

**CLOUD COUNTY
COMMUNITY COLLEGE**
Concordia, Kansas

Independent Auditors' Report and
Financial Statements with
Supplementary Information

For the Year Ended June 30, 2017

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

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CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

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Management's Discussion and Analysis

Introduction:

The following discussion and analysis of the financial performance and activity of Cloud County Community College (the College) is to provide an introduction to and an understanding of the basic financial statements of the College for the year ended June 30, 2017 with selected comparative information for the year ended June 30, 2016. This discussion focuses on the current activities, resulting changes, and currently known facts. This discussion should be read in conjunction with the College's basic financial statements and the footnotes to those financial statements. The College is solely responsible for the completeness of this information. A separate audit is issued for the Cloud County Community College Foundation and is available for review at 2221 Campus Drive, Concordia, Kansas.

Using the Annual Report:

The audit is conducted in accordance with auditing standards applicable to financial audits contained in Government Auditing standards, specifically GASB 34/35, issued by the Comptroller of the United States. The purpose of GASB 34/35 is to make the financial statement presentation of public entities more closely resemble or emulate that of non-public for-profit enterprises. The hope is that it will "enhance the understandability of the general purpose external financial reports." To that end the annual financial report will include basic financial statements and required supplementary information.

Basic financial statements are comprised of two parts:

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

Required Supplementary Information:

Management's Discussion and Analysis (M D & A) - This is information that is required by standards to be presented, but is not part of the basic financial statements.

Highlights to the Financial Statements:

The College experienced a decrease (-1.54%) in credit hour enrollment in 2017 compared to 2016. County appropriations increased because of increased assessed valuation; the mill levy remained flat. This amounted to an increase of \$85,450. State of Kansas Operating Grant appropriations decreased by 4% which amounted to \$177,129 less than FY 2016. However, the Technical Education Funding through SB 155 increased by \$27,234.00 even though it was not fully funded. The College also experienced a decrease in Sales and Services of Auxiliary Enterprises. At year end, the College's assets exceeded its liabilities by \$14,638,217 compared to the June 30, 2016 amount of \$14,808,189. Of this amount, \$6,578,135 is classified as unrestricted net position

compared to \$6,415,944 in 2016. The unrestricted net position may be used to meet the College's ongoing obligations and increased by \$162,191 in fiscal year 2017. The increase in the unrestricted net position is from a combination of an increase in Cash and Cash Equivalents and also a decrease in Noncurrent Liabilities such as Notes Payable and Capital Lease Payable. The decrease in Noncurrent Liabilities is due to the ongoing payments to the Capital Lease Payable and the Refunding Certificates of Participation to take advantage of lower interest rates.

The Board of Trustees in November 2016 reauthorized the capital levy for an additional five year period ending in 2022. This levy will be the primary source for paying the Capital lease for the Geo-Thermal HVAC system. It provides the College with about \$383,000 per year.

Combined Statement of Net Assets

Statement of Net Position

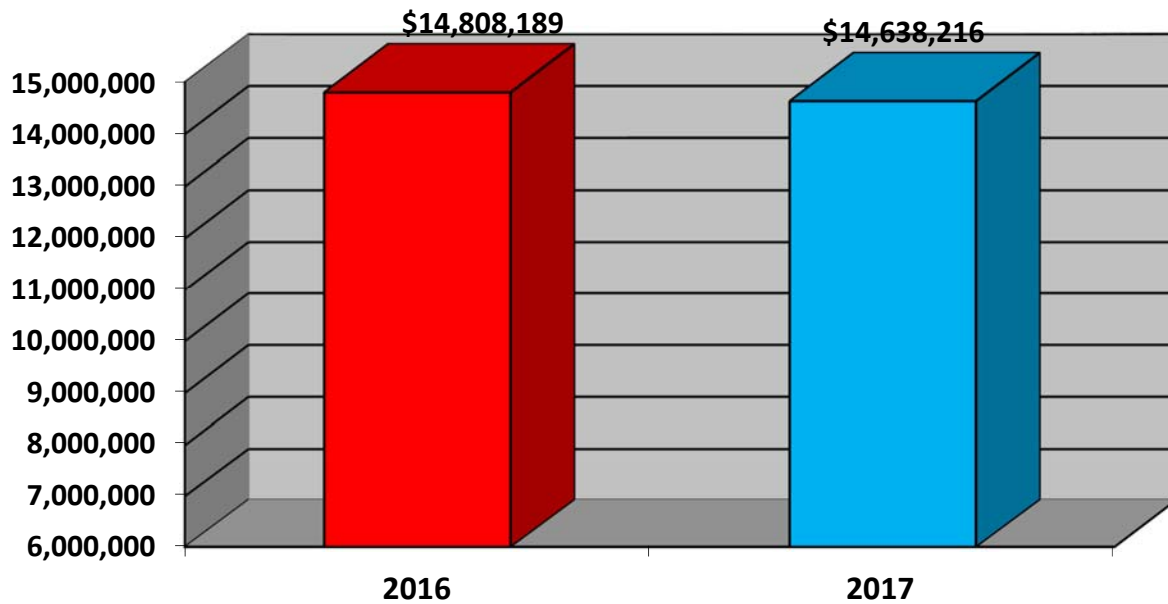
The combined statement of net position presents the assets, liabilities, and net position of the College at June 30, 2017. The purpose of the combined statements of net position is to present the financial condition of the College.

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

Comparison of Assets – Fiscal Year 2016 to 2017

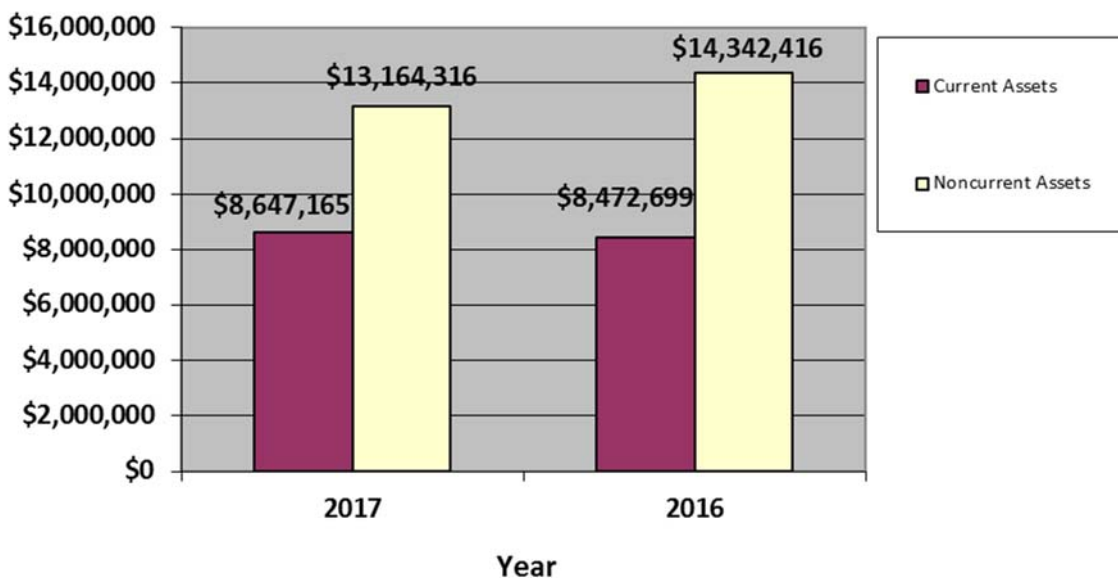
Net Position is presented in three major categories. The first is invested in capital assets, net of related debt, which represents the College's equity in its property, plant, and equipment. The second is restricted and the third is unrestricted. Net position decreased during the current fiscal year from \$14,808,189 to \$14,638,217 for a total decrease of \$169,972.

Net Position for 2017 Compared to 2016

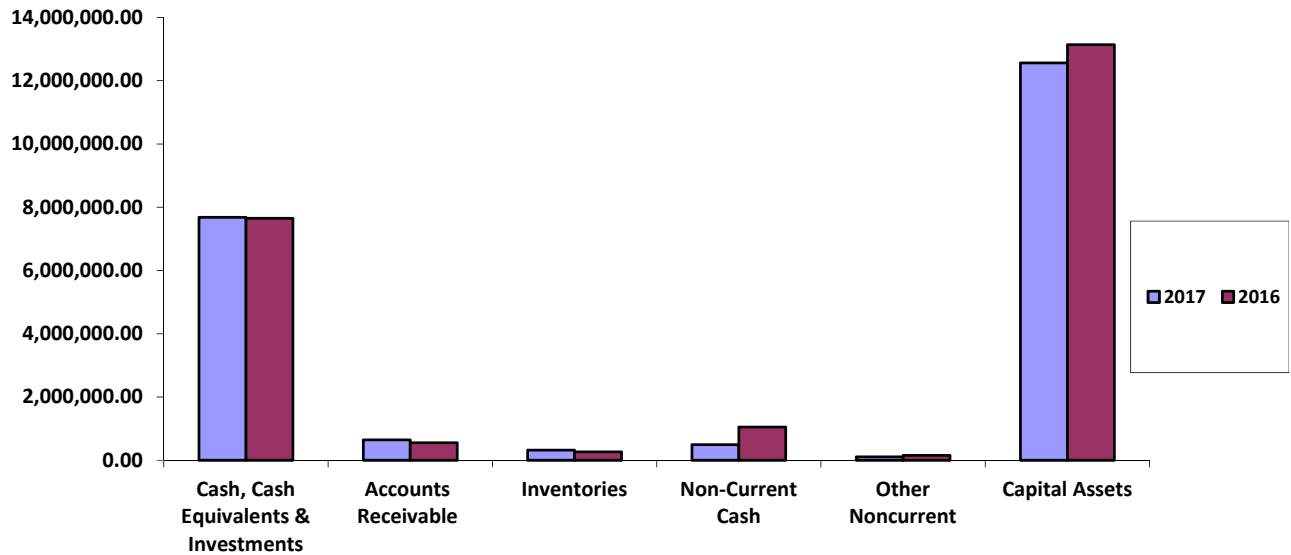


The College's current assets consist primarily of cash, accounts receivables and inventories; while noncurrent assets consist mainly of capital assets. The College's current assets in 2017 were \$8,647,165 compared to \$8,472,699 in 2016. This reflects an increase in current assets from 2016 to 2017 of \$174,466. Total breakdown of assets between current and noncurrent classifications follows:

Current and Noncurrent Assets 2017 and 2016



2017 and 2016 Total Assets by Type

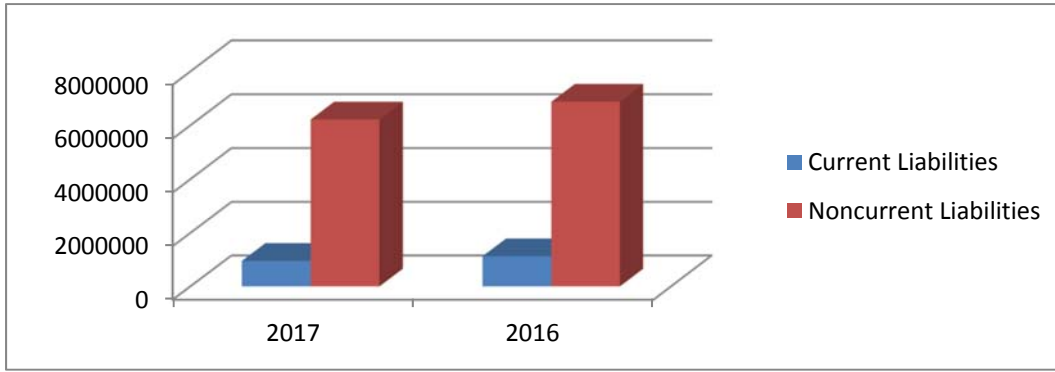


Of the \$21,811,480 in total assets, approximately 39.6% are in current assets. Noncurrent assets represent 60.4% of total assets. Total assets decreased by \$1,003,634 in 2017.

