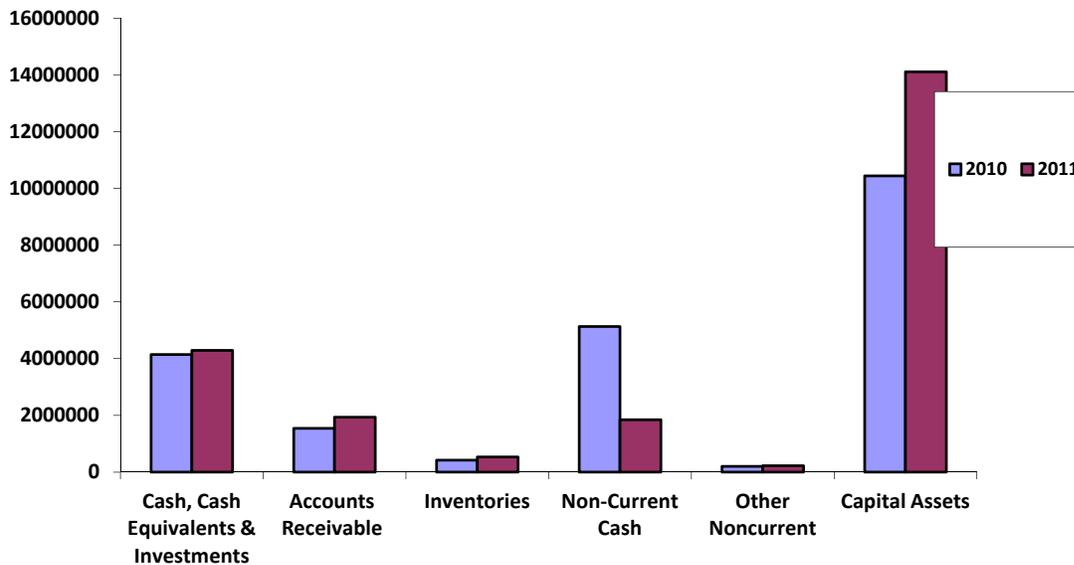


The College's current assets consist primarily of cash, short-term investments, and accounts receivables; while noncurrent assets consist mainly of capital assets. The College's current assets in 2011 were \$6,757,033 compared to \$6,109,192 in 2010. This reflects an increase in current assets from 2010 to 2011 of \$647,841 or a 10.6% increase. Total breakdown of assets between current and noncurrent classifications follows:

### Total Assets 2010 and 2011



### 2010 and 2011 Total Assets by Type



Of the \$22,928,669 in total assets, approximately 29.5% are in current assets. Noncurrent assets represent 70.5% of total assets. Total assets increased by \$1,044,186 in 2011 which represents a 4.77% increase from FY 2010.

### Comparison of Liabilities – Fiscal Year 2010 to 2011

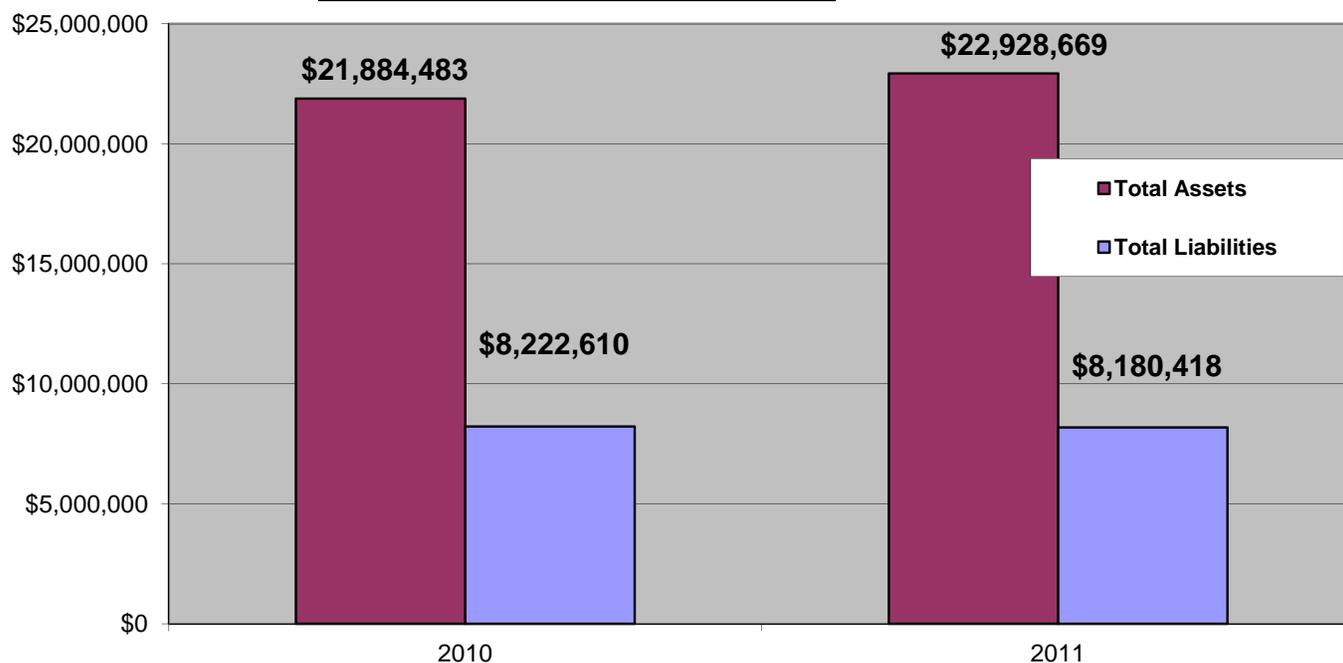
The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, and deferred revenue. The noncurrent liabilities portion is due to the College's 2011 Series Revenue Bonds, notes payable for a 0% interest deferred maintenance loan from the State of Kansas, and the Capital Lease Payable for the Geo-Thermal HVAC system. The 2011 revenue bond was completed in February of 2011 and served two primary purposes: 1) to provide funding to build the Thunder Heights Residence life facility; 2) for the purchase and installation of equipment for the complete replacement of the existing HVAC system with a Geo-Thermal HVAC system. The total current liabilities of the College were increased by \$84,152 or 9.8% for 2011 when compared to 2010. However, the current ratio of current assets to current liabilities still remained high at 14.0 to 1. The breakdown of current liabilities and noncurrent is as follows:

	2010	% Total 2010	2011	% Total 2011
<b>Current Liabilities</b>	<b>863,069</b>	<b>10.50%</b>	<b>947,220</b>	<b>11.58%</b>
<b>Noncurrent Liabilities</b>	<b>7,359,542</b>	<b>89.50%</b>	<b>7,233,198</b>	<b>88.42%</b>
<b>Total Liabilities</b>	<b>8,222,611</b>	<b>100.00%</b>	<b>8,180,418</b>	<b>100.00%</b>

### **Comparison of Assets to Liabilities**

In 2011 total assets increased by \$1,044,186 while total liabilities decreased by \$42,192. This represents a 4.8% increase in total assets and a .5% decrease in total liabilities. The increase in total assets was generated by increases in current assets, capital assets, and decreases in noncurrent cash and cash equivalents.

### **2011 & 2011 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, 2011. The statements include the College's revenue and expenses, both operating and nonoperating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Nonoperating revenues and expenses are those that exclude specific goods and services. Examples of nonoperating 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.

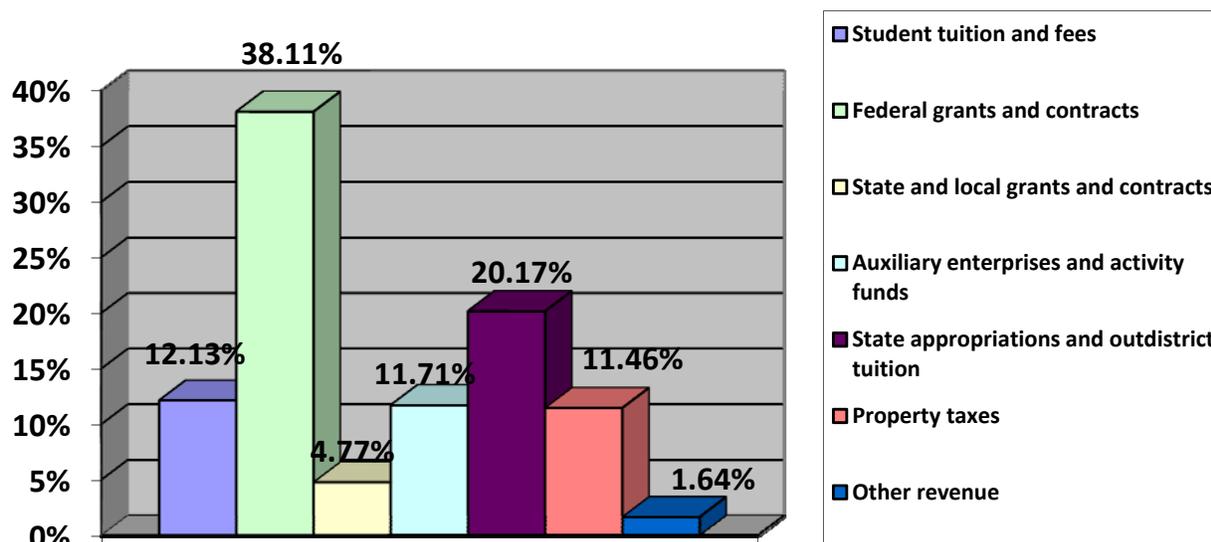
**Revenue**

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 after year as a percentage of the total.

	2010	% Total 2010	2011	% Total 2011
Student tuition and fees	2,423,021	11.88%	2,575,737	12.13%
Federal grants and contracts	7,920,124	38.82%	8,091,914	38.11%
State and local grants and contracts	981,384	4.81%	1,013,025	4.77%
Auxiliary enterprises and activity funds	2,293,921	11.25%	2,485,143	11.71%
State appropriations	3,958,772	19.41%	4,282,099	20.17%
Property taxes	2,455,749	12.04%	2,433,578	11.46%
Other revenue	365,743	1.79%	349,164	1.64%
Total revenue	20,398,714	100.00%	21,230,660	100.00%

### 2011 Total Revenue Sources by Percentage



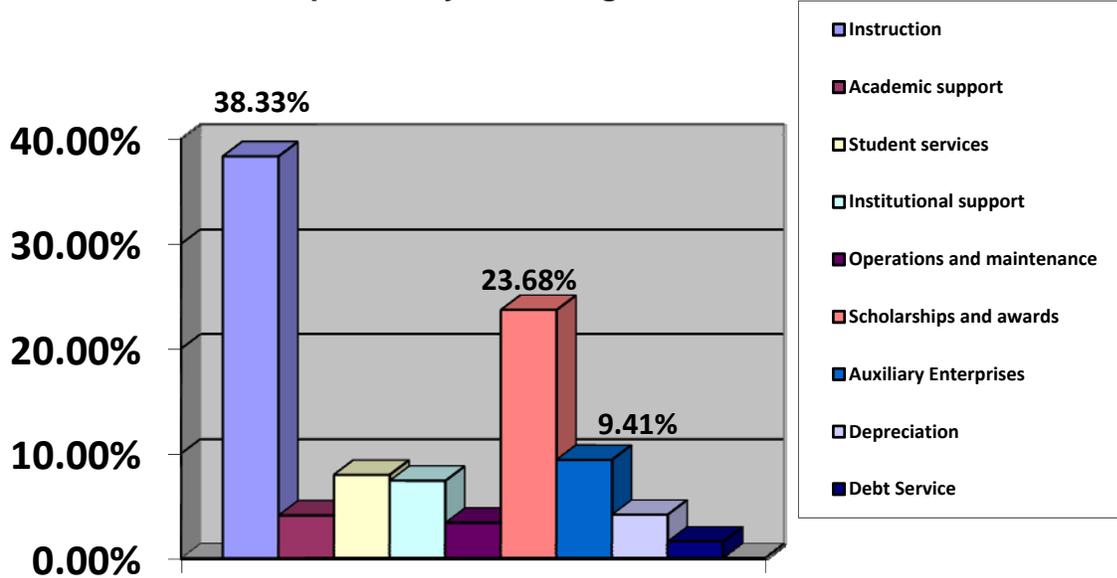
### Expenditures

Components of expenses:

Cloud County Community College incurs nine types of expenses including 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 2010 and 2011 and the 2010 and 2011 expenses by percentage:

