

LARAMIE COUNTY COMMUNITY COLLEGE

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2021 AND 2020

Draft 11/7/2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Laramie County Community College
Cheyenne, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Laramie County Community College (the College) as of and for the years ended June 30, 2021 and 2020, and its discretely presented component unit, the Laramie County Community College Foundation (the Foundation), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2021 and 2020, and December 31, 2020 and 2019, respectively, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 20, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 60, the Schedule of the College's Contributions on page 61, and the Schedule of the College's Proportionate Share of the Total OPEB Liability on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The combining schedules and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Cheyenne, Wyoming

[REDACTED], 2021

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

The Management's Discussion and Analysis (MD&A) section of Laramie County Community College (the College) annual financial report provides an overview of the College's financial activities for the fiscal year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to financial statements, required supplementary information, and supplementary information. The MD&A is designed to focus on current activities, resulting changes, and current known facts. Comparable facts are given for fiscal years 2019, 2020, and 2021.

Laramie County Community College was created by the voters on May 21, 1968 to help fill the need for academic, career, and community service/continuing education in the county. Courses are offered that reflect the skills and knowledge required to function in a world that makes ever-increasing demands upon the individual. The College is dedicated to helping individuals prepare for careers, enjoy community life, and enrich leisure time by providing educational experiences.

To achieve these ends, the College provides programs in the following instructional areas: academic, preparing students for transfer to four-year institutions; career education, training students in programs up to two years in length to enter the world of work; and community education, consisting of non-credit courses and offering courses of general information, cultural opportunities, and professional and personal growth.

The College strives to be an educational institute for all people – whether they want to gain personal enrichment through a program of general education, obtain a certification of high school equivalency, develop skills in a technical program, or begin a college career leading to a bachelor's or higher degree.

The College's main campus is in Cheyenne, nestled along Crow Creek, on the high plains of southeastern Wyoming. Our location puts us at just over 6,000 feet above sea level. Cheyenne is the capital of Wyoming, with a population of about 64,000. Intersected by Interstate 25 and Interstate 80, Cheyenne is a major crossroad for the Rocky Mountain region and the western United States.

The College's Albany County Campus (ACC) is in Laramie, Wyoming, less than 10 minutes from downtown, the University of Wyoming, city offices, and county agencies.

Laramie, with a population of 32,380, is the county seat of Albany County, and is on the Laramie River in southeastern Wyoming, at the junction of Interstate 80 and US Route 287.

Using the Annual Report

The annual report follows the Independent Auditor's Report and the MD&A. The annual report consists of required financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, and other supplementary information.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Required Financial Statements

There are three basic financial statements that are required to provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Notes to the financial statements are also part of the required financial statements. A brief description of each statement follows:

The *Statement of Net Position* includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. It is prepared using the economic resource measurement and accrual basis of accounting. It presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College at a point in time. Its purpose is to present a financial snapshot of the College. The difference between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources is net position, which is one indicator of the current financial condition of the College. The change in net position also indicates whether the College's overall financial condition has improved or worsened during the year.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents the total revenues earned and expenses incurred by the College for operating, nonoperating, and other related activities during a period of time. Its purpose is to assess the College's operating results. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation allocating the cost of an asset over its expected useful life. The seven community colleges in Wyoming met as a group and agreed upon a uniform useful life policy for each asset type. The original value of the buildings was based on actual cost rather than market value.

The *Statement of Cash Flows* presents cash receipts and payments of the College during a period of time. Its purpose is to assess the College's ability to generate future net cash flows and meet its obligations as they come due.

Notes to the Financial Statements present additional information to support the financial statements and are commonly referred to as note(s). Their purpose is to clarify and expand on the information in the financial statements.

The Statement of Financial Position and the Statement of Activities for the Laramie County Community College Foundation (the Foundation) reflect the audited financial information as of December 31, 2020. Although the inclusion of these figures in our financial report is required by GASB Statement No. 39, they are not included in this MD&A. If there are questions regarding this information, contact the Foundation at 1400 East College Drive, Cheyenne, Wyoming 82007.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

During fiscal year 2006, the Laramie County Community College Building Authority (the Authority) was formed for the financing of the construction of a new residence hall. In subsequent years, the Authority financed a dining facility in 2009, refunded the bonds held by the Foundation for the ACC Building in 2012, refunded the 2005 Series bonds in 2015, and refunded the 2009 bonds in 2016. The Authority's financial statements are included in this report as a blended component unit of the College. For an itemized detail of each entity, please refer to the Combining Schedule of Net Position and Combining Schedule of Revenues, Expenses, and Changes in Net Position included in the Supplementary Information section of this report.

Supplementary Information

Required supplementary information includes the following: the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of the College's Contributions, the Schedule of the College's Proportionate Share of the Total OPEB Liability, and Notes to Required Supplementary Information.

Supplementary information includes the following: the Combining Schedule of Net Position; the Combining Schedule of Revenues, Expenses, and Changes in Net Position; the Schedule of Expenditures of Federal Awards; and Notes to Schedule of Expenditures of Federal Awards.

Assets

Current Assets

	2019	2020	2021
Cash and cash equivalents	\$ 12,054,336	\$ 8,310,925	\$ 18,648,931
Restricted cash	-	2,456,943	768
Restricted cash held by others	1,909,883	-	196,787
Investments	5,326,030	5,476,014	5,547,897
Accounts receivable, net	3,562,337	4,741,476	3,443,355
Property taxes receivable	15,206,012	16,411,464	15,492,451
Prepaid expense	22,144	98,641	36,064
Total current assets	\$ 38,080,742	\$ 37,495,463	\$ 43,366,253

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Cash, cash equivalents, investments, and restricted cash held by others

Cash and cash equivalents consist of cash in the College bank accounts, the Authority bank accounts, short-term investments, and register cash and petty cash drawers maintained on campus. Investments include secured (Federal Deposit Insurance Corporation or collateralized) certificates of deposit and trust accounts held in local banks. The increase in cash and cash equivalents for 2021 is mainly due to reserves replenishing from the Performing Arts Complex and timing of the conversion of accounts receivable to cash and the release of restricted cash. The decrease in 2020 is mainly due to funds moved to restricted cash and using cash reserves to build the Performing Arts Complex. Cash held by others are funds deposited with the Wyoming State Construction Management Division in connection with the construction of the Fine Arts renovations.

Accounts receivable

Accounts receivable include credit and non-credit student tuition and fee billings, inter-fund transactions between the College and the Foundation, accrued interest, student sponsorships, student housing rent and board, state appropriations, grant awards, financial aid and scholarships, summer housing, and other miscellaneous operational transactions. Accounts receivable increased in 2020 due to late receipt of Spring Foundation Scholarships of \$835,000. The decrease in 2021 was due to using Higher Education Emergency Relief Fund (HEERF) funds for Spring 2021 student accounts due and Spring Foundation Scholarships received before year-end.

Property taxes receivable

The property taxes receivable for fiscal year 2020 increased when compared to fiscal year 2019 due to a 7.32% increase in valuation. The fiscal year 2021 valuation decreased due to reductions of oil production during COVID. The total approved mill levy for next year is 7.05 mills (five mills for operations, one mill for the Performing Arts Complex, and 1.05 mills for debt service).

Prepaid expense

Prepaid expense consists of prepaid food services vendor payments.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Noncurrent Assets

	2019	2020	2021
Restricted cash	\$ 197,874	\$ 249,226	\$ 261,036
Restricted and designated investments	3,381,792	3,675,059	3,569,851
Capital assets, net of accumulated depreciation	100,987,269	127,764,178	139,658,713
Investments held by others	13,654,299	13,804,307	16,699,584
Total noncurrent assets	118,221,234	145,492,770	160,189,184
 Total assets	 \$ 156,301,976	 \$ 182,988,233	 \$ 203,555,437

Noncurrent restricted cash

Restricted cash consists of funds with the Authority for future bond payments.

Restricted investments

Restricted investments are investments belonging to the Authority. They are classified as noncurrent restricted because the investment is restricted to Series 2005 bonds (residence halls – refunded by Series 2015 bonds), Series 2009 BAB (dining facility/residence hall refunded by Series 2016 bonds), Series 2012 bonds (refunded bonds for the ACC Building), and Series 2014 bonds (construction of the Pathfinder Building and the Flex Tech Building – fiscal year 2016) issuance restrictions. Both restricted cash and restricted investments were generated from proceeds of bond issuances.

Capital assets, net

Net capital assets include land, site improvements, infrastructure, buildings, equipment, library resources, and construction in progress. The amount reported is net of accumulated depreciation. The increase for fiscal year 2021 was a result of an increase in the construction in progress for the new Eagle Village residence hall. The increase for fiscal year 2020 was a result of an increase in the construction in progress for the new Eagle Village residence hall and new business building exterior. Please see Note 3 to the financial statements for additional information relating to capital assets.

Investments held by others

This category reflects the amount invested and held by the Foundation, as custodian for the College. The investments were funded by the State of Wyoming Endowment Challenge Grant. Fiscal years 2019, 2020 and 2021 had changes due to changes in market valuations of investments that the Foundation manages. See State of Wyoming endowment appropriation in the nonoperating revenues (expenses) section below. All endowment funds given by the state must be booked as revenue by the College and shown as an asset on the College books.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Deferred Outflows

Deferred outflows of resources can be defined as an outlay of resources by the College that is applicable to a future reporting period (for example, advance payments or credits to accounts). The pension-related outflows continue to change, mostly due to the differences in projected and actual investment earnings and changes to assumptions.

Other postemployment benefits (OPEB)-related outflows continue to change due to the expanding difference between the actual and expected experience of the average future working life expectancy. See Note 8 to the financial statements for more detail.

	2019	2020	2021
Deferred outflows:			
Pension-related outflows	\$ 5,848,641	\$ 2,631,243	\$ 1,929,962
OPEB-related outflows	4,027,440	3,572,119	8,757,690
Bond modification	16,146	13,020	9,843
Total deferred outflows	\$ 9,892,227	\$ 6,216,382	\$ 10,697,495

Liabilities

Definition of Current and Noncurrent Liabilities

Current liabilities are those items that will be paid during the 12-month period immediately following the fiscal year-end. Noncurrent liabilities are those items that are due beyond the 12-month period.

Current Liabilities

	2019	2020	2021
Accounts payable	\$ 2,309,046	\$ 2,925,434	\$ 1,712,588
Payroll and related liabilities	1,411,595	1,593,434	1,443,533
Accrued compensated absences	975,896	1,109,619	1,087,061
Accrued interest payable	101,842	91,410	80,169
Advance tuition payments	153,223	162,708	132,718
Custodial deposits	1,891,149	812,300	1,097,112
Capital lease obligation	28,655	29,802	-
Current maturities of line of credit	-	1,800,000	-
Current maturities of bonds payable	3,039,560	3,120,772	3,186,294
Total current liabilities	\$ 9,910,966	\$ 11,645,479	\$ 8,739,475

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Accounts payable

Accounts payable include amounts due at June 30 for goods and services received prior to the end of the fiscal year, funds held for others (Auxiliary Funds), and amounts due to others. Fiscal year 2021 had a decrease due to most construction projects nearing completion at year-end. Fiscal year 2020 had an increase due to payables for construction of the Eagle Village residence hall and other construction.

Payroll and related liabilities

Payroll and related liabilities include July and August academic contract salaries, benefits, and unemployment that have been earned and are payable for the 2020/2021 academic year. Fiscal year 2021 liabilities are comparable to prior years.

Accrued interest payable

Accrued interest payable is the amount of interest accrued from the date of the last payment to year-end for the below-mentioned capital lease obligations and bonds payable.

Advanced tuition payments

Advanced payments for tuition and fees represent the portion of the summer term that occurs after the fiscal year-end but were collected prior to June 30.

Custodial deposits

Custodial deposits represent the amounts that the College holds for the Agency Funds, including student fees (income and expense) equity. The decrease in custodial deposits during 2020 resulted from the use of accumulated funds for ACC activities. The increase in 2021 was due to lower-than-expected spending based on the canceled activities due to COVID.

Capital lease obligation

The Nimble storage lease was paid in full during 2021.

Current maturities of bonds payable

The current maturities of bonds payable refer to the amount to be repaid in the next 12-month period for bonds associated with the residence hall, dining facility, and ACC Building in the Authority. A bond issue held by the College was issued in the fall of 2014 for the construction of the Pathfinder Building and the Flex Tech Building.

Current Maturities of Line of Credit and Noncurrent Liabilities

In fiscal year 2021, the College did draw on the line of credit to provide funding for the fine arts project but the line was paid by year-end.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

	2019	2020	2021
Liability for voluntary termination	\$ 391,391	\$ 804,338	\$ 654,545
Accrued compensated absences	291,501	331,444	324,706
Capital lease obligation	29,801	-	-
Note payable	1,807,829	22,226,733	30,995,561
Long-term bonds payable	25,886,509	22,765,737	19,579,443
Line of credit	-	200,000	-
Net pension liability	21,966,597	17,885,594	16,701,283
Total OPEB liability	19,524,422	17,853,033	24,994,575
Total noncurrent liabilities	69,898,050	82,066,879	93,250,113
Total liabilities	\$ 79,809,016	\$ 93,712,358	\$ 101,989,588

Liability for voluntary termination

The liability for voluntary termination refers to the Transitional Opportunity Plan (TOP) liability. The balance will vary from year to year based on the entrance of new individuals and the reductions of amounts owed to past participants. To be eligible for TOP, an employee must have begun employment with the College prior to April 11, 1991, and must be paid by current funds for a five-year period.