Comparison of Liabilities – Fiscal Year 2016 to 2017

The liabilities are categorized between current and noncurrent. For example, the College's current liabilities consist primarily of accounts payable, accrued liabilities, and deferred revenue. Current liabilities decreased by \$173,830 in 2017. The noncurrent liabilities portion is due to the OPEB Obligations and Capital Lease Payable. The 2010 revenue bond that served the purpose of providing funding to build the Thunder Heights Residence life facility was converted to Certifications of Participation in June 2017. This refunding was undertaken to take advantage of the historically low interest rates on public financing instruments. The length of the obligation and other terms did not change however, the interest rates which were previously between 2.5% and 5.125% were lowered to 2.45%. The Capital Lease Payable also includes the lease/purchase agreement for the purchase and installation of equipment for the complete replacement of the existing HVAC system with a Geo-Thermal HVAC system and the purchase of a 2008 coach D4505 passenger bus and a 2015 K40 Krystal Coach 36 passenger bus. The total current liabilities of the College decreased \$173,830 or 15.4% for 2017 when compared to 2016. The current ratio of current assets to current liabilities still remains high at 9.0 to 1. The breakdown of current and noncurrent liabilities is as follows:

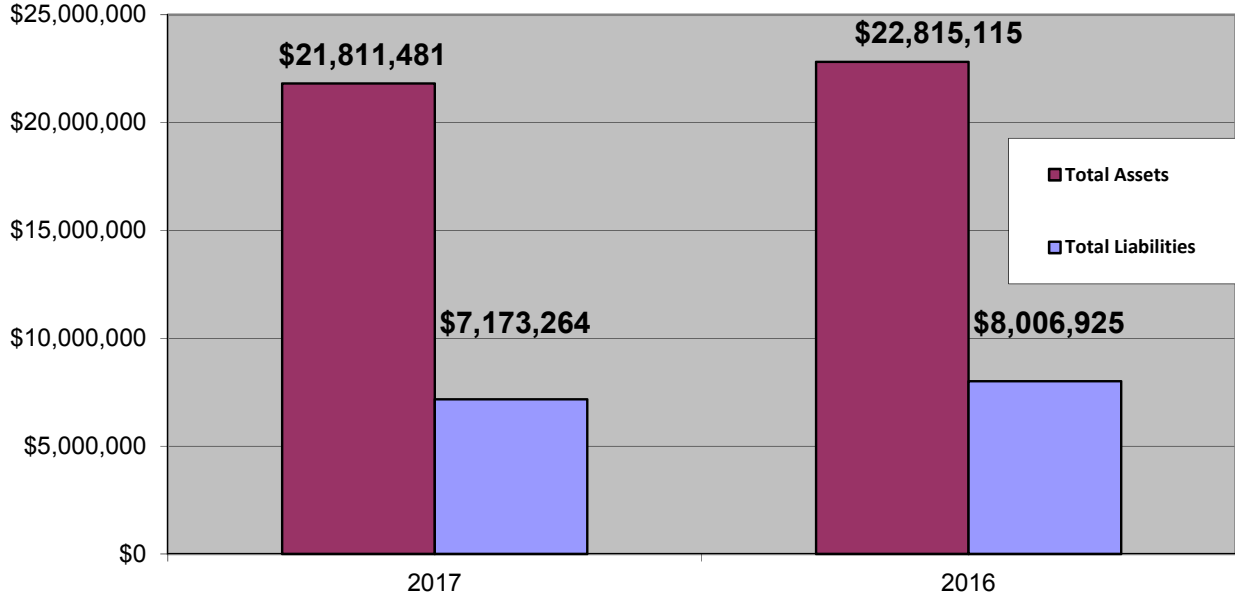
	2017	% Total 2017	2016	% Total 2016
Current Liabilities	956,380	13.33%	1,130,209	14.12%
Noncurrent Liabilities	6,216,884	86.67%	6,876,716	85.88%
Total Liabilities	7,173,264	100.00%	8,006,925	100.00%



Comparison of Assets to Liabilities

In 2017 total assets decreased by \$1,003,634 while total liabilities decreased by \$833,662. The decrease in total assets was primarily due to the advance payment of the bond reserve during the Revenue Bond conversion to Certificates of Participation. This represents a 4.4% decrease in total assets compared to a 10.4% decrease in total liabilities.

2017 & 2016 Assets and Liabilities



Combined Statements of Revenues, Expenses, and Changes in Net Position

The combined statement of revenues, expenses, and changes in net position presents the College's financial results for the fiscal year ending June 30, 2017. The statements include the College's revenue and expenses, both operating and non-operating.

Operating revenues and expenses are those for which the College directly exchanges goods and services. Non-operating revenues and expenses are those that exclude specific goods and services. Examples of non-operating revenues would be Cloud County property tax revenue and Kansas state aid; whereby local and state taxpayers do not directly receive goods and services from the College.

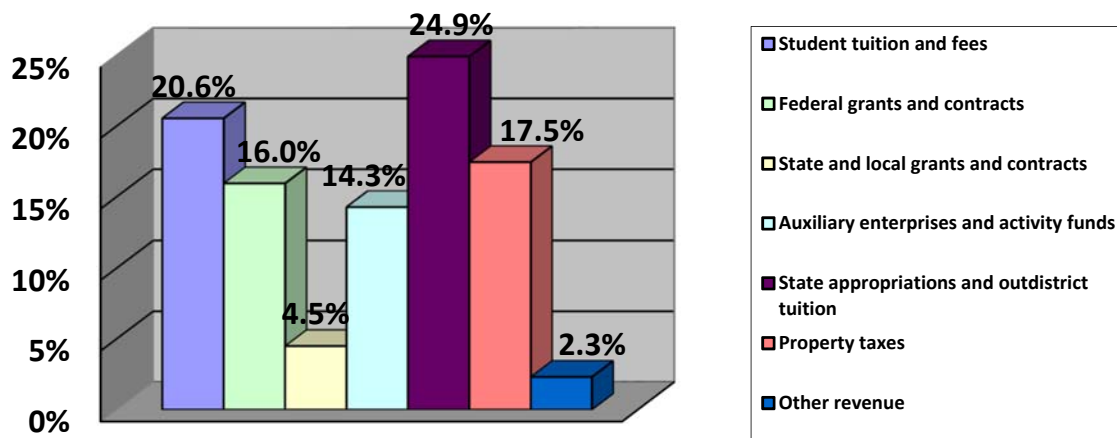
Revenue

Components and sources of revenue:

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

	2017	% Total 2017
Student tuition and fees	\$3,506,244	20.56%
Federal grants and contracts	\$2,722,176	15.96%
State and local grants and contracts	\$767,423	4.50%
Auxiliary enterprises and activity funds	\$2,434,616	14.27%
State appropriations	\$4,251,101	24.93%
Property taxes	\$2,977,768	17.46%
Other revenue	\$395,724	2.32%
Total revenue	\$17,055,052	100.00%

2017 Total Revenue Sources by Percentage

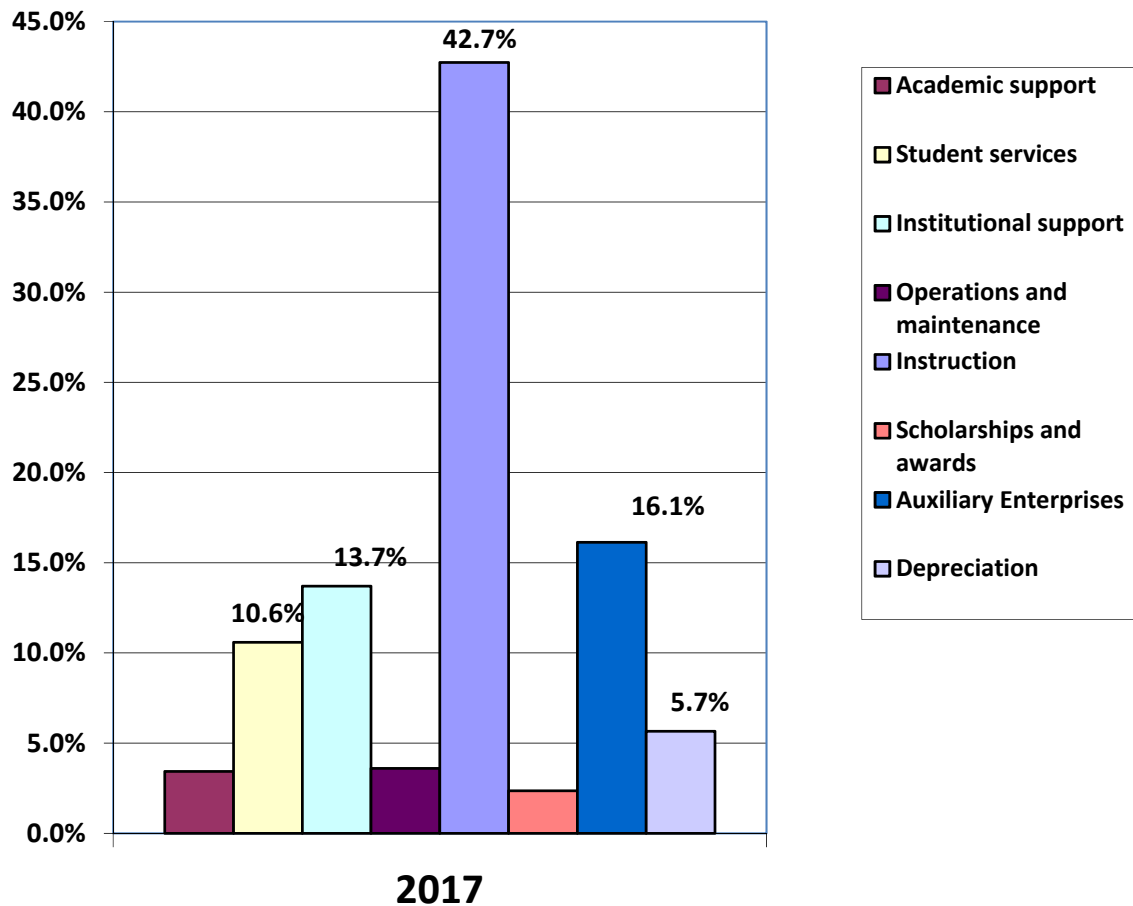


Expenditures

The College incurs nine types of expenses including Instruction, Academic Support, Student Services, Institutional Support, Operations and Maintenance, Scholarships and Awards, Auxiliary Enterprises, Depreciation, and Debt Services. These expenses are relatively stable year over year as a percentage of the total. The following chart shows expenses by function for 2017 and expenses by percentage:

	2017	% Total 2017
Instruction	\$7,360,495	42.72%
Academic Support	\$591,727	3.44%
Student Services	\$1,823,616	10.59%
Institutional Support	\$2,359,759	13.70%
Operations and Maintenance	\$620,294	3.60%
Scholarships and Awards	\$406,116	2.36%
Auxiliary Enterprises	\$2,778,612	16.13%
Depreciation	\$974,634	5.66%
Debt Service	\$309,771	1.80%
Total	\$17,225,024	100%

2017 Expenses by Percentage



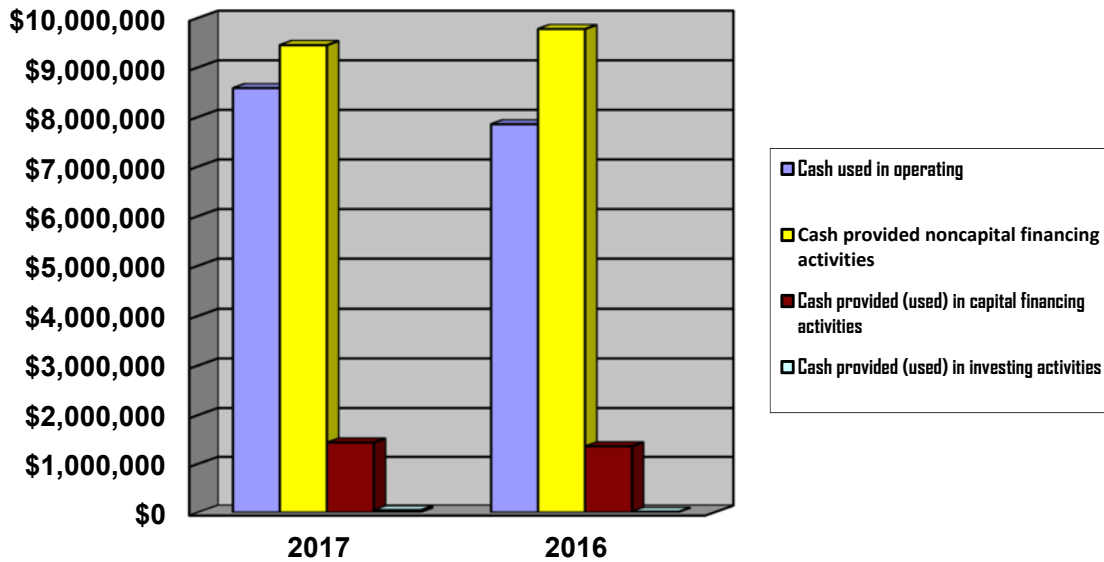
Statement of Cash Flows

The statement of cash flows presents detailed information about the cash activity of the College during the year. It helps assess the College's ability to generate net cash flows and to meet its obligations as they come due. The first section deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. The third section reflects the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section deals with cash flows from investing activities and shows the interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Summary Statement of Cash Flows Information

