

**LARAMIE COUNTY COMMUNITY COLLEGE**

**FINANCIAL REPORT**

**JUNE 30, 2014**

**PRELIMINARY DRAFT**  
**for Review and Discussion**  
**--Subject to Change--**  
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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Laramie County Community College (the "College"), as of and for the years ended June 30, 2014 and 2013, and its discretely presented component unit, Laramie County Community College Foundation as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2014 and 2013, and December 31, 2013 and 2012, respectively, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 17 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.

*Other Information*

Our audit was 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 \_\_\_\_\_, 2014 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College’s internal control over financial reporting and compliance.

Cheyenne, Wyoming  
\_\_\_\_\_, 2014

# Laramie County Community College Management's Discussion and Analysis

## Fiscal Year Ended June 30, 2014

The Management's Discussion and Analysis (MD&A) section of the LCCC annual financial report provides an overview of the College's financial activities for the fiscal year ended June 30, 2014. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to financial statements, and supplementary information. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts. Comparable facts are given for fiscal years 2012, 2013 and 2014.

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," which established a reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," which applies the reporting standards to public colleges and universities. Previously, financial statements focused on the accountability of individual fund groups rather than Laramie County Community College (LCCC) as a whole. LCCC was required to adopt these reporting standards beginning with fiscal year 2003. GASB 33, issued in December, 1998, specifies accounting treatment of imposed non-exchange transactions (property taxes and certain grants) in financial reporting. An imposed non-exchange transaction is one in which one party is imposed upon by the government and there is no direct exchange for service or product. GASB 33 deals with when to recognize a receivable, specifically for LCCC property taxes. LCCC manages its financial records in accordance with W.S. 21-18 -205 (Appropriation and distribution of state funds; restrictions; budget authority), and complies with the Uniform Municipal Fiscal Procedures Act (W.S. 16-4-201 through 16-4-205 and W.S. 16-4-121) as required by W.S. 21-18-204.

In the mid 1990's, GASB issued Statement No. 14, "The Financial Reporting Entity." GASB 14 addresses the inclusion of affiliated organizations such as Laramie County Community College (LCCC) Foundation in the LCCC financial report. In May 2002, GASB issued GASB 39 which amended GASB 14 and declared the effective date to be periods beginning after June 15, 2003. This requires the LCCC Financial Report for 2004 and beyond to include the LCCC Foundation financial information. In March 2003, GASB 40, "Deposit and Investment Risk Disclosure," was issued which expanded on GASB 3. GASB 40 does not change the numbers reported, but does change the amount of information provided and requires a discussion of interest rate risk, some disclosures regarding the maturities of investments and breaks down securities by their quality rating (please refer to the Notes to the Financial Statements #2). The LCCC Foundation has a fiscal year ending December 31; all financial statements from the Foundation included in this report reflect their financial status as of December 31, 2013.

During Fiscal Year 2006, the LCCC 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 and refunded the bonds held by the Foundation for the Albany County Campus Building in 2012. The Authority's financial statements are included in this report as a blended component unit of the College. For an itemized explanation of each entity please refer to the "Combining Schedule of Net Assets" included in the Supplementary Information Section of this report.

### 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 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 and liabilities. It is prepared using economic resource measurement and accrual basis of accounting. It presents the assets, liabilities, deferred inflows, and net assets 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 total liabilities and deferred inflows 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, non-operating, 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 LCCC Foundation reflect the audited financial information as of December 31, 2012, and December 31, 2013. Although the inclusion of these figures in our financial report is required by GASB 39, they are not included in this management analysis and discussion. If there are questions regarding this information, contact the LCCC Foundation at 1400 East College Drive, Cheyenne, Wyoming, 82007.

## **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.

## **Management Discussion and Analysis**

### **ASSETS**

#### **CURRENT ASSETS**

	2012	2013	2014
Cash and cash equivalents	\$ 12,141,206	\$ 17,111,258	\$ 15,875,302
Investments	75,000	75,000	75,000
Accounts receivable, net	5,505,555	3,627,188	3,475,027
Property taxes receivable	5,279,391	5,466,511	6,081,358
Inventories	325,000	324,999	-
Pre-paid expenses	157,898	232,632	48,217
<b>Total current assets</b>	<b>\$ 23,484,050</b>	<b>\$ 26,837,588</b>	<b>\$ 25,554,904</b>

Cash, cash equivalents, investments, and cash with fiscal agent

Cash and cash equivalents consist of cash in LCCC bank accounts, the LCCC Building Authority bank accounts, short-term investments, register cash and petty cash drawers maintained on campus. Investments include secured (FDIC or collateralized) certificates of deposit held in local banks. The decrease in cash and cash equivalents is mainly due to spending down carryover funds from previous operations for equipment and capital items to be used for future operations.

Accounts receivable

Accounts receivable include credit and noncredit student tuition and fee billings, inter-fund transactions between LCCC and the LCCC 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 receivables in FY 2013 were \$1,878,367 lower than FY 2012. The receivables in FY 2014 were \$152,161 lower than FY 2013 due to continued improvement of account collections. However, while total receivables decreased, the federal and state grants and contracts receivables increased by \$100,295.

Property taxes receivable

The property tax receivable for FY 2014 is \$614,847 higher than FY 2013 because of an approximately 11.5% increase in taxable assessed property valuation for Laramie County. Total approved mill levy for next year is 5.00 mils.

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 5.00 mils 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 taxes receivable represents taxes expected for the period January 1 through December 31. Both the property tax receivable and deferred inflows for FY 2013 and FY 2014 increased as assessed values of property increased. The property values for FY 2014 saw an 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 tax revenue results from mainly new commercial construction. In today's economy, future year valuation must be monitored closely.

Pre-paid expenses

In the past three years, two pre-paid contracts were listed in this category: 1) a three year IT maintenance contract in its third year of execution; and 2) pre-paid food services vendor payments in accordance with Build America Bonds for the dining facility. The pre-paid IT contact was completed in 2014 to leave only the food service payments for next year.

Inventories

Prior to FY 2014, the College maintained inventory of land and houses constructed to be sold. The decrease in FY 2012 is due to the sale of land. The construction trades program was closed in the 2010 school year and the remaining inventory was sold in July of 2013 and is reflected in FY 2014 statements.

**NONCURRENT ASSETS**

	2012	2013	2014
Restricted cash	\$ 1,160,707	\$ 298,057	\$ 293,389
Restricted investments	1,721,971	1,944,089	1,973,141
Capital assets, net of accumulated depreciation	60,676,048	59,014,325	58,097,760
Investments held by others	6,984,467	8,060,318	9,566,892
<b>Total noncurrent assets</b>	<b>\$ 70,543,193</b>	<b>\$ 69,316,789</b>	<b>\$ 69,931,182</b>
<b>TOTAL ASSETS</b>	<b>\$ 94,027,243</b>	<b>\$ 96,154,377</b>	<b>\$ 95,486,086</b>

### Noncurrent restricted cash

In FY 2011, residual funds from the 2007 bond repayment funds were restricted for secondary Health and Science Building (HSB) and other capital projects in coming years. In FY 2012, restricted cash was increased by cash for the completion of the dining facility and remodeling of the west residence hall provided by the issuance of Series 2009 Build America Bonds (BAB). FY 2013 and FY 2014 restricted cash is primarily for capital projects in coming years.

### Restricted investments

Restricted investments are investments belonging to the LCCC Building Authority. They are classified as non-current restricted because the investment is restricted to Series 2005 bonds (residence halls), Series 2009 BAB (dining facility/residence hall), and Series 2012 bonds (refunded bonds for Albany County Campus Building) issuance restrictions. The bonds are a long-term liability. 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 \$916,565 in capital assets reflects the net of the year's additions of (+) \$2,972,181 and depreciation/disposals (-) \$3,888,746. The major FY 2014 activity in capital assets was the continued construction-in-progress/capital lease of campus improvements including the welding training addition, building renewals, campus lighting improvements and various equipment purchases of \$2,168,942.

### Investments held by others

This category reflects the amount invested and held by the LCCC Foundation, as custodian for the College. The investments were funded by the State of Wyoming Endowment Challenge Grant. This category is classified as a "non-current" asset and shows a year-end amount of \$9,566,892. FY 2014 saw continued recovery of prior year economic losses, current year interest and additional funds of \$192,505 provided from state funds. All endowment funds given by the state must be booked as revenue by the College and shown as an asset on the College books.

