

LARAMIE COUNTY COMMUNITY COLLEGE

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2018

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 and 2
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MANAGEMENT'S DISCUSSION AND ANALYSIS <i>(Required Supplementary Information)</i>	3 - 19
---	--------

Financial Statements:	
Statements of Net Position – College	20 and 21
Statements of Financial Position – Foundation (Component Unit)	22
Statements of Revenues, Expenses, and Changes in Net Position – College	23
Statements of Activities – Foundation (Component Unit)	24
Statements of Cash Flows – College	25 and 26
Notes to Financial Statements	27 - 56
Required Supplementary Information:	
Schedule of the College's Proportionate Share of the Net Pension Liability	57
Schedule of the College's Contributions	58
Schedule of the College's Proportionate Share of the Total OPEB Liability and Related Ratios	59
Notes to Required Supplementary Information	60
Supplementary Information:	
Combining Schedule of Net Position	61 and 62
Combining Schedule of Revenues, Expenses, and Changes in Net Position	63
Schedule of Expenditures of Federal Awards	64 and 65
Notes to Schedule of Expenditures of Federal Awards	66

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 <i>GOVERNMENT AUDITING STANDARDS</i>	67 and 68
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	69 and 70
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Schedule of Findings and Questioned Costs	71 and 72
Summary Schedule of Prior Year Audit Findings	73



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Laramie County Community College (the "College"), as of and for the years ended June 30, 2018 and 2017, and its discretely presented component unit, the Laramie County Community College Foundation (the "Foundation") as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2018 and 2017, and December 31, 2017 and 2016, respectively, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Notes 1 and 9 to the financial statements, in 2018 the College adopted new accounting guidance with implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaced GASB Statement No 45. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 19, the Schedule of the College's Proportionate Share of the Net Pension Liability, on page 57, the Schedule of the College's Contributions, on page 58, and the Schedule of the College's Proportionate Share of the Total OPEB Liability and Related Ratios, on page 59, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018 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 13, 2018

Laramie County Community College Management's Discussion and Analysis

Fiscal Year Ended June 30, 2018

The Management's Discussion and Analysis (MD&A) section of the Laramie County Community College (the "College") annual financial report provides an overview of the College's financial activities for the fiscal year ended June 30, 2018. 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 2016, 2017, and 2018.

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

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

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

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

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

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

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

Using the Annual Report

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

Required Financial Statements

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

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

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

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

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

The Statement of Financial Position and the Statement of Activities for the College Foundation reflect the audited financial information as of December 31, 2017 and December 31, 2018. Although the inclusion of these figures in our financial report is required by GASB Statement No. 39, they are not included in this MD&A. If there are questions regarding this information, contact the College Foundation, at 1400 East College Drive, Cheyenne, Wyoming, 82007.

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

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

Supplementary Information

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

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

ASSETS

CURRENT ASSETS

	2016	2017	2018
Cash and cash equivalents	\$ 13,903,976	\$ 14,333,898	\$ 13,838,962
Restricted cash held by others	2,879,461	67,236	49,673
Investments	5,187,156	5,164,111	5,155,991
Accounts receivable, net	4,329,004	3,726,345	3,695,468
Property taxes receivable	9,387,449	9,743,314	10,696,787
Prepaid expense	102,935	93,834	84,297
Total current assets	<u>\$ 35,789,981</u>	<u>\$ 33,128,738</u>	<u>\$ 33,521,178</u>

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

Cash and cash equivalents consist of cash in the College bank accounts, the College Building Authority bank accounts, short-term investments, and register cash and petty cash drawers maintained on campus. Investments include secured (FDIC or collateralized) certificates of deposit and trust accounts held in local banks. The decrease in cash and cash equivalents for 2018 is mainly due to funds used for the Crossroads construction from student fees collected in previous years. Cash held by others are funds deposited with Wyoming State Construction Management Division in connection with the construction of our new buildings.

Accounts receivable

Accounts receivable include credit and non-credit student tuition and fee billings, inter-fund transactions between the College and the College Foundation, accrued interest, student sponsorships, student housing rent and board, state appropriations, grant awards, financial aid and scholarships, summer housing, and other miscellaneous operational transactions. The decrease in accounts receivable from 2016 to 2017 is due to drawing Federal student loan and Pell grant amounts earlier in fiscal year 2017. Accounts receivable is stable from 2017 to 2018 as timing of receipt of funds was consistent and there were no significant changes to enrollment.

Property taxes receivable

The property tax receivable for fiscal year 2017 increased when compared to fiscal year 2016 due to a 4% increase in valuation. Fiscal year 2018 valuation also had a 14.8% increase due to improving valuations for minerals. The total approved mill levy for next year is 6.02 mills (5.0 mills for operations and 1.02 mills for debt service).

In Wyoming, property taxes are assessed based on the property value as of January 1 of each year for the upcoming year. A receivable for the entire calendar year is recorded based on 6.02 mills of the assessed property value on January 1. Laramie County does provide the assessed value, but does not provide the amount of the receivable until after the second Tuesday in August when the property taxes are actually levied.

Property tax receivable represents taxes expected for the period January 1 through December 31. Both the property tax receivable and unavailable property taxes for fiscal years 2016, 2017, and 2018 have increased as assessed values of property have increased and the new debt service mill was levied. The property values for these years have seen a small, steady increase due to the economy of the region. The Cheyenne regional economy appears to be more stable than many areas within Wyoming and surrounding states. The increase of property values results from increased valuation on the mineral industry as prices have increased from previous years. In today's economy, future year valuation must be monitored closely.

Prepaid expense

Two prepaid contracts are listed in this category: 1) IT services contract and 2) prepaid food services vendor payments.

NONCURRENT ASSETS

	2016	2017	2018
Restricted cash	\$ 8,561,991	\$ 94,401	\$ 162,519
Restricted investments	5,612,520	2,971,280	2,870,273
Designated investments	275,052	274,830	269,252
Capital assets, net of accumulated depreciation	84,429,383	98,271,162	93,334,813
Investments held by others	11,548,098	12,768,692	13,794,125
Total noncurrent assets	<u>110,427,044</u>	<u>114,380,365</u>	<u>110,430,982</u>
Total assets	<u>\$ 146,217,025</u>	<u>\$ 147,509,103</u>	<u>\$ 143,952,160</u>

Noncurrent restricted cash

In fiscal year 2016, restricted cash was increased by cash associated with the construction of the two new buildings, the Pathfinder Building and the Flex Tech Building, and the issuance of related bonds. In fiscal year 2017 the restricted cash was spent down as construction ended. In fiscal year 2018 remaining restricted cash was held for the Pathfinder building and changes in restricted cash with the College Building Authority.

Restricted investments

Restricted investments are investments belonging to the College Building Authority. They are classified as noncurrent restricted because the investment is restricted to Series 2005 bonds (residence halls – refunded by Series 2015 bonds), Series 2009 BAB (dining facility/residence hall refunded by Series 2016 bonds), Series 2012 bonds (refunded bonds for Albany County Campus Building), and Series 2014 bonds (construction of Pathfinder Building and the Flex Tech Building – fiscal year 2016) issuance restrictions. Fiscal year 2015 had large investments awaiting the construction projects listed in the paragraph above. Fiscal year 2016 saw major construction completed on the two new building thus reducing restricted investments significantly. Both restricted cash and restricted investments were generated from proceeds of bond issuances.

Capital assets, net

Net capital assets include land, site improvements, infrastructure, buildings, equipment, library resources, and construction in progress. The amount reported is net of accumulated depreciation. The decrease of \$4,936,349 in capital assets for 2018 reflects the net of the year's additions of \$2,827,125 less depreciation/disposals \$7,763,474. The increase for 2017 of \$13,841,779 reflects additions of \$17,963,676 less depreciation/disposals of \$4,121,897. The major fiscal year 2018 activity in capital assets was the continued construction-in-progress of campus improvements including College entry improvements, building renewals, campus lighting improvements, and various equipment purchases of \$397,334. During the year the capitalization policy was changed as such assets that had qualified for capitalization in the past were retired in the current year. In 2017, the Flex Tech Building was completed.

Investments held by others

This category reflects the amount invested and held by the College Foundation, as custodian for the College. The investments were funded by the State of Wyoming Endowment Challenge Grant. This category is classified as a "noncurrent" asset and shows a year-end amount of \$13,794,125. Fiscal year 2016 through fiscal year 2018 saw increases through state contributions and corpus interest. See State of Wyoming endowment appropriation in nonoperating revenues below. All endowment funds given by the state must be booked as revenue by the College and shown as an asset on the College books.

Deferred Outflows

Deferred outflow of resources can be defined as an outlay of resources by the College that is applicable to a future reporting period, for example, advance payments or credits to accounts. For fiscal year 2018 pension related outflows increased by a net \$285,220 resulting from pension plan investment gains of \$217, and change in proportionate share of \$10,360, and change of assumptions of \$ 1,964,173, and; change in the College contributions from January-June 2018 over the same period in 2017 \$29,652; less amortization of prior year investment gains (\$1,043,168); less amortization of change in prior year experience to actual (\$207,329); less amortization of change in assumptions \$ (468,251).

GASB Statement No. 75 was adopted for Fiscal year 2018. OPEB-related outflows consist of \$790,543 of the net difference between projected and actual earnings on plan investments less \$86,873 of amortization for the plan earnings.

	2016	2017	2018
Deferred Outflows:			
Pension related outflows	\$ 4,427,246	\$ 3,872,808	\$ 4,158,028
OPEB-related outflows	-	-	703,670
Bond modification	-	22,250	19,222
Total deferred outflows	\$ 4,427,246	\$ 3,895,058	\$ 4,880,920

LIABILITIES

Definition of current and noncurrent liabilities

Current liabilities are those items which will be paid during the 12-month period from July 1, 2017 to June 30, 2018. Noncurrent liabilities are those items that are due beyond the 12-month period ending June 30, 2018.

CURRENT LIABILITIES

	2016	2017	2018
Accounts payable	\$ 811,944	\$ 1,830,759	\$ 1,395,330
Payroll and related liabilities	1,453,510	1,257,898	1,357,494
Accrued compensated absences	855,900	921,575	888,325
Accrued interest payable (bond)	139,753	111,389	108,371
Advance tuition payments	161,950	177,758	162,109
Custodial deposits	1,510,349	1,664,278	1,759,927
Capital lease obligation	36,717	30,993	27,552
Current maturities of bonds payable	2,789,845	2,797,600	2,905,191
Total current liabilities	\$ 7,759,968	\$ 8,792,250	\$ 8,604,299

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. Accounts payable for fiscal year 2018 decreased from the prior year due to a reduction in retainages and construction from the prior year, as fewer projects were in progress at the end of 2018.

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 2017/2018 academic year. Fiscal year 2018 liabilities are comparable to prior years.

Accrued interest payable

Accrued interest payable is the amount of interest accrued from the date of the last payment to year end for the below mentioned capital lease obligations and bonds payable. Accrued interest payable for fiscal year 2018 decreased due to the decrease of interest for the refunded bond issuance of 2009 bonds in 2017.

