

CENTRAL COMMUNITY COLLEGE AREA

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

CENTRAL COMMUNITY COLLEGE AREA  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors  
Central Community College Area  
Grand Island, Nebraska

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the business-type activities of Central Community College Area as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Central Community College Area's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Central Community College Area, as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Central Community College Foundation, which represent 19 percent, 20 percent, and 8 percent, respectively, of the assets, net position, and revenues of Central Community College Area as of June 30, 2022 and 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Central Community College Foundation is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it

to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Central Community College Area's basic financial statements. The schedules of general fund revenues - budgetary basis, schedules of general fund expenditures - budgetary basis, and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of general fund revenues - budgetary basis, schedules of general fund expenditures - budgetary basis, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of Central Community College Area's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Community College Area's internal control over financial reporting and compliance.

*Dana F Cole + Company, LLP*

Minden, Nebraska  
November 14, 2022

## CENTRAL COMMUNITY COLLEGE AREA MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Central Community College Area's (the College) annual financial report presents the management's discussion and analysis of the College's financial performance, as reflected in the financial statements for the fiscal years ended June 30, 2022 and 2021. The Central Community College Foundation is a legally separate not-for-profit corporation and is reported as a discretely presented component unit based on the nature and significance of its relationship to the College. The management's discussion and analysis does not contain information of the Foundation. Please read the management's discussion and analysis in conjunction with the College's financial statements, which follow this section.

### **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the College's basic financial statements and notes to the financial statements. The financial statements include three components: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows - direct method. These statements provide information on the College as a whole and present a long-term view of the College's finances.

### **THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

One of the most important questions asked about the College's finances is, "Is Central Community College Area as a whole better off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses, and changes in net position report information on the College as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the College's operating results.

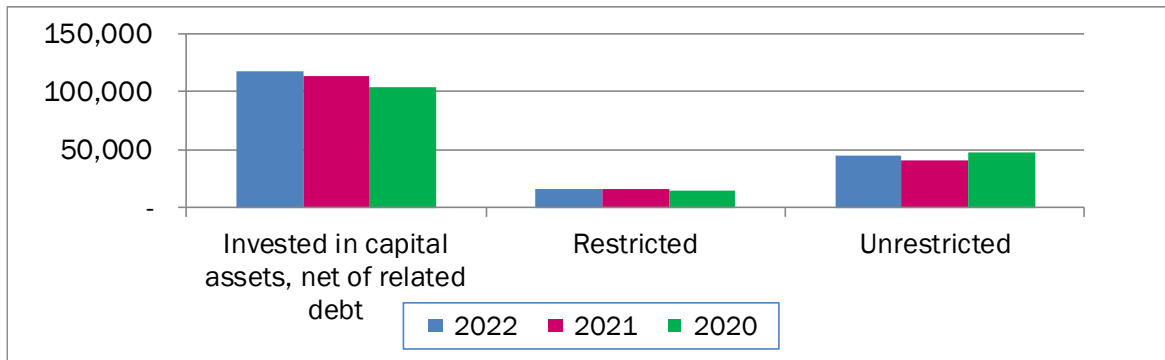
These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the College's net position and changes in it. You can think of the College's net position (the difference between assets and liabilities and deferred inflows of resources) as one way to measure the College's financial health or financial position. Over time, increases or decreases in the College's net position are indicators of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as enrollment trends, placement results, program quality, condition of buildings, campus safety, and other factors to assess the overall health of the institution.

CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION (Continued)**

**Figure 1**  
**Central Community College Area**  
**Net Position**  
(in thousands of dollars)



**Table 1**  
**Central Community College Area**  
**Net Position**  
(in thousands of dollars)

	2022	2021	2020
Current assets	66,888	63,618	68,030
Noncurrent assets	(2,979)	2,319	1,057
Capital assets	<u>134,829</u>	<u>130,545</u>	<u>120,060</u>
Total assets	<u>198,738</u>	<u>196,482</u>	<u>189,147</u>
Current liabilities	10,029	11,703	8,632
Noncurrent liabilities	9,298	14,108	13,284
Deferred inflows of resources	<u>270</u>	<u>314</u>	<u>359</u>
Total liabilities	<u>19,597</u>	<u>26,125</u>	<u>22,275</u>
Net position			
Invested in capital assets, net of related debt	121,520	113,571	104,150
Restricted	16,561	16,616	14,420
Unrestricted	<u>41,060</u>	<u>40,170</u>	<u>48,302</u>
Total net position	<u>179,141</u>	<u>170,357</u>	<u>166,872</u>

CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION** (Continued)

Net position of the College increased by 5.2% (\$8,785 thousands) for the fiscal year ended June 30, 2022, and increased by 2.1% (\$3,485 thousands) for the fiscal year ended June 30, 2021. The increase in net position for the current year is due to the following factors:

Unrestricted net position increased 11.8% (\$4,724 thousands) during 2021 - 2022. This was due to auxiliary enterprises coming back from the pandemic. Investment in capital assets, net of related debt, increased 3.6% (\$4,115 thousands). This is due to capital projects that were completed.

**Table 2**  
**Central Community College Area**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
(in thousands of dollars)

	2022	2021	2020
Operating revenue			
Student tuition and fees	6,479	6,505	7,246
Grants and contracts	100	47	
Sales educational departments	1,202	667	632
Auxiliary enterprises	3,441	2,864	2,866
Other	1,743	3,671	4,033
Total operating revenue	<u>12,965</u>	<u>13,754</u>	<u>14,777</u>
Operating expense			
Personnel services	49,151	49,128	47,351
Operating expenses	23,448	25,075	19,235
Supplies	3,783	3,583	3,471
Noncapitalized assets	1,946	189	2,048
Depreciation and amortization	9,478	8,057	7,646
Total operating expenses	<u>87,806</u>	<u>86,032</u>	<u>79,751</u>
Net operating loss	<u>(74,841)</u>	<u>(72,278)</u>	<u>(64,974)</u>
Nonoperating revenue (expenses)			
State aid	10,694	9,943	9,623
Property taxes	41,155	40,828	41,673
Grants and contracts	16,951	15,309	12,288
Investment income	37	61	108
Gifts	4,721		
Interest expense	(338)	(353)	(442)
Net nonoperating revenue (expenses)	<u>73,220</u>	<u>65,788</u>	<u>63,250</u>



CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

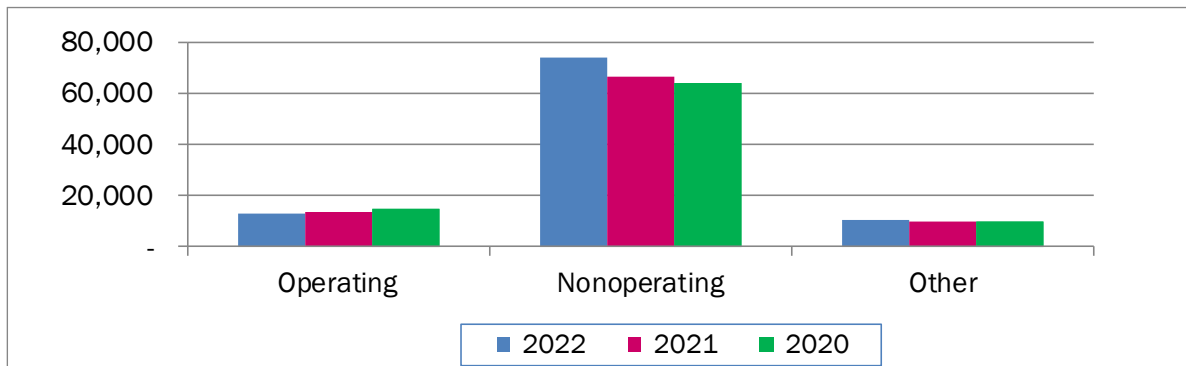
**THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)**

