

CENTRAL COMMUNITY COLLEGE AREA

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

CENTRAL COMMUNITY COLLEGE AREA
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**DANA F. COLE
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Central Community College Area, which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position and cash flows - direct method for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 the Central Community College Area. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Central Community College Area, is based solely on the report of the other auditors. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting principles used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly in all material respects, the financial position of Central Community College Area as of June 30, 2021 and 2020, and the results of its operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Central Community College Area's financial statements as a whole. The accompanying information, including the schedules of General Fund revenues and General Fund expenditures (presented on the College's budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America) and the 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021, 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 5, 2021

CENTRAL COMMUNITY COLLEGE AREA MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Central Community College Area's (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, 2021 and 2020. 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)

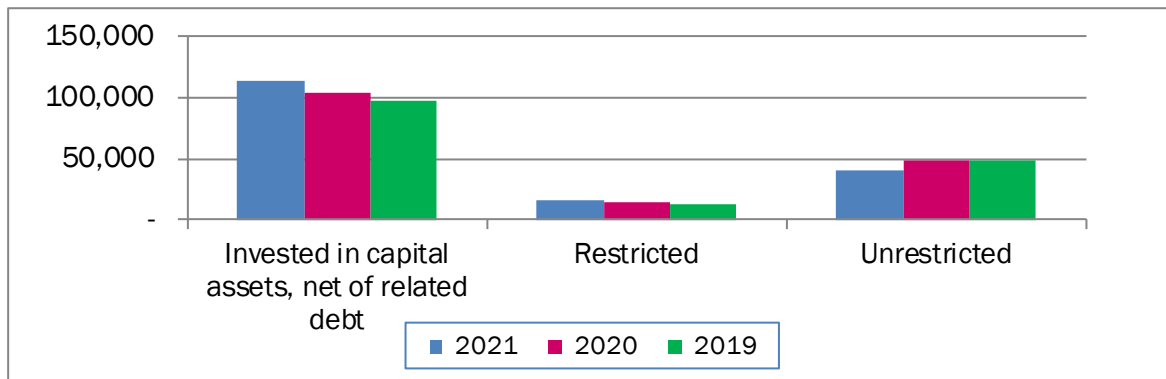


Table 1
Central Community College Area
Net Position
(in thousands of dollars)

	2021	2020	2019
Current assets	63,617	68,031	67,957
Noncurrent assets	2,319	1,057	2,317
Capital assets	126,531	120,060	115,740
Total assets	<u>192,467</u>	<u>189,148</u>	<u>186,014</u>
Current liabilities	11,523	8,632	9,566
Noncurrent liabilities	10,274	13,284	16,965
Deferred inflows of resources	314	359	404
Total liabilities	<u>22,111</u>	<u>22,275</u>	<u>26,935</u>
Net position			
Invested in capital assets, net of related debt	113,571	104,150	97,055
Restricted	16,616	14,420	12,815
Unrestricted	40,170	48,302	49,208
Total net position	<u>170,357</u>	<u>166,872</u>	<u>159,078</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 2.1% (\$3,485 thousands) for the fiscal year ended June 30, 2021, and increased by 4.9% (\$7,794 thousands) for the fiscal year ended June 30, 2020. The increase in net position for the current year is due to the following factors:

Restricted net position increased 15.2% (\$2,196 thousands) and unrestricted net position decreased 16.8% (\$8,132 thousands) during 2020 - 2021. This was due to auxiliary enterprises being affected by the pandemic. Investment in capital assets, net of related debt, increased 9.1% (\$9,421 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)

	2021	2020	2019
Operating revenue			
Student tuition and fees	6,505	7,246	7,165
Grants and contracts	47	-	10
Sales educational departments	667	632	830
Auxiliary enterprises	2,864	2,866	3,764
Other	3,671	4,033	3,877
Total operating revenue	<u>13,754</u>	<u>14,777</u>	<u>15,646</u>
Operating expense			
Personnel services	49,128	47,351	46,864
Operating expenses	25,075	19,235	21,593
Supplies	3,583	3,471	3,474
Noncapitalized assets	189	2,048	1,715
Depreciation and amortization	8,057	7,646	7,352
Total operating expenses	<u>86,032</u>	<u>79,751</u>	<u>80,998</u>
Net operating loss	<u>(72,278)</u>	<u>(64,974)</u>	<u>(65,352)</u>
Nonoperating revenue (expenses)			
State aid	9,943	9,623	9,265
Property taxes	40,828	41,673	41,078
Grants and contracts	15,309	12,288	11,290
Investment income	61	108	102
Gifts	-	-	2,000
Interest expense	(353)	(442)	(467)
Net nonoperating revenue (expenses)	<u>65,788</u>	<u>63,250</u>	<u>63,268</u>