	2016	2017
Net Cash Provided (used) by:		
Operating Activities	\$ (7,854,789)	\$ (8,582,346)
Noncapital financing activities	\$ 9,775,363	\$ 9,450,690
Capital financing activities	\$ (1,361,836)	\$ (1,439,443)
Investing activities	\$ 15,619	\$ 47,635
Net Change in Cash	\$ 574,357	\$ (523,464)
Cash Beginning of Year	\$ 8,125,138	\$ 8,699,495
Cash End of Year	\$ 8,699,495	\$ 8,176,031

Cash Flows 2017 and 2016



Summary of Overall Performance

Cloud County Community College's financial condition has essentially remained the same this fiscal year as compared to fiscal year 2016 with net position decreasing in fiscal year 2017 by \$169,972 to a total of \$14,638,217. Total operating and non-operating revenues were \$17,055,052 while operating expenses were \$17,225,024. Current assets exceeded current liabilities by \$7,690,785. State of Kansas operating grant appropriation decreased by 4% in 2017 but the amount of Technical Education Funding through SB 155 increased by \$27,234. The College anticipates the same level of funding in State of Kansas appropriations in fiscal year 2018. Discussion of restructuring of the Technical Education model may have a negative impact on funding received for technical courses including those under SB 155 for FY 2018. Enrollment has declined by approximately 3% mid-way into FY 2018. The College needs to seek alternative sources of operating and non-operating revenue which may include increases in tuition rates, short term use of auxiliary revenues, acquisition of grant funding, increase in local property taxes, and significant adjustment to operational expense allocations. The College has made recruitment and retention a high priority and continues to look for efficiencies in operations. The College also executed a 2 year contract with Dynamic Campus in January 2016 for IT support and consulting services. This resulted in a noticeable expenditure of \$724,900 from the Campus Housing Fund in FY 2017. This expenditure is expected to be \$339,900 in FY 2018 with some additional hours contracted on an as needed basis.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Cloud County Community College
Concordia, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of Cloud County Community College, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Cloud County Community College's basic financial statements as listed in the table of contents.

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 audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 College'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 College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of Cloud County Community College, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year 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 i-xi and schedule of funding progress on page 29 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cloud County Community College's basic financial statements. The supplementary information, as listed in the table of contents as pages 30 to 51, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The fiscal year ended June 30, 2016 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedules 4 to 10 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2017 basic financial statement upon which we rendered an unmodified opinion dated December 12, 2016. The June 30, 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such June 30, 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2016 basic financial statement. The June 30, 2016 comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2016 basic financial statement or to the June 30, 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2016 comparative information is fairly stated in all material respects in relation to the June 30, 2016 basic financial statement as a whole, on the basis of accounting described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of Cloud County Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cloud County Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cloud County Community College's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 6, 2017

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
Statement of Net Position
June 30, 2017

	<u>Primary Institution</u>	<u>Component Unit - Foundation</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 7,683,623.67	\$ 1,850,923.95
Accounts Receivable, Net	644,043.96	17,299.05
Promises to Give	-	66,635.39
Inventories	319,497.22	-
Investments	-	7,167,518.94
Total Current Assets	<u>8,647,164.85</u>	<u>9,102,377.33</u>
Noncurrent Assets		
Cash and Cash Equivalents	492,407.57	-
Accounts Receivable, Net	20,333.00	508,067.21
Cash Value of Life Insurance	-	2,500.10
Bond Issuance Costs, Net of Accumulated Amortization	85,796.18	-
Capital Assets, Net of Accumulated Depreciation	12,565,778.94	-
Total Noncurrent Assets	<u>13,164,315.69</u>	<u>510,567.31</u>
TOTAL ASSETS	<u>\$ 21,811,480.54</u>	<u>\$ 9,612,944.64</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 132,919.62	\$ 1,737.87
Accrued Wages	102,459.85	-
Accrued Interest	25,911.13	-
Deferred Revenue	377,575.00	-
Compensated Absences	293,822.54	-
Deposits Held in Custody for Others	23,691.35	-
Total Current Liabilities	<u>956,379.49</u>	<u>1,737.87</u>
Noncurrent Liabilities		
OPEB Obligations	1,711,187.00	-
Capital Lease Payable	4,505,697.26	-
Total Noncurrent Liabilities	<u>6,216,884.26</u>	<u>-</u>
TOTAL LIABILITIES	<u>7,173,263.75</u>	<u>1,737.87</u>
NET POSITION		
Investment in Capital Assets, Net of Related Debt	8,060,081.68	-
Restricted Net Position		
Restricted Net Position - Expendable	-	770,615.59
Restricted Net Position- Nonexpendable	-	7,042,111.64
Unrestricted Net Position	6,578,135.11	1,798,479.54
TOTAL NET POSITION	<u>14,638,216.79</u>	<u>9,611,206.77</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 21,811,480.54</u>	<u>\$ 9,612,944.64</u>

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2017

	Primary Institution	Component Unit - Foundation
REVENUES		
Operating Revenues		
Student Tuition and Fees, (net of scholarship discounts and allowances of \$1,014,800.25)	\$ 3,506,243.12	\$ -
Federal Grants and Contracts	500,355.25	-
State Grants and Contracts	767,423.17	-
Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$1,495,894.60)	1,057,206.33	-
Activity Fund Revenues	1,377,409.70	-
Miscellaneous Operating Income	348,089.24	-
Total Operating Revenues	<u>7,556,726.81</u>	<u>-</u>
EXPENSES		
Operating Expenses		
Educational and General		
Instruction	7,360,495.25	153,338.13
Academic Support	591,727.13	-
Student Services	1,823,615.53	-
Institutional Support	2,359,758.55	-
Operation and Maintenance	620,294.16	-
Scholarships, Grants and Awards	406,115.67	233,606.65
Fundraising	-	100,414.88
Auxiliary Enterprises	2,778,611.76	-
Activity Fund Expenses	-	179,433.16
Depreciation Expense	974,634.67	-
Total Operating Expenses	<u>16,915,252.72</u>	<u>666,792.82</u>
Operating Income (Loss)	<u>(9,358,525.91)</u>	<u>(666,792.82)</u>
Nonoperating Revenues (Expenses)		
State Appropriations	4,251,101.00	-
County Appropriations	2,977,768.49	-
Federal Pell Grants	2,221,821.00	-
Gifts and Contributions	-	657,174.23
Investment Income	47,634.71	551,198.68
Debt Service	<u>(309,771.73)</u>	<u>-</u>
Net Operating Revenues (Expenses)	<u>9,188,553.47</u>	<u>1,208,372.91</u>
Increase (Decrease) in Net Position	(169,972.44)	541,580.09
Net Position - Beginning of Year	<u>14,808,189.23</u>	<u>9,069,626.68</u>
Net Position - End of Year	<u>\$ 14,638,216.79</u>	<u>\$ 9,611,206.77</u>

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2017

	Primary Institution	Component Unit - Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	\$ 3,524,930.19	\$ -
Federal Grants and Contracts	500,355.25	-
State Grants and Contracts	767,423.17	-
Sales and Services of Auxiliary Enterprises	1,057,206.33	-
Activity Fund Revenues	1,377,409.70	-
Miscellaneous Income	292,614.12	-
Payments on Behalf of Employees	(8,856,493.69)	-
Payments for Supplies and Materials	(1,885,797.86)	-
Payments for Other Expenses	(5,359,993.30)	(521,035.28)
Net cash provided by (used in) operating activities	<u>(8,582,346.09)</u>	<u>(521,035.28)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	4,251,101.00	-
County Appropriations	2,977,768.49	-
Federal Pell Grant	2,221,821.00	-
Federal Direct Loans	2,222,577.00	-
Federal Direct Loans Payments	(2,222,577.00)	-
Gifts and Contributions	-	495,421.23
Net cash provided by (used in) noncapital financing activities	<u>9,450,690.49</u>	<u>495,421.23</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments for Purchase of Capital Assets	(344,243.93)	-
Proceeds from the Sale of Assets	-	-
Interest Paid on Long Term Debt	(323,818.31)	-
Proceeds from the Issuance of Debt	2,900,000.00	-
Principal Payments on Debt	(3,671,380.42)	-
Net cash provided by (used in) capital financing activities	<u>(1,439,442.66)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned on Investments	47,634.71	124,898.09
Proceeds from the Sales and Maturities of Investments	-	113,883.54
Purchase of Investments	-	(1,873,755.95)
Net cash provided by (used in) investing activities	<u>47,634.71</u>	<u>(1,634,974.32)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(523,463.55)	(1,660,588.37)
Cash and Cash Equivalents, Beginning of Year	<u>8,699,494.79</u>	<u>3,511,512.32</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,176,031.24</u>	<u>\$ 1,850,923.95</u>

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
Statement of Cash Flows
For the Year Ended June 30, 2017

	Primary Institution	Component Unit - Foundation
	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (9,358,525.91)	\$ (666,792.82)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation Expense	974,634.67	-
Donation of Capital Assets	(55,475.12)	-
Non Cash Expenditures	-	158,879.25
(Increase) Decrease in Receivables	(94,358.93)	-
(Increase) Decrease in Inventory	(54,103.28)	-
Increase (Decrease) in Accounts Payable	(222,166.03)	(13,121.71)
Increase (Decrease) in Accrued Wages	(9,286.82)	-
Increase (Decrease) in Deferred Revenue	113,046.00	-
Increase (Decrease) in Compensated Absences	11,116.72	-
Increase (Decrease) in Deposits Held for Others	1,223.61	-
Increase (Decrease) in OPEB Obligations	111,549.00	-
Net cash provided by (used in) operating activities	<u>\$ (8,582,346.09)</u>	<u>\$ (521,035.28)</u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents classified as current assets	\$ 7,683,623.67	\$ 1,850,923.95
Cash and Cash Equivalents classified as non-current assets	492,407.57	-
Total Cash and Cash Equivalents	<u>\$ 8,176,031.24</u>	<u>\$ 1,850,923.95</u>

Supplementary Information

Cash Paid During the Period for:		
Interest Expense	\$ 323,818.31	\$ -
Non Cash Transactions		
Capital Assets	55,475.12	-
Auction Items	-	32,300.48
Management and General	-	126,578.77

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

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Notes to the Financial Statements
For the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The financial reporting entity consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

Component Unit

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

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

Basis of Accounting

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

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

Cash and Cash Equivalents

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

Investments

The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Accounts Receivable and Deferred Revenue

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Kansas. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grant and contracts. Accounts receivable also include taxes in process of collection for property taxes assessed and collected for the calendar year ending December 31, 2016.

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. Property taxes levied in December 2016 are recorded as taxes receivable. Approximately 4% to 10% of these taxes are normally distributed after June 30, 2017, and are presented as accounts receivable—taxes in process and deferred revenue to indicate that they are not appropriable. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Inventories

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

Noncurrent Cash and Cash Equivalents

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

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

Capital Assets

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

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

Accounts Receivable and Allowance for Doubtful Accounts

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

Compensated Absences

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

Noncurrent Liabilities

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

Net 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 accumulated depreciation, and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets, net of related debt.

Restricted Net Position – Expendable: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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

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

Net Position (Continued)

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

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

Income Taxes

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

Classification of Revenues

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

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

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

Scholarship Discounts and Allowances

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

Accounting Estimates

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

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

Bond Issuance Cost

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

Pension Plan

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

Budgetary Information

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

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Supplementary Schedules 4 to 10 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. Based upon these schedules, the College was in apparent violation of K.S.A. 79-2934, as the College has obligated expenditures in excess of budgetary limits in the Revenue Bonds Fund (Schedule 9), all other Schedules were in compliance with Kansas cash basis and budget laws .

