

LARAMIE COUNTY COMMUNITY COLLEGE

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2020

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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, 2020 and 2019, and its discretely presented component unit, the Laramie County Community College Foundation (the "Foundation") as of and for the years ended December 31, 2019 and 2018, 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 (U.S. GAAP); 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, 2020 and 2019, and December 31, 2019 and 2018, 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 3 through 16, the Schedule of the College's Proportionate Share of the Net Pension Liability, on page 54, the Schedule of the College's Contributions, on page 55, and the Schedule of the College's Proportionate Share of the Total OPEB Liability, on page 56, 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 January 26, 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.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
January 26, 2021

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2020

The Management's Discussion and Analysis (MD&A) section of the 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, 2020. 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 2018, 2019, and 2020.

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, to obtain a certification of high school equivalency, to develop skills in a technical program, or to 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.

- There are many regional attractions. If you prefer an outdoor lifestyle, Cheyenne is approximately 30 minutes from the pine forests of Medicine Bow National Forest and 90 minutes from many of the outdoor opportunities of Colorado.
- If you prefer a more urban lifestyle, Fort Collins and Denver, Colorado, are just a short 60- to 90-minute drive from Cheyenne, and offer many great shopping and cultural opportunities.

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, population 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 the 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.

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 College Foundation reflect the audited financial information as of December 31, 2019. 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 College Foundation, at 1400 East College Drive, Cheyenne, Wyoming, 82007.

During fiscal year 2006, the College Building 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 Albany County Campus 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.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for financial statements for periods beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Supplementary Information

Required supplementary information includes the following: the Schedule of the College's Proportionate Share of the Net Pension Liability; Schedule of the College's Contributions; 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; Combining Schedule of Revenues, Expenses, and Changes in Net Position; Schedule of Expenditures of Federal Awards; and Notes to Schedule of Expenditures of Federal Awards.

ASSETS

Current Assets

	2018	2019	2020
Cash and cash equivalents	\$ 13,838,962	\$ 12,054,336	\$ 8,310,925
Restricted cash	-	-	2,456,943
Restricted cash held by others	49,673	1,909,883	-
Investments	5,155,991	5,326,030	5,476,014
Accounts receivable, net	3,695,468	3,562,337	4,741,476
Property taxes receivable	10,696,787	15,206,012	16,411,464
Prepaid expense	84,297	22,144	98,641
Total current assets	<u>\$ 33,521,178</u>	<u>\$ 38,080,742</u>	<u>\$ 37,495,463</u>

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

Cash and cash equivalents consist of cash in the College bank accounts, the College Building Authority bank accounts, short-term investments, and register cash and petty cash drawers maintained on campus. Investments include secured (FDIC or collateralized) certificates of deposit and trust accounts held in local banks. The decrease in cash and cash equivalents for 2020 is mainly due to funds moved to restricted cash and using cash reserves to build the Performing Arts Complex. The decrease in 2019 is due to the movement to the restricted cash held by others. 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 College 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 had a slight decrease in 2019 due to earlier receipt of Federal funds for student financial aid. The increase in 2020 was due to late receipt of Spring Foundation Scholarships of \$835,000.

Property taxes receivable

The property tax receivable for fiscal year 2019 increased when compared to fiscal year 2018 due to a 24.4% increase in valuation. Fiscal year 2020 valuation also had a 7.32% increase due to improving valuations for minerals and overall building in Laramie County. The total approved mill levy for next year is 6.84 mills (5.0 mills for operations, 1.0 mills for the performing arts complex, and 0.84 mills for debt service).

Prepaid expense

Prepaid consists of prepaid food services vendor payments.

Noncurrent Assets

	2018	2019	2020
Restricted cash	\$ 162,519	\$ 197,874	\$ 249,226
Restricted and designated investments	3,139,525	3,381,792	3,675,059
Capital assets, net of accumulated depreciation	93,334,813	100,987,269	127,764,178
Investments held by others	13,794,125	13,654,299	13,804,307
Total noncurrent assets	110,430,982	118,221,234	145,492,770
Total assets	\$ 143,952,160	\$ 156,301,976	\$ 182,988,233

Noncurrent restricted cash

In fiscal year 2018, remaining restricted cash was held for the Pathfinder Building and changes in restricted cash with the College Building Authority. In 2019 and 2020, restricted cash was funds with the College Building Authority for future bond payments.

Restricted investments

Restricted investments are investments belonging to the College Building 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 Albany County Campus 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 2020 was a result of increase to construction-in-progress for the new Eagle Village residence hall and new business building exterior. The increase for fiscal year 2019 was a result of increase to construction-in-progress for the Ludden Library remodel and the start of the residence hall construction. 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 College Foundation, as custodian for the College. The investments were funded by the State of Wyoming Endowment Challenge Grant. Fiscal years 2018, 2019 and 2020 had slight changes due to a changes in market valuations. See State of Wyoming endowment appropriation in nonoperating revenues 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.

Deferred Outflows

Deferred outflow 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 an actual investment earnings and changes to assumptions.

GASB Statement No. 75 was adopted for fiscal year 2018. 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 Footnote 8 for more detail.

	2018	2019	2020
Deferred Outflows:			
Pension-related outflows	\$ 2,262,053	\$ 5,848,641	\$ 2,631,243
OPEB-related outflows	703,670	4,027,440	3,572,119
Bond modification	19,222	16,146	13,020
Total deferred outflows	<u>\$ 2,984,945</u>	<u>\$ 9,892,227</u>	<u>\$ 6,216,382</u>

LIABILITIES

Definition of current and noncurrent liabilities

Current liabilities are those items which 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

	2018	2019	2020
Accounts payable	\$ 1,395,330	\$ 2,309,046	\$ 2,925,434
Payroll and related liabilities	1,357,494	1,411,595	1,593,434
Accrued compensated absences	888,325	975,896	1,109,619
Accrued interest payable	108,371	101,842	91,410
Advance tuition payments	162,109	153,223	162,708
Custodial deposits	1,759,927	1,891,149	812,300
Capital lease obligation	27,552	28,655	29,802
Current maturities of line of credit	-	-	1,800,000
Current maturities of bonds payable	2,905,191	3,039,560	3,120,772
Total current liabilities	<u>\$ 8,604,299</u>	<u>\$ 9,910,966</u>	<u>\$ 11,645,479</u>

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 2020 had an increase due to payables for construction of the Eagle Village residence hall and other construction. Fiscal year 2019 had an increase due to payable for construction on the Eagle Village residence halls and the Albany County campus classroom expansion.

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 2019/2020 academic year. Fiscal year 2020 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 resulted from the use of accumulated funds for Albany County campus activities.

Capital lease obligation

The capital lease obligation represents the current (due during the next 12 months) amount of the capital lease for the Nimble storage.

Current maturities of bonds payable

The current maturities of bonds payable refers to the amount to be repaid in the next 12-month period for bonds associated with the residence hall, dining facility, and Albany County Campus (ACC) Building in the College Building 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 2020, the College did draw on the line of credit to provide funding for the fine arts project.

