

LARAMIE COUNTY COMMUNITY COLLEGE

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Laramie County Community College (the College) as of and for the years ended June 30, 2023 and 2022, and its discretely presented component unit, the Laramie County Community College Foundation (the Foundation), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023 and 2022, and December 31, 2022 and 2021, respectively, and the respective changes in their financial position and, where applicable, their cash flows thereof for the years then ended, respectively, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and, except for the Foundation component unit, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 19, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 61, the Schedule of the College's Contributions on page 62, the Schedule of the College's Proportionate Share of the Total OPEB Liability on page 63, and the Notes to Required Supplementary Information on pages 64 and 65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 audits 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 the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, this information is 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 November 14, 2023 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
November 14, 2023

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

The Management's Discussion and Analysis (MD&A) section of Laramie County Community College's (the College) annual financial report provides an overview of the College's financial activities for the fiscal year ended June 30, 2023. 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 2021, 2022, and 2023.

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

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

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

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

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

Laramie, with a population of 32,035, is the county seat of Albany County and is on the Laramie River in southeastern Wyoming, at the junction of Interstate 80 and U.S. Route 287.

Using the Annual Report

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

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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 and 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 total 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 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.

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

The Statement of Financial Position and the Statement of Activities for the Laramie County Community College Foundation (the Foundation) reflect the audited financial information as of and for the year ended December 31, 2022. Although the inclusion of these figures in our financial report is required by GASB Statement No. 39, they are not included in this MD&A. If there are questions regarding this information, contact the Foundation at 1400 East College Drive, Cheyenne, Wyoming 82007.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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

Supplementary Information

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

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

Assets

Current Assets

	2021	2022	2023
Cash and cash equivalents	\$ 18,648,931	\$ 26,524,032	\$ 36,237,190
Restricted cash	768	-	-
Restricted cash held by others	196,787	-	-
Investments	5,547,897	4,738,356	5,174,690
Accounts receivable, net	3,443,355	2,926,167	4,614,916
Property taxes receivable	15,492,451	18,999,891	15,222,252
Prepaid expense	36,064	131,967	133,333
Total current assets	\$ 43,366,253	\$ 53,320,413	\$ 61,382,381

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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

Cash and cash equivalents consist of cash in the College's bank accounts, the Authority's bank accounts, short-term investments, and register cash and petty cash drawers maintained on campus. Investments include secured (Federal Deposit Insurance Corporation or collateralized) certificates of deposit and trust accounts held in local banks. The increase in cash and cash equivalents for 2023 is mainly due to the timing of the cash collections of property tax due to the changes in Senate File 60, as tax is now collected monthly. Cash also consists of some one-time funds that have not yet been spent but have been obligated. Cash held by others consists of 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, interfund transactions between the College and the Foundation, accrued interest, student sponsorships, student housing rent and board, state appropriations, grant awards, financial aid and scholarships, summer housing, and other miscellaneous operational transactions. Accounts receivable are offset by an estimate of uncollectible accounts. Accounts receivable decreased in 2022 partially due to lower enrollment and turning accounts over to collections. The increase in 2023 was partially due to higher fall enrollment and a receivable from the State of Wyoming for the reimbursement of the Recreation and Athletics Complex (RAC) construction costs.

Property taxes receivable

Property taxes receivable for fiscal year 2022 increased when compared to fiscal year 2021 due to increases in oil production and increased county valuations. The fiscal year 2023 valuation decreased due to the receipt of monthly ad valorem tax for the current fiscal year mineral production, which, in previous years, was not collected until the following year based on the January 1 fiscal year.

Prepaid expense

Prepaid expense consists of prepaid food service vendor payments.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Noncurrent Assets

	2021	2022	2023
Restricted cash	\$ 261,036	\$ 6,342,264	\$ 475,292
Restricted and designated investments	3,569,851	3,715,992	3,556,219
Capital assets, net of accumulated depreciation	139,658,713	135,750,028	143,642,045
Investments held by others	16,699,584	15,155,403	13,774,531
Total noncurrent assets	160,189,184	160,963,687	161,448,087
Total assets	\$ 203,555,437	\$ 214,284,100	\$ 222,830,468

Noncurrent restricted cash

Restricted cash consists of funds with the Authority for future bond payments and payments to reimburse the College for the RAC construction project. The balance was considerably higher in 2022 compared to 2023 due to the construction timing. At June 30, 2022, the cash was on hand, but construction did not begin until 2023.

Restricted investments

Restricted investments are investments belonging to the Authority. They are classified as noncurrent restricted because the investments are restricted to Series 2005 Bonds (residence halls - refunded by Series 2015 Bonds), Series 2009 Build America Bonds (dining facility/residence hall - refunded by Series 2016 Bonds), Series 2012 Bonds (refunded bonds for the ACC building), Series 2014 Bonds (construction of the Pathfinder and Flex Tech buildings - fiscal year 2016), and Series 2021 Bonds (construction of the RAC facilities - fiscal year 2022). Both restricted cash and restricted investments were generated from the 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 in fiscal year 2023 was the result of the capitalization of the Fine Arts building for almost \$15 million. The decrease in fiscal year 2022 was the result of very little construction on campus and most items not reaching the capitalization threshold, so the reduction was primarily a result of asset depreciation. Please see Note 3 to the financial statements for additional information relating to capital assets.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Investments held by others

This category reflects the amounts invested and held by the Foundation, as custodian for the College. The investments were funded by the State of Wyoming Endowment Challenge Grant. Fiscal years 2021, 2022 and 2023 saw fluctuations due to changes in market valuations of investments that the Foundation manages. See the State of Wyoming endowment appropriation in the Nonoperating Revenues (Expenses) section below. All endowment funds given by the state must be booked as revenue by the College and shown as an asset on the College's books.

Deferred Outflows

Deferred outflows of resources can be defined as an outlay of resources by the College that is applicable to a future reporting period (for example, advance payments or credits to accounts). The pension-related outflows continue to change, mostly due to the differences in projected and actual investment earnings and changes to assumptions. See Note 5 to the financial statements for more detail.

Other postemployment benefits (OPEB)-related outflows continue to change due to the expanding difference between the actual and expected experience of the average future working life expectancy. Please see Note 7 to the financial statements for more detail.

	2021	2022	2023
Deferred outflows:			
Pension-related outflows	\$ 1,929,962	\$ 2,118,096	\$ 3,932,261
OPEB-related outflows	8,757,690	8,106,466	6,282,125
Bond modification	9,843	6,614	3,333
Total deferred outflows	\$ 10,697,495	\$ 10,231,176	\$ 10,217,719

Liabilities

Definition of Current and Noncurrent Liabilities

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

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Current Liabilities

	2021	2022	2023
Accounts payable	\$ 1,712,588	\$ 1,364,236	\$ 4,348,369
Payroll and related liabilities	1,443,533	1,422,454	1,499,827
Accrued compensated absences	1,087,061	1,066,760	970,000
Accrued interest payable	80,169	705,764	716,040
Advance tuition payments	132,718	144,805	171,802
Custodial deposits	1,097,112	1,319,204	720,893
Unearned revenue	-	409,241	6,636,713
Current maturities of note payable	-	968,571	943,539
Current maturities of bonds payable	3,186,294	3,138,042	3,849,762
Total current liabilities	\$ 8,739,475	\$ 10,539,077	\$ 19,856,945

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 2023 saw a larger than normal increase mostly due to the RAC construction project.

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 2022/2023 academic year. Fiscal year 2023 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 lease obligations and bonds payable. Fiscal years 2022 and 2023 saw an increase as the Eagle Village payments to the State of Wyoming were due in August 2022 and 2023.

Advanced tuition payments

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

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Custodial deposits

Custodial deposits represent the amounts that the College holds for the Agency Funds, including student fees (income and expense) and equity. The increase in 2022 was due to lower-than-expected spending based on the canceled activities due to COVID-19, and funds are being reserved as they will be utilized to pay for part of the RAC construction. The decrease in 2023 was due to funds being transferred as they will be utilized to pay for part of the RAC construction.

Unearned revenue

The College recognized unearned revenue in 2023 related to mineral taxes received in advance of the assessment date and the First Quarterly Major Maintenance from the State of Wyoming that was received in fiscal year 2023 for fiscal year 2024 construction projects.

Current maturities of note payable

The College completed the Eagle Village project, and the funds and interest were converted to a long-term note payable with the State Lands and Investments Board in fiscal year 2022.

Current maturities of bonds payable

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

	2021	2022	2023
Liability for voluntary termination	\$ 654,545	\$ 635,430	\$ 413,358
Accrued compensated absences	324,706	318,643	459,770
Note payable	30,995,561	30,081,609	29,116,803
Long-term bonds payable	19,579,443	23,161,401	19,087,722
Net pension liability	16,701,283	11,184,247	21,079,172
Total OPEB liability	24,994,575	25,813,859	19,855,840
Total noncurrent liabilities	93,250,113	91,195,189	90,012,665
Total liabilities	\$ 101,989,588	\$ 101,734,266	\$ 109,869,610

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 reduction 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.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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.

Note payable

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

Long-term bonds payable

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

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

Net pension liability

This line item is the College's share of the liability of an underfunded pension plan administered by the State of Wyoming. The College cost-shares with other Wyoming participants in a statewide retirement plan to provide a defined benefit retirement plan to its employees. Please see Note 5 to the financial statements for additional information relating to this liability.

Total OPEB liability

This line item is the College's share of the liability of an underfunded OPEB plan administered by the State of Wyoming. The College cost-shares with other Wyoming participants in a statewide health insurance plan to provide a health insurance benefit plan to its retired employees. Please see Note 7 to the financial statements for additional information relating to this liability.

Deferred Inflows

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

	2021	2022	2023
Deferred inflows:			
Unavailable property taxes	\$ 13,610,949	\$ 17,065,934	\$ 11,905,649
Pension-related inflows	3,806,808	8,101,289	519,739
OPEB-related inflows	3,977,556	4,361,699	9,369,243
Total deferred inflows	\$ 21,395,313	\$ 29,528,922	\$ 21,794,631

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Unavailable Property Taxes

Unavailable property tax revenue is reflective of the amount that becomes revenue in the subsequent fiscal year on the levy date (second Tuesday in August). See the Property Taxes Receivable section above for a discussion of the fiscal year 2022 increase and fiscal year 2023 decrease.