CENTRAL COMMUNITY COLLEGE AREA
MANAGEMENT'S DISCUSSION AND ANALYSIS

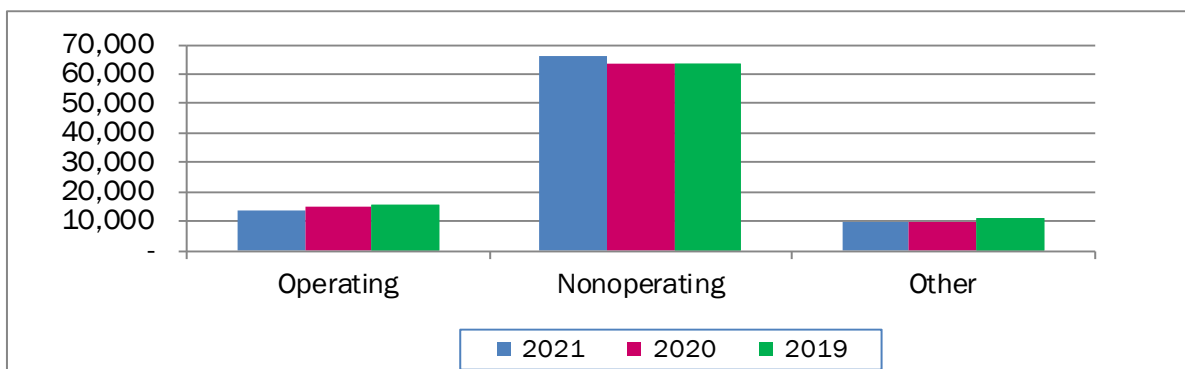
THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)

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

	2021	2020	2019
Other revenue			
Capital appropriations	<u>9,974</u>	<u>9,518</u>	<u>10,819</u>
Increase in net assets	3,484	7,794	8,735
Net position			
Net position, beginning of year	<u>166,872</u>	<u>159,078</u>	<u>150,343</u>
Net position, end of year	<u><u>170,356</u></u>	<u><u>166,872</u></u>	<u><u>159,078</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)

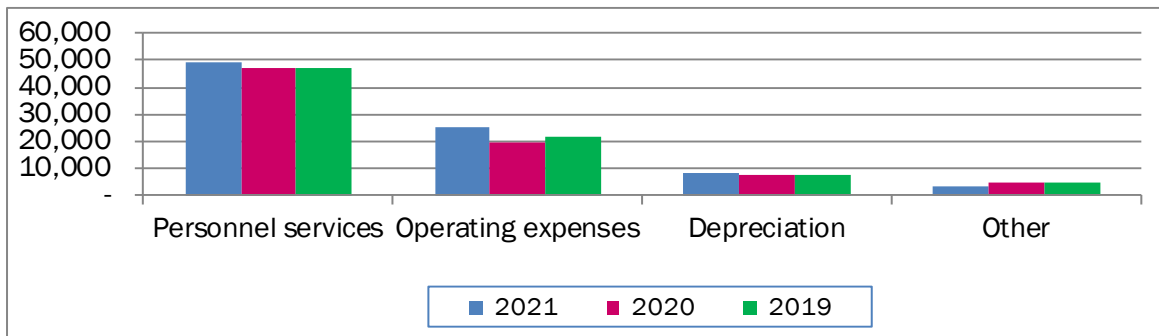
The change in revenues was the result of the following:

Operating revenue showed a decrease of \$1,023 thousands over 2020 - 2021. Tuition and fee revenue decreased by \$741 thousands. Other operating revenue showed a decrease of \$362 thousands in revenues. This was primarily due to the impact of the COVID-19 pandemic.

Nonoperating revenue included an increase in state aid of 3.3% (\$320 thousands), a decrease in property tax revenue of 2.0% (\$845 thousands), and an increase in grants of 24.6% (\$3,021 thousands). This was primarily from the federal government CARES funds distributed as the result of the pandemic.

EXPENSES

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



	2021	2020	2019
Educational and general			
Instruction	23,126,722	22,287,590	22,979,950
Academic support	9,575,720	9,438,635	9,197,347
Student services	8,781,101	7,597,275	7,657,279
Institutional support	18,293,714	17,608,921	16,740,487
Physical plant	10,817,069	7,954,799	10,241,776
Depreciation	8,057,297	7,645,559	7,352,286
Student financial aid	5,158,734	4,557,327	3,950,454
Auxiliary enterprises	2,221,644	2,660,579	2,878,825
Total expenses	<u>86,032,001</u>	<u>79,750,685</u>	<u>80,998,404</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 3.8% (\$1,777 thousands) in personnel services is primarily from an increase in wages and benefits.

Operating and supplies expenses have increased by 26.2% (\$5,952 thousands), primarily due to the effect of the COVID-19 pandemic.

Depreciation expense increased by 5.4% (\$412 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)

	2021	2020	2019
Cash provided by (used in):			
Operating activities	(62,037)	59,550	(55,776)
Noncapital financing activities	66,445	64,038	64,496
Capital and related financing activities	(8,111)	(5,928)	(1,848)
Investing activities	217	325	74
Net increase (decrease) in cash and cash equivalents	(3,486)	(1,115)	6,946
Cash and cash equivalents, beginning of the year	42,413	43,528	36,582
Cash and cash equivalents, end of the year	<u>38,927</u>	<u>42,413</u>	<u>43,528</u>

Cash and cash equivalents decreased for the 2021 year by 8.2% (\$3,486 thousands).

CENTRAL COMMUNITY COLLEGE AREA
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the College had \$126,530 thousands invested in capital assets, net of accumulated depreciation of \$94,919 thousands. Depreciation charges for the fiscal years ended June 30, 2021 and 2020, totaled \$8,057, and \$7,646 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, in thousands of dollars)

	2021	2020	2019
Land and construction in progress	12,852	14,525	7,763
Land improvements	6,477	5,971	6,099
Buildings	103,294	95,763	97,769
Equipment	3,907	3,801	4,109
	<u>126,530</u>	<u>120,060</u>	<u>115,740</u>

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

Welding remodel and relocation, Hastings	9,654
CIT Entrance, Grand Island	2,390
Welding entrance, Hastings	583
West parking lot, Columbus	495
Phelps building boiler, Columbus	357
200 Wing restrooms, Grand Island	198
West Education parking lot lights and solar panels	164
West parking lot, Columbus	150
200 Wing vestibule, Grand Island	100
Furnas building sign, Hastings	81
Hall building roof, Hastings	66
HVAC unit, Grand Island	63
Concrete replacement, Columbus	55
Equipment	1,855
	<u>16,211</u>

The College has planned capital expenditures for the fiscal year ending June 30, 2022, of approximately \$10,555 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: 100 wing remodel of \$50,000. In Hastings: miscellaneous projects of \$288,000. In Columbus: Student Center parking lot of \$125,000. Various other restrooms, asbestos removal, and concrete replacement will be done campus-wide for \$1,628,000.