Accrued compensation absences

The liability for accrued compensation is associated with vacation that has been earned but not taken. It is comparable with prior years.

Capital lease obligation

This liability is the portion of the leases that are to be paid in a time period longer than the next 12 months.

Note payable

This liability is the amount owed to the State of Wyoming for the financing of the Eagle Village residence halls.

Long-term bonds payable

The long-term maturities of bonds payable refer to the amount to be repaid in a time period longer than the next 12 months for bonds associated with the residence hall, dining facility, and the ACC facility in the Authority, as well as the new construction of the College. The balance will decrease over time as the bonds are paid off.

Please see Note 4 to the financial statements for additional information relating to the capital lease obligation, note payable, and long-term bonds payable.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Line of credit

The line of credit represents amounts owed to a financial institution for bridge financing received for construction of the Performing Arts Complex. The line was paid in full at year-end.

Net pension liability

This line item is the College's share of the liability of an under-funded pension plan administered by the State of Wyoming. The College cost-shares with other Wyoming participants in a statewide retirement plan to provide a defined benefit retirement plan to its employees. Please see Note 6 to the financial statements for additional information relating to this liability.

Total OPEB liability

This line item is the College's share of the liability of an under-funded OPEB plan administered by the State of Wyoming. The College cost-shares with other Wyoming participants in a statewide health insurance plan to provide a health insurance benefit plan to its retired employees. Please see Note 8 to the financial statements for additional information relating to this liability.

Deferred Inflows

Deferred inflows of resources can be defined as an acquisition of resources by the College that is applicable to a future reporting period (for example, unavailable property tax revenue).

	2019	2020	2021
Deferred inflows:			
Unavailable property taxes	\$ 14,296,108	\$ 15,209,377	\$ 13,610,949
Pension-related inflows	533,531	3,025,427	3,806,808
OPEB-related inflows	2,476,304	4,761,981	3,977,556
Total deferred inflows	\$ 17,305,943	\$ 22,996,785	\$ 21,395,313

Unavailable Property Taxes

Unavailable property tax revenue is reflective of the amount that becomes revenue in the subsequent fiscal year on the levy date (second Tuesday in August). See the property taxes receivable section above for a discussion of the fiscal year 2020 increase and fiscal year 2021 decrease.

Pension-Related Inflows

Deferred inflows of resources can be defined as an inflow of resources by the College that is applicable to a future reporting period (for example, advance changes to account share). When a change (increase or decrease) in the proportional share of the net pension liability of the College to the other participants in the pension plan or a difference between expected and actual experience occurs, it must be recorded as a deferred inflow or outflow and amortized over the applicable period. Please see Note 6 to the financial statements for additional information relating to this liability.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

OPEB-Related Inflows

Deferred inflows of resources can be defined as an inflow of resources by the College that is applicable to a future reporting period (for example, advance changes to account share). When a change (increase or decrease) in the proportional share of the net OPEB liability of the College to the other participants in the OPEB plan or a difference between expected and actual experience occurs, it must be recorded as a deferred inflow or outflow and amortized over the applicable period. Please see Note 8 to the financial statements for additional information relating to this liability.

Net Position

Net position is equal to College assets plus deferred outflows minus liabilities and deferred inflows. Net position is classified in three types: Net Investment in Capital Assets, Restricted, and Unrestricted.

	2019	2020	2021
Net investment in capital assets	\$ 69,294,698	\$ 75,679,049	\$ 85,574,513
Restricted for:			
Non-expendable (endowment)	9,961,032	9,961,032	10,011,836
Expendable:			
Scholarships, research, instruction, and other	112,198	565,047	929,489
Capital projects and asset purchases	7,301,079	4,663,292	4,711,786
Unrestricted	(17,589,763)	(18,372,948)	(10,359,593)
Total net position	\$ 69,079,244	\$ 72,495,472	\$ 90,868,031

Analysis of Net Position – Restricted and Unrestricted Type

Restricted non-expendable

These funds are not available. They represent funds that have been received and/or are due from the State of Wyoming for the Endowment Challenge Grant and the Excellence in Higher Education Endowment Grant.

Restricted expendable

Restricted expendable assets are those items restricted in use by parties external to the College such as granting agencies.

Restricted for capital asset

Restricted for capital asset purchases refer to funds that have been restricted specifically for purchases of capital assets, including equipment, building improvements, site improvements, infrastructure improvements, and buildings.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Unrestricted

Unrestricted net position represents those balances received from operational activities that have not been restricted by parties external to the College (such as granting agencies). This includes funds that have been designated by the governing board for specific purposes, as well as amounts that have been contractually committed for goods and services which have not yet been received.

Revenues

Operating Revenues

	2019	2020	2021
Tuition and fees, net of scholarship allowances of \$1,354,169 for 2019, \$1,131,401 for 2020, and \$344,812 for 2021	\$ 9,622,137	\$ 11,113,158	\$ 10,536,340
Federal grants and contracts	1,502,759	2,681,135	901,131
State and local grants and contracts	776,731	914,633	1,282,926
Auxiliary enterprise charges, net of scholarship allowances of \$250,851 for 2019, \$161,106 for 2020, and \$53,881 for 2021	3,608,525	2,878,585	2,655,574
Other operating revenues	251,970	252,717	143,136
Total operating revenues	\$ 15,762,122	\$ 17,840,228	\$ 15,519,107

Tuition and fees

This category includes all tuition and fees assessed for educational purposes. A scholarship allowance is applied to student accounts and is shown as a reduction of student tuition revenue. This discount is calculated using an approved formula designed to reflect other scholarship revenues and institutional scholarship expense used specifically for tuition and fees. For example, the College records funds received from the Pell student grant program as revenue. Those funds are then applied to student accounts in payment of tuition and fees, which are also included as revenue. Without this discount, student tuition revenues would be overstated by the double-counted amount.

After the scholarship allowance was applied to tuition, student tuition revenue for fiscal year 2019 was approximately 15.50% higher. Student fees were increased from \$48 to \$48.75 per credit hour for fiscal year 2017. Tuition and fee rates from 2019, 2020 and 2021 remained unchanged. The decrease in tuition in 2021 was due to decreased Spring 2021 enrollments due to COVID. The increase in tuition in 2020 was due to the release on the tuition cap and a reduction in the scholarship allowance.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Enrollment

Enrollment has continued to decrease from 2011 due to declining high school graduate classes in Wyoming. Enrollment is stable to slightly decreasing. The College has been working on recruiting and targeting the non-traditional students to come back to the College.

Enrollment History	Headcount				FTE			
Academic Year	SU	FA	SP	Annualized Total	SU	FA	SP	Annualized Total
2011-12	1,920	5,302	5,512	6,367.0	813.80	3,888.33	3,963.09	4,332.61
2012-13	1,828	5,141	5,411	6,190.0	708.33	3,720.70	3,876.41	4,152.72
2013-14	1,541	4,894	4,901	5,668.0	606.93	3,552.80	3,515.41	3,837.57
2014-15	1,524	4,494	4,504	5,261.0	635.30	3,291.70	3,216.40	3,571.70
2015-16	1,380	4,288	4,430	5,049.0	561.90	3,223.80	3,145.10	3,465.42
2016-17	1,111	4,218	4,250	4,789.5	458.17	3,138.46	3,049.46	3,323.05
2017-18	1,168	4,260	4,343	4,885.0	469.00	3,045.00	2,958.00	3,236.00
2018-19	1,078	4,235	4,260	4,786.5	419.25	3,024.00	2,958.54	3,200.90
2019-20	945	4,285	4,335	4,782.5	370.50	3,053.58	2,924.83	3,174.46
2020-21	870	3,868	3,559	4,148.5	360.83	2,788.58	2,503.92	2,826.67
1-Year Change	-7.9%	-9.7%	-17.9%	-13.3%	-2.6%	-8.7%	-14.4%	-11.0%
5-Year Change	-21.7%	-8.3%	-16.3%	-13.4%	-21.2%	-11.1%	-17.9%	-14.9%
10-Year Change	-54.7%	-27.0%	-35.4%	-34.8%	-55.7%	-28.3%	-36.8%	-34.8%

Grant and contract revenues

Grant and contract revenues include all restricted revenues from governmental agencies and private agencies. Grant revenues are recorded as the reimbursement of expenses associated with the grant. Fiscal year 2021 saw a decrease in grants due to the ending of the TRIO program and H-1B Job Training grants. See the Schedule of Expenditures of Federal Awards for information regarding nonoperating financial aid Federal grants and contracts (see the nonoperating revenues (expenses) section below as well).

Auxiliary enterprises

Auxiliary enterprises consist of various entities that exist primarily to furnish goods or services to students, faculty, staff, or the general public, and charge a fee directly related to the cost of those goods or services. These enterprises are intended to be self-supporting and include the bookstore and cafeteria commission income, rental of facilities, residence halls, summer housing, child care, and dental hygiene services. A scholarship allowance is applied to student accounts for those various enterprises and is shown as a reduction of these revenues. Fiscal years 2020 and 2021 saw a large decrease based on the closing/reduced occupancy of the residence halls, cafeteria, and the child development center due to COVID.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Other operating revenues

Other operating revenues comprise income from miscellaneous sources, including the collection of prior-year bad debts, gate receipts, exam lab, GED testing, and administration fees. Fiscal year 2021 is comparable to prior years with a slight decrease due to COVID conditions.

Expenses

Operating Expenses

	2019	2020	2021
Operating expenses by function:			
Academic support	\$ 6,288,649	\$ 6,291,172	\$ 7,881,028
Auxiliary enterprises	2,976,002	2,971,517	1,512,205
Depreciation	4,968,680	4,891,838	4,864,325
Institutional support	8,695,451	8,833,790	7,948,498
Instruction	20,657,458	22,216,383	20,122,649
Operation and maintenance of plant	4,933,396	6,633,900	7,129,404
Public service	412,070	369,738	304,457
Scholarships	6,364,792	7,872,660	10,650,814
Student services	4,999,350	5,422,654	4,922,385
Total operating expenses	60,295,848	65,503,652	65,335,765
Operating (loss)	\$ (44,533,726)	\$ (47,663,424)	\$ (49,816,658)

Operating expenses include salaries and benefits, goods and services provided to the College, institutional scholarships, and operations and maintenance of the plant. Health insurance benefits cost to the College held steady. Only a minimal number of new staff were added in fiscal years 2019, 2020 and 2021 because of budget constraints.

Pell grants of about \$3,500,000, and new Wyoming Coronavirus Aid, Relief, and Economic Security (CARES) Act grants of \$2,500,000 and HEERF grants of \$1,300,000, make up the bulk of scholarships for fiscal year 2021.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

The operating loss reflected is prior to the application of state and local revenues. The College is not intended to be self-supporting and, although tuition and fees are an important source of revenue, the College could not operate without funding from the Federal government, State of Wyoming, and Laramie County. The fiscal year 2021 operating loss increased by \$2,151,234 over fiscal year 2020. The increase was mostly due to reduced tuition and Federal grant revenue as expenses were closely monitored. The fiscal year 2020 operating loss increased by \$3,129,698 over fiscal year 2019. The increase was mostly due to the operation of the plant as several projects in construction in progress were expensed and 2020 saw an increase in wages due to the classification.

Nonoperating Revenues (Expenses)

	2019	2020	2021
Nonoperating revenues (expenses):			
Non-exchange Federal and state grants	\$ 5,071,834	\$ 5,975,763	\$ 15,772,254
State appropriations	26,249,973	26,324,230	25,492,506
Local appropriations	12,025,311	16,595,540	17,612,321
Investment income	1,072,707	1,480,998	3,324,303
Interest expense	(975,923)	(751,871)	(707,337)
(Loss) on disposal	(13,353)	(25,642)	-
Net nonoperating revenues	43,430,549	49,599,018	61,494,047
(Loss) income before other revenue, expenses, gains, or losses	(1,103,177)	1,935,594	11,677,389
State of Wyoming endowment appropriation	40,888	-	50,804
Capital gifts	3,154,918	450,000	675,000
Capital appropriations	2,500,000	1,030,634	5,969,366
Total other revenue, expenses, gains, or losses	5,695,806	1,480,634	6,695,170
Increase in net position	\$ 4,592,629	\$ 3,416,228	\$ 18,372,559

Nonoperating revenues are those revenues that are not directly generated through the operation of the College. Included are funds from the Federal government, State of Wyoming, Laramie County local property and vehicle taxes, interest income, and other miscellaneous sources.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Non-Exchange Federal and State Grants

Non-exchange funds are not direct payment for services or products. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Pell grants account for the majority of funds in this category, with \$3,592,604 and \$4,171,128 for fiscal years 2021 and 2020, respectively. This category also includes funds from the State of Wyoming for the Hathaway Scholarship Program of \$661,365 and \$945,367 for fiscal years 2021 and 2020, respectively. The state program provides merit and need-based awards to eligible Wyoming students. During 2021, the increase was due to Wyoming CARES grants of \$8,673,820, Governor's Emergency Education Relief Fund funding of \$1,142,395 and HEERF funding of \$5,280,099.