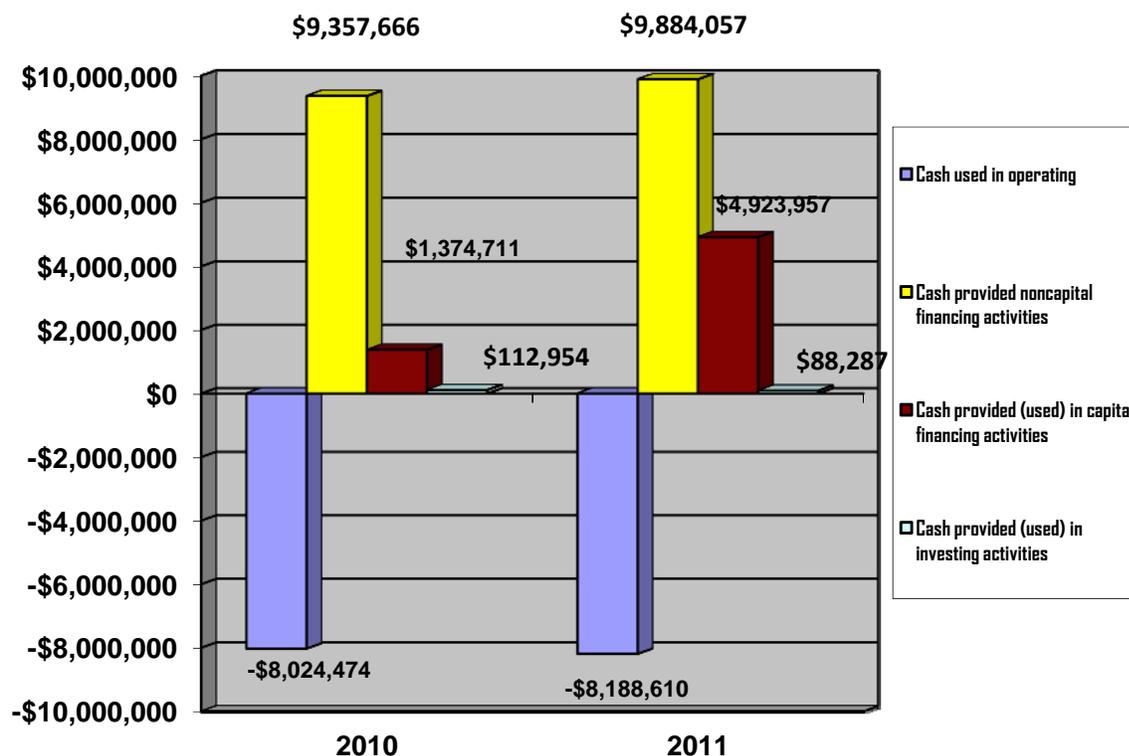
	2010	% Total 2010	2011	% Total 2011
Instruction	8,252,834	41.0%	7,721,808	38.3%
Academic support	898,872	4.5%	823,997	4.1%
Student services	1,736,326	8.6%	1,604,584	8.0%
Institutional support	1,415,385	7.0%	1,487,687	7.4%
Operations and maintenance	726,444	3.6%	680,326	3.4%
Scholarships and awards	3,344,978	16.6%	4,769,724	23.7%
Auxiliary enterprises	1,651,820	8.2%	1,895,258	9.4%
Depreciation	743,504	3.7%	839,057	4.2%
Debt Service	136,471	0.7%	321,838	1.6%
Total Education and General	18,906,634	93.9%	20,144,279	100.0%

**2011 Expenses by Percentage**



**Statement of Cash Flows**

The statement of cash flows presents 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 2011 increased by \$164,136 from 2010, while cash provided from noncapital financing in 2011 increased by \$526,392 from 2010. Cash used in capital financing activities in 2011 increased \$6,298,668, and cash provided from investing activities in 2011 decreased by \$24,668. The net decrease in cash and cash equivalents for 2011 was \$3,140,222 as compared to an increase of \$2,820,857 in 2010. This decrease in cash and cash equivalents was essentially caused by use of cash from 2010 borrowing for the purchase of capital assets.



**Summary of Overall Performance**

Cloud County Community College's financial condition improved this fiscal year because of a modest increase in credit hours and an increase of 8.2% in State of Kansas appropriations. Net assets increased on an accrual basis in 2011 by \$1,086,379 to a total of \$14,748,251. Total operating and nonoperating revenues were \$21,230,660, while operating expenses were \$20,144,279. In 2011 total assets increased by \$1,044,186, while total liabilities decreased by \$42,192. Current assets exceeded current liabilities by \$5,809,813. The FY 2011 enrollment increases unfortunately did not generate increases in FY 2012 State of Kansas appropriations. The College also anticipates little if any increase in State of Kansas appropriations in fiscal years 2013 and 2014. Unless enrollment increases by more than anticipated, the College will need to seek alternative sources of operating and nonoperating revenue which may include increases in local property taxes, significant tuition rate increases; and/or significant adjustment to operational expense allocations. The College is making adjustments in expense allocations and is working to continue to increase enrollment levels to provide revenue sources to deal with limited future State appropriation increases but may need to consider property tax levy increases.

**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 as of June 30, 2011, 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, 2011, 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 November 4, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through viii and 41 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cloud County Community College's financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

P.O. Box 779  
Chanute, Kansas 66720  
(620) 431-6342  
November 4, 2011

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas  
Statement of Net Assets  
June 30, 2011

	<u>Primary Institution</u>	<u>Component Unit - Foundation</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 4,289,881.89	\$ 448,747.88
Accounts Receivable, Net	1,936,573.70	6,629.04
Promises to Give	-	734,668.28
Inventories	530,577.46	-
Investments	-	2,261,078.62
Total Current Assets	<u>6,757,033.05</u>	<u>3,451,123.82</u>
Noncurrent Assets		
Cash and Cash Equivalents	1,845,063.15	-
Accounts Receivable, Net	19,077.00	-
Cash Value of Life Insurance	-	2,578.65
Bond Issuance Costs, Net of Accumulated Amortization	202,586.34	-
Capital Assets, Net of Accumulated Depreciation	<u>14,104,909.72</u>	<u>2,410.00</u>
Total Noncurrent Assets	<u>16,171,636.21</u>	<u>4,988.65</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 22,928,669.26</u></u>	<u><u>\$ 3,456,112.47</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 342,854.56	\$ 5,475.72
Accrued Wages	119,497.51	-
Accrued Interest	106,895.52	-
Deferred Revenue	96,229.00	-
Compensated Absences	239,262.19	-
Deposits Held in Custody for Others	<u>42,481.21</u>	<u>-</u>
Total Current Liabilities	<u>947,219.99</u>	<u>5,475.72</u>
Noncurrent Liabilities		
Revenue Bonds Payable	4,055,000.00	-
Notes Payable	623,198.26	-
Capital Lease Payable	<u>2,555,000.00</u>	<u>-</u>
Total Noncurrent Liabilities	<u>7,233,198.26</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><u>8,180,418.25</u></u>	<u><u>5,475.72</u></u>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Related Debt	6,871,711.46	2,410.00
Restricted- Expendable:		
Bond and Interest	184,645.83	-
Bond Reserve	330,775.00	-
Other Temporarily Restricted	-	826,297.62
Restricted- Nonexpendable	-	1,894,537.85
Unrestricted	<u>7,361,118.72</u>	<u>727,391.28</u>
<b>TOTAL NET ASSETS</b>	<u><u>14,748,251.01</u></u>	<u><u>3,450,636.75</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 22,928,669.26</u></u>	<u><u>\$ 3,456,112.47</u></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, 2011

	Primary Institution	Component Unit - Foundation
<b>REVENUES</b>		
Operating Revenues		
Student Tuition and Fees, (net of scholarship discounts and allowances of \$1,619,454.84)	\$ 2,575,736.93	\$ -
Federal Grants and Contracts	4,940,834.37	-
State Grants and Contracts	1,013,025.22	-
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$1,832,838.26)	1,161,890.84	-
Activity Fund Revenues	1,323,251.97	-
Miscellaneous Operating Income	240,348.32	12,603.66
Total Operating Revenues	<u>11,255,087.65</u>	<u>12,603.66</u>
<b>EXPENSES</b>		
Operating Expenses		
Educational and General		
Instruction	7,721,808.45	-
Academic Support	823,997.30	-
Student Services	1,604,584.25	-
Institutional Support	1,487,687.63	179,715.47
Operation and Maintenance	680,326.33	-
Scholarships, Grants and Awards	4,769,724.46	160,169.00
Fundraising	-	29,701.96
Auxiliary Enterprises	1,895,258.52	-
Activity Fund Expenses	-	66,041.27
Depreciation Expense	839,057.46	-
Total Operating Expenses	<u>19,822,444.40</u>	<u>435,627.70</u>
Operating Income (Loss)	<u>(8,567,356.75)</u>	<u>(423,024.04)</u>
Nonoperating Revenues (Expenses)		
State Appropriations	4,282,099.00	-
County Appropriations	2,433,578.31	-
Federal Pell Grants	3,151,080.00	-
Gifts and Contributions	17,300.00	445,880.18
Investment Income	88,286.50	395,805.19
Debt Service	(321,837.52)	-
Gain (Loss) on Sale of Asset	3,229.00	-
Net Operating Revenues (Expenses)	9,653,735.29	841,685.37
Increase (Decrease) in Net Assets	1,086,378.54	418,661.33
Net Assets - Beginning of Year	<u>13,661,872.47</u>	<u>3,031,975.42</u>
Net Assets - End of Year	<u>\$ 14,748,251.01</u>	<u>\$ 3,450,636.75</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, 2011

	Primary Institution	Component Unit - Foundation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student Tuition and Fees	\$ 2,188,139.11	\$ -
Federal Grants and Contracts	4,940,834.37	-
State Grants and Contracts	1,013,025.22	-
Sales and Services of Auxiliary Enterprises	1,161,890.84	-
Activity Fund Revenues	1,323,251.97	-
Miscellaneous Income	240,348.32	12,603.66
Payments on Behalf of Employees	(9,286,869.82)	-
Payments for Supplies and Materials	(2,366,941.09)	-
Payments for Other Expenses	(7,402,288.54)	(436,255.35)
Net cash provided by (used in) operating activities	<u>(8,188,609.62)</u>	<u>(423,651.69)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Appropriations	4,282,099.00	-
County Appropriations	2,433,578.31	-
Federal Pell Grant	3,151,080.00	-
Gifts and Contributions	17,300.00	483,258.89
Net cash provided by (used in) noncapital financing activities	<u>9,884,057.31</u>	<u>483,258.89</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Payments for Purchase of Capital Assets	(4,498,869.57)	-
Interest Paid on Long Term Debt	(278,096.94)	-
Payments for Bond Issuance Costs	(20,646.17)	-
Proceeds from the Issuance of Debt	171,294.00	-
Principal Payments on Revenue Bonds	(297,638.00)	-
Net cash provided by (used in) capital financing activities	<u>(4,923,956.68)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Earned on Investments	88,286.50	52,332.02
Proceeds from the Sales and Maturities of Investments	-	302,899.12
Purchase of Investments	-	(606,834.42)
Net cash provided by (used in) investing activities	<u>88,286.50</u>	<u>(251,603.28)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,140,222.49)	(191,996.08)
Cash and Cash Equivalents, Beginning of Year	<u>9,275,167.53</u>	<u>640,743.96</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,134,945.04</u>	<u>\$ 448,747.88</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, 2011

### **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 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 Unit

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.

#### 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.

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

Basis of Accounting (Continued)

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. 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.

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, 2011.

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 2009 are recorded as taxes receivable. Approximately 2% to 6% of these taxes are normally distributed after June 30, 2011, 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.

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).

Noncurrent Cash and Cash Equivalents

Cash and cash equivalents 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.

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

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

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.

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.

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:

Invested 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.

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.

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

Net Assets (Continued)

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.

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.

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.

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

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.

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.

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.

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, Deferred Maintenance, 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.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

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 Surplus Account. This fund may pay costs of operation, maintenance, repair, improvements or redeem the revenue bonds prior to their normal maturity.
  - (e) 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, 2011, the College met the gross operating income covenant, as follows:

Increase (Decrease) in Net Assets (Page 35)	\$ 213,240.80
Net Transfers	333,624.75
Capital Outlay	<u>61,025.11</u>
Net Income as defined by Bond Agreements	<u>\$ 607,890.66</u>
Required 125% of the proceeding year principle and interest	<u>\$ 408,828.13</u>

During the fiscal year ended June 30, 2011, all of the transfers required by #2 above, were made. At June 30, 2011, the bond reserves had the following balances:

	<u>REQUIRED</u>	<u>ACTUAL</u>
Debt Service Account	\$ 184,645.83	\$184,645.83
Dormitory Bond Reserve Account	330,775.00	630,235.64

Compliance with Kansas Statutes

Supplemental Schedules 4 to 11 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Schedule 5, 10, and 11 the College was in apparent violation of K.S.A. 79-2934 as the College has obligated expenditures in excess of budgetary limits. The College has obligated expenditures in excess of budgetary limits in the Capital Outlay Fund, however, K.S.A 10-1,116 provides that under certain situations, the fund can exceed budgeted amounts and, therefore, exempt from the budget laws of the State of Kansas. The Capital Outlay Fund met the criteria under the statutes and, therefore, is not deemed to be in violation of the Kansas budget laws.