	2018	2019	2020
Liability for voluntary termination	\$ 387,419	\$ 391,391	\$ 804,338
Accrued compensated absences	265,344	291,501	331,444
Capital lease obligation	58,460	29,801	-
Note payable	-	1,807,829	22,226,733
Long-term bonds payable	28,926,070	25,886,509	22,765,737
Line of credit	-	-	200,000
Net pension liability	15,395,441	21,966,597	17,885,594
Total OPEB liability	15,102,639	19,524,422	17,853,033
Total noncurrent liabilities	60,135,373	69,898,050	82,066,879
Total liabilities	\$ 68,739,672	\$ 79,809,016	\$ 93,712,358

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 refers 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 College Building 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.

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.

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 state-wide 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

As discussed in the introduction, fiscal year 2018 saw the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 state-wide 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 inflow

Deferred inflow 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.

	2018	2019	2020
Deferred Inflow:			
Unavailable property taxes	\$ 10,022,967	\$ 14,296,108	\$ 15,209,377
Pension-related inflows	1,165,788	533,531	3,025,427
OPEB-related inflows	2,522,063	2,476,304	4,761,981
Total deferred inflows	<u>\$ 13,710,818</u>	<u>\$ 17,305,943</u>	<u>\$ 22,996,785</u>

Unavailable property taxes

Unavailable property tax revenue is reflective of the amount that becomes revenue next fiscal year on the levy date (second Tuesday in August). See the property tax receivable section above for a discussion of the fiscal years 2019 and 2020 increases.

Pension-related inflows

Deferred inflow 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.

OPEB-related inflows

Deferred inflow 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.

NET POSITION

	2018	2019	2020
Net investment in capital assets	\$ 61,093,963	\$ 69,294,698	\$ 75,679,049
Restricted for:			
Non-expendable (endowment)	9,920,144	9,961,032	9,961,032
Expendable:			
Scholarships, research, instruction, and other	223,402	112,198	565,047
Capital projects and asset purchases	4,653,029	7,301,079	4,663,292
Unrestricted	(11,403,923)	(17,589,763)	(18,372,948)
Total net position	<u>\$ 64,486,615</u>	<u>\$ 69,079,244</u>	<u>\$ 72,495,472</u>

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.

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 which 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

	2018	2019	2020
Tuition and fees, net of scholarship allowances of \$943,819 for 2018; \$1,354,169 for 2019; \$1,131,401 for 2020	\$ 9,997,400	\$ 9,622,137	\$ 11,113,158
Federal grants and contracts	1,415,384	1,502,759	2,681,135
State and local grants and contracts	733,069	776,731	914,633
Auxiliary enterprise charges net of scholarship allowances of \$175,418 for 2018; \$250,851 for 2019; \$161,106 for 2020	3,534,490	3,608,525	2,878,585
Other operating revenues	292,699	251,970	252,717
Total operating revenues	<u>\$ 15,973,042</u>	<u>\$ 15,762,122</u>	<u>\$ 17,840,228</u>

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 2018, 2019, and 2020 remained unchanged. The increase in tuition in 2020 was due to the release on the tuition cap and a reduction in the scholarship allowance. The slight decrease in tuition and fee revenue from 2018 to 2019 is due to a slight decrease in enrollment, discussed in the next paragraph.

Enrollment

When the economy experienced a downturn, enrollment at the College increased from approximately 2009 to 2013. Enrollment has returned to pre-economic downturn levels and is expected to remain stable over the near future.

Enrollment History	Headcount				FTE			
Academic Year	SU	FA	SP	Annualized Total	SU	FA	SP	Annualized Total
2010-11	1,774	5,193	5,600	6,283.5	710.42	3,928.00	4,158.70	4,448.56
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
1-Year Change	-12.3%	1.2%	1.8%	-0.1%	-11.6%	1.0%	-1.1%	-0.8%
5-Year Change	-31.5%	-0.1%	-2.1%	-5.3%	-34.1%	-5.3%	-7.0%	-8.4%
10-Year Change	-46.7%	-17.5%	-22.6%	-23.9%	-47.8%	-22.3%	-29.7%	-28.6%

Grant and contract revenues

Grant and contract revenues include all restricted revenues from governmental agencies and private agencies. Grant revenues are recorded as reimbursement of expenses associated with the grant. Fiscal year 2020 saw an increase in grants due to higher education emergency relief funds of \$1,037,369. Fiscal year 2019 grant and contract revenues remained stable with prior years. See the Schedule of Expenditures of Federal Awards for information regarding nonoperating financial aid Federal grants and contracts (see in section Nonoperating Revenues/Expenses below).

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 year 2020 saw a large decrease due to closing of the residence halls, cafeteria, and the child development center. Fiscal year 2019 is comparable to prior years.

Other operating revenues

Other operating revenues are comprised of income from miscellaneous sources including collection of prior year bad debts, gate receipts, exam lab, GED testing, and administration fees. Fiscal year 2020 is comparable to prior years.

EXPENSES

Operating Expenses

	2018	2019	2020
Operating expenses by function:			
Instruction	\$ 19,416,244	\$ 20,657,458	\$ 22,216,383
Public service	387,010	412,070	369,738
Academic support	6,055,248	6,288,649	6,291,172
Student services	4,627,680	4,999,350	5,422,654
Institutional support	8,656,402	8,695,451	8,833,790
Operation and maintenance of plant	5,502,114	4,933,396	6,633,900
Scholarships	6,665,141	6,364,792	7,872,660
Auxiliary enterprises	2,853,268	2,976,002	2,971,517
Depreciation	7,522,610	4,968,680	4,891,838
Total operating expenses	61,685,717	60,295,848	65,503,652
Operating (loss)	\$ (45,712,675)	\$ (44,533,726)	\$ (47,663,424)

Operating expenses include salaries and benefits, goods and services provided to the College, institutional scholarships, and operations and maintenance of plant. In 2018, a classification and compensation study was completed. Employees who were paid under the minimum amount for the job description band were brought to the minimum pay in January 2018. Health insurance benefits cost to the College held steady. Only a minimal number of new staff were added in fiscal years 2018, 2019, and 2020 because of budget constraints.

Pell grants of \$4,171,128 make up the bulk of scholarships for fiscal year 2020.

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. Fiscal year 2020 operating loss increased by \$3,129,698 over fiscal year 2019. The increase was mostly due to operation of plant as several projects in construction-in-progress were expensed and 2020 saw an increase in wages due to the classification. Fiscal year 2019 operating loss decreased by \$1,178,949 over fiscal year 2018. The decrease was mostly attributed to decreased depreciation expense.

NONOPERATING REVENUES (EXPENSES)

	2018	2019	2020
Nonoperating revenues (expenses):			
Non-exchange Federal and state grants	\$ 5,279,661	\$ 5,071,834	\$ 5,975,763
State appropriations	25,128,344	26,249,973	26,324,230
Local appropriations	10,867,662	12,025,311	16,595,540
Investment income	1,432,418	1,072,707	1,480,998
Interest expense	(869,847)	(975,923)	(751,871)
(Loss) on disposal	-	(13,353)	(25,642)
Net nonoperating revenues	<u>\$ 41,838,238</u>	<u>\$ 43,430,549</u>	<u>\$ 49,599,018</u>
Income (loss) before other revenue, expenses, gains, or losses	<u>\$ (3,874,437)</u>	<u>\$ (1,103,177)</u>	<u>\$ 1,935,594</u>
State of Wyoming endowment appropriation	92,657	40,888	-
Capital gifts	-	3,154,918	450,000
Capital appropriations	<u>-</u>	<u>2,500,000</u>	<u>1,030,634</u>
Total other revenue, expenses, gains, or losses	<u>92,657</u>	<u>5,695,806</u>	<u>1,480,634</u>
Increase (decrease) in net position	<u><u>\$ (3,781,780)</u></u>	<u><u>\$ 4,592,629</u></u>	<u><u>\$ 3,416,228</u></u>

Nonoperating revenues are those revenues which 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.