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

In Hastings: Platte parking lot for \$580,000 and miscellaneous projects for \$304,000. In Grand Island: Administration roof for \$300,000, the 300 and 400 wing exterior replacement of \$150,000, and a facilities shop of \$300,000. In Columbus: Facilities addition of \$250,000; East Ed remodel of \$4,000,000, as well as North Ed roof of \$200,000. College-wide projects of \$942,000 are planned.

Revenue bond funds will finance the following major items:

In Columbus: Miscellaneous projects for \$225,000. In Grand Island: New snack bar for \$1,000,000. In Hastings: Greeley remodel for \$100,000 and miscellaneous projects for \$113,000 are planned.

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

Debt

At June 30, 2021, the College had \$13,077 thousands in debt outstanding versus \$16,010 thousands at June 30, 2020.

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

	2021	2020	2019
2012B, Series Dormitory and Student Facility Refunding Revenue Bonds	1,250	1,445	1,635
2013 Series Dormitory and Student Facility Refunding Revenue Bonds	840	965	1,090
2014 Series Dormitory and Student Facility Refunding Revenue Bonds	2,795	2,970	3,145
2017 Series Dormitory and Student Facility Refunding Revenue Bonds	1,305	1,530	1,750

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)

	2021	2020	2019
2013 Series Central Community College Facilities Corp Bonds	-	-	6,795
2014 Series Central Community College Facilities Corp Bonds	-	-	1,815
2016 Series Central Community College Facilities Corp Bonds	825	1,645	2,455
2019 Series Central Community College Facilities Corp Bonds	5,945	7,355	-
Other liabilities	117	100	95
	<u>13,077</u>	<u>16,010</u>	<u>18,780</u>

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 5.4 % (\$550 thousands). Property valuations for the Central Community College Area have increased by 1.53%.

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 2021-22 property tax levy for the General Fund decreased from 6.9217 cents to 6.8813 cents per \$100 valuation; Capital Improvement Fund levy is being increased from 1.8139 cents to 1.9190 cents; and the levy for the ADA Fund is being decreased from 0.4644 cents to 0.3821 cents.

Tuition and fee rates for 2021-22 will remain the same at \$107 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, 2021 AND 2020

	2021		2020	
	College	Foundation	College	Foundation
ASSETS				
Current assets				
Cash and cash equivalents	38,927,335	8,588,153	42,413,038	6,699,693
Investments	1,608,574	30,374,948	2,831,618	26,438,882
Property taxes receivable	19,026,161	-	19,333,699	-
Accounts receivable (net)	2,926,002	1,114,663	2,460,403	1,709,023
Interest receivable	4,413	1,498	14,694	1,071
Prepaid expense	1,124,575	-	977,657	-
Total current assets	<u>63,617,060</u>	<u>40,079,262</u>	<u>68,031,109</u>	<u>34,848,669</u>
Noncurrent assets				
Restricted investments	6,066	-	6,163	-
Endowment investments	-	638,677	-	200,587
Long-term investments	2,313,329	-	1,050,726	-
Notes receivable (net)	-	3,052,769	-	3,315,074
Accounts receivable (net)	-	-	-	-
Capital assets (net)	<u>126,530,590</u>	<u>972,844</u>	<u>120,060,007</u>	<u>1,070,221</u>
Total noncurrent assets	<u>128,849,985</u>	<u>4,664,290</u>	<u>121,116,896</u>	<u>4,585,882</u>
TOTAL ASSETS	<u>192,467,045</u>	<u>44,743,552</u>	<u>189,148,005</u>	<u>39,434,551</u>
LIABILITIES				
Current liabilities				
Accounts payable	4,420,747	38,893	1,854,716	17,629
Accrued salaries	2,906,847	-	2,703,165	-
Accrued interest	55,352	124	66,658	-
Deferred revenue	1,005,878	1,463	899,208	-
Deposits	106,947	-	125,988	-
Current amount of service concession agreement	32,000	-	32,000	-
Bonds/notes payable - current	<u>2,995,000</u>	<u>576,011</u>	<u>2,950,000</u>	<u>-</u>
Total current liabilities	<u>11,522,771</u>	<u>616,491</u>	<u>8,631,735</u>	<u>17,629</u>