**Table 2 (Continued)**  
**Central Community College Area**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
(in thousands of dollars)

	2022	2021	2020
Other revenue			
Capital appropriations	<u>10,405</u>	<u>9,974</u>	<u>9,518</u>
Increase in net assets	8,784	3,484	7,794
Net position			
Net position, beginning of year	<u>170,356</u>	<u>166,872</u>	<u>159,078</u>
Net position, end of year	<u><u>179,140</u></u>	<u><u>170,356</u></u>	<u><u>166,872</u></u>

**REVENUES**

**Figure 2**  
**Central Community College Area**  
**Revenues**  
(in thousands of dollars)



# CENTRAL COMMUNITY COLLEGE AREA MANAGEMENT'S DISCUSSION AND ANALYSIS

## REVENUES (Continued)

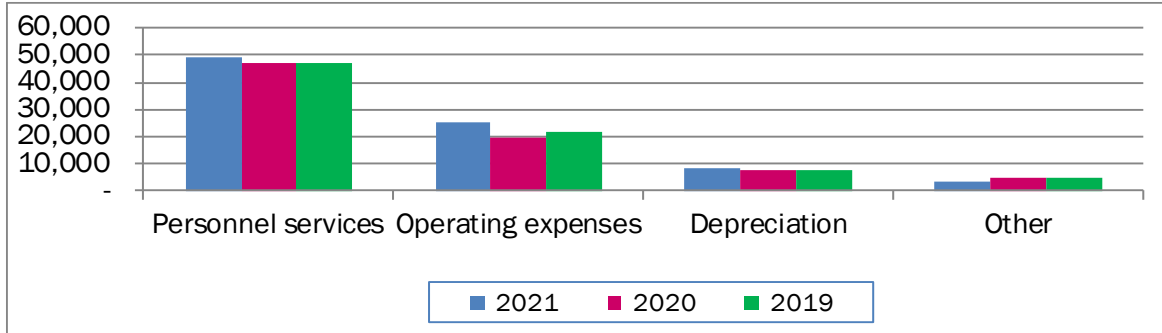
The change in revenues was the result of the following:

Operating revenue showed a decrease of \$789 thousands over 2020 - 2021. Tuition and fee revenue decreased by \$26 thousands. Auxiliary enterprises and other operating revenue showed a decrease of \$763 thousands in revenues. This was primarily due to the College coming out of the COVID-19 pandemic.

Nonoperating revenue included an increase in state aid of 7.6% (\$751 thousands), an increase in property tax revenue of 0.8% (\$327 thousands), and an increase in grants of 10.7% (\$1,642 thousands). This was primarily from the federal government CARES funds distributed as the result of the pandemic. Gifts from fundraising done by Central Community College Foundation for the Hastings campus projects included \$4,721 thousands in 2021 - 2022.

## EXPENSES

**Figure 3**  
**Central Community College Area**  
**Expenses**  
(in thousands of dollars)



	2022	2021	2020
Educational and general			
Instruction	24,267,696	23,126,722	22,287,590
Academic support	9,855,486	9,575,720	9,438,635
Student services	7,413,423	8,781,101	7,597,275
Institutional support	19,911,412	18,293,714	17,608,921
Physical plant	8,478,529	10,817,069	7,954,799
Depreciation	9,478,146	8,057,297	7,645,559
Student financial aid	6,437,249	5,158,734	4,557,327
Auxiliary enterprises	1,964,066	2,221,644	2,660,579
Total expenses	<u>87,806,007</u>	<u>86,032,001</u>	<u>79,750,685</u>

CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**EXPENSES** (Continued)

The change in expenses was the result of the following:

An increase of 0.5% (\$23 thousands) in personnel services is primarily from an increase in wages and benefits.

Operating and supplies expenses have increased by 1.2% (\$331 thousands), primarily due to the effect of coming out of the COVID-19 pandemic.

Depreciation expense increased by 17.6% (\$1,421 thousands). This is due to the various capital projects completed in the past several years being higher than normal.

**THE STATEMENT OF CASH FLOWS**

Another way to assess the financial health of the College is to look at the statements of cash flows. The purpose of the statements of cash flows is to provide relevant information about cash receipts and cash payments made by the College during a fiscal year. The statements also help users to assess the College's:

- Ability to generate future net cash flows
- Ability to meet its obligations as they come due
- Needs for external financing
- Investment timing and strategies

**Table 3**  
**Central Community College Area**  
**Cash Flows**  
(in thousands of dollars)

	2022	2021	2020
Cash provided by (used in):			
Operating activities	(68,860)	(62,037)	(59,550)
Noncapital financing activities	68,695	66,445	64,038
Capital and related financing activities	1,173	(8,111)	(5,928)
Investing activities	27	217	325
Net increase (decrease) in cash and cash equivalents	1,035	(3,486)	(1,115)
Cash and cash equivalents, beginning of the year	38,927	42,413	43,528
Cash and cash equivalents, end of the year	<u>39,962</u>	<u>38,927</u>	<u>42,413</u>

Cash and cash equivalents increased for the 2022 year by 2.7% (\$1,036 thousands).

CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At June 30, 2022, the College had \$127,161 thousands invested in capital assets, net of accumulated depreciation of \$103,743 thousands. Depreciation charges for the fiscal years ended June 30, 2022 and 2021, totaled \$9,478, and \$8,057 thousands, respectively. Details of capital assets for the fiscal years ended June 30 are as follows:

**Table 4**  
**Central Community College Area**  
**Capital Assets**  
(net of depreciation and amortization, in thousands of dollars)

	2022	2021	2020
Land and construction in progress	3,440	12,852	14,525
Land improvements	6,317	6,477	5,971
Buildings	112,830	103,294	95,763
Equipment	4,574	3,907	3,801
Right to use assets	3,834	4,014	
	<u>130,995</u>	<u>130,544</u>	<u>120,060</u>

Major capital additions completed this year include (in thousands):

East Education addition, Columbus	13,106
West Education HVAC, Columbus	2,093
Facilities Building addition, Columbus	1,011
Gausman boiler and pump, Hastings	279
West Entrance electric sign, Columbus	213
Windows, Hastings	114
Faculty Building office system, Columbus	92
Administration Building roof, Grand Island	90
Concrete replacement, Hastings	81
Equipment	<u>2,450</u>
	<u>19,529</u>

The College has planned capital expenditures for the fiscal year ending June 30, 2023, of approximately \$12,419 thousands.

CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

Capital Assets (Continued)

The major items planned to be funded by ADA funds include the following:

In Grand Island, the following is planned: miscellaneous projects of \$200,000. In Hastings: miscellaneous projects of \$385,000, and asbestos removal of \$290,000. In Columbus: East Education remodel of \$250,000, Physical Education remodel of \$350,000. Various other restrooms, asbestos removal, and concrete replacement will be done campus-wide for \$1,204,000.

Capital improvement funds will be used to finance the following major items:

In Hastings: Phelps remodel for \$1,900,000, Merrick remodel for \$800,000, and miscellaneous projects for \$472,000. In Grand Island: CHTS roof for \$300,000, the 300 and 400 wing exterior replacement of \$200,000, crime scene building of \$225,000, and miscellaneous projects of \$413,000. In Columbus: East Ed remodel of \$2,650,000, scoreboard and streaming infrastructure of \$400,000. College-wide projects of \$731,000 are planned.

Amounts available from prior revenue bond issuances will finance the following major items:

In Columbus: miscellaneous projects for \$162,000. In Grands Island: New snack bar for \$500,000. In Hastings: miscellaneous projects for \$176,000 are planned.

More detailed information about the College's capital assets is found in Note 5 to the financial statements.

