



Community Christian College

COMMUNITY CHRISTIAN COLLEGE

(A NON-PROFIT CORPORATION)

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

LCo.
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COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

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YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

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FINANCIAL INFORMATION



Independent Auditor's Report

Board of Directors
Community Christian College (A Non-Profit Corporation)
Redlands, California

We have audited the accompanying financial statements of Community Christian College (a Non-Profit Corporation), which comprise of the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Christian College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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 also conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Christian College's ability to continue as a going concern for a reasonable period of time.

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 financial position of Community Christian College as of June 30, 2021 and 2020, and the results of operations, changes in net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Opinion

We conducted the 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 of material misstatement.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown is presented for purposes of additional analysis and is not a required part of the financial statements.

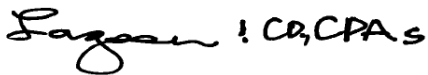
The accompanying supplementary information shown is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of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

Report Issued in Accordance with Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 30, 2021, on our consideration of Community Christian College's internal control over financial 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Company's internal control over financial reporting and compliance.

Other Reporting Required by the U.S. Department of Education

The accompanying Financial Responsibility Supplemental Schedule is presented for the purpose of additional analysis as required by the U.S. Department of Education. The purpose of the report is to provide financial figures needed to calculate the composite score ratios, with a cross-reference to the financial statement line. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. In our opinion, the accompanying supplementary report shown is fairly stated, in all material respects, in relation to the financial statements as a whole.

 Langwasser & Company, CPAs

Langwasser & Company, CPAs
Upland, California
July 30, 2021

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2021 AND 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 843,974	\$ 392,430
Certificates of Deposit	96,748	96,603
Accounts Receivable, net	1,988,288	676,054
	<hr/>	<hr/>
Total Current Assets	2,929,010	1,165,087
	<hr/>	<hr/>
Property and Equipment		
Classroom Equipment	5,964	14,131
Library Assets	99,996	99,996
Building	149,365	-
Less: Accumulated Depreciation	(69,404)	(72,098)
	<hr/>	<hr/>
Total Property and Equipment	185,921	42,029
	<hr/>	<hr/>
Other Assets		
Loan Receivable	-	8,980
Prepaid Expense	699	699
Security Deposit	6,116	2,866
	<hr/>	<hr/>
Total Other Assets	6,815	12,545
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,121,746</u>	<u>\$ 1,219,661</u>
<u>LIABILITIES & NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 92,844	\$ 59,707
Accrued Vacation	41,409	-
	<hr/>	<hr/>
Total Current Liabilities	134,253	59,707
	<hr/>	<hr/>
Long Term Liabilities		
Payroll Liabilities	202,233	215,233
Loans Payable	375,091	498,266
	<hr/>	<hr/>
Total Long Term Liabilities	577,324	713,499
	<hr/>	<hr/>
Total Liabilities	711,577	773,206
	<hr/>	<hr/>
Net Assets		
Without Donor Restrictions	2,164,051	446,455
With Donor Restrictions	246,118	-
	<hr/>	<hr/>
Total Net Assets	2,410,169	446,455
	<hr/>	<hr/>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 3,121,746</u>	<u>\$ 1,219,661</u>

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2021	Totals	
	Without Donor	With Donor	2021	2020
	Restrictions	Restrictions		
<u>REVENUE AND OTHER ADDITIONS</u>				
Contributions	\$ 50,889	\$ -	\$ 50,889	\$ 42,887
Government Grants	199,395	246,118	445,513	-
Tuition	3,524,191	-	3,524,191	1,846,126
Fees	32,762	-	32,762	18,120
Program Income	1,156,900	-	1,156,900	142,500
Rental Income	6,000	-	6,000	-
Interest	711	-	711	230
Other Income	8,503	-	8,503	2,954
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue and Other Additions	4,979,351	246,118	5,225,469	2,052,817
<u>EXPENSES</u>				
Program Expenses				
Athletics	1,031,291	-	1,031,291	95,813
Education	1,350,608	-	1,350,608	1,097,565
	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Expenses	2,381,899	-	2,381,899	1,193,378
Support Services				
Management and General	976,021	-	976,021	229,327
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support Services	976,021	-	976,021	229,327
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expense	3,357,920	-	3,357,920	1,422,705
Other Income				
Gain on Debt Forgiveness	98,275	-	98,275	-
Gain/(Loss) on Asset Disposition	(2,110)	-	(2,110)	(6,307)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Income	96,165	-	96,165	(6,307)
	<hr/>	<hr/>	<hr/>	<hr/>
Change in Net Assets	1,717,596	246,118	1,963,714	623,805
Net Assets, Beginning of year	446,455	-	446,455	(177,350)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets, Ending of year	\$ 2,164,051	\$ 246,118	\$ 2,410,169	\$ 446,455
	<hr/>	<hr/>	<hr/>	<hr/>

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,963,714	\$ 623,805
<i>Adjustments to reconcile net income (loss) to net cash:</i>		
(Increase) Decrease in Accounts Receivable	(1,312,234)	(475,902)
(Increase) Decrease in Deposits	(3,250)	(1,250)
(Increase) Decrease in Depreciation	3,363	3,100
Increase (Decrease) in Accounts Payable	33,137	21,825
Increase (Decrease) in Payroll Liabilities	(13,000)	(9,186)
Increase (Decrease) in Accrued Vacation	41,409	(6,400)
Increase (Decrease) in Prepaid Expenses	-	(699)
(Gain)/Loss on Asset Disposition	(98,275)	-
(Gain)/Loss on Debt Forgiveness	2,110	6,307
Net Cash Provided By (Used In) Operating Activities	616,974	161,600
Cash Flows from Investing Activities		
Building	(149,365)	-
Certificates of Deposit	(145)	(145)
Loan Receivable	-	(8,980)
Net Cash Provided By (Used In) Investing Activities	(149,510)	(9,125)
Cash Flows from Financing Activities		
Repayments on Loans Payable	(123,175)	(36,170)
Proceeds from Paycheck Protection Program Loan	98,275	-
Proceeds from Loans	8,980	98,275
Net Cash Provided By (Used In) Financing Activities	(15,920)	62,105
Net Increase (Decrease) in Cash	451,544	214,580
Cash at Beginning of the Period	392,430	177,850
Cash at End of the Period	\$ 843,974	\$ 392,430
Non-cash Financing Activities:		
Paycheck Protection Program Proceeds	\$ 98,275	\$ -

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1. NATURE OF OPERATIONS

The Community Christian College (the College) is an independent community college dedicated to offering an affordable education founded in liberal arts, while promoting the development of Christian knowledge, skills, and values. Instruction began in the Fall Quarter 1995 with a freshman class of 10 students.

The College is formally and materially committed to its status as a junior college, offering courses and Associate of Arts degrees appropriate only to the lower-division of college and university academic order. The College is a member of the Transnational Association of Christian Colleges and Schools (TRACS) and was awarded Reaffirmation I of its Accredited Status as a Category I institution in April 2012, which is effective for a period of ten years.

The College is not affiliated with any educational institutions and has no affiliations with any local church or church denomination.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Community Christian College have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis. Tuition fees and contributions are the College's sources of revenue. Tuition revenue is recorded at the time of quarterly enrollment.

In order to ensure observance of limitations and restrictions placed on the use of the resources available to Community Christian College, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and type of restriction. Net assets that are not subject to donor restrictions may be expended for any purpose in performing the primary objectives of the organization. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

The Use of Estimates

In accordance with accounting principles generally accepted in the United States of America, management is allowed to make estimates and assumptions for financial statement reporting periods. Actual results could vary from the estimates that were used.

Net Assets Without Donor Restrictions

Net assets not subject to donor-imposed restrictions, including those designated by the Board of Trustees as funds functioning as endowment (quasi-endowment), and board-designated net assets.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

Net Assets with Donor Restrictions

Net assets that are subject to donor-imposed restrictions expiring with the passage of time, the occurrence of an event, or the fulfillment of certain conditions. When donor restrictions are met or the restrictions expire, net assets with donor restriction are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Net assets subject to donor-imposed restrictions may also require assets be retained permanently and invested in perpetuity. Restrictions generally permit the use of some or all of the income earned on the invested assets for specific purposes.