Non-exchange Federal and State grants

Non-exchange funds are not direct payment for services or product. 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, \$4,171,128 and \$3,980,026 for fiscal years 2020 and 2019, respectively. This category also includes funds from the State of Wyoming for the Hathaway Scholarship Program of \$945,367 and \$935,038 for fiscal years 2020 and 2019, respectively. The State program provides merit and need based awards to eligible Wyoming students.

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 year 2020 are consistent with 2019. The College saw an increase in State appropriations of \$1,121,629 for fiscal year 2019, due to increased major maintenance and health insurance appropriations.

Local taxes – assessed valuation

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

Tax Year	College District	City of Cheyenne	State of Wyoming
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
2014	1,166,877,447	577,640,126	24,164,467,525

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

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

Investment income

A large portion of investment income is related to the investments held by the College Foundation for the State Challenge Grant monies (\$892,706) and the remainder is from gains on the College's investments (\$588,292). 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 College Building 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 remodel of the Ludden Library and the Fine Arts building.

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. And, on March 13, 2020, Governor Gordon of Wyoming declared a state of emergency and a public health emergency. On March 18, 2020, LCCC paused all on-campus operations, except for critical infrastructure needs, transitioned all classes to online and most all staff operations to remote working conditions.

By late April of 2020, the College had projected a possible \$2.6M in lost revenues and increased costs between March 18, 2020 and June 30, 2020 as a result of the pandemic. On May 15, 2020, an aid request was made to the Wyoming Community College Commission under the US Treasury Federal CARES Act. Substantial aid was later received under the US Treasury Federal CARES Act in the following fiscal year (2021). However, in late May of 2020, the College did receive \$751,327 in aid money from the US Department of Education Federal Cares Act, Higher Education Emergency Relief Funds.

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.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION

June 30, 2020 and 2019

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents (Note 2)	\$ 8,310,925	\$ 12,054,336
Restricted cash (Note 2)	2,456,943	-
Restricted cash held by others (Note 2)	-	1,909,883
Investments (Note 2)	5,476,014	5,326,030
Accounts receivable, net	4,741,476	3,562,337
Property taxes receivable	16,411,464	15,206,012
Prepaid expense	98,641	22,144
Total current assets	37,495,463	38,080,742
Noncurrent Assets		
Restricted cash (Notes 2 and 10)	249,226	197,874
Restricted and designated investments (Notes 2 and 10)	3,675,059	3,381,792
Capital assets, net of accumulated depreciation (Notes 3 and 5)	127,764,178	100,987,269
Investments held by others	13,804,307	13,654,299
	145,492,770	118,221,234
Total assets	182,988,233	156,301,976
DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Outflows (Note 6)	2,631,243	5,848,641
OPEB-Related Outflows (Note 8)	3,572,119	4,027,440
Bond Modification	13,020	16,146
Total deferred outflows	6,216,382	9,892,227

See Notes to Financial Statements.

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION, *Continued*
June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 2,925,434	\$ 2,309,046
Payroll and related liabilities	1,593,434	1,411,595
Accrued compensated absences (Note 4)	1,109,619	975,896
Accrued interest payable	91,410	101,842
Advance tuition payments	162,708	153,223
Custodial deposits (Note 9)	812,300	1,891,149
Capital lease obligation (Notes 4 and 5)	29,802	28,655
Current maturities of bonds payable (Note 4)	3,120,772	3,039,560
Current maturities of line of credit (Note 4)	1,800,000	-
Total current liabilities	11,645,479	9,910,966
Noncurrent Liabilities		
Liability for voluntary termination (Note 4)	804,338	391,391
Accrued compensated absences (Note 4)	331,444	291,501
Capital lease obligation (Notes 4 and 5)	-	29,801
Note payable (Note 4)	22,226,733	1,807,829
Long-term bonds payable (Note 4)	22,765,737	25,886,509
Line of credit (Note 4)	200,000	-
Net pension liability (Note 6)	17,885,594	21,966,597
Total OPEB liability (Note 8)	17,853,033	19,524,422
Total noncurrent liabilities	82,066,879	69,898,050
Total liabilities	93,712,358	79,809,016
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Taxes	15,209,377	14,296,108
Pension-Related Inflows (Note 6)	3,025,427	533,531
OPEB-Related Inflows (Note 8)	4,761,981	2,476,304
Total deferred inflows	22,996,785	17,305,943
NET POSITION		
Net Investment in Capital Assets	75,679,049	69,294,698
Restricted for:		
Expendable:		
Scholarships	565,047	112,198
Capital projects	4,663,292	7,301,079
Nonexpendable	9,961,032	9,961,032
Unrestricted	(18,372,948)	(17,589,763)
Total net position	\$ 72,495,472	\$ 69,079,244

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

COMPONENT UNIT - LARAMIE COUNTY COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,280,314	\$ 1,865,723
Receivables:		
Accrued interest	-	28,350
Pledges receivable for 2019 and 2018, net of allowance of \$8,400 and \$4,124, respectively	131,600	64,610
Other receivable	-	19,997
Total current assets	1,411,914	1,978,680
Noncurrent Assets		
Pledges receivable for 2019 and 2018, net of allowance of \$90,900 and \$116,876, respectively and discount of \$145,100 and \$238,800, respectively less current portion	1,278,949	1,591,642
Property and equipment, net	66,875	67,192
Investments:		
Marketable securities (Note 2)	37,217,874	30,535,348
Other investments	3,665	3,665
Total noncurrent assets	38,567,363	32,197,847
Total assets	\$ 39,979,277	\$ 34,176,527
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 399,708	\$ 20,106
Noncurrent Liabilities		
Charitable gift annuity	176,774	195,418
Investments held for others (Note 2)	12,759,493	11,302,215
Total noncurrent liabilities	12,936,267	11,497,633
Total liabilities	13,335,975	11,517,739
Net Assets		
Without donor restrictions		
Undesignated	1,144,759	124,148
With donor restrictions	25,498,543	22,534,640
Total net assets	26,643,302	22,658,788
Total liabilities and net assets	\$ 39,979,277	\$ 34,176,527

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION Years Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues		
Tuition and fees (net of scholarship allowances of \$1,131,401 and \$1,354,169 (Note 1))	\$ 11,113,158	\$ 9,622,137
Federal grants and contracts	2,681,135	1,502,759
State and local grants and contracts	914,633	776,731
Auxiliary enterprise charges (net of scholarship allowances of \$161,106 and \$250,851 (Note 1))	2,878,585	3,608,525
Other operating revenues	252,717	251,970
Total operating revenues	17,840,228	15,762,122
Operating Expenses (Note 12)		
Instruction	22,216,383	20,657,458
Public service	369,738	412,070
Academic support	6,291,172	6,288,649
Student services	5,422,654	4,999,350
Institutional support	8,833,790	8,695,451
Operation and maintenance of plant	6,633,900	4,933,396
Scholarships (Note 1)	7,872,660	6,364,792
Auxiliary enterprises	2,971,517	2,976,002
Depreciation	4,891,838	4,968,680
Total operating expenses	65,503,652	60,295,848
Operating (loss)	(47,663,424)	(44,533,726)
Nonoperating Revenues (Expenses)		
Non-exchange Federal and state grants	5,975,763	5,071,834
State appropriations	26,324,230	26,249,973
Local appropriations	16,595,540	12,025,311
Net investment income	1,480,998	1,072,707
Interest expense	(751,871)	(975,923)
Loss on disposal	(25,642)	(13,353)
Net nonoperating revenues	49,599,018	43,430,549
Income (loss) before other revenue, expenses, gains, or losses	1,935,594	(1,103,177)
Other Revenue, Expenses, Gains, or Losses		
State endowment appropriation	-	40,888
Capital gifts	450,000	3,154,918
Capital appropriations	1,030,634	2,500,000
Total other revenue, expenses, gains, or losses	1,480,634	5,695,806
Increase in net position	3,416,228	4,592,629
Net Position		
Beginning of year	69,079,244	64,486,615
End of Year	\$ 72,495,472	\$ 69,079,244