Debt

At June 30, 2022, the College had \$9,603 thousands in debt outstanding versus \$13,077 thousands at June 30, 2021.

**Table 5**  
**Central Community College Area**  
**Outstanding Debt**  
(in thousands of dollars)

	2022	2021	2020
2012B, Series Dormitory and Student Facility			
Refunding Revenue Bonds		1,250	1,445
2013 Series Dormitory and Student Facility			
Refunding Revenue Bonds		840	965
2014 Series Dormitory and Student Facility			
Refunding Revenue Bonds		2,795	2,970
2017 Series Dormitory and Student Facility			
Refunding Revenue Bonds		1,305	1,530

CENTRAL COMMUNITY COLLEGE AREA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

Debt (Continued)

**Table 5 (Continued)**  
**Central Community College Area**  
**Outstanding Debt**  
(in thousands of dollars)

	2022	2021	2020
2016 Series Central Community College Facilities Corp Bonds		825	1,645
2019 Series Central Community College Facilities Corp Bonds	4,510	5,945	7,355
2021 Series Dormitory and Student Facility Refunding Revenue Bonds	4,965		
Other liabilities	<u>128</u>	<u>117</u>	<u>100</u>
	<u>9,603</u>	<u>13,077</u>	<u>16,010</u>

The issuance of the 2021 Series bonds were used to refund the 2012B, 2013, 2014 and 2017 issuances. The issuance of the 2019 Series bonds were used to refund the 2013 and 2014 issuances during the year ended June 30, 2020.

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The economic position of Central Community College Area is closely tied to that of the state. The 2013 modifications to the Community College funding formula in Nebraska State Statutes have directly affected College resources available in subsequent years. The College's share of state aid available for 2021 - 2022 is set to increase by 5.2 % (\$589 thousands). Property valuations for the Central Community College Area have increased by 4.35%.

In light of this environment, the College Board of Governors has taken the following actions:

The College continues to utilize the Academic Quality Improvement Program (AQIP) for College decision making and improvement.

The 2022-23 property tax levy for the General Fund decreased from 6.8813 cents to 6.7262 cents per \$100 valuation; Capital Improvement Fund levy is being decreased from 1.9190 cents to 1.8320 cents; and the levy for the ADA Fund is being increased from 0.3821 cents to 0.4690 cents.

Tuition and fee rates for 2022-23 have increased from \$107 to \$110 a credit hour.

**FINANCIAL CONTACT**

The College's financial statements are designed to present users with a general overview of the College's finances and to demonstrate the College's accountability. If you have questions about the report or need additional financial information, contact Joel King, College Business Officer, 308.398.7315, at 3134 West Highway 34, P.O. Box 4903, Grand Island, Nebraska, 68802-4903 or email joelking@cccneb.edu.

CENTRAL COMMUNITY COLLEGE AREA  
STATEMENTS OF NET POSITION  
JUNE 30, 2022 AND 2021

	2022		2021	
	College	Foundation	College	Foundation
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	39,963,426	4,586,797	38,927,335	8,588,153
Investments	3,083,520	28,054,023	1,608,574	30,374,948
Property taxes receivable	19,130,959		19,026,161	
Accounts receivable (net)	3,376,846	1,331,220	2,926,002	1,114,663
Interest receivable	2,632	2,566	4,413	1,498
Prepaid expense	1,329,960		1,124,575	
Total current assets	<u>66,887,343</u>	<u>33,974,606</u>	<u>63,617,060</u>	<u>40,079,262</u>
Noncurrent assets				
Restricted investments			6,066	
Endowment investments		545,541		638,377
Long-term investments	854,814		2,313,329	
Notes receivable (net)		2,193,113		3,052,769
Capital assets (net)	<u>130,995,164</u>	<u>888,669</u>	<u>130,544,474</u>	<u>972,844</u>
Total noncurrent assets	<u>131,849,978</u>	<u>3,627,323</u>	<u>128,849,985</u>	<u>4,664,290</u>
<b>TOTAL ASSETS</b>	<u>198,737,321</u>	<u>37,601,929</u>	<u>192,467,045</u>	<u>44,743,552</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	1,616,413	4,125	4,420,747	38,893
Accrued salaries	2,642,588		2,906,847	
Accrued interest	33,791		55,352	124
Deferred revenue	1,284,850	7,200	1,005,878	1,463
Deposits	120,075		106,947	
Deposits held in custody for others	128,416		116,573	
Current amount of service concession agreement	32,000		32,000	
Leases payable - current	231,359		179,976	
Bonds/notes payable - current	<u>3,940,000</u>	<u>500,000</u>	<u>2,995,000</u>	<u>576,011</u>
Total current liabilities	<u>10,029,492</u>	<u>511,325</u>	<u>11,819,320</u>	<u>616,491</u>

CENTRAL COMMUNITY COLLEGE AREA  
STATEMENTS OF NET POSITION  
JUNE 30, 2022 AND 2021

	2022		2021	
	College	Foundation	College	Foundation
LIABILITIES (Continued)				
Noncurrent liabilities				
Annuities payable		335,349		347,224
Service concession agreement	160,000		192,000	
Leases payable	3,602,549		3,833,908	
Bonds payable	5,535,000		9,965,000	
Total noncurrent liabilities	<u>9,297,549</u>	<u>335,349</u>	<u>13,990,908</u>	<u>347,224</u>
TOTAL LIABILITIES	<u>19,327,041</u>	<u>846,674</u>	<u>25,810,228</u>	<u>963,715</u>
DEFERRED INFLOWS OF RESOURCES	<u>269,539</u>		<u>314,462</u>	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>19,596,580</u>	<u>846,674</u>	<u>26,124,690</u>	<u>963,715</u>
NET POSITION				
Without donor restrictions		18,927,883		19,691,185
With donor restrictions		17,827,372		24,088,652
Invested in capital assets, net of related debt	121,520,164		113,570,590	
Restricted for:				
Expendable				
Grants	734,929		2,521,874	
ADA/hazardous waste	15,825,662		14,093,914	
Unrestricted	<u>41,059,986</u>		<u>40,169,861</u>	
TOTAL NET POSITION	<u>179,140,741</u>	<u>36,755,255</u>	<u>170,356,239</u>	<u>43,779,837</u>

See accompanying notes to financial statements.



CENTRAL COMMUNITY COLLEGE AREA  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2022 AND 2021

	2022		2021	
	College	Foundation	College	Foundation
OPERATING REVENUES				
Tuition and fees	6,478,879		6,504,813	
Nongovernmental grants and contracts	100,472		47,150	
Sales and services of educational departments	1,201,864		666,750	
Auxiliary enterprises	3,441,358		2,864,224	
Other operating income	1,742,792		3,670,905	
Total operating revenues	<u>12,965,365</u>	<u></u>	<u>13,753,842</u>	<u></u>
OPERATING EXPENSES				
Personnel services	49,150,837		49,128,320	
Operating expenses	23,448,072	8,128,459	25,075,168	2,900,081
Supplies	3,783,392		3,582,567	
Noncapitalized assets	1,945,560		188,649	
Depreciation and amortization	9,478,146		8,057,297	
Total operating expenses	<u>87,806,007</u>	<u>8,128,459</u>	<u>86,032,001</u>	<u>2,900,081</u>
OPERATING LOSS	<u>(74,840,642)</u>	<u>(8,128,459)</u>	<u>(72,278,159)</u>	<u>(2,900,081)</u>
NONOPERATING REVENUES (EXPENSES)				
Governmental appropriations				
State aid	10,693,567		9,942,728	
Property taxes	41,155,297		40,828,407	
Governmental grants and contracts				
Federal	15,720,768		14,234,642	
State	1,199,130		1,074,328	
Nongovernmental grants and contracts	30,928			
Gifts	4,721,168	2,092,512		2,745,636
Fundraising proceeds		258,584		155,803
Investment income	36,674	(1,820,428)	61,203	4,413,263
Other support and revenues		573,209		307,731
Interest expense	<u>(337,688)</u>	<u></u>	<u>(353,177)</u>	<u></u>
Net nonoperating revenues (expenses)	<u>73,219,844</u>	<u>1,103,877</u>	<u>65,788,131</u>	<u>7,622,433</u>