Accounts Receivable

Accounts receivable are comprised of tuition revenue earned, but funds not yet received from students. Accounts receivable stated in the financial statements are net of allowance for doubtful accounts. The allowance for doubtful accounts is based on the College's prior years' experience and management's analysis of the collectability of bad debts.

Property, Plant and Equipment

Property, equipment, and depreciation - items capitalized as property and equipment - are shown at cost at the time of purchase. Donated assets are recorded at their fair value as of the date of the gift. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Furniture and Equipment	5-7 years
Library Assets	15 years
Building	39 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Functional Expenses

The cost of programs and support activities are presented based on their functional basis in the Statement of Activities. The expenses are classified between the educational, athletics program expenses and the support services of the general operation of the College.

Income Taxes

No provision for Federal income tax has been made since Community Christian College is a publicly supported, tax-exempt organization under Internal Revenue Service Code Section 501(c)(3) and California Revenue Code Section 23701d. The College has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

The College files returns in the U.S. Federal jurisdiction and the State of California. The College's federal income tax returns for the prior three tax years remain subject to examination by taxing authorities. The state tax returns may be subject to examination for the prior four tax years.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include one checking account and two money market accounts aggregating \$843,974, and \$392,430 at June 30, 2021 and June 30, 2020, respectively. The College considers cash and cash equivalents to consist of all highly liquid investments and with an initial maturity of three months or less.

NOTE 4. CERTIFICATE OF DEPOSIT

The College also had a Certificate of Deposit in the amount of \$96,748, and \$96,603, at June 30, 2021 and June 30, 2020, respectively. The Certificate of Deposit has a seven-month term with a maturity date of July 26, 2021.

NOTE 5. ACCOUNTS RECEIVABLE

Accounts receivable represents tuition receivable from the students. The College has reduced the carrying amount of accounts receivable by an allowance for credit losses that reflects our best estimate of the amounts that will not be collected. The College individually reviewed each customer balance where all or a portion of the balance exceeds 90 days from the invoice date. Based on the assessment of the customer's current creditworthiness, the College estimated that \$1,149,949 will not be collected as of June 30, 2021. The net Accounts receivable was \$1,988,288 and \$676,054 as of June 30, 2021 and June 30, 2020.

The College has written off receivables as a charge to the allowance for credit losses when, in their estimation, it is probable that the receivable is worthless. The admission and financial aid departments were affected by coronavirus in December 2020. The College allowed numerous students, who did not properly complete the financial aid process, to enroll and attend fall and winter quarters regardless of their financial aid award. However, some students were not able to qualify for financial aid or pay their tuition. The College is continuing to review the uncollectible amount and is still attempting to collect at least 25% of the amount deemed uncollectible. As a result, the College is implementing a collection program and a timely Accounts Receivable review to avoid similar issues in the future.

NOTE 6. SECURITY DEPOSITS

The Company has a security deposit for office space in the amount of \$6,116, and \$2,866 at June 30, 2021 and June 30, 2020, respectively.

NOTE 7. GRANTS AND NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions consisted of the following at June 30, 2021:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Time or purpose restrictions:		
HEERF Grants	<u>\$ 246,118</u>	<u>\$ -</u>

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 7. GRANTS AND NET ASSETS WITH DONOR RESTRICTIONS (CON'T)

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided budgetary relief to higher education institutions through the Higher Education Emergency Relief Fund (HEERF). Under the legislation, no less than 50% of the funds are to be used for emergency financial aid grants to students. The remaining portion of the funding is to be used by institutions to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus.

The College received and recognized HEERF funds and county grants in the amount of \$443,013 and \$2,500, respectively, as government grants, during the year ended June 30, 2021. On April 23, 2020, the College signed and returned a Certification to the Department of Education acknowledging that the College would use no less than 50% of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students. As of January 9, 2021, the total amount of Emergency Financial Aid Grants distributed to students under Section 18004(a)(1) of the CARES Act is \$56,987 with an additional \$1,063 awarded from the Institutions allocation of Emergency Funding for a total amount of \$58,050. The institutional portion of the funding of \$139,908 was expended on costs related to the disruption of campus operations due to the coronavirus. Revenue was reported as changes in net assets without donor restrictions. The remaining portion of \$246,118 was reported as changes in net assets with donor restrictions. The Department of Education has approved the section (a)(2) funds in the amount of \$272,192 for the HEERF II institutional portion, and these funds are still in the G5 federal account. These funds will be drawn and deposited into the College's bank account when it is ready to spend these funds.

NOTE 8. ACCRUED VACATION

The College accrued the vacation time of its employees from the fiscal year of 2020. The accrued vacation balance was \$41,409 as of June 30, 2021.

NOTE 9. ACCOUNTS PAYABLE

The accounts payable balance of \$92,844 and \$59,707 is made up of unpaid bills as of June 30, 2021 and June 30, 2020, respectively. Accounts Payable is aged as follows:

	June 30, 2021	June 30, 2020
Current	\$ 47,061	\$ 18,447
31 days and over	45,783	41,260
	<u>\$ 92,844</u>	<u>\$ 59,707</u>

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 10. PAYROLL LIABILITIES

Payroll Liabilities include the payroll taxes and wages that remained unpaid at year end. The balance is comprised of the following:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Payroll taxes payable	\$ 202,233	\$ 215,233

The payroll taxes payable consist of payroll liabilities incurred in prior periods in 2013-2014, and are all due to the Internal Revenue Service (IRS). It is the Auditor's opinion that these liabilities do not infringe upon the College's ability to operate as a Going Concern as the entire amount will likely qualify for an Installment Agreement with the IRS. The College has been making monthly payments to the IRS towards the liability. The installment payments are expected to exceed 12 months.

NOTE 11. EMPLOYEE BENEFITS AND RETIREMENT

The College has been providing medical, dental, life insurance and retirement benefits for its employees since January 2021. Retirement benefits are provided through a defined contribution plan covering all qualified employees. The Plan is administered through The Ryding Company. Total retirement contribution expense was approximately \$5,735 for the year ended June 30, 2021.

NOTE 12. LOANS PAYABLE

The long-term loans consist of borrowed money for the College from various individuals, and one institution. The long-term loans and related accrued interest are guaranteed by Community Christian College and Donald Nydam, one of the College's founders and previous Chairman of the Board of Trustees, who passed away in 2018. The College and Mr. Nydam's estate are jointly liable for the repayment of the loans. The College is continuing to make payments to pay off the loans.

Long-term debt, consisted of the following:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Long-term loan payable	\$ 175,116	\$ 322,391
Interest payable on long-term loan	199,975	175,875
Total loans payable - long-term	<u>\$ 375,091</u>	<u>\$ 498,266</u>

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12. LOANS PAYABLE (CON'T)

Name	Address	Inception Date	Maturity Date	Total Amount
Emmanuel Reformed Church	8303 Alondra Blvd. Paramount, CA 90723	4/30/2013	Original maturity date has passed. Note is being paid as funds are available.	\$73,159
Flamborough Holdings c/o Mr. John Voortman	5748 Fairway Dr. Mason, OH 45040	12/5/2015	Original maturity date has passed. Note is being paid as funds are available.	\$31,902
Robert Johnson	2528 Hemel Dr. Pella, IA 50219	12/5/2015	Original maturity date has passed. Note is being paid as funds are available.	\$25,935
Ontario Christian Schools Foundation	931 Philadelphia St. Ontario, CA 91762	6/1/2011	Original maturity date has passed. Note is being paid as funds are available.	\$224,468
Mitch & Joyce Wybenga	16836 Grand Ave. Bellflower, CA 90706	12/5/2015	Original maturity date has passed. Note is being paid as funds are available.	\$19,627

NOTE 13. PAYCHECK PROTECTION PROGRAM

Additionally, the College received a loan from the Loan Source in the amount of \$98,275, under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The College applied for PPP forgiveness and the loan amount was fully forgiven March 4, 2021. The loan forgiveness is reflected as gain on debt forgiveness in the accompanying statement of activities.