Pension-Related Inflows

Deferred inflows of resources can be defined as an inflow of resources by the College that is applicable to a future reporting period (for example, advance changes to account share). When a change (increase or decrease) in the proportional share of the net pension liability of the College to the other participants in the pension plan or a difference between expected and actual experience occurs, it must be recorded as a deferred inflow or outflow and amortized over the applicable period. Please see Note 5 to the financial statements for additional information relating to this liability.

OPEB-Related Inflows

Deferred inflows of resources can be defined as an inflow of resources by the College that is applicable to a future reporting period (for example, advance changes to account share). When a change (increase or decrease) in the proportional share of the net OPEB liability of the College to the other participants in the OPEB plan or a difference between expected and actual experience occurs, it must be recorded as a deferred inflow or outflow and amortized over the applicable period. Please see Note 7 to the financial statements for additional information relating to this liability.

Net Position

Net position is equal to the College's assets and deferred outflows less liabilities and deferred inflows. Net position is classified in three types: net investment in capital assets, restricted, and unrestricted.

	2021	2022	2023
Net investment in capital assets	\$ 85,574,513	\$ 78,042,065	\$ 88,709,133
Restricted for:			
Non-expendable (endowment)	10,011,836	10,022,172	10,022,172
Expendable:			
Scholarships, research, instruction, and other	929,489	282,384	2,770,471
Capital projects and asset purchases	4,711,786	6,300,104	9,047,122
Unrestricted	(10,359,593)	(1,394,637)	(9,164,952)
Total net position	\$ 90,868,031	\$ 93,252,088	\$ 101,383,946

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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 purchases

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 that have been designated by the governing board for specific purposes, as well as amounts that have been contractually committed for goods and services but have not yet been received.

Revenues

Operating Revenues

	2021	2022	2023
Tuition and fees, net of scholarship allowances of \$344,812, \$1,438,984 and \$1,784,680 for 2021, 2022 and 2023, respectively	\$ 10,536,340	\$ 10,160,951	\$ 10,376,434
Federal grants and contracts	901,131	1,873,540	3,361,557
State and local grants and contracts	1,282,926	663,666	2,250,165
Auxiliary enterprise charges, net of scholarship allowances of \$53,881, \$318,016 and \$836,665 for 2021, 2022 and 2023, respectively	2,655,574	3,969,905	4,834,706
Other operating revenues	143,136	298,640	250,993
Total operating revenues	\$ 15,519,107	\$ 16,966,702	\$ 21,073,855

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Tuition and fees

This category includes all tuition and fees assessed for educational purposes. A scholarship allowance is applied to student accounts and 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 Federal Pell 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.

Tuition and fee rates from 2021, 2022 and 2023 remained unchanged. This is comparable with prior years.

Enrollment

Enrollment has continued to decrease due to declining high school graduate classes in Wyoming. Enrollment is stable to slightly decreasing. The College has been working on recruiting and targeting nontraditional students to return to the College.

Enrollment History	Headcount	Credits
Academic Year		
2013-14	7,309.00	91,917.00
2014-15	6,739.00	85,462.00
2015-16	6,455.00	83,026.00
2016-17	6,099.00	79,360.00
2017-18	6,148.00	77,620.00
2018-19	6,070.00	76,821.00
2019-20	5,970.00	76,187.00
2020-21	5,307.00	67,840.00
2021-22	5,389.00	66,993.00
2022-23	5,326.00	68,256.00
1-Year Change	-1.2%	1.9%
5-Year Change	-12.3%	-11.1%
10-Year Change	-27.1%	-25.7%

Grant and contract revenues

Grant and contract revenues include all restricted revenues from governmental agencies and private agencies. Grant revenues are recorded as the reimbursement of expenses associated with the grant. Fiscal year 2023 saw an increase in grants due to the receipt of the Advanced Manufacturing and Materials Center (AMMC) grant. See the Schedule of Expenditures of Federal Awards for information regarding nonoperating financial aid Federal grants and contracts (see the Nonoperating Revenues (Expenses) section below as well).

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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, the 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 2022 saw a large increase as the residence hall, the Children's Discovery Center (CDC) and the dining center were re-opened for regular operations. Fiscal year 2023 saw a larger increase as the residence hall, the CDC and the dining center were re-opened for regular operations for the entire fiscal year.

Other operating revenues

Other operating revenues comprise income from miscellaneous sources, including the collection of prior-year bad debts, gate receipts, exam lab, GED testing, and administration fees. Fiscal year 2023 was comparable to prior years.

Expenses

Operating Expenses

	2021	2022	2023
Operating expenses by function:			
Academic support	\$ 7,488,788	\$ 5,017,987	\$ 5,279,071
Auxiliary enterprises	3,176,247	4,472,226	4,751,689
Depreciation	4,864,325	4,895,378	5,822,781
Institutional support	10,961,918	8,013,015	9,228,532
Instruction	20,073,644	19,804,703	21,760,962
Operation and maintenance of plant	6,570,507	8,568,522	7,037,858
Public service	382,006	418,270	471,729
Scholarships	10,650,814	8,179,935	5,511,779
Student services	4,922,385	4,566,126	5,691,004
Total operating expenses	69,090,634	63,936,162	65,555,405
 Operating (loss)	 \$ (53,571,527)	 \$ (46,969,460)	 \$ (44,481,550)

Operating expenses include salaries and benefits, goods and services provided to the College, institutional scholarships, and operations and maintenance of the plant. Health insurance benefit costs to the College held steady. Only a minimal number of new staff were added in fiscal years 2021, 2022 and 2023 due to budget constraints.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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, the State of Wyoming, and Laramie County. The fiscal year 2023 operating loss decreased by \$2,847,910 over fiscal year 2022. The decrease was mostly due to the College receiving additional revenue for the AMMC project and additional State of Wyoming grants for new programs. The fiscal year 2022 operating loss decreased by \$6,602,067 over fiscal year 2021. The decrease was mostly due to the College returning to regular operations on the revenue side and continuing to diligently watch expenses to remain in budget as the College moved out of COVID-19.

Nonoperating Revenues (Expenses)

	2021	2022	2023
Nonoperating revenues (expenses):			
Non-exchange Federal and state grants	\$ 19,489,993	\$ 9,582,129	\$ 5,081,140
State appropriations	25,492,506	25,276,206	25,475,182
Local appropriations	17,612,321	16,392,161	19,939,376
Investment income (loss)	3,324,303	(1,697,627)	(627,125)
Interest expense	(707,337)	(1,278,821)	(1,438,885)
Net nonoperating revenues	65,211,786	48,274,048	48,429,688
Income before other revenue, expenses, gains, or losses	11,640,259	1,304,588	3,948,138
State of Wyoming endowment appropriation	50,804	10,336	-
Capital gifts	712,130	1,069,133	254,289
Capital appropriations	5,969,366	-	3,929,431
Total other revenue, expenses, gains, or losses	6,732,300	1,079,469	4,183,720
Increase in net position	\$ 18,372,559	\$ 2,384,057	\$ 8,131,858

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

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Non-Exchange Federal and State Grants

Non-exchange funds are not direct payments for services or products. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Pell grants account for the majority of funds in this category, with \$4,180,133 and \$3,800,742 for fiscal years 2023 and 2022, respectively. This category also includes funds from the State of Wyoming for the Hathaway Scholarship Program of \$770,742 and \$652,522 for fiscal years 2023 and 2022, respectively. The state program provides merit- and need-based awards to eligible Wyoming students.

During 2023, the decrease was due to \$4,543,637 in COVID-19 Education Stabilization Fund grants that were received in fiscal year 2022 but not in fiscal year 2023.

During 2022, the decrease was due to Wyoming Coronavirus Aid, Relief, and Economic Security (CARES) Act grants of \$8,651,320 and Governor's Emergency Education Relief Fund funding of \$43,295 that was received in fiscal year 2021 but not in fiscal year 2022.

State Appropriations

A funding formula is used to determine the College's portion of total community college state appropriations and is based on a comparison to the other six community colleges in Wyoming. It is comparable with prior years.

Local Taxes - Assessed Valuation

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

Tax Year	District	Local Tax	State Tax
2023	\$ 2,872,583,597	\$ 1,856,037,679	\$ 1,016,545,918
2022	2,480,513,587	1,623,686,202	856,827,385
2021	1,930,631,036	1,428,251,395	502,379,641
2020	2,223,593,159	1,355,555,365	868,037,794
2019	2,071,909,677	1,289,355,327	782,554,350
2018	1,664,944,741	1,175,947,547	488,997,194

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

Local valuations have had stable growth with an increase in 2023 due to higher mineral valuations. Wyoming has had a large increase in valuation from the downturn of energy-related (coal, oil, and natural gas) industries' production and value.

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Investment Income

A large portion of investment income is related to the investments held by the Foundation for the State Challenge Grant monies (\$820,779), and the remainder is from gains on the College's investments (\$22,564) and the Authority's investments (\$171,099).

Interest Expense

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

Endowment Appropriation

Funds from a state-managed fund for scholarship endowment is appropriated by the State of Wyoming to the various colleges and universities 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 AMMC project.

Capital Appropriations

Capital appropriations consisted of additional state appropriations to assist in funding the remodel of the RAC.