Advanced tuition payments

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

Custodial deposits

Custodial deposits represent the amounts that the College holds for the Agency Funds including student fees (income and expense) equity.

Capital lease obligation

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

Current maturities of bonds payable

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

NONCURRENT LIABILITIES

	2016	2017	2018
Liability for voluntary termination	\$ 755,672	\$ 592,542	\$ 387,419
Accrued compensated absences	255,658	275,276	265,344
Capital lease obligation	-	83,694	58,460
Long-term bonds payable	34,686,185	31,831,260	28,926,070
Net pension liability	15,267,086	16,318,293	15,395,441
Total OPEB liability	-	-	15,102,639
Total noncurrent liabilities	50,964,601	49,101,065	60,135,373
Total liabilities	\$ 58,724,569	\$ 57,893,315	\$ 68,739,672

Liability for voluntary termination

The liability for voluntary termination refers to the Transitional Opportunity Plan (TOP) liability. The decrease of this liability for fiscal years 2016, 2017, and 2018 is a result of decreasing numbers of eligible TOP recipients, and no new individual approvals for fiscal year 2018. To be eligible for TOP, an employee must have begun employment with the College prior to April 11, 1991, and must be paid by current funds for a five-year period.

Accrued compensation absences

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

Capital lease obligation

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

Long-term bonds payable

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

Net pension liability

As discussed in the introduction, fiscal year 2015 saw the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The \$15,395,441 in this line item is the College's share of the liability of an under-funded pension plan administrated by the State of Wyoming. The College cost shares with other Wyoming participants in a state-wide retirement plan to provide a defined benefit retirement plan to its employees. Please see Note to the Financial Statements No. 7 for additional information relating to this liability.

Total OPEB liability

As discussed in the introduction, fiscal year 2018 saw the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The \$15,102,639 this line item is the College's share of the liability of an under-funded OPEB plan administrated by the State of Wyoming. The College cost shares with other Wyoming participants in a state-wide health insurance plan to provide a health insurance benefit plan to its retired employees. Please see Note to the Financial Statements No. 9 for additional information relating to this liability.

Deferred Inflow

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

	2016	2017	2018
Deferred Inflow:			
Unavailable property taxes	\$ 8,670,838	\$ 9,027,815	\$ 10,022,967
Pension related Inflows	368,501	461,003	3,061,763
OPEB-related Inflows	-	-	2,522,063
Total deferred inflows	\$ 9,039,339	\$ 9,488,818	\$ 15,606,793

Unavailable property taxes

Unavailable property tax revenue is reflective of the amount that becomes revenue next fiscal year on the levy date (second Tuesday in August). See the property tax receivable section above for a discussion of the fiscal year 2018 increase.

Pension-related inflows

Deferred inflow of resources can be defined as an inflow of resources by the College that is applicable to a future reporting period, for example, advance changes to account share. When a change (increase or decrease) in the proportional share of the net pension liability of the College to the other participants in the pension plan or a difference between expected and actual experience occurs, it must be recorded as a deferred inflow or outflow and amortized over the applicable period. For fiscal year 2018, the net increase of \$2,600,760 (current year change \$3,523,191) less prior year amortizations \$922,431 denotes an increase in the proportional share of the College to the total of all other participants in the pension plan and change in expected and actual experience and will be used in the determination of the net pension liability in future periods.

OPEB-related inflows

Deferred inflow of resources can be defined as an inflow of resources by the College that is applicable to a future reporting period, for example, advance changes to account share. When a change (increase or decrease) in the proportional share of the net OPEB liability of the College to the other participants in the 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. For fiscal year 2018, the net increase of \$2,522,063 (current year change \$2,833,429) less amortizations \$311,366 denotes the initial recording of GASB Statement No. 75 in the proportional share of the College to the total of all other participants in the pension plan and change in expected and actual experience and will be used in the determination of the net OPEB liability in future periods.

NET POSITION (FUND BALANCES)

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

NET POSITION

	2016	2017	2018
Net investment in capital assets	\$ 46,916,635	\$ 63,633,559	\$ 61,093,963
Restricted for:			
Non-expendable (endowment)	9,704,670	9,827,487	9,920,144
Expendable:			
Scholarships, research, instruction, and other	406,043	484,636	223,402
Capital projects and asset purchases	18,761,202	4,512,019	4,653,029
Unrestricted	7,091,813	5,564,327	(11,403,923)
Total net position	<u>\$ 82,880,363</u>	<u>\$ 84,022,028</u>	<u>\$ 64,486,615</u>

Analysis of Net Position – Restricted and Unrestricted Type

Restricted non-expendable

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

Restricted expendable

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

Restricted for capital asset

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

Unrestricted

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

REVENUES

OPERATING REVENUES

	2016	2017	2018
Tuition and fees, net of scholarship allowances of \$804,176 for 2016; \$843,010 for 2017; \$1,642,226 for 2018	\$ 10,205,620	\$ 10,844,999	\$ 9,298,993
Federal grants and contracts	1,577,432	1,603,559	1,415,384
State and local grants and contracts	806,739	758,960	733,069
Auxiliary enterprise charges	3,330,390	3,397,252	3,709,908
Other operating revenues	147,101	295,773	292,699
Total operating revenues	<u>\$ 16,067,282</u>	<u>\$ 16,900,543</u>	<u>\$ 15,450,053</u>

Tuition and fees

This category includes all tuition and fees assessed for educational purposes. A scholarship allowance is applied to student accounts and is shown as a reduction of student tuition revenue. The scholarship allowance for the years ended June 30, 2016 and June 30, 2017, was \$804,176 and \$843,010, respectively. This compares to \$1,642,226 for fiscal year 2018 reflecting the decrease of Federal student grants and the increase in scholarships from the Foundation. This discount is calculated using an approved formula designed to reflect other scholarship revenues and institutional scholarship expense used specifically for tuition and fees. For example, the College records funds received from the Pell student grant program as revenue. Those funds are then applied to student accounts in payment of tuition and fees which are also included as revenue. Without this discount, student tuition revenues would be overstated by the double counted amount.

After the scholarship allowance was applied to tuition, student tuition revenue for fiscal year 2018 was approximately 14.25% lower. Because of a state mandated cap on chargeable tuition hours of 12 hours, increased/decreased enrollment may not directly translate to increased/decreased revenue. Student fees were increased from \$35 per credit hour to \$48 per credit hour (all fees capped at 12 hours like tuition) in fiscal year 2016, and to \$48.75 for fiscal year 2017. Student fee revenue increased \$66,195 in fiscal year 2017 and decreased \$221,229 in fiscal year 2018.

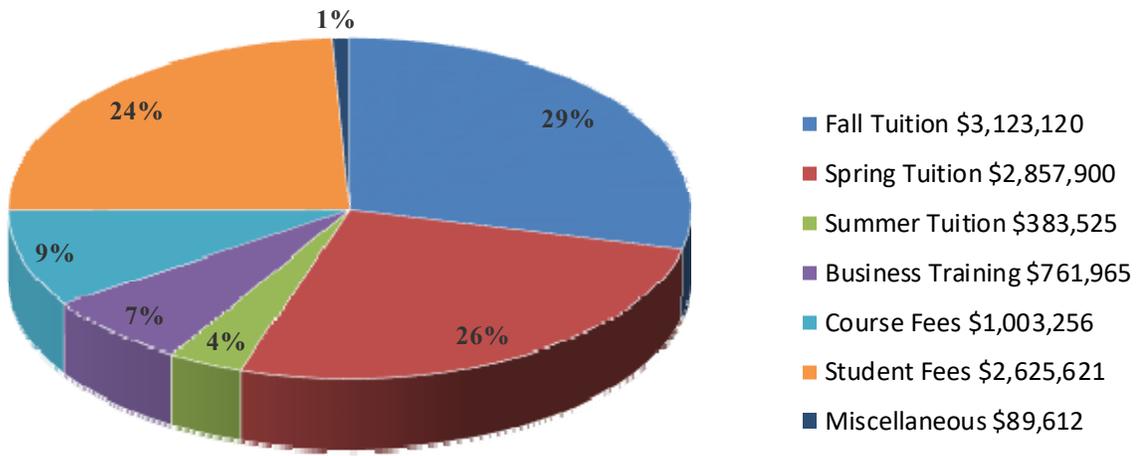
Enrollment

Enrollment at the College has held steady over the last 10 years as evidenced by the table below. When the economy experienced a downturn, enrollment at the College increased from approximately 2008 to 2013. Enrollment has returned to pre-economic downturn levels and is expected to remain stable over the near future.

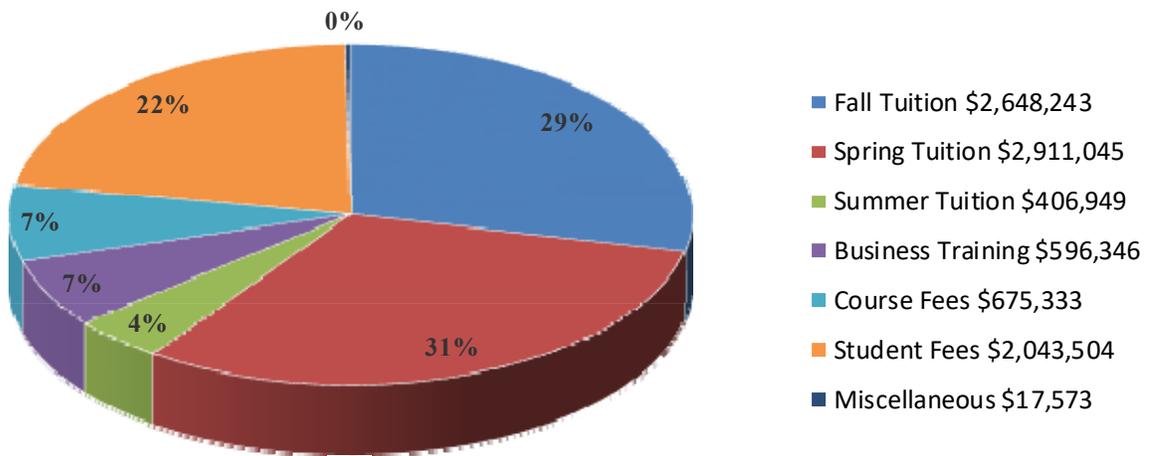
Enrollment History	Headcount				FTE			
	SU	FA	SP	Annualized Total	SU	FA	SP	Annualized Total
2005-06	1,479	4,603	4,943	5,512.5	564.70	3,176.40	3,313.92	3,527.51
2006-07	1,503	4,584	5,051	5,569.0	589.25	3,252.05	3,491.50	3,666.40
2007-08	1,568	4,886	4,948	5,701.0	606.92	3,411.17	3,441.20	3,729.65
2008-09	1,585	5,033	5,322	5,970.0	634.80	3,549.30	3,695.90	3,940.00
2009-10	1,619	5,040	5,609	6,134.0	628.08	3,737.30	4,095.17	4,230.28
2010-11	1,774	5,193	5,600	6,283.5	710.42	3,928.00	4,158.70	4,448.56
2011-12	1,920	5,302	5,512	6,367.0	813.80	3,888.33	3,963.09	4,332.61
2012-13	1,828	5,141	5,411	6,190.0	708.33	3,720.70	3,876.41	4,152.72
2013-14	1,541	4,894	4,901	5,668.0	606.93	3,552.80	3,515.41	3,837.57
2014-15	1,524	4,494	4,504	5,261.0	635.30	3,291.70	3,216.40	3,571.70
2015-16	1,380	4,288	4,430	5,049.0	561.90	3,223.80	3,145.10	3,465.42
2016-17	1,111	4,218	4,250	4,789.5	458.17	3,138.46	3,049.46	3,323.05
2017-18	1,168	4,260	4,343	4,885.0	469.00	3,045.00	2,958.00	3,236.00
1-Year Change	3.7%	0.9%	2.1%	1.8%	1.7%	-2.8%	-2.8%	-2.4%
5-Year Change	-36.1%	-17.1%	-19.7%	-21.1%	-33.8%	-18.2%	-23.7%	-22.1%
10-Year Change	-25.5%	-12.8%	-12.2%	-14.3%	-22.7%	-10.7%	-14.0%	-13.2%

The following charts show a comparison of tuition and fees for 2017 and 2018:

2017 Tuition and Fees



2018 Tuition and Fees



Grant and contract revenues

Grant and contract revenues include all restricted revenues from governmental agencies and private agencies. Grant revenues are recorded as reimbursement of expenses associated with the grant. Fiscal year 2018 grant and contract revenues were comparable to prior years. See the Schedule of Expenditures of Federal Awards for information regarding nonoperating financial aid Federal grants and contracts (see in section Nonoperating Revenue/Expenses below).