NOTE 14. RENTAL INCOME

The College purchased a property located in Detroit, Michigan on February 26, 2021. The College is collecting \$1,200 in monthly rental income. Total rental income for the period ended June 30, 2021 was \$6,000.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 15. RENT EXPENSE

The College has offices located in Redlands, California, and Phoenix, Arizona. Rent is paid to MGR Property Management, Inc. in the amount of \$1,570 per month through March 2021, and increased to \$1,616 beginning April 2021. The College also signed a new lease for an additional office suite, Suite #150, which began December 1, 2020. Monthly rent for this suite is paid to MGR Property Management, Inc. in the amount of \$2,731 per month. The College also paid \$14,998 and \$1,200 in total rents to Redlands Mill and Phoenix Christian Preparatory School, respectively, for the use of additional space. The College also paid rent expense for storage space in the amount of \$729. Total rent expense for the year ended June 30, 2021 and 2020 was \$57,797 and \$26,736, respectively.

NOTE 16. CONCENTRATION OF RISK

The College maintains its cash balances with one financial institution located in the city of San Bernardino, California. As of June 30, 2021, the Federal Deposit Insurance Corporation (FDIC) provides insurance coverage to account holders up to a maximum of \$250,000 per account owner. For this purpose, both non-interest-bearing transaction deposit accounts (checking accounts) and interest-bearing accounts are combined. As of June 30, 2021, the company's uninsured cash balance totaled of \$593,974.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the statement of financial position date of June 30, 2021 through July 30, 2021, which is the date the financial statements were available to be issued. Management has determined there were no subsequent events or transactions that would have an impact on the current year financial statements.

SUPPLEMENTAL INFORMATION

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

Expenses	Program Expense		Support Services		Total
	Education	Athletics	Management & General	Fundraising	
Accreditation	\$ 21,357	\$ -	\$ -	\$ -	\$ 21,357
Bank Service Charges	-	-	5,058	-	5,058
Contract Services	-	-	161,896	-	161,896
Depreciation	-	-	3,363	-	3,363
Dues & Subscriptions	7,811	-	-	-	7,811
Employee Benefits	-	-	81,448	-	81,448
Financial Aid Expense	73,680	-	-	-	73,680
Insurance	21,324	9,209	3,943	-	34,476
Interest Expense	-	-	43,709	-	43,709
Library Expense	145,067	-	-	-	145,067
Licenses & Permits	-	-	8,497	-	8,497
Payroll Expenses	548,126	182,709	388,430	-	1,119,265
Payroll Taxes	142,540	48,764	183,802	-	375,106
Postage & Delivery	-	-	873	-	873
Professional Fees	18,525	-	81,794	-	100,319
Program Expense	282,406	775,611	551	-	1,058,568
Rent	40,870	14,998	1,929	-	57,797
Supplies	19,763	-	8,203	-	27,966
Taxes	-	-	1,212	-	1,212
Telephone	2,035	-	854	-	2,889
Travel	27,104	-	459	-	27,563
Total Expenses	\$ 1,350,608	\$ 1,031,291	\$ 976,021	\$ -	\$ 3,357,920

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2020

Expenses	Program Expense		Support Services		Total
	Education	Athletics	Management & General	Fundraising	
Accreditation	\$ 17,118	\$ -	\$ -	\$ -	\$ 17,118
Contract Services	-	-	71,462	-	71,462
Depreciation	-	-	3,100	-	3,100
Dues & Subscriptions	1,616	-	-	-	1,616
Financial Aid Expense	46,983	-	-	-	46,983
Insurance	23,003	-	-	-	23,003
Interest Expense	-	-	34,739	-	34,739
Library Expense	22,356	-	-	-	22,356
Licenses & Permits	-	-	3,970	-	3,970
Payroll Expenses	556,015	24,417	72,868	-	653,300
Payroll Taxes	56,266	2,449	7,478	-	66,193
Postage & Delivery	939	-	313	-	1,252
Professional Fees	18,500	-	34,076	-	52,576
Program Expense	323,348	60,779	-	-	384,127
Rent	18,568	8,168	-	-	26,736
Supplies	9,633	-	940	-	10,573
Taxes	-	-	132	-	132
Telephone	747	-	249	-	996
Travel	2,473	-	-	-	2,473
Total Expenses	<u>\$ 1,097,565</u>	<u>\$ 95,813</u>	<u>\$ 229,327</u>	<u>\$ -</u>	<u>\$ 1,422,705</u>

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
GENERAL INFORMATION
YEAR ENDED JUNE 30, 2021

COMPLIANCE REPORT SECTION

Community Christian College
1174 Nevada St. Ste 200
Redlands, CA 92374

EIN: 33-0620701

OPE: 03874400

DUNS: 036108095

COMPLIANCE ATTESTATION AND EXAMINATION
OF THE TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAM

AT

Community Christian College, Redlands, CA

FEDERAL SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT (84.007)
FEDERAL PELL GRANT PROGRAM (84.063)
FEDERAL FAMILY EDUCATION LOAN (84.032)
FEDERAL WORK STUDY (84.033)

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

GENERAL INFORMATION
YEAR ENDED JUNE 30, 2021

AUDITOR INFORMATION

Community Christian College
1174 Nevada St. Ste 200
Redlands, CA 92374

EIN: 33-0620701

OPE: 03874400

DUNS: 036108095

Telephone Number: (909) 253-7707

Fax Number: (844) 218-0969

President: Brian Carroll

Contact Person & Title: Richard Durant, Vice-President of Finance

Lead Auditor: Karin Langwasser, CPA

E-mail Address: klangwasser@langwasser.com

License Number & Jurisdiction: XXXXX, California

Firm's Name: Langwasser & Co., CPAs

Address: 99 E. C Street, Suite 100

Upland, CA 91786

Telephone Number: (909) 931-9080

Fax Number: (909) 981-1761

Programs Examined:

FSEOG (84.007)

Pell (84.063)

FFELP (84.032)

FWS (84.033)

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

Correspondence or telecommunications courses to total courses	0
Regular students enrolled in correspondence courses	0
Regular students that are incarcerated	0
Regular students enrolled on ability to benefit	0

For short program: N/A

Completion: N/A

Placement: N/A

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

**GENERAL INFORMATION
YEAR ENDED JUNE 30, 2021**

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

All Locations	>50% of Program Offered	Location on Eligibility Letter	Notice to ED prior to Offering Instruction	Date Opened	Date Closed	Exclusion Reason
Redlands	Yes	Yes	Yes	08/01/1994	N/A	N/A

*All of the organization's records are located at the Redlands Campus.

Institution's Primary Accrediting Organization: Transnational Association of Christian Colleges & Schools (TRACS)
Other Accrediting Organizations: N/A

Records for the accounting and administration of the SFA programs are located at:
Community Christian College
1174 Nevada St. Ste 200
Redlands, CA 92374

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

STATEMENT OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Program Name	Federal Catalog Number	Federal Expenditures
US Dept. of Education - Student Financial Assistance - Direct		
Federal Supplemental Education Opportunity Grant	84.007	\$ 15,388
Federal Pell Grant	84.063	2,119,553
Federal Work-Study (FWS) Program	84.033	6,871
Federal Family Education Loans	84.032	2,477,265
Total US Dept. of Education - Student Financial Assistance - Direct		<u>\$ 4,619,077</u>
Total Direct Federal Assistance		<u><u>\$ 4,619,077</u></u>

Community Christian College (A NON-PROFIT CORPORATION)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Scope of Presentation

The Schedule of Expenditures of Federal Awards presents the reimbursable expenses incurred and related awards received by Community Christian College under federal programs of federal agencies providing education financial assistance. The accompany schedule shows only the portions of program expenditures reimbursable with such federal funds. The schedule does not include program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with local or other non-federal funds.

