

SOUTHEAST COMMUNITY COLLEGE AREA  
STATEMENTS OF REIMBURSABLE FULL-TIME EQUIVALENT STUDENT  
ENROLLMENT AND REIMBURSABLE EDUCATIONAL UNITS  
JUNE 30, 2013 AND 2012

SOUTHEAST COMMUNITY COLLEGE AREA  
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INDEPENDENT AUDITORS' REPORT

Board of Governors  
Southeast Community College Area  
Lincoln, Nebraska

**Report on the Enrollment Statements**

We have audited the accompanying statements of reimbursable full-time equivalent student enrollment and reimbursable educational units of Southeast Community College Area as of and for the years ended June 30, 2013 and 2012, and the related notes to the enrollment statements, which collectively comprise the College's enrollment statements as listed in the table of contents.

*Management's Responsibility for the Enrollment Statements*

Management is responsible for the preparation and fair presentation of these enrollment 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 accompanying statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express opinions on these accompanying statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the accompanying statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accompanying statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the accompanying statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the accompanying statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the accompanying 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 accompanying statements referred to above present fairly, in all material respects, the reimbursable full-time equivalent student enrollment and reimbursable educational units of Southeast Community College Area, as of June 30, 2013 and 2012, in accordance with guidelines referred to in the notes to the accompanying statements.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the statements of reimbursable full-time equivalent student enrollment and reimbursable educational units taken as a whole. The supplementary data included on Schedules 1 - 3 is presented for purposes of additional analysis and is not a required part of the basic statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2013, on our consideration of Southeast Community College Area's internal control over enrollment reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over enrollment reporting and compliance and the results of that testing, and not to provide an opinion on internal control over enrollment reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Community College Area's internal control over enrollment reporting and compliance.

*Dana J Cole + Company, LLP*

Lincoln, Nebraska  
August 14, 2013

SOUTHEAST COMMUNITY COLLEGE AREA  
 STATEMENTS OF REIMBURSABLE FULL-TIME EQUIVALENT STUDENT ENROLLMENT  
 AND REIMBURSABLE EDUCATIONAL UNITS  
 YEARS ENDED JUNE 30, 2013 AND 2012

	Quarter	Contact	Reimbursable Full-Time Equivalent Student Enrollment		Reimbursable Educational Units	
			2013	2012	2013	2012
<u>Summer</u>						
1.0 Academic Transfer/Support	32,803.00	21,116.00	752.42	858.37	752.42	858.37
1.5 Class 1, Applied Tech/Occupational	20,217.00	11,909.00	462.50	477.61	693.75	716.42
2.0 Class 2, Applied Tech/Occupational	27,147.50	14,949.00	619.89	620.77	1,239.78	1,241.54
Subtotal	<u>80,167.50</u>	<u>47,974.00</u>	<u>1,834.81</u>	<u>1,956.75</u>	<u>2,685.95</u>	<u>2,816.33</u>
<u>Fall</u>						
1.0 Academic Transfer/Support	58,507.50	17,929.00	1,320.09	1,521.06	1,320.09	1,521.06
1.5 Class 1, Applied Tech/Occupational	28,356.50	13,967.00	645.66	773.72	968.49	1,160.58
2.0 Class 2, Applied Tech/Occupational	29,110.50	12,103.00	660.35	680.88	1,320.70	1,361.76
Subtotal	<u>115,974.50</u>	<u>43,999.00</u>	<u>2,626.10</u>	<u>2,975.66</u>	<u>3,609.28</u>	<u>4,043.40</u>
<u>Winter</u>						
1.0 Academic Transfer/Support	49,055.00	12,906.00	1,104.45	1,261.41	1,104.45	1,261.41
1.5 Class 1, Applied Tech/Occupational	27,373.50	13,647.00	623.45	686.66	935.18	1,029.99
2.0 Class 2, Applied Tech/Occupational	28,104.00	17,503.00	643.98	679.88	1,287.95	1,359.75
Subtotal	<u>104,532.50</u>	<u>44,056.00</u>	<u>2,371.88</u>	<u>2,627.95</u>	<u>3,327.58</u>	<u>3,651.15</u>
<u>Spring</u>						
1.0 Academic Transfer/Support	45,672.50	24,323.00	1,041.97	1,181.46	1,041.97	1,181.46
1.5 Class 1, Applied Tech/Occupational	25,289.50	12,528.00	575.91	664.85	863.87	997.28
2.0 Class 2, Applied Tech/Occupational	26,094.50	16,687.00	598.42	613.05	1,196.84	1,226.10
Subtotal	<u>97,056.50</u>	<u>53,538.00</u>	<u>2,216.30</u>	<u>2,459.36</u>	<u>3,102.68</u>	<u>3,404.84</u>
TOTALS	<u>397,731.00</u>	<u>189,567.00</u>	<u>9,049.09</u>	<u>10,019.72</u>	<u>12,725.49</u>	<u>13,915.72</u>