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

COMPONENT UNIT - LARAMIE COUNTY COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions		
Revenue, gains, and other support:		
Administrative fees	\$ 616,306	\$ 610,102
Investment income (loss), net	980,941	(263,525)
Total revenue and gains		
without donor restrictions	1,597,247	346,577
Net assets released from restrictions	3,304,205	4,270,642
Total revenues, gains, and other support		
without donor restrictions	4,901,452	4,617,219
Expenses:		
Program services:		
College support	3,471,235	4,426,180
Management	182,001	177,797
Fundraising	227,605	187,821
Total expenses	3,880,841	4,791,798
Increase (decrease) in net assets		
without donor restrictions	1,020,611	(174,579)
Changes in Net Assets With Donor Restrictions		
Contributions	2,609,680	4,982,733
Investment income (loss), net	3,658,428	(695,062)
Net assets released from restrictions	(3,304,205)	(4,270,642)
Increase in net assets		
with donor restrictions	2,963,903	17,029
Increase (decrease) in total net assets	3,984,514	(157,550)
Net Assets, beginning	22,658,788	22,816,338
Net Assets, ending	\$ 26,643,302	\$ 22,658,788

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Received from customers	\$ 16,670,574	\$ 15,886,367
Payments to employees and fringe benefits	(35,330,050)	(33,689,985)
Payments to vendors and suppliers	(14,484,828)	(11,348,979)
Payments for scholarships	(7,872,660)	(6,364,792)
Other receipts	(1,078,849)	131,222
Net cash (used in) operating activities	(42,095,813)	(35,386,167)
Cash Flows from Noncapital Financing Activities		
Non-exchange Federal and state grants	5,975,763	5,071,834
State appropriations	26,324,230	26,249,973
Local appropriations	16,303,357	11,789,227
State endowment appropriation	-	40,888
Net cash provided by noncapital financing activities	48,603,350	43,151,922
Cash Flows from Capital and Related Financing Activities		
Cash paid for capital assets	(30,681,289)	(12,074,278)
Proceeds from note	20,418,904	1,807,829
Payments on line of credit	(500,000)	-
Proceeds from line of credit	2,500,000	-
Private gifts for capital construction	450,000	3,154,918
State appropriations for capital construction	1,030,634	2,500,000
Payment of bond principal	(3,039,560)	(2,905,192)
State endowment invested in Foundation	(150,008)	139,826
Principal paid on capital lease	(28,655)	(27,553)
Interest paid on capital lease and bonds	(690,311)	(910,768)
Net cash (used in) capital and related financing activities	(10,690,285)	(8,315,218)
Cash Flows from Investing Activities		
Proceeds from sale of investments	-	127,499
Purchases of investments	(376,149)	(488,988)
Interest received on investments	1,413,898	1,021,891
Net cash provided by investing activities	1,037,749	660,402
Net increase (decrease) in cash and cash equivalents	(3,144,999)	110,939
Cash and Cash Equivalents		
Beginning	14,162,093	14,051,154
Ending	\$ 11,017,094	\$ 14,162,093

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS, *Continued*
Years Ended June 30, 2020 and 2019

	2020	2019
Reconciliation of Operating (Loss) to Net Cash (Used in)		
Operating Activities		
Operating (loss)	\$ (47,663,424)	\$ (44,533,726)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	4,891,838	4,968,680
Other	(43,225)	(55,259)
Changes in assets, liabilities, deferred inflows, and deferred outflows:		
Receivables, net	(1,179,139)	133,131
Prepaid items	(76,497)	62,153
Accounts payable and accrued liabilities	(906,417)	529,447
Advance tuition payments	9,485	(8,886)
Accrued compensated absences	173,666	113,728
Pension liability	(4,081,003)	6,571,156
Deferred outflows - pension	3,217,398	(3,586,588)
Deferred inflows - pension	2,491,896	(632,257)
OPEB liability	(1,671,389)	4,421,783
Deferred outflows - OPEB	455,321	(3,323,770)
Deferred inflows - OPEB	2,285,677	(45,759)
Total adjustments	5,567,611	9,147,559
Net cash (used in) operating activities	\$ (42,095,813)	\$ (35,386,167)
Noncash Capital and Related Financing Activities		
Unrealized gain on investments	\$ 72,622	\$ 52,559
Capital asset additions in accounts payable	1,955,105	916,363

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”) comprised of 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. 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 Laramie County Community College Building Authority (the “Authority”).

The Foundation was organized to develop and sustain support for the College through 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 is comprised of 16 members, who include three College Board members and the College President.

The Foundation is a private not-for-profit organization that reports its financial results under the 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 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 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.

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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; Level 3 inputs are significant unobservable inputs.

The College and the Authority have the following recurring fair value measurements as of June 30, 2020 and 2019:

- Money market funds of \$998,861 and \$297,092 are valued using quoted market prices (Level 1 inputs).
- Investments held by the Foundation of \$13,804,307 and \$13,654,299, and government agency obligations, corporate bonds, treasury bonds and notes, and government bonds of \$8,386,438 and \$8,611,855, are valued using significant other observable inputs (Level 2 inputs).

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

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 3 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.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Deferred outflows of resources: Deferred outflows are the consumption of net position by the College and 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 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.

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.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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, 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.

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 Laramie County Community 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 2020 and 2019, the College received and disbursed \$4,543,078 and \$4,717,773, 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 consist of bond issuance costs, including underwriter discounts. The bond issuance costs are expensed in the period incurred.

Reclassifications: To be consistent with the year ended June 30, 2020, certain components of accounts receivable and deferred inflows for the year ended June 30, 2019 have been reclassified. There was no effect on the change in net position.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 the *Not-for-Profit Entities* Topic 958 of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 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.

Revenue recognition - contributions: The Foundation recognizes contribution income in accordance with ASC Topic 958, *Not-for-Profit Entities*. Unconditional promises to give are recognized as revenue or gain in the period received 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.

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

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.

Revenue recognition – Administrative Fees: The Foundation recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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): solicitation of funds to support the College and management of solicited funds which includes asset investment. The annual fee (transaction price) is fixed fee as explicitly stated in the operating agreement. 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.

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, which, 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 Statement of Financial Position. Unrealized gains and losses are included in the change of net assets in the accompanying Statement 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 Accounting Standards Codification establish 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 valued its marketable securities utilizing the Level 1 and 2 approaches. Level 2 valuations are based on quoted market prices for identical assets in less than active markets.