Basis of Presentation

The schedule includes the federal grant activity of Community Christian College and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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).

Indirect Cost Rate

Community Christian College does not have a negotiated indirect cost rate with the cognizant federal agency.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
STATEMENT OF STUDENT FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

Total Population:

	Pell	FDSL-Sub	FDSL-Unsub	FSEOG	FDSL-PLUS	FWS
Dollars	\$ 2,119,553	\$ 1,378,407	\$ 1,005,934	\$ 15,388	\$ 92,924	\$ 6,871
Students	573	493	474	107	10	62

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

SERVICER INFORMATION SHEET

Weber & Associates, Inc.
 EIN NO. 62-1464324
 TEL. NO. (864) 675-9038
 FAX. NO. (864) 675-9017
 PRESIDENT: Harry V. Weber
 CONTACT PERSON & TITLE: Harry V. Weber, President

DIVISION OF RESPONSIBILITY FOR COMPLIANCE REQUIREMENTS

COMPLIANCE REQUIREMENT	Responsibility of Institution	Responsibility of Weber & Associates, Inc.	Explanation of Divided Responsibility
-------------------------------	--	---	--

I. Computer Operations

A. Terminal & Software Security	X	X	a, v
B. Data Integrity	X	X	a, v
C. System & Data Backup	X	X	a, v
D. Disaster Recovery Plan	X	X	a, v

II. Cash Management

A. Drawdowns		X	v
B. Authorization vs. Expenditures		X	v
C. Reconcile G/L to Bank		X	v
D. Bank Account Notes Federal Funds		X	v

III. Financial Reports

A. FISAP		X	v
B. GAPSS		X	v
C. Pell IPS		X	v

IV. Institutional Eligibility

A. Participation Agreement/ECAR	X		
B. Accreditation Status	X		
C. Admissions Policy	X		
D. Eligible Programs	X		
E. Calculation of Institution Eligibility Ratios	X		
F. Licenses	X		
G. Administrative Capability Items	X		

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

COMPLIANCE REQUIREMENT	Responsibility of Institution	Responsibility of Weber & Associates, Inc.	Explanation of Divided Responsibility
-------------------------------	--	---	--

V. Student Eligibility

A. High School Diploma or Equivalent or Ability to Benefit	X		
B. Regularly Enrolled in Eligible Program	X		
C. Citizen or Permanent Resident	X	X	b, v
D. Satisfactory Progress	X		
E. Default/Refund Status	X	X	c, v
F. Social Security # Match Requirement	X	X	d, v
G. Other Requirements	X		

VI. Coordination of Programs

A. Financial Aid Organization	X		
B. Other Information Available	X		
C. Needs Analysis	X		
D. Professional Judgment Documentation	X	X	e, v

VII. Administrative Capability

A. Student File Maintenance	X	X	v
B. Record Retention	X	X	v
C. Verification	X	X	f, v

VIII. Disbursements

A. Financial Aid Transcripts/NSLDS Info.	X	X	v
B. Independent/Dependent Status Determine.	X		
C. Timing and Amount of Disbursements	X	X	v

IX. Refunds or Overpayments

A. Refund Policy	X		
B. Return of Title IV Calculations	X		
C. Overpayment Calculations	X		
D. Disbursement and Accounting for Refunds/Overpayments	X	X	g, v

X. Institutional Disclosure

A. Accuracy of Institutional Data	X		
B. Disclosure to Students	X		

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

COMPLIANCE REQUIREMENT	Responsibility of Institution	Responsibility of Weber & Associates, Inc.	Explanation of Divided Responsibility
-------------------------------	--------------------------------------	---	--

REQUIREMENT XI. Pell Grant

A. Types of Expenditures Allowed		X	v
B. Program Performance			
1. Calculation & Disbursement of Award		X	v
2. Timing of Payment; Cutoff Dates for Receipts of SARs		X	v
C. Financial Reports		X	v

XII. Campus-Based Programs (General)

A. Types of Expenditures Allowed			
1. Program Expenditures		X	v
2. Administrative Cost Allowance		X	v
B. Program Performance			
1. Accuracy of FISAP Data	X	X	h, v
2. System of Need Analysis, etc.	X		

XIII. Campus-Based Programs (Perkins)

A. Types of Expenditures Allowed		X	
B. Matching	X	X	i, v
C. Program Performance			
1. Student Eligibility	X	X	j, v
2. Approved Promissory Note	X	X	
3. Due Diligence	X		v
4. Repayment Records	X		
D. Special Compliance Requirements			
1. Minimum Cash Balance Cash Planning		X	
2. Treatment of Interest Earned on Perkins Loan Balance	X		

XIV. Campus-Based Programs (FSEOG)

A. Eligible Expenditures		X	
B. Matching	X	X	k, v
C. Selection of Students for FSEOG Awards	X	X	v

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

COMPLIANCE REQUIREMENT	Responsibility of Institution	Responsibility of Weber & Associates, Inc.	Explanation of Divided Responsibility
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XV. Campus-Based Programs (FWS)

A. Types of Expenditures & Employment Allowed 1. Types of Employment Allowed 2. Types of Expenditures Allowed	X X		
B. Matching	X	X	l, v
C. Program Performance 1. Selection of Students for Employment 2. Approval of Time Sheets & Payment to Students	X X		
D. Special Compliance Requirements 1. JLD and CSJLD Programs 2. CS Programs (7% minimum)	X X		

XVI. Federal Family Education Loans (FFEL)

A. Program Performance 1. Determination of Eligibility & Completion of Application 2. Default Reduction Measures 3. Entrance & Exit Counseling 4. Loan Disbursement 5. EFT Roster Reconciliation 6. Eligibility for Disbursement	X X X X X X	X X X X X X	m, v n, v v (entrance only) o, v p, v q, v
B. Status Reporting 1. SSCR Completion 2. Change in Enrollment Status	X X	X X	r, v s, v
C. Special Compliance Requirements 1. Refund Policy 2. Refunds to Lenders	X X	X X	t, v t, v

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

COMPLIANCE REQUIREMENT	Responsibility of Institution	Responsibility of Weber & Associates, Inc.	Explanation of Divided Responsibility
-------------------------------	--	---	--

XVII. Federal Direct Loan Program (FDLP)

A. Program Performance			
1. Determination of Eligibility	X	X	u, v
2. Entrance & Exit Counseling	X	X	u, v
3. Exporting & Importing Electronic files to/from the LOC		X	
4. Loan Disbursement	X	X	u, v
5. Monthly Data Matching Including:			
1. Loan and Cash Detail Records	X	X	u, v
2. Summary Records	X	X	u, v
B. FDLP Status Reporting			
1. SSCRS	X	X	u, v
2. Change in Enrollment Status	X	X	u, v

FOOTNOTES

- a. **I. A,B,C,D Computer Operations A through D.** The institution is responsible for the maintenance of computer hardware and software. The institution is online with Weber & Associates, Inc. only for the purposes of EDE services. The only software provided by Weber & Associates, Inc. is an annual copy and institutional update for EDEExpress. Data integrity of Title IV information, financial aid system backup and disaster recovery are primary the responsibility of the Servicer. The institution has this function for the institution's records.
- b. **V.C. Citizen or Permanent Resident.** The institution is responsible for obtaining information to support the student's status. The Servicer serves as a secondary review of the institution's documentation of citizenship or alien status. No aid is processed until the status has been documented and confirmed by the Servicer.
- c. **V.E. Default status** – It is the primary responsibility of the institution to monitor its default rate and student default status as reported on the ISIR. The Servicer serves as a secondary review by reviewing the NSLDS or ISIR to determine if payment should be withheld due to a default status. No payments are authorized by the service until the default has been resolved.
- d. **V.F. Social Security number match requirement.** The institution has the primary responsibility to review the ISIR for the non-match Social Security message. It is the Servicer's procedure to require that the institution indicate by documentation that the message has been resolved prior to the students' funds being released.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