State Appropriations

A funding formula is used to determine the College portion of total community college state appropriations and is based on a comparison to the other six community colleges in Wyoming. There has been a slight decrease in enrollment as compared to other colleges and an increased employee benefit appropriation. State appropriations for fiscal years 2021 and 2020 are consistent with fiscal year 2019. 2021 had a slight decrease due to state reductions of budget.

Local Taxes – Assessed Valuation

A history of the assessed valuations for the Laramie County Community College District (the District), the City of Cheyenne, and the State of Wyoming is set forth in the following table:

Tax Year	District	City of Cheyenne	State of Wyoming
2021	\$ 1,930,631,036	\$ 822,759,799	\$ 19,898,827,361
2020	2,223,593,159	774,126,602	22,474,581,426
2019	2,071,909,677	734,748,763	22,797,760,768
2018	1,664,944,741	685,730,266	20,781,559,130
2017	1,449,087,507	663,837,566	18,825,099,205
2016	1,391,787,844	608,842,611	20,932,788,556
2015	1,384,962,686	602,206,337	26,067,281,969

Source: Annual Reports of the Wyoming Department of Revenue; Laramie County Assessor's Office

Local valuations have had stable growth with a reduction in 2021 due to lower oil production. Wyoming has had a slight decrease in valuation from the downturn of energy-related (coal, oil, and natural gas) industries' production and value.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Investment Income

A large portion of investment income is related to the investments held by the Foundation for the State Challenge Grant monies (\$3,360,577) and the remainder is from loss on the College's investments (\$37,142). The investment income includes recovery of economic losses from market downturns in prior years.

Interest Expense

Interest expense is the interest paid on the College capital leases and bond issues held by the Authority for the financing of College facilities.

Endowment Appropriation

Funds from a State-managed fund for scholarship endowment is appropriated by the State of Wyoming to the various colleges and university in Wyoming according to a prescribed formula. The appropriation varies with the performance of the state fund. See the investments held by others section above.

Capital Gifts

Capital gifts consisted of donations from the Foundation for the Performing Arts Complex.

Capital Appropriations

Capital appropriations consisted of additional state appropriations to assist in funding the remodel of the Ludden Library and fine arts building.

Factors Relevant to Future Operations

Coronavirus Pandemic

On or around December 31, 2019, a new and significant outbreak of pneumonia with an unknown source was detected in Wuhan City, Hubei Province, China. The cause associated with these cases was linked to a novel coronavirus disease later named COVID-19. Since the initial detection in China, COVID-19 then spread worldwide.

On January 30, 2020, the World Health Organization declared the outbreak a public health emergency of international concern. On January 31, 2020, the United States Department of Health and Human Services declared a national public health emergency. On March 13, 2020, Governor Gordon of Wyoming declared a state of emergency and a public health emergency. On March 18, 2020, the College paused all on-campus operations, except for critical infrastructure needs, and transitioned all classes to online and most all staff operations to remote working conditions.

By August 2021, campus operations normalized somewhat, whereby employees largely ceased remote working conditions and many classes returned to their pre-pandemic delivery methods. COVID-related protocols of mask mandates for employees when not socially distanced have continued, and the campus has pushed for higher COVID vaccination percentages.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

Additional Information

This financial report is designed to give its readers a general overview of the College's finances. Questions regarding information contained in this report, or requests for additional information, should be addressed to the College's Comptroller at 1400 East College Drive, Cheyenne, Wyoming 82007.

Draft 11/7/2021

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2 and 9)	\$ 18,648,931	\$ 8,310,925
Restricted cash (Note 2)	768	2,456,943
Restricted cash held by others (Note 2)	196,787	-
Investments (Note 2)	5,547,897	5,476,014
Accounts receivable, net	3,443,355	4,741,476
Property taxes receivable	15,492,451	16,411,464
Prepaid expense	36,064	98,641
Total current assets	43,366,253	37,495,463
Noncurrent Assets		
Restricted cash and cash equivalents (Notes 2 and 10)	261,036	249,226
Restricted and designated investments (Notes 2 and 10)	3,569,851	3,675,059
Capital assets, net of accumulated depreciation (Notes 3 and 5)	139,658,713	127,764,178
Investments held by others	16,699,584	13,804,307
Total noncurrent assets	160,189,184	145,492,770
Total assets	203,555,437	182,988,233
DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Outflows (Note 6)	1,929,962	2,631,243
OPEB-Related Outflows (Note 8)	8,757,690	3,572,119
Bond Modification	9,843	13,020
Total deferred outflows of resources	10,697,495	6,216,382

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION, *Continued*
June 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,712,588	\$ 2,925,434
Payroll and related liabilities	1,443,533	1,593,434
Accrued compensated absences (Note 4)	1,087,061	1,109,619
Accrued interest payable	80,169	91,410
Advance tuition payments	132,718	162,708
Custodial deposits (Note 9)	1,097,112	812,300
Capital lease obligation (Notes 4 and 5)	-	29,802
Current maturities of bonds payable (Note 4)	3,186,294	3,120,772
Current maturities of line of credit (Note 4)	-	1,800,000
Total current liabilities	8,739,475	11,645,479
Noncurrent Liabilities		
Liability for voluntary termination (Note 4)	654,545	804,338
Accrued compensated absences (Note 4)	324,706	331,444
Note payable (Note 4)	30,995,561	22,226,733
Long-term bonds payable (Note 4)	19,579,443	22,765,737
Line of credit (Note 4)	-	200,000
Net pension liability (Note 6)	16,701,283	17,885,594
Total OPEB liability (Note 8)	24,994,575	17,853,033
Total noncurrent liabilities	93,250,113	82,066,879
Total liabilities	101,989,588	93,712,358
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Taxes	13,610,949	15,209,377
Pension-Related Inflows (Note 6)	3,806,808	3,025,427
OPEB-Related Inflows (Note 8)	3,977,556	4,761,981
Total deferred inflows of resources	21,395,313	22,996,785
NET POSITION		
Net Investment in Capital Assets	85,574,513	75,679,049
Restricted for:		
Expendable:		
Scholarships	929,489	565,047
Capital projects	4,711,786	4,663,292
Nonexpendable	10,011,836	9,961,032
Unrestricted	(10,359,593)	(18,372,948)
Total net position	\$ 90,868,031	\$ 72,495,472

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE
COMPONENT UNIT – LARAMIE COUNTY COMMUNITY
COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,980,582	\$ 1,280,314
Receivables:		
Pledges receivable, net of allowance of \$18,306 and \$8,400, respectively	286,799	131,600
Other receivable	23,183	-
Total current assets	3,290,564	1,411,914
Noncurrent Assets		
Pledges receivable, net of allowance of \$77,794 and \$90,900, respectively, and discount of \$104,200 and \$145,100, respectively, less current portion	983,825	1,278,949
Property and equipment, net	66,743	66,875
Investments:		
Marketable securities (Note 2)	43,262,067	37,217,874
Other investments	3,665	3,665
Total noncurrent assets	44,316,300	38,567,363
Total assets	\$ 47,606,864	\$ 39,979,277
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 186,123	\$ 399,708
Noncurrent Liabilities		
Charitable gift annuity	167,675	176,774
Investments held for others (Note 2)	14,205,235	12,759,493
Total noncurrent liabilities	14,372,910	12,936,267
Total liabilities	14,559,033	13,335,975
Net Assets		
Without donor restrictions:		
Undesignated	2,134,093	1,144,759
With donor restrictions	30,913,738	25,498,543
Total net assets	33,047,831	26,643,302
Total liabilities and net assets	\$ 47,606,864	\$ 39,979,277

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Tuition and fees, net of scholarship allowances of \$344,812 and \$1,131,401, respectively (Note 1)	\$ 10,536,340	\$ 11,113,158
Federal grants and contracts	901,131	2,681,135
State and local grants and contracts	1,282,926	914,633
Auxiliary enterprise charges, net of scholarship allowances of \$53,881 and \$161,106, respectively (Note 1)	2,655,574	2,878,585
Other operating revenues	143,136	252,717
Total operating revenues	15,519,107	17,840,228
Operating Expenses (Note 12)		
Instruction	20,122,649	22,216,383
Public service	304,457	369,738
Academic support	7,881,028	6,291,172
Student services	4,922,385	5,422,654
Institutional support	7,948,498	8,833,790
Operation and maintenance of plant	7,129,404	6,633,900
Scholarships (Note 1)	10,650,814	7,872,660
Auxiliary enterprises	1,512,205	2,971,517
Depreciation	4,864,325	4,891,838
Total operating expenses	65,335,765	65,503,652
Operating (loss)	(49,816,658)	(47,663,424)
Nonoperating Revenues (Expenses)		
Nonexchange Federal and state grants	15,772,254	5,975,763
State appropriations	25,492,506	26,324,230
Local appropriations	17,612,321	16,595,540
Net investment income	3,324,303	1,480,998
Interest expense	(707,337)	(751,871)
Loss on disposal	-	(25,642)
Net nonoperating revenues	61,494,047	49,599,018
Income before other revenue, expenses, gains, or losses	11,677,389	1,935,594
Other Revenue, Expenses, Gains, or Losses		
State endowment appropriation	50,804	-
Capital gifts	675,000	450,000
Capital appropriations	5,969,366	1,030,634
Total other revenue, expenses, gains, or losses	6,695,170	1,480,634
Increase in net position	18,372,559	3,416,228
Net Position		
Beginning of year	72,495,472	69,079,244
End of year	\$ 90,868,031	\$ 72,495,472

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE
COMPONENT UNIT – LARAMIE COUNTY COMMUNITY
COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions		
Revenue, gains, and other support:		
Administrative fees	\$ 668,636	\$ 616,306
Investment income, net	928,117	980,941
Total revenue and gains without donor restrictions	1,596,753	1,597,247
Net assets released from restrictions	2,559,617	3,304,205
Total revenues, gains, and other support without donor restrictions	4,156,370	4,901,452
Expenses:		
Program services:		
College support	2,765,969	3,471,235
Management	204,913	182,001
Fundraising	196,154	227,605
Total expenses	3,167,036	3,880,841
Increase in net assets without donor restrictions	989,334	1,020,611
Changes in Net Assets With Donor Restrictions		
Contributions	5,237,580	2,609,680
Investment income, net	2,737,232	3,658,428
Net assets released from restrictions	(2,559,617)	(3,304,205)
Increase in net assets with donor restrictions	5,415,195	2,963,903
Increase in total net assets	6,404,529	3,984,514
Net Assets		
Beginning of year	26,643,302	22,658,788
End of Year	\$ 33,047,831	\$ 26,643,302

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Received from customers	\$ 16,787,238	\$ 16,670,574
Payments to employees and fringe benefits	(35,754,945)	(35,330,050)
Payments to vendors and suppliers	(12,521,801)	(14,484,828)
Payments for scholarships	(10,650,814)	(7,872,660)
Other receipts (disbursements)	284,812	(1,078,849)
Net cash (used in) operating activities	(41,855,510)	(42,095,813)
Cash Flows from Noncapital Financing Activities		
Nonexchange Federal and state grants	15,772,254	5,975,763
State appropriations	25,492,506	26,324,230
Local appropriations	16,932,906	16,303,357
State endowment appropriation	50,804	-
Net cash provided by noncapital financing activities	58,248,470	48,603,350
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	380,377	-
Cash paid for capital assets	(18,761,597)	(30,681,289)
Proceeds from note	8,768,828	20,418,904
Payments on line of credit	(2,000,000)	(500,000)
Proceeds from line of credit	-	2,500,000
Private gifts for capital construction	675,000	450,000
State appropriations for capital construction	5,969,366	1,030,634
Payment of bond principal	(3,120,772)	(3,039,560)
State endowment invested in Foundation	(2,895,277)	(150,008)
Principal paid on capital lease	(29,801)	(28,655)
Interest paid on capital lease and bonds	(646,285)	(690,311)
Net cash (used in) capital and related financing activities	(11,660,161)	(10,690,285)
Cash Flows from Investing Activities		
Sales of investments	3,040	-
Purchases of investments	-	(376,149)
Interest received on investments	3,354,589	1,413,898
Net cash provided by investing activities	3,357,629	1,037,749
Net increase (decrease) in cash and cash equivalents	8,090,428	(3,144,999)
Cash and Cash Equivalents		
Beginning of year	11,017,094	14,162,093
End of year	\$ 19,107,522	\$ 11,017,094

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS, *Continued* Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of Operating (Loss) to Net Cash (Used in)		
Operating Activities		
Operating (loss)	\$ (49,816,658)	\$ (47,663,424)
Adjustments to reconcile operating (loss) to net cash (used in)		
operating activities:		
Depreciation expense	4,864,325	4,891,838
Other	(69,118)	(43,225)
Changes in assets, liabilities, deferred inflows, and deferred		
outflows:		
Receivables, net	1,298,121	(1,179,139)
Prepaid items	62,577	(76,497)
Accounts payable and accrued liabilities	394,632	(906,417)
Advance tuition payments	(29,990)	9,485
Accrued compensated absences	(29,296)	173,666
Pension liability	(1,184,311)	(4,081,003)
Deferred outflows - pension	701,281	3,217,398
Deferred inflows - pension	781,381	2,491,896
OPEB liability	7,141,542	(1,671,389)
Deferred outflows - OPEB	(5,185,571)	455,321
Deferred inflows - OPEB	(784,425)	2,285,677
Total adjustments	7,961,148	5,567,611
Net cash (used in) operating activities	\$ (41,855,510)	\$ (42,095,813)
Noncash Capital and Related Financing Activities		
Unrealized (loss) gain on investments	\$ (27,016)	\$ 72,622
Capital asset additions in accounts payable	332,745	1,955,105

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Laramie County Community College (the College) is a public institution of higher education. The College's main campus is located in Cheyenne, Wyoming. It is governed by a Board of Trustees (the Board) comprising seven elected trustees and is subject to the laws of the State of Wyoming. The College was created in 1969 to serve the post-secondary educational needs of the citizens of Laramie County, Wyoming (the County). Since its inception, the College has grown to annually serve approximately 3,200 full-time equivalent students at four education centers in two counties. The College is a municipal corporation formed under and subject to the requirements of Wyoming State Statutes.