CENTRAL COMMUNITY COLLEGE AREA  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>		<u>2021</u>	
	College	Foundation	College	Foundation
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(1,620,798)	(7,024,582)	(6,490,028)	4,722,352
OTHER INCOME				
Capital appropriations	<u>10,405,300</u>	<u>          </u>	<u>9,973,732</u>	<u>          </u>
INCREASE IN NET POSITION	<u>8,784,502</u>	<u>(7,024,582)</u>	<u>3,483,704</u>	<u>4,722,352</u>
NET POSITION, beginning of year	<u>170,356,239</u>	<u>43,779,834</u>	<u>166,872,535</u>	<u>39,057,482</u>
NET POSITION, end of year	<u><u>179,140,741</u></u>	<u><u>36,755,252</u></u>	<u><u>170,356,239</u></u>	<u><u>43,779,834</u></u>

See accompanying notes to financial statements.

CENTRAL COMMUNITY COLLEGE AREA  
STATEMENTS OF CASH FLOWS - DIRECT METHOD  
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	6,307,007	6,145,884
Grants and contracts	100,472	47,150
Payments for personnel services	(49,415,096)	(48,924,638)
Payments for other operating expenses	(28,403,351)	(22,844,704)
Payments for supplies	(3,783,392)	(3,582,567)
Sales and services of educational departments	1,201,864	666,750
Auxiliary enterprises	3,466,329	2,861,406
Service concession agreement	(76,923)	(76,923)
Other receipts	<u>1,742,792</u>	<u>3,670,905</u>
Net cash used in operating activities	<u>(68,860,298)</u>	<u>(62,036,737)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State aid	10,693,567	9,942,728
Property taxes - General Fund and ADA/Hazardous Waste Fund	41,050,499	41,135,945
Collection of loans to students	2,959,476	3,460,107
Loans issued to students	(2,959,476)	(3,460,107)
Gifts and grants for other than capital purposes	<u>16,950,826</u>	<u>15,365,935</u>
Net cash provided by noncapital financing activities	<u>68,694,892</u>	<u>66,444,608</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Property taxes - Capital Improvement Fund	10,405,300	9,973,732
Capital gifts and grants	4,721,168	
Principal paid on capital debt	(3,485,000)	(2,950,000)
Interest paid on capital debt	(359,249)	(364,483)
Purchases of capital assets	<u>(10,108,812)</u>	<u>(14,770,422)</u>
Net cash provided by (used in) capital financing activities	<u>1,173,407</u>	<u>(8,111,173)</u>

CENTRAL COMMUNITY COLLEGE AREA  
STATEMENTS OF CASH FLOWS - DIRECT METHOD  
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	1,448,150	1,465,683
Interest on investments	38,455	71,484
Purchase of investments	<u>(1,458,515)</u>	<u>(1,319,568)</u>
Net cash provided by investing activities	<u>28,090</u>	<u>217,599</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,036,091	(3,485,703)
CASH AND CASH EQUIVALENTS, beginning of year	<u>38,927,335</u>	<u>42,413,038</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>39,963,426</u></u>	<u><u>38,927,335</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	<u>(74,840,642)</u>	<u>(72,278,159)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	9,478,146	8,057,297
Changes in operating assets and liabilities:		
Receivables, net	(450,844)	(465,599)
Prepaid expense	(205,385)	(146,918)
Accounts payable and accrued liabilities	(3,055,465)	2,750,672
Deferred revenue	278,972	106,670
Liability and deferred inflows of resources under service concession agreement	(76,923)	(76,923)
Funds held for others	<u>11,843</u>	<u>16,223</u>
Net cash used in operating activities	<u><u>(68,860,298)</u></u>	<u><u>(62,036,737)</u></u>

See accompanying notes to financial statements.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Central Community College Area (the College) was established July 1, 1973, by action of the Nebraska Legislature creating the Nebraska Community College System with six area colleges. The College encompasses 25 counties in central Nebraska. An 11-member Board of Governors is the College's ruling body and establishes the policies and procedures by which the College is governed.

Reporting Entity

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America, the financial reporting entity includes both the primary government and all of its component units as defined by the Governmental Accounting Standards Board (GASB). An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. Central Community College Area is not a component unit of another primary government reporting entity.

The Central Community College Facilities Corporation (CCCFC) is a legally separate, non-profit corporation which is a component unit of Central Community College Area. CCCFC was formed by the College during 2002, to acquire property to be leased to and purchased by the College. The Board of Governors of the College appoints the members of the Board of CCCFC. CCCFC provides services entirely to the College. The services provided by CCCFC are so intertwined with the College that the CCCFC is, in substance, the same as the College and it is reported as part of the College and blended into the College's financial statements.

The Central Community College Foundation (the Foundation) is a legally separate, tax-exempt component unit of Central Community College Area. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Foundation Board consists of a Board of Directors, which oversees Foundation activities and sets policies. No voting members of the Board are members of the College or the College Board of Governors. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income, thereon, which the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. In 2013, the Foundation became affiliated with the Warren and Velda Wilson Foundation, a nonprofit corporation.

These financial statements do not contain disclosures of information of the Foundation. Complete financial statements, including the statements of cash flows, for the Foundation can be obtained at the Corporate Office, 201 Foundation Pl., Suite 200, Hastings, Nebraska.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Pursuant to the provisions of GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, the full scope of the College's activities is considered to be a single business-type activity (BTA) and, accordingly, is reported within a single column in the basic financial statements.

Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All significant intrafund transactions have been eliminated. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials or services not received during the fiscal year. Outstanding encumbrances amounted to \$9,229,897 and \$11,363,891 at June 30, 2022 and 2021, respectively, which includes commitments on uncompleted construction contracts. Encumbrances do not constitute expenses or liabilities and are not reflected in these financial statements. Encumbered appropriations expire at the year end of the fiscal year following their creation.

The Foundation is a public nonprofit organization that reports under FASB Accounting Standards Update 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, (ASU 2016-14). As such, certain revenue recognition criteria and presentation features are different from FASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

New Pronouncement Adopted

The College adopted GASB Statement 87, *Leases*, on July 1, 2021. A lease liability and a lease asset are recognized at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying assets. The lease liability is measured at the present value of payments expected during the lease term. The lease liability is reduced as payments are made and interest expense is recognized.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncement Adopted (Continued)

The leased asset is generally amortized over the term of the lease unless the useful life of the underlying asset is less. This new standard was applied retroactively and financial statements for the year ended June 30, 2021, were restated to reflect the change. There was no effect on net position as of July 1, 2020.

Donated Assets and Services

Donated materials or equipment, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at date of receipt.

Budgets

Budgets are prepared on the same basis of accounting except that capital assets acquired are recorded as expenses and depreciation is not recorded.

Cash and Cash Equivalents

Cash equivalents include highly liquid temporary investments with original maturities of three months or less, readily convertible to known amounts of cash.

Investments

Investments are reported at fair value. Fair value is established as the readily determinable current market value for debt and equity securities.

Receivables

Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts, which is based on historical collection experience and a review of the accounts receivable listing.