### **3. DEPOSITS**

#### 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, 2011.

At year-end, the carrying amount of the College's deposits were \$6,134,494.48. The bank balances were \$6,333,391.25. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance \$267,394.31 was covered by FDIC insurance and the remaining \$6,065,996.94 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

#### Component Unit:

At year-end, the carrying amount of the Foundation's deposits were \$448,747.88. The bank balances were \$610,056.92. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance \$2226,201.36 was covered by FDIC insurance and the remaining \$383,855.56 was covered with SIPC insurance.

### **4. INVESTMENTS**

#### Component Unit:

##### Investment Policy

The Foundation follows the Uniform Management of Institutional Funds Act of 1972 (UMIFA) and its own governing documents. UMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UMIFA.

Under the terms of the Governing Documents, the Board of Directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as temporarily or permanently restricted are classified as unrestricted net assets for financial statement purposes.

#### 4. **INVESTMENTS** (Continued)

##### Component Unit:

##### Investment Policy (Continued)

The Primary objective of the Foundation's investment policy is to provide for long-term growth, a modest rate of return, and an average risk. The investment objective requires a disciplined and consistent management philosophy. The objectives do not call for a philosophy which represents extreme positions or opportunistic styles. The portfolio shall be diversified with cash, fixed income, and equity holdings.

The purpose of such diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact of the total portfolio.

Equity investments and other investments are recorded at fair values subject to comments on Investments under the summary of accounting practices.

Investments at June 30, 2011, are comprised of the following:

	<u>COST</u>	<u>FAIR VALUE</u>
Fixed Income Securities	\$ 575,809.46	\$ 611,089.44
Public Traded Equities	<u>1,461,408.89</u>	<u>1,649,989.18</u>
	<u>\$ 2,037,218.35</u>	<u>\$ 2,261,078.62</u>

#### 5. **FAIR VALUE MEASUREMENTS**

##### Component Unit:

The Foundation uses fair value measurement to record fair value adjustment to certain assets and liabilities. Fair Value Measurements requires classification of assets and liabilities into three levels based on the method used to value the assets or liabilities. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Foundation's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk of liquidity associated with the underlying investment. For example, U.S. government securities are generally high quality and liquid; however, they are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market. The following table sets forth carrying amounts and estimated fair value for financial instruments at June 30, 2011:

	<u>June 30, 2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Public Traded Equities	\$ 1,649,989.18	\$ --	\$ --	\$ 1,649,989.18
Fixed Income	<u>--</u>	<u>611,089.44</u>	<u>--</u>	<u>611,089.44</u>
Totals	<u>\$ 1,649,989.18</u>	<u>\$ 611,089.44</u>	<u>\$ --</u>	<u>\$ 2,261,078.62</u>

**5. FAIR VALUE MEASUREMENTS** (Continued)

Component Unit:

	June 30, 2010			
	Level 1	Level 2	Level 3	Total
Public Traded Equities	\$ 1,207,121.27	\$ --	\$ --	\$ 1,207,121.27
Fixed Income	<u>--</u>	<u>409,756.00</u>	<u>--</u>	<u>409,756.00</u>
Totals	<u>\$ 1,207,121.27</u>	<u>\$ 409,756.00</u>	<u>\$ --</u>	<u>\$ 1,616,877.27</u>

There were no significant transfers between level 1 and level 2 investments.

**6. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2011, consisted of the following:

	<u>Primary Institution</u>
Current:	
Taxes in Process	\$ 77,152.00
Federal Grants	1,148,925.39
State Grants	2,712.00
Student Accounts	<u>707,784.31</u>
Total Current	1,936,573.70
Noncurrent:	
Taxes in Process	<u>19,077.00</u>
Total Accounts Receivable	<u>\$1,955,650.70</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 \$1,057,105.34 at June 30, 2011.

**7. INVENTORIES**

Inventories consisted of the following at June 30, 2011:

Book Store Inventory	
Textbooks	\$ 492,397.37
Soft Goods and Supplies	<u>38,180.09</u>
Total Bookstore Inventory	<u>\$ 530,577.46</u>

**8. UNCONDITIONAL PROMISES TO GIVE**

Component Unit:

Unconditional promises to give at June 30, 2011 consist of the following:

		<u>2011</u>
Endowed funds:	Less than one year	\$ 43,523.26
	One to five years	156,339.84
	More than five years	<u>2,060,446.44</u>
	Total unconditional promises to give	2,260,309.54
	Less unamortized discounts	<u>(1,525,641.26)</u>
		<u>\$ 734,668.28</u>

Uncollectible amounts for unconditional promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts. Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 4.4% in for the year ended June 30, 2011.

**9. CAPITAL ASSETS**

Primary Institution:

Following are the changes in capital assets for the year ended June 30, 2011:

	<u>Balance</u> <u>06/30/2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/2011</u>
Capital assets not being depreciated				
Land	\$ 429,388.00	\$ -	\$ -	\$ 429,388.00
Total Capital Assets not being depreciated	<u>\$ 429,388.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,388.00</u>
Other Capital Assets				
Buildings	\$ 11,377,048.15	\$ 1,290,608.31	\$ -	\$ 12,667,656.46
Buildings Under Capital Lease	-	2,659,364.69	-	2,659,364.69
Equipment	4,360,519.36	401,303.74	(146,991.00)	4,614,832.10
Furniture	157,837.53	147,592.83	-	305,430.36
Vehicles	543,788.65	-	-	543,788.65
Total Other Capital Assets	<u>\$ 16,439,193.69</u>	<u>\$ 4,498,869.57</u>	<u>\$ (146,991.00)</u>	<u>\$ 20,791,072.26</u>
Accumulated Depreciation				
Buildings	\$ 3,846,805.91	\$ 322,210.64	\$ -	\$ 4,169,016.55
Buildings Under Capital Lease	-	10,551.93	-	10,551.93
Equipment	2,070,549.20	423,081.73	(150,220.00)	2,343,410.93
Furniture	58,945.52	41,524.44	-	100,469.96
Vehicles	450,412.45	41,688.72	-	492,101.17
Total Accumulated Depreciation	<u>\$ 6,426,713.08</u>	<u>\$ 839,057.46</u>	<u>\$ (150,220.00)</u>	<u>\$ 7,115,550.54</u>
Total Net Capital Assets	<u>\$ 10,441,868.61</u>	<u>\$ 3,659,812.11</u>	<u>\$ 3,229.00</u>	<u>\$ 14,104,909.72</u>

**9. CAPITAL ASSETS** (Continued)

Component Unit:

Following are the changes in capital assets for the year ended June 30, 2011:

	Balance 06/30/2010	Additions	Retirements	Balance 06/30/2011
Property and Equipment				
Land	\$ 2,410.00	\$ -	\$ -	\$ 2,410.00
Equipment	13,947.86	-	-	13,947.86
Total Other Capital Assets	<u>\$ 16,357.86</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,357.86</u>
Accumulated Depreciation				
Equipment	\$ 13,697.95	\$ 249.91	\$ -	\$ 13,947.86
Total Accumulated Depreciation	<u>\$ 13,697.95</u>	<u>\$ 249.91</u>	<u>\$ -</u>	<u>\$ 13,947.86</u>
Total Net Capital Assets	<u>\$ 2,659.91</u>	<u>\$ (249.91)</u>	<u>\$ -</u>	<u>\$ 2,410.00</u>

**10. LONG-TERM DEBT**

Primary Institution:

Long-term debt of the College consists of the following as of June 30, 2011:

Revenue Bonds:

2.500 to 5.125% Student Union and Dormitory System  
Refunding and Improvement revenue bonds issued  
2010, maturing serially through September 1, 2029,  
Secured by dormitory gross revenues. \$ 4,055,000.00

Notes Payable:

Kansas Board of Regents – PEI Infrastructure – One  
eight of the Institution’s total loan amount shall be  
repaid on or before December 1 in each year of the eight  
year amortization period of the Kansas Development  
Finance Authority revenue bonds Series 2008A. 623,198.26

Total Long-Term Debt \$ 4,678,198.26

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

<u>OBILGATIONS</u>	PRINCIPAL JUNE 30, 2010	PRINCIPAL RECEIVED (PAID)	PRINCIPAL JUNE 30, 2011	INTEREST PAID
Revenue Bonds --				
Series 2010	\$ 4,055,000.00	\$ -	\$ 4,055,000.00	\$ 193,848.97
Notes Payable				
Series 2008A	574,542.26	171,294.00 (122,638.00)	623,198.26	-
	<u>\$ 4,629,542.26</u>	<u>\$ 48,656.00</u>	<u>\$ 4,678,198.26</u>	<u>\$ 193,848.97</u>

**10. 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>
2012	\$ 272,638.00	\$ 177,062.50	\$ 449,700.50
2013	277,638.00	173,056.25	450,694.25
2014	282,638.00	168,525.00	451,163.00
2015	287,638.00	163,650.00	451,288.00
2016	287,638.00	158,617.50	446,255.50
2017-2021	1,057,638.00	690,837.50	1,748,475.50
2022-2026	1,165,000.00	448,362.50	1,613,362.50
2027-2030	1,160,000.00	122,241.26	1,282,241.26
Less Proceeds Not Drawn Down	<u>(112,629.74)</u>	<u>- -</u>	<u>(112,629.74)</u>
	<u>\$4,678,198.26</u>	<u>\$2,102,352.51</u>	<u>\$6,780,550.77</u>

**11. CAPITAL LEASES**

The College entered into a certificate of participation dated May 15, 2010, with UMB Bank, N.A. for the purchase of numerous pieces of equipment. The total cost was \$2,730,000.00. The lease calls for varying annual payments, including interest between 2.00 and 3.80% semi-annually, maturing June 15, 2023.

<u>Capital Lease – Equipment</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2012	\$ 259,267.50
2013	260,567.50
2014	261,769.50
2015	262,867.50
2016	258,467.50
2017-2021	1,299,157.50
2022-2023	<u>517,880.00</u>
Total Net Minimum Lease Payments	3,119,977.00
Less: Imputed Interest	<u>(564,977.00)</u>
Net Present Value of Capital Lease	<u>2,555,000.00</u>
Less: Current Maturities	<u>(185,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 2,370,000.00</u>

**12. 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. As of June 30, 2011, the lease was a month to month lease.

The total payments made under these lease agreements during the year ended June 30, 2011, was \$44,143.56.

The College has entered into a lease agreement with AFK Properties, LLC to lease buildings located at 1530 Lincoln Street, Concordia, Kansas. The agreement is for 36 months, commencing August 1, 2011, and continuing through the last day of July 2014. The agreement calls for rental payments in the amount of \$1,720.00 per month. The total payments made under these lease agreements during the year ended June 30, 2011, was \$20,587.00. Future minimum rental payments are as follows:

06/30/2012	\$	20,640.00
06/30/2013		20,640.00
06/30/2014		1,720.00

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, 2011, was \$48,792.00. There were no future minimum lease payments.

**13. 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 66603-3869) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% 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. Kansas currently contributes 9.17% 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, 2011, 2010, and 2009 were \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the statutory required contributions for each year. During the year ended June 30, 2011, payments made by the State of Kansas to KPERS on behalf of the College totaled \$579,965.38.

**14. OTHER POST EMPLOYMENT BENEFITS**

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.

During fiscal year 2009, the College implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes the following measurement and recognition disclosures:

Plan description: The College sponsors a single-employer other post-employment benefit plan that provides medical, dental, and prescription drug benefits to qualifying retirees and their dependents. Employees, who qualify for pension benefits under the Kansas Public Employee Retirement System (KPERs) and are enrolled in the College’s insurance benefits during the benefit plan year prior to retirement, are eligible for benefits. Under KPERs, a participant must be at least age 55 with at least 10 years of service or meet Rule of 85 (age + service >= 85) at any age to be eligible. Also, a retiring employee who waives continuing participation in the College’s health plan at the time of retirement is not eligible to participate at a later date. Employees who qualify for a total disability benefit under the KPERs Disability Benefits Program are eligible for benefits until they qualify for Medicare. Spouses may continue coverage upon retiree death or attainment of Medicare eligibility age under Cobra for up to 36 months not to exceed the spouse’s own age 65.

Funding policy: The College establishes and amends contribution requirements. The current funding policy of the College is to fund benefits on a pay-as-you-go basis. This arrangement does not qualify as other post employment benefits (OPEB) plan assets under Governmental Accounting Standards Board (GASB) Statement No. 45 for current GASB reporting. Retirees, who either meet the Rule of 85 or are age 55 with 15 years of service upon retirement, pay premiums for medical coverage.