See accompanying notes to statements.

SOUTHEAST COMMUNITY COLLEGE AREA  
 NOTES TO STATEMENTS OF REIMBURSABLE FULL-TIME EQUIVALENT  
 STUDENT ENROLLMENT AND REIMBURSABLE EDUCATIONAL UNITS  
 JUNE 30, 2013 AND 2012

NOTE 1. GUIDELINES

Nebraska Statutes provide general guidelines for determining the FTE student enrollment total and subsequent conversion of FTEs to REUs. An audit committee, comprised of representatives from the Nebraska Community College Areas which are members of the Nebraska Community College Association, was established to define more specific guidelines. These guidelines, as adopted by the Council of Chief Executive Officers and the Nebraska Community College Association Board of Directors, were used in the determination of the FTE student enrollment total and subsequent conversion to REUs.

The computation of the information for this report is based on the Nebraska Community College's Enrollment Audit Guidelines FY 2011-12 which were ratified by the NCCA Board of Directors on June 15, 2012. No changes were made to the FY 2012-13 Audit Guidelines, which were approved by the Coordinating Commission for Postsecondary Education.

NOTE 2. FULL-TIME EQUIVALENT STUDENT AND REIMBURSABLE EDUCATIONAL UNIT DEFINITIONS

- A. An FTE student is equivalent to thirty semester or forty-five quarter credit hours of classroom, laboratory, clinical, practicum, independent study course work, or cooperative work experience applicable to a degree, diploma, or certificate in a program for which credit hours are offered or nine hundred contact hours of classroom laboratory course work for which credit hours are not offered or awarded.
- B. The number of credit hours which shall be counted by any community college area in which a tribally controlled community college is located shall include credit hours awarded by such tribally controlled community college to students for which such institution received no federal reimbursement pursuant to the Tribally Controlled Community College Assistance Act, 25 U.S.C. 1801.
- C. REUs are calculated by multiplying FTEs by the appropriate weighting factor as defined for each type of course offering as follows:

<u>Type of Course</u>	<u>Factor</u>
Academic Transfer	1.00
Academic Support	1.00
Class 1 Applied Tech/Occupational	1.50
Class 2 Applied Tech/Occupational	2.00

SOUTHEAST COMMUNITY, COLLEGE AREA  
 NOTES TO STATEMENTS OF REIMBURSABLE FULL-TIME EQUIVALENT  
 STUDENT ENROLLMENT AND REIMBURSABLE EDUCATIONAL UNITS  
 YEARS ENDED JUNE 30, 2013 AND 2012

NOTE 3. THREE-YEAR AVERAGE VALUES

The following three-year average values are included in the audited statements for use in state aid computations.

Fiscal Year Ending June 30, 2013

Years Ending June 30	Reimbursable Full-Time Equivalent Student Enrollment	Reimbursable Education Units
2011	10,556.20	14,620.74
2012	10,019.72	13,915.72
2013	9,049.09	12,725.49
Three-Year Average	9,875.00	13,753.98

Fiscal Year Ending June 30, 2012

Years Ending June 30	Reimbursable Full-Time Equivalent Student Enrollment	Reimbursable Education Units
2010	10,335.19	14,397.01
2011	10,556.20	14,620.74
2012	10,019.72	13,915.72
Three-Year Average	10,303.70	14,311.16

SUPPLEMENTARY DATA



SCHEDULE 1

SOUTHEAST COMMUNITY COLLEGE AREA  
 TOTAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT  
 (UNAUDITED)  
 YEARS ENDED JUNE 30, 2013 AND 2012