CENTRAL COMMUNITY COLLEGE AREA
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021		2020	
	College	Foundation	College	Foundation
LIABILITIES (Continued)				
Noncurrent liabilities				
Deposits held in custody for others	116,573	-	100,350	
Annuities payable	-	347,224	-	359,437
Service concession agreement	192,000	-	224,000	
Bonds payable	9,965,000	-	12,960,000	-
Total noncurrent liabilities	<u>10,273,573</u>	<u>347,224</u>	<u>13,284,350</u>	<u>359,437</u>
TOTAL LIABILITIES	<u>21,796,344</u>	<u>963,715</u>	<u>21,916,085</u>	<u>377,066</u>
DEFERRED INFLOWS OF RESOURCES	<u>314,462</u>	<u>-</u>	<u>359,385</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>22,110,806</u>	<u>963,715</u>	<u>22,275,470</u>	<u>377,066</u>
NET POSITION				
Without donor restrictions	-	19,691,185	-	19,014,140
With donor restrictions	-	24,088,652	-	20,043,345
Invested in capital assets, net of related debt	113,570,590	-	104,150,007	-
Restricted for:				
Expendable				
Grants	2,521,874	-	456,159	-
ADA/hazardous waste	14,093,914	-	13,963,937	-
Unrestricted	<u>40,169,861</u>	<u>-</u>	<u>48,302,432</u>	<u>-</u>
TOTAL NET POSITION	<u>170,356,239</u>	<u>43,779,837</u>	<u>166,872,535</u>	<u>39,057,485</u>

See accompanying notes to financial statements.

CENTRAL COMMUNITY COLLEGE AREA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
	College	Foundation	College	Foundation
OPERATING REVENUES				
Tuition and fees	6,504,813	-	7,246,129	-
Nongovernmental grants and contracts	47,150	-	207	-
Sales and services of educational departments	666,750	-	632,008	-
Auxiliary enterprises	2,864,224	-	2,865,517	-
Other operating income	3,670,905	-	4,032,825	-
Total operating revenues	<u>13,753,842</u>	<u>-</u>	<u>14,776,686</u>	<u>-</u>
OPERATING EXPENSES				
Personnel services	49,128,320	-	47,350,882	-
Operating expenses	25,075,168	2,900,081	19,234,892	3,710,151
Supplies	3,582,567	-	3,471,289	-
Noncapitalized assets	188,649	-	2,048,063	-
Depreciation and amortization	8,057,297	-	7,645,559	-
Total operating expenses	<u>86,032,001</u>	<u>2,900,081</u>	<u>79,750,685</u>	<u>3,710,151</u>
OPERATING LOSS	<u>(72,278,159)</u>	<u>(2,900,081)</u>	<u>(64,973,999)</u>	<u>(3,710,151)</u>
NONOPERATING REVENUES (EXPENSES)				
Governmental appropriations				
State aid	9,942,728	-	9,623,041	-
Property taxes	40,828,407	-	41,672,664	-
Governmental grants and contracts				
Federal	14,234,642	-	11,347,006	-
State	1,074,328	-	941,458	-
Gifts	-	2,745,636	-	4,007,620
Fundraising proceeds	-	155,803	-	172,126
Investment income	61,203	4,413,263	108,381	765,792
Other support and revenues	-	307,731	-	652,670
Interest expense	(353,177)	-	(441,868)	-
Net nonoperating revenues (expenses)	<u>65,788,131</u>	<u>7,622,433</u>	<u>63,250,682</u>	<u>5,598,208</u>

CENTRAL COMMUNITY COLLEGE AREA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
	College	Foundation	College	Foundation
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(6,490,028)	4,722,352	(1,723,317)	1,888,057
OTHER INCOME				
Capital appropriations	<u>9,973,732</u>	<u>-</u>	<u>9,517,513</u>	<u>-</u>
INCREASE IN NET POSITION	<u>3,483,704</u>	<u>4,722,352</u>	<u>7,794,196</u>	<u>1,888,057</u>
NET POSITION, beginning of year	<u>166,872,535</u>	<u>39,057,485</u>	<u>159,078,339</u>	<u>37,169,428</u>
NET POSITION, end of year	<u><u>170,356,239</u></u>	<u><u>43,779,837</u></u>	<u><u>166,872,535</u></u>	<u><u>39,057,485</u></u>

See accompanying notes to financial statements.

CENTRAL COMMUNITY COLLEGE AREA
STATEMENTS OF CASH FLOWS - DIRECT METHOD
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	6,145,884	7,181,703
Grants and contracts	47,150	207
Payments for personnel services	(48,924,638)	(47,190,167)
Payments for other operating expenses	(22,844,704)	(23,520,094)
Payments for supplies	(3,582,567)	(3,471,289)
Sales and services of educational departments	666,750	632,008
Auxiliary enterprises	2,861,406	2,861,433
Service concession agreement	(76,923)	(76,923)
Other receipts	<u>3,670,905</u>	<u>4,032,825</u>
Net cash used in operating activities	<u>(62,036,737)</u>	<u>(59,550,297)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State aid	9,942,728	9,623,041
Property taxes - General Fund and ADA/Hazardous Waste Fund	41,135,945	42,069,235
Collection of loans to students	3,460,107	4,020,244
Loans issued to students	(3,460,107)	(4,020,244)
Gifts and grants for other than capital purposes	<u>15,365,935</u>	<u>12,345,429</u>
Net cash provided by noncapital financing activities	<u>66,444,608</u>	<u>64,037,705</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Property taxes - Capital Improvement Fund	9,973,732	9,517,513
Principal paid on capital debt	(2,950,000)	(2,775,000)
Interest paid on capital debt	(364,483)	(462,533)
Purchases of capital assets	<u>(14,770,422)</u>	<u>(12,207,796)</u>
Net cash used in capital financing activities	<u>(8,111,173)</u>	<u>(5,927,816)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	1,465,683	1,004,728
Interest on investments	71,484	109,914
Purchase of investments	<u>(1,319,568)</u>	<u>(788,836)</u>
Net cash provided by investing activities	<u>217,599</u>	<u>325,806</u>