	2019	2018
Level 1 Investments	\$ 26,580,948	\$ 25,547,441
Level 2 Investments	10,636,926	4,987,907
	<u>\$ 37,217,874</u>	<u>\$ 30,535,348</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 with donor restrictions net asset category that corresponds to each endowment unless the with donor restrictions net asset category corresponding to endowments is reduced to zero, at which time any remaining losses are allocated to without donor restrictions net assets.

Property and equipment: Property and equipment are stated at cost or, if donated, at approximate fair value on the date of the 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. Amortization of software 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 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 Statement of Financial Position, and as a component of management and fundraising in the Statement of Activities.

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).

Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustments 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.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 (FDIC) 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 one and one-half to one 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, 2020 and 2019, \$2,421,975 and \$2,148,571, respectively, remained in the maintenance and repair account, of which \$200,135 and \$152,896, 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, 2020 and 2019, \$49,091 and \$44,978, respectively, was held in bond reserve money market funds for the Building Authority.

As of June 30, 2020 and 2019, respectively, the College had \$0 and \$1,909,883 held by the State of Wyoming for the purposes of construction of the Fine Arts Center.

Custodial credit risk: Custodial credit risk for deposits of the College and Authority is the risk that, in the event of a bank failure, deposits may not be returned to them. At June 30, 2020 and 2019 the carrying amount of the College's demand deposits, including certificates of deposit treated as investments, was \$8,110,680 and \$11,882,355, respectively and bank balances were \$9,447,465 and \$11,837,091, respectively, with Federal insurance and pledged securities totaling \$15,981,848 and \$19,675,391, respectively. At June 30, 2020 and 2019, the Authority held \$199,794 in unrestricted money market mutual fund accounts secured by U.S. Government securities.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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, 2020 and 2019, the College had unrestricted investments with weighted average maturities as shown in the following table:

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>	
2019			
	Cost	Fair Value	Weighted Average Maturity in Years
Investment type:			
Certificates of deposit	\$ 45,000	\$ 45,000	-
U.S. Treasury notes and bonds	1,400,444	1,403,741	.84
Government agencies	2,351,928	2,374,170	1.59
Government bonds	184,648	198,749	.28
Money market funds	50,844	50,968	-
Corporate bonds	1,234,905	1,253,402	2.37
	<u>\$ 5,267,769</u>	<u>\$ 5,326,030</u>	

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2020 and 2019, the College and Authority had restricted and designated investments with weighted average maturities as shown in the following table:

2020		
	Cost	Fair Value
Investment type:		Weighted Average Maturity in Years
Government agencies	<u>\$ 3,204,502</u>	<u>\$ 3,675,059</u>
		7.11
2019		
	Cost	Fair Value
Investment type:		Weighted Average Maturity in Years
Government agencies	<u>\$ 3,203,024</u>	<u>\$ 3,381,792</u>
		8.03

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, 2020 and 2019:

	2020	2019
Credit Rating	Fair Value	Fair Value
AA+	\$ 51,308	\$ 50,949
AA	-	19,530
AA-	51,613	50,758
A+	227,553	50,089
A	301,948	364,810
A-	577,068	377,205
BBB+	569,706	288,447
NR	51,975	51,614
	<u>\$ 1,831,171</u>	<u>\$ 1,253,402</u>

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 and Authority's names.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the College and Authority's investment in a single issuer. Concentration of risk is not formally addressed in the College and Authority's investment policy. As of June 30, 2020 and 2019, more than 5% of the College and 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, 2020 these U.S. Treasury notes and bonds are 10.01% and the Government sponsored enterprises are 61.62%, respectively, of total investments. As of June 30, 2019, these U.S. Treasury notes and bonds are 16.12% and the Government sponsored enterprises are 66.10%, respectively, 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, 2019 and 2018:

		2019	
		Cost	Fair Value
Marketable securities:			
Alternatives		\$ 1,583,495	\$ 1,742,137
Equity, including mutual funds		16,257,664	20,263,641
Fixed Income, including mutual funds		15,016,323	15,212,096
Total marketable securities		\$ 32,857,482	\$ 37,217,874
		2018	
		Cost	Fair Value
Marketable securities:			
Alternatives		\$ 2,472,049	\$ 2,248,542
Equity, including mutual funds		20,471,188	20,780,491
Fixed Income, including mutual funds		7,629,538	7,506,315
Total marketable securities		\$ 30,572,775	\$ 30,535,348

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

The investment portfolio should be adequately diversified to provide maximum earnings, 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%

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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:

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
- Private placement or other securities not publicly traded
- Hedge funds
- Direct placement of mortgages
- Commodities
- Junk bonds
- Bonds used in leverage buy-outs
- Strips
- Residuals
- REIT's

At December 31, 2019 and 2018, the following table shows the fixed-income investments by type, amount, and maturity:

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>
2018				
Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	More than 5
Corporate Bonds	\$4,750,387	\$ 576,576	\$4,173,811	\$ -
Municipal Bonds	237,520	-	-	237,520
	<u>\$ 4,987,907</u>	<u>\$ 576,576</u>	<u>\$ 4,173,811</u>	<u>\$ 237,520</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The distribution of quality rating of debt securities in the Foundation's investment portfolio at fair value as of December 31, 2019 and 2018 is as follows:

Quality rating:	2019	2018
AA	\$ 307,042	\$ 256,243
A	2,814,693	2,484,974
BBB	2,665,811	1,446,727
NR	1,818,893	799,963
Total credit risk debt securities	\$ 7,606,439	\$ 4,987,907

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 Statute. 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, 2019 and 2018, the Foundation held \$12,759,493 and \$11,302,215, 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, 2020 and 2019:

	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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

	Balance June 30, 2018	Additions	Transfers	Retirements	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	2,049,881	12,206,085	(1,301,628)	(174,350)	12,779,988
Total capital assets not being depreciated	2,920,445	12,206,085	(1,301,628)	(174,350)	13,650,552
Other capital assets:					
Infrastructure	3,695,313	-	-	-	3,695,313
Land improvements	7,435,884	-	107,762	-	7,543,646
Buildings	133,615,860	-	1,193,866	-	134,809,726
Furniture, fixtures and equipment	10,514,406	620,653	-	(368,161)	10,766,898
Library materials	544,231	10,023	-	(355,089)	199,165
Total other capital assets	155,805,694	630,676	1,301,628	(723,250)	157,014,748
Less accumulated depreciation for:					
Infrastructure	(2,402,402)	(86,263)	-	-	(2,488,665)
Land improvements	(3,102,367)	(299,112)	-	-	(3,401,479)
Buildings	(50,578,058)	(3,896,874)	-	-	(54,474,932)
Furniture, fixtures and equipment	(8,821,714)	(672,526)	-	354,808	(9,139,432)
Library materials	(486,785)	(13,905)	-	327,167	(173,523)
Total accumulated depreciation	(65,391,326)	(4,968,680)	-	681,975	(69,678,031)
Other capital assets, net	\$ 90,414,368	\$ (4,338,004)	\$ 1,301,628	\$ (41,275)	\$ 87,336,717
Capital asset summary:					
Capital assets not being depreciated	\$ 2,920,445	\$ 12,206,085	\$ (1,301,628)	\$ (174,350)	\$ 13,650,552
Other capital assets, at cost	155,805,694	630,676	1,301,628	(723,250)	157,014,748
Total cost of capital assets	158,726,139	12,836,761	-	(897,600)	170,665,300
Less accumulated depreciation	(65,391,326)	(4,968,680)	-	681,975	(69,678,031)
Capital assets, net	\$ 93,334,813	\$ 7,868,081	\$ -	\$ (215,625)	\$ 100,987,269

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities

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 Community College 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 purposes.