	<u>Full-Time Equivalent Student Enrollment</u>	
	2013	2012
<u>First Quarter</u>		
Academic Transfer and Support	752.42	858.37
Class 1, Applied Tech/Occupational	462.50	477.61
Class 2, Applied Tech/Occupational	619.89	620.77
Ineligible for state aid	21.57	28.41
Subtotal	<u>1,856.38</u>	<u>1,985.16</u>
<u>Second Quarter</u>		
Academic Transfer and Support	1,320.09	1,521.06
Class 1, Applied Tech/Occupational	645.66	773.72
Class 2, Applied Tech/Occupational	660.35	680.88
Ineligible for state aid	31.41	27.60
Subtotal	<u>2,657.51</u>	<u>3,003.26</u>
<u>Third Quarter</u>		
Academic Transfer and Support	1,104.45	1,261.41
Class 1, Applied Tech/Occupational	623.45	686.66
Class 2, Applied Tech/Occupational	643.98	679.88
Ineligible for state aid	28.50	28.86
Subtotal	<u>2,400.38</u>	<u>2,656.81</u>
<u>Fourth Quarter</u>		
Academic Transfer and Support	1,041.97	1,181.46
Class 1, Applied Tech/Occupational	575.91	664.85
Class 2, Applied Tech/Occupational	598.42	613.05
Ineligible for state aid	256.58	216.94
Subtotal	<u>2,472.88</u>	<u>2,676.30</u>
TOTAL	<u>9,387.15</u>	<u>10,321.53</u>
DEDUCT - Courses, programs, and hours ineligible for state aid:		
Community Education	107.24	112.33
Programs totally funded by outside agencies	230.82	189.48
Subtotal	<u>338.06</u>	<u>301.81</u>
FULL-TIME EQUIVALENT STUDENT ENROLLMENT ELIGIBLE FOR STATE AID	<u>9,049.09</u>	<u>10,019.72</u>

SOUTHEAST COMMUNITY COLLEGE AREA  
 RECONCILIATION OF REIMBURSABLE FULL-TIME EQUIVALENT STUDENT  
 ENROLLMENT AND GENERAL FUND TUITION INCOME  
 (UNAUDITED)  
 YEAR ENDED JUNE 30, 2013

	Number of Credit Hours	Cost per Credit Hour	Total
QUARTER CREDIT HOURS			
Resident	376,349.50	54.00	20,322,873
Nonresident	<u>21,381.50</u>	66.50	<u>1,421,870</u>
Total	<u>397,731.00</u>		21,744,743
 REIMBURSABLE CONTACT HOURS	 189,567.00	 7.57	 <u>1,435,317</u>
Total Computed Tuition			23,180,060
ADJUSTMENTS			
Tuition waivers			(1,047,321)
Other			<u>294,087</u>
Total adjustments			<u>(753,234)</u>
 NET REIMBURSABLE TUITION INCOME			 <u>22,426,826</u>

SOUTHEAST COMMUNITY COLLEGE AREA  
 ALLOCATION OF 1.0 REU FACTOR COURSES  
 (UNAUDITED)  
 YEAR ENDED JUNE 30, 2013

	<u>Hours</u>		Reimbursable Full-Time Equivalent Student Enrollment	Reimbursable Education Units
	Quarter	Contact		
Academic Transfer	99,888.50	-	2,219.75	2,219.75
Academic Support	50,362.50	-	1,119.17	1,119.17
Undeclared/nondegree	17,518.00	76,274.00	474.04	474.04
Foundations education	<u>18,269.00</u>	<u>-</u>	<u>405.98</u>	<u>405.98</u>
	<u>186,038.00</u>	<u>76,274.00</u>	<u>4,218.94</u>	<u>4,218.94</u>

Note: Courses with an REU factor of 1.0 are allocated by declared student major as of the tenth (10th) instructional day to academic transfer, academic support, undeclared/nondegree, and foundations education.

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

Board of Governors  
Southeast Community College Area  
Lincoln, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying statements of reimbursable full-time equivalent student enrollment and reimbursable educational units of Southeast Community College Area, as of and for the years ended June 30, 2013 and 2012, and the related notes to the accompanying statements, which collectively comprise Southeast Community College Area's statements, and have issued our report thereon dated August 14, 2013.

**Internal Control Over Enrollment Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's enrollment 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 Southeast Community College Area's enrollment 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 enrollment statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

Dana J Cole + Company, LLP

Lincoln, Nebraska  
August 14, 2013