Auxiliary enterprises

Auxiliary enterprises consist of various entities that exist primarily to furnish goods or services to students, faculty, staff, or the general public and charge a fee directly related to the cost of those goods or services. These enterprises are intended to be self-supporting and include the bookstore and cafeteria commission income, rental of facilities, residence halls, summer housing, child care, and dental hygiene services. The fiscal year 2018 is comparable to prior years.

Other operating revenues

Other operating revenues are comprised of income from miscellaneous sources including collection of prior year bad debts, gate receipts, exam lab, GED testing, and administration fees. Fiscal year 2018 is comparable to prior years.

EXPENSES

OPERATING EXPENSES

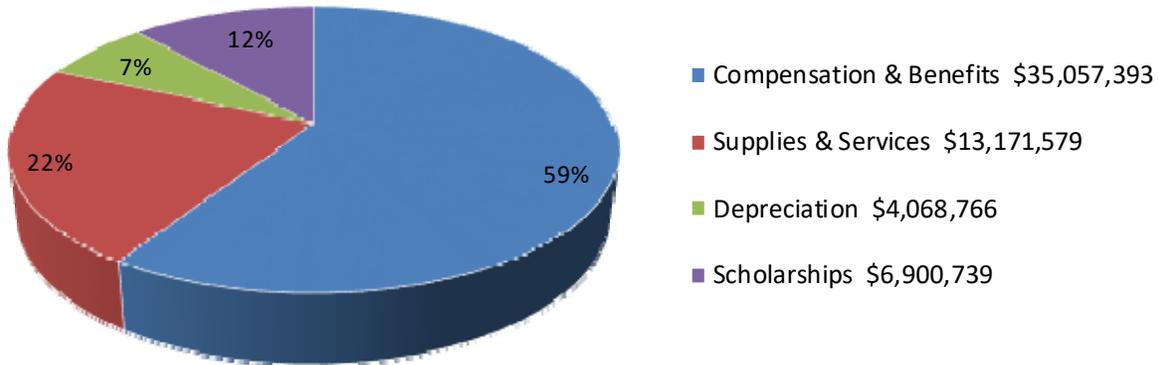
	2016	2017	2018
Operating expenses by function:			
Instruction	\$ 21,004,185	\$ 19,626,411	\$ 19,416,244
Public service	500,630	530,036	387,010
Academic support	6,019,838	5,933,597	6,055,248
Student services	4,630,031	4,441,375	4,627,680
Institutional support	8,423,240	8,947,893	8,656,402
Operation and maintenance of plant	5,551,548	6,044,110	5,502,114
Scholarships	7,048,268	6,900,739	6,142,152
Auxiliary enterprises	2,700,787	2,705,550	2,853,268
Depreciation	3,956,999	4,068,766	7,522,610
Total operating expenses	59,835,526	59,198,477	61,162,728
Operating (loss)	\$ (43,768,244)	\$ (42,297,934)	\$ (45,712,675)

Operating expenses include salaries and benefits, goods and services provided to the College, institutional scholarships, and operations and maintenance of plant. Increases in salaries and benefits are reflective of increased salary funding of 1% in fiscal year 2016, 0% in fiscal year 2017, and in 2018 a classification and compensation study was completed. Employees that were paid under the minimum amount for the job description band were brought to the minimum pay in January of 2018. Health insurance benefits cost to the College held at 2015 levels for 2016 and 2017, and 2018. Only a minimal number of new staff were added because of budget constraints in fiscal year 2018.

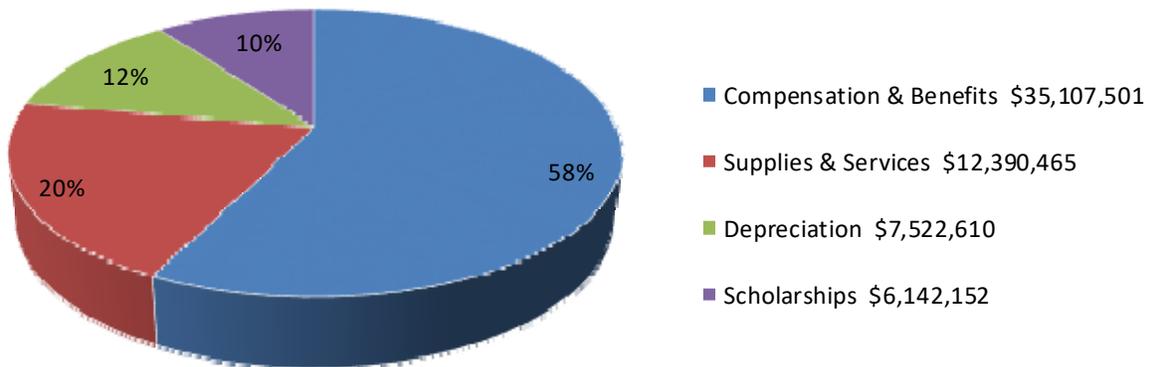
Scholarships trended slightly downward due to decreases in aid to the students by state, Federal, and institutional sources. Depreciation trended upward due to the Flex Tech and Pathfinder building having a full year of Depreciation as the buildings were added in late 2017. Auxiliary was comparable to prior years.

The following charts present operating expenses by natural classification:

**2017
Operating Expenses by
Natural Classification**



**2018
Operating Expenses by
Natural Classification**



Scholarships, including Federal, state, local and institutional scholarships, total \$6,142,152. The Federal direct student loans processed through the College for fiscal year 2018 were \$5,432,006. \$4,045,310 in Pell grants, make up the bulk of scholarship for fiscal year 2018.

The operating loss reflected is prior to the application of state and local revenues. The College is not intended to be self-supporting and, although tuition and fees are an important source of revenue, the College could not operate without funding from the Federal Government, State of Wyoming and Laramie County. Fiscal year 2017 operating loss decreased by \$1,470,310 over fiscal year 2016 and increased \$3,414,741 when compared to fiscal year 2018.

NONOPERATING REVENUES (EXPENSES)

	2016	2017	2018
Nonoperating revenues (expenses):			
Non-exchange Federal and state grants	\$ 5,491,880	\$ 5,270,175	\$ 5,279,661
State appropriations	45,966,767	26,922,521	25,128,344
Local appropriations	10,464,617	10,510,107	10,867,662
Investment income	790,998	1,597,270	1,432,418
Interest expense	(1,261,153)	(1,012,497)	(869,847)
Interest refund	103,882	47,108	-
(Loss) gain on disposal	(5,267)	(17,902)	-
Net nonoperating revenues	<u>\$ 61,551,724</u>	<u>\$ 43,316,782</u>	<u>\$ 41,838,238</u>
Income before other revenue, expenses, gains, or losses	\$ 17,783,480	\$ 1,018,848	\$ (3,874,437)
State of Wyoming endowment appropriation	1,043,349	122,817	92,657
Increase in net assets	<u>\$ 18,826,829</u>	<u>\$ 1,141,665</u>	<u>\$ (3,781,780)</u>

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

Non-exchange Federal and State grants

Non-exchange funds are not direct payment for services or product. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. The Federal Direct Loan Program provides need-based loans to low-income undergraduate students to promote access to postsecondary education. Pell grants account for the majority of funds in this category, \$4,045,310 and \$4,139,385 for fiscal years 2018 and 2017, respectively. This category also includes funds from the State of Wyoming for the Hathaway Scholarship Program of \$998,522 and \$1,061,321 for fiscal years 2018 and 2017, respectively. The state program provides merit and need based awards to eligible Wyoming students.

State appropriations

A funding formula is used to determine the College portion of total community college state appropriation and is based on a comparison to the other six community colleges in Wyoming. There has been a slight decrease in enrollment as compared to other colleges and an increased employee benefit appropriation. As stated in the net assets section above, the College saw a decrease of state appropriations of \$1,794,177 for fiscal year 2018. The decrease was due to the enrollment growth appropriation of 1,902,734 that was appropriated in Fiscal Year 2017. Two appropriations in fiscal year 2016 were responsible for this decrease to Fiscal year 2017: the state appropriation toward the two new buildings under construction, 1) The Flex Tech Building – \$5,256,466 and 2) The Pathfinder Building – \$9,470,186.

Local taxes – assessed valuation

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

Tax Year	College District	Laramie County	City of Cheyenne	State of Wyoming
2018	\$ 1,664,944,741	\$ 1,664,944,741	\$ 685,730,266	\$ 20,781,559,130
2017	1,449,087,507	1,449,087,507	663,837,566	18,825,099,205
2016	1,391,787,844	1,391,787,844	608,842,611	20,932,788,556
2015	1,384,962,686	1,384,962,686	602,206,337	26,067,281,969
2014	1,166,877,447	1,166,877,447	577,640,126	24,164,467,525
2013	1,046,155,321	1,046,155,321	546,175,351	25,242,644,578
2012	1,007,641,555	1,007,641,555	533,191,527	22,797,094,335

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

Local valuations have remained stable but State of Wyoming has had an increase in valuation from the downturn of energy related (coal, oil, and natural gas) industries' production and value.

Local taxes – certification and collection of taxes

Based upon the valuation certified by the County Assessor, the Board of County Commissioners computes a tax rate to be levied which, when levied upon every dollar of the valuation for assessment taxable property within the County, and together with other legally available revenues, will raise the amount required by all taxing entities within the County in the upcoming fiscal year. Taxes are certified in August each year and fifty percent (50%) are due on and after September 1 and payable on and after November in each year and the remaining fifty percent (50%) is due on and after March 1 and payable on and after March 10 of the succeeding calendar year. If the entire tax is paid on or before December 31, no interest or penalties is chargeable. The balance of any tax not paid as provided is delinquent after the day on which it is due and will bear interest at eighteen percent (18%) per annum until paid or collected.