Reporting entity: As defined by accounting principles generally accepted in the United States of America established by the Government Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, the Laramie County Community College Foundation (the Foundation) and the Laramie County Community College Building Authority (the Authority).

The Foundation was organized to develop and sustain support for the College through the solicitation, management, and recognition of donations. The Foundation is dedicated to providing services and assistance to the students, faculty, staff, and community, thereby enhancing a sense of tradition and pride that will assist in advancing the College. The Foundation's year-end is December 31. The Foundation's Board of Directors comprises 16 members, including three College Board members and the College President.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. As such, certain presentation features are different from GASB presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Financial statements for the Foundation can be obtained by calling the Foundation at 307-778-5222.

The Authority was created on May 18, 2005 as a public benefit corporation financing construction, ownership, and operation of real and personal property to be used by the College. The Authority is a separate legal entity from the College but is considered a blended component unit of the College and is reported in its financial statements.

The Authority has authorized the issuance of bonds as necessary to provide sufficient funds for the construction and purchase of student dormitories, dining facility, and the Albany County Campus. Those bonds do not constitute a debt of the College or any political subdivision thereof.

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Cash equivalents: For purposes of the Statements of Cash Flows, the College considers all money market funds and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments: The College accounts for its investments at fair value, as determined by quoted market prices, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of net investment income in the Statements of Revenues, Expenses, and Changes in Net Position.

Fair value measurements: The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The College and the Authority have the following recurring fair value measurements as of June 30, 2021 and 2020:

- Money market funds of \$518,636 and \$949,770, respectively, are valued using quoted market prices (Level 1 inputs).
- Investments held by the Foundation of \$16,699,584 and \$13,804,307, respectively, and government agency obligations, corporate bonds, treasury bonds and notes, and government bonds of \$8,856,687 and \$8,386,438, respectively, are valued using significant other observable inputs (Level 2 inputs).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Level 2 valuations are based on quoted market prices for identical assets in less than active markets.

Accounts receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. The College considers all accounts receivable, except student receivables, to be fully collectible at June 30, 2021 and 2020; therefore, no allowance for doubtful accounts is deemed necessary.

Property tax receivable: Property tax receivable includes delinquent property tax receivable and property taxes assessed during the year, which will be levied and billed in the subsequent year.

Capital assets: The College records capital assets at cost at the date of acquisition or at fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Depreciation is computed using the straight-line method over the estimated useful lives of the assets: generally 40 years for buildings; 20 years for infrastructure and land improvements; and three to 14 years for furniture, fixtures, and equipment.

The College does not capitalize works of art or historical treasures that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Deferred outflows of resources: Deferred outflows are the consumption of net position by the College and the Authority that are applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time.

Compensated absences: Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued compensated absences in the Statements of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Position. Compensated absences other than vacation are nonvesting benefits and, accordingly, are reflected as expenses in the accompanying financial statements only when used.

Defined benefit pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS), and additions to/deductions from the WRS's fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment benefits other than pensions (OPEB): The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense associated with the State of Wyoming Employee Group Insurance Retiree Health Plan have been determined on the same basis as they are reported by the State of Wyoming. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Noncurrent liabilities: Noncurrent liabilities include estimated amounts for accrued compensated absences, capital lease obligation, bonds payable, notes payable, line of credit, the net pension liability, the total OPEB liability, and the liability for voluntary termination that will not be paid within the next fiscal year.

Deferred inflows of resources: Deferred inflows are the acquisition of net position by the College that are applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time.

Net position: The College's net position is classified as follows:

Net investment in capital assets: This represents the College's total investment in capital assets, net accumulated depreciation, outstanding principal of capital-related borrowings, and capital-related liabilities (including accounts payable and retainage payable) related to those capital assets.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

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

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

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state and local appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, and then unrestricted resources when they are needed.

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

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

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussions and Analysis – for State and Local Governments*, such as state and local appropriations and investment income.

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Property taxes: Property taxes are assessed as of January 1. Taxes are levied on or about August 1 and payable in two installments on November 1 and March 1. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County, including the College. The College's property tax revenues are recognized when levied.

Accounting estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Federal direct loans: The College makes loans to students under the William D. Ford Federal Direct Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students through institutions like the College. Direct student loan receivables are not included in the College's Statements of Net Position, as the loans are repayable directly to the U.S. Department of Education. In 2021 and 2020, the College received and disbursed \$3,897,155 and \$4,543,078, respectively, under the Federal Direct Loan Program on behalf of the U.S. Department of Education, which is not included as revenue or expense on the Statements of Revenues, Expenses, and Changes in Net Position due to the nature of the transaction.

Bond issuance costs: Bond issuance costs include underwriter discounts. Bond issuance costs are expensed in the period incurred.

Component unit – Laramie County Community College Foundation: A summary of the Foundation's significant accounting policies is as follows:

Basis of presentation: The Foundation has adopted FASB ASC Topic 958 as the basis of presentation of its financial statements. This Topic establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors. These also include Board-designated or -appropriated amounts.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; these restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds must be maintained in perpetuity.

It also requires the Foundation to distinguish between contributions received for each net asset category, in accordance with donor-imposed conditions.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Donor restrictions: Donors can change their designations from the different net asset classifications.

Cash and cash equivalents: For purposes of reporting cash flows, the Foundation considers all demand deposits, money market funds, and highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

The Foundation maintains its cash in bank deposit accounts that, at times, may exceed Federally insured limits. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments: The Foundation carries investments in marketable securities with readily determinable fair value and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in change in net assets in the accompanying Statements of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair value measurements: The Fair Value Measurements and Disclosures Topic of the FASB ASC establishes a framework for fair value measurement and disclosure. It requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Foundation has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the type of payor and service provided.

The Foundation has valued its investments utilizing the Level 1 approach, except for fixed-income investments, which were valued utilizing the Level 2 approach. Level 2 valuations are based on quoted market prices for identical assets in less than active markets.

	2020	2019
Level 1 investments	\$ 34,195,056	\$ 24,506,899
Level 2 investments	9,067,011	12,710,975
	<u>\$ 43,262,067</u>	<u>\$ 37,217,874</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Investment pool: The Foundation maintains master investment accounts for its donor-restricted endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated to the individual endowments based on the relationship of the value of each endowment to the total value of the master investment accounts, as adjusted for additions to or deductions from those accounts. These gains and losses are accounted for in the net assets with donor restrictions category that corresponds to each endowment unless the net assets with donor restrictions category corresponding to endowments is reduced to zero, at which time any remaining losses are allocated to net assets without donor restrictions.

Property and equipment: Property and equipment are stated at cost or, if donated, at the approximate fair value on the date of donation. Such donations are reported as without donor-restricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor-restricted support. Depreciation is recorded using the straight-line method over the estimated useful life. Software amortization is recorded over 36 months. Repairs are expensed as incurred. New equipment with an original cost of \$1,000 or more is capitalized.

Compensated absences: The Foundation's employees' vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued expenses on the Statements of Financial Position, and as a component of management and fundraising expenses on the Statements of Activities.

Revenue recognition: The Foundation recognizes revenue in accordance with ASC Topic 958 and ASC Topic 606, *Revenue from Contracts with Customers*. Accordingly, the Foundation evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution.

If the transfer of assets is determined to be an exchange transaction, the Foundation applies guidance under ASC Topic 606, which provides for a five-step model for recognizing revenue from contracts with customers, as follows:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as performance obligations are satisfied

If the transfer of assets is determined to be a contribution, ASC Topic 958 applies. Under ASC Topic 958, the Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Foundation is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Administrative fees: Administrative fee revenues are primarily from fees derived from the management of the Foundation's various endowments as well as development services, as follows:

Management fees: The Foundation charges an annual fee (transaction price) to each qualifying endowment, which is equal to 1% of the balance of the endowment at the end of each fiscal year. Satisfaction of this implicit contract between the endowment, the endowment donor and the Foundation occurs on an annual basis as the Foundation provides the various administrative tasks to maintain the endowment (performance obligation). Revenue is recognized at this time. The fee is deducted from the endowment balance.

Development services: Under a formal operating agreement between the Foundation and the College, the Foundation must provide the following services (performance obligation): the solicitation of funds to support the College and the management of solicited funds, which includes asset investment. The annual fee (transaction price) is fixed as explicitly stated in the operating agreement. The satisfaction of the performance obligation occurs on a monthly basis as the Foundation provides the various administrative tasks outlined in the operating agreement. Revenue is recognized at this time.

Contributions: The Foundation recognizes contribution income in accordance with ASC Topic 958. Unconditional promises to give are recognized as revenue or gain in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Depending on the existence or nature of any donor restrictions, unconditional contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. There were no conditional promises to give received by the Foundation during the years ended December 31, 2020 or 2019. The Foundation has estimated an allowance for the uncollectibility of unconditional contributions receivable.

Donated services and materials: To the extent that contributions of materials made to the Foundation are objectively measurable and represent program or support expenditures, they are reflected in the financial statements at their fair value. No amounts have been reflected in the statements for donated services since the services do not require specialized skills.

Donated assets: Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Allocation of expenses: The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. The expenses include salaries, benefits, professional fees, and certain other expenses. Expenses are allocated based on management's estimate of the relative attention and effort exerted toward specific functional areas.

Income taxes: The Foundation is an exempt organization for income tax purposes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities except for the last three years filed.

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

Note 2. Deposits with Financial Institutions and Investments

Laramie County Community College: Wyoming State Statute §9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to do business in the State of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of assets, including any bonds, debentures, and other securities in which the Wyoming State Treasurer may by law invest or a depository may pledge conventional real estate mortgages and notes connected with mortgages at a ratio of 1.5:1 of the value of public funds secured by the securities. The Authority is not an agency of the State and maintains its cash deposits at a financial institution in a money market fund invested in U.S. government securities.

College investment policy specifies that internally invested funds may be invested in a combination of U.S. Treasury bills, notes, bonds, U.S. government securities, bankers' acceptances, local government investment pools, time certificates of deposit (both commercial banks and savings and loan institutions), commercial paper, and corporate bonds. Investment goals for internally invested funds are designed to achieve a return that attains a market-average rate of return throughout budgetary and economic cycles, preserve the principal balance in the overall portfolio, and maintain liquidity to meet spending requirements. Custodial services are utilized to safeguard the assets and provide monthly reports.

It is the policy of the College to invest endowment funds under a memorandum of agreement with the Foundation.

Restricted cash: As a requirement of the 2014 Bond Issuance, the College was required to establish a mandatory maintenance and repair fund of not less than 7% of bond proceeds, for the specific purpose of maintenance, repair, and facility obsolescence for the buildings funded by the bond. As of June 30, 2021 and 2020, \$2,372,806 and \$2,421,975, respectively, remained in the maintenance and repair account, of which \$225,889 and \$200,135, respectively, is cash held at a financial institution in a money market fund invested in U.S. government securities. The remainder amount is included in investments.

As of June 30, 2021 and 2020, \$35,147 and \$49,091, respectively, was held in bond reserve money market funds for the Authority.

As of June 30, 2021 and 2020, the College had \$196,787 and \$0, respectively, held by the State of Wyoming for the purposes of construction of the Fine Arts Center.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits with Financial Institutions and Investments, *Continued*

Custodial credit risk: Custodial credit risk for deposits of the College and the Authority is the risk that, in the event of a bank failure, deposits may not be returned to them. At June 30, 2021 and 2020, the carrying amount of the College's demand deposits, including certificates of deposit treated as investments, was \$18,376,405 and \$8,110,680, respectively, and bank balances were \$19,628,388 and \$9,447,465, respectively, with Federal insurance and pledged securities totaling \$27,199,009 and \$15,981,848, respectively. At June 30, 2021 and 2020, the Authority held \$257,575 and \$199,794, respectively, in unrestricted money market mutual fund accounts secured by U.S. government securities.

Investments:

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Neither the College nor the Authority has a formal policy addressing interest rate risk.