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, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2 and 8)	\$ 36,237,190	\$ 26,524,032
Investments (Note 2)	5,174,690	4,738,356
Accounts receivable, net	4,614,916	2,926,167
Property taxes receivable	15,222,252	18,999,891
Prepaid expense	133,333	131,967
Total current assets	61,382,381	53,320,413
Noncurrent Assets		
Restricted cash and cash equivalents (Notes 2 and 9)	475,292	6,342,264
Restricted and designated investments (Notes 2 and 9)	3,556,219	3,715,992
Capital assets, net of accumulated depreciation (Note 3)	143,642,045	135,750,028
Investments held by others	13,774,531	15,155,403
Total noncurrent assets	161,448,087	160,963,687
Total assets	222,830,468	214,284,100
DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Outflows (Note 5)	3,932,261	2,118,096
OPEB-Related Outflows (Note 7)	6,282,125	8,106,466
Lease and Bond Modification	3,333	6,614
Total deferred outflows of resources	10,217,719	10,231,176

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION, *Continued* June 30, 2023 and 2022

	2023	2022
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 4,348,369	\$ 1,364,236
Payroll and related liabilities	1,499,827	1,422,454
Accrued compensated absences (Note 4)	970,000	1,066,760
Accrued interest payable	716,040	705,764
Advance tuition payments	171,802	144,805
Custodial deposits (Note 8)	720,893	1,319,204
Unearned revenue	6,636,713	409,241
Current maturities of note payable (Note 4)	943,539	968,571
Current maturities of bonds payable (Note 4)	3,849,762	3,138,042
Total current liabilities	19,856,945	10,539,077
Noncurrent Liabilities		
Liability for voluntary termination (Note 4)	413,358	635,430
Accrued compensated absences (Note 4)	459,770	318,643
Note payable, less current maturities (Note 4)	29,116,803	30,081,609
Bonds payable, less current maturities (Note 4)	19,087,722	23,161,401
Net pension liability (Note 5)	21,079,172	11,184,247
Total OPEB liability (Note 7)	19,855,840	25,813,859
Total noncurrent liabilities	90,012,665	91,195,189
Total liabilities	109,869,610	101,734,266
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Taxes	11,905,649	17,065,934
Pension-Related Inflows (Note 5)	519,739	8,101,289
OPEB-Related Inflows (Note 7)	9,369,243	4,361,699
Total deferred inflows of resources	21,794,631	29,528,922
NET POSITION		
Net Investment in Capital Assets	88,709,133	78,042,065
Restricted for:		
Expendable:		
Scholarships	2,770,471	282,384
Capital projects	9,047,122	6,300,104
Non-expendable	10,022,172	10,022,172
Unrestricted	(9,164,952)	(1,394,637)
Total net position	\$ 101,383,946	\$ 93,252,088

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE
COMPONENT UNIT - LARAMIE COUNTY COMMUNITY
COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,700,488	\$ 3,272,389
Receivables:		
Pledges receivable, net of allowance of \$10,717 and \$11,158, respectively	167,899	174,928
Other receivable	-	10,336
Total current assets	1,868,387	3,457,653
Noncurrent Assets		
Pledges receivable, net of allowance of \$52,383 and \$72,542, and discount of \$64,000 and \$96,500, respectively, less current portion	756,559	1,039,782
Property and equipment, net	66,743	66,743
Investments:		
Marketable securities (Note 2)	44,962,497	49,147,600
Other investments	3,665	3,665
Total noncurrent assets	45,789,464	50,257,790
Total assets	\$ 47,657,851	\$ 53,715,443
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 198,730	\$ 46,847
Deferred revenue	173,950	-
Total liabilities	372,680	46,847
Noncurrent Liabilities		
Charitable gift annuity	130,363	143,750
Investments held for others (Note 2)	12,757,750	15,636,994
Total noncurrent liabilities	12,888,113	15,780,744
Total liabilities	13,260,793	15,827,591
Net Assets		
Without donor restrictions:		
Undesignated	2,246,262	2,769,294
With donor restrictions	32,150,796	35,118,558
Total net assets	34,397,058	37,887,852
Total liabilities and net assets	\$ 47,657,851	\$ 53,715,443

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues		
Tuition and fees, net of scholarship allowances of \$1,784,680 and \$1,438,984, respectively (Note 1)	\$ 10,376,434	\$ 10,160,951
Federal grants and contracts	3,361,557	1,873,540
State and local grants and contracts	2,250,165	663,666
Auxiliary enterprise charges, net of scholarship allowances of \$836,665 and \$318,016, respectively (Note 1)	4,834,706	3,969,905
Other operating revenues	250,993	298,640
Total operating revenues	21,073,855	16,966,702
Operating Expenses (Note 11)		
Instruction	21,760,962	19,804,703
Public service	471,729	418,270
Academic support	5,279,071	5,017,987
Student services	5,691,004	4,566,126
Institutional support	9,228,532	8,013,015
Operation and maintenance of plant	7,037,858	8,568,522
Scholarships (Note 1)	5,511,779	8,179,935
Auxiliary enterprises	4,751,689	4,472,226
Depreciation	5,822,781	4,895,378
Total operating expenses	65,555,405	63,936,162
Operating (loss)	(44,481,550)	(46,969,460)
Nonoperating Revenues (Expenses)		
Non-exchange Federal and state grants	5,081,140	9,582,129
State appropriations	25,475,182	25,276,206
Local appropriations	19,939,376	16,392,161
Net investment (loss)	(627,125)	(1,697,627)
Interest expense	(1,438,885)	(1,278,821)
Net nonoperating revenues	48,429,688	48,274,048
Income before other revenues, expenses, gains, or losses	3,948,138	1,304,588
Other Revenues, Expenses, Gains, or Losses		
State endowment appropriation	-	10,336
Capital gifts	254,289	1,069,133
Capital appropriations	3,929,431	-
Total other revenues, expenses, gains, or losses	4,183,720	1,079,469
Increase in net position	8,131,858	2,384,057
Net Position		
Beginning of year	93,252,088	90,868,031
End of year	\$ 101,383,946	\$ 93,252,088

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE
COMPONENT UNIT - LARAMIE COUNTY COMMUNITY
COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022	2021
Changes in Net Assets Without Donor Restrictions		
Revenues, gains, and other support:		
Administrative fees	\$ 804,225	\$ 722,513
Investment (loss) income, net	(517,659)	614,621
Total revenues and gains	286,566	1,337,134
Net assets released from restrictions	3,043,862	1,602,114
Total revenues, gains, and other support	3,330,428	2,939,248
Expenses:		
Program services:		
College support	3,320,835	1,818,634
Management	264,408	229,479
Fundraising	268,217	255,934
Total expenses	3,853,460	2,304,047
(Decrease) increase in net assets without donor restrictions	(523,032)	635,201
Changes in Net Assets With Donor Restrictions		
Contributions	5,211,768	2,527,632
Investment (loss) income, net	(5,135,668)	3,279,302
Net assets released from restrictions	(3,043,862)	(1,602,114)
(Decrease) increase in net assets with donor restrictions	(2,967,762)	4,204,820
Change in net assets	(3,490,794)	4,840,021
Net Assets, beginning	37,887,852	33,047,831
Net Assets, ending	\$ 34,397,058	\$ 37,887,852

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Received from customers	\$ 25,584,201	\$ 17,512,547
Payments to employees and fringe benefits	(37,495,551)	(34,736,879)
Payments to vendors and suppliers	(14,319,186)	(16,257,875)
Payments for scholarships	(5,511,779)	(8,179,935)
Other receipts	(598,311)	222,092
Net cash (used in) operating activities	(32,340,626)	(41,440,050)
Cash Flows From Noncapital Financing Activities		
Non-exchange Federal and state grants	5,081,140	9,582,129
State appropriations	25,475,182	25,276,206
Local appropriations	18,763,047	16,748,947
State endowment appropriation	-	10,336
Net cash provided by noncapital financing activities	49,319,369	51,617,618
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of capital assets	1,656,389	1,783,717
Cash paid for capital assets	(13,797,722)	(2,738,201)
(Payments on) proceeds from note	(989,838)	54,619
Proceeds from bond issuance	-	6,770,000
Private gifts for capital construction	254,289	1,069,133
State appropriations for capital construction	3,929,431	-
Payment of bond principal	(3,361,959)	(3,236,294)
State endowment invested in Foundation	1,380,872	1,544,181
Interest paid on lease and bonds	(1,300,333)	(631,722)
Net cash (used in) provided by capital and related financing activities	(12,228,871)	4,615,433
Cash Flows From Investing Activities		
Purchases of investments	(326,032)	462,705
Interest received on investments	(577,654)	(1,496,932)
Net cash (used in) investing activities	(903,686)	(1,034,227)
Net increase in cash and cash equivalents	3,846,186	13,758,774
Cash and Cash Equivalents		
Beginning of year	32,866,296	19,107,522
End of year	\$ 36,712,482	\$ 32,866,296

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS, *Continued* Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating (loss)	\$ (44,481,550)	\$ (46,969,460)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	5,822,781	4,895,378
Other	(69,621)	(69,371)
Changes in assets, liabilities, deferred inflows, and deferred outflows:		
Receivables, net	(1,744,123)	568,284
Prepaid items	(1,366)	(95,903)
Accounts payable and accrued liabilities	461,341	(164,135)
Advance tuition payments	26,997	(22,441)
Unearned revenue	6,227,472	-
Accrued compensated absences	44,367	(26,364)
Pension liability	9,894,925	(5,517,036)
Deferred outflows - pension	(1,814,165)	(188,134)
Deferred inflows - pension	(7,581,550)	4,294,481
OPEB liability	(5,958,019)	819,284
Deferred outflows - OPEB	1,824,341	651,224
Deferred inflows - OPEB	5,007,544	384,143
Total adjustments	12,140,924	5,529,410
Net cash (used in) operating activities	\$ (32,340,626)	\$ (41,440,050)
Noncash Capital and Related Financing Activities		
Unrealized (loss) on investments	\$ (49,471)	\$ (200,695)
Capital asset additions in accounts payable	1,938,419	364,954

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

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

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

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

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

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

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

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

Investments: The College accounts for its investments at fair value, as determined by quoted market prices, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. Changes in the unrealized gain (loss) on the carrying value of investments are reported as a component of net investment (loss) 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 accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The College and the Authority have the following recurring fair value measurements as of June 30, 2023 and 2022:

- Money market funds of \$472,923 and \$355,377, respectively, are valued using quoted market prices (Level 1 inputs).
- Investments held by the Foundation of \$13,774,531 and \$15,155,403, respectively, and government agency obligations, corporate bonds, treasury bonds and notes, and government bonds of \$8,730,909 and \$8,454,348, respectively, are valued using significant other observable inputs (Level 2 inputs).

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

Accounts receivable: Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. The College considers all accounts receivable, except student receivables, to be fully collectible at June 30, 2023 and 2022. Therefore, no allowance for doubtful accounts is deemed necessary for non-student receivables. However, an estimate for uncollectible accounts is recorded within student receivables.

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Noncurrent liabilities: Noncurrent liabilities include estimated amounts for accrued compensated absences, bonds payable, the note payable, 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, therefore, 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 of accumulated depreciation, outstanding principal of capital-related borrowings, and liabilities (including accounts payable and retainage payable) related to those capital assets.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

Unearned revenue: Unearned revenue results from the College recognizing revenue in the period the related services are performed or products are received regardless of when cash is received. Accordingly, revenue for which services are to be performed in the next calendar year is unearned until such services are performed.