Annual OPEB cost and net OPEB obligation: The College’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities or funding excess) over a period not to exceed thirty years. The following table shows the components of the College’s annual OPEB obligation.

Annual Required Contribution	\$ 89,808.00
Interest on Net OPEB Obligation	--
Adjustment to Annual Required Contribution	--
Annual OPEB Cost	<u>89,808.00</u>
Net Contributions Made	--
Increase in net OPEB Obligation	<u>\$ 89,808.00</u>
Net OPEB Obligation – June 30, 2010	<u>187,405.00</u>
Net OPEB Obligation – June 30, 2011	<u>\$ 277,213.00</u>

**14. OTHER POST EMPLOYMENT BENEFITS (Continued)**

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 follows.

Fiscal Year <u>Ended</u>	<u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2011	\$277,213	0.00%	\$277,213

Funded Status and Funding Progress: As of July 1, 2008, the most recent actuarial valuation, the plan was zero percent funded. The College’s actuarial accrued liability for benefits was \$668,023 and the actuarial value of assets is zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$668,023. The results of the July 1, 2008 valuation were rolled forward to June 30, 2011. The actuarial accrued liability for benefits was \$668,023, and the actuarial value of assets is none, resulting in an unfunded actuarial accrued liability (UAAL) of \$668,023 as of June 30, 2011. The covered payroll (annual payroll of active employees covered by the plan) was \$7,020,152 and the ratio of the UAAL to the covered payroll was 9.52%.

Actuarial Methods and Assumptions: Actuarial valuations for an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the College’s actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk, and changes in marital status, could result in actual costs being greater or less than estimated. The required schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projection of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the initial actuarial valuation for the Plan as of July 1, 2008, the projected unit credit actuarial cost method was used. The actuarial assumptions included an 3.85% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on Plan assets and on the College’s own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after eighteen years. The actuarial value of assets will be determined using fair value. The UAAL will be amortized over a 30 year open period in level dollar amounts.

## **15. 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.

## **16. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

## **17. 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.

**18. 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, 2011 was \$12,614.63. When the loan is paid in full, any unamortized financing charges are removed from the related accounts and charged to operations.

**19. CONCENTRATION OF RISK**

Component Unit:

60.89% 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.

**20. 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, 2011, \$160,919.00. The Foundation disbursed on behalf of the College through its activity funds for the year ended June 30, 2011, \$60,041.27. The College disbursed on behalf of the Foundation donated services and facilities for the year ended June 30, 2011, \$97,587.78.

**21. 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	\$ 71,373.76
Housing	Revenue Bonds	Debt Service	255,688.75
Capital Outlay	Revenue Bonds	Debt Service	119,110.13
Bookstore	General	Operating Expenses	13,936.00
Housing	General	Operating Expenses	13,936.00
Food	General	Operating Expenses	13,936.00
General	Contingency	Operating Expenses	75,000.00
General	Turbine Refurbishment	Operating Expenses	20,000.00
Bookstore	Turbine Refurbishment	Operating Expenses	64,000.00
Housing	Turbine Refurbishment	Operating Expenses	64,000.00

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.

**22. REVENUE BOND DISCLOSURES**

Insurance is carried on property constituting the system covered by the Series 2010 Student Union and Dormitory System Refunding and Improvement Revenue Bonds in the amount of \$29,910,003 blanket property coverage, \$1,000.00 deductible per occurrence, through EMC Insurance Company for the period June 30, 2010, through June 30, 2011, renewable annually. The premiums paid were \$35,095.00

Total system users for the fall 2010 and the spring of 2011 were as follows:

	<u>Fall 2010</u>	<u>Spring 2011</u>
Dorm Residents	364	301

**23. 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	\$ 847,488.32
Liabilities	
Current liabilities	\$ 37,101.32
Net assets	
Unrestricted	810,387.00
Total Assets and Liabilities	<u>\$ 847,488.32</u>

Condensed Statement of Revenues, Expenses and

Changes in Net Assets	
Operating revenues	\$ 1,633,856.09
Other operating expenses	<u>(992,030.12)</u>
Operating income	<u>641,825.97</u>
Investment income -	
Interest Income	498.64
Debt Service	(95,459.06)
Transfers In (Out)	(333,624.75)
Change in net assets	213,240.80
Beginning net assets	<u>597,146.20</u>
Ending net assets	<u>\$ 810,387.00</u>

Condensed statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 706,095.34
Capital and related financing activities	<u>(490,108.92)</u>
Net increase (decrease) in cash	215,986.42
Beginning cash and cash equivalents	<u>631,501.90</u>
Ending cash and cash equivalents	<u>\$ 847,488.32</u>

**24. SUBSEQUENT EVENTS**

The College evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

**REQUIRED  
SUPPLEMENTAL INFORMATION**

**CLOUD COUNTY COMMUNITY COLLEGE**  
 Concordia, Kansas

Schedule of Funding Progress

For the Year Ended June 30, 2011

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 follows. This is the second transition year of GASB Statement No. 45.

Fiscal Year <u>Ended</u>	<u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2011	\$277,243	0.00%	\$277,243

## **SUPPLEMENTAL INFORMATION**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	GENERAL	VOCATIONAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	EMPLOYEE BENEFITS	AUXILIARY ENTERPRISE BOOKSTORE
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ 1,742,944.60	\$ 756.75	\$ (2,697.36)	\$ 69,483.03	\$ 412.95	\$ 767,805.55
Receivables - Taxes in Process	77,152.00	-	-	-	-	-
Receivables - Federal	-	-	2,712.00	-	-	-
Receivables - Other Receivables	551,602.51	-	-	-	-	156,181.80
Inventories	-	-	-	-	-	530,577.46
Total Current Assets	<u>2,371,699.11</u>	<u>756.75</u>	<u>14.64</u>	<u>69,483.03</u>	<u>412.95</u>	<u>1,454,564.81</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,371,699.11</u>	<u>\$ 756.75</u>	<u>\$ 14.64</u>	<u>\$ 69,483.03</u>	<u>\$ 412.95</u>	<u>\$ 1,454,564.81</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	\$ 37,471.64	\$ 300.00	\$ 354.21	\$ -	\$ -	\$ 117,730.75
Accrued Wages	85,518.29	5,849.66	225.00	-	-	2,396.25
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	77,152.00	-	-	-	-	-
Compensated Absences	207,043.42	6,400.75	-	5,143.20	-	245.41
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>407,185.35</u>	<u>12,550.41</u>	<u>579.21</u>	<u>5,143.20</u>	<u>-</u>	<u>120,372.41</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>407,185.35</u>	<u>12,550.41</u>	<u>579.21</u>	<u>5,143.20</u>	<u>-</u>	<u>120,372.41</u>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	1,964,513.76	(11,793.66)	(564.57)	64,339.83	412.95	1,334,192.40
<b>TOTAL NET ASSETS</b>	<u>1,964,513.76</u>	<u>(11,793.66)</u>	<u>(564.57)</u>	<u>64,339.83</u>	<u>412.95</u>	<u>1,334,192.40</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,371,699.11</u>	<u>\$ 756.75</u>	<u>\$ 14.64</u>	<u>\$ 69,483.03</u>	<u>\$ 412.95</u>	<u>\$ 1,454,564.81</u>

**Schedule 2 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	AUXILIARY ENTERPRISE HOUSING	AUXILIARY ENTERPRISE FOOD SERVICE	AUXILIARY ENTERPRISE SCHOLARSHIPS	AUXILIARY ENTERPRISE CHILDREN'S CENTER	AUXILIARY ENTERPRISE BUILDING DEVELOPMENT	AUXILIARY ENTERPRISE CAMPUS PATROL
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ 847,488.32	\$ 73,091.80	\$ 85,798.26	\$ 32,416.03	\$ 218,901.58	\$ 24,784.38
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	667.81	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>847,488.32</u>	<u>73,091.80</u>	<u>85,798.26</u>	<u>33,083.84</u>	<u>218,901.58</u>	<u>24,784.38</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 847,488.32</u>	<u>\$ 73,091.80</u>	<u>\$ 85,798.26</u>	<u>\$ 33,083.84</u>	<u>\$ 218,901.58</u>	<u>\$ 24,784.38</u>
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	11,668.86	-	-	2,867.75	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	10,239.96	-	-	4,375.21	-	-
	15,192.50	-	-	-	-	-
	37,101.32	-	-	7,242.96	-	-
Total Current Liabilities						
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>37,101.32</u>	<u>-</u>	<u>-</u>	<u>7,242.96</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	810,387.00	73,091.80	85,798.26	25,840.88	218,901.58	24,784.38
<b>TOTAL NET ASSETS</b>	<u>810,387.00</u>	<u>73,091.80</u>	<u>85,798.26</u>	<u>25,840.88</u>	<u>218,901.58</u>	<u>24,784.38</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 847,488.32</u>	<u>\$ 73,091.80</u>	<u>\$ 85,798.26</u>	<u>\$ 33,083.84</u>	<u>\$ 218,901.58</u>	<u>\$ 24,784.38</u>

**Schedule 2 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	AUXILIARY ENTERPRISE LAUNDRY	AUXILIARY ENTERPRISE CONTINGENCY	AUXILIARY ENTERPRISE TRUSTEE DISCRETIONARY	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS	FEDERAL SEOG GRANTS
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ 37,084.03	\$ 100,000.00	\$ 154,214.20	\$ -	\$ -	\$ -
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	174,036.00	4,478.00	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>37,084.03</u>	<u>100,000.00</u>	<u>154,214.20</u>	<u>174,036.00</u>	<u>4,478.00</u>	<u>-</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 37,084.03</u>	<u>\$ 100,000.00</u>	<u>\$ 154,214.20</u>	<u>\$ 174,036.00</u>	<u>\$ 4,478.00</u>	<u>\$ -</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 174,036.00	\$ 4,478.00	\$ -
Accrued Wages	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,036.00</u>	<u>4,478.00</u>	<u>-</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,036.00</u>	<u>4,478.00</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,036.00</u>	<u>4,478.00</u>	<u>-</u>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	37,084.03	100,000.00	154,214.20	-	-	-
<b>TOTAL NET ASSETS</b>	<u>37,084.03</u>	<u>100,000.00</u>	<u>154,214.20</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 37,084.03</u>	<u>\$ 100,000.00</u>	<u>\$ 154,214.20</u>	<u>\$ 174,036.00</u>	<u>\$ 4,478.00</u>	<u>\$ -</u>

Schedule 2 (Continued)

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	FEDERAL ACG GRANTS	FEDERAL WORK STUDY	WORK FORCE SOLUTIONS	BOARD OF REGENTS NURSING GRANT	BOARD OF REGENTS NURSING GRANT	CARL PERKINS PROGRAM IMPROVEMENT GRANT
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ (25,995.00)	\$ -	\$ -	\$ 8,483.96
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	-	-	(25,995.00)	-	-	8,483.96
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25,995.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,483.96</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,483.96
Accrued Wages	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	8,483.96
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,483.96</b>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	-	-	(25,995.00)	-	-	-
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25,995.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,483.96</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25,995.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,483.96</b>

**Schedule 2 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	TITLE III GRANT	CHILD CARE RESOURCE AND REFERRAL GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	INNOVATIVE TECHNOLOGY GRANT	DOE - WIND ENERGY GRANT	FEDERAL STIMULUS GRANT
<b>ASSETS</b>						
Current Assets	\$ -	\$ -	\$ -	\$ -	\$ (979,716.78)	\$ -
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	937,876.20	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	-	-	-	-	(41,840.58)	-
Noncurrent Assets	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (41,840.58)</b>	<b>\$ -</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Current Liabilities	\$ -	\$ -	\$ 4,221.64	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-
Accrued Wages	-	-	4,221.64	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	-	-	4,221.64	-	-	-
Noncurrent Liabilities	-	-	-	-	-	-
Revenue Bonds Payable	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,221.64</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:	-	-	-	-	-	-
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	-	-	(4,221.64)	-	(41,840.58)	-
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,221.64)</b>	<b>\$ -</b>	<b>\$ (41,840.58)</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (41,840.58)</b>	<b>\$ (41,840.58)</b>