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2020
Series 2014 General Obligation Bonds	<u>\$ 25,000,000</u>	<u>1.75% - 4.0%</u>	<u>\$ 17,000,000</u>

Aggregate maturities, including interest of \$3,248,440 required on the bonds at June 30, 2020 are as follows:

	Principal	Interest
2021	\$ 1,575,000	\$ 590,813
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 - 2029	<u>8,450,000</u>	<u>828,750</u>
	17,000,000	<u>\$ 3,248,440</u>
Original issue premium	<u>746,509</u>	
	<u>\$ 17,746,509</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.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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.

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2020	Maturity
Series 2012 Revenue Bonds - Albany Campus	\$ 2,185,000	1.30% - 3.10%	\$ 1,350,000	2025
Series 2015 Revenue Bonds - Residence Hall	\$ 6,510,000	0.75% - 2.70%	\$ 4,115,000	2025
Series 2016 Revenue Bonds - Dining Facility	\$ 4,675,000	0.75% - 1.95%	\$ 2,675,000	2024

Aggregate maturities, including interest of \$551,340, required on the bonds at June 30, 2020, are as follows:

	Principal	Interest
2021	\$ 1,410,000	\$ 174,702
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>\$ 8,140,000</u>	<u>\$ 551,340</u>

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, 2020. The outstanding balance of the note at June 30, 2020 was \$22,226,733.

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. Interest on the outstanding balance is 4.00% annually, with quarterly payments starting December 31, 2019. The College drew on the line of credit during the year and the outstanding balance as of June 30, 2020 is \$2,000,000. Per the agreement with the financial institution, the College will repay the line of credit as follows: \$1,075,000 on August 31, 2020, \$725,000 on February 28, 2021 and \$200,000 on August 31, 2021.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Legal debt margin: Wyoming State Statutes provide that the Laramie Community College District (the “District”) shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein. As of June 30, 2020, the District’s assessed valuation was \$2,223,593,159. The College has general obligation debt as of June 30, 2020 of \$17,746,509.

Total long-term liabilities: Long-term liability activity for the years ended June 30, 2020 and 2019 is as follows:

	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 leases	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

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Bonds, notes, and capital lease obligations:					
General obligation bonds	\$ 20,951,261	\$ -	\$ (1,555,192)	\$ 19,396,069	\$ 1,649,560
Facility revenue bonds	10,880,000	-	(1,350,000)	9,530,000	1,390,000
Note payable	-	1,807,829	-	1,807,829	-
Capital lease	86,012	-	(27,556)	58,456	28,655
Total bonds, notes and capital leases	31,917,273	1,807,829	(2,932,748)	30,792,354	3,068,215
Other liabilities:					
Liability for voluntary termination	387,419	291,476	(287,504)	391,391	-
Accrued compensated absences	1,153,669	992,347	(878,619)	1,267,397	975,896
Total other liabilities	1,541,088	1,283,823	(1,166,123)	1,658,788	975,896
Total long-term liabilities	\$ 33,458,361	\$ 3,091,652	\$ (4,098,871)	\$ 32,451,142	\$ 4,044,111

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 Building 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, 2020	\$968,951	\$2,174,585	\$3,386,241
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	\$3,241,376	\$3,085,089	\$6,603,900

The College also has other capital leases for equipment at year end with an ending balance at June 30, 2020 of \$29,802, with annual payments, including interest, of \$30,993.

Note 6. Retirement Commitment – Wyoming Retirement System (WRS)

Plan description: Substantially all employees of the College, excluding part-time employees, unless previously grandfathered, and those participating in the 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 <http://retirement.state.wy.us/About/Reports?Label=Financial#categories>.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 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.

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, for the year ended June 30, 2020, member contributions were required to be 8.75% of compensation and employer contributions were required to be 8.87% of compensation. Previously, the member and employer contribution percentages were 8.50% and 8.62%, 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 in addition to the employer's contribution. Total contributions to the pension plan from the College were \$2,136,016, \$1,943,763, and \$1,791,435, for the years ended June 30, 2020, 2019, and 2018, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2020 and 2019, the College reported a liability of \$17,885,594 and \$21,966,597, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. 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 year ended December 31, 2019 to the contributions of all participating employers for the same period. At December 31, 2019, the College's proportion was 0.761113%, which was an increase from its December 31, 2018 proportion of 0.721330%.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019, the College recognized pension expense of \$2,825,400 and \$3,423,043, respectively. At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 328,944
Net difference between projected and actual earnings on pension plan investments	-	2,696,483
Changes in proportionate share of contributions	1,443,136	-
Contributions subsequent to the measurement date	628,688	-
Changes in assumptions	559,420	-
	<u>\$ 2,631,243</u>	<u>\$ 3,025,427</u>

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 533,531
Net difference between projected and actual earnings on pension plan investments	3,349,909	-
Changes in proportionate share of contributions	894,875	-
Contributions subsequent to the measurement date	576,186	-
Changes in assumptions	1,027,671	-
	<u>\$ 5,848,641</u>	<u>\$ 533,531</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

An amount of \$628,688 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 year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 163,921
2022	(189,593)
2023	190,239
2024	(1,187,438)
	<u>\$ (1,022,872)</u>

Actuarial assumptions: The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions adopted by the Wyoming Retirement System 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

Mortality rates were based on the RP-2014 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. Each major asset class that is included in the pension plan's target asset allocation for fiscal year 2019. These best estimates are summarized in the following table:

Asset Class	Target Allocation	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

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 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 employer'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 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 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	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 <http://retirement.state.wy.us/About/Reports?Label=Financial#categories>.

Note 7. Retirement Commitment – TIAA

Eligible College employees may elect to participate in the Teachers Insurance and Annuity Association (TIAA) instead of the Wyoming Retirement System. TIAA is a private defined contribution pension plan, which is portable to other institutions and states. For the years ended June 30, 2020, 2019, and 2018, the College's contributions to TIAA were \$1,575,038, \$1,332,652, and \$1,324,442, respectively.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 8. Postemployment Benefits Other Than Pensions (OPEB) Commitment

General Information about the OPEB Plan

Plan description: Eligible employees of the College are provided with OPEB through the State of Wyoming Group Insurance Retiree Health Plan (Plan) – a cost-sharing 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 Wyoming Retirement System 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 Wyoming Retirement System. The Public Employees' 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 Comprehensive Annual 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 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.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020 and 2019, the College reported a liability of \$17,853,033 and \$19,524,422, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2020. The College's proportion of the collective total OPEB liability was based on a projection of the College's expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2020, the College's proportion was 1.88720%, which was a decrease from its June 30, 2019 proportion of 1.91520%.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019, the College recognized OPEB expense of \$1,069,610 and \$1,047,151, respectively. At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,433,955	\$ 2,461,347
Changes of assumptions	138,164	2,106,729
Change in proportionate share of expected payments	-	193,905
	<u>\$ 3,572,119</u>	<u>\$ 4,761,981</u>

	June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,986,111	\$ -
Changes of assumptions	-	2,476,304
Change in proportionate share of expected payments	41,329	-
	<u>\$ 4,027,440</u>	<u>\$ 2,476,304</u>

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:

Year ended June 30,	
2021	\$ (154,365)
2022	(154,365)
2023	(154,365)
2024	(154,365)
2025	(154,365)
Thereafter	(418,037)
	<u>\$ (1,189,862)</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	July 1, 2019 (based on July 1, 2019 census data).
Inflation	2.50%
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	Non-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 3 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 S&P Healthcare Economic Index, NHCE data plan renewal data and vendor Rx report with adjustments based on the provisions of the benefits offered by EGI.