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. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of one or more years. Renovations to buildings, infrastructure, and land improvements over \$100,000 that significantly increase value or extend useful life are capitalized.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following estimated useful lives are used to compute depreciation:

Buildings	40 years
Building improvements	20 years
Building content replacements	10 - 20 years
Office furniture	5 - 10 years
Instructional and other operating equipment	5 - 7 years
Office equipment	3 years
Vehicles	3 years

Leases

The College adopted GASB Statement 87, *Leases*, as of July 1, 2021. A lease liability and a lease asset are recognized at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying assets. The lease liability is measured at the present value of payments expected during the lease term. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease. The lease liability is reduced as payments are made and interest expense is recognized. The leased asset is generally amortized over the term of the lease unless the useful life of the underlying asset is less. A short-term lease is a lease that at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Short-term leases are expensed in the period incurred. Contracts that transfer ownership of the underlying assets or contain a bargain purchase option are recognized as financing contracts. The College excludes immaterial leases with total from the provisions of GASB 87.

Restricted Assets

Restricted assets represent assets whose use is restricted by external parties or by law through constitutional provisions or enabling legislation.

Noncurrent Liabilities

Noncurrent liabilities include accrued salaries for early retirement, notes, and bonds payable that will not be paid within the next fiscal year.



CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then.

Net Position

The College's net position is classified as follows:

Invested in Capital Assets, Net of Related Debt

This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted Net Position - Expendable

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

Unrestricted Net Position

Unrestricted net position includes resources derived from student tuition and fees, sales and services, unrestricted gifts, and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the College.

Scholarship Allowances

Student tuition and fees revenues and certain other revenues from College charges are reported net of scholarship allowances in the accompanying statements of revenues, expenses, and changes in net position. The scholarship allowance is the difference between the actual charge for goods and services provided by the College and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the accompanying statements of revenues, expenses, and changes in net position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Nonoperating Revenues and Expenses

The College presents its revenues and expenses as operating or nonoperating based on recognition definitions from the Government Accounting Standards Board. Operating activities are those activities that are necessary and essential to the mission of the College. Operating revenues include all charges to customers, grants received for student financial assistance, and interest earned on loans. Grants received for student financial assistance are considered operating revenues because they provide resources for student charges and such programs are necessary and essential to the mission of the College. Revenues from nonexchange transactions and state appropriations that represent subsidies or gifts to the College, as well as investment income, are considered nonoperating since these are either investing, capital, or noncapital financing activities. Operating expenses are all expense transactions incurred other than those related to investing, capital, or noncapital financing activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor nonoperating activities and are presented after nonoperating activities on the accompanying statements of revenues, expenses, and changes in net position.

Restricted/Unrestricted Resource Priority

If both restricted and unrestricted resources are available to finance a program, restricted resources are used first unless the restricted resources require unrestricted resources to be used first.

Use of Estimates

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

Compensated Absences

Vacation and personal leave meet the criteria in GASB Statement 16 and are included in accrued compensated absences. The criteria for accruing compensated absences are met when an employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employee through paid time off or some other means, such as cash at termination or retirement.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation. The reclassifications have no effect on net position.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

The College can invest, after proper consideration of the requirement for the availability of money, funds of the College in securities the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another.

Interest Rate Risk

The College does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest risk rates.

Credit Risk

In accordance with the College's investment policy, funds may be invested, within certain limits, in Federal Deposit Insurance Corporation (FDIC)-insured banks, U.S. Treasury and federal agencies, and certificates of deposit issued by FDIC-insured banks.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits of the College is the risk that the College's deposits will not be covered by depository insurance. The College requires that deposits in excess of any insurance limit be collateralized by the financial institution with appropriate pledged securities to protect funds above the insurable level. At June 30, 2022 and 2021, the value of the College's deposits, which include checking, money market, and certificates of deposit, was \$44,720,000 and \$43,207,256, respectively. As of June 30, 2022 and 2021, all bank balances were insured or fully collateralized.

Investments

Investments include certificates of deposit which consist of nonparticipating certificates of deposit in local banks and are stated at cost in the amount of \$3,938,334 and \$3,921,903 for the years ended June 30, 2022 and 2021, respectively. Also included in investments are amounts held by trustees as required by debt covenants with U.S. Treasury obligations in the amount of \$- 0 - and \$6,066 for the years ended June 30, 2022 and 2021, respectively.

NOTE 3. PROPERTY TAX RECEIVABLE

Property taxes levied for the fiscal year ended June 30, 2022, were due December 31, 2021, and became delinquent in April to September of 2022. Property tax revenues based on the assessed valuation and the levy set are recognized in the current fiscal year even though part of the property tax revenue is not delinquent or collected until the following fiscal year.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. PROPERTY TAX RECEIVABLE (Continued)

Property taxes are recognized net of the county collection fee of 1%. The assessed August valuation and levies in cents per \$100 of assessed valuation for the fiscal year ended June 30 were as follows:

	2022	2021
Assessed August valuation	55,275,905,868	54,445,077,038
Levy in cents per \$100 of assessed valuation		
General Fund	6.7262	6.9217
Capital Improvement Fund	1.8320	1.8139
ADA/Hazardous Waste Fund	<u>0.4690</u>	<u>0.4644</u>
Total	<u>9.0272</u>	<u>9.2000</u>

The amount of uncollected property taxes at June 30 was as follows:

	2022	2021
General Fund	14,333,349	14,307,991
Capital Improvement Fund	4,086,233	3,752,351
ADA/Hazardous Waste Fund	<u>711,377</u>	<u>965,819</u>
Total	<u>19,130,959</u>	<u>19,026,161</u>

The following amounts, which are included in the uncollected property tax amounts, were held as cash by county treasurers at June 30:

	2022	2021
General Fund	354,425	403,213
Capital Improvement Fund	87,143	105,101
ADA/Hazardous Waste Fund	<u>16,910</u>	<u>26,976</u>
Total	<u>458,478</u>	<u>535,290</u>

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30 were as follows:

	2022	2021
Federal nonexchange grants	2,427,489	2,118,354
Federal Pell, Federal Work-Study, FSEOG	65,054	66,247
Student tuition and fees	1,456,795	1,383,765
Other	583,795	498,579
	<u>4,533,133</u>	<u>4,066,945</u>
Less allowance for doubtful accounts	<u>(1,156,287)</u>	<u>(1,140,943)</u>
Accounts receivable, net	<u><u>3,376,846</u></u>	<u><u>2,926,002</u></u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	July 1, 2021	Additions	Deletions	June 30, 2022
Capital assets, not being depreciated				
Land	2,115,577			2,115,577
Construction in progress	10,736,486	586,829	9,999,264	1,324,051
Total	<u>12,852,063</u>	<u>586,829</u>	<u>9,999,264</u>	<u>3,439,628</u>
Capital assets, being depreciated				
Land improvements	10,875,184	294,432		11,169,616
Buildings	175,310,222	16,784,265		192,094,487
Equipment	22,411,700	2,449,695	660,711	24,200,684
Right to use assets	4,013,884			4,013,884
Total	<u>212,610,990</u>	<u>19,528,392</u>	<u>660,711</u>	<u>231,478,671</u>
Less accumulated depreciation/amortization				
Land improvements	4,398,256	454,204		4,852,460
Buildings	72,016,072	7,248,172		79,264,244
Equipment	18,504,251	1,775,769	653,565	19,626,455
Right to use assets		179,976		179,976
Total	<u>94,918,579</u>	<u>9,658,121</u>	<u>653,565</u>	<u>103,923,135</u>
Capital assets, net	<u><u>130,544,474</u></u>	<u><u>10,457,100</u></u>	<u><u>10,006,410</u></u>	<u><u>130,995,164</u></u>