The Laramie County Treasurer reports that tax collections in the District for the Tax Years 2013-2018 are as follows:

Tax Year	Total Tax Levy	Total Tax Collections⁽¹⁾	Percentage of Taxes Collected
2017-2018 ⁽²⁾	\$ 8,229,580	\$ 7,175,136	87.20%
2016-2017	7,171,093	7,170,749	99.99%
2015-2016	6,879,303	6,860,365	99.70%
2014-2015	5,763,211	5,769,080	100.00%
2013-2014	5,155,756	5,192,785	100.00%
2012-2013	4,961,405	4,949,099	99.75%

(1) Figures include current, delinquent and supplemental tax collections, as well as rebates, interest and/or penalties thereon; therefore, tax collections may exceed 100%.

(2) Tax collections through September 30, 2017.

Source: Laramie County Treasurer's Office.

Investment income

The majority of interest income is related to the investments held by the College Foundation for the State Challenge Grant monies (\$1,394,552 and gains on the College investments (\$40,169)). The investment income includes recovery of economic losses from market downturns in prior years.

Interest expense

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

Endowment appropriation

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

BUDGET

The Board of Trustees is required to approve the College's annual budget no later than the third Wednesday in July (W.S. 16-4-111) and is required to provide public notice of the budget meeting at least one week prior to the budget hearing (W.S. 16-4-109). A budget is to be prepared for each fund and the format for the budget for community colleges is to be uniform and approved by the Wyoming Community College Commission and the Wyoming State Department of Audit (W.S. 16-4-104).

Revenue sources that support the College's budget include tuition, fees, local four mill tax levy, state appropriations and investment income, optional tax levies (one mill board of trustee authorized and up to five mills with the approval of the voters in the taxing district), grants, auxiliary enterprise funds, bond funds, and agency funds.

Current Fund

The Current Fund includes tuition, fees, four mill tax levy income, state appropriation, investment income and other income related to operations. Tuition is established by the Wyoming Community College Commission (W.S. 21-18-202(a)(ii)). Fees are established by the Board of Trustees (W.S. 21-18-303(a)(viii)). The local four mill tax levy is required of each community college district to be eligible to receive state funding (W.S. 21-18-205). State appropriations are provided to the College based on a funding allocation model approved by the Wyoming Community College Commission (W.S. 21-18-205). Investment income and any other income source that may be provided to the College are included in the Current Fund of the College's accounts.

One Mill Fund (W.S. 21-18-303(b))

The Board of Trustees may approve up to one additional mill levy on the assessed valuation of the community college district for a period not to exceed two years for the regular support and operation of the College. Notice of the intent to levy the tax is required to be published in a newspaper of general circulation within the district at least 30 days before the hearing date. The tax may be renewed every two years provided a public hearing and the 30-day notification requirement has been met. The Board approved this funding source at their meeting on June 20, 2018.

Five Mill Fund (W.S. 21-18-311(f))

The Board of Trustees may submit to qualified electors a proposition calling for an additional mill levy not to exceed five mills on the assessed value of the district for College purposes for four years. The Laramie County voters approved the levy on November 3, 1998. These funds were used for the College's campus renewal, deferred maintenance, and renovation plan. Fiscal Year 2004 was the fourth and final year of collections from this funding source.

Restricted Funds (W.S. 21-18-303(a)(ix))

The Board of Trustees may "enter into agreements with any public or private agency, institution, person or corporation for the performance of acts or for the furnishing of services or facilities by or for the community college district or for the joint performance of an act or function or the joint furnishing of services and facilities and the other party to the agreement."

The College enters into many agreements with the Federal and state government. A smaller share of funds is received by the College from local government and private entity agreements. These agreements require separate accounting and reporting of these funds. Pell grants and Direct Student Loans that flow through the College to students are the largest accounts processed through this fund. Many state competitive grants are also processed through this fund.

BUDGET AMENDMENTS

The Board of Trustees approves all budget amendments as provided by the Wyoming Municipal Fiscal Procedures Act (W.S. 16-4). For fiscal year 2018, the Board approved four amendments.

The first amendment was approval from the Board of Trustees to expend \$500,000 from the One Mill Reserve (fund balance) and \$500,000 from Major Maintenance funds for the Ludden Library renovation project.

The second amendment was an increase to the Unrestricted Operating Fund in the amount of \$34,000. In the Fall of 2017, the Wyoming Community College Commission staff collected new information related to local revenue collection estimates from all of the state's seven community colleges. This new revenue information was added into the formula funding model and the state appropriation allocation was redistributed to each college. After the redistribution of funds, the College received a decrease of \$157,410 in our state appropriation and an increase of \$191,410 in the local appropriation for a net increase of \$34,000.

The third amendment was an increase to the Auxiliary Fund in the amount of \$75,000 to cover expenses for Method, the architect for the proposed new Residence Hall, and the roof repair of the West Hall. The funding came from the Residence Hall fund balance.

The fourth amendment was an increase to the Auxiliary Fund. The budget authority for facilities rental was increased by \$30,000 to cover increased contract food services expenses which were covered by increased revenue collections for fiscal year 2018.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION

June 30, 2018 and 2017

ASSETS	2018	2017 (Note 1)
Current Assets		
Cash and cash equivalents (Note 2)	\$ 13,838,962	\$ 14,333,898
Restricted cash held by others (Note 2)	49,673	67,236
Investments (Note 2)	5,155,991	5,164,111
Accounts receivable, net	3,695,468	3,726,345
Property taxes receivable	10,696,787	9,743,314
Prepaid expense	84,297	93,834
Total current assets	33,521,178	33,128,738
Noncurrent Assets		
Restricted cash (Notes 2 and 11)	162,519	94,401
Restricted investments (Notes 2 and 11)	2,870,273	2,971,280
Designated investments (Notes 2 and 11)	269,252	274,830
Capital assets, net of accumulated depreciation (Notes 3 and 5)	93,334,813	98,271,162
Investments held by others	13,794,125	12,768,692
Total assets	143,952,160	147,509,103
DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Outflows (Note 7)	4,158,028	3,872,808
OPEB-Related Outflows (Note 9)	703,670	-
Bond Modification	19,222	22,250
Total deferred outflows	4,880,920	3,895,058
LIABILITIES		
Current Liabilities		
Accounts payable	1,395,330	1,830,759
Payroll and related liabilities	1,357,494	1,257,898
Accrued compensated absences (Note 4)	888,325	921,575
Accrued interest payable	108,371	111,389
Advance tuition payments	162,109	177,758
Custodial deposits (Note 10)	1,759,927	1,664,278
Capital lease obligation (Notes 4 and 5)	27,552	30,993
Current maturities of bonds payable (Note 4)	2,905,191	2,797,600
Total current liabilities	8,604,299	8,792,250
Noncurrent Liabilities		
Liability for voluntary termination (Note 4)	387,419	592,542
Accrued compensated absences (Note 4)	265,344	275,276
Capital lease obligation (Notes 4 and 5)	58,460	83,694
Long-term bonds payable (Note 4)	28,926,070	31,831,260
Net pension liability (Note 7)	15,395,441	16,318,293
Total OPEB liability (Note 9)	15,102,639	-
Total noncurrent liabilities	60,135,373	49,101,065
Total liabilities	68,739,672	57,893,315

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION *(Continued)*
 June 30, 2018 and 2017

	2018	2017 (Note 1)
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Taxes	\$ 10,022,967	\$ 9,027,815
Pension-Related Inflows (Note 7)	3,061,763	461,003
OPEB-Related Inflows (Note 9)	2,522,063	-
Total deferred inflows	15,606,793	9,488,818
 NET POSITION		
Net Investment in Capital Assets	61,093,963	63,633,559
Restricted for:		
Expendable:		
Scholarships	223,402	484,636
Capital projects	4,653,029	4,512,019
Nonexpendable	9,920,144	9,827,487
Unrestricted	(11,403,923)	5,564,327
Total net position	\$ 64,486,615	\$ 84,022,028

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

COMPONENT UNIT - LARAMIE COUNTY COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

ASSETS	2017	2016
Current Assets		
Cash and cash equivalents	\$ 3,464,550	\$ 2,199,584
Receivables:		
Accrued interest	27,004	23,816
Pledges receivable for 2017 and 2016, net of allowance of \$2,843 and \$2,177	44,532	34,107
Endowment challenge program receivable	31,115	74,102
Other receivable	20,860	21,771
Total current assets	3,588,061	2,353,380
Noncurrent Assets		
Pledges receivable for 2017 and 2016, net of allowance of \$92,957 and \$40,823, and discount of \$205,100 and \$50,000, less current portion	1,251,718	377,331
Property and equipment	67,509	67,826
Investments:		
Marketable securities (Note 2)	30,575,843	26,849,181
Other investments	3,665	3,665
Total noncurrent assets	31,898,735	27,298,003
Total assets	\$ 35,486,796	\$ 29,651,383
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 35,517	\$ 25,353
Noncurrent Liabilities		
Charitable gift annuity	205,310	214,624
Investments held for others (Note 2)	12,429,631	11,344,489
Total noncurrent liabilities	12,634,941	11,559,113
Total liabilities	12,670,458	11,584,466
Net Assets		
Unrestricted, undesignated	344,786	(234,888)
Temporarily restricted	7,633,990	4,807,342
Permanently restricted	14,837,562	13,494,463
Total net assets	22,816,338	18,066,917
Total liabilities and net assets	\$ 35,486,796	\$ 29,651,383

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2018 and 2017

	2018	2017 (Note 1)
Operating Revenues		
Tuition and fees (net of scholarship allowances of \$1,642,226 and \$843,010)	\$ 9,298,993	\$ 10,844,999
Federal grants and contracts	1,415,384	1,603,559
State and local grants and contracts	733,069	758,960
Auxiliary enterprise charges	3,709,908	3,397,252
Other operating revenues	292,699	295,773
Total operating revenues	15,450,053	16,900,543
Operating Expenses (Note 13)		
Instruction	19,416,244	19,626,411
Public service	387,010	530,036
Academic support	6,055,248	5,933,597
Student services	4,627,680	4,441,375
Institutional support	8,656,402	8,947,893
Operation and maintenance of plant	5,502,114	6,044,110
Scholarships	6,142,152	6,900,739
Auxiliary enterprises	2,853,268	2,705,550
Depreciation	7,522,610	4,068,766
Total operating expenses	61,162,728	59,198,477
Operating (loss)	(45,712,675)	(42,297,934)
Nonoperating Revenues (Expenses)		
Non-exchange Federal and state grants	5,279,661	5,270,175
State appropriations	25,128,344	26,922,521
Local appropriations	10,867,662	10,510,107
Net investment income	1,432,418	1,597,270
Interest expense	(869,847)	(1,012,497)
Loss on disposal	-	(17,902)
Interest refund	-	47,108
Net nonoperating revenues	41,838,238	43,316,782
Income (loss) before other revenue, expenses, gains, or losses	(3,874,437)	1,018,848
Other Revenue, Expenses, Gains, or Losses		
State endowment appropriation	92,657	122,817
Increase (decrease) in net position	(3,781,780)	1,141,665
Net Position		
Beginning of year, as previously stated	84,022,028	82,880,363
Restatement to prior period (Note 9)	(15,753,633)	-
Beginning of year, as restated	68,268,395	82,880,363
End of Year	\$ 64,486,615	\$ 84,022,028