As of June 30, the College had unrestricted investments with weighted-average maturities, as shown in the following tables:

2021			
	Cost	Fair Value	Weighted-Average Maturity (in Years)
Investment type:			
U.S. Treasury notes and bonds	\$ 500,473	\$ 506,730	2.05
Government agencies	2,140,766	2,135,547	1.87
Money market funds	261,061	261,061	-
Corporate bonds	2,612,614	2,644,559	1.72
	<u>\$ 5,514,914</u>	<u>\$ 5,547,897</u>	
2020			
	Cost	Fair Value	Weighted-Average Maturity (in Years)
Investment type:			
Certificates of deposit	\$ 15,000	\$ 15,000	-
U.S. Treasury notes and bonds	902,031	916,404	1.25
Government agencies	1,923,202	1,963,804	1.12
Money market funds	749,602	749,635	-
Corporate bonds	1,768,742	1,831,171	1.87
	<u>\$ 5,358,577</u>	<u>\$ 5,476,014</u>	

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits with Financial Institutions and Investments, *Continued*

As of June 30, the College and the Authority had restricted and designated investments with weighted-average maturities, as shown in the following tables:

		2021		Weighted-Average Maturity (in Years)
		Cost	Fair Value	
Investment type:				
Government agencies		\$ 3,205,478	\$ 3,569,851	6.1
2020				
		Cost	Fair Value	Weighted-Average Maturity (in Years)
Investment type:				
Government agencies		\$ 3,204,502	\$ 3,675,059	7.11

Credit risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Neither the College nor the Authority has a formal policy addressing credit risk. The College's investments in U.S. agencies all carry the explicit guarantee of the U.S. government. These instruments all have a AAA rating. The College's investments in corporate bonds have the following ratings as of June 30:

	Fair Value	
	2021	2020
Credit rating:		
AA+	\$ -	\$ 51,308
AA-	-	51,613
A+	270,314	227,553
A	230,280	301,948
A-	460,648	577,068
BBB+	1,367,489	569,706
BBB	265,646	-
NR	50,182	51,975
	\$ 2,644,559	\$ 1,831,171

Custodial credit risk: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the College or the Authority will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The College and the Authority do not have a formal investment policy for custodial credit risk. Investments are held in safekeeping by external custodians in the College's and the Authority's names.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits with Financial Institutions and Investments, *Continued*

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the College's and the Authority's investment in a single issuer. Concentration of risk is not formally addressed in the College's and the Authority's investment policy. As of June 30, 2021 and 2020, more than 5% of the College's and the Authority's investments are in U.S. Treasury notes and bonds and government-sponsored enterprises (Federal Housing Finance Agency, Federal Farm Credit, Fannie Mae, Freddie Mac). As of June 30, 2021, these U.S. Treasury notes and bonds are 5.56% and the government-sponsored enterprises are 62.57% of total investments. As of June 30, 2020, these U.S. Treasury notes and bonds are 10.01% and the government-sponsored enterprises are 61.62% of total investments.

Laramie County Community College Foundation: The carrying values and fair values of certificates of deposit and marketable securities for the Foundation are as follows at December 31:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Marketable securities:				
Alternatives	\$ 2,670,638	\$ 2,752,544	\$ 1,583,495	\$ 1,742,137
Equity, including mutual funds	20,491,275	27,897,090	16,257,664	20,263,641
Fixed income, including mutual funds	12,372,520	12,612,433	15,016,323	15,212,096
Total marketable securities	\$ 35,534,433	\$ 43,262,067	\$ 32,857,482	\$ 37,217,874

Concentration of credit risk: The Foundation's investment policy is as follows:

The investment portfolio should be adequately diversified to provide maximum earnings and safety of the corpus of the portfolio, and allow for expenditure needs. A mix of investments, both within managed mutual funds and for the entire portfolio, will be recommended by the investment manager at least annually.

The target allocation is as follows:

Target Allocation	Minimum	Target	Maximum
Fixed income:			
U.S. investment grade	20%	30%	40%
Equity	55%	65%	75%
Alternatives	0%	5%	10%

The equities total shall be the sum of all equities owned either as individual stocks or within mutual funds. At least one-half of the equity portfolio shall be invested in large capitalization stocks of the United States, with the remainder to be invested in small-medium capitalization stocks of the United States and large capitalization stocks of companies located outside the United States.

Interest rate risk: The Foundation is also exposed to investment fair value loss arising from increased interest rates. The Foundation's policy for fixed-income portfolios is as follows:

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits with Financial Institutions and Investments, *Continued*

U.S. fixed income – investment grade: The Foundation Board will be managing the U.S. fixed-income portfolio (i.e., debt issued by the U.S. government and its agencies, marketable corporate bonds, debentures, preferred stock, commercial paper, certificates of deposit). The investment manager will not be authorized to purchase securities classified as U.S. fixed income.

Prohibited investments: The Foundation Board will normally not authorize investment in the following asset categories:

- Venture capital
- Hedge funds
- Direct placement of mortgages
- Commodities
- Private placement or other securities not publicly traded
- Junk bonds
- Bonds used in leveraged buyouts
- Strips
- Residuals
- Real estate investment trusts

At December 31, the following tables show the fixed-income investments by type, amount, and maturity:

2020				
Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	More than 5
Government agencies	\$ 1,888,538	\$ 304,771	\$ 1,080,968	\$ 502,799
U.S. Treasury	765,593	765,593	-	-
Corporate bonds	6,190,599	2,465,942	3,724,657	-
Municipal bonds	222,281	-	-	222,281
	<u>\$ 9,067,011</u>	<u>\$ 3,536,306</u>	<u>\$ 4,805,625</u>	<u>\$ 725,080</u>

2019				
Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	More than 5
Corporate bonds	\$ 7,359,552	\$ 2,215,888	\$ 5,143,664	\$ -
Municipal bonds	246,887	-	-	246,887
	<u>\$ 7,606,439</u>	<u>\$ 2,215,888</u>	<u>\$ 5,143,664</u>	<u>\$ 246,887</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits with Financial Institutions and Investments, *Continued*

The distribution of quality rating of debt securities in the Foundation's investment portfolio at fair value as of December 31 is as follows:

	2020	2019
Quality rating:		
AA	\$ 1,898,719	\$ 307,042
A	1,793,187	2,814,693
BBB	2,200,790	2,665,811
NR	3,174,315	1,818,893
Total credit risk debt securities	\$ 9,067,011	\$ 7,606,439

Investments held for others: The Foundation received funds from the College to invest on its behalf pursuant to the requirements of the Wyoming Community College Endowment Challenge Program under Wyoming Session Laws, Chapter 117. Under the terms of this program, the Foundation has solicited contributions for its endowment funds. These contributions were reported to the State of Wyoming, which made a matching contribution to the College. The College invested these funds with the Foundation as required by Wyoming State Statutes. The Foundation is required to invest the money and use the investment earnings to fund endowments consistent with the original donor's intent.

As of December 31, 2020 and 2019, the Foundation held \$14,205,235 and \$12,759,493, respectively, of investments for the College.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Following are the changes in capital assets for the College for the years ended June 30:

	Balance June 30, 2020	Additions	Transfers	Retirements	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	41,269,079	16,655,312	(6,546,397)	(154,525)	51,223,469
Total capital assets not being depreciated	42,139,643	16,655,312	(6,546,397)	(154,525)	52,094,033
Other capital assets:					
Infrastructure	3,695,313	-	-	(617,174)	3,078,139
Land improvements	7,543,646	-	-	-	7,543,646
Buildings	137,459,343	-	6,546,397	(4,348,761)	139,656,979
Furniture, fixtures and equipment	11,198,273	483,925	-	(13,789)	11,668,409
Total other capital assets	159,896,575	483,925	6,546,397	(4,979,724)	161,947,173
Less accumulated depreciation for:					
Infrastructure	(2,583,778)	(95,113)	-	617,174	(2,061,717)
Land improvements	(3,707,166)	(305,688)	-	-	(4,012,854)
Buildings	(58,322,486)	(3,833,272)	-	4,136,698	(58,019,060)
Furniture, fixtures and equipment	(9,658,610)	(630,252)	-	-	(10,288,862)
Total accumulated depreciation	(74,272,040)	(4,864,325)	-	4,753,872	(74,382,493)
Other capital assets, net	\$ 85,624,535	\$ (4,380,400)	\$ 6,546,397	\$ (225,852)	\$ 87,564,680
Capital asset summary:					
Capital assets not being depreciated	\$ 42,139,643	\$ 16,655,312	\$ (6,546,397)	\$ (154,525)	\$ 52,094,033
Other capital assets, at cost	159,896,575	483,925	6,546,397	(4,979,724)	161,947,173
Total cost of capital assets	202,036,218	17,139,237	-	(5,134,249)	214,041,206
Less accumulated depreciation	(74,272,040)	(4,864,325)	-	4,753,872	(74,382,493)
Capital assets, net	\$ 127,764,178	\$ 12,274,912	\$ -	\$ (380,377)	\$ 139,658,713

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets, *Continued*

	Balance June 30, 2019	Additions	Transfers	Retirements	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	12,779,988	31,138,708	(2,649,617)	-	41,269,079
Total capital assets not being depreciated	13,650,552	31,138,708	(2,649,617)	-	42,139,643
Other capital assets:					
Infrastructure	3,695,313	-	-	-	3,695,313
Land improvements	7,543,646	-	-	-	7,543,646
Buildings	134,809,726	-	2,649,617	-	137,459,343
Furniture, fixtures and equipment	10,766,898	583,608	-	(152,233)	11,198,273
Library materials	199,165	-	-	(199,165)	-
Total other capital assets	157,014,748	583,608	2,649,617	(351,398)	159,896,575
Less accumulated depreciation for:					
Infrastructure	(2,488,665)	(95,113)	-	-	(2,583,778)
Land improvements	(3,401,479)	(305,687)	-	-	(3,707,166)
Buildings	(54,474,932)	(3,847,554)	-	-	(58,322,486)
Furniture, fixtures and equipment	(9,139,432)	(643,484)	-	124,306	(9,658,610)
Library materials	(173,523)	-	-	173,523	-
Total accumulated depreciation	(69,678,031)	(4,891,838)	-	297,829	(74,272,040)
Other capital assets, net	\$ 87,336,717	\$ (4,308,230)	\$ 2,649,617	\$ (53,569)	\$ 85,624,535
Capital asset summary:					
Capital assets not being depreciated	\$ 13,650,552	\$ 31,138,708	\$ (2,649,617)	\$ -	\$ 42,139,643
Other capital assets, at cost	157,014,748	583,608	2,649,617	(351,398)	159,896,575
Total cost of capital assets	170,665,300	31,722,316	-	(351,398)	202,036,218
Less accumulated depreciation	(69,678,031)	(4,891,838)	-	297,829	(74,272,040)
Capital assets, net	\$ 100,987,269	\$ 26,830,478	\$ -	\$ (53,569)	\$ 127,764,178

Note 4. Long-Term Liabilities and Subsequent Event

Bonds: The College issued \$25,000,000 of general obligation bonds on July 8, 2014 for the purpose of paying the costs of planning, designing, engineering, constructing, furnishing, and equipping a new Flex Tech Building and a new Student Center on the Laramie County Campus. The bonds are limited obligations of the College and do not constitute an obligation or guarantee of Laramie County, Wyoming, the State of Wyoming, or any political subdivision other than the College. The bond is secured by an ad valorem tax levied against all taxable property within the Laramie County Community College District (the District) without limitation of rate or amount. Should the tax for the payment of principal and interest on the bond at any time not be levied or collected in time to meet such payment, the principal or interest so maturing shall be paid out of the general fund of the College or from any other funds available for that purpose.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities and Subsequent Event, *Continued*

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2021
Series 2014 General Obligation Bonds	\$ 25,000,000	1.75%-4.0%	\$ 15,425,000

Aggregate maturities, including interest of \$2,657,627, required on the bonds at June 30, 2021 are as follows:

Years ending June 30:	Principal	Interest
2022	\$ 1,625,000	\$ 527,813
2023	1,700,000	487,188
2024	1,800,000	436,188
2025	1,850,000	377,688
2026	1,950,000	315,250
2027-2029	6,500,000	513,500
	15,425,000	\$ 2,657,627
Original issue premium	610,737	
	<u>\$ 16,035,737</u>	

The Authority issued \$9,360,000 of revenue bonds on September 1, 2005, \$8,110,000 of revenue bonds on July 15, 2009, \$2,815,000 of revenue bonds on November 6, 2012, \$6,510,000 of revenue bonds on September 1, 2015, and \$4,675,000 of revenue bonds on October 14, 2016. The bonds are limited obligations of the Authority and do not constitute an obligation or guarantee of the College or of its agencies or political subdivisions. The bonds are secured by the leased assets and repayments will be made through lease payments by the College for the use of the assets.

On September 1, 2015, proceeds from the Series 2015 Revenue Bonds were used to refinance the Series 2005 Revenue Bonds. The refinance resulted in an economic gain of \$1,471,238 and a net cash flow savings of \$1,742,314.

On October 14, 2016, proceeds from the Series 2016 Revenue Bonds were used to refinance the Series 2009 Revenue Bonds. The refinance resulted in an economic gain of \$963,036 and a net cash flow savings of \$943,210. The deferred inflows of resources will be recognized as an adjustment to interest expense through June 1, 2024.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities and Subsequent Event, *Continued*

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2021	Maturity
Series 2012 Revenue Bonds - Albany Campus	\$ 2,815,000	1.30%-3.10%	\$ 1,150,000	2025
Series 2015 Revenue Bonds - Residence Hall	6,510,000	0.75%-2.70%	3,455,000	2025
Series 2016 Revenue Bonds - Dining Facility	4,675,000	0.75%-1.95%	2,125,000	2024

Aggregate maturities, including interest of \$376,638, required on the bonds at June 30, 2021 are as follows:

Years ending June 30:	Principal	Interest
2022	\$ 1,440,000	\$ 148,041
2023	1,500,000	117,410
2024	2,000,000	82,793
2025	1,790,000	28,394
	<u>\$ 6,730,000</u>	<u>\$ 376,638</u>

Subsequent to year-end in August 2021, the Authority Board of Directors completed a resolution expressing the intent to issue \$6,800,000 in lease revenue bonds to be utilized in the renovation of the College's recreation and athletic complex.