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	July 1, 2020	Additions	Deletions	June 30, 2021
Capital assets, not being depreciated				
Land	2,115,577			2,115,577
Construction in progress	12,409,435	10,078,159	11,751,108	10,736,486
Total	<u>14,525,012</u>	<u>10,078,159</u>	<u>11,751,108</u>	<u>12,852,063</u>
Capital assets, being depreciated				
Land improvements	9,929,980	945,204		10,875,184
Buildings	161,896,112	13,414,110		175,310,222
Equipment	21,139,957	1,854,703	582,960.00	22,411,700
Right to use assets		4,013,884		4,013,884
Total	<u>192,966,049</u>	<u>20,227,901</u>	<u>582,960</u>	<u>212,610,990</u>
Less accumulated depreciation				
Land improvements	3,958,598	439,658		4,398,256
Buildings	66,133,398	5,882,674		72,016,072
Equipment	17,339,058	1,734,965	569,772	18,504,251
Total	<u>87,431,054</u>	<u>8,057,297</u>	<u>569,772</u>	<u>94,918,579</u>
Capital assets, net	<u>120,060,007</u>	<u>22,248,763</u>	<u>11,764,296</u>	<u>130,544,474</u>

NOTE 6. ACCRUED SALARIES

Accrued salaries for the fiscal years ended June 30, 2022 and 2021, were composed of the following:

	2022	2021
Accrued salaries	1,117,908	1,466,117
Accrued compensated absences	<u>1,524,680</u>	<u>1,440,730</u>
Total accrued salaries	<u>2,642,588</u>	<u>2,906,847</u>

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES

Long-term liabilities activity for the fiscal year ended June 30, 2022, was as follows:

	June 30, 2021 Beginning Balance	Addi- tions	Reduc- tions	June 30, 2022 Ending Balance	Current Portion
Bonds payable					
2021 Revenue Bonds		4,965,000		4,965,000	2,475,000
2012B Revenue Bonds	1,250,000		1,250,000		
2013 Revenue Bonds	840,000		840,000		
2014 Revenue Bonds	2,795,000		2,795,000		
2017 Revenue Bonds	1,305,000		1,305,000		
Facilities Corporation Building Bonds	<u>6,770,000</u>		<u>2,260,000</u>	<u>4,510,000</u>	<u>1,465,000</u>
Total long-term liabilities	<u>12,960,000</u>	<u>4,965,000</u>	<u>8,450,000</u>	<u>9,475,000</u>	<u>3,940,000</u>

Long-term liabilities activity for the fiscal year ended June 30, 2021, was as follows:

	June 30, 2020 Beginning Balance	Addi- tions	Reduc- tions	June 30, 2021 Ending Balance	Current Portion
Bonds payable					
2012B Revenue Bonds	1,445,000		195,000	1,250,000	195,000
2013 Revenue Bonds	965,000		125,000	840,000	135,000
2014 Revenue Bonds	2,970,000		175,000	2,795,000	180,000
2017 Revenue Bonds	1,530,000		225,000	1,305,000	225,000
Facilities Corporation Building Bonds	<u>9,000,000</u>		<u>2,230,000</u>	<u>6,770,000</u>	<u>2,260,000</u>
Total long-term liabilities	<u>15,910,000</u>		<u>2,950,000</u>	<u>12,960,000</u>	<u>2,995,000</u>

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEBT SERVICE REQUIREMENTS

Long-term debt consisted of the following at June 30, 2022, at fixed interest rates:

On August 15, 2012, the College issued Series 2012B Limited Tax and Dormitory Revenue Refunding Bonds, in the amount of \$2,910,000, the proceeds of which were used to re-finance the Series 2007B bonds that were used to renovate residence halls on the Hastings campus. As a result of the refunding, the College reduced its total debt service requirements by \$584,241, which resulted in an economic gain (difference between the present value of the debt service payments on the old debt and new debt) of approximately \$441,943. The bond issue provides for maturities over the period from June 15, 2013 through June 15, 2027, when the bonds will be repaid in full. Interest is payable semiannually on June 15, and December 15, of each year at rates ranging from 0.35% - 3.00%. These bonds were paid in full during the year ending June 30, 2022.

On February 19, 2013, the College issued Series 2013 Dormitory Revenue Refunding Bonds, in the amount of \$1,910,000, the proceeds of which were used to refund the Series 2007C bonds that were used to renovate residence halls on the Hastings campus. As a result of the refunding, the College reduced its total debt service requirements by \$470,951, which resulted in an economic gain (difference between the present value of the debt service payments on the old debt and new debt) of approximately \$406,431. The bond issue provides for maturities over the period from June 15, 2013 through June 15, 2027, when the bonds will be repaid in full. Interest is payable semiannually on June 15, and December 15, of each year at rates ranging from 0.35% - 2.85%. These bonds were paid in full during the year ending June 30, 2022.

On March 20, 2014, the College issued Series 2014, Dormitory Revenue Bonds, in the amount of \$4,000,000, the proceeds of which were used to pay the cost of construction, renovating, and expanding new and existing cafeteria and student center facilities on the Hastings campus. The bond issue provides for maturities over the period from June 15, 2014 through June 15, 2034, when the bonds will be repaid in full. Interest is payable semiannually on June 15, and December 15, of each year at rates ranging from 0.025% - 3.600%. These bonds were paid in full during the year ending June 30, 2022.

On August 19, 2016, the Central Community College Facilities Corporation issued Series 2016, Building Bonds, in the amount of \$4,055,000, the proceeds of which were used to construct, equip, and furnish the new Kearney Learning Center building. The bond issue provides for maturities over the period from December 15, 2017 through December 15, 2021, when the bonds will be repaid in full. Interest is payable semiannually on June 15, and December 15, of each year at rates ranging from 0.8% - 1.25%. These bonds were paid in full during the year ending June 30, 2022.



CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEBT SERVICE REQUIREMENTS (Continued)

On June 22, 2017, the College issued Series 2017, Dormitory Revenue Refunding Bonds, in the amount of \$2,180,000, the proceeds of which were used to refund the Series 2012A bonds which were used to renovate residence halls on the Hastings campus. The bond issue provides for maturities over the period from December 15, 2017 through June 15, 2027, when the bonds will be repaid in full. Interest is payable semiannually on June 15, and December 15, of each year at rates ranging from 1.15% - 2.50%. These bonds were paid in full during the year ending June 30, 2022.

On December 23, 2019, the Central Community College Facilities Corporation issued Series 2019, Refunding Building Bonds for the Health Science Education Center Project, and refunded the Series 2013 and 2014 Bonds. The amount of the issue was \$8,375,000. It matures on March 1, 2025, and is at a 2.13% rate of interest.

On October 13, 2021, the Central Community College Facilities Corporation issued Series 2021, Student Facilities Revenue Refunding Bonds, and refunded the Series 2017, 2016, 2014, 2013 and 2012B Bonds. The amount of the issue was \$4,965,000. It matures on June 15, 2024, and is at a 0.87% rate of interest.

No debt of the college was from the result of a direct borrowing. Debt service requirements at June 30, 2022, were as follows:

Years Ended June 30,	2021 Revenue Bonds Payable Principal	Facilities Corporation Building Bonds Payable Principal	Interest	Total
2023	2,475,000	1,465,000	139,259	4,079,259
2024	2,490,000	1,505,000	86,522	4,081,522
2025		1,540,000	32,802	1,572,802
	<u>4,965,000</u>	<u>4,510,000</u>	<u>258,583</u>	<u>9,733,583</u>

NOTE 9. SCHOLARSHIP ALLOWANCES

Scholarship allowances consist of the following:

1. Student tuition waivers, institutional.
2. Student tuition waivers, statutory (reserves and war orphan).
3. Grant funds (PELL, SEOG, LEAP, SLEAP, and other federal grants) credited to student accounts to offset tuition, fees, room and board, and bookstore charges.