**Schedule 2 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	STATE ENERGY SECTOR PARTNERSHIP AND TRAINING GRANT	MARION ELLETT BEQUEST	CLOUD COUNTY COMMUNITY COLLEGE ACTIVITY	CAPITAL OUTLAY	DEFERRED MAINTENANCE	TURBINE REFURBISHMENT
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ (3,919.25)	\$ -	\$ 811,795.49	\$ -	\$ -	\$ -
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	31,867.38	-	-
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>(3,919.25)</u>	<u>-</u>	<u>811,795.49</u>	<u>31,867.38</u>	<u>-</u>	<u>-</u>
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	1,199,439.42	110,202.90	20,000.00
Receivables - Taxes in Process	-	-	-	19,077.00	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,218,516.42</u>	<u>110,202.90</u>	<u>20,000.00</u>
<b>TOTAL ASSETS</b>	<u>\$ (3,919.25)</u>	<u>\$ -</u>	<u>\$ 811,795.49</u>	<u>\$ 1,250,383.80</u>	<u>\$ 110,202.90</u>	<u>\$ 20,000.00</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages	-	-	641.92	6,108.14	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	19,077.00	-	-
Compensated Absences	-	-	5,814.24	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>6,456.16</u>	<u>25,185.14</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities						
Revenue Bonds Payable	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Capital Lease Payable	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>6,456.16</u>	<u>25,185.14</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,456.16</u>	<u>\$ 25,185.14</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Restricted for:						
Bond and Interest	-	-	-	-	-	-
Bond Reserve	-	-	-	-	-	-
Unrestricted	(3,919.25)	-	805,339.33	1,225,198.66	110,202.90	20,000.00
<b>TOTAL NET ASSETS</b>	<u>(3,919.25)</u>	<u>-</u>	<u>805,339.33</u>	<u>1,225,198.66</u>	<u>110,202.90</u>	<u>20,000.00</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ (3,919.25)</u>	<u>\$ -</u>	<u>\$ 811,795.49</u>	<u>\$ 1,250,383.80</u>	<u>\$ 110,202.90</u>	<u>\$ 20,000.00</u>

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Net Assets - Primary Institution

June 30, 2011

	REVENUE BONDS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 299,460.64	\$ -	27,288.71	\$ 4,289,881.89
Receivables - Taxes in Process	-	-	-	77,152.00
Receivables - Federal	-	-	-	1,151,637.39
Receivables - Other Receivables	-	-	-	707,784.31
Inventories	-	-	-	530,577.46
Total Current Assets	<u>299,460.64</u>	<u>-</u>	<u>27,288.71</u>	<u>6,757,033.05</u>
Noncurrent Assets				
Cash and Cash Equivalents	515,420.83	-	-	1,845,063.15
Receivables - Taxes in Process	-	-	-	19,077.00
Bond Issuance Costs, Net	202,586.34	-	-	202,586.34
Capital Assets	-	21,220,460.26	-	21,220,460.26
Accumulated Depreciation	-	(7,115,550.54)	-	(7,115,550.54)
Total Noncurrent Assets	<u>718,007.17</u>	<u>14,104,909.72</u>	<u>-</u>	<u>16,171,636.21</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,017,467.81</b>	<b>\$ 14,104,909.72</b>	<b>\$ 27,288.71</b>	<b>\$ 22,928,669.26</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ -	\$ -	-	\$ 342,854.56
Accrued Wages	-	-	-	119,497.51
Accrued Interest	106,895.52	-	-	106,895.52
Deferred Revenue	-	-	-	96,229.00
Compensated Absences	-	-	-	239,262.19
Deposits Held in Custody for Others	-	-	27,288.71	42,481.21
Total Current Liabilities	<u>106,895.52</u>	<u>-</u>	<u>27,288.71</u>	<u>947,219.99</u>
Noncurrent Liabilities				
Revenue Bonds Payable	-	4,055,000.00	-	4,055,000.00
Notes Payable	-	623,198.26	-	623,198.26
Capital Lease Payable	-	2,555,000.00	-	2,555,000.00
Total Noncurrent Liabilities	<u>-</u>	<u>7,233,198.26</u>	<u>-</u>	<u>7,233,198.26</u>
<b>TOTAL LIABILITIES</b>	<b>106,895.52</b>	<b>7,233,198.26</b>	<b>27,288.71</b>	<b>8,180,418.25</b>
<b>NET ASSETS</b>				
Investment in capital assets, net of related debt	-	6,871,711.46	-	6,871,711.46
Restricted for:				
Bond and Interest	184,645.83	-	-	184,645.83
Bond Reserve	330,775.00	-	-	330,775.00
Unrestricted	395,151.46	-	-	7,361,118.72
<b>TOTAL NET ASSETS</b>	<b>910,572.29</b>	<b>6,871,711.46</b>	<b>-</b>	<b>14,748,251.01</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,017,467.81</b>	<b>\$ 14,104,909.72</b>	<b>\$ 27,288.71</b>	<b>\$ 22,928,669.26</b>

**Schedule 3**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	GENERAL	VOCATIONAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	EMPLOYEE BENEFITS	AUXILIARY ENTERPRISE BOOKSTORE
<b>REVENUES</b>						
Operating Revenues						
Student Tuition and Fees	\$ 3,467,888.19	\$ -	\$ -	\$ 63,227.98	\$ -	\$ -
Federal Grants and Contracts	-	-	74,685.09	-	-	-
State Grants and Contracts	598,028.89	-	39,837.87	-	-	-
Sales and Services of						
Auxiliary Enterprises	-	-	-	-	-	1,195,863.72
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	216,153.32	-	24,195.00	-	-	-
Total Operating Revenues	<u>4,282,070.40</u>	<u>-</u>	<u>138,717.96</u>	<u>63,227.98</u>	<u>-</u>	<u>1,195,863.72</u>
<b>EXPENSES</b>						
Operating Expenses						
Educational and General						
Instruction	5,008,761.13	899,753.78	138,362.86	49,685.56	-	-
Academic Support	451,460.03	76,137.09	-	-	-	-
Student Services	1,592,551.86	12,032.39	-	-	-	-
Institutional Support	1,462,324.42	51,003.57	-	-	-	-
Operation and Maintenance	531,802.15	-	-	-	-	-
Scholarships and Awards	834,821.51	4,410.85	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	959,966.14
Total Operating Expenses	<u>9,881,721.10</u>	<u>1,043,337.68</u>	<u>138,362.86</u>	<u>49,685.56</u>	<u>-</u>	<u>959,966.14</u>
Operating Income (Loss)	<u>(5,599,650.70)</u>	<u>(1,043,337.68)</u>	<u>355.10</u>	<u>13,542.42</u>	<u>-</u>	<u>235,897.58</u>
Nonoperating Revenues (Expenses)						
State Appropriations	3,207,099.00	1,075,000.00	-	-	-	-
County Appropriations	2,119,941.13	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	87,186.58	-	-	-	-	498.64
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Operating Transfers	<u>(53,192.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,309.76)</u>
Increase (Decrease) in Net Assets	<u>(238,615.99)</u>	<u>31,662.32</u>	<u>355.10</u>	<u>13,542.42</u>	<u>-</u>	<u>87,086.46</u>
Net Assets - Beginning of Year	<u>2,203,129.75</u>	<u>(43,455.98)</u>	<u>(919.67)</u>	<u>50,797.41</u>	<u>412.95</u>	<u>1,247,105.94</u>
Net Assets - End of Year	<u>\$ 1,964,513.76</u>	<u>\$ (11,793.66)</u>	<u>\$ (564.57)</u>	<u>\$ 64,339.83</u>	<u>\$ 412.95</u>	<u>\$ 1,334,192.40</u>

**Schedule 3 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	AUXILIARY ENTERPRISE HOUSING	AUXILIARY ENTERPRISE FOOD SERVICE	AUXILIARY ENTERPRISE SCHOLARSHIPS	AUXILIARY ENTERPRISE CHILDREN'S CENTER	ENTERPRISE BUILDING DEVELOPMENT	AUXILIARY ENTERPRISE CAMPUS PATROL
<b>REVENUES</b>						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ 559,288.00	\$ -	\$ 104,787.60	\$ -
Federal Grants and Contracts	-	-	-	9,239.65	-	-
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	1,633,856.09	74,375.22	-	79,614.07	-	3,225.00
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>1,633,856.09</b>	<b>74,375.22</b>	<b>559,288.00</b>	<b>88,853.72</b>	<b>104,787.60</b>	<b>3,225.00</b>
<b>EXPENSES</b>						
Bond Issuance Costs, Net						
Educational and General						
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	515,083.00	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	992,030.12	45,748.27	-	85,587.80	110,897.73	4,207.41
<b>Total Operating Expenses</b>	<b>992,030.12</b>	<b>45,748.27</b>	<b>515,083.00</b>	<b>85,587.80</b>	<b>110,897.73</b>	<b>4,207.41</b>
<b>Operating Income (Loss)</b>	<b>641,825.97</b>	<b>28,626.95</b>	<b>44,205.00</b>	<b>3,265.92</b>	<b>(6,110.13)</b>	<b>(982.41)</b>
<b>Nonoperating Revenues (Expenses)</b>						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	498.64	-	-	-	-	-
Debt Service	(95,459.06)	-	-	-	(29,325.11)	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Operating Transfers	(333,624.75)	(13,936.00)	-	-	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>213,240.80</b>	<b>14,690.95</b>	<b>44,205.00</b>	<b>3,265.92</b>	<b>(35,435.24)</b>	<b>(982.41)</b>
<b>Net Assets - Beginning of Year</b>	<b>597,146.20</b>	<b>58,400.85</b>	<b>41,593.26</b>	<b>22,574.96</b>	<b>254,336.82</b>	<b>25,766.79</b>
<b>Net Assets - End of Year</b>	<b>\$ 810,387.00</b>	<b>\$ 73,091.80</b>	<b>\$ 85,798.26</b>	<b>\$ 25,840.88</b>	<b>\$ 218,901.58</b>	<b>\$ 24,784.38</b>

**Schedule 3 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	AUXILIARY ENTERPRISE LAUNDRY	AUXILIARY ENTERPRISE CONTINGENCY	ENTERPRISE TRUSTEE DISCRETIONARY	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS	FEDERAL SEOG GRANTS
<b>REVENUES</b>						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	-	-	-	-	3,529,949.00	48,300.00
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	7,795.00	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>7,795.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,529,949.00</b>	<b>48,300.00</b>
<b>EXPENSES</b>						
Bond Issuance Costs, Net						
Educational and General						
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	-	3,151,180.00	3,529,949.00	48,300.00
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	2,250.00	-	332.02	-	-	-
<b>Total Operating Expenses</b>	<b>2,250.00</b>	<b>-</b>	<b>332.02</b>	<b>3,151,180.00</b>	<b>3,529,949.00</b>	<b>48,300.00</b>
Operating Income (Loss)	5,545.00	-	(332.02)	(3,151,180.00)	-	-
<b>Nonoperating Revenues (Expenses)</b>						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	3,151,080.00	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Operating Transfers	-	75,000.00	-	-	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>5,545.00</b>	<b>75,000.00</b>	<b>(332.02)</b>	<b>(100.00)</b>	<b>-</b>	<b>-</b>
<b>Net Assets - Beginning of Year</b>	<b>31,539.03</b>	<b>25,000.00</b>	<b>154,546.22</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>Net Assets - End of Year</b>	<b>\$ 37,084.03</b>	<b>\$ 100,000.00</b>	<b>\$ 154,214.20</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Schedule 3 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	FEDERAL ACG GRANTS	FEDERAL WORK STUDY	WORK FORCE SOLUTIONS GRANT	REGENTS NURSING GRANT	PROGRAM IMPROVEMENT GRANT	TITLE III GRANT
<b>REVENUES</b>						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	-	\$ -	-
Federal Grants and Contracts	51,287.00	89,302.52	22,815.15	-	115,738.25	306,648.75
State Grants and Contracts	-	-	-	55,097.00	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	<u>51,287.00</u>	<u>89,302.52</u>	<u>22,815.15</u>	<u>55,097.00</u>	<u>115,738.25</u>	<u>306,648.75</u>
<b>EXPENSES</b>						
Bond Issuance Costs, Net						
Educational and General Instruction	-	-	59,361.67	55,097.00	-	-
Academic Support	-	-	-	-	115,738.25	306,648.75
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	51,287.00	89,302.52	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	<u>51,287.00</u>	<u>89,302.52</u>	<u>59,361.67</u>	<u>55,097.00</u>	<u>115,738.25</u>	<u>306,648.75</u>
Operating Income (Loss)	-	-	<u>(36,546.52)</u>	-	-	-
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	-	-	(36,546.52)	-	-	-
Net Assets - Beginning of Year	-	-	10,551.52	-	-	-
Net Assets - End of Year	\$ -	\$ -	<u>(25,995.00)</u>	\$ -	\$ -	\$ -