- e. **VI.D. Professional Judgment Documentation.** The institution has the primary responsibility to make professional judgment decisions. It is the Servicer's procedure to require that the institution indicate by documentation that the professional documentation is reasonable and correct. These secondary reviews are completed prior to the payment of funds to the student.
- f. **VII.C. Verification.** The institution has the primary responsibility to review the ISIR for the verification requirement and gather documentation for verification. It is the Servicer's procedure to require that the institution indicates by documentation that institution has all required documentation and that the verification process has been properly complete prior to the students' funds being released.
- g. **IX.D. Disbursement and Accounting for Refunds/Overpayments.** Refund calculations and overpayments are the primary responsibility of the institution. Frequently the Servicer discovers that overpayments have been made due to Pell over-award compliance reports. In this instance the Servicer notifies the institution that a repayment is due. The Servicer manages the accounting procedure to monitor repayments and posts refunds and repaymentst to its Title IV accounting system.
- h. **XII. B. Program Performance.** Accuracy of FISAP data – The FISAP is completed by the Servicer using institution enrollment data, gross income data and eligible students lists. These are part of the Application. Expenditure data, which is part of the fiscal section of the FISAP, is provided via software developed by the service. The Perkins Loan billing service contractor for the institution normally supplements Perkins loan data.
- i. **XIII. B. Perkins Matching.** The Servicer notifies the institution that the match is required and should be deposited in the account. Subsequently, the Servicer audits the match action when monthly bank statements are reconciled. The responsibility for depositing the match rests with the institution.
- j. **XIII.C.1. Program Performance - Student Eligibility.** The institution has the primary responsibility to determine the students' eligibility for a Perkins Loan. The Servicer provides a secondary review to protect the institution for improper payments. The service also prepares loan advance and maintains general ledger data for Perkins Loans.
- k. **XIV.B. Matching FSEOG.** The Servicer notifies the institution that the match is required and should be deposited in the account. Subsequently, the Servicer audits the match action when monthly bank statements are reconciled. The responsibility for depositing the match rests with the institution.
- l. **XV.B. Matching FWS.** The Servicer notifies the institution that the match is required and should be deposited in the account. Subsequently, the Servicer audits the match action when monthly bank statements are reconciled. The responsibility for depositing the match rests with the institution.
- m. **XVI.A.1. FFEL Determination of Eligibility and Completion of Application.** Approximately 70 percent of FFELs processed by the institutions served by Weber & Associates, Inc. have the Servicer complete the FFEL certification, review and needs analysis. The remainder completes their own FFEL's without assistance from the service. The Servicer determines eligibility and certifies all FFEL applications in its virtual process (see Note v).
- n. **XVI.2. Default reduction measures.** The Servicer provides only consultation on default reduction measures and has no other responsibilities.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

- o. **XVI.A.4. Loan Disbursement.** The Servicer has no responsibility for the disbursement of FFEL loans but does maintain a database of loan records for the institution.
- p. **XVI.A.5. EFT Roster Reconciliation.** This is primarily the institution's responsibility. The Servicer does handle SSCR reports for institutions, but the institution provides all information.
- q. **XVI.A.6. Eligibility for Disbursement.** This is the primary responsibility of the institution. The Servicer does provide guidance regarding the first disbursement. In the virtual process, this occurs through computer interaction with the institution (see Note v).
- r. **XVI.B.1 SSCR Completion.** SSCR data is collected and reported to the Servicer. The accuracy of the data is the sole responsibility of the institution. It is the servicer role to enter data for NSLDS and transmit it to the NSLDS and to monitor the return of accepted and erroneous data.
- s. **XVI.B.2. Change in Enrollment Status.** This is a primary responsibility of the institution. The Servicer handles the students change status report to submit data to the various Title IV programs.
- t. **XVI.C.1&2. Refund Policy and Refunds to Lenders.** Each of these is the primary responsibility of the institution. The Servicer provides ONLY consultation on these matters.
- u. **XVI. Federal Direct Loan Program**
 - A. Program Performance**
 - 1. Determination of Eligibility.** The institution has this primary responsibility. The Servicer provides only oversight in determining eligibility for loans.
 - 2. Entrance and Exit Counseling.** The institution has this primary responsibility. The Servicer provides only consultation on these matters.
 - 3.** Not applicable.
 - 4. Loan Disbursement.** The Servicer determines from institutional records that the disbursement has met all compliance requirements, and then makes the disbursement for Level 2 schools. Other levels, the disbursement is made by the LOC.
 - 5. Monthly Data Matching** is done by the Servicer with records provided by the institution and the service software.
 - 6. Reconciliation.** The Servicer reconciles FDSL DSL reports with the service records on a monthly basis.
 - B. FDLP Status Reporting**
 - 1. SSCR's & 2. Change in Status.** – The institution provides the source data and the service manages the software for the FDSL.
- v. The Servicer has developed and provides a combined approach to Financial Aid information gathering, processing, reporting, on-line student and administration information retrieval, and information storage known as the "Virtual Financial Aid Office" (VFAO). The Servicer represents that all representations and Footnotes above apply to the VFAO service, where indicated.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

SERVICER INFORMATION SHEET

Global Financial Aid Services, Inc.
 TEL. NO. (228) 523-1030
 FAX. NO. (228) 523-1730
 PRESIDENT: Mr. Edward J. Addison, Jr.
 CONTACT PERSON: Ms. Chyrl R. Ayers

DIVISION OF DUTIES FOR COMPLIANCE REQUIREMENTS

Compliance Requirement	Responsibility of Institution	Responsibility of GFAS, Inc.	Explanation of Divided Performance
I. Institutional Eligibility and Participation			
A. Participation Agreement/ECAR	X		
B. Legal Authorization	X		
C. Approved Locations	X		
D. Eligible Programs	X		
E. Accreditation	X		
F. Bonuses, Commissions, and Other Incentives Payments	X		
G. Student Recruiting and Admissions	X		
H. Zone Alternative	X		
I. TEACH Grant Eligibility and Administration	X		
J. Calculation of 90/10 Ratio	X		
K. Calculation of Other Institutional Eligibility Ratios	X		
2. Reporting			
A. Enrollment Reporting Roster File			
i. Completion	X		
ii. Changes in Enrollment Status	X		
B. FISAP		X	
C. Gainful Employment Reporting	X		

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

SCHEDULE OF SERVICER INFORMATION

YEAR ENDED JUNE 30, 2021

DIVISION OF DUTIES FOR COMPLIANCE REQUIREMENTS, (Cont'd)

Compliance Requirement	Responsibility of Institution	Responsibility of GFAS, Inc.	Explanation of Divided Performance
3. Student Eligibility			
A. Determining Eligibility	X	X	See Appendix A
B. Regular Student	X		
C. Enrolled in Eligible Program	X		
D. Citizenship	X	X	See Appendix A B
E. Social Security Number	X	X	See Appendix A,B
F. Not in Overpayment or Default Status	X	X	See Appendix A,B
G. Selective Service	X	X	See Appendix A,B
H. Academic Credentials	X	X	See Appendix A,B
I. SAR/ISIR		X	
J. Verification	X	X	See Appendix A,B
K. Prior Degrees	X		
L. Incarcerated Students	X		
M. Maintaining: Satisfactory Academic Progress	X	X	See Appendix A
N. Professional Judgment Decisions		X	
O. Dependency Overrides	X		
P. Financial Need	X		
Q. Calculating the Pell	X	X	See Appendix A
R. Calculation of Loan Amounts	X	X	See Appendix A
S. Master Promissory Note Confirmation Process	X		
T. PLUS Loan Amounts and Confirmation Process	X	X	See Appendix A
U. TEACH Grant	X	X	See Appendix A
V. IASG	X	X	See Appendix A
W. Attendance in Distance Education Program	X		
X. Student Confirmations	X		
4. Disbursements			
A. Confirming Student Eligible for each Disbursement	X	X	See Appendix A
B. Valid ISIR/SAR on file	X	X	See Appendix A
C. Determining Payment Period		X	
D. Entering COD data		X	
E. Early Disbursements	X		
F. Verification is Complete		X	
G. Notices	X		
H. Transfer Students	X	X	See Appendix A
I. FWS	X	X	See Appendix A
J. Initial Counseling	X	X	See Appendix A
K. Exit Counseling	X	X	See Appendix A
L. Delivering Credit Balances and Authorizations	X		
M. If Applicable, Maintaining SubsidiaryLedger for Students with Credit Balance	X		