Note payable: The College issued a \$30,000,000 promissory note payable to the State of Wyoming on October 4, 2018 for the design and construction of Eagle Village Residence Hall. The loan is secured by the assignment of all fee revenues generated from student dormitory room and board, as well as the accumulated fund balance reserves for fiscal years 2020-2025. Interest on the note is 2.5% annually. The note requires annual payments of principal and interest starting within one year of the final draw of funds, at which point accrued interest will be rolled into the balance and an amended note will be executed, inclusive of an amortization schedule detailing the required annual payment amount based on a 25-year maturity. The College has not started making payments as of June 30, 2021. The outstanding balance of the note at June 30, 2021 was \$30,995,561, including interest of \$1,015,683, which was recognized as an increase to the cost of the Residence Hall. The State of Wyoming authorized the College's total principal and interest balance to exceed the predetermined \$30,000,000.

Subsequent to year-end, the final draw of \$20,122 was made on the promissory note payable to the State of Wyoming. As a result, the College will begin making payments on the loan in August 2022.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities and Subsequent Event, *Continued*

Aggregate maturities based on the total draw amount, including interest of \$10,784,441, required on the promissory note in August 2021 are as follows:

	Principal	Interest
Years ending June 30:		
2022	\$ -	\$ -
2023	952,624	730,780
2024	942,124	741,281
2025	965,354	718,050
2026	989,158	694,247
2027-2031	5,323,893	3,093,130
2032-2036	6,013,441	2,403,583
2037-2041	6,792,298	1,624,726
2042-2046	7,672,032	744,992
2047	1,364,759	33,652
	<u>\$ 31,015,683</u>	<u>\$ 10,784,441</u>

Line of credit: The College entered into a line of credit with a financial institution for \$6,702,000 on March 3, 2019 for bridge financing associated with the construction of the Fine Arts Building. The line of credit is secured by the mill levy revenues approved as of the November 6, 2018 mill levy election, bears interest at 4.00%, and requires quarterly interest and semi-annual principal payments. The line of credit matures in October 2023. The outstanding balance on the line of credit at June 30, 2021 and 2020 was \$0 and \$2,000,000, respectively.

Legal debt margin: Wyoming State Statutes provide that the District shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein. As of June 30, 2021, the District's assessed valuation was \$1,930,631,036. The College has general obligation debt of \$16,035,737 as of June 30, 2021.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities and Subsequent Event, *Continued*

Total long-term liabilities: Long-term liability activity for the years ended June 30 is as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due within One Year
Bonds, notes, and capital lease obligations:					
General obligation bonds	\$ 17,746,509	\$ -	\$ (1,710,772)	\$ 16,035,737	\$ 1,746,294
Facility revenue bonds	8,140,000	-	(1,410,000)	6,730,000	1,440,000
Line of credit	2,000,000	-	(2,000,000)	-	-
Note payable	22,226,733	8,768,828	-	30,995,561	-
Capital lease	29,802	-	(29,802)	-	-
Total bonds, notes, and capital lease obligations	50,143,044	8,768,828	(5,150,574)	53,761,298	3,186,294
Other liabilities:					
Liability for voluntary termination	804,338	664,720	(814,513)	654,545	-
Accrued compensated absences	1,441,063	702,884	(732,180)	1,411,767	1,087,061
Total other liabilities	2,245,401	1,367,604	(1,546,693)	2,066,312	1,087,061
Total long-term liabilities	\$ 52,388,445	\$ 10,136,432	\$ (6,697,267)	\$ 55,827,610	\$ 4,273,355

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due within One Year
Bonds, notes, and capital lease obligations:					
General obligation bonds	\$ 19,396,069	\$ -	\$ (1,649,560)	\$ 17,746,509	\$ 1,710,772
Facility revenue bonds	9,530,000	-	(1,390,000)	8,140,000	1,410,000
Line of credit	-	2,500,000	(500,000)	2,000,000	1,800,000
Note payable	1,807,829	20,418,904	-	22,226,733	-
Capital lease	58,456	-	(28,654)	29,802	29,802
Total bonds, notes, and capital lease obligations	30,792,354	22,918,904	(3,568,214)	50,143,044	4,950,574
Other liabilities:					
Liability for voluntary termination	391,391	611,868	(198,921)	804,338	-
Accrued compensated absences	1,267,397	928,477	(754,811)	1,441,063	1,109,619
Total other liabilities	1,658,788	1,540,345	(953,732)	2,245,401	1,109,619
Total long-term liabilities	\$ 32,451,142	\$ 24,459,249	\$ (4,521,946)	\$ 52,388,445	\$ 6,060,193

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Leases

In previous years, the College entered into three separate capital lease arrangements with the Authority for use of the Albany County Campus, dining facility, and residence halls. All leased assets were capitalized at the present value of future minimum lease payments and are depreciated on a straight-line basis. All lease obligations were eliminated in consolidation. Pertinent details for each capital lease agreement are as follows:

	Albany County Campus	Dining Facility	Residence Halls
Remaining obligation at June 30, 2021	\$ 760,420	\$ 1,666,601	\$ 2,675,554
Interest rate	2.890%	4.491%	2.020%
Required payments	Biannually - varies	Biannually - varies	Biannually - varies
Lease expiration date	August 2024	May 2024	September 2024
Book value of asset	\$ 3,116,631	\$ 2,784,104	\$ 6,350,803

Note 6. Retirement Commitment – WRS

Plan description: Substantially all employees of the College, excluding part-time employees, unless previously grandfathered, and those participating in the Teachers Insurance and Annuity Association (TIAA) defined contribution plan are provided with pensions through the Public Employee Pension Plan, a statewide cost-sharing multiple-employer defined benefit pension plan administered by the WRS. The authority to establish and amend benefits and contributions rates rests with the Legislature of the State of Wyoming. The WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432. The WRS issues a publicly available financial report that may be requested from the WRS or may be accessed through the WRS website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: The determination of retirement benefits is dependent upon the employee's initial employment date.

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average salary over 15 years.

Service Retirement Tier 2: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment – WRS, *Continued*

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be “in service” at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor's benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2020, member and employer contributions were required to be 9.00% and 9.12% of compensation, respectively. Effective July 1, 2019, member and employer contributions were required to be 8.75% and 8.87% of compensation, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the College has elected to pay 6.445% of the member's contribution effective July 1, 2019 in addition to the employer's contribution. Total contributions to the pension plan from the College were \$2,104,598 and \$2,136,016 for the years ended June 30, 2021 and 2020, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2021 and 2020, the College reported a liability of \$16,701,283 and \$17,885,594, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 and 2019, respectively. The 2020 and 2019 actuarial valuations incorporate assumption changes adopted by the WRS Board effective August 23, 2017. The College's proportion of the net pension liability was based on the relationship of the College's total contributions to the plan for the years ended December 31, 2020 and 2019 to the contributions of all participating employers for the same periods. At December 31, 2020, the College's proportion was 0.7684546%, which was an increase from its December 31, 2019 proportion of 0.761113%.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment – WRS, *Continued*

For the years ended June 30, 2021 and 2020, the College recognized pension expense of \$1,549,249 and \$2,825,400, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 317,376	\$ 145,226	\$ -	\$ 328,944
Net difference between projected and actual earnings on pension plan investments	-	3,661,582	-	2,696,483
Changes in proportionate share of contributions	904,794	-	1,443,136	-
Contributions subsequent to the measurement date	604,068	-	628,687	-
Changes in assumptions	103,724	-	559,420	-
	<u>\$ 1,929,962</u>	<u>\$ 3,806,808</u>	<u>\$ 2,631,243</u>	<u>\$ 3,025,427</u>

An amount of \$604,068 and \$628,688 at June 30, 2021 and 2020, respectively, reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ending June 30, 2022 and 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021 will be recognized in pension expense, as follows:

Years ending June 30:	
2022	\$ (528,789)
2023	(58,476)
2024	(1,477,219)
2025	<u>(416,430)</u>
	<u>\$ (2,480,914)</u>

Actuarial assumptions: The total pension liability in the January 1, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions adopted by the WRS Board effective August 23, 2017 and applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment – WRS, *Continued*

Post-retirement mortality: Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables for Males or Females, as appropriate with adjustments for mortality improvements based on Scale MP-2017.

Pre-retirement mortality: Mortality rates were based on the RP-2014 Employee Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates for each major asset class included in the pension plan's target asset allocation as of January 1 are summarized in the following tables:

Asset Class	Target Allocation	2020	
		Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private real assets	9.50%	4.53%	5.82%
	<u>100.00%</u>		

Asset Class	Target Allocation	2019	
		Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-0.20%	-0.19%
Fixed income	21.00%	1.32%	1.67%
Equity	48.50%	5.43%	7.42%
Marketable alternatives	19.00%	3.46%	4.33%
Private real assets	9.50%	4.46%	5.58%
	<u>100.00%</u>		

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment – WRS, *Continued*

Experience analysis: An experience study was conducted on behalf of all WRS's plans covering the five-year period ended December 31, 2016. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

Discount rate: The discount rate used to measure the total pension liability as of December 31, 2020 and 2019 was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate: The following presents the College's proportionate share of the net pension liability as of June 30, 2021 and 2020 calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 26,169,009	\$ 16,701,283	\$ 8,800,382
	2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 27,022,116	\$ 17,885,594	\$ 10,260,327

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or through the WRS website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. Retirement Commitment – TIAA

Eligible College employees may elect to participate in TIAA instead of the WRS. TIAA is a private defined contribution pension plan, which is portable to other institutions and states. For the years ended June 30, 2021 and 2020, the College's contributions to TIAA were \$1,514,883 and \$1,575,038, respectively.

Note 8. OPEB Commitment

General information about the OPEB plan:

Plan description: Eligible employees of the College are provided with OPEB through the State of Wyoming Employee Group Insurance Retiree Health Plan (the Plan), a multiple-employer defined benefit OPEB plan administered by the State of Wyoming Employee Group Insurance (EGI). Any employee of a participating employer is eligible for retiree coverage under the Plan at premium rates established by EGI, provided that:

1. The employee had coverage in effect under the Plan for at least one year just prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the WRS or TIAA and either:
 - a. Has attained age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan; or
 - b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan.

Retirement eligibility varies under the WRS. The Public Employee Pension Plan, which is the Plan applicable to the College, requires 25 years of service credit.

The State of Wyoming Legislature has the authority to establish and amend the benefit terms of the Plan. The Plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming's Annual Comprehensive Financial Report, which may be obtained from the State's website at <http://sao.wyo.gov/publications>.

Benefits provided: The Plan provides medical and prescription drug benefits for retirees and their dependents through the payment of insurance premiums for life. Surviving spouses are allowed to continue coverage after the retiree's death provided they were covered at the time of death.

Funding policy: The State finances this program on a pay-as-you-go basis, and there are no assets held in trust for pre-funding the obligations of the Plan. The State of Wyoming Legislature has the authority for establishing and amending the funding policy.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 8. OPEB Commitment, *Continued*

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2021 and 2020, the College reported a liability of \$24,994,575 and \$17,853,033, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2020 and 2019, respectively, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2021 and 2020, respectively. The College's proportion of the collective total OPEB liability was based on a projection of the College's expected payments during the measurement period attributable to all retirees of the Plan, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2021, the College's proportion was 1.91289%, which was an increase from its June 30, 2020 proportion of 1.88720%.

For the years ended June 30, 2021 and 2020, the College recognized OPEB expense of \$1,171,546 and \$1,069,610, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,978,202	\$ 2,186,846	\$ 3,433,955	\$ 2,461,347
Changes of assumptions	5,351,776	1,790,710	138,164	2,106,729
Change in proportionate share of expected payments	53,336	-	-	193,905
Expected benefit payments subsequent to the measurement date	374,376	-	-	-
	<u>\$ 8,757,690</u>	<u>\$ 3,977,556</u>	<u>\$ 3,572,119</u>	<u>\$ 4,761,981</u>

An amount of \$374,376 reported as deferred outflows of resources related to OPEB resulting from expected benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense, as follows:

Years ending June 30:	
2022	\$ 517,063
2023	517,063
2024	517,063
2025	517,063
2026	517,063
Thereafter	<u>1,820,443</u>
	<u>\$ 4,405,758</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 8. OPEB Commitment, *Continued*

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	July 1, 2020 and 2019 (based on June 30, 2019 census data)
Inflation	2.25% and 2.50%, respectively
Salary Increases	2.50%-6.50%
Mortality Rates	Pre-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017. Post-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017. Disabled: RP-2014 Combined, 100% male, 100% female, generational projection using MP-2017.
Healthcare Cost Trend Rates	Pre-Medicare: 7.20%, decreasing annually until reaching the ultimate trend rate of 4.50% Medicare: 7.60%, decreasing annually until reaching the ultimate trend rate of 4.50%
Participation Rate	65% will elect coverage and 30% will cover a spouse.
Spouse Age Differential	Males are assumed to be three years older than females.
Cost Method	Entry age normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working lifetime as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay over the year. The normal cost is equal to the prorated cost for the year of the valuation.
Benefits Excluded	Benefits related to retiree dental and life insurance have been excluded from this valuation.