Property taxes: Property taxes are assessed and attach as an enforceable lien on property as of January 1 of the preceding levy year. Taxes are levied on or about September 1. Real property taxes are payable in two installments on November 1 and May 1, or the tax may be paid in full by December 31. The County bills and collects its own real property taxes, as well as those for all municipalities and political subdivisions within the County, including the College. Effective January 1, 2022, mineral ad valorem property taxes are billed and collected monthly by the State of Wyoming Department of Revenue, with a true-up following the annual assessment in the following fiscal year. The College's property tax revenues are recognized when assessed. Property taxes receivable include property taxes assessed for the year that will be levied and billed in the subsequent year and delinquent property taxes.

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 2023 and 2022, the College received and disbursed \$4,201,802 and \$4,256,676, respectively, under the William D. Ford Federal Direct Loan Program on behalf of the U.S. Department of Education, which is not included as revenue or expense on the Statements of Revenues, Expenses, and Changes in Net Position due to the nature of the transaction.

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

Reclassifications: To be consistent with the year ended June 30, 2023, certain components of cash, investments, revenues and expenses for the year ended June 30, 2022 have been reclassified. There was no effect on the change in net position.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

Component unit - Foundation: A summary of the Foundation's significant accounting policies is as follows:

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and 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, whereby the donor has stipulated that the funds must be maintained in perpetuity.

ASC Topic 958 also requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed conditions.

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

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

The Foundation maintains its cash in bank deposit accounts that, at times, may exceed Federally insured limits. The Foundation believes that 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 values and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period the income and gains are recognized.

Pledges receivable: Pledges receivable represent unconditional promises to give by donors that have not been received by the Foundation. Pledges receivable are recorded at fair value, which is measured as the present value of their future cash flows less an allowance for uncollectible pledges. The discounts on those amounts were computed using an interest rate of 6% for the years ended December 31, 2022 and 2021. Amortization of the discount is included in contribution revenue. Pledges receivable that have no donor-imposed restrictions but are scheduled to be received in future years are classified as net assets with donor restrictions due to the passage of time restrictions.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

	<u>2022</u>	<u>2021</u>
Level 1 investments	\$ 37,225,597	\$ 39,359,349
Level 2 investments	<u>7,736,900</u>	<u>9,788,251</u>
	<u>\$ 44,962,497</u>	<u>\$ 49,147,600</u>

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

Property and equipment: Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as net assets without donor restrictions 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 net assets with donor restrictions. Depreciation is recorded using the straight-line method over the estimated useful life. Software amortization is recorded over 36 months. Repairs are expensed as incurred. New equipment with an original cost of \$1,000 or more is capitalized.

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Contributions: The Foundation recognizes contribution revenue in accordance with ASC Topic 958. Unconditional promises to give are recognized as revenue or a gain in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Depending on the existence or nature of any donor restrictions, unconditional contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. There were no conditional promises to give received by the Foundation during the years ended December 31, 2022 or 2021. The Foundation has estimated an allowance for the uncollectibility of unconditional contributions receivable.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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 U.S. Federal, state, or local tax authorities except for the last three years filed.

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

Note 2. Deposits With Financial Institutions and Investments

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

The College's 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 and investments: As a requirement of the 2014 bond issuance, the College was required to establish a mandatory maintenance and repair fund of no 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, 2023 and 2022, \$2,086,560 and \$2,133,046, respectively, remained in the maintenance and repair account, of which \$326,285 and \$270,666, 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, 2023 and 2022, \$63,773 and \$58,845, respectively, was held in bond reserve money market funds for the Authority, and \$85,234 and \$6,012,753, respectively, was restricted for the Recreation & Athletics Complex facilities. As of June 30, 2023 and 2022, \$1,795,944 and \$1,853,612, respectively, was held in U.S. government securities for the Authority. These investments are restricted for the revenue bonds.

Custodial credit risk: Custodial credit risk for deposits of the College and the Authority is the risk that, in the event of a bank failure, deposits may not be returned to them. At June 30, 2023 and 2022, the carrying amount of the College's demand deposits, including certificates of deposit treated as investments, was \$35,596,969 and \$25,601,330, respectively, and bank balances were \$36,418,435 and \$26,556,480, respectively, with Federal insurance and pledged securities totaling \$40,742,045 and \$26,836,472, respectively. At June 30, 2023 and 2022, the Authority held \$409,150 and \$296,532, respectively, in unrestricted money market mutual fund accounts secured by U.S. government securities.

Investments:

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

2023			
	Cost	Fair Value	Weighted-Average Maturity (in Years)
Investment type:			
U.S. Treasury notes and bonds	\$ 1,668,410	\$ 1,660,031	1.91
Government agencies	1,937,354	1,753,519	1.66
Corporate bonds	1,933,279	1,761,140	1.51
	<u>\$ 5,539,043</u>	<u>\$ 5,174,690</u>	
2022			
	Cost	Fair Value	Weighted-Average Maturity (in Years)
Investment type:			
U.S. Treasury notes and bonds	\$ 200,625	\$ 192,967	2.58
Government agencies	2,062,760	1,929,804	2.55
Corporate bonds	2,773,328	2,615,585	1.68
	<u>\$ 5,036,713</u>	<u>\$ 4,738,356</u>	

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

2023			
	Cost	Fair Value	Weighted-Average Maturity (in Years)
Investment type:			
Government agencies	<u>\$ 3,842,426</u>	<u>\$ 3,556,219</u>	5.13

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

	2022		Weighted-Average Maturity (in Years)
	Cost	Fair Value	
Investment type:			
Government agencies	\$ 3,843,370	\$ 3,715,992	6.22

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

	Fair Value	
	2023	2022
Credit rating:		
A+	\$ 99,453	\$ 209,199
A	187,907	190,966
A-	785,905	590,844
BBB+	587,202	1,370,489
BBB	100,673	254,087
	\$ 1,761,140	\$ 2,615,585

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 for safekeeping by external custodians in the College's and the Authority's names.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the College's and the Authority's investment in a single issuer. Concentration of credit risk is not formally addressed in the College's and the Authority's investment policy. As of June 30, 2023 and 2022, more than 5% of the College's and the Authority's investments are in U.S. Treasury notes and bonds and government-sponsored enterprises (Federal Housing Finance Agency, Federal Farm Credit, Fannie Mae, and Freddie Mac). As of June 30, 2023, these U.S. Treasury notes and bonds are 19.01% of total investments and the government-sponsored enterprises are 60.82% of total investments. As of June 30, 2022, these U.S. Treasury notes and bonds are 2.13% of total investments and the government-sponsored enterprises are 62.28% of total investments.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

Foundation: The carrying values and fair values of marketable securities for the Foundation are as follows at December 31:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Marketable securities:				
Alternatives	\$ 4,437,217	\$ 4,062,788	\$ 2,469,055	\$ 3,196,274
Equity, including mutual funds	28,154,427	30,635,823	21,482,991	30,667,800
Fixed income, including mutual funds	10,791,993	10,263,886	15,323,057	15,283,526
Total marketable securities	\$ 43,383,637	\$ 44,962,497	\$ 39,275,103	\$ 49,147,600

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

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

The target allocation is as follows:

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

Total equities 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's Board of Directors 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, and certificates of deposit). The investment manager will not be authorized to purchase securities classified as U.S. fixed income.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

Prohibited investments: The Foundation's Board of Directors will not normally authorize investments in the following asset categories:

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

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

2022				
Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	More Than 5
Government agencies	\$ 812,957	\$ 281,513	\$ 531,444	\$ -
Corporate bonds	4,075,609	1,899,974	2,175,635	-
U.S. Treasuries	2,848,333	-	1,724,804	1,123,529
	<u>\$ 7,736,899</u>	<u>\$ 2,181,487</u>	<u>\$ 4,431,883</u>	<u>\$ 1,123,529</u>
2021				
Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	More Than 5
Government agencies	\$ 1,549,354	\$ 766,094	\$ 783,260	\$ -
Corporate bonds	8,039,868	4,042,096	3,997,772	-
Municipal bonds	199,029	-	-	199,029
	<u>\$ 9,788,251</u>	<u>\$ 4,808,190</u>	<u>\$ 4,781,032</u>	<u>\$ 199,029</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

	2022	2021
Quality rating:		
AA	\$ 1,105,007	\$ 1,819,001
A	1,373,314	1,936,083
BBB	1,472,882	2,392,092
NR	3,785,696	3,641,075
Total credit risk debt securities	\$ 7,736,899	\$ 9,788,251

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

As of December 31, 2022 and 2021, the Foundation held \$12,757,750 and \$15,636,994, respectively, of investments for the College.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

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

	Balance June 30, 2022	Additions	Transfers	Retirements	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	17,080,632	11,624,710	(14,971,706)	(1,485,522)	12,248,114
Total capital assets not being depreciated	\$ 17,951,196	\$ 11,624,710	\$ (14,971,706)	\$ (1,485,522)	\$ 13,118,678
Other capital assets:					
Infrastructure	\$ 3,078,139	\$ -	\$ -	\$ (2,416)	\$ 3,075,723
Land improvements	7,543,646	-	-	(1,442,036)	6,101,610
Buildings	172,980,696	-	14,971,706	(4,540,747)	183,411,655
Furniture, fixtures and equipment	12,367,583	3,746,477	-	(1,138,364)	14,975,696
Total other capital assets	195,970,064	3,746,477	14,971,706	(7,123,563)	207,564,684
Less accumulated depreciation for:					
Infrastructure	(2,150,984)	(89,169)	-	2,416	(2,237,737)
Land improvements	(4,318,542)	(305,688)	-	1,442,036	(3,182,194)
Buildings	(60,994,929)	(4,485,357)	-	4,370,610	(61,109,676)
Furniture, fixtures and equipment	(10,706,777)	(942,567)	-	1,137,634	(10,511,710)
Total accumulated depreciation	(78,171,232)	(5,822,781)	-	6,952,696	(77,041,317)
Other capital assets, net	\$ 117,798,832	\$ (2,076,304)	\$ 14,971,706	\$ (170,867)	\$ 130,523,367
Capital asset summary:					
Capital assets not being depreciated	\$ 17,951,196	\$ 11,624,710	\$ (14,971,706)	\$ (1,485,522)	\$ 13,118,678
Other capital assets, at cost	195,970,064	3,746,477	14,971,706	(7,123,563)	207,564,684
Total cost of capital assets	213,921,260	15,371,187	-	(8,609,085)	220,683,362
Less accumulated depreciation	(78,171,232)	(5,822,781)	-	6,952,696	(77,041,317)
Capital assets, net	\$ 135,750,028	\$ 9,548,406	\$ -	\$ (1,656,389)	\$ 143,642,045