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

COMPONENT UNIT - LARAMIE COUNTY COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2017 and 2016

	2017	2016
Changes in Unrestricted Net Assets		
Revenue, gains and other support:		
Administrative fees	\$ 578,848	\$ 623,286
Net investment income	485,114	211,448
Miscellaneous income	-	161
Net assets released from restrictions	1,396,687	1,118,997
Reclassification of donor restrictions	-	(499,534)
Total unrestricted revenue, gains, and other support	2,460,649	1,454,358
Expenses:		
Program services:		
College support	1,396,687	1,118,997
Management and fundraising	484,288	544,194
Total expenses	1,880,975	1,663,191
Increase in unrestricted net assets	579,674	(208,833)
Changes in Temporarily Restricted Net Assets		
Gifts	1,863,162	1,560,157
Net investment income	2,360,173	1,520,335
Net assets released from restrictions	(1,396,687)	(1,118,997)
Reclassification of donor restrictions	-	499,534
Increase in temporarily restricted net assets	2,826,648	2,461,029
Changes in Permanently Restricted Net Assets		
Gifts	1,368,785	1,359,258
Unrealized gain (loss) on investments	(25,686)	828
Increase in permanently restricted net assets	1,343,099	1,360,086
Change in net assets	4,749,421	3,612,282
Net Assets, beginning	18,066,917	14,454,635
Net Assets, ending	\$ 22,816,338	\$ 18,066,917

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017 (Note 1)
Cash Flows from Operating Activities		
Received from customers	\$ 15,465,281	\$ 17,519,010
Payments to employees and fringe benefits	(32,696,126)	(33,632,695)
Payments to vendors and suppliers	(12,507,663)	(12,536,268)
Payments for scholarships	(6,142,152)	(6,900,739)
Other receipts	95,649	153,929
Net cash (used in) operating activities	(35,785,011)	(35,396,763)
Cash Flows from Noncapital Financing Activities		
Non-exchange Federal and state grants	5,279,661	5,270,175
State appropriations	25,128,344	26,922,521
Local appropriations	10,909,341	10,511,219
State endowment appropriation	92,657	122,817
Net cash provided by noncapital financing activities	41,410,003	42,826,732
Cash Flows from Capital and Related Financing Activities		
Cash paid for capital assets	(2,963,309)	(17,535,842)
Proceeds from issuance of bonds	-	4,675,000
Payment of bond principal	(2,797,599)	(7,544,320)
State endowment invested in Foundation	(1,025,433)	(1,220,594)
Principal paid on capital lease	(26,493)	(65,524)
Interest paid on capital lease and bonds	(803,663)	(806,238)
Interest refund	-	47,108
Payment of bond issuance costs	-	(90,813)
Net cash (used in) capital and related financing activities	(7,616,497)	(22,541,223)
Cash Flows from Investing Activities		
Proceeds from sale of investments	546,837	3,543,555
Purchases of investments	(465,467)	(923,127)
Interest received on investments	1,465,754	1,640,933
Net cash provided by investing activities	1,547,124	4,261,361
Net (decrease) in cash and cash equivalents	(444,381)	(10,849,893)
Cash and Cash Equivalents		
Beginning	14,495,535	25,345,428
Ending	\$ 14,051,154	\$ 14,495,535

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS (Continued)

Years Ended June 30, 2018 and 2017

	2018	2017 (Note 1)
Reconciliation of Operating (Loss) to Net Cash (Used in)		
Operating Activities		
Operating (loss)	\$ (45,712,675)	\$ (42,297,934)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	7,522,610	4,068,766
Pension liability	(922,852)	1,051,207
Deferred outflows - pension	(285,220)	554,438
Deferred inflows - pension	2,600,760	92,502
OPEB Liability	(650,994)	-
Deferred outflows - OPEB	(703,670)	-
Deferred inflows - OPEB	2,522,063	-
Other	172,507	-
Changes in assets and liabilities:		
Receivables, net	30,877	602,659
Prepaid items	9,537	9,101
Accounts payable and accrued liabilities	(309,123)	421,397
Advance tuition payments	(15,649)	15,808
Accrued compensated absences	(43,182)	85,293
Total adjustments	9,927,664	6,901,171
Net cash (used in) operating activities	\$ (35,785,011)	\$ (35,396,763)
Noncash Capital and Related Financing Activities		
Unrealized (loss) on investments	\$ (31,317)	\$ (39,793)
Capital asset additions in accounts payable	342,799	482,324

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Laramie County Community College (the “College”) is a public institution of higher education. The College’s main campus is located in Cheyenne, Wyoming. It is governed by a Board of Trustees (the “Board”) comprised of seven elected trustees and is subject to the laws of the State of Wyoming. The College was created in 1969 to serve the post-secondary educational needs of the citizens of Laramie County, Wyoming. Since its inception, the College has grown to annually serve approximately 3,800 full-time equivalent students at four education centers in two counties. The College is a municipal corporation formed under and subject to the requirements of Wyoming State Statutes.

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

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

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

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

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

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

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

The College and the Authority have the following recurring fair value measurements as of June 30, 2018 and 2017:

- Money market funds of \$33,370 and \$124,506 are valued using quoted market prices (Level 1 inputs).
- Investments held by the Foundation of \$13,794,125 and \$12,768,692, and government agency obligations, corporate bonds, treasury bonds and notes, and government bonds of \$8,202,146 and \$8,210,715, are valued using significant other observable inputs (Level 2 inputs).

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

Accounts receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the Federal Government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. The College considers all accounts receivable to be fully collectible at June 30, 2018; therefore, no allowance for doubtful accounts is deemed necessary.

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

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 20 years for infrastructure and land improvements, 5 to 7 years for library materials, and 3 to 14 years for furniture, fixtures, and equipment.

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Net investment in capital assets: This represents the College's total investment in capital assets, net accumulated depreciation and outstanding debt and capital lease obligations related to those capital assets.

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

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state and local appropriations and investment income.

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

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

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

Federal direct loans: The College makes loans to students under the William D. Ford Federal Direct Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students through institutions like the College. Direct student loan receivables are not included in the College's Statements of Net Position as the loans are repayable directly to the U.S. Department of Education. In 2018, the College received and disbursed \$5,432,006 under the Federal Direct Loan Program on behalf of the U.S. Department of Education, which is not included as revenue or expense on the Statements of Revenues, Expenses, and Changes in Net Position due to the nature of the transaction.

Bond issuance costs: Bond issuance costs consist of bond issuance costs, including underwriter discounts. The bond issuance costs are expensed in the period incurred.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Recent pronouncement: In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45 and requires balance sheet recognition of a liability which resembles the current unfunded accrued liability. The Statement also enhances accountability and transparency through revised and new note disclosure and required supplementary information. The statement is effective for fiscal years beginning after June 15, 2017. Accounting changes adopted to conform to the provisions of this statement were applied beginning in the year ended June 30, 2018 retroactively by restating the beginning net position. See discussion of prior period restatement in Note 9.

Component Unit – Laramie County Community College Foundation:

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

Basis of accounting: The Foundation conforms to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities. Revenue is recognized when earned and expenses are recorded when incurred. The financial statements reflect unrestricted, temporarily restricted, and permanently restricted net assets and activities. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board designated or appropriated amounts, are reported as part of the unrestricted class.

Contributions: Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net position depending on the existence or nature of any donor restrictions. Unconditional promises to give are recognized as revenue or gain in the period received as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. Donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support are recorded as unrestricted.

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

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

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

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Advertising: Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2017 and 2016 were \$4,841 and \$2,984, respectively.

Investments: The Foundation carries investments in marketable securities with readily determinable fair value and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change of net assets in the accompanying Statements of Activities. Investment income and gains restricted by donors are reported as increases in unrestricted net position if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

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

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

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

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

The Foundation has valued its marketable securities utilizing the Level 1 and 2 approaches. Level 2 valuations are based on quoted market prices for identical assets in less than active markets.

	2017	2016
Level 1 Investments	\$ 24,237,872	\$ 21,999,558
Level 2 Investments	6,337,971	4,849,623
	<u>\$ 30,575,843</u>	<u>\$ 26,849,181</u>

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.

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 temporarily restricted net asset category that correspond to each endowment unless the temporary restricted net asset category corresponding to endowments is reduced to zero, at which time any remaining losses are allocated to unrestricted net assets.

Expense allocation: The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Property and equipment: Property and equipment are stated at cost or, if donated, at approximate fair value on the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Depreciation is recorded using the straight-line method over the estimated useful life. Amortization of software is recorded over 36 months. Repairs are expensed as incurred. New equipment with an original cost of \$1,000 or more is capitalized.

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

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

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

Note 2. Deposits with Financial Institutions and Investments

Laramie County Community College:

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

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Restricted cash: As a requirement of the 2014 Bond Issuance, the College was required to establish a mandatory maintenance and repair fund, of not less than 7% of bond proceeds, for the specific purpose of maintenance, repair, and facility obsolescence for the buildings funded by the bond. As of June 30, 2018, \$1,932,301 remained in the maintenance and repair account, of which \$104,088 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, 2018, \$58,431 was held in bond reserve funds for the Building Authority.

As of June 30, 2018, the College had \$49,673 held by the State of Wyoming for the purposes of construction on the Flex Tech Building and Student Center.

Custodial credit risk: Custodial credit risk for deposits of the College and Authority is the risk that, in the event of a bank failure, deposits may not be returned to them. At June 30, 2018, the carrying amount of the College's demand deposits, including certificates of deposit treated as investments, were \$13,659,492 and bank balances were \$14,245,491, with Federal insurance and pledged securities totaling \$21,884,739. At June 30, 2018, the Authority held \$226,152 in unrestricted accounts.