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

Discount rate: The discount rate used to measure the total OPEB liability was 3.51%, which represents a decrease from the discount rate of 3.87% utilized for the June 30, 2018 measurement date. The discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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 3.51%, 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 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Proportionate share of the collective total OPEB liability	\$ 21,734,413	\$ 17,853,033	\$ 14,861,990

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 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Non-Medicare	6.20%	7.20%	8.20%
Medicare	6.60%	7.60%	8.60%
Proportionate share of the collective total OPEB liability	\$ 14,986,729	\$ 17,583,033	\$ 21,712,668

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Student Activity Funds:		
Beginning	<u>\$ 1,891,149</u>	<u>\$ 1,759,927</u>
Additions:		
Student fees	659,054	631,183
Allocated interest and other	<u>160</u>	<u>14</u>
Total additions	<u>659,214</u>	<u>631,197</u>
Total available funds	<u>2,550,363</u>	<u>2,391,124</u>
Deductions:		
Salaries and benefits	149,084	216,411
Other noncapital expenditures	<u>1,588,979</u>	<u>283,564</u>
Total deductions	<u>1,738,063</u>	<u>499,975</u>
Ending	<u><u>\$ 812,300</u></u>	<u><u>\$ 1,891,149</u></u>

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, 2020, approximately 16 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, 2020 was approximately \$1,196,360.

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, 2020, the remaining commitment to complete construction projects totaled approximately \$8,295,934. 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

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, 2020. As of June 30, 2020, the reserve fund consists of investments with a fair value of \$297,828 and cash of \$845.

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, 2020. As of June 30, 2020, the reserve fund consists of investments with a fair value of \$698,310 and cash of \$3,909.

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, 2020. As of June 30, 2020, the reserve fund consists of investments with a fair value of \$457,081 and cash of \$44,337.

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, 2020, 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.

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:

2020					
Natural Classification					
Functional Classification:	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
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 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

2019					
Natural Classification					
Functional Classification:	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
Instruction	\$ 17,175,516	\$ 3,481,942	\$ -	\$ -	\$ 20,657,458
Public service	327,307	84,763	-	-	412,070
Academic support	5,187,399	1,101,250	-	-	6,288,649
Student services	4,078,079	921,271	-	-	4,999,350
Institutional support	6,091,888	2,603,563	-	-	8,695,451
Operation of plant	3,120,433	1,812,963	-	-	4,933,396
Scholarships	-	-	-	6,364,792	6,364,792
Auxiliary enterprises	1,285,729	1,690,273	-	-	2,976,002
Depreciation	-	-	4,968,680	-	4,968,680
Total expenses	\$ 37,266,351	\$ 11,696,025	\$ 4,968,680	\$ 6,364,792	\$ 60,295,848

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 13. Subsequent Events

The Foundation has set aside approximately \$1,525,000 in funds to be transferred to the College for the Fine Arts renovations. Two installments of \$450,000 each were received by the College in January and August 2019. The remaining payment of \$625,000 was received December 2020.

The College received the following grants after June 30, 2020:

Passed through the State of Wyoming and
Wyoming Community College Commission:

Treasury - Coronavirus Relief Fund	\$ 6,119,339
U.S. Department of Education	
Governor's Emergency Education Relief Fund	501,364
Passed through Wyoming Kids First Initiative	<u>60,000</u>
Total Received by the College	<u><u>\$ 6,680,703</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

LARAMIE COUNTY COMMUNITY COLLEGE

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

Public Employee Pension Plan

Last 7 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%

** 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 ten years of data.*

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS

Public Employee Pension Plan

Last 7 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%

** This schedule is to be built prospectively until it contains ten 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 3 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%

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

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2020

Note 1. Retirement Commitment – Wyoming Retirement System

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

Note 2. OPEB Commitment

Changes in benefit terms: There were no changes in benefit terms since the prior valuation.

Changes in assumptions: The valuation reflects the following assumption changes from the June 30, 2019 measurement date to the June 30, 2020 measurement date.

- Discount rate changed from 3.87% to 3.51%.
- Updated healthcare claims costs based on recent experience.
- An increase in retiree contributions between 2019 and 2020.
- Healthcare cost trend rates were changed from 7.60% to 7.20% for non-Medicare and 8.10% to 7.60% for Medicare.

SUPPLEMENTARY INFORMATION

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION

June 30, 2020

ASSETS	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
Current Assets				
Cash and cash equivalents	\$ 8,111,131	\$ 199,794	\$ -	\$ 8,310,925
Restricted cash	2,456,943	-	-	2,456,943
Investments	5,476,014	-	-	5,476,014
Accounts receivable, net	4,741,476	-	-	4,741,476
Current maturities of lease	-	1,427,201	(1,427,201)	-
Interest receivable	-	48,102	(48,102)	-
Property taxes receivable	16,411,464	-	-	16,411,464
Prepaid expense	98,641	-	-	98,641
Total current assets	37,295,669	1,675,097	(1,475,303)	37,495,463
Noncurrent Assets				
Restricted cash	200,135	49,091	-	249,226
Restricted and designated investments	2,221,840	1,453,219	-	3,675,059
Building Authority receivable	651,000	-	(651,000)	-
Long-term lease	-	5,102,575	(5,102,575)	-
Capital assets, net of accumulated depreciation	127,764,178	-	-	127,764,178
Investments held by others	13,804,307	-	-	13,804,307
	144,641,460	6,604,885	(5,753,575)	145,492,770
Total assets	181,937,129	8,279,982	(7,228,878)	182,988,233
DEFERRED OUTFLOWS				
Pension-Related Outflows	2,631,243	-	-	2,631,243
OPEB-Related Outflows	3,572,119	-	-	3,572,119
Lease and Bond Modification	62,323	346,175	(395,478)	13,020
Total deferred outflows	6,265,685	346,175	(395,478)	6,216,382