CENTRAL COMMUNITY COLLEGE AREA
STATEMENTS OF CASH FLOWS - DIRECT METHOD
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,485,703)	(1,114,602)
CASH AND CASH EQUIVALENTS, beginning of year	<u>42,413,038</u>	<u>43,527,640</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>38,927,335</u></u>	<u><u>42,413,038</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	<u>(72,278,159)</u>	<u>(64,973,999)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	8,057,297	7,645,559
Changes in operating assets and liabilities:		
Receivables, net	(465,599)	(314,429)
Prepaid expense	(146,918)	(285,724)
Accounts payable and accrued liabilities	2,750,672	(1,811,147)
Deferred revenue	106,670	250,003
Liability and deferred inflows of resources under service concession agreement	(76,923)	(76,923)
Funds held for others	<u>16,223</u>	<u>16,363</u>
Net cash used in operating activities	<u><u>(62,036,737)</u></u>	<u><u>(59,550,297)</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

Central Community College Area (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. 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. The 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 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 (GASB).

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 \$11,363,891 and \$5,146,573 at June 30, 2021 and 2020, 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.

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.

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

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

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.

Inventories

Inventories are valued at the lower-of-cost or net realizable value as determined by the first-in, first-out (FIFO) method.

Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at 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.

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

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

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

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.

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 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, 2021 and 2020, the value of the College's deposits, which include checking, money market, and certificates of deposit, was \$43,207,256 and \$46,581,401, respectively. As of June 30, 2021, and 2020, 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 \$3,921,903 and \$3,882,344 for the years ended June 30, 2021 and 2020, respectively. Also included in investments are amounts held by trustee as required by debt covenants with U.S. Treasury obligations in the amount of \$6,066 and \$6,163 for the years ended June 30, 2021 and 2020, respectively.

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. PROPERTY TAX RECEIVABLE

Property taxes levied for the fiscal year ended June 30, 2021, were due December 31, 2020, and became delinquent in April to September of 2021. 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.

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:

	2021	2020
Assessed August valuation	54,445,077,038	54,858,528,360
Levy in cents per \$100 of assessed valuation		
General Fund	6.9217	6.8069
Capital Improvement Fund	1.8139	1.7473
ADA/Hazardous Waste Fund	<u>0.4644</u>	<u>0.75000</u>
Total	<u><u>9.20000</u></u>	<u><u>9.30420</u></u>

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

	2021	2020
General Fund	14,307,991	14,137,952
Capital Improvement Fund	3,752,351	3,640,538
ADA/Hazardous Waste Fund	<u>965,819</u>	<u>1,555,209</u>
Total	<u><u>19,026,161</u></u>	<u><u>19,333,699</u></u>

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

	2021	2020
General Fund	403,213	424,273
Capital Improvement Fund	105,101	114,552
ADA/Hazardous Waste Fund	<u>26,976</u>	<u>44,834</u>
Total	<u><u>535,290</u></u>	<u><u>583,659</u></u>

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30 were as follows:

	2021	2020
Federal nonexchange grants	2,118,354	1,415,209
Federal Pell, Federal Work-Study, FSEOG	66,247	119,507
Student tuition and fees	1,383,765	1,482,235
Other	498,579	389,826
	<u>4,066,945</u>	<u>3,406,777</u>
Less allowance for doubtful accounts	<u>(1,140,943)</u>	<u>(946,373)</u>
Accounts receivable, net	<u>2,926,002</u>	<u>2,460,404</u>

NOTE 5. CAPITAL ASSETS

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	22,411,700
Total	<u>192,966,049</u>	<u>16,214,017</u>	<u>582,960</u>	<u>208,597,106</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>18,234,879</u>	<u>11,764,296</u>	<u>126,530,590</u>

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	July 1, 2019	Additions	Deletions	June 30, 2020
Capital assets, not being depreciated				
Land	2,115,577	-	-	2,115,577
Construction in progress	5,647,173	6,762,262	-	12,409,435
Total	<u>7,762,750</u>	<u>6,762,262</u>	<u>-</u>	<u>14,525,012</u>
Capital assets, being depreciated				
Land improvements	9,652,161	277,819	-	9,929,980
Buildings	158,255,198	3,640,914	-	161,896,112
Equipment	20,577,020	1,312,479	749,542	21,139,957
Total	<u>188,484,379</u>	<u>5,231,212</u>	<u>749,542</u>	<u>192,966,049</u>
Less accumulated depreciation				
Land improvements	3,553,058	405,540	-	3,958,598
Buildings	60,486,006	5,647,392	-	66,133,398
Equipment	16,467,755	1,592,627	721,324	17,339,058
Total	<u>80,506,819</u>	<u>7,645,559</u>	<u>721,324</u>	<u>87,431,054</u>
Capital assets, net	<u>115,740,310</u>	<u>4,347,915</u>	<u>28,218</u>	<u>120,060,007</u>

NOTE 6. ACCRUED SALARIES

Accrued salaries for the fiscal years ended June 30, 2021 and 2020, were composed of the following:

	2021	2020
Accrued salaries	1,466,117	1,364,991
Accrued compensated absences	<u>1,440,730</u>	<u>1,338,174</u>
Total accrued salaries	<u>2,906,847</u>	<u>2,703,165</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, 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	9,000,000	-	2,230,000	6,770,000	2,260,000
Other liabilities					
Deposits	100,350	16,223	-	116,573	-
Total long-term liabilities	<u>16,010,350</u>	<u>16,223</u>	<u>2,950,000</u>	<u>13,076,573</u>	<u>2,995,000</u>