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

DIVISION OF DUTIES FOR COMPLIANCE REQUIREMENTS, (Cont'd)

Compliance Requirement	Responsibility of Institution	Responsibility of GFAS, Inc.	Explanation of Divided Performance
5. Return of Title IV Funds			
A. Policy	X	X	See Appendix A
B. Determining Date of Withdrawal	X	X	See Appendix A
C. Post-Withdrawal Disbursements	X		
D. Return Calculations		X	
E. Overpayment Calculations	X	X	See Appendix A
F. Allocation of Return of Title IV Funds		X	
G. Timing of Returns of Title IV Funds	X		
H. Notifying Borrowers of Return of Loan Proceeds	X		
6. G5 and Cash Management			
A. Forecasting Cash Needs		X	
B. Withdrawing Federal Funds		X	
C. Disbursing Funds			
i. Posting Credits to Student Accounts	X		
ii. Making the Funds Available to the Student	X		
D. Returning Excess Funds		X	
E. Accounting For and Returning Interest Earnings		X	
F. Performing Monthly Direct Loan Reconciliations	X	X	See Appendix A
7. Perkins Loan Program			
A. Approving and Maintaining Deferment, Loan Cancellation, and Discharge for Death or Disability Documentation	X		
B. Perkins Master Promissory Notes	X		
C. Loan Status and Loan Balances in NSLDS	X		
D. Deferment of Loan Payments	X		
E. Billing and Collections	X		
F. Liquidations	X		
8. Administrative Requirements			
A. Written Procedures	X	X	See Appendix A
B. Direct Loan Quality Assurance System	X	X	See Appendix A
C. Satisfactory Academic Progress Measurements	X	X	See Appendix A
D. Reporting Change in Ownership	X		
E. Reporting Possible Illegal Conduct	X	X	See Appendix A
F. Perkins Loan and Grant Overpayments	X		
G. Annual Security and Fire Safety Reports	X		
H. Completion, Graduation, and Transfer-Out Rates	X		
I. Prospective Student Disclosures for Gainful Employment Programs	X		
J. Student Warnings for Gainful Employment Program Eligibility	X		

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF SERVICER INFORMATION
YEAR ENDED JUNE 30, 2021

DIVISION OF DUTIES FOR COMPLIANCE REQUIREMENTS, Continued

Compliance Requirement	Responsibility of Institution	Responsibility of GFAS, Inc.	Explanation of Divided Performance
9. Close Out Audit (If Applicable)			
A. Retaining and Storing of Records	X	X	See Appendix A
B. Collection of Outstanding Perkins Loans	X		
C. Continuing to Comply with Withdrawal Calculations during "Teach-Out" if applicable	X	X	See Appendix A
D. Returning Unexpended Title IV Funds to ED		X	
E. Returning to Direct Loan Proceeds Received, but not Delivered or Credited to Student Accounts	X		
F. Disbursements after Participation Ends	X		

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A

YEAR ENDED JUNE 30, 2021

FOOTNOTES

3. Student Eligibility:

- A. Determining eligibility - High school diploma or equivalent or ability to benefit - The Institution is responsible for determining that the applicant meets the Institution's admissions requirements. Global sets policy with each client concerning the documentation required for proof of high school completion, equivalent, and/or ability to benefit. The majority of Global's clients use the Attestation for high school diploma or GED certificate to allow the disbursement of Title IV funds and/or the certification/origination of FDSL loans. If the ISIR requires resolution on the information reported for a high school diploma or GED certificate, Global reports the diploma, transcript or GED certificate as missing in the reporting system until a copy is received at Global. Global requires that the Institution that admits ATB students document that the student meets the necessary regulations and the Institution must send in a copy of the test and results. Global reviews the test and results to ensure the test is valid and the student passed the test. Global estimates that our responsibility in this area is 50%.
- D-H. Citizenship; Social Security Number; Not in overpayment or default status; Selective service; Academic credentials - Global is responsible for review of the documentation related to resolution of Comment Codes prior to confirmation of FSA awards and disbursement; however, the Institution shares this responsibility by working with students to collect the documentation required for resolution of the comment code. Global estimates that our responsibility in this area is 50%.
- J. Verification - Global Financial Aid Services is responsible for review of the documentation related to resolution of Verification Categories prior to confirmation of FSA awards and disbursement; however, the Institution shares this responsibility by working with students to collect the documentation required for resolution of the comment code. The Institution is responsible for the collection and maintenance of the original documentation related to High School Validation and Proof of Statement of Educational Purpose. Global estimates that our responsibility in this area is 50%.
- M. Maintaining satisfactory academic progress - The Institution is responsible for reviewing each student's academic progress and ensuring the standards of satisfactory progress are met. Global accepts a (Yes) or (No) flag in the computer extract transmitted by the Institution or loaded into the SAINT demographic module for authorization to disburse Pell/Campus Based Program funds and/or to certify/originate FDSL loans. Global estimates that our responsibility in this area is 25%.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A, Continued
YEAR ENDED JUNE 30, 2021

3. Student Eligibility, Continued:

- Q. Calculating Pell - The Institution is responsible for review of COD History and NSLDS for prior funding limits. Any adjustment due to the prior funding is reported to Global for consideration in calculating the students' Pell awards. In addition, the Institution is responsible for the information provided in the academic extract: scheduled hours, cumulative hours and transfer hours that are utilized by Global to confirm and disburse the correct amount of Federal Pell. Global estimates that our responsibility in this area is 50%.
- R. Calculating loan amounts - The Institution is responsible for review of COD History and NSLDS for prior funding limits. Any adjustment due to the prior funding is reported to Global for consideration in calculating the students' Direct Loan eligibility. In addition, the Institution is responsible for the information provided in the academic extract: scheduled hours, cumulative hours and transfer hours that are utilized by Global to confirm, originate and disburse the correct amount of Federal Direct Loans. Global estimates that our responsibility in this area is 50%.
- T. Plus loan amounts and confirmation process - The Institution is responsible for collecting the necessary information from the parent, counseling the parent on their eligibility and providing the parent with the link to complete the PLUS MPN and Credit Check. If the parent is denied or requires a co-signer the Institution works with the parent to collect the necessary information. Global will review the PLUS loan amount and ensure eligibility for the amount requested, originate and report the disbursements through COD. Global estimates that our responsibility in this area is 50%.
- U. TEACH Grant - The Institution is responsible for determining eligibility and awarding the TEACH grant to qualifying students. The Institution is responsible for providing the student with the required documentation which includes TEACH Grant Counseling Documents and ensuring the student completes the "agreement to serve" on the website. The Institution awards the funds and notify Global to originate TEACH Grant and when to draw the funds. Global handles the reporting to COD. Global estimates that our responsibility in this area is 25%.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A, Continued
YEAR ENDED JUNE 30, 2021

3 Student Eligibility, Continued:

- V. ISAG - The Institution is responsible for determining a student qualifies for ISAG and collection of any documentation. The Institution awards the ISAG funds and submits to Global for review. Global reviews, confirms, originates and disburses as the student becomes eligible. Global estimates that our responsibility in this area is 25%.