3. DEPOSITS

Primary Institution

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2017.

Deposits: At year-end, the College's carrying amount of deposits is \$8,175,523.99 and the bank balance was \$8,439,529.97. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$297,995.93 was covered by FDIC insurance and \$8,141,534.04 was collateralized with pledged securities held by the pledging financial institutions' agents in the College's name.

Component Unit

At year-end, the carrying amount of the Foundation's deposits were \$1,850,923.95. The bank balances were \$1,855,126.81. The bank balances were held by three banks resulting in a concentration of credit risk. Of the bank balances \$100,380.15 were covered by FDIC insurance and the remaining \$1,754,746.66 were held in a trust as cash and cash equivalents and considered self-securing at year-end.

4. **INVESTMENTS**

Component Unit:

Investment Policies

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

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

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

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

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

Investments at June 30, 2017, are comprised of the following:

	<u>FAIR VALUE</u>
Corporate Bonds	\$ 4,986,957.48
Common Stock	2,180,561.46
Total Investments	<u>\$ 7,167,518.94</u>

5. **FAIR VALUE MEASUREMENTS**

Component Unit:

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

- Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2. Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;

5. FAIR VALUE MEASUREMENTS (Continued)

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
-

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit rates.

Common Stock: Valued at the closing price reported on the New York Stock Exchange.

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ - -	\$ 4,986,957.48	\$ - -	\$ 4,986,957.48
Common Stock	<u>2,180,561.46</u>	<u>- -</u>	<u>- -</u>	<u>2,180,561.46</u>
Totals	<u>\$ 2,180,561.46</u>	<u>\$ 4,986,957.48</u>	<u>\$ - -</u>	<u>\$ 7,167,518.94</u>

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

6. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017, consisted of the following:

	Primary Institution
Current:	
Student Accounts	\$ 207,340.49
Federal PELL	20,278.00
Federal Direct Loan	38,617.00
Federal CACFP	462.76
State Grants	10,472.00
Bookstore Credit Memos	9,631.71
Taxes in Progress	<u>357,242.00</u>
Total Current	<u>644,043.96</u>
Noncurrent	
Taxes in Progress	<u>20,333.00</u>
Total Accounts Receivable	<u>\$ 664,376.96</u>

6. ACCOUNTS RECEIVABLE (Continued)

The College uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for uncollectible accounts of \$106,190.32 at June 30, 2017.

7. INVENTORIES

Inventories consisted of the following at June 30, 2017:

Book Store Inventory	
Textbooks	\$ 263,561.87
Soft Goods and Supplies	<u>55,935.35</u>
Total Bookstore Inventory	<u>\$ 319,497.22</u>

8. UNCONDITIONAL PROMISES TO GIVE

Component Unit:

Unconditional promises to give at June 30, 2017 consist of the following:

Phonathon	\$ 90.00
Fall Campaign	9,507.42
Johnson Trust	534,805.18
Hansen Foundation	<u>30,300.00</u>
	<u>\$ 574,702.60</u>
Endowed funds:	
Less than one year	\$ 66,635.39
One to five years	200,634.32
More than five years	<u>1,195,243.69</u>
Total unconditional promises to give	1,462,513.40
Less unamortized discounts	<u>(887,810.80)</u>
	<u>\$ 574,702.60</u>

Uncollectible amounts for unconditional promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts. Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 4.4% in for the year ended June 30, 2017.

9. CAPITAL ASSETS

Primary Institution:

Following are the changes in capital assets for the year ended June 30, 2017:

	Balance 06/30/2016	Additions	Retirements	Transfers	Balance 06/30/2017
Capital assets not being depreciated					
Land	\$ 425,086.00	\$ -	\$ -	\$ -	\$ 425,086.00
Construction in Progress	25,322.00	-	-	(25,322.00)	-
Total Capital Assets not being depreciated	450,408.00	-	-	(25,322.00)	425,086.00
Other Capital Assets					
Buildings	13,743,851.67	216,527.91	-	(1,809,450.87)	12,150,928.71
Buildings Under Capital Lease	3,190,002.21	-	-	1,834,772.87	5,024,775.08
Equipment	5,125,274.04	136,116.14	-	-	5,261,390.18
Furniture	360,540.98	-	-	-	360,540.98
Vehicles	543,269.74	47,075.00	(34,100.00)	-	556,244.74
Vehicles Under Capital Lease	432,477.00	-	-	-	432,477.00
Total Other Capital Assets	23,395,415.64	399,719.05	(34,100.00)	25,322.00	23,786,356.69
Accumulated Depreciation					
Buildings	6,075,643.40	344,617.62	-	(319,925.93)	6,100,335.09
Buildings Under Capital Lease	791,160.46	212,057.14	-	319,925.93	1,323,143.53
Equipment	3,132,330.22	266,774.49	-	-	3,399,104.71
Furniture	281,151.96	22,258.39	-	-	303,410.35
Vehicles	361,877.01	67,144.60	(34,100.00)	-	394,921.61
Vehicles Under Capital Lease	62,966.03	61,782.43	-	-	124,748.46
Total Accumulated Depreciation	10,705,129.08	974,634.67	(34,100.00)	-	11,645,663.75
Total Net Capital Assets	\$ 13,140,694.56	\$ (574,915.62)	\$ -	\$ -	\$ 12,565,778.94

Component Unit:

Following are the changes in capital assets for the year ended June 30, 2017:

	Balance 06/30/2016	Additions	Retirements	Balance 06/30/2017
Property and Equipment				
Equipment	\$ 7,547.86	\$ -	\$ -	\$ 7,547.86
Total Property and Equipment	7,547.86	-	-	7,547.86
Accumulated Depreciation				
Equipment	7,547.86	-	-	7,547.86
Total Accumulated Depreciation	7,547.86	-	-	7,547.86
Total Net Capital Assets	\$ -	\$ -	\$ -	\$ -

10. LONG-TERM DEBT

Primary Institution:

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

<u>OBLIGATIONS</u>	<u>PRINCIPAL JUNE 30, 2016</u>	<u>PRINCIPAL RECEIVED (PAID)</u>	<u>PRINCIPAL JUNE 30, 2017</u>	<u>INTEREST PAID</u>
Revenue Bonds --				
Series 2010	\$ 3,260,000.00	\$(3,260,000.00)	\$ 0.00	\$ 227,965.00
Notes Payable				
Series 2008A	122,638.00	(122,638.00)	0.00	0.00
	<u>\$ 3,382,638.00</u>	<u>\$(3,382,638.00)</u>	<u>\$ 0.00</u>	<u>\$ 227,965.00</u>

11. CAPITAL LEASES

The College entered into a certificate of participation dated June 6, 2017, with Branch Banking and Trust Company to refinance the Series 2010 Refunding and Improvement Revenue Bonds originally issued for the Thunderbird Heights Dormitory. The total cost was \$2,900,000.00. The lease calls for varying annual payments, including interest of 2.45% annually, maturing September 1, 2029.

<u>Capital Lease – Dormitory Bond Refinance</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2018	\$ 52,300.69
2019	71,050.00
2020	140,192.50
2021	316,272.50
2022	320,025.00
2023-2027	1,595,226.25
2028-2030	959,361.25
Total Net Minimum Lease Payments	3,454,428.19
Less: Imputed Interest	(554,428.19)
Net Present Value of Capital Lease	<u>2,900,000.00</u>
Less: Current Maturities	0.00
Long-Term Capital Lease Obligations	<u>\$ 2,900,000.00</u>

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

<u>Capital Lease – Equipment</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2018	\$ 257,830.00
2019	261,530.00
2020	259,490.00
2021	261,840.00
2022	258,380.00
2023	259,500.00
Total Net Minimum Lease Payments	1,558,570.00
Less: Imputed Interest	(178,570.00)
Net Present Value of Capital Lease	<u>1,380,000.00</u>
Less: Current Maturities	210,000.00
Long-Term Capital Lease Obligations	<u>\$ 1,170,000.00</u>

11. CAPITAL LEASES (Continued)

The College entered into a capital lease for the purchase of a 2008 coach D4505 passenger bus. The total cost was \$265,950.00. The lease calls for annual payments of \$64,392.97, including interest 3.00%, maturing May 28, 2019.

<u>Capital Lease – Passenger Bus</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2018	\$ 64,392.97
2019	<u>64,392.97</u>
Total Net Minimum Lease Payments	128,785.94
Less: Imputed Interest	<u>(5,571.95)</u>
Net Present Value of Capital Lease	<u>123,213.99</u>
Less: Current Maturities	<u>60,696.55</u>
Long-Term Capital Lease Obligations	<u>\$ 62,517.44</u>

The College entered into a capital lease for the purchase of a 2015 K40 Krystal Coach 36 passenger bus. The total cost was \$154,727.00. The lease calls for annual payments of \$27,430.00, including interest 2.54%, maturing August 10, 2020.

<u>Capital Lease – Passenger Bus</u>	
Debt requirements are as follows:	
<u>June 30,</u>	
2018	\$ 27,430.00
2019	27,430.00
2020	27,430.00
2021	<u>27,430.00</u>
Total Net Minimum Lease Payments	109,720.00
Less: Imputed Interest	<u>(7,236.73)</u>
Net Present Value of Capital Lease	<u>102,483.27</u>
Less: Current Maturities	<u>24,199.62</u>
Long-Term Capital Lease Obligations	<u>\$ 78,283.66</u>

12. LEASE AGREEMENTS

The College has entered into a lease agreement with Geary County to lease buildings for outreach classes. The agreement is for 10 years, commencing June 1, 2012, and continuing through July 1, 2022. The agreement calls for rental payments in the amount of \$3,945.00 per month. Beginning July 1, 2013, and on each July 1 thereafter, in addition to the annual minimum rent payable, the College will also pay a supplementary annual rent in the amount of 1% of the minimum rent paid for the preceding 12 month period, ending on June 30. The total payments made under this lease agreement during the year ended June 30, 2017, was \$49,262.19. Future minimum rental payments are as follows:

06/30/2018	\$ 49,754.82
06/30/2019	50,252.36
06/30/2020	50,754.89
06/30/2021	51,262.44
06/30/2022	51,775.06

12. LEASE AGREEMENTS (Continued)

The College has entered into a lease agreement with Darrel and Margo Hosie to lease buildings located at 2015 Lincoln Street, Concordia, Kansas. The agreement is for 60 months, commencing August 15, 2012, and continuing through August 14, 2017. The agreement calls for rental payments in the amount of \$2,075.00 per month. The total payments made under this lease agreement during the year ended June 30, 2017, was \$24,900.00. Future minimum rental payments are as follows:

06/30/2018	\$	2,075.00
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The College has entered into various other rental agreements for the rental of office equipment. Total rent payments made under these agreements during the year ended June 30, 2017, was \$41,699.68. Future minimum rental payments are as follows:

06/30/2018	\$	48,323.42
06/30/2019		44,906.76
06/30/2020		44,906.76
06/30/2021		44,906.76
06/30/2022		39,829.32

The College has entered into a lease agreement with Geary County, Kansas Public Building Commission to lease a building for the TRAC-7 Grant. The agreement is for 36 months, commencing October 1, 2015 and continuing through September 30, 2020, renewable annually thereafter. The agreement calls for rental payments in the amount of \$55,000.00 annually and semi-annual interest payments. The total payments made under this lease agreement during the year ended June 30, 2017, was \$88,015.00. Future minimum rental payments are as follows:

06/30/2018	\$	87,052.50
06/30/2019		85,952.50
06/30/2020		84,715.00

The College has entered into a lease agreement with Unified School District 333 to lease a building for the wrestling team. The agreement is for 3 years, commencing July 1, 2016 and continuing through June 30, 2019, renewable annually thereafter. The agreement calls for rental payments in the amount of \$5,000.00 annually and utility payments of \$200.00 monthly. The total payments made under this lease agreement during the year ended June 30, 2017, was \$7,400.00. Future minimum rental payments are as follows:

06/30/2018	\$	7,400.00
06/30/2019		7,400.00

13. RESTRICTED NET POSITION - EXPENDABLE

Component Unit:

Restricted Net Position – Expendable consists of the following donations received and restricted to use at June 30, 2017:

Cloud County Community College Activity Funds	\$	181,490.42
Continuing Scholarships and Special Awards		147,715.02
Kathie E Johnson Trust Gift		<u>441,410.15</u>
	\$	<u>770,615.59</u>

14. RESTRICTED NET POSITION - NONEXPENDABLE

Changes in endowments as of June 30, 2017 are as follows:

	<u>Nonexpendable</u>
Restricted Net Position, Beginning of Year	\$ 6,992,622.00
Contributions	<u>49,489.64</u>
Restricted Net Position, End of Year	<u>\$ 7,042,111.64</u>

All endowment funds are considered to be permanently restricted. Therefore the spending policy does not allow for distribution of these funds. Investment income from these funds is considered to be unrestricted unless otherwise designated.