**Schedule 3 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	RESOURCE AND REFERRAL GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	INNOVATIVE TECHNOLOGY GRANT	DOE - WIND ENERGY GRANT	FEDERAL STIMULUS GRANT	STATE ENERGY SECTOR PARTNERSHIP AND TRAINING GRANT
<b>REVENUES</b>						
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Tuition and Fees	-	206,557.96	-	-	-	-
Federal Grants and Contracts	244,443.71	-	-	-	-	75,617.75
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	<u>244,443.71</u>	<u>206,557.96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,617.75</u>
<b>EXPENSES</b>						
Bond Issuance Costs, Net						
Educational and General						
Instruction	226,181.06	210,779.60	-	-	-	79,537.00
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	41,840.58	-	-
Scholarships and Awards	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	<u>226,181.06</u>	<u>210,779.60</u>	<u>-</u>	<u>41,840.58</u>	<u>-</u>	<u>79,537.00</u>
Operating Income (Loss)	<u>18,262.65</u>	<u>(4,221.64)</u>	<u>-</u>	<u>(41,840.58)</u>	<u>-</u>	<u>(3,919.25)</u>
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	18,262.65	(4,221.64)	-	(41,840.58)	-	(3,919.25)
Net Assets - Beginning of Year	(18,262.65)	-	-	-	-	-
Net Assets - End of Year	<u>\$ -</u>	<u>\$ (4,221.64)</u>	<u>\$ -</u>	<u>\$ (41,840.58)</u>	<u>\$ -</u>	<u>\$ (3,919.25)</u>

**Schedule 3 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	MARION ELLET BEQUEST	COMMUNITY COLLEGE ACTIVITY	CAPITAL OUTLAY	DEFERRED MAINTENANCE	TURBINE REFURBISHMENT	REVENUE BONDS
<b>REVENUES</b>						
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Tuition and Fees	-	-	486,311.00	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of	-	-	-	-	-	-
Auxiliary Enterprises	-	1,323,251.97	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	-	<u>1,323,251.97</u>	<u>486,311.00</u>	-	-	-
<b>EXPENSES</b>						
Bond Issuance Costs, Net	-	-	-	-	-	-
Educational and General	-	1,191,209.72	-	-	-	-
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	3,545,076.27	275,851.50	128,000.00	-
Scholarships and Awards	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	-	<u>1,191,209.72</u>	<u>3,545,076.27</u>	<u>275,851.50</u>	<u>128,000.00</u>	-
Operating Income (Loss)	-	<u>132,042.25</u>	<u>(3,058,765.27)</u>	<u>(275,851.50)</u>	<u>(128,000.00)</u>	-
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	313,637.18	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Gifts and Contributions	-	-	-	17,300.00	-	-
Interest Income	-	-	96.67	-	-	5.97
Debt Service	-	-	(259,247.97)	171,294.00	-	(235,443.38)
Gain (Loss) on Sale of Asset	-	-	-	-	-	-
Operating Transfers	-	-	(119,110.13)	-	148,000.00	446,172.64
Increase (Decrease) in Net Assets	-	132,042.25	(3,123,389.52)	(87,257.50)	20,000.00	210,735.23
Net Assets - Beginning of Year	-	673,297.08	4,348,588.18	197,460.40	-	699,837.06
Net Assets - End of Year	\$ -	<u>\$ 805,339.33</u>	<u>\$ 1,225,198.66</u>	<u>\$ 110,202.90</u>	<u>\$ 20,000.00</u>	<u>\$ 910,572.29</u>

**Schedule 3 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Primary Institution  
For the Year Ended June 30, 2011

	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
<b>REVENUES</b>				
Operating Revenues				
Student Tuition and Fees	\$ -	\$ 4,195,191.77	\$ (1,619,454.84)	\$ 2,575,736.93
Federal Grants and Contracts	-	4,940,834.37	-	4,940,834.37
State Grants and Contracts	-	1,013,025.22	-	1,013,025.22
Sales and Services of Auxiliary Enterprises	-	2,994,729.10	(1,832,838.26)	1,161,890.84
Activity Fund Revenues	-	1,323,251.97	-	1,323,251.97
Miscellaneous Income	-	240,348.32	-	240,348.32
Total Operating Revenues	-	<u>14,707,380.75</u>	<u>(3,452,293.10)</u>	<u>11,255,087.65</u>
<b>EXPENSES</b>				
Bond Issuance Costs, Net				
Educational and General				
Instruction	(196,920.93)	7,721,808.45	-	7,721,808.45
Academic Support	(125,986.82)	823,997.30	-	823,997.30
Student Services	-	1,604,584.25	-	1,604,584.25
Institutional Support	(25,640.36)	1,487,687.63	-	1,487,687.63
Operation and Maintenance	(3,842,244.17)	680,326.33	-	680,326.33
Scholarships and Awards	(2,316.32)	8,222,017.56	(3,452,293.10)	4,769,724.46
Depreciation Expense	839,057.46	839,057.46	-	839,057.46
Auxiliary Enterprises	(305,760.97)	1,895,258.52	-	1,895,258.52
Total Operating Expenses	<u>(3,659,812.11)</u>	<u>23,274,737.50</u>	<u>(3,452,293.10)</u>	<u>19,822,444.40</u>
Operating Income (Loss)	<u>3,659,812.11</u>	<u>(8,567,356.75)</u>	<u>-</u>	<u>(8,567,356.75)</u>
Nonoperating Revenues (Expenses)				
State Appropriations	-	4,282,099.00	-	4,282,099.00
County Appropriations	-	2,433,578.31	-	2,433,578.31
Federal Pell Grants	-	3,151,080.00	-	3,151,080.00
Gifts and Contributions	-	17,300.00	-	17,300.00
Interest Income	-	88,286.50	-	88,286.50
Debt Service	126,344.00	(321,837.52)	-	(321,837.52)
Gain (Loss) on Sale of Asset	3,229.00	3,229.00	-	3,229.00
Operating Transfers	-	-	-	-
Increase (Decrease) in Net Assets	3,789,385.11	1,086,378.54	-	1,086,378.54
Net Assets - Beginning of Year	3,082,326.35	13,661,872.47	-	13,661,872.47
Net Assets - End of Year	<u>\$ 6,871,711.46</u>	<u>\$ 14,748,251.01</u>	<u>\$ -</u>	<u>\$ 14,748,251.01</u>

**CLOUD COUNTY COMMUNITY COLLEGE**

Concordia, Kansas

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

For the Year Ended June 30, 2011

Schedules 4 to 12 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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Current Year			Variance Over (Under)	
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		
<b>REVENUES</b>						
Student Tuition and Fees						
In State	\$ 2,700,615.39	\$ 2,932,594.64	\$ (228,633.32)	\$ 2,703,961.32	\$ 3,694,253.00	\$ (990,291.68)
Out-of-State	343,371.00	482,939.75	-	482,939.75	-	482,939.75
Other Student Fees	200,869.69	52,353.80	-	52,353.80	49,500.00	2,853.80
Total Student Tuition and Fees	3,244,856.08	3,467,888.19	(228,633.32)	3,239,254.87	3,743,753.00	(504,498.13)
Federal Sources						
Federal Grants	175,376.25	-	-	-	-	-
State Sources						
State Operating Grant	2,883,772.00	3,207,099.00	-	3,207,099.00	3,211,574.00	(4,475.00)
Other State Sources	21,827.00	598,028.89	(579,965.38)	18,063.51	-	18,063.51
Total State Sources	2,905,599.00	3,805,127.89	(579,965.38)	3,225,162.51	3,211,574.00	13,588.51
Local Sources						
Ad Valorem Tax	1,850,283.57	1,830,433.40	-	1,830,433.40	2,018,622.00	(188,188.60)
Motor Vehicle Tax	242,501.50	247,006.07	-	247,006.07	261,306.00	(14,299.93)
Recreational Vehicle	3,795.70	3,716.08	-	3,716.08	3,592.00	124.08
16/20 M Vehicle Tax	17,447.89	17,395.99	-	17,395.99	-	17,395.99
Vehicle Rental Excise Tax	90.79	90.20	-	90.20	-	90.20
Delinquent Tax	21,926.75	17,665.74	-	17,665.74	17,931.00	(265.26)
In Lieu of Tax	3,784.24	3,633.65	-	3,633.65	828.00	2,805.65
Total Local Sources	2,139,830.44	2,119,941.13	-	2,119,941.13	2,302,279.00	(182,337.87)
Other Sources						
Interest Income	98,003.55	87,186.58	-	87,186.58	91,677.00	(4,490.42)
Miscellaneous	216,306.10	216,153.32	-	216,153.32	241,007.00	(24,853.68)
Total Other Sources	314,309.65	303,339.90	-	303,339.90	332,684.00	(29,344.10)
Operating Transfers from:						
Bookstore Fund	13,333.00	13,936.00	-	13,936.00	-	13,936.00
Housing Fund	13,333.00	13,936.00	-	13,936.00	-	13,936.00
Food Service Fund	13,333.00	13,936.00	-	13,936.00	-	13,936.00
Total Operating Transfers	39,999.00	41,808.00	-	41,808.00	-	41,808.00
<b>TOTAL REVENUES</b>	8,819,970.42	9,738,105.11	(808,598.70)	8,929,506.41	9,590,290.00	(660,783.59)

Schedule 4 (Continued)

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
<b>EXPENDITURES</b>					
Education and General					
Instruction	\$ 4,767,373.16	\$ 5,008,761.13	\$ (588,451.22)	\$ 4,420,309.91	\$ 820,309.91
Academic Support	375,019.69	451,460.03	215.07	451,675.10	(348,324.90)
Student Services	1,708,182.22	1,592,551.86	(5,794.54)	1,586,757.32	(213,242.68)
Institutional Support	1,394,335.46	1,462,324.42	(5,240.70)	1,457,083.72	(1,942,916.28)
Operation and Maintenance	592,289.88	531,802.15	-	531,802.15	(383,984.85)
Scholarships and Awards	64,061.00	834,821.51	-	834,821.51	834,821.51
Debt Service	132,000.00	-	-	-	-
Operating Transfers to:					
Contingency Fund	-	75,000.00	-	75,000.00	75,000.00
Turbine Refurbishment Fund	-	20,000.00	-	20,000.00	20,000.00
<b>TOTAL EXPENDITURES</b>	<b>9,033,261.41</b>	<b>9,976,721.10</b>	<b>(599,271.39)</b>	<b>9,377,449.71</b>	<b>(1,138,337.29)</b>
Excess of Revenues Over (Under) Expenditures	(213,290.99)	(238,615.99)	(209,327.31)	(447,943.30)	477,553.70
Unencumbered Cash Beginning of Year	2,281,188.96	2,203,129.75	(135,231.78)	2,067,897.97	(329,658.03)
End of Year	\$ 2,067,897.97	\$ 1,964,513.76	\$ (344,559.09)	\$ 1,619,954.67	\$ 147,895.67

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
<b>REVENUES</b>					
State Sources					
State Operating Grant	\$ 1,075,000.00	\$ 1,075,000.00	\$ -	\$ 1,075,000.00	\$ 4,475.00
<b>TOTAL REVENUES</b>	<b>1,075,000.00</b>	<b>1,075,000.00</b>	<b>-</b>	<b>1,075,000.00</b>	<b>4,475.00</b>
<b>EXPENDITURES</b>					
Education and General					
Instruction	918,112.39	899,753.78	(494.20)	899,259.58	74,259.58
Academic Support	83,732.21	76,137.09	-	76,137.09	(23,862.91)
Student Services	23,503.20	12,032.39	-	12,032.39	(27,967.61)
Institutional Support	49,405.55	51,003.57	-	51,003.57	(3,996.43)
Scholarships and Awards	-	4,410.85	-	4,410.85	4,410.85
<b>TOTAL EXPENDITURES</b>	<b>1,074,753.35</b>	<b>1,043,337.68</b>	<b>(494.20)</b>	<b>1,042,843.48</b>	<b>22,843.48</b>
Excess of Revenues Over (Under) Expenditures	246.65	31,662.32	494.20	32,156.52	(18,368.48)
Unencumbered Cash Beginning of Year	(37,796.08)	(43,455.98)	5,906.55	(37,549.43)	(66,297.43)
End of Year	\$ (37,549.43)	\$ (11,793.66)	\$ 6,400.75	\$ (5,392.91)	\$ (84,665.91)

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Actual GAAP Basis	Adjustments		Current Year		Variance Over (Under)
			Budget Basis	Budget Basis	Actual Budget Basis	Budget	
<b>REVENUES</b>							
Federal Sources							
Federal Grants	\$ 65,994.88	\$ 74,685.09	\$ -	\$ -	\$ 74,685.09	\$ 80,000.00	\$ (5,314.91)
State Sources							
State Grants	52,692.00	39,837.87	-	-	39,837.87	60,000.00	(20,162.13)
Local Sources							
Miscellaneous Income	21,483.00	24,195.00	(2,712.00)	(2,712.00)	21,483.00	25,000.00	(3,517.00)
<b>TOTAL REVENUES</b>	<b>140,169.88</b>	<b>138,717.96</b>	<b>(2,712.00)</b>	<b>(2,712.00)</b>	<b>136,005.96</b>	<b>165,000.00</b>	<b>(28,994.04)</b>
<b>EXPENDITURES</b>							
Education and General							
Instruction	141,402.39	138,362.86	-	-	138,362.86	165,275.00	(26,912.14)
<b>TOTAL EXPENDITURES</b>	<b>141,402.39</b>	<b>138,362.86</b>	<b>-</b>	<b>-</b>	<b>138,362.86</b>	<b>165,275.00</b>	<b>(26,912.14)</b>
Excess of Revenues Over (Under) Expenditures	(1,232.51)	355.10	(2,712.00)	(2,712.00)	(2,356.90)	(275.00)	(2,081.90)
Unencumbered Cash Beginning of Year	312.84	(919.67)	-	-	(919.67)	413.00	(1,332.67)
End of Year	\$ (919.67)	\$ (564.57)	\$ (2,712.00)	\$ (2,712.00)	\$ (3,276.57)	\$ 138.00	\$ (3,414.57)