## **LIABILITIES**

### Definition of current and noncurrent liabilities

Current liabilities are those items which will be paid during the 12-month period from July 1, 2014 through June 30, 2015. Non-current liabilities are those items that are due beyond the 12-month period ending June 30, 2015.

### **CURRENT LIABILITIES**

	2012	2013	2014
Accounts payable	\$ 2,260,291	\$ 704,175	\$ 885,848
Payroll and related liabilities	1,284,866	1,243,771	1,589,614
Accrued compensated absences	987,683	991,853	937,765
Accrued interest payable (bond)	199,356	151,870	130,636
Advanced tuition payments	265,190	257,333	252,786
Custodial deposits	958,158	808,215	918,596
Capital lease obligation	148,659	25,523	34,913
Current maturities of bonds payable	792,639	1,073,192	1,088,802
<b>Total current liabilities</b>	<b>\$ 6,896,842</b>	<b>\$ 5,255,932</b>	<b>\$ 5,838,960</b>

### 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. The large decrease for FY 2013 of \$1,556,116 was mainly due to decreased payables connected to construction projects, the dining hall construction project and the HSB third floor build-out in FY 2012. FY 2014 accounts payable is comparable to prior year.



Payroll and related liabilities

Payroll and related liabilities include July and August contract salaries, benefits and unemployment. FY 2014 liabilities are comparable to prior years.

Accrued interest payable (bond)

Accrued interest payable is the amount of interest accrued from the date of the last payment to year-end for the below mentioned current and non-current capital lease obligations and bonds payable. Accrued interest payable for FY 2014 is comparable to prior years.

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. This line item has trended downward in direct relation to decreased enrollment.

Custodial deposits

Custodial deposits represent the amounts that LCCC 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 Cisco systems.

Current maturities of bonds payable

The current maturities of bonds payable refers to the amount to be repaid in the next 12-month period for bonds associated with the residence hall, dining facility, and Albany County Campus Building in the LCCC Building Authority. The refunded bonds held previously by the LCCC Foundation, but now held by the LCCC Building Authority, were added in FY 2013.

**NONCURRENT LIABILITIES**

	2012	2013	2014
Liability for voluntary termination	\$ 817,032	\$ 1,092,800	\$ 1,010,716
Accrued compensated absences	295,022	296,268	280,111
Capital lease obligation	2,642,308	263,249	72,522
Long-term bonds payable	14,204,005	15,945,064	14,855,540
<b>Total noncurrent liabilities</b>	<b>\$ 17,958,367</b>	<b>\$ 17,597,381</b>	<b>\$ 16,218,889</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 24,855,209</b>	<b>\$ 22,853,313</b>	<b>\$ 22,057,849</b>

Liability for voluntary termination

The liability for voluntary termination refers to the Transitional Opportunity Plan (TOP) liability. The increase of \$275,768 for FY 2013 is based on an increase in the number of eligible TOP recipients. To be eligible for TOP, an employee must have begun employment with LCCC prior to April 11, 1991, and must be paid by Current Funds for a five-year period. FY 2014 is comparable to FY 2013 as to number of eligible recipients.

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. FY 2014 saw a large decrease in capital leases mainly due to the paying off of the capital lease to the LCCC Foundation (Albany County Campus Building) by refunded bond proceeds from the LCCC Building Authority. The balance will continue to decrease as the Cisco system lease is paid off.

### Long-term bonds payable

The increase in this non-current liability for FY 2013 was primarily due to the long-term portion of the 2012 Series Bonds payable for the Albany County Campus Building. 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, the Albany County Campus building and the dining facility held by the LCCC Building Authority. The balance will decrease over time as the bonds are paid off.

### DEFERRED INFLOW

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

	2012	2013	2014
<b>Deferred Inflow:</b>			
Property tax revenue	\$ 5,038,207	\$ 5,230,777	\$ 5,834,387
<b>Total deferred inflows</b>	<b>\$ 5,038,207</b>	<b>\$ 5,230,777</b>	<b>\$ 5,834,387</b>

### Deferred property taxes

Deferred property tax revenue is reflective of the amount that becomes revenue next fiscal year on the levy date (second Tuesday in August). FY 2014 shows an increase to prior years indicating a stable tax base in uncertain economic times. See the property tax receivable section above for a discussion of the FY 2014 increase.

### NET POSITION

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

### NET POSITION

	2012	2013	2014
Invested in capital assets, net of related debt	\$ 42,888,437	\$ 41,707,297	\$ 42,045,983
Restricted for:			
Non-expendable (endowment)	7,195,058	7,592,069	7,784,574
Expendable:			
Scholarships, research, instruction and other	73,151	809,165	2,060,356
Capital projects and asset purchases	1,194,105	2,389,916	1,315,995
Unrestricted	13,031,592	15,571,840	14,386,942
<b>Total net position</b>	<b>\$ 64,382,343</b>	<b>\$ 68,070,287</b>	<b>\$ 67,593,850</b>

### **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.

The increase in net position of \$3,688,144 for FY 2013 was primarily due to an increase of state appropriations of \$4,120,423. Two appropriations were responsible for the majority of this increase. The major maintenance appropriation (\$1,805,214) is a two-year appropriation dispersed at the beginning of the state’s bi-annual budget. The enrollment growth appropriation (\$1,662,539) is a one-time state appropriation determined by LCCC to be used for current and future years’ one-time expenditures. As FY 2014 was the second year of the biennium, these factors did not reoccur, which led to a decrease in net position of \$476,437.

**REVENUES**

**OPERATING REVENUES**

	2012	2013	2014
Tuition and fees (net of scholarship allowances of \$2,225,302 for 2012, \$1,735,767 for 2013, and \$1,016,643 for 2014)	\$ 9,276,302	\$ 8,989,033	\$ 9,938,247
Federal grants and contracts	3,522,470	1,731,067	1,804,919
State and local grants and contracts	1,809,171	1,422,155	1,492,561
Auxiliary enterprise charges	4,465,572	3,265,494	3,322,432
Other operating revenues	629,241	191,403	420,658
<b>Total operating revenues</b>	<b>\$ 19,702,756</b>	<b>\$ 15,599,152</b>	<b>\$ 16,978,817</b>

PRELIMINARY DRAFT  
for Review and Discussion  
Subject to Change--  
Not to be Reproduced

Tuition and fees

This category includes all tuition and fees assessed for educational purposes. Scholarships applied to student accounts are shown as a reduction of student tuition revenue. The tuition discount for the year ended June 30, 2013, and June 30, 2014, was \$1,735,767 and \$1,016,643 respectively. This compares to \$2,225,302 for FY 2012 reflecting the increase and decrease of federal student grants. 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, LCCC 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 that amount.