Long-term liabilities activity for the fiscal year ended June 30, 2020, was as follows:

	June 30, 2019 Beginning Balance	Addi- tions	Reduc- tions	June 30, 2020 Ending Balance	Current Portion
Bonds payable					
2012B Revenue Bonds	1,635,000	-	190,000	1,445,000	195,000
2013 Revenue Bonds	1,090,000	-	125,000	965,000	125,000
2014 Revenue Bonds	3,145,000	-	175,000	2,970,000	175,000
2017 Revenue Bonds	1,750,000	-	220,000	1,530,000	225,000
Facilities Corporation Building Bonds	11,065,000	8,375,000	10,440,000	9,000,000	2,230,000
Other liabilities					
Accrued salaries early retirement	11,048	-	11,048	-	-
Deposits	83,987	16,363	-	100,350	-
Total long-term liabilities	<u>18,780,035</u>	<u>8,391,363</u>	<u>11,161,048</u>	<u>16,010,350</u>	<u>2,950,000</u>

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEBT SERVICE REQUIREMENTS

Long-term debt consisted of the following at June 30, 2021, 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 refinance 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% to 3.00%.

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% to 2.85%.

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% to 3.60%.

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEBT SERVICE REQUIREMENTS (Continued)

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% to 1.25%.

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% to 2.5%.

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.

No debt of the college was from the result of a direct borrowing. Debt service requirements at June 30, 2021, were as follows:

Years Ended June 30,	2014 Revenue Bonds Payable Principal	2013 Revenue Bonds Payable Principal	2012B, 2017 Revenue Bonds Payable Principal	Facilities Corporation Building Bonds Payable Principal	Interest	Total
2022	180,000	135,000	420,000	2,260,000	300,452	3,295,452
2023	185,000	135,000	430,000	1,465,000	249,820	2,464,820
2024	190,000	135,000	440,000	1,505,000	202,016	2,472,016
2025	195,000	140,000	445,000	1,540,000	151,777	2,471,777
2026	200,000	145,000	460,000	-	99,339	904,339
2027 - 2031	1,095,000	150,000	360,000	-	264,390	1,869,390
2032 - 2034	750,000	-	-	-	54,720	804,720
	<u>2,795,000</u>	<u>840,000</u>	<u>2,555,000</u>	<u>6,770,000</u>	<u>1,322,514</u>	<u>14,282,514</u>

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

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:

	2021	2020
Tuition and fees	4,173,882	4,331,988
Room and board	<u>676,931</u>	<u>605,234</u>
Total	<u><u>4,850,813</u></u>	<u><u>4,937,222</u></u>

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:

	2021	2020
Educational and general		
Instruction	23,126,722	22,287,590
Academic support	9,575,720	9,438,635
Student services	8,781,101	7,597,275
Institutional support	18,293,714	17,608,921
Physical plant	10,817,069	7,954,799
Depreciation	8,057,297	7,645,559
Student financial aid	5,158,734	4,557,327
Auxiliary enterprises	<u>2,221,644</u>	<u>2,660,579</u>
Total expenses	<u><u>86,032,001</u></u>	<u><u>79,750,685</u></u>

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 11. LEASES

The College leases various items of property across the various campuses.

Future minimum operating lease commitments are as follows:

Years Ended June 30,	
2022	465,080
2023	286,235
2024	270,635
2025	270,635
2026	270,635
2027 - 2031	<u>1,353,175</u>
Total	<u>2,916,395</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 2.0% 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 1.0% 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, 2021 and 2020, are as follows:

	2021	2020
Total payroll	34,453,454	33,346,717
Covered payroll	30,839,513	29,178,269
Employer contributions	2,615,437	2,257,828
Employer contributions as a percentage	8.5%	7.7%

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 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 \$371,916 and \$545,427 for expenses for the Foundation during the years ended June 30, 2021 and 2020.

Central Community College Foundation disbursed \$599,591 and \$482,885 of equipment and supplies, \$1,500 and \$7,000 of staff development grants, and \$713,656 and \$820,300 of scholarships for the years ended June 30, 2021 and 2020. 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.

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.

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.

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 16. RISK MANAGEMENT (Continued)

The College has joined with five of the other Nebraska community colleges to form the Nebraska Community College Insurance 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, 2021 and 2020, of \$50,810 and \$103,588, respectively, and recorded as reduction of premium cost.

NOTE 17. SEGMENT DISCLOSURE

The Central Community College Facilities Corporation has issued the 2019 Series Building Bonds, refinancing the 2013 and 2014 Series. It also issued the 2016 Series, which was used to finance part of the new Kearney Center Project. Summary financial information for these activities is presented below:

	2021	2020
<u>Condensed Statement of Net Position</u>		
Assets		
Capital assets, net	<u>1,308,846</u>	<u>3,720,711</u>
Liabilities		
Current liabilities	2,302,632	2,283,013
Noncurrent liabilities	<u>4,510,000</u>	<u>6,770,000</u>
Total liabilities	<u>6,812,632</u>	<u>9,053,013</u>
Net position		
Unrestricted (deficit)	<u>(5,503,786)</u>	<u>(5,332,302)</u>
<u>Condensed Statement of Revenues, Expenses, and Changes in Net Position</u>		
Nonoperating revenues (expense)		
Interest expense	<u>(171,484)</u>	<u>(249,058)</u>
Change in net position	(171,484)	(249,058)
Beginning net position (deficit)	<u>(5,332,302)</u>	<u>(5,083,244)</u>
Ending net position (deficit)	<u>(5,503,786)</u>	<u>(5,332,302)</u>

CENTRAL COMMUNITY COLLEGE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 18. 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 \$320,000. 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 \$314,482 is recorded as a deferred inflow of resources to be amortized to revenue over the life of the contract.