15. OTHER POST EMPLOYMENT BENEFITS

Description of Pension Plan

The College participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
 - State/School employees
 - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected. Those employees participating in the Pension Plan for the College are included in the State/School employee group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Special Funding Situation

The employer contributions for the College, as defined in K.S.A. 74-4931 (2) and (3), are made by the State of Kansas on behalf of the College. Therefore, the College is considered to be in a special funding situation as defined by GASB Statement No. 68. Accordingly, the State is required to recognize its proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources and expense for the pension plan attributable to the College. The College records revenue and pension expense in an amount equal to the expense recognized by the State on behalf of the College.

Benefits

Benefits are established by statute and may only be changed by the General Assembly. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

15. OTHER POST EMPLOYMENT BENEFITS (Continued)

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas. For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.1% of total payroll for the fiscal year ended June 30, 2016.

The actuarially determined employer contribution rates and the statutory contribution rates for school employees are 16.00 % and 10.91%, respectively. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

Employer and Nonemployer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

15. OTHER POST EMPLOYMENT BENEFITS (Continued)

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The individual employer allocation percentages for the pension amounts were based on the ratio of the employer and nonemployer contributions for the individual employer in relation to the total of all employer and nonemployer contributions of the group.

At June 30, 2016, the proportion recognized by the State of Kansas on behalf of the College was .1306%, which was an decrease of .0081% from the proportion measured at June 30, 2015.

Net Pension Liability

At June 30, 2016 and 2015, the proportionate share of the net pension liability recognized by the State of Kansas that was attributable to the College was \$8,776,908.00 and \$9,580,848.00, respectively.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016, using the following actuarial assumptions:

Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00 to 16.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, KP&F and Judges).

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2012.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.80%
Fixed income	13.00	1.25
Yield driven	8.00	6.55
Real return	11.00	1.71
Real estate	11.00	5.05
Alternatives	8.00	9.85
Short-term investments	2.00	(0.25)
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from school districts will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Revenue and Pension Expense Recorded by the College: For the year ended June 30, 2017, the College recognized revenue and pension expense in an equal amount of \$652,164.06.

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

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

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

15. OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual Required Contribution	\$ 242,211.00
Interest on Net OPEB Obligation	45,239.00
Adjustment to Annual Required Contribution	<u>67,901.00</u>
Annual OPEB Cost	219,549.00
Net Contributions Made	<u>108,000.00</u>
Increase in net OPEB Obligation	111,549.00
Net OPEB Obligation – June 30, 2016	<u>1,559,638.00</u>
Net OPEB Obligation – June 30, 2017	<u>\$ 1,711,187.00</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 follows.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Expected Net Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$219,549.00	\$108,000.00	50.0%	\$1,711,187.00

Funded Status and Funding Progress: As of July 1, 2014, the most recent actuarial valuation, the plan was zero percent funded. The College's actuarial accrued liability for benefits was \$1,924,882 and the actuarial value of assets is zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,924,882. The results of the July 1, 2014 valuation were rolled forward to June 30, 2015. The actuarial accrued liability for benefits was \$1,924,882, and the actuarial value of assets is none, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,924,882 as of June 30, 2015. The covered payroll (annual payroll of active employees covered by the plan) was \$5,172,424 and the ratio of the UAAL to the covered payroll was 37.2%.

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

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

15. OTHER POST EMPLOYMENT BENEFITS (Continued)

In the initial actuarial valuation for the Plan as of July 1, 2014, the projected unit credit actuarial cost method was used. The actuarial assumptions included an 3.75% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on Plan assets and on the College's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 5% after six years. The actuarial value of assets will be determined using fair value. The UAAL will be amortized over a 30 year open period in level dollar amounts.

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

16. COMPENSATED ABSENCES

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

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

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

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

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

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

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

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

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

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

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

17. CONTINGENT LIABILITIES

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

18. RISK MANAGEMENT

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

19. BOND ISSUANCE COST

Cost related to obtaining bond financing are capitalized and amortized over the term of the related debt using the straight-line method. Accumulated amortization at June 30, 2017 was \$6,762.50. When the loan is paid in full, any unamortized financing charges are removed from the related accounts and charged to operations.

20. CONCENTRATION OF RISK

Component Unit:

55.30% of the Foundation's monies are invested in equities in the stock market. The effect in the future on the Foundation's equity portfolio is unknown and is subject to market economic conditions.

21. NON CASH CONTRIBUTIONS

Component Unit:

The Foundation receives non cash contributions from College in the form of services and materials. Amounts contributed have been shown in contributions and reflected in the management and general expense in the amount of \$108,791.77 for contributions of time, supplies, and space that the College pays on the Foundation's behalf and qualifies under generally accepted accounting principles (GAAP) for the year ended June 30, 2017. The Foundation has also received non cash donations of miscellaneous items of \$17,787.00, as well as items for the annual auction of \$32,300.48 that has been shown as contributions and reflected in fundraising expense in the financial statements for the year ended June 30, 2017.

22. RELATED PARTY TRANSACTIONS

The Foundation was formed to promote and foster the educational purposes of the Cloud County Community College, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the College. The Foundation acts largely as a fund raising organization, soliciting, receiving, managing and disbursing contributions on behalf of the College. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation's board of directors. The Foundation disbursed to the College for scholarships for the year ended June 30, 2017, \$233,606.35. The Foundation disbursed on behalf of the College through its activity funds for the year ended June 30, 2017, \$179,433.16. The Foundation disbursed and donated capital assets to the College for the year ended June 30, 2017 in the amount of \$55,475.12. The College disbursed on behalf of the Foundation donated services and facilities, as discussed in footnote 23, for the year ended June 30, 2017, \$108,791.77.

23. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Reason</u>	<u>Amount</u>
Housing	Revenue Bonds	Debt Service	\$ 52,300.69

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

24. COMMITMENTS

The College has committed to donate \$50,000.00 per year over the next five years to Unified School District #333 to assist with financing the construction of a track facility.

25. SUBSEQUENT EVENTS

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas

Schedule of Funding Progress

For the Year Ended June 30, 2017

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 follows.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Expected Net Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$219,549.00	\$108,000.00	50.0%	\$1,711,187.00

SUPPLEMENTARY INFORMATION

Schedule 2

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2017

	POSTSECONDARY			ADULT		HOUSING	
	GENERAL	TECHNICAL EDUCATION	EDUCATION	EDUCATION	SUPPLEMENTAL EDUCATION		BOOKSTORE
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$ 1,808,731.54	\$ 8,083.26	\$ -	\$ -	\$ 169,229.04	\$ 1,219,909.31	\$ 1,468,650.14
Receivables - Taxes in Process	357,242.00	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	-	-	-
Receivables - Other Receivables	207,340.49	-	-	-	-	9,631.71	-
Inventories	-	-	-	-	-	319,497.22	-
Total Current Assets	2,373,314.03	8,083.26	-	-	169,229.04	1,549,038.24	1,468,650.14
Noncurrent Assets							
Cash and Cash Equivalents	-	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,373,314.03	\$ 8,083.26	\$ -	\$ -	\$ 169,229.04	\$ 1,549,038.24	\$ 1,468,650.14
LIABILITIES AND NET POSITION							
LIABILITIES							
Current Liabilities							
Accounts Payable	\$ 22,028.14	\$ 808.18	\$ -	\$ -	\$ 306.00	\$ 437.95	\$ 6,420.61
Accrued Wages	79,840.39	2,834.25	-	-	-	2,250.80	12,019.35
Accrued Interest	-	-	-	-	-	-	-
Deferred Revenue	357,242.00	-	-	-	-	-	-
Compensated Absences	263,632.15	10,159.64	-	-	-	886.73	12,557.23
Deposits Held in Custody for Others	-	-	-	-	-	-	-
Total Current Liabilities	722,742.68	13,802.07	-	-	306.00	3,575.48	30,997.19
Noncurrent Liabilities							
Capital Lease Payable	-	-	-	-	-	-	-
OPEB Obligations	1,711,187.00	-	-	-	-	-	-
Total Noncurrent Liabilities	1,711,187.00	-	-	-	-	-	-
TOTAL LIABILITIES	2,433,929.68	13,802.07	-	-	306.00	3,575.48	30,997.19
NET POSITION							
Investment in capital assets, net of related debt	-	-	-	-	-	-	-
Unrestricted	(60,615.65)	(5,718.81)	-	-	168,923.04	1,545,462.76	1,437,652.95
TOTAL NET POSITION	(60,615.65)	(5,718.81)	-	-	168,923.04	1,545,462.76	1,437,652.95
TOTAL LIABILITIES AND NET POSITION	\$ 2,373,314.03	\$ 8,083.26	\$ -	\$ -	\$ 169,229.04	\$ 1,549,038.24	\$ 1,468,650.14

Schedule 2 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2017

	FOOD SERVICE	FACILITY FEE	SCHOLARSHIPS	CHILDREN'S CENTER	BUILDING DEVELOPMENT	CAMPUS PATROL
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 135,239.46	\$ 178,517.30	\$ 935,955.77	\$ 35,899.62	\$ 128,561.98	\$ 10,000.00
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	-	-
Receivables - Other Receivables	-	-	-	462.76	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	135,239.46	178,517.30	935,955.77	36,362.38	128,561.98	10,000.00
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 135,239.46	\$ 178,517.30	\$ 935,955.77	\$ 36,362.38	\$ 128,561.98	\$ 10,000.00
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,026.71	\$ -
Accrued Wages	-	-	-	5,515.06	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	6,586.79	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	-	-	-	12,101.85	2,026.71	-
Noncurrent Liabilities						
Capital Lease Payable	-	-	-	-	-	-
OPEB Obligations	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	12,101.85	2,026.71	-
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Unrestricted	135,239.46	178,517.30	935,955.77	24,260.53	126,535.27	10,000.00
TOTAL NET POSITION	135,239.46	178,517.30	935,955.77	24,260.53	126,535.27	10,000.00
TOTAL LIABILITIES AND NET POSITION	\$ 135,239.46	\$ 178,517.30	\$ 935,955.77	\$ 36,362.38	\$ 128,561.98	\$ 10,000.00

Schedule 2 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Combining Schedule of Net Position - Primary Institution
 June 30, 2017

	LAUNDRY	CONTINGENCY	HEALTH INSURANCE RESERVE	TRUSTEE DISCRETIONARY	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 57,388.70	\$ 50,000.00	\$ 277,358.79	\$ 46,439.20	\$ -	\$ -
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	20,278.00	38,617.00
Receivables - Other Receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	57,388.70	50,000.00	277,358.79	46,439.20	20,278.00	38,617.00
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 57,388.70	\$ 50,000.00	\$ 277,358.79	\$ 46,439.20	\$ 20,278.00	\$ 38,617.00
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ -	\$ -	6,795.00	\$ -	20,278.00	\$ 38,617.00
Accrued Wages	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	-	-	6,795.00	-	20,278.00	38,617.00
Noncurrent Liabilities						
Capital Lease Payable	-	-	-	-	-	-
OPEB Obligations	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	6,795.00	-	20,278.00	38,617.00
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Unrestricted	57,388.70	50,000.00	270,563.79	46,439.20	-	-
TOTAL NET POSITION	57,388.70	50,000.00	270,563.79	46,439.20	-	-
TOTAL LIABILITIES AND NET POSITION	\$ 57,388.70	\$ 50,000.00	\$ 277,358.79	\$ 46,439.20	\$ 20,278.00	\$ 38,617.00

Schedule 2 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Net Position - Primary Institution