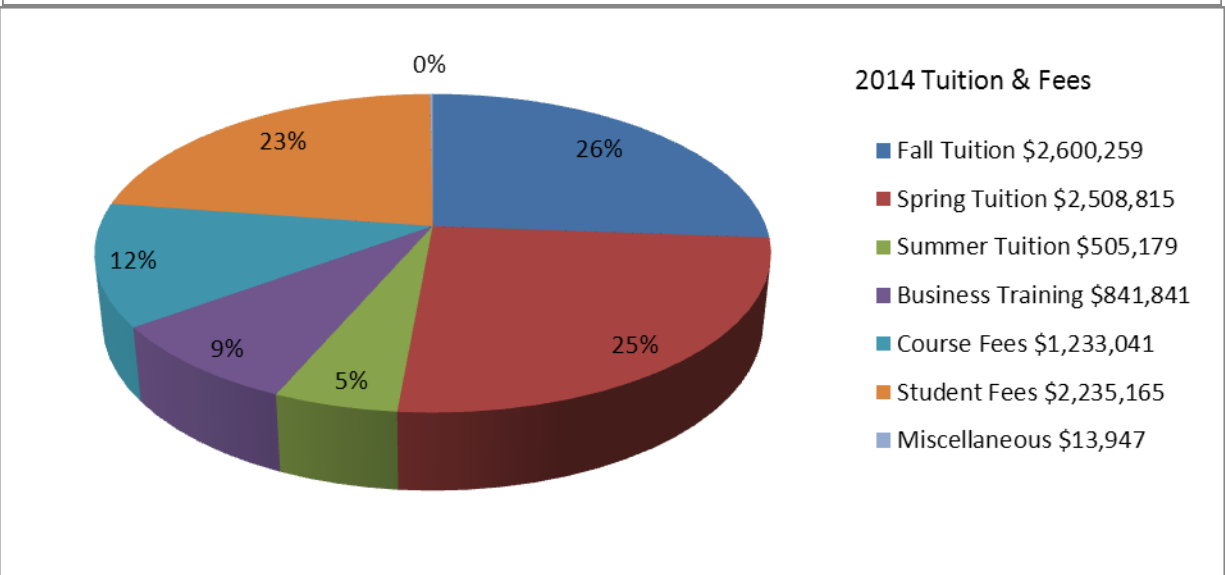
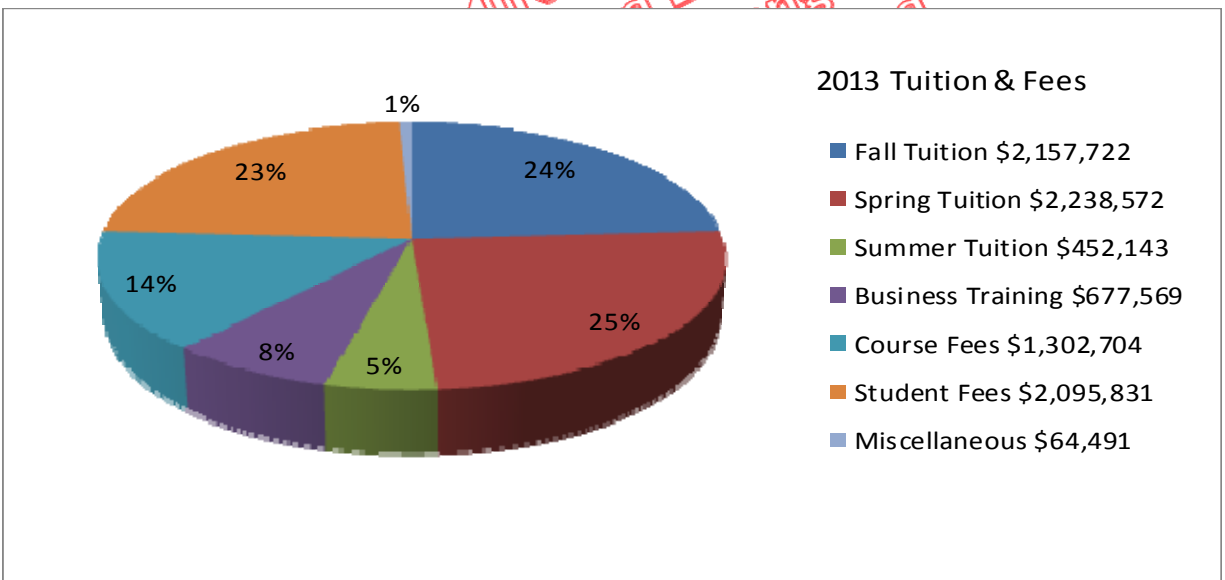
After the scholarship allowance was applied to tuition, student tuition revenue for FY 2013 was approximately 3% less and an increase in FY 2014 of approximately 10.5%. Because of a state mandated cap on chargeable tuition hours of 12 hours, increased/decreased enrollment may not directly translate to increased/decreased revenue. Tuition was increased by 5.3% by the Wyoming Community College Commission for FY 2014 to \$79.00 per credit hour and student fees have remained at \$35 per credit hour (most fees capped at 12 hours like tuition) since FY 2010. Tuition and fees for FY 2014 include Community Development/Workforce Training revenues of \$841,841.

Enrollment

Enrollment at LCCC continues to hold relatively steady as evidenced by the following table:

Enrollment History	Headcount				FTE			
	SU	FA	SP	Annualized Total	SU	FA	SP	Annualized Total
2003-04	1,298	4,465	4,737	5,250.0	499.70	2,975.00	3,110.21	3,292.46
2004-05	1,380	4,522	4,772	5,337.0	527.42	3,169.80	3,234.30	3,465.76
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
1-Year Change	-15.7%	-4.8%	-9.4%	-8.4%	-14.3%	-4.5%	-9.3%	-7.6%
5-Year Change	-2.8%	-2.8%	-7.9%	-5.1%	-4.4%	0.1%	-4.9%	-2.6%
10-Year Change	18.7%	9.6%	3.5%	8.0%	21.5%	19.4%	13.0%	16.6%

The following charts show a comparison of tuition and fees for 2013 and 2014:



### 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. FY 2012 saw a large increase in federal grants compared to previous years especially in the areas of self-sufficiency programs, wind energy programs and health related grants (\$598,182), as well as the second year of Federal SFSF grants (\$1,648,988). FY 2013 and FY 2014 have seen the closing out of those programs and no large new programs.

This category also includes funds from the State of Wyoming for the Hathaway Scholarship Program of \$828,135, a decrease of \$104,585 over FY 2013. The state program provides merit and need based awards to eligible Wyoming students.

### 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, CTE training, and dental hygiene services. The overall FY 2013 decrease in auxiliary revenues of \$1,200,078 was mostly due to decreased revenues from the CTE training of \$779,580 and decreased operating transfers-in to child care of \$521,204. FY 2014 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. FY 2012 included \$356,723 in improvement reimbursements associated with the dining facilities project. FY 2014 includes \$218,171 in student service remodel reimbursements.

## **EXPENSES**

### **OPERATING EXPENSES**

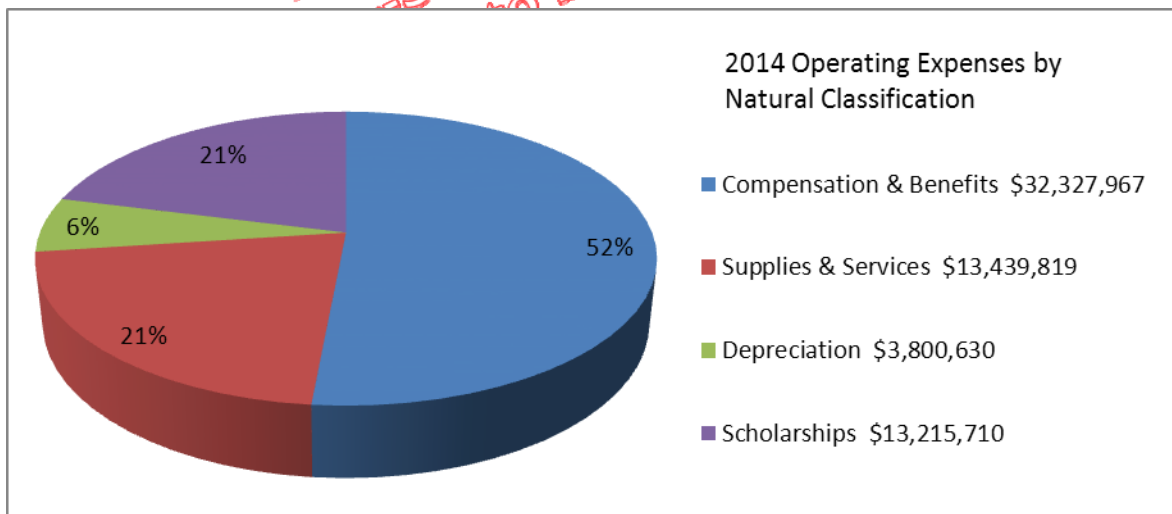
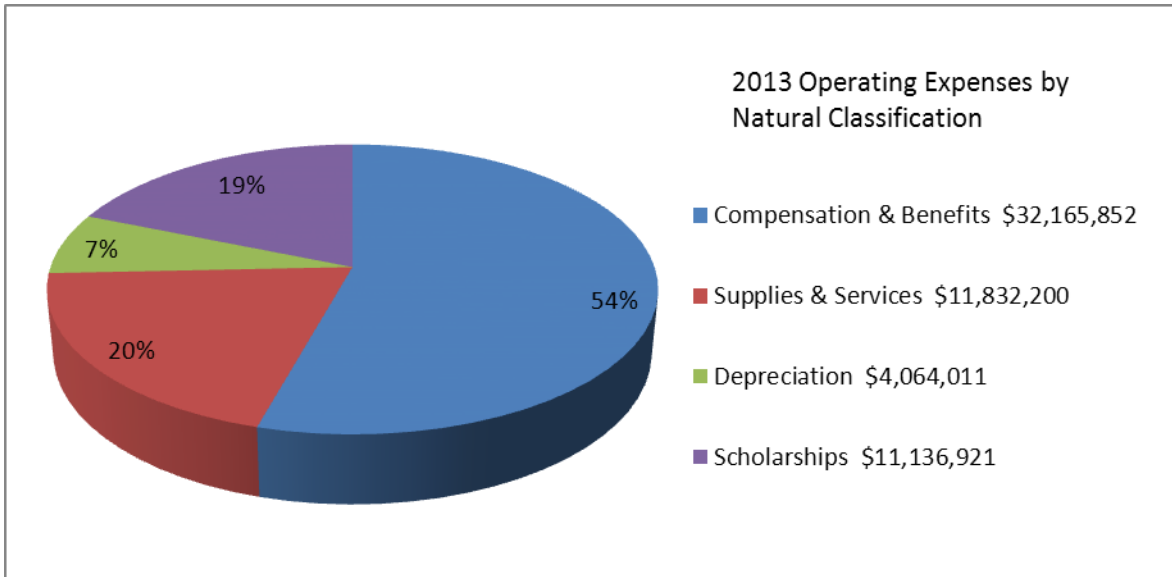
	2012	2013	2014
Operating expenses by function:			
Instruction	\$ 19,556,363	\$ 19,992,553	\$ 19,703,495
Public service	399,870	508,202	447,038
Academic support	6,383,688	5,680,560	6,701,981
Student services	3,798,071	3,572,357	4,000,550
Institutional support	7,791,889	6,903,687	7,514,764
Operation and maintenance of plant	3,607,952	4,733,131	4,977,537
Scholarships	11,523,472	11,136,921	13,215,710
Auxiliary enterprises	4,058,183	2,607,562	2,422,421
Depreciation	3,872,879	4,064,011	3,800,630
<b>Total operating expenses</b>	<b>\$ 60,992,367</b>	<b>\$ 59,198,984</b>	<b>\$ 62,784,126</b>
<b>Operating (loss)</b>	<b>\$ (41,289,611)</b>	<b>\$ (43,599,832)</b>	<b>\$ (45,805,309)</b>