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets, *Continued*

	Balance June 30, 2021	Additions	Transfers	Retirements	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	51,223,469	1,907,366	(34,592,109)	(1,458,094)	17,080,632
Total capital assets not being depreciated	\$ 52,094,033	\$ 1,907,366	\$ (34,592,109)	\$ (1,458,094)	\$ 17,951,196
Other capital assets:					
Infrastructure	\$ 3,078,139	\$ -	\$ -	\$ -	\$ 3,078,139
Land improvements	7,543,646	-	-	-	7,543,646
Buildings	139,656,979	-	34,592,109	(1,268,392)	172,980,696
Furniture, fixtures and equipment	11,668,409	863,044	-	(163,870)	12,367,583
Total other capital assets	161,947,173	863,044	34,592,109	(1,432,262)	195,970,064
Less accumulated depreciation for:					
Infrastructure	(2,061,717)	(89,267)	-	-	(2,150,984)
Land improvements	(4,012,854)	(305,688)	-	-	(4,318,542)
Buildings	(58,019,060)	(3,918,795)	-	942,926	(60,994,929)
Furniture, fixtures and equipment	(10,288,862)	(581,628)	-	163,713	(10,706,777)
Total accumulated depreciation	(74,382,493)	(4,895,378)	-	1,106,639	(78,171,232)
Other capital assets, net	\$ 87,564,680	\$ (4,032,334)	\$ 34,592,109	\$ (325,623)	\$ 117,798,832
Capital asset summary:					
Capital assets not being depreciated	\$ 52,094,033	\$ 1,907,366	\$ (34,592,109)	\$ (1,458,094)	\$ 17,951,196
Other capital assets, at cost	161,947,173	863,044	34,592,109	(1,432,262)	195,970,064
Total cost of capital assets	214,041,206	2,770,410	-	(2,890,356)	213,921,260
Less accumulated depreciation	(74,382,493)	(4,895,378)	-	1,106,639	(78,171,232)
Capital assets, net	\$ 139,658,713	\$ (2,124,968)	\$ -	\$ (1,783,717)	\$ 135,750,028

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 the County, the State of Wyoming, or any political subdivision other than the College. The bond is secured by an ad valorem tax levied against all taxable property within the Laramie County Community College District (the District), without a limitation of rate or amount. Should the tax for the payment of principal and interest on the bond at any time not be levied or collected in time to meet such payment, the principal or interest so maturing shall be paid out of the general fund of the College or from any other funds available for that purpose.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities, *Continued*

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2023
Series 2014 General Obligation Bonds	\$ 25,000,000	1.75%-4.00%	\$ 12,100,000

Aggregate maturities, including interest of \$1,642,626, required on the bonds at June 30, 2023 are as follows:

Years ending June 30:	Principal	Interest
2024	\$ 1,800,000	\$ 436,188
2025	1,850,000	377,688
2026	1,950,000	315,250
2027	2,000,000	247,000
2028	2,200,000	174,500
2029	2,300,000	92,000
	12,100,000	\$ 1,642,626
Original issue premium	377,484	
	<u>\$ 12,477,484</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, \$4,675,000 of revenue bonds on October 14, 2016, and \$6,770,000 of revenue bonds on December 15, 2021. The bonds are limited obligations of the Authority and do not constitute an obligation or guarantee of the College or its agencies or political subdivisions. The bonds are secured by the leased assets, and repayments will be made through lease payments by the College for the use of the assets.

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities, *Continued*

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2023	Maturity
Series 2012 Revenue Bonds - Albany County campus	\$ 2,815,000	1.30%-3.10%	\$ 725,000	2025
Series 2015 Revenue Bonds - Residence Hall	6,510,000	0.75%-2.70%	2,040,000	2025
Series 2016 Revenue Bonds - Dining Facility	4,675,000	0.75%-1.95%	1,025,000	2024
Series 2021 Revenue Bonds - Recreation & Athletics Complex	6,770,000	0.35%-1.85%	6,670,000	2036

Aggregate maturities, including interest of \$1,238,692, required on the bonds at June 30, 2023 are as follows:

Years ending June 30:	Principal	Interest
2024	\$ 2,150,000	\$ 180,201
2025	2,215,000	124,902
2026	425,000	93,320
2027	450,000	89,495
2028	450,000	327,038
2029-2033	2,475,000	327,038
2034-2036	2,295,000	96,698
	<u>\$ 10,460,000</u>	<u>\$ 1,238,692</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 the 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 to 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 outstanding balance of the note at June 30, 2023 was \$30,060,342, including interest of \$1,015,683, which was recognized as an increase to the cost of the residence hall. The State of Wyoming authorized the College's total principal and interest balance to exceed the predetermined \$30,000,000.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities, *Continued*

Aggregate maturities based on the total draw amount, including interest of \$10,040,018, required on the promissory note at June 30, 2023 are as follows:

	Principal	Interest
Years ending June 30:		
2024	\$ 943,539	\$ 741,738
2025	966,804	718,473
2026	990,643	681,634
2027	1,015,070	670,207
2028	1,040,099	645,178
2029-2033	5,598,073	2,828,312
2034-2038	6,323,132	2,103,253
2039-2043	7,142,101	1,284,285
2044-2047	6,040,881	366,938
	<u>\$ 30,060,342</u>	<u>\$ 10,040,018</u>

Legal debt margin: Wyoming State Statutes provide that the District shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein. As of June 30, 2023, the District's assessed valuation was \$2,872,582,597. The College has general obligation debt of \$12,477,484 as of June 30, 2023.

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Bonds, note, and capital lease obligations:					
General obligation bonds	\$ 14,289,443	\$ -	\$ (1,811,959)	\$ 12,477,484	\$ 1,699,762
Facility revenue bonds	12,010,000	-	(1,550,000)	10,460,000	2,150,000
Note payable	31,050,180	-	(989,838)	30,060,342	943,539
Total bonds, note, and capital lease obligations	57,349,623	-	(4,351,797)	52,997,826	4,793,301
Other liabilities:					
Liability for voluntary termination	635,430	-	(222,072)	413,358	-
Accrued compensated absences	1,385,403	1,018,063	(973,696)	1,429,770	970,000
Total other liabilities	2,020,833	1,018,063	(1,195,768)	1,843,128	970,000
Total long-term liabilities	\$ 59,370,456	\$ 1,018,063	\$ (5,547,565)	\$ 54,840,954	\$ 5,763,301

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities, *Continued*

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds, note, and capital lease obligations:					
General obligation bonds	\$ 16,035,737	\$ -	\$ (1,746,294)	\$ 14,289,443	\$ 1,588,042
Facility revenue bonds	6,730,000	6,770,000	(1,490,000)	12,010,000	1,550,000
Note payable	30,995,561	54,619	-	31,050,180	968,571
Total bonds, note, and capital lease obligations	53,761,298	6,824,619	(3,236,294)	57,349,623	4,106,613
Other liabilities:					
Liability for voluntary termination	654,545	277,448	(296,563)	635,430	-
Accrued compensated absences	1,411,767	842,275	(868,639)	1,385,403	1,066,760
Total other liabilities	2,066,312	1,119,723	(1,165,202)	2,020,833	1,066,760
Total long-term liabilities	\$ 55,827,610	\$ 7,944,342	\$ (4,401,496)	\$ 59,370,456	\$ 5,173,373

Note 5. Retirement Commitment - WRS

Plan description: Substantially all employees of the College, excluding part-time employees, unless previously grandfathered, and those participating in the Teachers Insurance and Annuity Association (TIAA) defined contribution plan, are provided with pensions through the Public Employee Pension Plan, a statewide cost-sharing multiple-employer defined benefit contributory retirement plan administered by the WRS. The authority to establish and amend benefits and contribution rates rests with the Wyoming State Legislature. 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 accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: The determination of retirement benefits is dependent upon each 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. The formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average salary after 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. The formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and 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/her 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 Titles 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2021, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the College has elected to pay 5.17% of each member's contribution for the years ended June 30, 2023 and 2022, in addition to the employer's contribution. Total contributions to the pension plan from the College were \$2,296,130 and \$2,004,943 for the years ended June 30, 2023 and 2022, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2023 and 2022, the College reported a liability of \$21,079,172 and \$11,184,247, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 and 2021, respectively. There were no assumption changes for the 2022 actuarial valuation. The 2021 actuarial valuation incorporated assumption changes adopted by the WRS Board at its November 17, 2021 and February 17, 2022 meetings. The College's proportion of the net pension liability was based on the relationship of the College's total contributions to the plan for the years ended December 31, 2022 and 2021 to the contributions of all participating employers for the same periods. At December 31, 2022, the College's proportion was 0.7713357%, which was an increase from its December 31, 2021 proportion of 0.7335272%.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

For the years ended June 30, 2023 and 2022, the College recognized pension expense (offset) of \$1,989,772 and (\$109,522), respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 105,709	\$ 133,624	\$ 209,758	\$ 17,184
Net difference between projected and actual earnings on pension plan investments	1,814,503	-	-	7,434,556
Changes in proportionate share of contributions	677,620	386,115	350,031	649,549
Contributions subsequent to the measurement date	768,715	-	653,274	-
Changes in assumptions	565,714	-	905,033	-
	<u>\$ 3,932,261</u>	<u>\$ 519,739</u>	<u>\$ 2,118,096</u>	<u>\$ 8,101,289</u>

The amounts of \$768,715 and \$653,274 at June 30, 2023 and 2022, respectively, reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement dates, are recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, respectively. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 will be recognized in pension expense, as follows:

Years ending June 30:	
2024	\$ (509,716)
2025	487,149
2026	704,790
2027	<u>1,961,584</u>
	<u>\$ 2,643,807</u>

Actuarial assumptions: The total pension liability in the January 1, 2022 and 2021 actuarial valuations was determined using the following actuarial assumptions adopted by the WRS Board, effective at its November 17, 2021 and February 17, 2022 meetings, and applied to the December 31, 2022 and 2021 measurement dates:

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Cost of Living Increase	0.00%

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation
Pre-Retirement Mortality	Mortality rates were based on the PUB-2010 General Active Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 100%.
Post-Retirement Mortality	Mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 103%.