Scholarship allowances for fiscal years ended June 30 were as follows:

	2022	2021
Tuition and fees	4,411,957	4,173,882
Room and board	604,677	676,931
Total	<u>5,016,634</u>	<u>4,850,813</u>

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 10. EXPENSES BY FUNCTIONAL CATEGORY

Expenses for the financial statements are presented by natural classification (personnel services, operating expense, travel, and expensed capital assets). Both NACUBO and GASB have suggested that for historical purposes, expenses also be presented by functional classifications.

Expenses by functional classification for the fiscal years ended June 30 are as follows:

	2022	2021
Educational and general		
Instruction	24,267,696	23,126,722
Academic support	9,855,486	9,575,720
Student services	7,413,423	8,781,101
Institutional support	19,911,412	18,293,714
Physical plant	8,478,529	10,817,069
Depreciation	9,478,146	8,057,297
Student financial aid	6,437,249	5,158,734
Auxiliary enterprises	<u>1,964,066</u>	<u>2,221,644</u>
Total expenses	<u><u>87,806,007</u></u>	<u><u>86,032,001</u></u>

NOTE 11. LEASES

The College leases various items of property across the various campuses. The following is a list of leases accounted for as finance leases in accordance with the provisions of GASB Statement 87, *Leases* (Note 1):

		Monthly	Lease Liability	
	Maturity	Payment	6/30/2021	6/30/2022
College Park	6-2036	7,728	1,031,019	996,131
Capital Business Systems	6-2036	8,237	1,098,930	1,061,744
Columbus Family Resource	6-2036	5,800	773,840	747,654
Dawson Co. Opp. Center	11-2030	1,000	97,331	94,341
GI Ent. Venture	4-2026	5,000	267,109	213,616
Greater Loup Valley	6-2036	1,250	166,776	161,132
Holdrege Center	6-2036	3,139	418,774	404,603
Platte Valley Literacy	6-2036	1,200	<u>160,105</u>	<u>154,687</u>
Totals			<u><u>4,013,884</u></u>	<u><u>3,833,908</u></u>
		Current	179,976	231,359
		Long-Term	<u>3,833,908</u>	<u>3,602,549</u>
		Total	<u><u>4,013,884</u></u>	<u><u>3,833,908</u></u>

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LEASES (Continued)

Amounts relating to leases are reflected in the financial statements as right to use assets and lease liabilities. Future lease payments on leases classified as right to use assets are as follows:

	Principal	Interest	Total
2023	231,359	168,876	400,235
2024	262,537	137,698	400,235
2025	272,924	127,311	400,235
2026	279,027	111,208	390,235
2027	234,096	106,139	340,235
2028 - 2032	1,315,481	378,694	1,694,175
2033 - 2036	1,238,484	88,856	1,327,340
Total	<u>3,833,908</u>	<u>1,118,782</u>	<u>4,952,690</u>

NOTE 12. RETIREMENT PLAN

The College provides pension benefits for its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Generally, all full-time employees are eligible to participate in the plan. Eligible employees are required to participate after one year of employment. The College matches faculty contributions from 2.00% up to 8.50% of the employee's gross annual salary. Faculty is a straight match up to 8.50%, and staff is a match plus 1.00% up to a combined maximum of 8.50%. The participants are 100% vested upon contributing to the plan. There is no liability for past service cost.

The College's total payroll, covered payroll, employer contributions, and employer contributions as a percentage of covered payroll for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Total payroll	34,731,888	34,453,454
Covered payroll	30,135,245	30,839,513
Employer contributions	2,644,879	2,615,437
Employer contributions as a percentage	8.8%	8.5%

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 13. HEALTH AND DENTAL INSURANCE

The College provides health and dental benefits for its employees. The College offers insurance through the Educators Health Alliance (EHA). EHA offers Blue Cross Blue Shield insurance for both health and dental. All employees have a \$750 health deductible and various copays, and most services are covered at 80% coinsurance. There is no deductible on the dental plan, and all dental procedures are covered at 100% if a participating provider conducts the service.

NOTE 14. RELATED PARTIES

Related party transactions, defined through a contractual agreement, exist between Central Community College Area and Central Community College Foundation. The College provides personnel and office space to maintain the administration of the Foundation. Although not directly reimbursed for this service, the contractual agreement defines what services will be exchanged at no cost, and services that will be reimbursed or paid on behalf of. Through this contract, the College paid \$479,637 and \$371,916 for expenses for the Foundation during the years ended June 30, 2022 and 2021, respectively.

Central Community College Foundation disbursed \$873,202 and \$599,591 of equipment and supplies, \$- 0 - and \$1,500 of staff development grants, and \$727,497 and \$713,656 of scholarships for the years ended June 30, 2022 and 2021, respectively. The funds disbursed for equipment, program support, and scholarships were received directly by Central Community College Area, and the staff development grants were indirectly received in the form of payments to staff.

The Foundation also did fundraising activities for the Hasting campus projects, and disbursed to the College \$4,721,168 during the year ending June 30, 2022.

NOTE 15. BUDGET PROCESS

Prior to August 1, the College's management and Board of Governors prepared a proposed operating budget on the cash basis for the General, Restricted, and Plant Funds for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at the September Board meeting to obtain taxpayer comments. After the public hearings, the budget is legally adopted by the Board of Governors at the September Board meeting.

Total expenditures may not legally exceed total appropriations, and appropriations lapse at year end.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 16. RISK MANAGEMENT

The College is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for employee group health and accident benefits. Settled claims have not exceeded this commercial coverage in any of the preceding years.

The College has joined with five of the other Nebraska community colleges to form the Nebraska Community College Insurance Trust (the Trust), a public entity risk pool currently operating as a common risk management and insurance program for its members. The College pays an annual contribution to the Trust for its pooled self-insurance coverage of property, liability, workers' compensation, and associated excess coverages. The Trust self-insures to various levels for all categories of covered risk and purchases excess coverage for claims in excess of the self-insured limits.

If the Loss Fund is exhausted, the College may be assessed for additional costs. The insurance year ended June 30, 2016, which was the Trust's nineteenth year. In May 2010, the Board of Directors of the Trust increased the Self-Insured Retention by \$200,000 to \$1,300,000. Dividends were declared for the years ended June 30, 2022 and 2021, of \$151,741 and \$50,810, respectively, and recorded as reduction of premium cost.

NOTE 17. SERVICE CONCESSION AGREEMENT

In July 2015, the College entered into a contract with an outside vendor to provide food services for the student cafeteria through June 2028. The vendor has the exclusive right to provide and manage the College's food service programs. The contract included a provision for the vendor to provide \$1,000,000 in cash to the College. The contract is accounted for as a service concession arrangement on a prospective basis from July 2015. The vendor is required to operate and maintain the facility and the College is responsible for certain maintenance costs in accordance with contract provisions. The estimated present value of the College's contractual obligations for maintenance is \$192,000. The contract requires repayment by the College to the vendor if terminated early based on amortized levels over the contract term. The remaining balance of \$269,539 is recorded as a deferred inflow of resources to be amortized to revenue over the life of the contract.

NOTE 18. COMMITMENTS

As of June 30, 2022, the College had commitments of approximately \$7,775,371 with respect to uncompleted construction contracts.

The College has several planned expenditures for the next fiscal year, including purchasing \$1,000,000 of equipment. The College plans on remodeling various buildings on the Columbus Campus for \$3,050,000 and remodeling various buildings on the Hastings campus for \$2,700,000. Grand Island campus improvements will include \$1,138,000 for the various projects.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO FINANCIAL STATEMENTS

NOTE 19. PRIOR PERIOD ADJUSTMENT

GASB Statement 87, *Leases*, was adopted in 2022. The financial statements for 2021 were restated to reflect retroactive application. The restatement did not change the change in net position for the year, or net position as of July 1, 2021. Assets and liabilities at June 30, 2021, were both increased by \$4,013,884.