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 2.5% in FY 2012 and FY 2014 and no increases in FY 2013. Health insurance benefits cost to the College increased by an average of 5.4% and 4.5% for FY 2013 and FY 2014 respectively. Only a minimal number of new staff were added because of budget constraints in FY 2014.

Instruction had decreased Compensation and Benefits (C&B) of \$508,692 and increased in supplies and services (S&S) of \$219,634 for a net decrease of \$289,058. Public Service C&B increased \$65,798 and S&S decreased \$126,962. Academic support C&B increased \$194,371 and S&S increased \$827,050. Student services C&B increased \$260,848 and S&S increased \$167,345. Institutional support C&B increased \$74,966 and S&S increased \$536,111.

Plant operation and maintenance, as well as depreciation expense, were comparable to previous years. Scholarship increases were a combination of merit scholarships and federal program scholarships. Auxiliary enterprises expenses tracked downward in comparison with the downward revenue trends stated above.

The following charts present operating expenses by natural classification:



Scholarships, including federal, state, local and institutional scholarships, total \$13,215,710. Prior to FY 2011, federal direct student loans were processed through third-party banks. Congress now mandates those loans are to be processed by the College in conjunction with the U.S. Department of Education. The federal direct student loans processed through the College for FY 2014 were \$6,240,488. The loans, along with an additional \$4,942,592 in PELL grants, make up the bulk of scholarship for FY 2014.

The operating loss reflected is prior to the application of state and local revenues. LCCC 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. FY 2014 operating losses increased by \$2,205,477 over FY 2013.

**NON-OPERATING REVENUES (EXPENSES)**

	2012	2013	2014
Nonoperating revenues (expenses):			
Non-exchange federal and state grants	\$ 10,586,031	\$ 10,413,916	\$ 12,161,995
State appropriations	25,938,015	30,058,438	25,185,336
Local appropriations	5,904,978	6,263,540	6,555,970
Investment income	391,201	879,406	1,712,246
Interest expense	(849,256)	(522,120)	(598,434)
Interest refund	141,413	129,612	119,254
Bond issuance costs	-	(76,954)	-
<b>Net nonoperating revenues</b>	<b>\$ 42,112,382</b>	<b>\$ 47,145,838</b>	<b>\$ 45,136,367</b>
<b>Income (loss) before other revenue, expenses, gains or losses</b>	<b>822,771</b>	<b>3,546,006</b>	<b>(668,942)</b>
State of Wyoming endowment appropriation	448,983	390,654	192,505
<b>Increase (decrease) in net assets</b>	<b>\$ 1,271,754</b>	<b>\$ 3,936,660</b>	<b>\$ (476,437)</b>

Non-operating 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 products. 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 and direct loans account for the majority of funds in this category. \$4,942,592 and \$6,240,080 in FY 2013 and FY 2014 respectively, are attributed to direct loans. This category also includes funds from the State of Wyoming for the Hathaway Scholarship Program of \$828,135, a decrease of \$104,585 from FY 2013. The state program provides merit and need based awards to eligible Wyoming students.

State appropriations

A funding formula is used to determine the LCCC 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 increased employee benefit appropriation. As stated in the net assets section above, LCCC saw a decrease of state appropriations of \$4,873,102. Two appropriations present in FY 2013 not present in FY 2014 were responsible for the majority of this decrease. The major maintenance appropriation (\$1,805,214) is a two-year appropriation dispersed at the beginning of the state's bi-annual budget. The enrollment growth appropriation (\$1,662,539) is a one-time state appropriation determined by LCCC to be used for current and future years' one-time expenditures.

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.

**Comparative Assessed Valuation History**

<u>Tax Year</u>	<u>College District</u>	<u>Laramie County</u>	<u>City of Cheyenne</u>	<u>State of Wyoming</u>
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
2011	\$ 951,876,262	\$ 951,876,262	\$522,506,425	\$24,339,700,232
2010	\$ 908,727,797	\$ 908,727,749	\$510,335,674	\$21,316,477,631
2009	\$ 916,265,909	\$ 916,265,909	\$512,011,815	\$29,219,533,181

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

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 2010-2014 are as follows:

**Historical District Property Tax Collections**

<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections<sup>(1)</sup></u>	<u>Percentage of Taxes Collected</u>
2013-2014 <sup>(2)</sup>	\$5,155,755.89	\$5,186,779.73	100.60%
2012-2013	\$4,961,404.82	\$4,949,099.43	99.75%
2011-2012	\$4,683,889.01	\$4,680,586.33	99.93%
2010-2011	\$4,543,639.00	\$4,465,263.55	98.28%
2009-2010	\$4,576,400.00	\$4,408,933.96	96.34%

- (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 August 31, 2014.

Source: Laramie County Treasurer's Office.

Investment income

The majority of interest income is related to the investments held by the LCCC Foundation for the State Challenge Grant monies (\$1,607,607). 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 LCCC Building Authority for the financing of College facilities. It is reported under non-operating revenues according to GASB 35 requirements.

Interest refund

Build America Bonds (BAB) were used to fund the dining facility/west residence hall improvements. LCCC files with the Internal Revenue Service (IRS) for interest expense refunds equal to 35% of interest paid for the BAB under terms set forth in the bond issue. This effectively reduces the interest rate paid by LCCC on the BAB. The bonds were issued in FY 2010. FY 2013 saw a reduction in the refund amount received by 7.8% in line with the Federal budget sequestration. Federal budget sequestration is likely to continue so the effective rate of the refund will be 32.27% of interest paid.

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 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 Trustees 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 18, 2014.

### **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 federal and state governments. 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 2014, the Board approved five amendments.