4. Disbursements:

- A. Confirming Student Eligible for each disbursement - The Institution is responsible for the information provided in the academic extract that is utilized by Global to confirm and disburse the correct amount of all FSA funds. Global is responsible for utilizing the academic extract to create the check register and electronic files for upload into the Institution's academic system. Global estimates that our responsibility in this area is 50%.
- B. Valid ISIR/SAR on file - Global is the destination point for all Institution served as Back Office clients. Global stores all ISIR's in their electronic format for use by the Institution. The Institution is responsible for ensuring the connect ISIR is attached to the budget on which the awards are being based. Global is 100% responsible for the storage of the ISIR/SAR.
- H. Transfer students - The Institution is responsible for determining transfer hours and updating the academic extract with these accepted transfer hours. Global is responsible for reviewing and determining the impact of the transfer hours on the FSA awards or disbursements, as well as any impact to an open academic year. Global estimates that our responsibility in this area is 50%.
- I. FWS - The Institution is responsible for determining the students that participate in FWS, the positions, collection of any necessary documentation related to the FWS position, awarding the FWS funds and submitting timesheets to Global for reimbursement of FWS. Global assists the Institution with their job descriptions to ensure compliance with on campus, off campus, America Reads, etc. Global is responsible for reviewing, confirming, drawing, and reporting the expenditures of FWS. Global estimates that our responsibility in this area is 50%.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A, Continued
YEAR ENDED JUNE 30, 2021

4 Student Eligibility, Continued:

- J. Initial Counseling - The Institution is responsible for counseling with the student; however, Global provides the information in either electronic or paper format as an option for all institutions. Global reviews the documentation required for initial counseling to ensure the institution has discussed and obtained acknowledgement from the student. Global estimates that our responsibility in this area is 50%.
- K. Exit Counseling - The Institution is responsible for counseling with the student; however, Global does provide Exit Counseling for Institutions that select to participate in our Student Exit service (not all clients participate). Global estimates that our responsibility in this area is 50%.

5. Return of Title IV Funds (not all clients select this service):

- A. Policy - The Institution is responsible for publishing and providing the students with the Return of Title IV Policy. Global is responsible for ensuring that our Student Exit system is current with the requirements of the Return of Title IV policy and the calculations are accurate. Global estimates that our responsibility in this area is 50%.
- B. Determining date of withdrawal - The Institution is responsible for determining the date of withdrawal and providing to Global for processing. Global is responsible for processing the Return of Title IV calculation based off of the withdrawal date provided and ensuring there is not conflicting data provided in the documentation to support the date of withdrawal. If there is conflicting dates provided, Global rejects to the Institution for resolution. Global estimates that our responsibility in this area is 25%.
- E. Overpayment calculations - The Institution is responsible for providing Global with the data to determine if an overpayment exists. If an overpayment is discovered, then Global determines the amount of the overpayment and creates the necessary written notification to the institution and student. The Institution is responsible for determining resolution with the student and making the necessary reporting. Global estimates that our responsibility in this area is 25%.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A, Continued
YEAR ENDED JUNE 30, 2021

6. G5 and Cash Management:

- F. Performing monthly Direct Loan reconciliations - The Institution is responsible for reconciling the monthly reconciliations performed by Global to the students' accounts receivables ledgers to ensure accurate fund type, amount, and date of disbursement. Global is responsible for reconciling the reporting of the COD records' fund types, amounts and date of disbursement to their system and the funds drawn through G5. Global estimates that our responsibility in this area is 50%.

8. Administrative Requirements:

- A. Written procedures - The Institution is responsible for their internal policies and procedures related to processes not serviced by Global. Global is responsible for all policy and procedures related to usage of the software and services provided. The Institution agrees to adhere to the written policies and procedures related to the services provided by Global. Global estimates that our responsibility in this area is 50%.
- B. Direct Loan quality assurance system - Institution is responsible for ensure funds reported to COD are accurate on all eligible students. The Institution is responsible for reviewing and confirming the accuracy of the reconciliations performed monthly by Global. Global is responsible for reporting, reconciling and providing monthly reconciliations to the institutions. Global estimates that our responsibility in this area is 50%.
- C. Satisfactory academic progress measurements - The Institution is responsible for maintaining a compliant SAP policy for both qualitative and quantitative requirements. The Institution is responsible for providing the status of a student's satisfactory progress in the academic extract. Global is responsible for ensuring that academic record used for creation of the check register contains only students meeting satisfactory academic progress standards. Global estimates that our responsibility in this area is 25%.
- E Reporting possible illegal conduct - The Institution and Global are responsible for reporting any illegal conduct that is discovered in their daily processing of federal student aid. Global estimates that our responsibility in this area is 50%.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A, Continued
YEAR ENDED JUNE 30, 2021

9. Close Out Audit (If Applicable):

- A. Retaining and storing of records - The Institution would be responsible for making the arrangement for the financial aid records; however, Global would be responsible for providing the electronic records within our system to the necessary personnel. Global estimates that our responsibility in this area is 50%.

- C. Continuing to comply with the withdrawal calculations during "teach-out," if applicable - The Institution would be responsible for providing Global with the required information to perform the withdrawal calculation. Global would perform the withdrawal calculation and send out the exit counseling along with other documentation upon completion of the withdrawal. Global estimates that our responsibility in this area is 50%.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)

APPENDIX A, Continued
YEAR ENDED JUNE 30, 2021

3. Student Eligibility (Global CORE clients):

D-H. Citizenship; Social Security Number; Not in overpayment or default status; Selective service; Academic credentials - Global is responsible for review of the documentation related to resolution of Comment Codes prior to confirmation of FSA awards and disbursement for a very limited number of Global CORE Institutions; however, the majority of the Global CORE Institutions do not provide ISIR's to Global CORE for review of comment codes. The Institutions that elect this service share the responsibility by working with students to collect the documentation required for resolution of the comment code. Global estimates that our responsibility in this area is 25%.

J. Verification - Global is responsible for review of the documentation related to resolution of Verification Categories prior to confirmation being provided to the Institution to awards and disbursement FSA funds; however, the Institution shares this responsibility by working with students to collect the documentation required for resolution of the verification category. The Institution is responsible for the collection and maintenance of the original documentation related to High School Validation and Proof of Statement of Educational Purpose and confirming prior to awarding and disbursement of FSA funds. Global estimates that our responsibility in this area is 50%.

INTERNAL CONTROL AND COMPLIANCE REPORTS



Independent Auditor's Report on Compliance with Specified Requirements Applicable to
Student Financial Assistance Programs

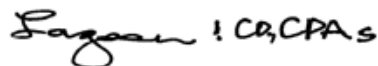
Board of Directors
Community Christian College
Redlands, California

We have examined management's assertion that Community Christian College complied with the specified compliance requirements of Institutional Eligibility and Participation, Reporting, Student Eligibility, Disbursements, Returns of Title IV funds, GAPS and Cash Management, Administrative Capability, and Close Out, as indicated in Section II of the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers* January 2000, relative to participation in the Federal Student Financial Assistance Programs during the year ended June 30, 2021. Management of Community Christian College is responsible for compliance with those requirements. Our responsibility is to express an opinion on management's assertions regarding Community Christian College's compliance based on our examination.

The audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, attestation standards established by the American Institute of Certified Public Accountants, and the Audit Guide, *Audits of Federal Student Financial Assistance Programs At Participating Institutions and Institution Servicers* January 2000, issued by the U.S. Department of Education, Office of the Inspector General, and accordingly, included examining, on a test basis, evidence about the compliance with those requirements and performing such other procedures as deemed necessary in the circumstances. We believe the examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Community Christian College's compliance with the specified requirements.

In our opinion, Community Christian College complied in all material aspects with the aforementioned compliance requirements for the year ended June 30, 2021.

This report is intended for information and use of the Board of Directors, management, and the U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

 L. Co. CPAs

Langwasser & Company, CPAs
Upland, California
July 30, 2021



Independent Auditor's 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 Directors
Community Christian College
Redlands, California

We have audited the financial statements of Community Christian College as of and for the year ended June 30, 2021, and have issued our report thereon dated July 30, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Community Christian College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Community Christian College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Christian College's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Christian College's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

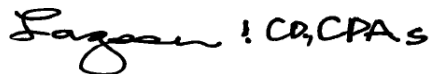
Management's Responsibility for Compliance

Compliance with certain provisions of laws, regulations, contracts and grant agreements related to the Project is the responsibility of Community Christian College's management.