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 adding expected inflation. Each major asset class is included in the pension plan's target asset allocation as of January 1, 2022 and 2021. These best estimates are summarized in the following tables:

Asset Class	2022		
	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable alternatives	16.00%	5.14%	6.02%
Private real assets	10.50%	6.05%	7.67%
	<u>100.00%</u>		

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Asset Class	Target Allocation	2021	
		Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-0.50%	-0.50%
Fixed income	21.00%	1.32%	1.63%
Equity	48.50%	5.63%	7.54%
Marketable alternatives	19.00%	3.74%	4.63%
Private real assets	9.50%	4.84%	5.99%
	<u>100.00%</u>		

Experience analysis: An experience study was conducted on behalf of all WRS plans covering the five-year period ended December 31, 2020. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

Discount rate: The discount rate used to measure the total pension liability as of December 31, 2022 and 2021 was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate: The following presents the College's proportionate share of the net pension liability as of June 30, 2023 and 2022, calculated using the discount rate of 6.80%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	2023		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 31,126,370	\$ 21,079,172	\$ 12,752,771

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

	2022		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 20,634,798	\$ 11,184,247	\$ 3,350,277

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report, which may be accessed through the WRS's website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Note 6. Retirement Commitment - TIAA

Eligible College employees may elect to participate in TIAA instead of the WRS. TIAA is a private defined contribution pension plan that is portable to other institutions and states. For the years ended June 30, 2023 and 2022, the College's contributions to TIAA were \$1,484,928 and \$1,436,909, respectively.

Note 7. OPEB Commitment

General information about the OPEB plan:

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

1. The employee had coverage in effect under the Plan for at least one year prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the WRS or TIAA and either:
 - a. Has reached age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan; or
 - b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Retirement eligibility varies under the WRS. The Public Employee Pension Plan, which is the plan applicable to the College, requires 25 years of service credit.

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

Funding policy: The State of Wyoming 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 Wyoming State 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, 2023 and 2022, the College reported a liability of \$19,855,840 and \$25,813,859, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2022 and 2021, respectively, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2023 and 2022, respectively. The College's proportion of the collective total OPEB liability was based on a projection of the College's expected payments during the measurement period attributable to all retirees of the Plan, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2023, the College's proportion was 1.8918%, which was a decrease from its June 30, 2022 proportion of 1.95748%.

For the years ended June 30, 2023 and 2022, the College recognized OPEB expense of \$873,866 and \$1,854,650, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,951,451	\$ 2,005,886	\$ 2,533,413	\$ 2,461,634
Changes in assumptions	3,981,692	7,118,866	4,798,229	1,900,065
Change in proportionate share of expected payments	-	244,491	466,425	-
Expected benefit payments subsequent to the measurement date	348,982	-	308,399	-
	\$ 6,282,125	\$ 9,369,243	\$ 8,106,466	\$ 4,361,699

An amount of \$348,982 at June 30, 2023, reported as deferred outflows of resources related to OPEB resulting from expected benefit payments subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2023 will be recognized in the College's OPEB expense, as follows:

Years ending June 30:	
2024	\$ (571,452)
2025	(571,452)
2026	(571,452)
2027	(371,263)
2028	(694,808)
Thereafter	<u>(655,673)</u>
	<u>\$ (3,436,100)</u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 and 2022 using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022 and 2021, respectively (based on June 30, 2021 census data)
Inflation	2.25%
Salary Increases	2.50%-6.50%
Mortality Rates	
Pre-Retirement:	General: Headcount-Weighted Pub-2010 General Employee, projected generationally with the two-dimensional Scale MP-2020.
	Safety: Headcount-Weighted Pub-2010 Safety Employee, projected generationally with the two-dimensional Scale MP-2020.
Post-Retirement:	General: Headcount-Weighted Pub-2010 Non-Safety Healthy Retiree, projected generationally with the two-dimensional Scale MP-2020.
	Safety: Headcount-Weighted Pub-2010 Safety Healthy Retiree, projected generationally with the two-dimensional Scale MP-2020.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

Mortality Rates, *Continued*

Disabled: General: Headcount-Weighted Pub-2010 General Disabled, projected generationally with the two-dimensional Scale MP-2020.

Safety: Headcount-Weighted Pub-2010 Safety Disabled, projected generationally with the two-dimensional Scale MP-2020.

Healthcare Cost Trend Rates

Pre-Medicare: 7.25% and 7.50%, respectively, decreasing annually until reaching the ultimate trend rate of 4.50%.

Medicare: 7.25% and 7.50%, respectively, 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 two 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 the expected future working lifetime, as defined by the GASB. The proration is determined so that the cost, with respect to service accrued from the 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 assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the Standard & Poor's Dow Jones Indices, consulting firms and brokers, and Consumer Price Index statistics published by the Bureau of Labor Statistics.

Significant assumptions are based on an experience study that covered a five-year period ended December 31, 2020. Significant assumptions varied within the various retirement plans within the WRS.

Discount rate: The discount rate used to measure the total OPEB liability was 3.54%, which represents an increase from the discount rate of 2.16% utilized for the June 30, 2021 measurement date. As the Plan is unfunded, the Plan has no fiduciary net position from which to make future benefit payments. Therefore, the discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

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 3.54%, as well as what the College's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate share of the collective total OPEB liability	\$ 24,093,342	\$ 19,855,840	\$ 16,584,855

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Pre-Medicare	6.25%	7.25%	8.25%
Medicare	6.25%	7.25%	8.25%
Proportionate share of the collective total OPEB liability	\$ 16,777,343	\$ 19,855,840	\$ 23,935,129

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 8. Custodial Deposits

Funds collected by various student groups are held in trust by the College. 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:

	2023	2022
Student activity funds:		
Beginning	\$ 1,319,204	\$ 1,097,112
Additions:		
Student fees	595,905	579,434
Allocated interest and other	5	74
Total additions	595,910	579,508
Total available funds	1,915,114	1,676,620
Deductions:		
Administrative expenditures	127,590	139,900
Other expenditures	1,066,631	217,516
Total deductions	1,194,221	357,416
Ending	\$ 720,893	\$ 1,319,204

Note 9. 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, 2023, approximately 11 employees have met the eligibility requirements of the plan.

No liability for the payment of incentive benefits to these employees has been recorded in the accompanying financial statements inasmuch as a 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, 2023 was approximately \$825,000.

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

As of June 30, 2023, the remaining commitment to complete construction projects totaled approximately \$15,735,113. These completion costs will be paid primarily from a state appropriation for major maintenance, a contingency reserve, and contributions from the Foundation.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 9. Commitments and Contingencies, *Continued*

On October 3, 2022, the College signed the contract change order with the construction manager at risk to complete the renovation of the Recreation & Athletics Complex. The total contract to complete the renovations is \$21,990,163.

Bond reserve fund: For the Series 2012 Revenue Bonds, there was no agreement that required a reserve requirement. However, the Authority created a reserve account, whereby the funds may only be used to fund deficiencies in meeting bond debt service payments. No withdrawals have been made as of June 30, 2023. As of June 30, 2023, the reserve account consists of investments with a fair value of \$267,020 and cash of \$4,383.

For the Series 2015 Revenue Bonds, 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, 2023. As of June 30, 2023, the reserve account consists of investments with a fair value of \$622,549 and cash of \$8,640.

For the Series 2016 Revenue Bonds, 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, 2023. As of June 30, 2023, the reserve account consists of investments with a fair value of \$427,510 and cash of \$36,862.

For the Series 2021 Revenue Bonds, the Indenture of Trust Agreement with the bond trustee required the Authority to deposit \$649,500 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, 2023. As of June 30, 2023, the reserve account consists of investments with a fair value of \$478,865 and cash of \$13,888.

Note 10. 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, 2023, 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 10. Risk Management, *Continued*

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

Note 11. Natural Classifications With Functional Classifications

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

	2023				
	Natural Classification				
	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
Functional classification:					
Instruction	\$ 18,108,886	\$ 3,652,076	\$ -	\$ -	\$ 21,760,962
Public service	345,551	126,178	-	-	471,729
Academic support	4,476,424	802,647	-	-	5,279,071
Student services	4,274,661	1,416,343	-	-	5,691,004
Institutional support	5,899,045	3,329,487	-	-	9,228,532
Operation and maintenance of plant	3,008,713	4,029,145	-	-	7,037,858
Scholarships	-	-	-	5,511,779	5,511,779
Auxiliary enterprises	2,655,015	2,096,674	-	-	4,751,689
Depreciation	-	-	5,822,781	-	5,822,781
Total expenses	\$ 38,768,295	\$ 15,452,550	\$ 5,822,781	\$ 5,511,779	\$ 65,555,405

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 11. Natural Classifications With Functional Classifications, *Continued*

	2022				
	Natural Classification				
	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
Functional classification:					
Instruction	\$ 16,267,747	\$ 3,536,956	\$ -	\$ -	\$ 19,804,703
Public service	333,085	85,185	-	-	418,270
Academic support	4,160,107	857,880	-	-	5,017,987
Student services	3,812,800	753,326	-	-	4,566,126
Institutional support	5,169,202	2,843,813	-	-	8,013,015
Operation and maintenance of plant	2,935,480	5,633,042	-	-	8,568,522
Scholarships	-	-	-	8,179,935	8,179,935
Auxiliary enterprises	2,437,694	2,034,532	-	-	4,472,226
Depreciation	-	-	4,895,378	-	4,895,378
Total expenses	\$ 35,116,115	\$ 15,744,734	\$ 4,895,378	\$ 8,179,935	\$ 63,936,162

REQUIRED SUPPLEMENTARY INFORMATION

LARAMIE COUNTY COMMUNITY COLLEGE

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

Public Employee Pension Plan

Last 10 Fiscal Years*

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.636015822%	\$ 9,669,987	\$ 10,708,680	90.30%	81.10%
2015	0.658887967%	11,627,344	11,486,710	101.22%	79.08%
2016	0.655423218%	15,267,086	11,703,063	130.45%	73.40%
2017	0.675006900%	16,318,293	12,078,728	135.10%	73.42%
2018	0.675434000%	15,395,441	11,883,898	129.55%	76.35%
2019	0.721330000%	21,966,597	12,551,865	175.01%	69.17%
2020	0.761113000%	17,885,594	13,557,658	131.92%	76.83%
2021	0.768454600%	16,701,283	13,984,558	119.43%	79.24%
2022	0.733527200%	11,184,247	13,378,491	83.60%	86.03%
2023	0.771335700%	21,079,172	14,477,406	145.60%	75.47%