The first amendment was to increase the unrestricted operating fund in the amount of \$1,877,679. These funds were expended from the fund balance and were used to invest in the following technology items: Document Imaging, Assessment Software System, and Share Point Installation. Expenditures also included the following campus improvements: Phase I Implementation of the Wayfinding/Signage Plan, the planning for two additional parking lots, and the development of one. Funds were also allocated for the following miscellaneous items: transferring ITS operational expenses from One Mill to the General Fund and computer upgrades.

The second amendment was to decrease the unrestricted operating fund in the amount of \$272,980. In the fall of 2013, 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, LCCC received a decrease of \$519,754 in our State Appropriation and an increase of \$246,774 in the Local Appropriation for a net decrease of \$272,980.

The third amendment was an increase to the unrestricted operating fund. Increased tuition revenue for community services was collected in the amount of \$60,000. This amount was used to cover increased adjunct costs and contract services in Public Services.

The fourth amendment was an adjustment to the One Mill Fund. One of the Innovative Funds projects approved in Fall 2013 was the Campus Safety Academy for \$10,000. The funding for Innovative Funds was budgeted under Instruction, so \$10,000 for the academy was moved from Instruction to Public Services.

The fifth amendment was to increase the Federal Fund budget by \$1,430,675. Of this amount, \$56,675 was for the following new grants that were received in FY 2014: Wyoming Department of Health, Wyoming Quality Counts, and League for Innovation. The additional \$1,375,000 was for increased disbursements of direct student loans.

## **FINAL OBSERVATION**

The mission of Laramie County Community College is to transform our students' lives through the power of inspired learning. We are bound by a basic understanding that our students, regardless of how they arrive at LCCC, yearn for a better life by engaging in the process of acquiring knowledge. Thus, we are compelled to aid this transformation by offering diverse educational experiences designed to be inspirational for all those involved in the learning process. Our over-arching goal is that our accomplishments as a community college will distinguish LCCC from others in the nation, in turn benefiting our communities. To guide LCCC in fulfilling its mission, a comprehensive strategic plan was developed for the years 2013-2020. Nationally, all eyes are shifting to higher education with attention on the community college as never seen before. There has been a paradigm shift away from the access mission to the access merged with accountability for student success and completion. LCCC has positioned itself to be nimble and responsive to the rapidly changing skills and abilities demanded by the workforce.

Budgets are tied to the achievement of the goals of the plan, embracing the following four strategic goals to guide our work through the next year and to the year 2020:

1. Increase the number of students earning high-value credentials by reinventing the College's programs and services to be designed for the 21<sup>st</sup> century learners and aligned to drive the economic and social futures of Southeastern Wyoming.

*Progress:* For 2014, degree and certificate production increased 20% over the previous base year

2. Strengthen relationships and connections with key community partners, such as K12, UW and other four-year institutions, and business and industry to improve student transitions between educational entities and into the workforce.  
*Progress:* The percent of students matriculating to a four-year institution equaled 30.77%, an increase of 4.42% over the previous year
3. Build the organizational capacity to thrive in the future by focusing on establishing a climate of trust; an effective, efficient and entrepreneurial workforce; and a culture of continuous improvement.  
*Progress:* Implemented a Center for Teaching and Learning for faculty development and focused on employee recruitment, retention, development, and performance
4. Transform the College's physical environment into a vibrant and appealing place conducive to the engagement of students and community through campus renovations, additional facilities, and beautiful grounds.  
*Progress:* Significant progress made toward the planning and design of the University/Student Center and the Flexible Technology buildings with completion by summer, 2016

Additionally, as LCCC strives to be performance based in the allocation of human and fiscal resources, the College has established a set of measures to guide its processes and serve as starting points for conversations. These measures, grouped into nine categories known as Key Performance Indicators, support everyday operations and assist LCCC as it seeks continuous improvement in fulfilling its mission.

LCCC invests more than 66% of the budget in instruction, student services, academic support and scholarships. This investment is a pillar in the foundation of student success.

Enrollment has trended downward over the last three years, partly due to the low unemployment rate in Laramie County. However, the production of high school graduates is predicted to dramatically increase over the next 10 years. During the last year, 67.5% of Wyoming students at LCCC come from Laramie County.

The College continues in a strong financial condition allowing us to preserve the core operations and prepare for the future. LCCC has positioned the institution to withstand future budget cuts, while moving the College forward in achieving the Strategic Plan goals. The economic outlook is positive. LCCC resides in a state and community that supports higher education both in voice and in funding.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION

June 30, 2014 and 2013

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 15,875,302	\$ 17,111,258
Investments (Note 2)	75,000	75,000
Accounts receivable, net	3,475,027	3,627,188
Property taxes receivable	6,081,358	5,466,511
Inventories	-	324,999
Prepaid expense	48,217	232,632
<b>Total current assets</b>	<b>25,554,904</b>	<b>26,837,588</b>
<b>Noncurrent Assets</b>		
Restricted cash (Note 2)	293,389	298,057
Restricted investments (Note 2)	1,973,141	1,944,089
Capital assets, net of accumulated depreciation (Notes 3 and 5)	58,097,760	59,014,325
Investments held by others	9,566,892	8,060,318
<b>Total assets</b>	<b>95,486,086</b>	<b>96,154,377</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	885,848	704,175
Payroll and related liabilities	1,589,614	1,243,771
Accrued compensated absences (Note 4)	937,765	991,853
Accrued interest payable (Note 4)	130,636	151,870
Advance tuition payments	252,786	257,333
Custodial deposits (Note 8)	918,596	808,215
Capital lease obligation (Notes 4 and 5)	34,913	25,523
Current maturities of bonds payable (Note 4)	1,088,802	1,073,192
<b>Total current liabilities</b>	<b>5,838,960</b>	<b>5,255,932</b>
<b>Noncurrent Liabilities</b>		
Liability for voluntary termination (Note 4)	1,010,716	1,092,800
Accrued compensated absences (Note 4)	280,111	296,268
Capital lease obligation (Notes 4 and 5)	72,522	263,249
Long-term bonds payable (Note 4)	14,855,540	15,945,064
<b>Total noncurrent liabilities</b>	<b>16,218,889</b>	<b>17,597,381</b>
<b>Total liabilities</b>	<b>22,057,849</b>	<b>22,853,313</b>
<b>DEFERRED INFLOW</b>		
Deferred property taxes	5,834,387	5,230,777
<b>NET POSITION</b>		
Invested in Capital Assets, net of related debt	42,045,983	41,707,297
Restricted for:		
Nonexpendable	7,784,574	7,592,069
Expendable:		
Scholarships	2,060,356	809,165
Capital projects	1,315,995	2,389,916
Unrestricted (Note 11)	14,386,942	15,571,840
<b>Total net position</b>	<b>\$ 67,593,850</b>	<b>\$ 68,070,287</b>

See Notes to Financial Statements.

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

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2013 and 2012**

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Current Assets		
Cash and cash equivalents	\$ 2,210,435	\$ 1,149,768
Receivables:		
Accrued interest	6,194	9,361
Pledges receivable for 2013 and 2012, net allowance of \$1,151 and \$1,370	18,032	21,491
Endowment challenge program receivable	49,162	239,265
Grants receivable	22,256	15,609
<b>Total current assets</b>	<b>2,306,079</b>	<b>1,435,494</b>
Noncurrent Assets		
Pledges receivable for 2013 and 2012, net of allowance of \$29,949 and \$41,830 and discount of \$50,000 and \$73,000, less current portion	419,146	582,216
Property and equipment	66,743	67,059
Investments:		
Certificates of deposit (Note 2)	461,717	786,706
Marketable securities (Note 2)	17,887,873	15,557,047
Other investments	3,665	3,665
<b>Total noncurrent assets</b>	<b>18,839,144</b>	<b>16,996,693</b>
<b>Total assets</b>	<b>\$ 21,145,223</b>	<b>\$ 18,432,187</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 16,556	\$ 11,007
Deferred revenue	-	76,500
<b>Total current liabilities</b>	<b>16,556</b>	<b>87,507</b>
Noncurrent Liabilities		
Charitable gift annuity	261,312	217,792
Investments held for others (Note 2)	8,932,470	7,795,484
<b>Total noncurrent liabilities</b>	<b>9,193,782</b>	<b>8,013,276</b>
<b>Total liabilities</b>	<b>9,210,338</b>	<b>8,100,783</b>
Net Assets		
Unrestricted, undesignated	(100,578)	(850,164)
Temporarily restricted	2,217,358	1,549,574
Permanently restricted	9,818,105	9,631,994
<b>Total net assets</b>	<b>11,934,885</b>	<b>10,331,404</b>
<b>Total liabilities and net assets</b>	<b>\$ 21,145,223</b>	<b>\$ 18,432,187</b>