Investments:

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

As of June 30, 2018 and 2017, the College had unrestricted investments with weighted average maturities as shown in the following table:

Investment type:	2018		Weighted Average Maturity in Years
	Cost	Fair Value	
Certificates of deposit	\$ 60,000	\$ 60,000	-
U.S. Treasury notes and bonds	2,374,699	2,353,523	1.30
Government agencies	1,457,971	1,442,040	1.29
Government bonds	184,648	194,630	1.28
Money market funds	33,325	33,370	-
Corporate bonds	1,086,809	1,072,428	3.31
	\$ 5,197,452	\$ 5,155,991	

Investment type:	2017		Weighted Average Maturity in Years
	Cost	Fair Value	
Certificates of deposit	\$ 75,000	\$ 75,000	-
U.S. Treasury notes and bonds	2,751,499	2,765,337	1.78
Government agencies	1,707,970	1,701,032	2.08
Government bonds	184,648	193,262	2.28
Money market funds	124,506	124,506	-
Corporate bonds	307,712	304,974	3.51
	\$ 5,151,335	\$ 5,164,111	

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2018 and 2017, the College and Authority had restricted and designated investments with weighted average maturities as shown in the following table:

	2018		Weighted Average Maturity in Years
	Cost	Fair Value	
Investment type:			
Government Agencies	\$ 3,174,551	\$ 3,139,525	8.94

	2017		Weighted Average Maturity in Years
	Cost	Fair Value	
Investment type:			
Government Agencies	\$ 3,154,183	\$ 3,246,110	9.93

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:

Credit Rating	Fair Value
AA+	\$ 50,098
AA	19,751
AA-	49,246
A+	38,534
A	379,533
A-	453,123
BBB+	82,143
	\$ 1,072,428

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

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the College and Authority’s investment in a single issuer. Concentration of risk is not formally addressed in the College and Authority’s investment policy. As of June 30, 2018, more than 5% of the College and Authority’s investments are in U.S. Treasury notes and bonds and Government sponsored enterprises (Federal Housing Finance Agency, Federal Farm Credit, Fannie Mae, Freddie Mac). These U.S. Treasury notes and bonds are 28.37% and the Government sponsored enterprises are 55.23%, respectively, of total investments.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Laramie County Community College Foundation:

The carrying values and fair values of certificates of deposit and marketable securities for the Foundation are as follows at December 31, 2017 and 2016:

	Cost	Fair Value
	2017	
Marketable securities:		
Alternatives	\$ 1,541,387	\$ 1,509,722
Equity, including mutual funds	13,547,390	18,068,304
Fixed Income, including mutual funds	11,071,187	10,997,817
Total marketable securities	\$ 26,159,964	\$ 30,575,843

	Cost	Fair Value
	2016	
Certificates of deposit	\$ 216,397	\$ 216,397
Marketable securities:		
Alternatives	\$ 1,105,000	\$ 1,106,881
Equity, including mutual funds	14,563,195	17,259,873
Fixed Income, including mutual funds	8,451,174	8,482,427
Total marketable securities	\$ 24,119,369	\$ 26,849,181

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The target allocation is as follows:

<u>Target Allocation</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Fixed Income: U.S. Investment Grade	20%	30%	40%
Equity	55%	65%	75%
Alternatives	0%	5%	10%

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

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

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

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

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

At December 31, 2017, the following table shows the fixed-income investments by type, amount, and maturity:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	More than 5
Corporate Bonds	\$ 4,773,295	\$ 774,296	\$3,937,017	\$ 61,982
Municipal Bonds	242,519	-	5,052	237,467
	<u>\$ 5,015,814</u>	<u>\$ 774,296</u>	<u>\$ 3,942,069</u>	<u>\$ 299,449</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

The distribution of quality rating of debt securities in the Foundation's investment portfolio at fair value as of December 31, 2017 is as follows:

Quality rating:	
AA	\$ 266,593
A	2,509,536
BBB	1,191,563
NR	1,048,122
Total credit risk debt securities	<u><u>\$ 5,015,814</u></u>

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

As of December 31, 2017 and 2016, the Foundation held \$12,429,631 and \$11,344,489, 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, 2018 and 2017:

	Balance June 30, 2017	Additions	Transfers	Retirements	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	4,146,594	2,422,804	(4,519,517)	-	2,049,881
Total capital assets not being depreciated	5,017,158	2,422,804	(4,519,517)	-	2,920,445
Other capital assets:					
Infrastructure	3,695,313	-	-	-	3,695,313
Land improvements	6,159,362	-	1,276,522	-	7,435,884
Buildings	132,910,336	-	3,242,995	(2,537,471)	133,615,860
Furniture, fixtures and equipment	10,595,604	397,334	-	(478,532)	10,514,406
Library materials	1,793,808	6,987	-	(1,256,564)	544,231
Total other capital assets	155,154,423	404,321	4,519,517	(4,272,567)	155,805,694
Less accumulated depreciation for:					
Infrastructure	(2,303,028)	(99,374)	-	-	(2,402,402)
Land improvements	(2,788,471)	(313,896)	-	-	(3,102,367)
Buildings	(46,733,716)	(6,381,813)	-	2,537,471	(50,578,058)
Furniture, fixtures and equipment	(8,552,911)	(693,924)	-	425,121	(8,821,714)
Library materials	(1,522,293)	(33,604)	-	1,069,112	(486,785)
Total accumulated depreciation	(61,900,419)	(7,522,611)	-	4,031,704	(65,391,326)
Other capital assets, net	\$ 93,254,004	\$ (7,118,290)	\$ 4,519,517	\$ (240,863)	\$ 90,414,368
Capital asset summary:					
Capital assets not being depreciated	\$ 5,017,158	\$ 2,422,804	\$ (4,519,517)	\$ -	\$ 2,920,445
Other capital assets, at cost	155,154,423	404,321	4,519,517	(4,272,567)	155,805,694
Total cost of capital assets	160,171,581	2,827,125	-	(4,272,567)	158,726,139
Less accumulated depreciation	(61,900,419)	(7,522,611)	-	4,031,704	(65,391,326)
Capital assets, net	\$ 98,271,162	\$ (4,695,486)	\$ -	\$ (240,863)	\$ 93,334,813

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

	Balance June 30, 2016	Additions	Transfers	Retirements	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	32,408,413	17,037,233	(45,263,824)	(35,228)	4,146,594
Total capital assets not being depreciated	33,278,977	17,037,233	(45,263,824)	(35,228)	5,017,158
Other capital assets:					
Infrastructure	3,695,313	-	-	-	3,695,313
Land improvements	5,445,473	-	713,889	-	6,159,362
Buildings	88,360,401	-	44,549,935	-	132,910,336
Furniture, fixtures and equipment	9,843,219	823,920	-	(71,535)	10,595,604
Library materials	1,723,748	102,523	-	(32,463)	1,793,808
Total other capital assets	109,068,154	926,443	45,263,824	(103,998)	155,154,423
Less accumulated depreciation for:					
Infrastructure	(2,187,328)	(115,700)	-	-	(2,303,028)
Land improvements	(2,496,789)	(291,682)	-	-	(2,788,471)
Buildings	(43,890,947)	(2,842,769)	-	-	(46,733,716)
Furniture, fixtures and equipment	(7,880,844)	(725,699)	-	53,632	(8,552,911)
Library materials	(1,461,840)	(92,916)	-	32,463	(1,522,293)
Total accumulated depreciation	(57,917,748)	(4,068,766)	-	86,095	(61,900,419)
Other capital assets, net	\$ 51,150,406	\$ (3,142,323)	\$ 45,263,824	\$ (17,903)	\$ 93,254,004
Capital asset summary:					
Capital assets not being depreciated	\$ 33,278,977	\$ 17,037,233	\$ (45,263,824)	\$ (35,228)	\$ 5,017,158
Other capital assets, at cost	109,068,154	926,443	45,263,824	(103,998)	155,154,423
Total cost of capital assets	142,347,131	17,963,676	-	(139,226)	160,171,581
Less accumulated depreciation	(57,917,748)	(4,068,766)	-	86,095	(61,900,419)
Capital assets, net	\$ 84,429,383	\$ 13,894,910	\$ -	\$ (53,131)	\$ 98,271,162

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities

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

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2018
Series 2014 General Obligation Bonds	25,000,000	1.75% - 4.0%	19,900,000

Aggregate maturities, including interest of \$4,112,872, required on the bonds at June 30, 2018 are as follows:

	Principal	Interest
2019	\$ 1,400,000	\$ 675,313
2020	1,500,000	650,813
2021	1,575,000	590,813
2022	1,625,000	527,813
2023	1,700,000	243,593
2024 - 2028	9,800,000	1,332,530
2029	2,300,000	91,997
	<u>19,900,000</u>	<u>4,112,872</u>
Original issue premium	<u>1,051,261</u>	
	<u>\$ 20,951,261</u>	

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

On October 14, 2016, proceeds from the Series 2016 Revenue Bonds were used to refinance the Series 2009 Revenue Bonds. The refinance resulted in an economic gain of \$943,210 and a net cash flow savings of \$936,036. The deferred inflows of resources will be recognized as an adjustment to interest expense through June 1, 2024.

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2018	Maturity
Series 2012 Revenue Bonds - Albany Campus	2,815,000	1.3% - 3.1%	1,790,000	2025
Series 2015 Revenue Bonds - Residence Hall	6,510,000	0.75% - 2.70%	5,390,000	2025
Series 2016 Revenue Bonds - Dining Facility	4,675,000	0.75% - 1.95%	3,700,000	2024

Aggregate maturities, including interest of \$970,615, required on the bonds at June 30, 2018, are as follows:

	Principal	Interest
2019	\$ 1,350,000	\$ 217,954
2020	1,390,000	197,835
2021	1,410,000	174,701
2022	1,440,000	148,040
2023	1,500,000	117,410
2024 - 2026	3,790,000	114,675
	\$ 10,880,000	\$ 970,615

Legal debt margin: Wyoming State Statutes provide that the Laramie Community College District (the “District”) shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein. As of June 30, 2018, the District’s assessed valuation was \$1,664,944,741. The College has general obligation debt as of June 30, 2018 of \$20,951,261.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Total long-term liabilities: Long-term liability activity for the years ended June 30, 2018 and 2017 is as follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
Bonds and capital lease obligations:					
General obligation bonds	\$ 22,468,860	\$ -	\$ (1,517,599)	\$ 20,951,261	\$ 1,555,191
Facility revenue bonds	12,160,000	-	(1,280,000)	10,880,000	1,350,000
Capital lease	114,687	-	(28,675)	86,012	27,552
Total bonds and capital leases	34,743,547	-	(2,826,274)	31,917,273	2,932,743
Other liabilities:					
Liability for voluntary termination	592,542	-	(205,123)	387,419	-
Accrued compensated absences	1,196,851	794,903	(838,085)	1,153,669	888,325
Total other liabilities	1,789,393	794,903	(1,043,208)	1,541,088	888,325
Total long-term liabilities	\$ 36,532,940	\$ 794,903	\$ (3,869,482)	\$ 33,458,361	\$ 3,821,068

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due Within One Year
Bonds and capital lease obligations:					
General obligation bonds	\$ 23,923,180	\$ -	\$ (1,454,320)	\$ 22,468,860	\$ 1,517,600
Facility revenue bonds	13,552,850	4,675,000	(6,067,850)	12,160,000	1,280,000
Capital lease	36,717	143,494	(65,524)	114,687	30,993
Total bonds and capital leases	37,512,747	4,818,494	(7,587,694)	34,743,547	2,828,593
Other liabilities:					
Liability for voluntary termination	755,672	201,132	(364,262)	592,542	-
Accrued compensated absences	1,111,558	875,827	(790,534)	1,196,851	921,575
Total other liabilities	1,867,230	1,076,959	(1,154,796)	1,789,393	921,575
Total long-term liabilities	\$ 39,379,977	\$ 5,895,453	\$ (8,742,490)	\$ 36,532,940	\$ 3,750,168

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Leases

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

	Albany County Campus	Dining Facility	Residence Halls
Remaining obligation at June 30, 2018	\$1,378,064	\$3,068,114	\$4,696,507
Interest rate	2.890%	4.491%	2.02%
Required payments	Biannually - varies	Biannually - varies	Biannually - varies
Lease expiration date	August 2024	May 2024	September 2024
Book value of asset	\$3,490,867	\$3,687,057	\$7,110,096

The College also has other capital leases for equipment at year end with an ending balance at June 30, 2018 of \$86,012, with annual payments, including interest, of \$30,993.