** The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS

Public Employee Pension Plan

Last 10 Fiscal Years

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll Pension Liability
2014	\$ 850,104	\$ 850,104	\$ -	\$ 11,449,247	7.42%
2015	952,847	952,847	-	11,551,797	8.25%
2016	1,000,801	1,000,801	-	11,957,001	8.37%
2017	1,008,361	1,008,361	-	12,047,328	8.37%
2018	1,013,646	1,013,646	-	12,110,460	8.37%
2019	1,111,354	1,111,354	-	12,922,485	8.58%
2020	1,238,355	1,238,355	-	13,961,167	8.87%
2021	1,233,824	1,233,824	-	13,528,774	9.12%
2022	1,285,419	1,285,419	-	13,718,448	9.37%
2023	1,471,974	1,471,974	-	15,709,439	9.37%

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 Six Fiscal Years***

	College's Proportion of the Total OPEB Liability	College's Proportionate Share of the Total OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	1.90933%	\$ 15,102,639	N/A	N/A	0.00%
2019	1.91520%	19,524,422	N/A	N/A	0.00%
2020	1.88720%	17,853,033	N/A	N/A	0.00%
2021	1.91289%	24,994,575	N/A	N/A	0.00%
2022	1.95748%	25,813,859	N/A	N/A	0.00%
2023	1.89180%	19,855,840	N/A	N/A	0.00%

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

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2023

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

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2022 measurement date.

Changes in assumptions: Healthcare trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the WRS's December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date, as indicated in the table below:

Measurement Date (WRS Year-End)	Discount Rate	Investment Rate of Return	Inflation Rate	Salary Increase Rate	Payroll Growth Rate	Cost of Living Increases
2014	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2015	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2016	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2017	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2018	7.00%	7.00%	2.25%	2.50%-6.50%	4.75%	0.00%
2019	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2020	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2021	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2022	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%

Note 2. Postemployment Benefits Other Than Pensions Commitment - State of Wyoming

Changes in benefit terms: There were no changes in benefit terms between the June 30, 2016 and June 30, 2022 measurement dates.

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

Measurement Date (Year Ended)	Discount Rate	Inflation Rate	Salary Increase Rate	Pre-Medicare HTC*	Medicare HTC*
2016	2.85%	2.50%	2.50%-6.50%	6.50%	7.50%
2017	3.58%	2.50%	2.50%-6.50%	6.50%	7.50%
2018	3.87%	2.25%	2.50%-6.50%	7.60%	8.10%
2019	3.51%	2.50%	2.50%-6.50%	7.20%	7.60%
2020	2.21%	2.25%	2.50%-6.50%	7.20%	7.60%
2021	2.16%	2.25%	2.50%-6.50%	7.50%	7.50%
2022	3.54%	2.25%	2.50%-6.50%	7.25%	7.25%

* Healthcare trend rate.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

Note 2. Postemployment Benefits Other Than Pensions Commitment - State of Wyoming,
Continued

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

- Healthcare claims costs based on recent experience.
- Retiree contributions.
- Healthcare trend rates.
- Spouse age differential.
- Mortality rates, retirement rates, withdrawal rates and disability rates based on the WRS's December 31, 2020 actuarial experience study.

SUPPLEMENTARY INFORMATION

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION

June 30, 2023

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 35,828,040	\$ 409,150	\$ -	\$ 36,237,190
Investments	5,174,690	-	-	5,174,690
Accounts receivable	4,614,916	-	-	4,614,916
Current maturities of lease	-	1,679,434	(1,679,434)	-
Interest receivable	-	33,581	(33,581)	-
Property taxes receivable	15,222,252	-	-	15,222,252
Prepaid expense	133,333	-	-	133,333
Total current assets	60,973,231	2,122,165	(1,713,015)	61,382,381
Noncurrent Assets				
Restricted cash and cash equivalents	326,285	149,007	-	475,292
Restricted and designated investments	1,760,275	1,795,944	-	3,556,219
Authority receivable	969,440	-	(969,440)	-
Long-term lease	-	6,578,616	(6,578,616)	-
Capital assets	143,642,045	-	-	143,642,045
Investments held by others	13,774,531	-	-	13,774,531
Total noncurrent assets	160,472,576	8,523,567	(7,548,056)	161,448,087
Total assets	221,445,807	10,645,732	(9,261,071)	222,830,468
DEFERRED OUTFLOWS OF RESOURCES				
Pension-Related Outflows	3,932,261	-	-	3,932,261
OPEB-Related Outflows	6,282,125	-	-	6,282,125
Lease and Bond Modification	21,278	87,333	(105,278)	3,333
Total deferred outflows of resources	10,235,664	87,333	(105,278)	10,217,719

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION, *Continued* June 30, 2023

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 4,348,369	\$ -	\$ -	\$ 4,348,369
Payroll and related liabilities	1,499,827	-	-	1,499,827
Accrued compensated absences	970,000	-	-	970,000
Accrued interest payable	718,951	30,670	(33,581)	716,040
Advance tuition payments	171,802	-	-	171,802
Custodial deposits	720,893	-	-	720,893
Unearned revenue	6,636,713	-	-	6,636,713
Lease obligation	1,679,434	-	(1,679,434)	-
Current maturities of note payable	943,539	-	-	943,539
Current maturities of bonds payable	1,699,762	2,150,000	-	3,849,762
Total current liabilities	19,389,290	2,180,670	(1,713,015)	19,856,945
Noncurrent Liabilities				
Liability for voluntary termination	413,358	-	-	413,358
Accrued compensated absences	459,770	-	-	459,770
Due to College	-	969,440	(969,440)	-
Lease obligation	6,578,616	-	(6,578,616)	-
Note payable, less current maturities	29,116,803	-	-	29,116,803
Bonds payable, less current maturities	10,777,722	8,310,000	-	19,087,722
Net pension liability	21,079,172	-	-	21,079,172
Total OPEB liability	19,855,840	-	-	19,855,840
Total noncurrent liabilities	88,281,281	9,279,440	(7,548,056)	90,012,665
Total liabilities	107,670,571	11,460,110	(9,261,071)	109,869,610
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	11,905,649	-	-	11,905,649
Pension-Related Inflows	519,739	-	-	519,739
OPEB-Related Inflows	9,369,243	-	-	9,369,243
Lease Modification	84,000	21,278	(105,278)	-
Total deferred inflows of resources	21,878,631	21,278	(105,278)	21,794,631
NET POSITION				
Net Investment in Capital Assets	90,845,028	(2,135,895)	-	88,709,133
Restricted for:				
Expendable:				
Scholarships	2,770,471	-	-	2,770,471
Capital projects	9,047,122	-	-	9,047,122
Non-expendable	10,022,172	-	-	10,022,172
Unrestricted	(10,552,524)	1,387,572	-	(9,164,952)
Total net position	\$ 102,132,269	\$ (748,323)	\$ -	\$ 101,383,946

LARAMIE COUNTY COMMUNITY COLLEGE

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

Year Ended June 30, 2023

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
Operating Revenues				
Tuition and fees	\$ 10,376,434	\$ -	\$ -	\$ 10,376,434
Federal grants and contracts	3,361,557	-	-	3,361,557
State and local grants and contracts	2,250,165	-	-	2,250,165
Auxiliary enterprise charges	4,834,706	-	-	4,834,706
Other operating revenues	250,993	-	-	250,993
Total operating revenues	21,073,855	-	-	21,073,855
Operating Expenses				
Instruction	21,760,962	-	-	21,760,962
Public service	471,729	-	-	471,729
Academic support	5,279,071	-	-	5,279,071
Student services	5,691,004	-	-	5,691,004
Institutional support	9,228,532	-	-	9,228,532
Operation and maintenance of plant	6,993,811	44,047	-	7,037,858
Scholarships	5,511,779	-	-	5,511,779
Auxiliary enterprises	4,751,689	-	-	4,751,689
Depreciation	5,822,781	-	-	5,822,781
Total operating expenses	65,511,358	44,047	-	65,555,405
Operating (loss)	(44,437,503)	(44,047)	-	(44,481,550)
Nonoperating Revenues (Expenses)				
Non-exchange Federal and state grants	5,081,140	-	-	5,081,140
State appropriations	25,475,182	-	-	25,475,182
Local appropriations	19,939,376	-	-	19,939,376
Net investment (loss) return	(798,215)	171,090	-	(627,125)
Direct financing income	-	46,950	(46,950)	-
Interest expense	(1,277,988)	(207,847)	46,950	(1,438,885)
Net nonoperating revenues	48,419,495	10,193	-	48,429,688
Income (loss) before other revenues, expenses, gains, or losses	3,981,992	(33,854)	-	3,948,138
Other Revenues, Expenses, Gains, or Losses				
Capital gifts	254,289	-	-	254,289
Capital appropriations	3,929,431	-	-	3,929,431
Total other revenues, expenses, gains, or losses	4,183,720	-	-	4,183,720
Increase (decrease) in net position	8,165,712	(33,854)	-	8,131,858
Net Position				
Beginning of year	93,966,557	(714,469)	-	93,252,088
End of year	\$ 102,132,269	\$ (748,323)	\$ -	\$ 101,383,946

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal AL Number	Total Federal Expenditures
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Direct Student Loans	N/A	84.268	\$ 4,201,802
Federal Pell Grant Program	N/A	84.063	4,180,133
Federal Work-Study Program	N/A	84.033	32,008
Federal Supplemental Educational Opportunity Grants	N/A	84.007	104,122
Total Student Financial Assistance Cluster			8,518,065
Education Stabilization Fund:			
Passed through Wyoming Community College Commission:			
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Fund	N/A	84.425C	276,028
Passed through Wyoming Department of Education:			
Career and Technical Education - Basic Grants to States	V048A220050	84.048A	209,799
Passed through University of Wyoming:			
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	P334S170010	84.334S	386,800
Passed through Wyoming Community College Commission:			
Adult Education Basic Grants to States:			
Adult Education State Grant Program	AE22R04	84.002A	88,183
El Civics State Grant Program	IELCER04	84.002A	89,460
Corrections Grant	AE22CO4	84.002A	13,566
Total Adult Education Basic Grants to States			191,209
Total U.S. Department of Education			9,581,901
U.S. Department of Health and Human Services:			
American Rescue Plan Child Care Development Fund:			
Passed through Wyoming Department of Family Services:			
COVID-19 Child Care and Development Block Grant	222157	93.575	462,100
Research and Development Cluster:			
Passed through University of Wyoming:			
Biomedical Research and Research Training:			
IDEA Networks of Biomedical Research Excellence (InBre)	P20GM103432	93.859	154,744
Total Research and Development Cluster			154,744
Total U.S. Department of Health and Human Services			616,844