Auditor's Responsibility

As part of obtaining reasonable assurance about whether Community Christian College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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.

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

 Langwasser & Company, CPAs

Langwasser & Company, CPAs
Upland, California
July 30, 2021



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Community Christian College
Redlands, California

Report on Compliance for Each Major Federal Program

We have audited Community Christian College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. Community Christian College's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the 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 Community Christian College's compliance.

Opinion on Each Major Federal Program

In our opinion, Community Christian 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, 2021.

Report on Internal Control Over Compliance

Management of the 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 the 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the College as of and for the year ended June 30, 2021, and have issued our report thereon dated July 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of

expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Langwasser & Company, CPAs

Langwasser & Company, CPAs
Upland, California
July 30, 2021

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

I. Summary of Auditor's Results

Financial Statements

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
• Noncompliance which is material to the financial statements noted?	No

Federal awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported

Type of auditor's report issued on compliance for student financial assistance programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None reported
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.007	Federal Supplemental Education Opportunity Grant
84.032	Federal Family Education Loans
84.033	Federal Work-Study (FWS) Program
84.063	Federal Pell Grant

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

Auditee qualified as a low-risk auditee: No

II. Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

None

III. Findings and Questioned Costs Relating to Federal Awards

None

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE YEAR
ENDED JUNE 30, 2021

Primary Reserve Ratio:

Expendable Net Assets:

Statement of Financial Position - Net assets without donor restrictions	Net Assets Without Donor Restrictions		2,164,051
Statement of Financial Position - Net assets with donor restrictions	Net Assets With Donor Restrictions	-	246,118
Statement of Financial Position - Related party receivable and Related party note disclosure	N/A	-	-
Statement of Financial Position -Contribution receivable, net and Related party note disclosure	N/A	-	-
Statement of Financial Position - Property, plant and equipment, net	Total Property and Equipment	185,921	
Note of the Financial Statements - Statement of Financial Positions- Property, Plant and Equipment - pre-implementation	N/A	-	-
Note of the Financial Statements - Statement of Financial Positions- Property, Plant and Equipment -post-implementation with outstanding debt for original purchase	N/A	-	-
Note of the Financial Statements - Statement of Financial Positions- Property, Plant and Equipment -post-implementation without outstanding debt for original purchase	N/A	-	-
Note of the Financial Statements - Statement of Financial Positions- Property, Plant and Equipment -Construction in progress	N/A	-	-
Statement of Financial Position - Lease right-of-use assets, net	N/A	-	-
Note of the Financial Statements - Statement of Financial Positions- Lease right-of-use asset pre-implementation	N/A	-	-
Note of the Financial Statements - Statement of Financial Positions- Lease right-of-use asset post-implementation	N/A	-	-
Statement of Financial Position - Goodwill	N/A	-	-
Statement of Financial Position - Post-employment and pension liabilities	N/A	-	-
Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in progress	Long Term Liabilities	375,091	
Statement of Financial Position - Lease right-of-use of asset liability	N/A	-	-
Statement of Financial Position - Lease right-of-use of asset liability pre-implementation	N/A	-	-
Statement of Financial Position - Annuities	N/A	-	-
Statement of Financial Position - Term Endowments	N/A	-	-
Statement of Financial Positions - Life Income Funds	N/A	-	-
Statement of Financial Position - Perpetual Funds	N/A	-	-

Total Expenses and Losses:

Statement of Activities - Total Operating Expenses, (Total from Statement of Activities prior to adjustments)	Total Program Expense and Total Supportive Services		3,357,920
Statement of Activities Non-Operating (Investment return appropriated for spending), Investments, net of annual spending, gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split interest agreements and Other gains (Loss) - Total from Statement of Activities prior to adjustments)	Gain/(Loss) on Asset Disposition	-	(2,110)
Statement of Activities Non-Operating (Investment return appropriated for spending), Investments, net of annual spending, gain (loss)	N/A	-	-
Statement of Activities - Pension-related changes other than periodic pension	N/A	-	-

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE YEAR
ENDED JUNE 30, 2021

Equity Ratio:

Modified Net Assets:

Statement of Financial Position - Net Assets without Donor Restrictions	Net Assets Without Donor Restrictions		2,164,051
Statement of Financial Position - Total Net Assets with Donor Restriction	Net Assets With Donor Restrictions	-	246,118
Statement of Financial Position - Goodwill	N/A	-	-
Statement of Financial Position - Related party receivable and Related party note disclosure	N/A	-	-

Modified Assets:

Statement of Financial Position - Total assets	Total Assets		3,121,746
Note of the Financial Statements - Statement of Financial Positions- Lease right-of-use asset pre-implementation	N/A	-	-
Statement of Financial Position - Goodwill	N/A	-	-
Statement of Financial Position - Related party receivables and Related party note disclosure	N/A	-	-

Net Income Ratio:

Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets		1,717,596
Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Change in Net Assets		4,977,241

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
FINANCIAL RESPONSIBILITY COMPOSITE SCORE
YEAR ENDED JUNE 30, 2021

	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	0.72	3.00	40%	1.20
Equity Ratio	0.77	3.00	40%	1.20
Net Income Ratio	0.35	3.00	20%	0.60
Total (Rounded)			100%	3.00

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
FINANCIAL RESPONSIBILITY COMPOSITE SCORE
YEAR ENDED JUNE 30, 2021

Information used in determining Department of Education's Financial Responsibility Composite Score

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and non-profit institutions to annually submit audited financial statements to the Department of Education (ED) to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One of many standards which ED utilizes to gauge the financial responsibility of an institution is a composite of three ratios derived from an institution's audited financial statements.

i) Ratios

(1) The Primary Reserve Ratio

The Primary Reserve Ratio represents expendable net assets over total expenses.

Expendable net assets represent net assets without donor restrictions, plus net assets with donor restrictions, less net assets with donor restrictions restricted in perpetuity, less annuities, term endowments, and life income funds that are with donor restrictions related to purpose or passage of time, less intangible assets, less net property, plant and equipment, plus post-employment and defined benefit pension liabilities, plus all debt obtained for long-term purpose, not to exceed total net property, plant and equipment, less unsecured related party receivables.

Total expenses represent all expenses and losses without donor restrictions from the statement of activities and changes in net assets less any losses without donor restrictions on investments, post-employment and defined benefit pensions plans, and annuities.

(2) Equity Ratio

The Equity Ratio represents modified net assets over modified assets.

Modified net assets represent net assets without donor restrictions, plus net assets with donor restrictions, less intangible assets and unsecured related party receivables.

Modified assets represent total assets less intangible assets and unsecured related party receivables.

(3) Net Income Ratio

The Net Income Ratio represents the change in net assets without donor restrictions over total revenue without donor restrictions and gains without donor restrictions.

Change in net assets without donor restrictions represents the change in net assets without donor restrictions taken directly from the audited financial statements.

COMMUNITY CHRISTIAN COLLEGE (A Non-Profit Corporation)
FINANCIAL RESPONSIBILITY COMPOSITE SCORE
YEAR ENDED JUNE 30, 2021

Total revenue without donor restrictions and without donor restrictions is taken directly from the audited financial statements and includes net assets released from restrictions during the fiscal year plus total gains. With regard to gains, investment returns are reported as a net amount (interest, dividends, unrealized and realized gains (losses), net of external and direct internal return as a non-operating item without restrictions). Accordingly, these two amounts are aggregated to determine if there is a net investment gain or a net investment loss.

ii) Strength Factors

(1) Primary Reserve Ratio

10 x Primary Reserve Ratio result

(2) Equity Ratio

6 x Equity Ratio result

(3) Net Income Ratio

1+ (50 x Net Income Ratio result) for positive Net Income Ratios

1+ (25 x Net Income Ratio result) for negative Net Income Ratios

If the strength factor score for any ratio is greater than or equal to 3, the strength factor score for that ratio is 3.

If the strength factor score for any ratio is less than or equal to -1, the strength factor score for that ratio is -1.