Note 6. The Foundation

The College is affiliated with the Laramie County Community College Foundation (the "Foundation"). The Foundation serves to further the goals of the College and its students. The Foundation Board is comprised of 16 members, which include three College Board members and the College President.

Note 7. Retirement Commitment – Wyoming Retirement System (WRS)

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Contributions: Per Title 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2018, member contributions were required to be 8.25% of compensation and employer contributions were required to be 8.37% of compensation. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the College has elected to pay 6.445% of the member's contribution in addition to the employer's contribution. Total contributions to the pension plan from the College were \$1,791,435, \$1,784,811, and \$1,777,251, for the years ended June 30, 2018, 2017, and 2016, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2018 and 2017, the College reported a liability of \$15,395,441 and \$16,318,293, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 and incorporated assumption changes adopted by the Wyoming Retirement System Board effective August 23, 2017. The College's proportion of the net pension liability was based on the relationship of the College's total contributions to the plan for the year ended December 31, 2017 to the contributions of all participating employers for the same periods. At December 31, 2017, the College's proportion was 0.675434%, which was an increase from its December 31, 2016 proportion of 0.6750069%.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

For the years ended June 30, 2018 and 2017, the College recognized pension expense of \$2,397,191 and \$2,720,889, respectively. At June 30, 2018 and 2017, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 535,320
Net difference between projected and actual earnings on pension plan investments	1,895,975	2,512,170
Changes in proportionate share of contributions	228,777	14,273
Contributions subsequent to the measurement date	537,354	-
Changes in assumptions	1,495,922	-
	\$ 4,158,028	\$ 3,061,763

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 431,107
Net difference between projected and actual earnings on pension plan investments	2,939,325	-
Changes in proportionate share of contributions	425,781	29,896
Contributions subsequent to the measurement date	507,702	-
	\$ 3,872,808	\$ 461,003

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

An amount of \$537,354 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 721,814
2020	591,924
2021	(200,656)
2022	(554,171)
	\$ 558,911

Actuarial assumptions: The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions adopted by the Wyoming Retirement System Board effective August 23, 2017 and applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.50% – 6.50%, including inflation
Payroll growth rate	2.50%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

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

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.00%	0.40%	0.40%
Fixed income	20.00%	1.25%	1.77%
Equity	45.00%	4.96%	6.88%
Marketable alternatives	17.50%	2.79%	3.30%
Private markets	17.50%	5.06%	7.11%
	100.00%		

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate: The following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 23,268,507	\$ 15,395,441	\$ 8,829,417

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

Note 8. Retirement Commitment – TIAA

Eligible College employees may elect to participate in the Teachers Insurance and Annuity Association (TIAA) instead of the Wyoming Retirement System. TIAA is a private defined contribution pension plan, which is portable to other institutions and states. For the years ended June 30, 2018, 2017, and 2016, the College’s contributions to TIAA were \$1,324,442, \$1,451,518, and \$1,446,536, respectively.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 9. Postemployment Benefits Other Than Pensions (OPEB) Commitment and Prior Period Adjustment

On July 1, 2017, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which recognizes a long-term obligation for OPEB benefits. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2018, which included recording a total OPEB obligation of \$15,753,633. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2017, the College has elected to not restate the information presented for the period ended June 30, 2017.

General Information about the OPEB Plan

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

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

Retirement eligibility varies under each system within the Wyoming Retirement System. The State of Wyoming Legislature has the authority to establish and amend the benefit terms of the plan. The Plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming's Comprehensive Annual Financial Report.

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

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

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2018, the College reported a liability of \$15,102,639 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2018. The College's proportion of the collective total OPEB liability was based on a projection of the College's expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2018, the College's proportion was 1.90933%

For the year ended June 30, 2018, the College recognized OPEB expense of \$1,167,400. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 703,670	\$ -
Changes of assumptions	-	2,522,063
	<u>\$ 703,670</u>	<u>\$ 2,522,063</u>

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

Year ended June 30,	
2019	\$ (224,493)
2020	(224,493)
2021	(224,493)
2022	(224,493)
2023	(224,493)
Thereafter	(695,928)
	<u>\$ (1,818,393)</u>

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	July 1, 2017 (based on July 1, 2017 census data).
Inflation	2.50%
Salary Increases	2.50% - 6.00%
Mortality Rates	Pre-Termination: RP-2006 Combined, 100% male, 88% female, generational projection using MP-2017. Post-Termination: RP-2006 Combined, 100% male, 88% female, generational projection using MP-2017. Disabled: RP-2006 Combined, 100% male, 100% female, generational projection using MP-2017.
Healthcare Cost Trend Rates	Non-Medicare: 4.50% - 7.60% Medicare: 4.50% - 8.10%
Participation Rate	65% will elect coverage and 30% will cover a spouse.
Spouse Age Differential	Males are assumed to be 3 years older than females.
Cost Method	Entry Age Normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working lifetime as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay over the year. The Normal Cost is equal to the prorated cost for the year of the valuation.
Benefits Excluded	Benefits related to retiree dental and life insurance have been excluded from this valuation.

The health care trend rate assumption was based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data plan renewal data and vendor Rx report with adjustments based on the provisions of the benefits offered by EGI. For the excise tax, the overall value of the benefit was compared to the excise tax threshold. The values of the benefits were assumed to increase with the valuation trend and the excise tax thresholds were assumed to increase by 2.5% per year. On a blended basis, the excise tax threshold is estimated to hit in 2029.

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

Discount rate: The discount rate used to measure the total OPEB liability was 3.58 percent, which represents an increase from the discount rate of 2.85 percent utilized for the June 30, 2016 measurement date. The discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Sensitivity of the College’s proportionate share of the collective total OPEB liability to changes in the discount rate: The 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 a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

	1% Increase (4.58%)	Current Discount Rate (3.58%)	1% Decrease (2.58%)
Proportionate share of the collective total OPEB liability	\$ 12,569,149	\$ 15,102,639	\$ 18,395,609

Sensitivity of the College’s proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rates: The following presents the College’s proportionate share of the collective total OPEB liability, as well as what the College’s proportionate share of the collective total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Increase	Current Healthcare Cost Trend Rates	1% Decrease
Non-Medicare	8.60%	7.60%	6.60%
Medicare	9.10%	8.10%	7.10%
Proportionate share of the collective total OPEB liability	\$ 18,339,570	\$ 15,102,639	\$ 12,707,062

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 10. Custodial Deposits

The College holds in trust, funds collected by various student groups. A liability for these funds is included in the accompanying financial statements. The following summarizes activity within the student activity funds during the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Student Activity Funds:		
Beginning	<u>\$ 1,664,278</u>	<u>\$ 1,510,349</u>
Additions:		
Student fees	627,509	570,411
Allocated interest and other	140	1,305
Total additions	<u>627,649</u>	<u>571,716</u>
Total available funds	<u>2,291,927</u>	<u>2,082,065</u>
Deductions:		
Salaries and benefits	165,816	143,677
Other noncapital expenditures	366,184	274,110
Total deductions	<u>532,000</u>	<u>417,787</u>
Ending	<u>\$ 1,759,927</u>	<u>\$ 1,664,278</u>

Note 11. 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, 2018, approximately 21 employees have met the eligibility requirements of the plan.

No liability for payment of incentive benefits to these employees has been recorded in the accompanying financial statements in as much as formal application to receive benefits has not been made by the employees and because, even if such application had been made, ultimate payment is subject to required Board approval. The estimated benefit payment requirement for the employees who meet eligibility requirements as of June 30, 2018 was approximately \$1,555,499.

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

As of June 30, 2018, the remaining commitment to complete construction projects totaled approximately \$6,004,929. These completion costs will be paid primarily from a state appropriation for major maintenance, contingency reserve, and contributions from the Foundation.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Bond reserve fund: For the Series 2009 Bond, the Indenture of Trust agreement with the bond trustee required the Authority to deposit \$811,000 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. All funds were withdrawn as of June 30, 2018.

For the Series 2012 Bond, there was no public issue that required a reserve requirement. However, the Authority created a reserve account where the funds may only be used to fund deficiencies in meeting bond debt service payments. No withdrawals have been made as of June 30, 2018. As of June 30, 2018, the reserve fund consists of investments with a fair value of \$269,252 and cash of \$10,190.

For the Series 2015 Bond, the Indenture of Trust agreement with the bond trustee required the Authority to deposit \$651,000 into a separate account with the trustee. These funds may only be used to fund deficiencies in meeting bond debt service payments. Funds withdrawn from the reserve account are to be repaid in equal monthly payments over the next 12 months. No withdrawals have been made as of June 30, 2018. As of June 30, 2018, the reserve fund consists of investments with a fair value of \$621,889 and cash of \$20,548.

For the Series 2016 Bond, the Indenture of Trust agreement with the bond trustee required the Authority to deposit \$467,500 into a separate account with the trustee. These funds may only be used to fund deficiencies in meeting bond debt service payments. Funds withdrawn from the reserve account are to be repaid in equal monthly payments over the next 12 months. No withdrawals have been made as of June 30, 2018. As of June 30, 2018, the reserve fund consists of investments with a fair value of \$420,171 and cash of \$27,693.

Note 12. 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, 2018, 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 13. Natural Classifications with Functional Classifications

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

	Natural Classification				
	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
	2018				
Functional Classification:					
Instruction	\$ 16,159,186	\$ 3,257,058	\$ -	\$ -	\$ 19,416,244
Public service	299,067	87,943	-	-	387,010
Academic support	4,870,173	1,185,075	-	-	6,055,248
Student services	3,790,346	837,334	-	-	4,627,680
Institutional support	5,863,313	2,793,089	-	-	8,656,402
Operation of plant	2,969,873	2,532,241	-	-	5,502,114
Scholarships	-	-	-	6,142,152	6,142,152
Auxiliary enterprises	1,155,543	1,697,725	-	-	2,853,268
Depreciation	-	-	7,522,610	-	7,522,610
Total expenses	\$ 35,107,501	\$ 12,390,465	\$ 7,522,610	\$ 6,142,152	\$ 61,162,728

	Natural Classification				
	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
	2017				
Functional Classification:					
Instruction	\$ 16,362,384	\$ 3,264,027	\$ -	\$ -	\$ 19,626,411
Public service	433,888	96,148	-	-	530,036
Academic support	4,748,697	1,184,900	-	-	5,933,597
Student services	3,636,619	804,756	-	-	4,441,375
Institutional support	5,839,806	3,108,087	-	-	8,947,893
Operation of plant	2,970,799	3,073,311	-	-	6,044,110
Scholarships	-	-	-	6,900,739	6,900,739
Auxiliary enterprises	1,065,200	1,640,350	-	-	2,705,550
Depreciation	-	-	4,068,766	-	4,068,766
Total expenses	\$ 35,057,393	\$ 13,171,579	\$ 4,068,766	\$ 6,900,739	\$ 59,198,477

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 14. Subsequent Events

The Foundation has set aside approximately \$2,700,000 in funds to be transferred to the College for Ludden Library renovations. Two installments of \$1,000,000 each were received by the College in July and September 2018. The final payment is expected in December 2018.