The healthcare cost trend rate assumption was based on national average information from a variety of sources, including Standard & Poor's Healthcare Economic Index, Non-Highly Compensated Employee data, plan renewal data and the vendor prescription report, with adjustments based on the provisions of the benefits offered by EGI.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 8. OPEB Commitment, *Continued*

Significant assumptions are based on an experience study that covered a five-year period ended December 31, 2016. Significant assumptions varied within the various retirement plans within the WRS.

Discount rate: The discount rate used to measure the total OPEB liability was 2.21%, which represents a decrease from the discount rate of 3.51% utilized for the June 30, 2019 measurement date. As the Plan is unfunded, the Plan has no fiduciary net position from which to make future benefit payments. Therefore, the discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Sensitivity of the College's proportionate share of the collective total OPEB liability to changes in the discount rate: The table below presents the College's proportionate share of the collective total OPEB liability calculated using the discount rate of 2.21%, as well as what the College's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.21%) or one-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Proportionate share of the collective total OPEB liability	\$ 31,158,122	\$ 24,994,575	\$ 20,347,268

Sensitivity of the College's proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rates: The following presents the College's proportionate share of the collective total OPEB liability, as well as what the College's proportionate share of the collective total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Pre-Medicare	6.20%	7.20%	8.20%
Medicare	6.60%	7.60%	8.60%
Proportionate share of the collective total OPEB liability	\$ 20,499,775	\$ 24,994,575	\$ 31,212,014

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 9. Custodial Deposits

The College holds in trust funds collected by various student groups. A liability for these funds is included in the accompanying financial statements. The following summarizes activity within the student activity funds during the years ended June 30:

	2021	2020
Student activity funds:		
Beginning	\$ 812,300	\$ 1,891,149
Additions:		
Student fees	576,460	659,054
Allocated interest and other	16	160
Total additions	576,476	659,214
Total available funds	1,388,776	2,550,363
Deductions:		
Administrative expenditures	205,754	149,084
Other noncapital expenditures	85,910	1,588,979
Total deductions	291,664	1,738,063
Ending	\$ 1,097,112	\$ 812,300

Note 10. Commitments and Contingencies

Voluntary termination: The College offers voluntary termination to employees of the College who meet certain employment, age, and service requirements. As of June 30, 2021, approximately 13 employees have met the eligibility requirements of the plan.

No liability for payment of incentive benefits to these employees has been recorded in the accompanying financial statements in as much as formal application to receive benefits has not been made by the employees and because, even if such application had been made, ultimate payment is subject to required Board approval. The estimated benefit payment requirement for the employees who meet eligibility requirements as of June 30, 2021 was approximately \$972,982.

Other: Amounts expended under the terms of certain grants are subject to audit and possible adjustment by governmental agencies. In the opinion of College management, any adjustments will not have a material effect on the accompanying financial statements.

As of June 30, 2021, the remaining commitment to complete construction projects totaled approximately \$76,572. These completion costs will be paid primarily from a state appropriation for major maintenance, contingency reserve, and contributions from the Foundation.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 10. Commitments and Contingencies, *Continued*

Bond reserve fund: For the Series 2012 Bond, there was no agreement that required a reserve requirement. However, the Authority created a reserve account where the funds may only be used to fund deficiencies in meeting bond debt service payments. No withdrawals have been made as of June 30, 2021. As of June 30, 2021, the reserve fund consists of investments with a fair value of \$291,423 and cash of \$323.

For the Series 2015 Bond, the Indenture of Trust agreement with the bond trustee required the Authority to deposit \$651,000 into a separate account with the trustee. These funds may only be used to fund deficiencies in meeting bond debt service payments. Funds withdrawn from the reserve account are to be repaid in equal monthly payments over the next 12 months. No withdrawals have been made as of June 30, 2021. As of June 30, 2021, the reserve fund consists of investments with a fair value of \$682,075 and cash of \$4,399.

For the Series 2016 Bond, the Indenture of Trust agreement with the bond trustee required the Authority to deposit \$467,500 into a separate account with the trustee. These funds may only be used to fund deficiencies in meeting bond debt service payments. Funds withdrawn from the reserve account are to be repaid in equal monthly payments over the next 12 months. No withdrawals have been made as of June 30, 2021. As of June 30, 2021, the reserve fund consists of investments with a fair value of \$449,436 and cash of \$30,425.

Note 11. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2021, the College contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance, vehicle insurance, natural disaster insurance, and insurance on the dental hygiene clinic. The coverage under each type of insurance policy varies in amounts and deductibles. The College has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The College has had no significant reductions in insurance coverage from coverage in the prior year.

The College pays into the State Workers' Compensation System (the Act). All employers within the State of Wyoming are participants in this Act unless the employer elects not to be covered under the Act. This Act requires the College to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the College. The College makes quarterly payments to the State of Wyoming Department of Employment. These payments are based on salaries and a split rate between hazardous and non-hazardous positions.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 12. Natural Classifications with Functional Classifications

The College's operating expenses by natural classification were as follows:

		2021									
		Natural Classification									
		Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total					
Functional classification:											
Instruction	\$	16,895,788	\$	3,226,861	\$	-	\$	-	\$	20,122,649	
Public service		257,386		47,071		-		-		304,457	
Academic support		4,995,152		2,885,876		-		-		7,881,028	
Student services		4,277,791		644,594		-		-		4,922,385	
Institutional support		5,957,692		1,990,806		-		-		7,948,498	
Operation and maintenance of plant		3,065,125		4,064,279		-		-		7,129,404	
Scholarships		-		-		-		10,650,814		10,650,814	
Auxiliary enterprises		1,446,918		65,287		-		-		1,512,205	
Depreciation		-		-		4,864,325		-		4,864,325	
Total expenses		\$	36,895,852	\$	12,924,774	\$	4,864,325	\$	10,650,814	\$	65,335,765
		2020									
		Natural Classification									
		Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total					
Functional classification:											
Instruction	\$	17,906,705	\$	4,309,678	\$	-	\$	-	\$	22,216,383	
Public service		291,639		78,099		-		-		369,738	
Academic support		5,240,995		1,050,177		-		-		6,291,172	
Student services		4,549,117		873,537		-		-		5,422,654	
Institutional support		6,355,083		2,478,707		-		-		8,833,790	
Operation and maintenance of plant		3,165,751		3,468,149		-		-		6,633,900	
Scholarships		-		-		-		7,872,660		7,872,660	
Auxiliary enterprises		1,287,112		1,684,405		-		-		2,971,517	
Depreciation		-		-		4,891,838		-		4,891,838	
Total expenses		\$	38,796,402	\$	13,942,752	\$	4,891,838	\$	7,872,660	\$	65,503,652

Note 13. Subsequent Events

Subsequent to year-end in July 2021, the Board approved a commitment bonus for all staff totaling \$540,000. The College also received additional Federal funds, passed through the State of Wyoming, under the Governor's Emergency Education Relief Fund, totaling \$541,000.

On November 2, 2021, voters of Laramie County approved Proposition 8 for the 2021 6th Penny election. Included in Proposition 8 was \$3,045,339.52 for the College for its manufacturing program build-out.

REQUIRED SUPPLEMENTARY INFORMATION

Draft 11/7/2021

LARAMIE COUNTY COMMUNITY COLLEGE

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Public Employee Pension Plan

Last Eight Fiscal Years*

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.636015822%	\$ 9,669,987	\$ 10,708,680	90.30%	81.10%
2015	0.658887967%	11,627,344	11,486,710	101.22%	79.08%
2016	0.655423218%	15,267,086	11,703,063	130.45%	73.40%
2017	0.675006900%	16,318,293	12,078,728	135.10%	73.42%
2018	0.675434000%	15,395,441	11,883,898	129.55%	76.35%
2019	0.721330000%	21,966,597	12,551,865	175.01%	69.17%
2020	0.761113000%	17,885,594	13,557,658	131.92%	76.83%
2021	0.768454600%	16,701,283	13,984,558	119.43%	79.24%

** The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains 10 years of data.*

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS

Public Employee Pension Plan

Last Eight Fiscal Years*

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll Pension Liability
2014	\$ 850,104	\$ 850,104	\$ -	\$ 11,449,247	7.42%
2015	952,847	952,847	-	11,551,797	8.25%
2016	1,000,801	1,000,801	-	11,957,001	8.37%
2017	1,008,361	1,008,361	-	12,047,328	8.37%
2018	1,013,646	1,013,646	-	12,110,460	8.37%
2019	1,111,354	1,111,354	-	12,922,485	8.58%
2020	1,238,355	1,238,355	-	13,961,167	8.87%
2021	1,233,824	1,233,824	-	13,528,774	9.12%

** This schedule is to be built prospectively until it contains 10 years of data.*

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY**

**State of Wyoming Employee Group Insurance Retiree Health Plan
Last Four Fiscal Years***

	College's Proportion of the Total OPEB Liability	College's Proportionate Share of the Total OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	1.90933%	\$ 15,102,639	N/A	N/A	0.00%
2019	1.91520%	19,524,422	N/A	N/A	0.00%
2020	1.88720%	17,853,033	N/A	N/A	0.00%
2021	1.91289%	24,994,575	N/A	N/A	0.00%

** This schedule is to be built prospectively until it contains 10 years of data.*

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2021

Note 1. Retirement Commitment – Wyoming Retirement System (WRS)

Changes in benefit terms: There were no changes in benefit terms between the initial December 31, 2013 measurement date through the December 31, 2020 measurement date.

Changes in assumptions: Healthcare trend rates were updated along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the WRS December 31, 2016 actuarial experience study. Further, there have been various assumption changes in discount rates, investment rates of return, inflation rates, and payroll growth rates from the initial December 31, 2013 measurement date through the December 31, 2020 measurement date. See the table below:

Measurement Date (Plan Year-End)	Discount Rate	Investment Rate of Return	Inflation Increase Rate	Salary Increase Rate (Including Inflation)	Payroll Growth Rate
2013	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%
2014	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%
2015	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%
2016	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%
2017	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%
2018	7.00%	7.00%	2.25%	4.75%-8.75%	4.75%
2019	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%
2020	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%

Note 2. Postemployment Benefits Other Than Pensions Commitment

Changes in benefit terms: There were no changes in benefit terms between the June 30, 2016 and June 30, 2020 measurement dates.

Changes in assumptions: The plan has experience the following changes in assumptions:

Measurement Date (Year Ended)	Discount Rate	Inflation Rate
2016	2.85%	2.50%
2017	3.58%	2.50%
2018	3.87%	2.25%
2019	3.51%	2.50%
2020	2.21%	2.25%

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2021

Note 2. Postemployment Benefits Other Than Pensions Commitment, *Continued*

In addition, the following assumptions are updated annually as necessary:

- Updated healthcare claims costs based on recent experience.
- An increase in retiree contributions.
- Healthcare trend rates.
- Mortality rates, retirement rates, withdrawal rates, disability rates and salary increase rates based on the WRS December 31, 2016 actuarial experience study.