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Current Year			Variance Over (Under)	
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		
<b>REVENUES</b>						
Student Tuition and Fees In State	\$ 63,731.76	\$ 63,227.98	\$ -	\$ 63,227.98	\$ 100,000.00	\$ (36,772.02)
<b>TOTAL REVENUES</b>	<b>63,731.76</b>	<b>63,227.98</b>	<b>-</b>	<b>63,227.98</b>	<b>100,000.00</b>	<b>(36,772.02)</b>
<b>EXPENDITURES</b>						
Education and General Instruction	82,849.75	49,685.56	(91.20)	49,594.36	100,000.00	(50,405.64)
<b>TOTAL EXPENDITURES</b>	<b>82,849.75</b>	<b>49,685.56</b>	<b>(91.20)</b>	<b>49,594.36</b>	<b>100,000.00</b>	<b>(50,405.64)</b>
Excess of Revenues Over (Under) Expenditures	(19,117.99)	13,542.42	91.20	13,633.62	-	13,633.62
Unencumbered Cash Beginning of Year	74,967.40	50,797.41	5,052.00	55,849.41	56,414.00	(564.59)
End of Year	\$ 55,849.41	\$ 64,339.83	\$ 5,143.20	\$ 69,483.03	\$ 56,414.00	\$ 13,069.03

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Actual GAAP Basis	Adjustments Budget Basis	Current Year		Variance Over (Under)
				Actual Budget Basis	Budget	
REVENUES						
Local Sources						
Delinquent Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Education and General						
Institutional Support	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Unencumbered Cash Beginning of Year	412.95	412.95	-	412.95	-	412.95
End of Year	\$ 412.95	\$ 412.95	\$ -	\$ 412.95	\$ -	\$ 412.95

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Total Auxiliary Enterprise Funds Budget Basis	CURRENT YEAR											
		Bookstore GAAP	Campus Housing GAAP	Food Service GAAP	Scholarship GAAP	Activity Fee GAAP	Children's Center GAAP	Building Development GAAP	Campus Patrol GAAP				
<b>REVENUES</b>													
Sales and Services of Auxiliary Enterprises	\$ 2,375,858.28	\$ 1,195,863.72	\$ 1,633,856.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Sources	762,062.09	-	-	74,375.22	559,288.00	79,614.07	104,787.60	3,225.00					
Other Student Fees													
Federal Sources													
Federal Grants	7,732.12	-	-	-	-	9,239.65	-	-					
State Grants	1,694.34	-	-	-	-	-	-	-					
Other Revenues													
Miscellaneous	-	-	-	-	-	-	-	-					
Interest	1,101.98	498.64	498.64	-	-	-	-	-					
<b>TOTAL REVENUES</b>	<b>3,148,448.81</b>	<b>1,196,362.36</b>	<b>1,634,354.73</b>	<b>74,375.22</b>	<b>559,288.00</b>	<b>88,853.72</b>	<b>104,787.60</b>	<b>3,225.00</b>					
<b>EXPENDITURES</b>													
Auxiliary Enterprise													
Salaries and Benefits	313,478.62	97,279.02	209,338.74	-	-	75,832.57	-	-					
General Operating Expense	281,870.97	47,977.63	232,834.69	45,748.27	-	1,116.01	-	4,207.41					
Supplies	14,748.96	-	5,925.08	-	-	8,405.63	-	-					
Capital Outlay	189,948.61	41,170.26	61,025.11	-	-	233.59	110,897.73	-					
Scholarships	506,450.00	-	-	-	515,083.00	-	-	-					
Food Service	403,578.51	-	482,906.50	-	-	-	-	-					
Books and Merchandise	850,712.11	773,539.23	-	-	-	-	-	-					
Debt Service	125,090.76	-	95,459.06	-	-	-	29,325.11	-					
Operating Transfer to:													
General Fund	40,335.33	13,936.00	13,936.00	13,936.00	-	-	-	-					
Turbine Refurbishment Fund	-	64,000.00	64,000.00	-	-	-	-	-					
Revenue Bonds Fund	146,848.76	71,373.76	255,688.75	-	-	-	-	-					
<b>TOTAL EXPENDITURES</b>	<b>2,873,062.63</b>	<b>1,109,275.90</b>	<b>1,421,113.93</b>	<b>59,684.27</b>	<b>515,083.00</b>	<b>85,587.80</b>	<b>140,222.84</b>	<b>4,207.41</b>					
Excess of Revenues Over (Under) Expenditures	275,386.18	87,086.46	213,240.80	14,690.95	44,205.00	3,265.92	(35,435.24)	(982.41)					
Unencumbered Cash Beginning of Year	1,694,553.26	1,247,105.94	597,146.20	58,400.85	41,593.26	22,574.96	254,336.82	25,766.79					
End of Year	\$ 1,969,939.44	\$ 1,334,192.40	\$ 810,387.00	\$ 73,091.80	\$ 85,798.26	\$ 25,840.88	\$ 218,901.58	\$ 24,784.38					

**Schedule 9 (Continued)**

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	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	
<b>REVENUES</b>								
Sales and Services of Auxiliary Enterprises	\$ 7,795.00	\$ -	\$ -	\$ 2,837,514.81	\$ (76,719.13)	\$ 2,760,795.68	\$ 2,370,000.00	\$ 390,795.68
Student Sources	-	-	-	821,289.89	-	821,289.89	2,450,000.00	(1,628,710.11)
Other Student Fees	-	-	-	9,239.65	(667.81)	8,571.84	-	8,571.84
Federal Grants	-	-	-	-	-	-	-	-
State Grants	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	1,900,000.00	(1,900,000.00)
Miscellaneous	-	-	-	997.28	-	997.28	-	997.28
Interest	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>7,795.00</b>	<b>-</b>	<b>-</b>	<b>3,669,041.63</b>	<b>(77,386.94)</b>	<b>3,591,654.69</b>	<b>6,720,000.00</b>	<b>(3,128,345.31)</b>
<b>EXPENDITURES</b>								
Auxiliary Enterprise	-	-	-	382,450.33	(784.35)	381,665.98	395,000.00	(13,334.02)
Salaries and Benefits	-	-	332.02	332,216.03	-	332,216.03	1,750,000.00	(1,417,783.97)
General Operating Expense	-	-	-	14,330.71	-	14,330.71	-	14,330.71
Supplies	-	-	-	215,576.69	-	215,576.69	2,372,506.00	(2,156,929.31)
Capital Outlay	2,250.00	-	-	515,083.00	-	515,083.00	400,000.00	115,083.00
Scholarships	-	-	-	482,906.50	-	482,906.50	-	482,906.50
Food Service	-	-	-	773,539.23	107,893.27	881,432.50	800,000.00	81,432.50
Books and Merchandise	-	-	-	124,784.17	-	124,784.17	-	124,784.17
Debt Service	-	-	-	-	-	-	-	-
Operating Transfer to:								
General Fund	-	(75,000.00)	-	(33,192.00)	-	(33,192.00)	41,007.00	(74,199.00)
Turbine Refurbishment Fund	-	-	-	128,000.00	-	128,000.00	122,638.00	5,362.00
Revenue Bonds Fund	-	-	-	327,062.51	-	327,062.51	193,849.00	133,213.51
<b>TOTAL EXPENDITURES</b>	<b>2,250.00</b>	<b>(75,000.00)</b>	<b>332.02</b>	<b>3,262,757.17</b>	<b>107,108.92</b>	<b>3,369,866.09</b>	<b>6,075,000.00</b>	<b>(2,705,133.91)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,545.00</b>	<b>75,000.00</b>	<b>(332.02)</b>	<b>406,284.46</b>	<b>(184,495.86)</b>	<b>221,788.60</b>	<b>645,000.00</b>	<b>(423,211.40)</b>
<b>Unencumbered Cash Beginning of Year</b>	<b>31,539.03</b>	<b>25,000.00</b>	<b>154,546.22</b>	<b>2,458,010.07</b>	<b>(488,070.63)</b>	<b>1,969,939.44</b>	<b>2,194,049.00</b>	<b>(224,109.56)</b>
<b>End of Year</b>	<b>\$ 37,084.03</b>	<b>\$ 100,000.00</b>	<b>\$ 154,214.20</b>	<b>\$ 2,864,294.53</b>	<b>\$ (672,566.49)</b>	<b>\$ 2,191,728.04</b>	<b>\$ 2,839,049.00</b>	<b>\$ (647,320.96)</b>

**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, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
<b>REVENUES</b>					
Other Sources					
Interest Income	\$ 13,839.35	\$ 5.97	-	\$ 5.97	\$ 5.97
Bond Proceeds	1,927,472.64	-	-	-	-
Capital Lease Proceeds	82,937.50	-	-	-	-
Operating Transfers from:					
Bookstore Fund	73,424.38	71,373.76	-	71,373.76	(25,550.74)
Housing Fund	73,424.38	255,688.75	-	255,688.75	158,764.25
Capital Outlay Fund	-	119,110.13	-	119,110.13	119,110.13
<b>TOTAL REVENUES</b>	<b>2,171,098.25</b>	<b>446,178.61</b>	<b>-</b>	<b>446,178.61</b>	<b>252,329.61</b>
<b>EXPENDITURES</b>					
Debt Service					
Bond Principal	1,610,000.00	-	-	-	-
Bond Interest	93,315.05	222,828.75	(28,979.78)	193,848.97	(0.03)
Debt Service Expense	164,981.75	12,614.63	5,885.37	18,500.00	18,500.00
<b>TOTAL EXPENDITURES</b>	<b>1,868,296.80</b>	<b>235,443.38</b>	<b>(23,094.41)</b>	<b>212,348.97</b>	<b>18,499.97</b>
Excess of Revenues and Transfers Over (Under) Expenditures	302,801.45	210,735.23	23,094.41	233,829.64	233,829.64
Unencumbered Cash Beginning of Year	278,250.38	699,837.06	(118,785.23)	581,051.83	(76,375.17)
End of Year	\$ 581,051.83	\$ 910,572.29	\$ (95,690.82)	\$ 814,881.47	\$ 157,454.47



**Schedule 11 (Continued)**

**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, 2011

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
EXPENDITURES (Continued)					
Operating Transfers to Revenue Bonds Fund	\$ -	\$ 119,110.13	\$ -	\$ 119,110.13	\$ 119,110.13
TOTAL EXPENDITURES	1,728,345.05	3,923,434.37	-	3,923,434.37	111,657.37
Excess of Revenues and Transfers Over (Under) Expenditures	3,481,472.58	(3,123,389.52)	(31,867.38)	(3,155,256.90)	(340,720.90)
Unencumbered Cash Beginning of Year	867,115.60	4,348,588.18	-	4,348,588.18	(19,952.82)
End of Year	\$ 4,348,588.18	\$ 1,225,198.66	\$ (31,867.38)	\$ 1,193,331.28	\$ (360,673.72)

**CLOUD COUNTY COMMUNITY COLLEGE**  
 Concordia, Kansas  
 Schedule of Changes in Assets and Liabilities  
 All Agency Funds - Primary Institution  
 For the Year Ended June 30, 2011