June 30, 2017

	FEDERAL SEOG GRANTS	FEDERAL WORK STUDY	BOARD OF REGENTS NURSING GRANT	CARL PERKINS PROGRAM IMPROVEMENT GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	CLOUD COUNTY COMMUNITY COLLEGE ACTIVITY
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ -	(10,472.00)	\$ 6,673.54	\$ -	\$ 891,197.22
Receivables - Taxes in Process	-	-	-	-	-	-
Receivables - Federal	-	-	-	-	-	-
Receivables - Other Receivables	-	-	10,472.00	-	-	-
Inventories	-	-	-	-	-	-
Total Current Assets	-	-	-	6,673.54	-	891,197.22
Noncurrent Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables - Taxes in Process	-	-	-	-	-	-
Bond Issuance Costs, Net	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 6,673.54	\$ -	\$ 891,197.22

LIABILITIES AND NET POSITION

LIABILITIES						
Current Liabilities						
Accounts Payable	\$ -	\$ -	-	\$ 6,673.54	\$ -	\$ 5,349.04
Accrued Wages	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-
Deposits Held in Custody for Others	-	-	-	-	-	-
Total Current Liabilities	-	-	-	6,673.54	-	5,349.04
Noncurrent Liabilities						
Capital Lease Payable	-	-	-	-	-	-
OPEB Obligations	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	6,673.54	-	5,349.04
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	885,848.18
TOTAL NET POSITION	-	-	-	-	-	885,848.18
TOTAL LIABILITIES AND NET POSITION	\$ -	\$ -	\$ -	\$ 6,673.54	\$ -	\$ 891,197.22

Schedule 2 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Net Position - Primary Institution
June 30, 2017

	CAPITAL OUTLAY	TURBINE REFURBISHMENT	REVENUE BONDS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS - PRIMARY INSTITUTION
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ 242,569.45	\$ -	\$ 23,691.35	\$ 7,683,623.67
Receivables - Taxes in Process	-	-	-	-	-	357,242.00
Receivables - Federal	-	-	-	-	-	58,895.00
Receivables - Other Receivables	-	-	-	-	-	227,906.96
Inventories	-	-	-	-	-	319,497.22
Total Current Assets	-	-	242,569.45	-	23,691.35	8,647,164.85
Noncurrent Assets						
Cash and Cash Equivalents	473,019.92	19,387.65	-	-	-	492,407.57
Receivables - Taxes in Process	20,333.00	-	-	-	-	20,333.00
Bond Issuance Costs, Net	-	-	85,796.18	-	-	85,796.18
Capital Assets	-	-	-	24,211,442.69	-	24,211,442.69
Accumulated Depreciation	-	-	-	(11,645,663.75)	-	(11,645,663.75)
Total Noncurrent Assets	493,352.92	19,387.65	85,796.18	12,565,778.94	-	13,164,315.69
TOTAL ASSETS	\$ 493,352.92	\$ 19,387.65	\$ 328,365.63	\$ 12,565,778.94	\$ 23,691.35	\$ 21,811,480.54
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 23,179.45	\$ -	\$ -	\$ -	\$ -	\$ 132,919.62
Accrued Wages	-	-	-	-	-	102,459.85
Accrued Interest	-	-	25,911.13	-	-	25,911.13
Deferred Revenue	20,333.00	-	-	-	-	377,575.00
Compensated Absences	-	-	-	-	-	293,822.54
Deposits Held in Custody for Others	-	-	-	-	23,691.35	23,691.35
Total Current Liabilities	43,512.45	-	25,911.13	-	23,691.35	956,379.49
Noncurrent Liabilities						
Capital Lease Payable	-	-	-	4,505,697.26	-	4,505,697.26
OPER Obligations	-	-	-	-	-	1,711,187.00
Total Noncurrent Liabilities	-	-	-	4,505,697.26	-	6,216,884.26
TOTAL LIABILITIES	43,512.45	-	25,911.13	4,505,697.26	23,691.35	7,173,263.75
NET POSITION						
Investment in capital assets, net of related debt	-	-	-	8,060,081.68	-	8,060,081.68
Unrestricted	449,840.47	19,387.65	302,454.50	-	-	6,578,135.11
TOTAL NET POSITION	449,840.47	19,387.65	302,454.50	8,060,081.68	-	14,638,216.79
TOTAL LIABILITIES AND NET POSITION	\$ 493,352.92	\$ 19,387.65	\$ 328,365.63	\$ 12,565,778.94	\$ 23,691.35	\$ 21,811,480.54

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2017

	GENERAL	POSTSECONDARY TECHNICAL EDUCATION	ADULT EDUCATION	ADULT SUPPLEMENTAL EDUCATION	BOOKSTORE	HOUSING
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ 2,521,966.25	\$ 954,566.04	\$ -	\$ 100,380.08	\$ -	\$ -
Federal Grants and Contracts	-	-	52,053.00	-	-	-
State Grants and Contracts	668,315.06	-	46,750.11	-	-	-
Sales and Services of						
Auxiliary Enterprises	-	-	-	-	676,388.02	1,649,663.37
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	86,637.81	-	22,881.00	-	-	-
Total Operating Revenues	<u>3,276,919.12</u>	<u>954,566.04</u>	<u>121,684.11</u>	<u>100,380.08</u>	<u>676,388.02</u>	<u>1,649,663.37</u>
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	3,829,882.82	1,735,192.67	121,684.11	124,701.86	-	-
Academic Support	416,251.06	129,141.97	-	-	-	-
Student Services	1,769,752.03	104,338.62	-	-	-	-
Institutional Support	2,237,455.58	174,377.97	-	-	-	-
Operation and Maintenance	492,062.13	126,307.24	-	-	-	-
Scholarships and Awards	54,298.48	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	602,057.30	1,787,091.27
Total Operating Expenses	<u>8,799,702.10</u>	<u>2,269,358.47</u>	<u>121,684.11</u>	<u>124,701.86</u>	<u>602,057.30</u>	<u>1,787,091.27</u>
Operating Income (Loss)	<u>(5,522,782.98)</u>	<u>(1,314,792.43)</u>	<u>-</u>	<u>(24,321.78)</u>	<u>74,330.72</u>	<u>(137,427.90)</u>
Nonoperating Revenues (Expenses)						
State Appropriations	2,941,139.00	1,309,962.00	-	-	-	-
County Appropriations	2,581,597.86	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Interest Income	47,634.71	-	-	-	-	-
Debt Service	(91,822.97)	-	-	-	-	(94,052.62)
Operating Transfers	-	-	-	-	-	(52,300.69)
Increase (Decrease) in Net Position	<u>(44,234.38)</u>	<u>(4,830.43)</u>	<u>-</u>	<u>(24,321.78)</u>	<u>74,330.72</u>	<u>(283,781.21)</u>
Net Position - Beginning of Year	<u>(16,381.27)</u>	<u>(888.38)</u>	<u>-</u>	<u>193,244.82</u>	<u>1,471,132.04</u>	<u>1,721,434.16</u>
Net Position - End of Year	<u>\$ (60,615.65)</u>	<u>\$ (5,718.81)</u>	<u>\$ -</u>	<u>\$ 168,923.04</u>	<u>\$ 1,545,462.76</u>	<u>\$ 1,437,652.95</u>

Schedule 3 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2017

	FOOD SERVICE	FACILITY FEE	SCHOLARSHIPS	CHILDREN'S CENTER	BUILDING DEVELOPMENT	CAMPUS PATROL
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ 863,693.00	\$ -	\$ 80,438.00	\$ -
Federal Grants and Contracts	-	-	-	13,586.37	-	-
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	70,304.62	67,626.00	-	83,986.87	-	2,624.00
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	70,304.62	67,626.00	863,693.00	97,573.24	80,438.00	2,624.00
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	501,585.05	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	49,075.50	88,015.00	-	103,640.59	62,396.25	8,223.65
Total Operating Expenses	49,075.50	88,015.00	501,585.05	103,640.59	62,396.25	8,223.65
Operating Income (Loss)	21,229.12	(20,389.00)	362,107.95	(6,067.35)	18,041.75	(5,599.65)
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	(28,891.98)	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	21,229.12	(20,389.00)	362,107.95	(6,067.35)	(10,850.23)	(5,599.65)
Net Position - Beginning of Year	114,010.34	198,906.30	573,847.82	30,327.88	137,385.50	15,599.65
Net Position - End of Year	\$ 135,239.46	\$ 178,517.30	\$ 935,955.77	\$ 24,260.53	\$ 126,535.27	\$ 10,000.00

Schedule 3 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2017

	LAUNDRY	CONTINGENCY	HEALTH INSURANCE RESERVE	TRUSTEE DISCRETIONARY	FEDERAL PELL GRANTS	FEDERAL DIRECT LOANS
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	-	-	-	-	-	2,222,577.00
State Grants and Contracts	-	-	-	-	-	-
Sales and Services of						
Auxiliary Enterprises	2,508.05	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	-
Miscellaneous Income	-	-	238,570.43	-	-	-
Total Operating Revenues	2,508.05	-	238,570.43	-	-	2,222,577.00
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	-	-	-	-	2,221,821.00	2,222,577.00
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	162,836.23	-	-	-
Total Operating Expenses	-	-	162,836.23	-	2,221,821.00	2,222,577.00
Operating Income (Loss)	2,508.05	-	75,734.20	-	(2,221,821.00)	-
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	2,221,821.00	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	2,508.05	-	75,734.20	-	-	-
Net Position - Beginning of Year	54,880.65	50,000.00	194,829.59	46,439.20	-	-
Net Position - End of Year	\$ 57,388.70	\$ 50,000.00	\$ 270,563.79	\$ 46,439.20	\$ -	\$ -

Schedule 3 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2017

	FEDERAL SEOG GRANTS	FEDERAL WORK STUDY	REGENTS NURSING GRANT	CARL PERKINS PROGRAM IMPROVEMENT GRANT	TRIO- STUDENT SUPPORT SERVICES GRANT	COMMUNITY COLLEGE ACTIVITY
REVENUES						
Operating Revenues						
Student Tuition and Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants and Contracts	49,758.00	89,347.99	-	61,777.00	233,832.89	-
State Grants and Contracts	-	-	52,358.00	-	-	-
Sales and Services of Auxiliary Enterprises	-	-	-	-	-	-
Activity Fund Revenues	-	-	-	-	-	1,377,409.70
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	49,758.00	89,347.99	52,358.00	61,777.00	233,832.89	1,377,409.70
EXPENSES						
Operating Expenses						
Educational and General						
Instruction	-	-	52,358.00	-	233,832.89	1,274,637.90
Academic Support	-	-	-	61,777.00	-	-
Student Services	-	-	-	-	-	-
Institutional Support	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-
Scholarships and Awards	49,758.00	89,347.99	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Total Operating Expenses	49,758.00	89,347.99	52,358.00	61,777.00	233,832.89	1,274,637.90
Operating Income (Loss)	-	-	-	-	-	102,771.80
Nonoperating Revenues (Expenses)						
State Appropriations	-	-	-	-	-	-
County Appropriations	-	-	-	-	-	-
Federal Pell Grants	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	-	-	-	-	-	102,771.80
Net Position - Beginning of Year	-	-	-	-	-	783,076.38
Net Position - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885,848.18

Schedule 3 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Primary Institution
For the Year Ended June 30, 2017