In October 2018, the College was approved for a \$30 million loan through the State of Wyoming Lands and Investment Board for the construction of a new student residence hall. The loan bears interest at 2.5%, payable over a term of 25 years. The College has pledged dormitory room fees as the primary security for the loan, in addition to the unrestricted fund balance during the first five years of the loan.

On November 6, 2018, Laramie County residents voted to approve the 1 mill levy to property taxes for four years to pay for renovations to the College's Fine Arts Building and to build a new performing arts center. The one mill funds will be used to match \$7 million provided by the State of Wyoming Legislature and \$1 million in private donations.

REQUIRED SUPPLEMENTARY INFORMATION

LARAMIE COUNTY COMMUNITY COLLEGE

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

Public Employee Pension Plan

Last 5 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%

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

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS

Public Employee Pension Plan

Last 5 Fiscal Years*

	Statorily required contribution	Contributions in relation to the statorily 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%

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

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY AND RELATED RATIOS
State of Wyoming Employee Group Insurance Retiree Health Plan
Year Ended June 30, 2018***

	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	1.93981%	\$ 15,102,639	N/A	N/A	0.00%

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

See Notes to Required Supplementary Information.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2018

Note 1. Retirement Commitment – Wyoming Retirement System

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2016 measurement date and the December 31, 2017 measurement date.

Changes in assumptions: There were economic and demographic changes in assumptions between the December 31, 2016 measurement date and the December 31, 2017 measurement date.

Note 2. OPEB Commitment

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

Changes in assumptions: The valuation reflects the following assumption changes from the June 30, 2016 measurement date to the June 30, 2017 measurement date.

- Discount rate changed from 2.85% to 3.58%.
- Health care trend rates were changed.
- The following assumptions were updated based on the December 31, 2016 actuarial experience study for the Wyoming Retirement System:
 - Mortality rates
 - Retirement rates
 - Withdrawal rates
 - Disability rates
 - Salary increase rates

SUPPLEMENTARY INFORMATION

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION

June 30, 2018

ASSETS	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
Current Assets				
Cash and cash equivalents	\$ 13,612,810	\$ 226,152	\$ -	\$ 13,838,962
Restricted cash held by others	49,673	-	-	49,673
Investments	5,155,991	-	-	5,155,991
Accounts receivable, net	3,695,468	-	-	3,695,468
Current maturities of lease	-	1,265,415	(1,265,415)	-
Interest receivable	-	66,514	(66,514)	-
Property taxes receivable	10,696,787	-	-	10,696,787
Prepaid expense	84,297	-	-	84,297
Total current assets	33,295,026	1,558,081	(1,331,929)	33,521,178
Noncurrent Assets				
Restricted cash	104,088	58,431	-	162,519
Restricted investments	1,828,213	1,042,060	-	2,870,273
Designated investments	-	269,252	-	269,252
Building Authority receivable	651,000	-	(651,000)	-
Long-term lease	-	7,877,272	(7,877,272)	-
Capital assets, net of accumulated depreciation	93,334,813	-	-	93,334,813
Investments held by others	13,794,125	-	-	13,794,125
	109,712,239	9,247,015	(8,528,272)	110,430,982
Total assets	143,007,265	10,805,096	(9,860,201)	143,952,160
DEFERRED OUTFLOWS				
Pension-Related Outflows	4,158,028	-	-	4,158,028
OPEB-Related Outflows	703,670	-	-	703,670
Lease and Bond Modification	88,604	516,137	(585,519)	19,222
Total deferred outflows	4,950,302	516,137	(585,519)	4,880,920

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF NET POSITION (Continued)

June 30, 2018

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 1,395,330	\$ -	\$ -	\$ 1,395,330
Payroll and related liabilities	1,357,494	-	-	1,357,494
Accrued compensated absences	888,325	-	-	888,325
Accrued interest payable	124,510	50,375	(66,514)	108,371
Advance tuition payments	162,109	-	-	162,109
Custodial deposits	1,759,927	-	-	1,759,927
Capital lease obligation	1,292,967	-	(1,265,415)	27,552
Current maturities of bonds payable	1,555,191	1,350,000	-	2,905,191
Total current liabilities	8,535,853	1,400,375	(1,331,929)	8,604,299
Noncurrent Liabilities				
Liability for voluntary termination	387,419	-	-	387,419
Accrued compensated absences	265,344	-	-	265,344
Due to College	-	651,000	(651,000)	-
Capital lease obligation	7,935,732	-	(7,877,272)	58,460
Long-term bonds payable	19,396,070	9,530,000	-	28,926,070
Net pension liability	15,395,441	-	-	15,395,441
Total OPEB liability	15,102,639	-	-	15,102,639
Total noncurrent liabilities	58,482,645	10,181,000	(8,528,272)	60,135,373
Total liabilities	67,018,498	11,581,375	(9,860,201)	68,739,672
DEFERRED INFLOWS				
Property Taxes	10,022,967	-	-	10,022,967
Pension-Related Inflows	3,061,763	-	-	3,061,763
OPEB-Related Inflows	2,522,063	-	-	2,522,063
Lease Modification	496,915	88,604	(585,519)	-
Total deferred inflows	16,103,708	88,604	(585,519)	15,606,793
Net Investment in Capital Assets	62,403,743	(1,309,780)	-	61,093,963
Restricted for:				
Expendable:				
Scholarships	223,402	-	-	223,402
Capital projects	4,653,029	-	-	4,653,029
Nonexpendable	9,920,144	-	-	9,920,144
Unrestricted	(12,364,957)	961,034	-	(11,403,923)
Total net position	\$ 64,835,361	\$ (348,746)	\$ -	\$ 64,486,615

LARAMIE COUNTY COMMUNITY COLLEGE

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2018**

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
Operating Revenues				
Tuition and fees	\$ 9,298,993	\$ -	\$ -	\$ 9,298,993
Federal grants and contracts	1,415,384	-	-	1,415,384
State and local grants and contracts	733,069	-	-	733,069
Auxiliary enterprise charges	3,709,908	-	-	3,709,908
Other operating revenues	292,699	-	-	292,699
Total operating revenues	15,450,053	-	-	15,450,053
Operating Expenses				
Instruction	19,416,244	-	-	19,416,244
Public service	387,010	-	-	387,010
Academic support	6,055,251	-	-	6,055,251
Student services	4,627,680	-	-	4,627,680
Institutional support	8,656,402	-	-	8,656,402
Operation and maintenance of plant	5,488,660	13,451	-	5,502,111
Scholarships	6,142,152	-	-	6,142,152
Auxiliary enterprises	2,853,268	-	-	2,853,268
Depreciation	7,522,610	-	-	7,522,610
Total operating expenses	61,149,277	13,451	-	61,162,728
Operating (loss)	(45,699,224)	(13,451)	-	(45,712,675)
Nonoperating Revenues (Expenses)				
Non-exchange Federal and state grants	5,279,661	-	-	5,279,661
State appropriations	25,128,344	-	-	25,128,344
Local appropriations	10,867,662	-	-	10,867,662
Net investment income	1,428,341	4,077	-	1,432,418
Direct financing income	-	215,002	(215,002)	-
Interest expense	(852,607)	(232,242)	215,002	(869,847)
Net nonoperating revenues	41,851,401	(13,163)	-	41,838,238
(Loss) before other revenue, expenses, gains, or losses	(3,847,823)	(26,614)	-	(3,874,437)
Other Revenue, Expenses, Gains, or Losses				
State endowment appropriation	92,657	-	-	92,657
Total other revenue, expenses, gains, or losses	92,657	-	-	92,657
Increase (decrease) in net assets	(3,755,166)	(26,614)	-	(3,781,780)
Net Assets				
Beginning of year, as previously stated	84,344,160	(322,132)	-	84,022,028
Adjustment to prior years	(15,753,633)	-	-	(15,753,633)
Beginning of year, as restated	68,590,527	(322,132)	-	68,268,395
Net Assets, end of year	\$ 64,835,361	\$ (348,746)	\$ -	\$ 64,486,615

LARAMIE COUNTY COMMUNITY COLLEGE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Education:			
Student Financial Aid Cluster:			
Federal Direct Loan	N/A	84.268	\$ 5,432,006
Federal Pell Grant Program	N/A	84.063	4,045,310
Federal Work-Study Program	N/A	84.033	71,250
Federal Supplemental Educational Opportunity Grants	N/A	84.007	71,334
Total Student Financial Aid Cluster			<u>9,619,900</u>
TRIO Cluster:			
TRIO-Student Support Services	N/A	84.042	219,065
Total TRIO Cluster			<u>219,065</u>
Passed through Wyoming Department of Education:			
Career and Technical Education -			
Basic Grants to States	N/A	84.048	300,010
Passed through University of Wyoming:			
GEAR-UP	1001320A / 1001320K	84.334	366,217
Passed through Wyoming Community College Commission:			
Adult Education State Grant Program	ABE17R04	84.002	2,089
Adult Education State Grant Program	ABE18R04	84.002	87,535
El Civics State Grant Program	ABE18C04	84.002	64,957
Total passed through Wyoming Community College Commission			<u>154,581</u>
Total U.S. Department of Education			<u>10,659,773</u>
U.S. Department of Health and Human Services:			
Research and Development Cluster:			
Passed through University of Wyoming:			
InBre	1003088D-LCCC / 1002308D-LCCC	93.859	96,039
Total U.S. Department of Health and Human Services and Research and Development Cluster			<u>96,039</u>

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Labor:			
WIOA Cluster:			
Passed through Wyoming Department of Workforce Services:			
WIA Youth Activities	98433 / 152681	17.259	<u>\$ 26,198</u>
Total WIOA Cluster			<u>26,198</u>
Passed through Northern Wyoming Community College District:			
H-1B Job Training Grant	020617-2	17.268	<u>253,274</u>
Total U.S. Department of Labor			<u>279,472</u>
Total Expenditures of Federal Awards			<u><u>\$ 11,035,284</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

LARAMIE COUNTY COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the Federal award activity of Laramie County Community College (the “College”) under programs of the Federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

Note 2. Summary of Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-1, *Cost Principles for Educational Institutions*, or 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*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College did not provide any amounts to subrecipients. The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Laramie County Community College (the "College") as of and for the year ended June 30, 2018, 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 13, 2018. The financial statements of the College's discretely presented component unit, Laramie County Community College Foundation, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Laramie County Community College Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 13, 2018



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

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

Report on Compliance for Each Major Federal Program

We have audited Laramie County Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major Federal programs for the year ended June 30, 2018. The College's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

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

McLee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 13, 2018

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

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

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

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

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Cluster	Student Financial Aid

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, 2018

II. FINANCIAL STATEMENT FINDINGS

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

LARAMIE COUNTY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2018

There were no findings for the year ended June 30, 2017.