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION, *Continued*

June 30, 2020

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 2,925,434	\$ -	\$ -	\$ 2,925,434
Payroll and related liabilities	1,593,434	-	-	1,593,434
Accrued compensated absences	1,109,619	-	-	1,109,619
Accrued interest payable	97,933	41,579	(48,102)	91,410
Advance tuition payments	162,708	-	-	162,708
Custodial deposits	812,300	-	-	812,300
Capital lease obligation	1,457,003	-	(1,427,201)	29,802
Current maturities of bonds payable	1,710,772	1,410,000	-	3,120,772
Current maturities of line of credit	1,800,000	-	-	1,800,000
Total current liabilities	11,669,203	1,451,579	(1,475,303)	11,645,479
Noncurrent Liabilities				
Liability for voluntary termination	804,338	-	-	804,338
Accrued compensated absences	331,444	-	-	331,444
Due to College	-	651,000	(651,000)	-
Capital lease obligation	5,102,575	-	(5,102,575)	-
Note payable	22,226,733	-	-	22,226,733
Long-term bonds payable	16,035,737	6,730,000	-	22,765,737
Line of credit	200,000	-	-	200,000
Net pension liability	17,885,594	-	-	17,885,594
Total OPEB liability	17,853,033	-	-	17,853,033
Total noncurrent liabilities	80,439,454	7,381,000	(5,753,575)	82,066,879
Total liabilities	92,108,657	8,832,579	(7,228,878)	93,712,358
DEFERRED INFLOWS				
Property Taxes	15,209,377	-	-	15,209,377
Pension-Related Inflows	3,025,427	-	-	3,025,427
OPEB-Related Inflows	4,761,981	-	-	4,761,981
Lease Modification	333,155	62,323	(395,478)	-
Total deferred inflows	23,329,940	62,323	(395,478)	22,996,785
Net Investment in Capital Assets	77,005,421	(1,326,372)	-	75,679,049
Restricted for:				
Expendable:				
Scholarships	565,047	-	-	565,047
Capital projects	4,663,292	-	-	4,663,292
Nonexpendable	9,961,032	-	-	9,961,032
Unrestricted	(19,430,575)	1,057,627	-	(18,372,948)
Total net position	\$ 72,764,217	\$ (268,745)	\$ -	\$ 72,495,472

LARAMIE COUNTY COMMUNITY COLLEGE

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

Year Ended June 30, 2020

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
Operating Revenues				
Tuition and fees	\$ 11,113,158	\$ -	\$ -	\$ 11,113,158
Federal grants and contracts	2,681,135	-	-	2,681,135
State and local grants and contracts	914,633	-	-	914,633
Auxiliary enterprise charges	2,878,585	-	-	2,878,585
Other operating revenues	252,717	-	-	252,717
Total operating revenues	17,840,228	-	-	17,840,228
Operating Expenses				
Instruction	22,216,383	-	-	22,216,383
Public service	369,738	-	-	369,738
Academic support	6,291,172	-	-	6,291,172
Student services	5,422,654	-	-	5,422,654
Institutional support	8,833,790	-	-	8,833,790
Operation and maintenance of plant	6,621,623	12,277	-	6,633,900
Scholarships	7,872,660	-	-	7,872,660
Auxiliary enterprises	2,971,517	-	-	2,971,517
Depreciation	4,891,838	-	-	4,891,838
Total operating expenses	65,491,375	12,277	-	65,503,652
Operating (loss)	(47,651,147)	(12,277)	-	(47,663,424)
Nonoperating Revenues (Expenses)				
Non-exchange Federal and state grants	5,975,763	-	-	5,975,763
State appropriations	26,324,230	-	-	26,324,230
Local appropriations	16,595,540	-	-	16,595,540
Net investment income	1,378,914	102,084	-	1,480,998
Direct financing income	-	141,026	(141,026)	-
Interest expense	(697,813)	(195,084)	141,026	(751,871)
Loss on disposal	(25,642)	-	-	(25,642)
Net nonoperating revenues	49,550,992	48,026	-	49,599,018
Income before other revenue, expenses, gains, or losses	1,899,845	35,749	-	1,935,594
Other Revenue, Expenses, Gains, or Losses				
Capital gifts	450,000	-	-	450,000
Capital appropriations	1,030,634	-	-	1,030,634
Total other revenue, expenses, gains, or losses	1,480,634	-	-	1,480,634
Increase in net position	3,380,479	35,749	-	3,416,228
Net Position, beginning of year	69,383,738	(304,494)	-	69,079,244
Net Position, end of year	\$ 72,764,217	\$ (268,745)	\$ -	\$ 72,495,472

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Direct Student Loans	N/A	84.268	\$ 4,543,078
Federal Pell Grant Program	N/A	84.063	4,171,128
Federal Work-Study Program	N/A	84.033	64,138
Federal Supplemental Educational Opportunity Grants	N/A	84.007	101,297
Total Student Financial Assistance Cluster			<u>8,879,641</u>
TRIO Cluster:			
TRIO Student Support Services	N/A	84.042	238,872
Total TRIO Cluster			<u>238,872</u>
CARES Educational Stabilization Fund			
COVID-19 Higher Education Emergency Relief Fund - Student Portion	N/A	84.425E	684,217
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	N/A	84.425F	353,152
			<u>1,037,369</u>
Passed through Wyoming Department of Education:			
Career and Technical Education - Basic Grants to States	N/A	84.048	347,688
Passed through University of Wyoming:			
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	1004098A/1004098C	84.334	439,527
Passed through Wyoming Community College Commission:			
Adult Education Basic Grants to States:			
Adult Education State Grant Program	AE20R04	84.002	117,220
El Civics State Grant Program	AE20C04	84.002	50,584
Total passed through Wyoming Community College Commission			<u>167,804</u>
Total U.S. Department of Education			<u>11,110,901</u>
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)	1004296D-LCCC		
	1004671-LCCC	93.859	53,828
Total U.S. Department of Health and Human Services and Research and Development Cluster			<u>53,828</u>

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Labor:			
WIOA Cluster:			
Passed through Wyoming Department of Workforce Services:			
WIA Youth Activities	170885/194136	17.259	\$ 25,194
Total WIOA Cluster			<u>25,194</u>
Passed through Northern Wyoming Community College District:			
H-1B Job Training Grants	020617-2	17.268	<u>335,309</u>
Passed through American Association of Community Colleges			
Expanding Community College Apprenticeships	19-75-A-11	17.001	<u>35,544</u>
Total U.S. Department of Labor			<u>396,047</u>
Total Expenditures of Federal Awards			<u><u>\$ 11,560,776</u></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 the 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, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.



**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, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 26, 2021. The financial statements of the College's discretely presented component unit, 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; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

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 statement. 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.

McGee, Hearn & Paig, LLP
Cheyenne, Wyoming
January 26, 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, 2020. 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, 2020.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

McGee, Hearne & Paig, LLP

Cheyenne, Wyoming
January 26, 2021

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

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 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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
Cluster	Student Financial Assistance
84.425	CARES Education Stabilization Fund
84.334	GEAR UP

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

II. FINANCIAL STATEMENT FINDINGS

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

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the Authority's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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.

Effect: Prior to the proposed audit adjustments, the financial statements were not properly stated in accordance with U.S. GAAP.

Cause: Both adjustments were caused by unusual circumstances and non-routine transactions including upgrades to the College's financial reporting software.

Identification as a Repeat Finding: No.

Recommendation: We recommend that, at the end of each reporting period, the net position balance be reconciled to the balance reported as of the previous reporting period. In addition, we recommend the College implement additional controls surrounding the recording and reconciling of capital assets.

Views of Responsible Officials and Planned Corrective Actions: During the year end close process it was noted that several previous years encumbrances registered on an error report. These had not shown up in the last years close process. There were also two non-posted journal entries which appeared on an error report. It was not known at the time that these would cause issues with fund balance. Going forward fund balance will be reconciled after year end close.

In the previous audit, the Crossroads Building was included in Construction in Progress but was included on the capitalized assets report from Colleague. During the current audit it was not noted that the Crossroads project was recorded on the capitalization system when the journal entry was made. Going forward the capitalized asset report will be reviewed in detail to match the projects that have moved to fund 70.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

LARAMIE COUNTY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2020

There were no findings for the year ended June 30, 2019.