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended June 30, 2014 and 2013

	2014	2013
Operating Revenues		
Tuition and fees (net of scholarship allowances of \$1,016,643 and \$1,735,757)	\$ 9,938,247	\$ 8,989,033
Federal grants and contracts	1,804,919	1,731,067
State and local grants and contracts	1,492,561	1,422,155
Auxiliary enterprise charges	3,322,432	3,265,494
Other operating revenues	420,658	191,403
<b>Total operating revenues</b>	<b>16,978,817</b>	<b>15,599,152</b>
Operating Expenses (Note 12)		
Instruction	19,703,495	19,992,553
Public service	447,038	508,202
Academic support	6,701,981	5,680,560
Student services	4,000,550	3,572,357
Institutional support	7,514,764	6,903,687
Operation and maintenance of plant	4,977,537	4,733,131
Scholarships	13,215,710	11,136,921
Auxiliary enterprises	2,422,421	2,607,562
Depreciation	3,800,630	4,064,011
<b>Total operating expenses</b>	<b>62,784,126</b>	<b>59,198,984</b>
<b>Operating (loss)</b>	<b>(45,805,309)</b>	<b>(43,599,832)</b>
Nonoperating Revenues (Expenses)		
Non-exchange Federal and state grants	12,161,995	10,413,916
State appropriations	25,185,336	30,058,438
Local appropriations	6,555,970	6,263,540
Net investment income	1,712,246	879,406
Interest expense	(598,434)	(522,120)
Interest refund	119,254	129,612
Bond issuance costs	-	(76,954)
<b>Net nonoperating revenues</b>	<b>45,136,367</b>	<b>47,145,838</b>
<b>Income (loss) before other revenue, expenses, gains or losses</b>	<b>(668,942)</b>	<b>3,546,006</b>
Other Revenue, Expenses, Gains or Losses		
State endowment appropriation	192,505	390,654
<b>Increase (decrease) in net position</b>	<b>(476,437)</b>	<b>3,936,660</b>
Net Position, beginning of year, as previously reported	68,070,287	64,382,143
Restatement to prior period (Note 13)	-	(248,516)
Net Position, beginning of year, as restated	68,070,287	64,133,627
Net Position, end of year	<b>\$ 67,593,850</b>	<b>\$ 68,070,287</b>

See Notes to Financial Statements.

**LARAMIE COUNTY COMMUNITY COLLEGE**

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

**STATEMENTS OF ACTIVITIES**

**Years Ended December 31, 2013 and 2012**

	2013	2012
Changes in Unrestricted Net Assets		
Revenue, gains and other support:		
Administrative fees	\$ 470,441	\$ 296,254
Direct financing lease income, Albany County Campus	-	52,395
Net investment income	31,219	64,817
Grants	230,721	101,589
Net assets released from restrictions	<u>1,757,577</u>	<u>1,003,774</u>
<b>Total unrestricted revenue, gains and other support</b>	<b>2,489,958</b>	<b>1,518,829</b>
Expenses:		
Program services:		
Albany County Campus	-	118,796
College support	1,245,266	1,223,662
Management and fundraising	495,106	315,930
<b>Total expenses</b>	<b>1,740,372</b>	<b>1,658,388</b>
<b>Increase (decrease) in unrestricted net assets before extraordinary item</b>	<b>749,586</b>	<b>(139,559)</b>
(Loss) on transfer of lease	<u>-</u>	<u>(412,938)</u>
<b>Increase (decrease) in unrestricted net assets after extraordinary item</b>	<b>749,586</b>	<b>(552,497)</b>
Changes in Temporarily Restricted Net Assets		
Gifts	544,852	606,858
Net investment income	1,880,509	978,063
Net assets released from restrictions	<u>(1,757,577)</u>	<u>(1,003,774)</u>
<b>Increase in temporarily restricted net assets</b>	<b>667,784</b>	<b>581,147</b>
Changes in Permanently Restricted Net Assets		
Gifts	173,439	695,264
Unrealized gains on investments	<u>12,672</u>	<u>5,544</u>
<b>Increase in permanently restricted net assets</b>	<b>186,111</b>	<b>700,808</b>
<b>Change in net assets</b>	<b>1,603,481</b>	<b>729,458</b>
Net Assets, beginning	<u>10,331,404</u>	<u>9,601,946</u>
Net Assets, ending	<u><b>\$ 11,934,885</b></u>	<u><b>\$ 10,331,404</b></u>

See Notes to Financial Statements.

LARAMIE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Received from customers	\$ 17,122,346	\$ 18,290,342
Payments to employees and fringe benefits	(31,204,611)	(30,963,395)
Payments to vendors and suppliers	(13,624,679)	(13,615,088)
Payments for scholarships	(13,215,710)	(11,136,921)
Other receipts	1,092,475	28,582
<b>Net cash (used in) operating activities</b>	<b>(39,830,179)</b>	<b>(37,396,480)</b>
Cash Flows from Noncapital Financing Activities		
Non-exchange Federal and state grants	12,162,195	9,481,196
State appropriations	25,185,336	30,058,438
Local appropriations	6,544,733	6,258,790
<b>Net cash provided by noncapital financing activities</b>	<b>43,892,264</b>	<b>45,798,424</b>
Cash Flows from Investing Activities		
Purchases of investments	-	(3,073,505)
Proceeds from sales and maturities of investments	-	2,770,000
Interest received on investments	369,125	636,062
<b>Net cash provided by investing activities</b>	<b>369,125</b>	<b>332,557</b>
Cash Flows from Capital and Related Financing Activities		
Cash paid for capital assets	(3,897,630)	(3,494,405)
Buyout of Albany Campus lease	-	(2,434,401)
Proceeds from issuance of bonds	-	2,815,000
Payment of bond issuance costs	-	(76,954)
Payment of bond principal	(1,085,000)	(805,000)
State endowment invested in Foundation	(192,505)	(747,377)
State endowment appropriation	192,505	747,377
Principal paid on capital lease	(203,117)	(37,653)
Interest paid on capital lease and bonds	(605,341)	(723,298)
Interest refund	119,254	129,612
<b>Net cash (used in) capital and related financing activities</b>	<b>(5,671,834)</b>	<b>(4,627,099)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,240,624)</b>	<b>4,107,402</b>
Cash and Cash Equivalents		
Beginning of year	17,409,315	13,301,913
End of year	<b>\$ 16,168,691</b>	<b>\$ 17,409,315</b>
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating (loss)	<b>\$ (45,805,309)</b>	<b>\$ (42,667,112)</b>
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	3,800,630	4,064,011
Loss on disposal of assets	1,013,565	433,617
Changes in assets and liabilities:		
Receivables, net, and cash with fiscal agent	171,100	1,849,446
Inventories	324,999	100
Prepaid items	184,415	(74,734)
Accounts payable and accrued liabilities	555,213	(999,367)
Deferred revenue	(4,547)	(7,857)
Accrued compensated absences	(70,245)	5,416
<b>Total adjustments</b>	<b>5,975,130</b>	<b>5,270,632</b>
<b>Net cash (used in) operating activities</b>	<b>\$ (39,830,179)</b>	<b>\$ (37,396,480)</b>
Noncash Capital and Related Financing Activities		
Construction in progress in accounts payable	\$ -	\$ 80,739
Unrealized gain on investments held by Foundation	1,314,069	328,474

See Notes to Financial Statements.



# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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### 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 3,730 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 the Wyoming State Statutes.

Reporting entity: As defined by accounting principles generally accepted in the United States of America established by the GASB, the financial reporting entity consists of the primary government, as well as its component unit 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 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 dorms, dining facility, and Albany County Campus. Those bonds do not constitute a debt of the College or any political subdivision thereof.

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

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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

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, 2014; therefore, no allowance for doubtful accounts is deemed necessary.