NOTE 19. COMMITMENTS

As of June 30, 2021, the College had commitments of approximately \$9,906,703 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 \$5,540,000, and remodeling various buildings on the Hastings campus for \$2,301,000. Grand Island campus improvements will include \$1,410,000 for the various projects.

NOTE 20. SUBSEQUENT EVENT

In preparing the financial statements, the College has evaluated events and transactions for potential recognition or disclosure through November 5, 2021, 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, 2021 AND 2020

	2021	2020
Property taxes	38,339,434	37,656,274
State appropriations	9,942,728	9,623,041
Tuition and fees	9,504,970	10,269,401
Other income	457,883	748,284
Subtotal	58,245,015	58,297,000
(Add to) use cash reserves	(1,585,713)	(2,938,209)
	<u>56,659,302</u>	<u>55,358,791</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 2021 as confirmed by the 25 counties in the Central Community College Area as of September 2020 is \$54,445,077,038.

The property tax revenue for Central Community College Area for June 30, 2021, fiscal year is computed as follows:

$$\$54,445,077,038 \times 0.69217/100 = \$37,685,249$$

CENTRAL COMMUNITY COLLEGE AREA
SCHEDULES OF GENERAL FUND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
PROGRAM CLASSIFICATION STRUCTURE		
1 Instruction		
Personnel services	19,512,253	18,882,272
Operating expenses	5,000,029	4,605,576
Travel	43,788	127,888
Equipment	<u>126,655</u>	<u>162,154</u>
	<u>24,682,725</u>	<u>23,777,890</u>
4 Academic support		
Personnel services	8,775,271	8,538,394
Operating expenses	358,293	327,898
Travel	47,206	119,080
Equipment	<u>49,919</u>	<u>4,115</u>
	<u>9,230,689</u>	<u>8,989,487</u>
5 Student service		
Personnel services	4,217,045	4,068,479
Operating expenses	290,427	347,312
Travel	75,594	132,344
Equipment	<u>11,571</u>	<u>34,171</u>
	<u>4,594,637</u>	<u>4,582,306</u>
6 Institutional administration		
Personnel services	8,160,700	8,224,795
Operating expenses	3,576,345	3,309,361
Travel	44,233	148,995
Equipment	<u>31,146</u>	<u>35,442</u>
	<u>11,812,424</u>	<u>11,718,593</u>
7 Physical plant operations		
Personnel services	3,286,229	3,117,794
Operating expenses	2,001,547	1,992,753
Travel	5,640	7,321
Equipment	<u>82,884</u>	<u>152,958</u>
	<u>5,376,300</u>	<u>5,270,826</u>
8 Student aid		
Operating expenses	<u>962,527</u>	<u>1,019,679</u>

CENTRAL COMMUNITY COLLEGE AREA
SCHEDULES OF GENERAL FUND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
PROGRAM CLASSIFICATION STRUCTURE (Continued)		
Grand total for college		
Personnel services	43,951,498	42,831,734
Operating expenses	12,189,168	11,602,579
Travel	216,461	535,628
Equipment	302,175	388,840
	<u>56,659,302</u>	<u>55,358,781</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, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Subrecipient Payments
<u>U.S. Department of Education</u>				
Direct Programs				
Student Financial Aid Cluster				
Federal Pell Grant Program	84.063		5,668,095	-
Federal Supplemental Educational Opportunity Grants	84.007		140,692	-
Federal Direct Student Loans	84.268		3,460,107	-
Federal Work-Study Program	84.033		71,692	-
Total Student Financial Aid Cluster			<u>9,340,586</u>	<u>-</u>
Trio-Student Support Services	84.042A		<u>231,784</u>	<u>-</u>
COVID-19 - Education Stabilization Fund	84.425E		1,798,750	-
COVID-19 - Education Stabilization Fund	84.425F		<u>2,490,806</u>	<u>-</u>
Total COVID-19 - Education Stabilization Fund			<u>4,289,556</u>	<u>-</u>
Total Direct Programs			<u>13,861,926</u>	<u>-</u>
Passed through Nebraska Department of Education				
Career and Technical Education - Basic Grants to States	84.048	13-60-094-4000-00	421,178	-
Adult Education - Basic Grants to States	84.002A	11-2AEF-10-09-944000	<u>436,465</u>	<u>-</u>
			<u>857,643</u>	<u>-</u>
Total U.S. Department of Education			<u>14,719,569</u>	<u>-</u>

CENTRAL COMMUNITY COLLEGE AREA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA 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>477,888</u>	<u>-</u>
<u>National Science Foundation</u>				
Direct Programs Education and Human Resources	47.076		<u>321,251</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>2,192,510</u>	<u>648,137</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>17,711,218</u></u>	<u><u>648,137</u></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, 2021

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.

NOTE 4. USE OF ESTIMATES

The preparation of the schedule of expenditures of federal awards in accordance with the requirements of the Uniform Guidance allows for management to make estimates and assumptions that could affect the reported amounts of expenditures for the year ended. The College estimated lost revenue for the Higher Education Emergency Relief Fund Institutional Aid (CFDA # 84.425F) from the guidance issued by the program. Actual results could differ from that estimate.



**DANA F. COLE
& COMPANY^{LLP}**
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, 2021, 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.

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.