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,

Continued

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal AL Number	Total Federal Expenditures
U.S. Department of Labor:			
WIOA Cluster:			
Passed through Wyoming Department of Workforce Services:			
WIOA Youth Activities	224704	17.259	\$ 38,823
WIOA Youth Activities	224705	17.259	22,500
Total WIOA Cluster			<u>61,323</u>
Total U.S. Department of Labor			<u>61,323</u>
 AmeriCorps:			
Passed through ServeWyoming:			
ServeWyoming	21VGDWY0010002	94.021	19,613
ServeWyoming	22VGFWY001LCCC	94.021	18,011
Total AmeriCorps			<u>37,624</u>
 U.S. Department of Commerce:			
Passed through Economic Development Administration:			
COVID-19 Economic Adjustment Assistance	05-79-06153	11.307	1,775,192
 Passed through University of Wyoming:			
COVID-19 Economic Adjustment Assistance	1005034CARES-LCCC	11.307	11,913
Total U.S. Department of Commerce			<u>1,787,105</u>
 U.S. Department of Agriculture:			
Passed through Wyoming State Forestry Division:			
Cooperative Forestry Assistance	22VGFWY001LCCC	10.664	1,229
Total U.S. Department of Agriculture			<u>1,229</u>
 U.S. Department of the Treasury:			
Passed through Wyoming Community College Commission:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	558,472
Total U.S. Department of the Treasury			<u>558,472</u>
 Total expenditures of Federal awards			<u>\$ 12,644,498</u>

See Notes to Schedule of Expenditures of Federal Awards.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the accompanying Laramie County Community College (the College) Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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, 2023. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the College.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of the business-type activities of Laramie County Community College (the College) as of and for the year ended June 30, 2023, and its discretely presented component unit, the Laramie County Community College Foundation (the Foundation), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon, dated November 14, 2023. The financial statements of the 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 Foundation.

Report on 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 were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, to be a significant deficiency.

Report on Compliance and Other Matters

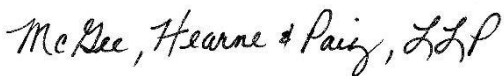
As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

The College's Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on the College's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

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



Cheyenne, Wyoming
November 14, 2023



**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

Opinion on Each Major Federal Program

We have audited Laramie County Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *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, 2023. The College's major Federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the College complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002 and 2023-003. Our opinion on each major Federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our compliance audit and described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance; therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002 and 2023-003, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 14, 2023

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major Federal programs:

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

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

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

Identification of major Federal programs:

AL Number	Name of Federal Program or Cluster
Cluster	Student Financial Assistance
11.307	COVID-19 Economic Adjustment Assistance

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, 2023

II. FINANCIAL STATEMENT FINDINGS

2023-001: Internal Controls and Audit Adjustment to Capital Assets (Significant Deficiency)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the College's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fundamental concepts in an adequate system of internal control are the identification and prevention or detection of errors on a timely basis.

Condition/context: An adjusting journal entry was proposed to reduce capital assets and increase expenses by approximately \$365,000.

Cause: The adjustment was a result of equipment purchases near year-end having purchase order dates of June 30, 2023. This resulted in the accounting software improperly identifying the equipment as current-year purchases and asset additions.

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

Recommendation: We recommend that the College review the accounting software and change the date utilized to identify asset additions. Further, we recommend that the College review the additions listing for assets with purchase orders dated near year-end to ensure that they are proper additions.

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

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-002: Student Financial Assistance Cluster - Special Tests: Return of Title IV Funds (Significant Deficiency)

<i>Assistance Listing Number/Title:</i> #84.268, <i>Federal Direct Student Loans</i>
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Award Number:</i> N/A
<i>Award Year:</i> July 1, 2022 - June 30, 2023

Criteria: 34 CFR 668.22(a)(6)(iii)(A) requires an institution to provide, within 30 days of the date the institution determines that a student has withdrawn, written notification to the student, or the parent in the case of a Parent PLUS loan, detailing the specific items outlined in paragraphs 1-5 of the aforementioned section.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

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

Condition/context: Of the 20 students selected for testing the proper return of Title IV funds, we noted one instance in which the student was eligible for a post-withdrawal disbursement of loan funds. In this instance, the College did not provide written notification to the student and the student was disbursed loan funds.

Cause: The Student Financial Aid Office does not have a control in place to ensure that it provides written notification of post-withdrawal eligibility prior to a disbursement.

Effect: The College could disburse funds to students or parents who did not wish to receive them.

Questioned costs: None.

Identification as a repeat finding: No.

Recommendation: The Student Financial Aid Office should implement a control to ensure that the proper notification is sent to students who are eligible for a post-withdrawal disbursement.

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

2023-003: Student Financial Assistance Cluster - Special Tests: Gramm-Leach-Bliley Act - Student Information Security (Significant Deficiency)

<i>Assistance Listing Numbers/Titles:</i> #84.007, #84.033, #84.063 & #84.268, <i>Student Financial Assistance Cluster</i>
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Award Number:</i> N/A
<i>Award Year:</i> July 1, 2022 - June 30, 2023

Criteria: 16 CFR 314.3 requires an institution to develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to the institution's size and complexity, the nature and scope of activities, and the sensitivity of any customer information at issue. The information security program shall include the elements set forth in §314.4 and shall be reasonably designed to achieve the objectives of this part.

Condition/context: The College does not have a written comprehensive information security program that addresses all of the elements required by 16 CFR 314.4.

Cause: The College does not have a control in place to ensure that policies are reviewed and updated in accordance with Federal deadlines.

Effect: The College is not compliant with the Gramm-Leach-Bliley Act.

Questioned costs: None.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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

Identification as a repeat finding: No.

Recommendation: The College should implement a control to monitor changes in Federal guidelines in order to update policies timely.

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

LARAMIE COUNTY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2023

I. FEDERAL AWARD PRIOR AUDIT FINDINGS

2022-001: Reporting (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #84.425 - Education Stabilization Fund
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> 1. P425F200352 2. P425F200352 - 20A 3. P425F200352 - 20B
<i>Award Years:</i> 1. May 4, 2020 - May 3, 2021 2. May 4, 2020 - January 16, 2022 3. May 4, 2020 - May 14, 2022

Condition/context: A total of five reports were selected for testing; this included one annual report, two quarterly reports related to the Student Portion and two quarterly reports related to the Institutional Portion. Of these five reports:

- The Quarterly Institutional report for the period ended September 30, 2021 improperly categorized \$165,000 of expenditures as software as opposed to the proper category, revenue replacement.
- The annual report for the period ended December 31, 2021 improperly categorized \$165,000 of expenditures as software as opposed to the proper category, revenue replacement. Additionally, revenue replacement expenditures were improperly reported by \$37,910.

Status: All required reports were properly updated and reviewed before being submitted and/or posted to ensure accuracy.

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

EXHIBIT I

CORRECTIVE ACTION PLAN



CORRECTIVE ACTION PLAN

Year Ended June 30, 2023

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

2023-001: Internal Controls and Audit Adjustment to Capital Assets (Significant Deficiency)

Corrective Action: Due to the property and equipment capitalization process happening once a year, the College did not have a fully robust process in place to fully reconcile assets that are capitalized after the fact. During capitalization, the College has a mature process that reconciles assets loaded into the system with assets that are posted to the expense accounts. This process has worked for several years with no issue in the process. During the current year, it was identified that the system picked up assets that were not yet placed in service for fiscal year 2024 and capitalized assets that should have been done in prior years. The College has identified that this issue is either due to system upgrades or changes to how purchase orders and assets are loaded into the system. To prevent this in future years, the College will reconcile the asset transfer accounts after the system has capitalized the assets for the current year.

Anticipated Completion Date: Immediately

Contact Person: Nola Rocha, Comptroller

2023-002: Student Financial Assistance Cluster - Special Tests: Return of Title IV Funds (Significant Deficiency)

Corrective Action: The College's Return of Title IV Funds procedure was reviewed. The following language was revised in the post-withdrawal disbursement (PWD) section of this procedure as a control to ensure that advanced written notification is not missed in the future:

A written notification will be sent to a student (or parent) that is eligible for a PWD of Federal Direct Loan within 30 days of the date of determination. The type and amount of Title IV loan funds that will be credited to the student's charges and the amount that will directly disburse will be offered to the student, or the parent in the case of a PLUS Loan. The notification will explain that the student or parent can accept all or part of the loan disbursement and will advise the student or parent that no post-withdrawal disbursement of Title IV loan funds will be made unless the school receives a confirmation response within the established timeframe of 14 days.

Please note that loan PWDs are very rare at the College because the vast majority of our students that wish to borrow complete their loan requirements and receive their loan disbursement prior to their withdrawal date. In the case of the student noted in the finding, the student completed his loan requirements (i.e., master promissory note and loan entrance counseling) only a couple of days before the date he became ineligible. We acknowledge an advanced written notice was not sent, but please note that a written notification was sent to the student immediately following the loan disbursement informing the student about his right to cancel all or part of the loan and the procedures and timeframe in which to do so.

Anticipated Completion Date: July 1, 2023

Contact Person: Brandi Payne Cervera

2023-003: Student Financial Assistance Cluster - Special Tests: Gramm-Leach-Bliley Act - Student Information Security (Significant Deficiency)

Corrective Action: The College was aware of the new required elements for our comprehensive information security program procedure but missed the June 9 deadline to finalize the procedure changes. The required Gramm-Leach-Bliley Act procedures were in draft form at the time of the audit review. The required procedures were finalized in July and approved by the President's Cabinet on August 1, 2023, and were effective on that same date. The approved procedures address all elements as required by 16 CFR 314.4, and the College is now in full compliance with the Gramm-Leach-Bliley Act.

Anticipated Completion Date: August 1, 2023

Contact Person: Chad Marley