Inventories: Inventories are comprised of construction trade homes that are completed and available for sale. Inventories are stated at the lower of cost or market. The College will recognize an impairment loss when the College considers inventory impaired and will recognize inventory at the lower of carrying value or fair value. This program was discontinued.

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.

Investments: The College accounts for its investments at fair value, as determined by quoted market prices, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Capital assets: The College records capital assets at cost at the date of acquisition, or fair market 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 years for library materials, and 3 to 10 years for 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.

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 vacation payable in the statement of net position, and as a component of compensation and benefit expense in the statement 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.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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Deferred advance payments and property taxes: Deferred revenue consists primarily of amounts received for summer school tuition and fees related to future fiscal years and property taxes assessed during the year which will be levied and recognized as revenue in the subsequent year.

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

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

*Invested in capital assets, net of related debt:* 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 – 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.

*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.

*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.

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, net of scholarship discounts and allowances, 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.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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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 statement 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 combined statements of net position as the loans are repayable directly to the U.S. Department of Education. In 2014, the College received and disbursed \$6,240,488 under the Federal Direct Loan Program on behalf of the U.S. Department of Education, which is included as nonoperating revenues (non-exchange Federal and state grants) and operating expense (scholarships) on the statements of revenues, expenses, and changes in net position.

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

Recent pronouncements: In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement was issued to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2012. Accounting changes adopted to conform to the provisions of this statement were applied beginning in the year ended June 30, 2014 retroactively by restating financial statements for all periods presented. See discussion of prior period restatement in Note 13.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which replaces GASB No.27, *Accounting for Pensions by State and Local Government Employers*, for the most government pensions. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual cost of the pension benefits. The statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This statement is effective for years beginning after June 15, 2014 with effective changes made to comply with the statement reported as adjustments to prior periods. The College is currently evaluating the impact that the provisions of this statement will have on the College's financial statements.

### ***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.

**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 market 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 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.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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Compensated absences: The Foundation employees' vacation pay is accrued at year end through the Foundation 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.

Advertising: Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2013 and 2012 were \$21,086 and \$6,299, 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 statement of financial position. Unrealized gains and losses are included in the change of net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in 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 establishes a framework for fair value measurement and disclosure. It requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1:* Quoted market prices in active markets for identical assets or liabilities.
- Level 2:* Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3:* Unobservable inputs that are not corroborated by market data.

The Foundation has valued its investments utilizing the Level 1 approach. The Foundation has valued its certificates of deposit at Level 2.

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 reported amounts of revenue and expenses 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 statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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Property and improvements: Property and improvements are stated at cost, or if donated, at approximate fair market 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:*

The statutes of the State of Wyoming authorize 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 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.

Custodial credit risk: Custodial credit risk for deposits of the College is the risk that in the event of a bank failure, the College's deposits may not be returned to them. At June 30, 2014, the carrying amount of the College's deposits, including certificates of deposit treated as investments, were \$16,139,582 and bank balances were \$17,240,285, with Federal insurance and pledged securities totaling \$20,990,403.

As of June 30, 2014, \$263,113 was held to be used to complete construction of the Health Sciences Building. In addition, \$30,276 was held in bond reserve and project funds for the Building Authority.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

The Authority does not have a formal policy addressing concentration of credit risk or interest rate risk. All investments are held in the name of the Authority by its custodial bank. The Authority's specific investments at June 30, 2014 are as follows:

	Fair Value	Maturity	Rate	Rating
Federal Home Loan Bank	\$ 646,194	3/24/2022	2.250%	AAA
Federal National Mortgage Association	258,495	11/15/2024	2.500%	AAA
Federal Home Loan Mortgage Corporation	1,068,452	6/27/2018	1.250%	AAA
	<u>\$ 1,973,141</u>			

### *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, 2013:

	Cost	Fair Value
Certificates of deposit	\$ 433,182	\$ 461,717
Marketable securities:		
Equity securities	\$ 4,841,438	\$ 6,200,900
Corporate debt securities	3,553,978	3,566,448
Municipal debt securities	214,996	221,670
Mutual funds	6,431,738	7,427,583
Other	480,000	471,272
<b>Total marketable securities</b>	<u>\$ 15,522,150</u>	<u>\$ 17,887,873</u>

Concentration of credit risk: The College has no formal investment policy. The Foundation's investment policy is as follows:

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

The target allocation is as follows:

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



# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### *Laramie County Community College Foundation (continued):*

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 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 Board will normally not authorize investment in the following asset categories:

- Venture capital
- Private placement or other securities not publicly traded
- Short sales or margin purchases
- Direct placement of mortgages
- Commodities

At December 31, 2013, 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	\$ 3,566,448	\$ 100,921	\$ 362,999	\$ 3,102,528
Municipal Bonds	221,670	65,368	156,302	-
	<u>\$ 3,788,118</u>	<u>\$ 166,289</u>	<u>\$ 519,301</u>	<u>\$ 3,102,528</u>

The distribution of quality rating of debt securities in the Foundation's investment portfolio at fair value as of December 31, 2013 is as follows:

Quality rating:	
AAA	\$ 54,862
AA	322,591
A	50,713
BBB	1,259,555
BB	525,354
B	1,575,043
<b>Total credit risk debt securities</b>	<u><u>\$ 3,788,118</u></u>

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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### *Laramie County Community College Foundation (continued):*

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 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, 2013 and 2012, the Foundation held \$8,932,470 and \$7,795,484, respectively, of investments for the College.

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# 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, 2014 and 2013:

	Balance June 30, 2013	Additions	Transfers	Retirements	Balance June 30, 2014
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	1,190,774	1,775,869	(18,593)	-	2,948,050
<b>Total capital assets not being depreciated</b>	<b>\$ 2,061,338</b>	<b>\$ 1,775,869</b>	<b>\$ (18,593)</b>	<b>\$ -</b>	<b>\$ 3,818,614</b>
Other capital assets:					
Infrastructure	\$ 3,603,324	\$ -	\$ -	\$ -	\$ 3,603,324
Land improvements	4,112,449	-	-	-	4,112,449
Buildings	86,324,962	431,873	18,593	-	86,775,428
Furniture, fixtures and equipment	8,518,473	674,363	-	(262,697)	8,930,139
Library materials	1,733,093	90,076	-	(81,853)	1,741,316
<b>Total other capital assets</b>	<b>104,292,301</b>	<b>1,196,312</b>	<b>18,593</b>	<b>(344,550)</b>	<b>105,162,656</b>
Less accumulated depreciation for:					
Infrastructure	(1,852,402)	(106,501)	7,832	-	(1,951,071)
Land improvements	(1,797,120)	(196,977)	-	-	(1,994,097)
Buildings	(35,830,478)	(2,650,229)	(7,832)	-	(38,488,539)
Furniture, fixtures and equipment	(6,379,170)	(767,245)	-	174,580	(6,971,835)
Library materials	(1,480,144)	(79,678)	-	81,854	(1,477,968)
<b>Total accumulated depreciation</b>	<b>(47,339,314)</b>	<b>(3,800,630)</b>	<b>-</b>	<b>256,434</b>	<b>(50,883,510)</b>
<b>Other capital assets, net</b>	<b>\$ 56,952,987</b>	<b>\$ (2,604,318)</b>	<b>\$ 18,593</b>	<b>\$ (88,116)</b>	<b>\$ 54,279,146</b>
Capital asset summary:					
Capital assets not being depreciated	\$ 2,061,338	\$ 1,775,869	\$ (18,593)	\$ -	\$ 3,818,614
Other capital assets, at cost	104,292,301	1,196,312	18,593	(344,550)	105,162,656
<b>Total cost of capital assets</b>	<b>106,353,639</b>	<b>2,972,181</b>	<b>-</b>	<b>(344,550)</b>	<b>108,981,270</b>
Less accumulated depreciation	(47,339,314)	(3,800,630)	-	256,434	(50,883,510)
<b>Capital assets, net</b>	<b>\$ 59,014,325</b>	<b>\$ (828,449)</b>	<b>\$ -</b>	<b>\$ (88,116)</b>	<b>\$ 58,097,760</b>