	CAPITAL OUTLAY	TURBINE REFURBISHMENT	REVENUE BONDS	INVESTMENT IN PLANT	SUB-TOTAL PRIMARY INSTITUTION	ELIMINATING INTER-COMPANY SCHOLARSHIPS	TOTALS - PRIMARY INSTITUTION
REVENUES							
Operating Revenues							
Student Tuition and Fees	\$ -	\$ -	\$ -	-	\$ 4,521,043.37	\$ (1,014,800.25)	\$ 3,506,243.12
Federal Grants and Contracts	-	-	-	-	2,722,932.25	(2,222,577.00)	500,355.25
State Grants and Contracts	-	-	-	-	767,423.17	-	767,423.17
Sales and Services of							
Auxiliary Enterprises	-	-	-	-	2,553,100.93	(1,495,894.60)	1,057,206.33
Activity Fund Revenues	-	-	-	-	1,377,409.70	-	1,377,409.70
Miscellaneous Income	-	-	-	-	348,089.24	-	348,089.24
Total Operating Revenues	-	-	-	-	12,289,998.66	(4,733,271.85)	7,556,726.81
EXPENSES							
Operating Expenses							
Educational and General							
Instruction	-	-	-	(11,795.00)	7,360,495.25	-	7,360,495.25
Academic Support	-	-	-	(15,442.90)	591,727.13	-	591,727.13
Student Services	-	-	-	(50,475.12)	1,823,615.53	-	1,823,615.53
Institutional Support	-	-	-	(52,075.00)	2,359,758.55	-	2,359,758.55
Operation and Maintenance	183,507.25	3,624.54	-	(185,207.00)	620,294.16	-	620,294.16
Scholarships and Awards	-	-	-	-	5,139,387.52	(4,733,271.85)	406,115.67
Depreciation Expense	-	-	-	974,634.67	974,634.67	-	974,634.67
Auxiliary Enterprises	-	-	-	(84,724.03)	2,778,611.76	-	2,778,611.76
Total Operating Expenses	183,507.25	3,624.54	-	574,915.62	21,648,524.57	(4,733,271.85)	16,915,252.72
Operating Income (Loss)	(183,507.25)	(3,624.54)	-	(574,915.62)	(9,358,525.91)	-	(9,358,525.91)
Nonoperating Revenues (Expenses)							
State Appropriations	-	-	-	-	4,251,101.00	-	4,251,101.00
County Appropriations	396,170.63	-	-	-	2,977,768.49	-	2,977,768.49
Federal Pell Grants	-	-	-	-	2,221,821.00	-	2,221,821.00
Interest Income	-	-	-	-	47,634.71	-	47,634.71
Debt Service	(258,466.16)	-	(607,918.42)	771,380.42	(309,771.73)	-	(309,771.73)
Operating Transfers	-	-	52,300.69	-	-	-	-
Increase (Decrease) in Net Position	(45,802.78)	(3,624.54)	(555,617.73)	196,464.80	(169,972.44)	-	(169,972.44)
Net Position - Beginning of Year	495,643.25	23,012.19	858,072.23	7,863,616.88	14,808,189.23	-	14,808,189.23
Net Position - End of Year	\$ 449,840.47	\$ 19,387.65	\$ 302,454.50	\$ 8,060,081.68	\$ 14,638,216.79	\$ -	\$ 14,638,216.79

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

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

For the Year Ended June 30, 2017

Schedules 4 to 10 are prepared in accordance with Kansas cash basis and budget laws (Budget Basis), which differs from generally accepted accounting principles (GAAP Basis). Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund in which the cash is transferred. Expenditures include cash disbursements, transfers, accounts payable and encumbrances – that is, commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted

General Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
REVENUES					
Student Tuition and Fees					
In State	\$ 1,778,710.77	\$ 1,703,224.50	\$ 5,893.08	\$ 1,709,117.58	\$ (144,723.42)
Out-of-State	371,032.50	421,454.75	-	421,454.75	421,454.75
Other Student Fees	163,422.00	397,287.00	-	397,287.00	231,287.00
Total Student Tuition and Fees	2,313,165.27	2,521,966.25	5,893.08	2,527,859.33	508,018.33
State Sources					
State Operating Grant	3,063,686.00	2,941,139.00	-	2,941,139.00	7,879.00
Other State Sources	16,824.00	668,315.06	(652,164.06)	16,151.00	16,151.00
Total State Sources	3,080,510.00	3,609,454.06	(652,164.06)	2,957,290.00	24,030.00
Local Sources					
Ad Valorem Tax	2,207,711.54	2,293,919.51	-	2,293,919.51	(453,956.49)
Motor Vehicle Tax	240,320.67	234,998.42	-	234,998.42	(8,773.58)
Recreational Vehicle	3,043.90	3,372.79	-	3,372.79	380.79
16/20 M Vehicle Tax	19,415.27	16,509.26	-	16,509.26	16,509.26
Vehicle Rental Excise Tax	123.97	44.24	-	44.24	44.24
Delinquent Tax	37,430.51	32,753.64	-	32,753.64	3,841.64
In Lieu of Tax	63.52	-	-	-	-
Total Local Sources	2,508,109.38	2,581,597.86	-	2,581,597.86	(441,954.14)
Other Sources					
Interest Income	15,618.90	47,634.71	-	47,634.71	(2,365.29)
Miscellaneous	256,977.35	86,637.81	(55,475.12)	31,162.69	(1,093,837.31)
Total Other Sources	272,596.25	134,272.52	(55,475.12)	78,797.40	(1,096,202.60)
TOTAL REVENUES	8,174,380.90	8,847,290.69	(701,746.10)	8,145,544.59	(1,006,108.41)
				3,023,552.00	
				50,000.00	
				1,125,000.00	
				1,175,000.00	
				9,151,653.00	

Schedule 4 (Continued)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted

General Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year				Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budget	
EXPENDITURES						
Education and General						
Instruction	\$ 3,875,523.69	\$ 3,829,882.82	\$ (114,339.54)	\$ 3,715,543.28	\$ 3,000,000.00	\$ 715,543.28
Academic Support	324,154.56	416,251.06	2,821.09	419,072.15	604,100.00	(185,027.85)
Student Services	1,577,127.11	1,769,752.03	(50,879.88)	1,718,872.15	1,800,000.00	(81,127.85)
Institutional Support	1,779,202.63	2,237,455.58	(664,707.80)	1,572,747.78	3,200,000.00	(1,627,252.22)
Operation and Maintenance	463,510.98	492,062.13	-	492,062.13	675,800.00	(183,737.87)
Scholarships and Awards	43,563.71	54,298.48	-	54,298.48	-	54,298.48
Debt Service						
Principal Payments	-	83,742.42	-	83,742.42	-	83,742.42
Interest Payments	-	8,080.55	-	8,080.55	-	8,080.55
Operating Transfers to:						
Adult Education Fund	652.42	-	-	-	-	-
Capital Outlay Fund	25,000.00	-	-	-	-	-
Carl Perkins Program						
Improvement Fund	157.46	-	-	-	-	-
Federal Work Study Fund	23,452.07	-	-	-	-	-
TOTAL EXPENDITURES	8,112,344.63	8,891,525.07	(827,106.13)	8,064,418.94	9,279,900.00	(1,215,481.06)
Excess of Revenues Over (Under) Expenditures	62,036.27	(44,234.38)	125,360.03	81,125.65	(128,247.00)	209,372.65
Unencumbered Cash Beginning of Year	1,563,701.09	(16,381.27)	1,642,118.63	1,625,737.36	1,566,308.00	59,429.36
End of Year	\$ 1,625,737.36	\$ (60,615.65)	\$ 1,767,478.66	\$ 1,706,863.01	\$ 1,438,061.00	\$ 268,802.01

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

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

Current Funds - Unrestricted

Postsecondary Technical Education Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
REVENUES					
Student Tuition and Fees					
In State	\$ 979,217.46	\$ 954,566.04	\$ -	\$ 954,566.04	\$ 1,217,159.00
State Sources					
State Operating Grant	1,364,544.00	1,309,962.00	-	1,309,962.00	1,317,841.00
TOTAL REVENUES	2,343,761.46	2,264,528.04	-	2,264,528.04	2,535,000.00
EXPENDITURES					
Education and General					
Instruction	1,759,249.11	1,735,192.67	(1,996.18)	1,733,196.49	1,135,000.00
Academic Support	128,367.75	129,141.97	-	129,141.97	200,000.00
Student Services	112,534.29	104,338.62	-	104,338.62	150,000.00
Institutional Support	210,750.45	174,377.97	-	174,377.97	900,000.00
Operation and Maintenance	125,584.78	126,307.24	-	126,307.24	150,000.00
TOTAL EXPENDITURES	2,336,486.38	2,269,358.47	(1,996.18)	2,267,362.29	2,535,000.00
Excess of Revenues Over (Under) Expenditures	7,275.08	(4,830.43)	1,996.18	(2,834.25)	-
Unencumbered Cash Beginning of Year	-	(888.38)	8,163.46	7,275.08	7,275.08
End of Year	\$ 7,275.08	\$ (5,718.81)	\$ 10,159.64	\$ 4,440.83	\$ 4,440.83

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

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

Current Funds - Unrestricted

Adult Education Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
REVENUES					
Federal Sources					
Federal Grants	\$ 51,780.00	\$ 52,053.00	\$ -	\$ 52,053.00	\$ 100,000.00
State Sources					
State Grants	47,952.00	46,750.11	-	46,750.11	75,000.00
Local Sources					
Miscellaneous Income	22,881.00	22,881.00	-	22,881.00	25,000.00
Operating Transfers from General Fund	652.42	-	-	-	-
TOTAL REVENUES	123,265.42	121,684.11	-	121,684.11	200,000.00
EXPENDITURES					
Education and General Instruction	123,265.42	121,684.11	-	121,684.11	200,000.00
TOTAL EXPENDITURES	123,265.42	121,684.11	-	121,684.11	200,000.00
Excess of Revenues Over (Under) Expenditures	-	-	-	-	-
Unencumbered Cash Beginning of Year	-	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

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

Current Funds - Unrestricted

Adult Supplemental Education Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
REVENUES					
Student Tuition and Fees					
In State	\$ 106,668.54	\$ 100,380.08	\$ -	\$ 100,380.08	\$ (49,619.92)
TOTAL REVENUES	<u>106,668.54</u>	<u>100,380.08</u>	<u>-</u>	<u>100,380.08</u>	<u>(49,619.92)</u>
EXPENDITURES					
Education and General					
Instruction	112,009.99	124,701.86	-	124,701.86	(25,298.14)
TOTAL EXPENDITURES	<u>112,009.99</u>	<u>124,701.86</u>	<u>-</u>	<u>124,701.86</u>	<u>(25,298.14)</u>
Excess of Revenues Over (Under) Expenditures	(5,341.45)	(24,321.78)	-	(24,321.78)	(24,321.78)
Unencumbered Cash Beginning of Year	198,586.27	193,244.82	-	193,244.82	193,244.82
End of Year	<u>\$ 193,244.82</u>	<u>\$ 168,923.04</u>	<u>\$ -</u>	<u>\$ 168,923.04</u>	<u>\$ 168,923.04</u>

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Current Funds - Unrestricted
 Auxiliary Enterprise Funds (Regulatory Basis)
 For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	PRIOR YEAR		CURRENT YEAR							
	Total Auxiliary Enterprise Funds Budget Basis		Bookstore GAAP	Campus Housing GAAP	Food Service GAAP	Housing Fee GAAP	Activity Fee Scholarship GAAP	Children's Center GAAP	Building Development GAAP	Campus Patrol GAAP
REVENUES										
Sales and Services of Auxiliary Enterprises	\$ 2,579,124.99	\$ 676,388.02	\$ 1,649,663.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Sources	950,113.30	-	-	70,304.62	67,626.00	863,693.00	83,986.87	80,438.00	2,624.00	
Federal Sources	16,709.31	-	-	-	-	-	13,586.37	-	-	
Federal Grants	20.00	-	-	-	-	-	-	-	-	
Other Revenues	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
TOTAL REVENUES	3,545,967.60	676,388.02	1,649,663.37	70,304.62	67,626.00	863,693.00	97,573.24	80,438.00	2,624.00	
EXPENDITURES										
Auxiliary Enterprise	531,965.69	72,316.85	289,898.63	21,686.14	-	-	93,385.29	-	-	-
Salaries and Benefits	659,577.13	43,515.96	996,978.06	12,967.36	-	-	865.50	5,400.00	1,375.80	
General Operating Expense	515,756.36	-	482,560.73	12,733.00	-	-	9,389.80	-	-	
Supplies	58,713.79	29,226.84	17,653.85	1,689.00	-	-	-	56,996.25	-	
Capital Outlay	568,536.52	-	-	-	-	501,585.05	-	-	-	
Scholarships	-	-	-	-	-	-	-	-	-	
Food Service	-	-	-	-	-	-	-	-	-	
Books and Merchandise	534,817.74	456,997.65	-	-	-	-	-	-	-	
Debt Service	123,251.19	-	94,052.62	-	-	-	-	28,891.98	-	
Operating Transfer to:										
General Fund	-	-	-	-	-	-	-	-	-	
Revenue Bonds Fund	327,997.50	-	52,300.69	-	-	-	-	-	-	
TOTAL EXPENDITURES	3,320,615.92	602,057.30	1,933,444.58	49,075.50	-	501,585.05	103,640.59	91,288.23	1,375.80	
Excess of Revenues Over (Under) Expenditures	225,351.68	74,330.72	(283,781.21)	21,229.12	67,626.00	362,107.95	(6,067.35)	(10,850.23)	1,248.20	
Unencumbered Cash Beginning of Year	3,925,274.57	1,471,132.04	1,721,434.16	114,010.34	198,906.30	573,847.82	30,327.88	137,385.50	15,599.65	
End of Year	\$ 4,150,626.25	\$ 1,545,462.76	\$ 1,437,652.95	\$ 135,239.46	\$ 266,532.30	\$ 935,955.77	\$ 24,260.53	\$ 126,535.27	\$ 16,847.85	