SUPPLEMENTARY INFORMATION

Draft 11/7/2021

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION

June 30, 2021

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 18,391,356	\$ 257,575	\$ -	\$ 18,648,931
Restricted cash held by others	196,787	-	-	196,787
Restricted cash	768	-	-	768
Investments	5,547,897	-	-	5,547,897
Accounts receivable, net	3,443,355	-	-	3,443,355
Current maturities of lease	-	1,463,963	(1,463,963)	-
Interest receivable	-	38,103	(38,103)	-
Property taxes receivable	15,492,451	-	-	15,492,451
Prepaid expense	36,064	-	-	36,064
Total current assets	43,108,678	1,759,641	(1,502,066)	43,366,253
Noncurrent Assets				
Restricted cash	225,889	35,147	-	261,036
Restricted and designated investments	2,146,917	1,422,934	-	3,569,851
Authority receivable	651,000	-	(651,000)	-
Long-term lease	-	3,638,612	(3,638,612)	-
Capital assets, net of accumulated depreciation	139,658,713	-	-	139,658,713
Investments held by others	16,699,584	-	-	16,699,584
Total noncurrent assets	159,382,103	5,096,693	(4,289,612)	160,189,184
Total assets	202,490,781	6,856,334	(5,791,678)	203,555,437
DEFERRED OUTFLOWS OF RESOURCES				
Pension-Related Outflows	1,929,962	-	-	1,929,962
OPEB-Related Outflows	8,757,690	-	-	8,757,690
Lease and Bond Modification	48,861	260,418	(299,436)	9,843
Total deferred outflows of resources	10,736,513	260,418	(299,436)	10,697,495

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION, *Continued* June 30, 2021

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 1,712,588	\$ -	\$ -	\$ 1,712,588
Payroll and related liabilities	1,443,533	-	-	1,443,533
Accrued compensated absences	1,087,061	-	-	1,087,061
Accrued interest payable	82,087	36,185	(38,103)	80,169
Advance tuition payments	132,718	-	-	132,718
Custodial deposits	1,097,112	-	-	1,097,112
Capital lease obligation	1,463,963	-	(1,463,963)	-
Current maturities of bonds payable	1,746,294	1,440,000	-	3,186,294
Total current liabilities	8,765,356	1,476,185	(1,502,066)	8,739,475
Noncurrent Liabilities				
Liability for voluntary termination	654,545	-	-	654,545
Accrued compensated absences	324,706	-	-	324,706
Due to College	-	651,000	(651,000)	-
Capital lease obligation	3,638,612	-	(3,638,612)	-
Note payable	30,995,561	-	-	30,995,561
Long-term bonds payable	14,289,443	5,290,000	-	19,579,443
Net pension liability	16,701,283	-	-	16,701,283
Total OPEB liability	24,994,575	-	-	24,994,575
Total noncurrent liabilities	91,598,725	5,941,000	(4,289,612)	93,250,113
Total liabilities	100,364,081	7,417,185	(5,791,678)	101,989,588
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	13,610,949	-	-	13,610,949
Pension-Related Inflows	3,806,808	-	-	3,806,808
OPEB-Related Inflows	3,977,556	-	-	3,977,556
Lease Modification	250,575	48,861	(299,436)	-
Total deferred inflows of resources	21,645,888	48,861	(299,436)	21,395,313
NET POSITION				
Net Investment in Capital Assets	86,990,381	(1,415,868)	-	85,574,513
Restricted for:				
Expendable:				
Scholarships	929,489	-	-	929,489
Capital projects	4,711,786	-	-	4,711,786
Nonexpendable	10,011,836	-	-	10,011,836
Unrestricted	(11,426,167)	1,066,574	-	(10,359,593)
Total net position	\$ 91,217,325	\$ (349,294)	\$ -	\$ 90,868,031

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2021

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
Operating Revenues				
Tuition and fees	\$ 10,536,340	\$ -	\$ -	\$ 10,536,340
Federal grants and contracts	901,131	-	-	901,131
State and local grants and contracts	1,282,926	-	-	1,282,926
Auxiliary enterprise charges	2,655,574	-	-	2,655,574
Other operating revenues	143,136	-	-	143,136
Total operating revenues	15,519,107	-	-	15,519,107
Operating Expenses				
Instruction	20,122,649	-	-	20,122,649
Public service	304,457	-	-	304,457
Academic support	7,881,028	-	-	7,881,028
Student services	4,922,385	-	-	4,922,385
Institutional support	7,948,498	-	-	7,948,498
Operation and maintenance of plant	7,118,422	10,982	-	7,129,404
Scholarships	10,650,814	-	-	10,650,814
Auxiliary enterprises	1,512,205	-	-	1,512,205
Depreciation	4,864,325	-	-	4,864,325
Total operating expenses	65,324,783	10,982	-	65,335,765
Operating (loss)	(49,805,676)	(10,982)	-	(49,816,658)
Nonoperating Revenues (Expenses)				
Nonexchange Federal and state grants	15,772,254	-	-	15,772,254
State appropriations	25,492,506	-	-	25,492,506
Local appropriations	17,612,321	-	-	17,612,321
Net investment income	3,323,435	868	-	3,324,303
Direct financing income	-	100,505	(100,505)	-
Interest expense	(636,902)	(170,940)	100,505	(707,337)
Net nonoperating revenues (expenses)	61,563,614	(69,567)	-	61,494,047
Income (loss) before other revenue, expenses, gains, or losses	11,757,938	(80,549)	-	11,677,389
Other Revenue, Expenses, Gains, or Losses				
State endowment appropriation	50,804	-	-	50,804
Capital gifts	675,000	-	-	675,000
Capital appropriations	5,969,366	-	-	5,969,366
Total other revenue, expenses, gains, or losses	6,695,170	-	-	6,695,170
Increase (decrease) in net position	18,453,108	(80,549)	-	18,372,559
Net Position				
Beginning of year	72,764,217	(268,745)	-	72,495,472
End of year	\$ 91,217,325	\$ (349,294)	\$ -	\$ 90,868,031

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing	Total Federal Expenditures
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Direct Student Loans	N/A	84.268	\$ 3,897,155
Federal Pell Grant Program	N/A	84.063	3,592,604
Federal Work-Study Program	N/A	84.033	24,985
Federal Supplemental Educational Opportunity Grants	N/A	84.007	108,015
Total Student Financial Assistance Cluster			7,622,759
TRIO Cluster:			
TRIO Student Support Services	P042A151163	84.042A	86,288
Total TRIO Cluster			86,288
CARES Educational Stabilization Fund:			
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund Institutional Portion	P425F200352-20A	84.425E	3,720,732
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund Student Portion	P425E200030-20A	84.425F	1,272,937
Total CARES Educational Stabilization Fund			4,993,669
Passed through Wyoming Department of Education:			
Career and Technical Education - Basic Grants to States	V048A200050	84.048A	298,060
Passed through University of Wyoming:			
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	1004098C/1004098F	84.334	379,470
Passed through Wyoming Community College Commission:			
Adult Education Basic Grants to States:			
Adult Education State Grant Program	AE20R04	84.002A	86,668
El Civics State Grant Program	AE20I04	84.002A	59,308
Corrections Grant	AE20C04	84.002A	748
			146,724
CARES Educational Stabilization Fund:			
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Fund	N/A	84.425C	501,364
Total passed through Wyoming Community College Commission			648,088
Total U.S. Department of Education			14,028,334

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,

Continued

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Health and Human Services:			
Research and Development Cluster:			
Passed through University of Wyoming:			
Biomedical Research and Research Training:			
IDeA Networks of Biomedical Research Excellence (InBre)	1005091C-LCCC		
	P20GM103432	93.859	\$ 74,692
Total Research and Development Cluster			<u>74,692</u>
CCDF Cluster:			
Passed through Wyoming Kids First:			
COVID-19 Child Care and Development Block Grant	N/A	93.575	50,000
Total CCDF Cluster			<u>50,000</u>
Total U.S. Department of Health and Human Services			<u>124,692</u>
U.S. Department of Labor:			
WIOA Cluster:			
Passed through Wyoming Department of Workforce Services:			
WIA Youth Activities	204067	17.259	32,321
Total WIOA Cluster			<u>32,321</u>
Passed through Northern Wyoming Community College District:			
H-1B Job Training Grants	020617-2	17.268	234,897
Passed through American Association of Community Colleges:			
Expanding Community College Apprenticeships	AP-33025		
	19-75-A-11	17.001	32,499
Total U.S. Department of Labor			<u>299,717</u>
AmeriCorps:			
Passed through Serve Wyoming:			
Volunteer Generation Fund	20VGFY001LCCC	94.021	267
Total AmeriCorps			<u>267</u>
U.S. Department of Treasury:			
Passed through Wyoming Community College Commission:			
COVID-19 Coronavirus Relief Fund	N/A	21.019	8,651,320
Total U.S. Department of Treasury			<u>8,651,320</u>
Total expenditures of Federal awards			<u>\$ 23,104,330</u>

See Notes to Schedule of Expenditures of Federal Awards.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the accompanying Laramie County Community College (the College) Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The College provided no Federal funds to subrecipients.

Note 2. De Minimis Cost Rate

The College did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Basis of Presentation

The Schedule includes the Federal award activity of the College under programs of the Federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.



**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***

To the Board of Trustees
Laramie County Community College
Cheyenne, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Laramie County Community College (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated [REDACTED], 2021. The financial statements of the College's discretely presented component unit, the Laramie County Community College Foundation, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Laramie County Community College Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cheyenne, Wyoming
 , 2021



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

To the Board of Trustees
Laramie County Community College
Cheyenne, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Laramie County Community 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. The College's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

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 the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001. Our opinion on each major Federal program is not modified with respect to this matter.

The College's response to the noncompliance finding identified in our audit is described in Exhibit I. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, that we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in Exhibit I. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Cheyenne, Wyoming
[REDACTED], 2021

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

Type of auditor's report issued on compliance for major Federal programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major Federal programs:

CFDA Number	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund
84.425	COVID-19 Education Stabilization Fund
84.048	Career and Technical Education - Basic Grants to States

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

II. FINANCIAL STATEMENT FINDINGS

None.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-001: Reporting

<i>Assistance Listing (AL) Number and Title:</i> AL #84.425 – Education Stabilization Fund (ESF)
<i>Federal Agency Name:</i> U.S. Department of Education (ED)
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> <ol style="list-style-type: none">1. P425E2000302. P425E200030-20A3. P425E200030-20B4. P425F2003525. P425F200352-20A6. P425F200352-20B
<i>Award Years:</i> <ol style="list-style-type: none">1. April 20, 2020 - May 14, 20222. April 20, 2020 - April 19, 20213. April 20, 2020 - January 16, 20224. May 4, 2020 - January 16, 20225. May 4, 2020 - May 3, 20216. May 4, 2020 - January 16, 2022

Criteria: 2 CFR 200.327 – Financial Reporting; and the laws, regulations, and the provisions of contract or grant agreements pertaining to the specific programs require that reports be complete, accurate, and supported by accounting records (if applicable) and be submitted in compliance with the appropriate deadlines.

Per various guidance published by ED, the Higher Education Emergency Relief Fund (HEERF) portion of the ESF requires the following with respect to reporting:

- Annual reporting: The HEERF Data Collection Form was required to be submitted to ED via the Annual Report Data Collection System on February 8, 2021 and applied to the reporting period from March 13, 2020 through December 31, 2020.
- Quarterly public reporting (student portion): Institutes of Higher Education (IHE) was required to publicly post certain information on its website no later than 30 days after award and update that information every 45 days thereafter. However, on August 31, 2020, ED revised the requirement by decreasing the frequency of reporting after the initial 30-day period from every 45 days thereafter to every calendar quarter. Instead of posting a 45-day report on or after August 31, 2020, IHE should post a report every calendar quarter, with the first calendar quarter report due by October 10, 2020, and covering the period from after its last 45-day or 30-day report through the end of the calendar quarter on September 30, 2020. IHE may have until the end of the second calendar quarter, June 30, 2021, to post these retroactive reports if it has not already done so.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

- Quarterly public reporting (institutional portion): A new, separate form was to be posted covering aggregate amounts spent for all HEERF funds each quarterly reporting period. IHE must post this quarterly report form no later than 10 days after the end of each calendar quarter apart from the first report, which was due on October 30, 2020, and the report covering the first quarter of 2021, which was due on July 10, 2021. The forms are required to be conspicuously posted on the institution's primary website on the same page the reports of IHE's activities as to the emergency financial aid grants to students (Student Portion) are posted.

Condition/context: A total of three reports were selected for testing, including one annual report, one quarterly report related to the Student Portion and one quarterly report related to the Institutional Portion. Of these three reports:

- The Quarterly Student number for the period ended March 31, 2021 did not properly include the number of students eligible to receive emergency financial aid.
- The Quarterly Institutional for the period ended December 31, 2020 was not properly posted to the College's webpage.

Questioned costs: \$0

Cause: The College's internal control system did not have a sufficient control process in place to ensure all reports were accurate and properly posted to the College's website or a sufficient control process to review the reports for propriety to identify errors.

Effect: If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments; withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance; requiring additional, more detailed financial reports; requiring additional project monitoring; requiring the non-Federal entity to obtain technical or management assistance; and establishing additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Identification as a repeat finding: No.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

Recommendation: We recommend the College implement control procedures to ensure required reporting is completed. Additionally, we recommend the College revise its procedures to include an independent review of reports for accuracy before they are submitted and posted.

Views of responsible officials and planned corrective action: Management concurs with the finding. See Exhibit I.

LARAMIE COUNTY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

I. FINANCIAL STATEMENT FINDINGS

2020-001: Internal Controls and Audit Adjustment to Net Position and Capital Assets

Condition/context: Adjusting journal entries were proposed and recorded as follows:

- To modify the beginning net position balance by approximately \$214,000 to agree to the balance as of the prior fiscal year-end.
- To reduce capital assets by approximately \$790,000 to eliminate the double-recording of a building.

Status: The College added additional procedures and controls related to the recording and reconciliation of both net position and capital assets, including adding independent preparers.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

EXHIBIT I

CORRECTIVE ACTION PLAN

Draft 11/7/2021



CORRECTIVE ACTION PLAN
Year Ended June 30, 2021

The following is the corrective action plan for the Schedule of Findings and Questioned Costs:

2021-001: Reporting

Corrective Action: Due to ever-evolving processes, LCCC did not fully comprehend all reporting requirements for the HEERF program this past fiscal year. Regarding the Current year, the Interim Director of Sponsored Awards and Compliance and the Comptroller have closely reviewed all posted reporting requirements, as well as the October 2021 letter from the Dept. of Education listing the new requirements for HEERF quarterly reporting. Moving forward, the Interim Director of Sponsored Awards and Compliance, together with the Comptroller, will review the Department of Education website for any changes and will corroborate to ascertain that accurate amounts and information are included in each quarterly report. In addition, an independent review will be requested to assess all reports for accuracy before the reports are posted/submitted.

Anticipated Completion Date: June 30, 2022

Contact Persons: Nola Rocha, Comptroller, and Jennifer McCartney, Intern Director of Sponsored Awards and Compliance