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

Purpose of this Report

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

Dana F Cole + Company, LLP

Minden, Nebraska
November 5, 2021



**DANA F. COLE
& COMPANY^{LLP}**
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

We have audited Central Community College Area'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 Central Community College Area's major federal programs for the year ended June 30, 2021. Central Community College Area's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion for each of Central Community College Area's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Community College Area's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Central Community College Area's compliance.

Opinion on Each Major Federal Program

In our opinion, Central Community College Area 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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of Central Community College Area is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered Central Community College Area's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Community College Area's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2021-001.

Central Community Colleges response to the finding identified in our audit described in the accompanying schedule of findings and questioned costs. Central Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Dana F Cole + Company, LLP

Minden, Nebraska
November 5, 2021

CENTRAL COMMUNITY COLLEGE AREA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified: ☐ Yes ☒ No

Significant deficiencies identified
that are not considered to be
material weaknesses: ☐ Yes ☒ No

Noncompliance matter to the financial
statements disclosed: ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness identified: ☐ Yes ☒ No

Significant deficiencies identified
that are not considered to be
material weaknesses: ☒ Yes ☐ 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 ☐ No

Identification of major programs:

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, 2021

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: X Yes ___ No

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS

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

Criteria

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.

Condition and Context

Of our sample of 40 student files, five cases were noted where the enrollment status reported with NSLDS did not agree with College records.

Cause

Due to the COVID-19 pandemic, the College moved to a cloud-based server. This system identified needed updates to be installed. Because of delays associated with moving to a cloud-based system and other areas primarily caused by the pandemic, these updates were installed at a later time. In addition, because of the current forbearance on repayment of student loans, changes on student status were not questioned.

Potential Effect

Changes in students' enrollment status could have an effect on students' deferment, grace periods, and the repayment requirements of interest and principal on student loans.

CENTRAL COMMUNITY COLLEGE AREA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SECTION III. FEDERAL AWARD FINDINGS (Continued)

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

Questioned Costs

None.

Recommendation

We recommend the College review enrollment status reported with NSLDS, among other procedures as considered necessary by management.

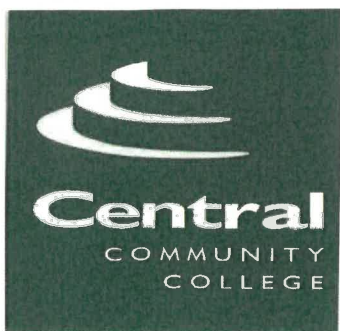
Views of Responsible Officials and Planned Corrective Action

The College identified what took place during contact with our software company, the Clearing House, and NSLDS. All student records have been updated and procedures have been implemented to ensure accuracy of enrollment reporting in addition to implementing review procedures between college records and NSLDS enrollment reports.

CENTRAL COMMUNITY COLLEGE AREA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

2020-001 ESTABLISH INTERNAL CONTROL OVER FINANCIAL STATEMENT PREPARATION AND REVIEW

Management is responsible for establishing and maintaining internal control and for the fair presentation of the financial statements, supplementary information, and disclosures in the financial statements, in conformity with accounting principles generally accepted in the United States of America. The College does not have a system of internal control that would provide management with reasonable assurance that the College's financial statements and related disclosures are complete and presented in accordance with accounting principles generally accepted in the United States of America on a timely basis. As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements. This is not a continuing finding for the year ended June 30, 2021.



CENTRAL COMMUNITY COLLEGE AREA
CORRECTIVE ACTION PLAN
November 5, 2021

Toll-free, all locations:
1-877-222-0780
www.cccneb.edu

College Administration

3134 W Highway 34
PO Box 4903
Grand Island, NE 68802-4903
Phone (308) 398-4222
Fax: (308) 398-7399

Columbus

4500 63rd Street
PO Box 1027
Columbus, NE 68602-1027
Phone: (402) 564-7132
Fax: (402) 562-1201

Grand Island

3134 W Highway 34
PO Box 4903
Grand Island, NE 68802-4903
Phone (308) 398-4222
Fax: (308) 398-7398

Hastings

550 S Technical Blvd
PO Box 1024
Hastings, NE 68902
Phone: (402) 463-9811
Fax: (402) 461-2454

Holdrege

1308 2nd Street
PO Box 856
Holdrege, NE 68949-0856
Phone: (308) 995-8133
Fax: (308) 995-5695

Kearney

1215 30th Avenue
PO Box 310
Kearney, NE 68848-0310
Phone: (308) 338-4000
Fax: (308) 338-4022

Lexington

1501 Plum Creek Parkway
PO Box 827
Lexington, NE 68850-0827
Phone: (308) 324-8480
Fax: (308) 324-8480

Central Community College Area respectfully submits the following corrective action plan for the year ended June 30, 2021, for the findings identified by Dana F. Cole & Company, LLP, Minden, Nebraska.

The findings from the schedule of findings and questioned costs are discussed below and are numbered consistently with the numbers assigned in that schedule.

FEDERAL AWARD FINDINGS

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

Recommendation: The College should review enrollment status reported with NSLDS, among other procedures as considered necessary by management.

Action Taken: The College identified what took place during contact with our software company, the Clearing House, and NSLDS. All student records have been updated and procedures have been implemented to ensure accuracy of enrollment reporting in addition to implementing review procedures between college records and NSLDS enrollment reports.

If the U.S. Department of Education or Health and Human Services have questions regarding this plan, please call Ronald Golka at 308.398.7345.

Sincerely yours,

Ronald Golka
Manager of Financial Operations