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Plant Funds

Revenue Bonds Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year			Variance Over (Under)
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	
REVENUES					
Other Sources					
Bond Proceeds	\$ -	\$ 2,900,000.00	\$ -	\$ 2,900,000.00	\$ 2,900,000.00
Operating Transfers from:					
Bookstore Fund	72,159.45	-	-	-	-
Housing Fund	255,838.05	52,300.69	-	52,300.69	(277,699.31)
TOTAL REVENUES	327,997.50	2,952,300.69	-	2,952,300.69	2,622,300.69
EXPENDITURES					
Debt Service					
Bond Principal	165,000.00	3,260,000.00	-	3,260,000.00	3,085,000.00
Bond Interest	158,617.50	166,963.92	61,001.08	227,965.00	72,965.00
Debt Service Expense	-	80,954.50	(46,954.50)	34,000.00	34,000.00
TOTAL EXPENDITURES	323,617.50	3,507,918.42	14,046.58	3,521,965.00	3,191,965.00
Excess of Revenues and Transfers Over (Under) Expenditures	4,380.00	(555,617.73)	(14,046.58)	(569,664.31)	(569,664.31)
Unencumbered Cash Beginning of Year	807,853.76	858,072.23	(45,838.47)	812,233.76	(0.24)
End of Year	\$ 812,233.76	\$ 302,454.50	\$ (59,885.05)	\$ 242,569.45	\$ (569,664.55)

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas
 Schedule of Revenues, Expenditures, and Changes
 in Unencumbered Cash - Budget and Actual
 Plant Funds

Unexpended (Capital Outlay) Fund (Regulatory Basis)

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	Prior Year Budget Basis	Current Year			Variance Over (Under)	
		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		
REVENUES						
Local Sources						
Ad Valorem Tax	\$ 339,158.45	\$ 352,477.22	\$ -	\$ 352,477.22	\$ 398,763.00	\$ (46,285.78)
Motor Vehicle Tax	36,917.87	36,101.30	-	36,101.30	35,027.00	1,074.30
Recreational Vehicle Tax	467.55	518.10	-	518.10	430.00	88.10
16/20 M Vehicle Tax	2,976.56	2,552.10	-	2,552.10	-	2,552.10
Vehicle Rental Excise Tax	19.04	6.79	-	6.79	-	6.79
Delinquent Tax	4,659.70	4,515.12	-	4,515.12	4,154.00	361.12
In-Lieu of Tax	9.76	-	-	-	-	-
Other Sources						
Miscellaneous	10,760.00	-	-	-	50,000.00	(50,000.00)
Operating Transfers from General Fund	25,000.00	-	-	-	-	-
TOTAL REVENUES	419,968.93	396,170.63	-	396,170.63	488,374.00	(92,203.37)
EXPENDITURES						
Plant, Equipment and Facility						
Capital Outlay	7,095.52	183,507.25	-	183,507.25	428,845.00	(245,337.75)
Debt Service						
Bond Principal	284,642.32	205,000.00	-	205,000.00	205,000.00	-
Bond Interest	65,647.91	53,466.16	-	53,466.16	53,468.00	(1.84)
TOTAL EXPENDITURES	357,385.75	441,973.41	-	441,973.41	687,313.00	(245,339.59)
Excess of Revenues and Transfers Over (Under) Expenditures	62,583.18	(45,802.78)	-	(45,802.78)	(198,939.00)	153,136.22
Unencumbered Cash Beginning of Year	433,060.07	495,643.25	-	495,643.25	497,789.00	(2,145.75)
End of Year	\$ 495,643.25	\$ 449,840.47	\$ -	\$ 449,840.47	\$ 298,850.00	\$ 150,990.47

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas
 Schedule of Changes in Assets and Liabilities
 All Agency Funds - Primary Institution
 For the Year Ended June 30, 2017

ACCOUNT NAME	Primary Institution			BALANCE JUNE 30, 2017
	BALANCE JUNE 30, 2016	ADDITIONS	DEDUCTIONS	
AGENCY FUND				
School Projects Accounts				
Sales Tax	\$ 2,304.28	\$ 64,418.88	\$ 66,610.19	\$ 112.97
Scholarships	6,744.44	260,443.85	255,362.00	11,826.29
Total School Projects	<u>\$ 9,048.72</u>	<u>\$ 324,862.73</u>	<u>\$ 321,972.19</u>	<u>\$ 11,939.26</u>
Student Organization Accounts				
SIFE	\$ 509.26	\$ -	\$ 106.21	\$ 403.05
Block & Bridle	705.38	-	-	705.38
Child Care Club	6,987.47	1,975.00	5,207.71	3,754.76
J.C. PHI THETA KAPPA	1,307.76	1,227.64	385.07	2,150.33
J.C. Student Senate	564.37	202.45	250.39	516.43
PHI THETA KAPPA	1,240.37	2,405.53	2,018.54	1,627.36
VICA	89.40	-	-	89.40
Geary Co. SIFE	1,686.04	-	-	1,686.04
Radio Club	328.97	1,252.00	761.63	819.34
Total Student Organizations	<u>\$ 13,419.02</u>	<u>\$ 7,062.62</u>	<u>\$ 8,729.55</u>	<u>\$ 11,752.09</u>
TOTAL AGENCY FUNDS	<u>\$ 22,467.74</u>	<u>\$ 331,925.35</u>	<u>\$ 330,701.74</u>	<u>\$ 23,691.35</u>
Assets				
Cash and Investments	\$ 22,467.74	\$ 331,925.35	\$ 330,701.74	\$ 23,691.35
TOTAL ASSETS	<u>\$ 22,467.74</u>	<u>\$ 331,925.35</u>	<u>\$ 330,701.74</u>	<u>\$ 23,691.35</u>
Liabilities				
Deposits Held For Others	\$ 22,467.74	\$ 331,925.35	\$ 330,701.74	\$ 23,691.35
TOTAL LIABILITIES	<u>\$ 22,467.74</u>	<u>\$ 331,925.35</u>	<u>\$ 330,701.74</u>	<u>\$ 23,691.35</u>

**CLOUD COUNTY COMMUNITY COLLEGE
CONCORDIA, KANSAS**

FEDERAL COMPLIANCE SECTION

For the Year Ended June 30, 2017

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

COMPLIANCE ATTESTATION EXAMINATION
INCLUDING TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

CONCORDIA, KANSAS
JUNCTION CITY, KANSAS

FEDERAL PELL GRANT PROGRAM (PELL) (84.063)
FEDERAL SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANT (FSEOG) (84.007)
FEDERAL DIRECT STUDENT LOAN PROGRAM (DIRECT LOAN) (84.268)
FEDERAL WORK-STUDY PROGRAM (FWS) (84.033)
TRIO – STUDENT SUPPORT SERVICES (TRIO-SSS) (84.042)

AUDITOR INFORMATION SHEET

CLOUD COUNTY COMMUNITY COLLEGE

2221 Campus Drive
CONCORDIA, KANSAS 66901

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

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

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

LEAD AUDITOR: Neil L. Phillips, CPA
EMAIL ADDRESS: nphillips@jgppa.com
LICENSE NUMBER & HOME STATE: 651 KS
FIRM'S NAME & ADDRESS: JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants
1815 S. Santa Fe
P.O. Box 779
Chanute, Kansas 66720
FIRM'S FEDERAL ID NUMBER: 20-3906022
TELEPHONE: (620) 431-6342
FAX: (620) 431-0724

PROGRAMS EXAMINED:	PELL	84.063
	FSEOG	84.007
	DIRECT LOAN	84.268
	FWS	84.033
	TRIO - SSS	84.042

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

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

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

ALL LOCATIONS	> 50% OF PROGRAM OFFERED @ SITE	LOCATION ON ELIGIBILITY LETTER	NOTICE TO ED PRIOR TO OFFERING INSTRUCTION	DATE OPENED	DATE CLOSED	DATE OF CPA'S LAST VISIT	EXCLUSION REASON
Concordia	Yes	Yes	Yes	1965	N/A	2017	N/A
Junction City	Yes	Yes	Yes	1991	N/A	2017	N/A

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

The College does not use a servicer.

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

CLOUD COUNTY COMMUNITY COLLEGE
 2221 CAMPUS DRIVE
 CONCORDIA, KANSAS 66901

For Close-Out Examination only: N/A

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct Programs:			
Student Financial Assistance Programs Cluster			
Federal Supplemental Education Opportunity	N/A	84.007	\$ 49,758.00
Federal Supplemental Education Opportunity - Administration	N/A	84.007	3,317.00
		Total 84.007	53,075.00
Federal College Work-study	N/A	84.033	89,347.99
Federal College Work-study - Administration	N/A	84.033	4,467.40
		Total 84.033	93,815.39
Federal Pell Grant	N/A	84.063	2,221,821.00
Federal Pell Grant Administration	N/A	84.063	3,620.00
		Total 84.063	2,225,441.00
Federal Direct Loan	N/A	84.268	2,222,577.00
		(M)	4,594,908.39
Total Student Financial Assistance Programs Cluster			
TRIO - Student Support Services	N/A	84.042	233,832.89
Passed through the State of Kansas Department of Education:			
Adult Basic Education Program	FY17- ABE	84.002	51,178.00
Adult Basic Education Program - Special Project	FY17- ABE SP	84.002	875.00
		Total 84.002	52,053.00
Passed through the North Central Kansas CTE Consortium			
Carl Perkins Vocational Education Grants:			
Program Leadership Award	LEA#JO803	84.048	100.00
Program Reserve Funds	LEA#JO803	84.048	5,600.00
Program Improvement - FY 17	LEA#JO803	84.048	56,077.00
		Total 84.048	61,777.00
Total U.S. Department of Education			4,942,571.28

CLOUD COUNTY COMMUNITY COLLEGE

Concordia, Kansas

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Pass-Through Entity Identifying Number	Federal CFDA Number	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through the Clay County Head Start			
Child Care Development Block Grant	07-CCDBG	93.575	\$ 5,879.66
Total U.S. Department of Health and Human Services			<u>5,879.66</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the State Department of Education			
Federal Food Service	LEA#JO803	10.560	50.00
Child and Adult Care Food Program	LEA#JO803	10.558	7,706.71
Total U.S. Department of Agriculture			<u>7,756.71</u>
FEDERAL ASSISTANCE TOTALS			<u>\$ 4,956,207.65</u>

NOTE A:

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

NOTE B:

Cloud County Community College has not elected to use the 10% de minimis cost rate, as it does not qualify.

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

(M) Major Program

JARRED, GILMORE & PHILLIPS, PA
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**

Board of Trustees
Cloud County Community College
Concordia, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cloud County Community College as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Cloud County Community College's basic financial statements, and have issued our report thereon dated November 6, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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 Cloud County Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 6, 2017

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
Cloud County Community College
Concordia, Kansas

Report on Compliance for Each Major Federal Program

We have audited Cloud County 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 Cloud County Community College's major federal programs for the year ended June 30, 2017. Cloud County Community College'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 on compliance for each of Cloud County Community College'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 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). 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 Cloud County Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Cloud County 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, 2017.

Report on Internal Control Over Compliance

Management of Cloud County Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cloud County Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 Cloud County Community College'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
November 6, 2017

CLOUD COUNTY COMMUNITY COLLEGE
 Concordia, Kansas

Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

U.S. DEPARTMENT OF EDUCATION

- Student Financial Aid Cluster
 - Federal Pell Grant Program – CFDA No. 84.063
 - Federal Supplementary Educational Opportunity Grant – CFDA No. 84.007
 - Federal Work-Study Program – CFDA No. 84.033
 - Federal Direct Student Loan Program – CFDA No. 84.268
 - TRIO – Student Support Services – CFDA No. 84.042

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	Yes	_____	No
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II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

CLOUD COUNTY COMMUNITY COLLEGE
Concordia, Kansas

Schedule of Resolution of Prior Year's Findings and Questioned Costs
For the Year Ended June 30, 2017

None