NOTE 20. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement 96, *Subscription-based Information Technology Arrangements*, was issued in May 2020, and is effective for fiscal years beginning after June 15, 2022. The standard provides guidance related to accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The standard generally requires the recording of a right-to-use subscription asset (intangible asset) and a corresponding liability. There is an exception for short-term SBITAs defined as those with maximum possible terms of 12 months or less including options to extend, regardless of their probability of being exercised. When adopted, GASB 96 may have a material effect on the financial statements.

NOTE 21. SUBSEQUENT EVENT

In preparing the financial statements, the College has evaluated events and transactions for potential recognition or disclosure through November 14, 2022, the date the financial statements were available to be issued.

## ACCOMPANYING INFORMATION

CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULES OF GENERAL FUND REVENUES  
FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Property taxes	39,107,189	38,339,434
State appropriations	10,693,567	9,942,728
Tuition and fees	9,618,535	9,504,970
Other income	346,088	457,883
Subtotal	59,765,379	58,245,015
(Add to) use cash reserves	(4,296,085)	(1,585,713)
	<u>55,469,294</u>	<u>56,659,302</u>

The revenues in this schedule are presented on the same basis as the College's General Fund budget and are not on a GASB basis of accounting. In particular, tuition is not reduced for scholarship allowances from grants and some other funds.

PROPERTY VALUATION AND PROPERTY TAX REVENUE

The property valuation for the tax year 2022 as confirmed by the 25 counties in the Central Community College Area as of September 2021 is \$55,275,905,868.

The property tax revenue for Central Community College Area for June 30, 2022, fiscal year is computed as follows:

$$\$55,275,905,868 \times 0.68813/100 = \$38,037,009$$



CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULES OF GENERAL FUND EXPENDITURES  
FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

PROGRAM CLASSIFICATION STRUCTURE	2022	2021
1 Instruction		
Personnel services	19,639,197	19,512,253
Operating expenses	2,700,148	5,000,029
Travel	95,721	43,788
Equipment	138,101	126,655
	<u>22,573,167</u>	<u>24,682,725</u>
4 Academic support		
Personnel services	9,085,815	8,775,271
Operating expenses	316,334	358,293
Travel	85,784	47,206
Equipment	33,189	49,919
	<u>9,521,122</u>	<u>9,230,689</u>
5 Student service		
Personnel services	4,162,150	4,217,045
Operating expenses	391,400	290,427
Travel	131,836	75,594
Equipment	13,268	11,571
	<u>4,698,654</u>	<u>4,594,637</u>
6 Institutional administration		
Personnel services	8,684,284	8,160,700
Operating expenses	3,014,458	3,576,345
Travel	143,836	44,233
Equipment	49,115	31,146
	<u>11,891,693</u>	<u>11,812,424</u>
7 Physical plant operations		
Personnel services	3,477,738	3,286,229
Operating expenses	2,157,860	2,001,547
Travel	10,958	5,640
Equipment	186,723	82,884
	<u>5,833,279</u>	<u>5,376,300</u>
8 Student aid		
Operating expenses	951,379	962,527
	<u>951,379</u>	<u>962,527</u>

CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULES OF GENERAL FUND EXPENDITURES  
FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

PROGRAM CLASSIFICATION STRUCTURE (Continued)	2022	2021
Grand total for college		
Personnel services	45,049,184	43,951,498
Operating expenses	9,531,579	12,189,168
Travel	468,135	216,461
Equipment	420,396	302,175
	<u>55,469,294</u>	<u>56,659,302</u>

The expenditures in this schedule are presented on the same basis as the College's General Fund budget and are not on a GAAP basis of accounting. In particular, equipment is shown as an expense and encumbrances are included.

CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

	Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Subrecipient Payments
	<u>U.S. Department of Education</u>				
40	Direct Programs				
	Student Financial Aid Cluster				
	Federal Pell Grant Program	84.063		5,601,800	
	Federal Supplemental Educational Opportunity Grants	84.007		104,933	
	Federal Direct Student Loans	84.268		2,959,476	
	Federal Work-Study Program	84.033		92,605	
	Total Student Financial Aid Cluster			<u>8,758,814</u>	
	Trio-Student Support Services	84.042A		<u>296,637</u>	
	COVID-19 - Education Stabilization Fund	84.425E		4,888,300	
	COVID-19 - Education Stabilization Fund	84.425F		<u>3,778,447</u>	
	Total COVID-19 - Education Stabilization Fund			<u>8,666,747</u>	
	Total Direct Programs			<u>17,722,198</u>	
	Passed through Nebraska Department of Education				
	Career and Technical Education - Basic Grants to States	84.048	13-60-094-4000-00	473,581	
	Adult Education - Basic Grants to States	84.002A	11-2AEF-10-09-944000	<u>583,774</u>	
				<u>1,057,355</u>	
	Total U.S. Department of Education			18,779,553	

CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

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Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Subrecipient Payments
<u>U.S. Department of Treasury</u>				
Passed through Nebraska Department of Economic Development COVID-19 - Coronavirus Relief Fund	21.019	N/A	<u>51,956</u>	<u>          </u>
<u>National Science Foundation</u>				
Direct Programs Education and Human Resources	47.076		<u>489,256</u>	<u>          </u>
<u>U.S. Department of Health and Human Services</u>				
Direct Programs Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093		<u>824,180</u>	<u>373,338</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u>20,144,945</u>	 <u>200,978</u>

See accompanying notes to schedule of expenditures of federal awards.

CENTRAL COMMUNITY COLLEGE AREA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Central Community College Area. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is presented on the accrual basis of accounting.

NOTE 3. INDIRECT COST RATE

The College did not elect to use the de minimis cost rate.



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Governors  
Central Community College Area  
Grand Island, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of Central Community College Area as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Central Community College Area's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Community College Area's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Community College Area's internal control.

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

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

Dana F Cole + Company, LLP

Minden, Nebraska  
November 14, 2022



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Governors  
Central Community College Area  
Grand Island, Nebraska

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Central Community College's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. Central Community College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Central Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

***Responsibilities of Management for Compliance***

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



## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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

Dana F Cole + Company, LLP

Minden, Nebraska  
November 14, 2022

CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified:	___Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses:	___Yes <u>X</u> No
Noncompliance matter to the financial statements disclosed:	___Yes <u>X</u> No

Federal Awards

Internal control over major programs:	
Material weakness identified:	___Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses:	___Yes <u>X</u> No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accord- ance with 2 CFR Section 200.516(a):	___Yes <u>X</u> No

Identification of major programs:

COVID-19 – Education Stabilization Fund	84.425E/84.425F
Student Financial Aid Cluster	
Federal Pell Grant Program	84.063
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Direct Student Loans Program	84.268

CENTRAL COMMUNITY COLLEGE AREA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022

SECTION I. SUMMARY OF AUDITORS' RESULTS (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish  
between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee: \_\_\_Yes XNo

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS

None reported.

CENTRAL COMMUNITY COLLEGE AREA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2022

2021-001 ENROLLMENT REPORTING OF STUDENT STATUS WITH NATIONAL STUDENT LOAN DATA  
SYSTEM (NSLDS) - FEDERAL DIRECT LOANS 84.268

Per 34 CFR 685.309 and further described in the NSLDS Enrollment Reporting Guide, enrollment information must be reported within 30 days whenever a student's enrollment status changes, unless an Enrollment Reporting Roster will be submitted within 60 days. Of our sample of 40 student files, five cases were noted where the enrollment status reported with NSLDS did not agree with College records. This is not a continuing finding for the year ended June 30, 2022.