ACCOUNT NAME	Primary Institution			BALANCE JUNE 30, 2011
	BALANCE JUNE 30, 2010	ADDITIONS	DEDUCTIONS	
<b>AGENCY FUND</b>				
School Projects Accounts				
Sales Tax	\$ 1,969.56	\$ 82,872.35	\$ 82,629.60	\$ 2,212.31
Scholarships	-	228,003.00	219,228.00	8,775.00
Total School Projects	\$ 1,969.56	\$ 310,875.35	\$ 301,857.60	\$ 10,987.31
Student Organization Accounts				
SIFE	\$ -	\$ 1,002.00	\$ 378.20	\$ 623.80
Block & Bridle	731.38	-	-	731.38
Child Care Club	7,439.93	2,085.00	1,187.90	8,337.03
J.C. PHI THETA KAPPA	1,881.28	1,965.50	2,724.99	1,121.79
J.C. Student Senate	1,221.22	949.76	732.87	1,438.11
PHI THETA KAPPA	873.87	1,613.31	232.76	2,254.42
VICA	-	2,383.82	2,383.62	0.20
Geary Co. SIFE	1,686.04	-	-	1,686.04
Radio Club	108.63	-	-	108.63
Total Student Organizations	\$ 13,942.35	\$ 9,999.39	\$ 7,640.34	\$ 16,301.40
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 15,911.91</b>	<b>\$ 320,874.74</b>	<b>\$ 309,497.94</b>	<b>\$ 27,288.71</b>
Assets				
Cash and Investments	\$ 15,911.91	\$ 320,874.74	\$ 309,497.94	\$ 27,288.71
<b>TOTAL ASSETS</b>	<b>\$ 15,911.91</b>	<b>\$ 320,874.74</b>	<b>\$ 309,497.94</b>	<b>\$ 27,288.71</b>
Liabilities				
Deposits Held For Others	\$ 15,911.91	\$ 320,874.74	\$ 309,497.94	\$ 27,288.71
<b>TOTAL LIABILITIES</b>	<b>\$ 15,911.91</b>	<b>\$ 320,874.74</b>	<b>\$ 309,497.94</b>	<b>\$ 27,288.71</b>

**CLOUD COUNTY COMMUNITY COLLEGE  
CONCORDIA, KANSAS**

**FEDERAL COMPLIANCE SECTION**

For the Year Ended June 30, 2011

**AUDITOR INFORMATION SHEET**

**CLOUD COUNTY COMMUNITY COLLEGE**

2221 Campus Drive  
CONCORDIA, KANSAS 66901

EIN NUMBER: 48-0732624  
OPE ID NUMBER: 00190900  
DUNS NUMBER: 21365291

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

PRESIDENT: Dr. Danette Toone  
CONTACT PERSON & TITLE: Mary LaBarge, Director of Accounting Services

LEAD AUDITOR: Neil L. Phillips, CPA  
EMAIL ADDRESS: [nphillips@jgppa.com](mailto:nphillips@jgppa.com)  
LICENSE NUMBER & HOME STATE: 4348 KS  
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
	Strengthening Institutions	84.031A

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	2011	N/A
Abilene	Yes	Yes	Yes	1990	N/A	2011	N/A
Clay Center	Yes	Yes	Yes	1978	N/A	2011	N/A
Junction City	Yes	Yes	Yes	1991	N/A	2011	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 <sup>th</sup> St.	7419432
Concordia, Ks 66901	7419410

**CLOUD COUNTY COMMUNITY COLLEGE**  
 Concordia, Kansas  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2011

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements/ Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Direct Programs:			
Student Financial Assistance Programs Cluster			
Federal Supplemental Education Opportunity	N/A	84.007	\$ 48,300.00
Federal Supplemental Education Opportunity - Administration	N/A	84.007	3,220.00
		Total 84.007	51,520.00
Federal College Workstudy	N/A	84.033	89,302.52
Federal College Workstudy - Administration	N/A	84.033	4,465.13
		Total 84.033	93,767.65
Federal Pell Grant	N/A	84.063	3,151,080.00
Federal Pell Grant Administration	N/A	84.063	4,145.00
		Total 84.063	3,155,225.00
Federal Direct Loan	N/A	84.268	3,529,949.00
Academic Competitiveness Grant	N/A	84.375	51,287.00
			(M) 6,881,748.65
Total Student Financial Assistance Programs Cluster			
Strengthening Institutions	N/A	84.031A	306,648.75
TRIO - Student Support Services	N/A	84.042A	208,206.34
Passed through the State of Kansas Department of Education:			
Adult Basic Education Program	FY11- ABE	84.002	71,128.66
Adult Basic Education Program - Professional Development	FY11- ABE	84.002	3,556.43
		Total 84.002	74,685.09
State Fiscal Stabilization Fund	S394A090017	84.394A	236,311.00

**Schedule 13 (Continued)**

**CLOUD COUNTY COMMUNITY COLLEGE**  
 Concordia, Kansas  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2011

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements/ Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION (Continued)</u></b>			
Passed through the State of Kansas Department of Carl Perkins Vocational Education Grants:			
Program Improvement	LEA#JO803	84.048	\$ 110,257.00
Leadship Fund - Targeting Talent	LEA#JO803	84.048	5,481.25
	Total 84.048		115,738.25
Total U.S. Department of Education			7,823,338.08
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>			
Passed through the State of Kansas Corporation Commission: Energy Efficiency & Conservation Block Grant Program	#1476798	81.128	250,000.00
Total U.S. Department of Energy			250,000.00
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Passed through the Clay County Head Start Child Care Development Block Grant	07-CCDBG	93.575	16,153.28
Total U.S. Department of Health and Human Services			16,153.28
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through the State Department of Education Child and Adult Care Food Program	LEA#JO803	10.558	9,239.65
Total U.S. Department of Agriculture			9,239.65
FEDERAL ASSISTANCE TOTALS			\$ 8,098,731.01

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.  
 (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, 2011, which collectively comprise the Cloud County Community College's basic financial statements and have issued our report thereon dated November 4, 2011. 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 Cloud County Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cloud County Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cloud County Community College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

This report is intended solely for the information and use of management, Board of Trustees, others within the entity, 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*

JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

November 4, 2011  
Chanute, Kansas

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
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 Cloud County Community College's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have direct and material effect on each of Cloud County Community College's major federal programs for the year ended June 30, 2011. 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 2011-01 in the accompanying schedule of findings and questioned costs, Cloud County Community College, did not comply with requirements regarding "Eligibility" and in 2011-02 with requirements regarding "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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-01, and 2011-02 to be material weaknesses.

Cloud County Community College's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Cloud County Community College's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Trustees, others within the entity, 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

November 4, 2011  
Chanute, Kansas

**CLOUD COUNTY COMMUNITY COLLEGE**  
 Concordia, Kansas

Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2011

**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___	Yes	_____	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 a qualified opinion.

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

**U.S. DEPARTMENT OF EDUCATION**

Student Financial Aid Cluster	
Federal Pell Grant Program	CFDA 84.063
Federal Direct Student Loans	CFDA 84.268
Federal Supplemental Educational Opportunity Grant	CFDA 84.007
Federal Work-Study Program	CFDA 84.033
Academic Competitiveness Grant	CFDA 84.375
Strengthening Institutions	CFDA 84.031A

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

Auditee qualified as a low risk auditee?	_____	Yes	___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, 2011

**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Finding: 2011-01** – Eligibility

*Information of Federal Program:*

Student Financial Aid Cluster

Federal Pell Grant Program – CFDA No. 84.063

Federal Direct Loan Program – CFDA No. 84.268

*Criteria:* Proper awarding of student financial aid requires 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 4 of 50 tested students were incorrectly awarded the Federal Pell Grant and/or Federal Direct Loan based on the criteria presented above.

*Effect:* One student did not get full benefit of the student Federal financial aid available, one student got more than should have been awarded, and two students were awarded a Federal direct loan when awarded half time for Federal Pell.

*Cause:* The College did not have internal controls in place to review amounts awarded to students matched with student status at the College.

*Recommendation:* Policies and procedures should be written to provide on-going monitoring of students to ensure the student is not over or under awarded financial aid.

*Views of responsible officials and planned corrective action:* See the Corrective Action Plan on page 66 of the current year audit.

**CLOUD COUNTY COMMUNITY COLLEGE**  
Concordia, Kansas

Schedule of Findings and Questioned Costs  
(Continued)  
For the Year Ended June 30, 2011

**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Finding: 2011-02** – Special Tests and Provisions - Verification  
*Information of Federal Program:*

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, and Academic Competitiveness Grant – CFDA No. 84.375

*Criteria:*

Written policies and procedures are required to be established that incorporate the provisions of 34 CFR sections 668.51 through 668.61 for verifying applicant information. The College shall require each applicant whose application is selected by the central processor, based on edits specified by ED, to verify the information specified in 34 CFR section 668.56.

*Condition:*

During our testing of the verification process, four of the twenty-nine files tested did not include adequate evidence of verification as specified in 34 CFR section 668.56.

*Effect:*

The deficiencies in the design and operation of the internal controls in this area could result in the improper awarding of financial aid.

*Cause:*

The College did not have internal controls in place that documents the proper verification was completed accurately.

*Recommendation:*

Policies and procedures should be written to provide internal control over the verification of student files. We recommend the College establish a filing process that allows all applications selected for verification to be verified before financial aid is awarded and shows how the income verification was calculated.

*Views of responsible officials and planned corrective action:* See the Corrective Action Plan on page 66 of the current year audit.

**CLOUD COUNTY COMMUNITY COLLEGE**  
Concordia, Kansas

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

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 August 22, 2011 to August 25, 2011. The following is a schedule of statistics for the year ended June 30, 2011:

TOTAL POPULATION:

	<b>PELL</b>	<b>FDL</b>	<b>FSEOG</b>	<b>ACG</b>	<b>FWS</b>
Universe					
Dollars	\$ 3,151,080	\$ 3,529,949	\$ 48,300	\$ 51,287	\$ 89,303
Students	985	917	221	63	64
Sample					
Dollars	\$ 154,421	\$ 222,125	\$ 3,400	\$ 1,400	\$ 3,844
Students	50	57	16	2	2

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

	<b>PELL</b>	<b>FDL</b>	<b>FSEOG</b>	<b>ACG</b>	<b>FWS</b>
Universe					
Dollars	\$ 2,727,488	\$ 3,105,737	\$ 40,300	\$ 48,760	\$ 87,599
Students	807	776	175	57	63
Sample					
Dollars	\$ 91,665	\$ 139,835	\$ 1,800	\$ 750	\$ 2,139
Students	24	31	7	1	1

WITHDREW, DROPPED OR TERMINATED STUDENTS:

	<b>PELL</b>	<b>FDL</b>	<b>FSEOG</b>	<b>ACG</b>	<b>FWS</b>
Universe					
Dollars	\$ 423,592	\$ 424,212	\$ 8,000	\$ 2,527	\$ 1,704
Students	178	141	46	6	1
Sample					
Dollars	\$ 62,756	\$ 82,290	\$ 1,600	\$ 650	\$ 1,704
Students	26	26	9	1	1

WITHDREW, DROPPED OR TERMINATED STUDENTS:

	<b>PELL</b>	<b>FDL</b>	<b>FSEOG</b>	<b>ACG</b>	<b>FWS</b>
Universe					
Dollars Refunded	\$ 15,021	\$ 20,884	\$ 0	\$ 0	\$ 0
Students	24	26	0	0	0
Sample					
Dollars Refunded	\$ 860	\$ 2,929	\$ - 0 -	\$ - 0 -	\$ - 0 -
Students	3	5	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, 2011

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**2010-01** – Special Tests and Provisions

*Condition:*

During the testing of Title IV funds, it was noted several students were not evaluated according to policy to determine satisfactory academic progress was maintained.

*Recommendation:*

Policies and procedures should be written to provide internal control over the satisfactory academic progress. We recommend the College establish a written process that allows for the review of all financial aid students for satisfactory academic progress and documentation of such review.

*Current Status:*

The College has implemented policies and procedures to ensure compliance.

## Corrective Action Plan

November 4, 2011

Cognizant or Oversight Agency for Audit

Cloud County Community College respectfully submits the following corrective action plan for the year ended June 30, 2011.

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, 2011.

The findings from the November 4, 2011 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 2011-01** – Eligibility

*Recommendation:* Policies and procedures should be written to provide on-going monitoring of students to ensure the student is not over or under awarded financial aid.

*Action Taken:* Action Taken: The Financial Aid Policy and Procedure Manual has been updated to provide internal control over the monitoring of students eligibility. Reports have been established to monitor the students enrollment status to ensure all students are awarded correctly. The Power Faids system does adjust for enrollment status such as full-time, three quarter-time, half time, or less than half-time. The Pell students who were incorrectly awarded were summer Pell recipients and due to two-Pell awards in year, all summer Pell recipients had to be hand calculated resulting in the audit finding. The elimination of two-Pell awards in a year by federal regulations have resolved this issue.

### **Finding 2010-02** – Special Tests and Provisions - Verification

*Recommendation:*

Policies and procedures should be written to provide internal control over the verification of student files. We recommend the College establish a filing process that allows all applications selected for verification to be verified before financial aid is awarded and shows how the income verification was calculated.

*Action Taken:*

We concur with the recommendation. The Financial Aid Offices has established policies and procedures to provide internal control over the verification process. The Financial Aid office had recognized there was an issue with the Verification process prior to the end of the 2011 fiscal year and steps were taken to correct the processes in place. Additional staffing has been added to the Financial Aid office to help relieve the workload for the verification process. In addition to the above actions the Financial Aid staff has attended the RAMSFAA summer institute training along with additional Power Faids training resulting in a better understanding of the verification process.

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

Sincerely,

*Cloud County Community College*

Cloud County Community College