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

	Balance June 30, 2012	Additions	Transfers	Retirements	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 870,564	\$ -	\$ -	\$ -	\$ 870,564
Construction in progress	1,780,710	2,029,744	(2,619,680)	-	1,190,774
<b>Total capital assets not being depreciated</b>	<b>\$ 2,651,274</b>	<b>\$ 2,029,744</b>	<b>\$ (2,619,680)</b>	<b>\$ -</b>	<b>\$ 2,061,338</b>
Other capital assets:					
Infrastructure	\$ 3,394,482	\$ -	\$ 208,842	\$ -	\$ 3,603,324
Land improvements	4,112,449	-	-	-	4,112,449
Buildings	84,294,723	-	2,410,838	(380,599)	86,324,962
Furniture, fixtures and equipment	8,831,539	721,691	-	(1,034,757)	8,518,473
Library materials	1,714,595	84,470	-	(65,972)	1,733,093
<b>Total other capital assets</b>	<b>102,347,788</b>	<b>806,161</b>	<b>2,619,680</b>	<b>(1,481,328)</b>	<b>104,292,301</b>
Less accumulated depreciation for:					
Infrastructure	(1,756,343)	(96,059)	-	-	(1,852,402)
Land improvements	(1,600,143)	(196,977)	-	-	(1,797,120)
Buildings	(33,055,073)	(2,775,405)	-	-	(35,830,478)
Furniture, fixtures and equipment	(6,442,554)	(918,415)	-	981,799	(6,379,170)
Library materials	(1,468,901)	(77,155)	-	65,912	(1,480,144)
<b>Total accumulated depreciation</b>	<b>(44,323,014)</b>	<b>(4,064,011)</b>	<b>-</b>	<b>1,047,711</b>	<b>(47,339,314)</b>
<b>Other capital assets, net</b>	<b>\$ 58,024,774</b>	<b>\$ (3,257,850)</b>	<b>\$ 2,619,680</b>	<b>\$ (433,617)</b>	<b>\$ 56,952,987</b>
Capital asset summary:					
Capital assets not being depreciated	\$ 2,651,274	\$ 2,029,744	\$ (2,619,680)	\$ -	\$ 2,061,338
Other capital assets, at cost	102,347,788	806,161	2,619,680	(1,481,328)	104,292,301
<b>Total cost of capital assets</b>	<b>104,999,062</b>	<b>2,835,905</b>	<b>-</b>	<b>(1,481,328)</b>	<b>106,353,639</b>
Less accumulated depreciation	(44,323,014)	(4,064,011)	-	1,047,711	(47,339,314)
<b>Capital assets, net</b>	<b>\$ 60,676,048</b>	<b>\$ (1,228,106)</b>	<b>\$ -</b>	<b>\$ (433,617)</b>	<b>\$ 59,014,325</b>

### Note 4. Long-Term Liabilities

**Voluntary termination:** Employees of the College who meet certain employment, age and service requirements are eligible to apply for voluntary termination benefits. Upon application by a qualified employee, and subject to the recommendation of the College President and approval by the Board of Trustees, the retiring employee is entitled to receive annual voluntary termination payments. An employee's aggregate voluntary termination incentive is computed based upon his or her annual salary immediately prior to retirement, increased by 4% for each year of service in excess of ten (not to exceed an aggregate of \$75,000) plus an amount equal to 85% of the State's contribution for annual health insurance benefit at the time of termination. The aggregate termination incentive is paid over a five-year period.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

The accompanying financial statements reflect an obligation of \$750,042 as of June 30, 2014, for voluntary termination benefits, which amount represents the present value (discounted at a rate of 6%) of future payments to former employees who elected to receive, and who were approved to receive, voluntary termination benefits. The financial statements also include the present value of estimated obligation for health insurance benefits of \$260,674 as of June 30, 2014.

The following summarizes scheduled future liquidation of June 30, 2014 long-term voluntary termination obligations:

Fiscal Year Ending June 30,	Imputed Interest	Present Value	Total
2015	\$ 46,261	\$ 262,774	\$ 309,035
2016	30,054	246,686	276,740
2017	14,838	181,164	196,002
2018	3,665	59,418	63,083
	<u>\$ 94,818</u>	<u>\$ 750,042</u>	<u>\$ 844,860</u>

The Authority issued \$9,360,000 of revenue bonds on September 1, 2005, \$8,110,000 of revenue bonds on July 15, 2009, and \$2,815,000 of revenue bonds on November 6, 2012. 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.

	Authorized and Issued	Interest Rates	Bonds Outstanding at June 30, 2014
Series 2005 Revenue Bonds	9,360,000	3.5% - 4.5%	7,430,000
Series 2009 Revenue Bonds	8,110,000	3.25% - 6.25%	6,000,000
Series 2012 Revenue Bonds	2,815,000	0.85% - 3.1%	2,590,000

Aggregate maturities, including interest of \$4,564,965, required on the bonds at June 30, 2014 are as follows:

	Principal	Interest
2015	\$ 1,100,000	\$ 708,601
2016	1,150,000	665,014
2017	1,200,000	616,599
2018	1,280,000	563,497
2019	1,385,000	503,297
2020 - 2024	6,980,000	1,345,286
2025 - 2026	2,925,000	162,671
	<u>16,020,000</u>	<u>\$ 4,564,965</u>
Original issue discount/premium	(75,658)	
	<u>\$ 15,944,342</u>	

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

Long-term liability activity for the years ended June 30, 2014 and 2013 is as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due Within One Year
Other liabilities:					
Liability for voluntary termination	\$ 1,092,800	\$ 336,252	\$ 418,336	\$ 1,010,716	\$ -
Accrued compensated absences	1,288,121	535,368	605,613	1,217,876	937,765
Capital lease obligation	288,772	-	181,337	107,435	34,913
Bonds payable	17,018,256	-	1,073,914	15,944,342	1,088,802
<b>Total other liabilities</b>	<b>\$ 19,687,949</b>	<b>\$ 871,620</b>	<b>\$ 2,279,200</b>	<b>\$ 18,280,369</b>	<b>\$ 2,061,480</b>

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Other liabilities:					
Liability for voluntary termination	\$ 817,032	\$ 674,943	\$ 399,175	\$ 1,092,800	\$ -
Accrued compensated absences	1,282,705	884,522	879,106	1,288,121	991,853
Capital lease obligation	2,790,967	-	2,501,925	288,772	25,523
Bonds payable	14,996,644	2,815,000	793,388	17,018,256	1,073,192
<b>Total other liabilities</b>	<b>\$ 19,887,348</b>	<b>\$ 4,374,465</b>	<b>\$ 4,573,594</b>	<b>\$ 19,687,949</b>	<b>\$ 2,090,568</b>

### Note 5. Capital Lease

In October 2004, the College entered into a lease with the Foundation for the Albany County, Wyoming campus. This lease was purchased by the Building Authority on October 2012 and a new lease agreement was entered into with the Building Authority for the Albany County, Wyoming Campus. The leased asset is included in capital assets at the present value of the future minimum lease payments using an effective interest rate of 2.89%. The cost of the asset acquired under the capital lease is \$2,434,401 and is included in capital assets. The lease expires on August 1, 2024. The lease obligation has been eliminated in consolidation.

The College also has other capital leases for equipment at year end with an ending balance at June 30, 2014 of \$107,435, with annual payments of \$37,653.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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### **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 Commitments**

Eligible College employees may participate in one of two pension plans offered by the College, either the Wyoming Retirement System (WRS) or Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF). WRS is a cost-sharing, multiple-employer public employee defined benefit, contributory retirement plan. TIAA/CREF is a private defined contribution pension plan, which is portable to other institutions and states. For the years ended June 30, 2014, 2013 and 2012, the College's contributions to TIAA/CREF were \$1,241,217, \$1,218,596 and \$1,237,786, respectively.

Participants in WRS who retire at age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and are allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained the age of 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. WRS also provides death and disability benefits. Benefits are established by State statutes. The WRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

Statutes require that 14.12% (2011 - 2013) of the covered employee's salary be contributed to the plan, 1.43% by the employee and 12.69% by the employer. For the years ended June 30, 2014, 2013 and 2012, the College's contributions to the WRS were \$1,670,349, \$1,517,197 and \$1,492,843, respectively, which equals the required contribution for the years then ended.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Agency Funds

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, 2014 and 2013:

Student Activity Funds:	2014	2013
Beginning of year	\$ 808,215	\$ 958,158
Additions:		
Student fees	688,834	412,476
Allocated interest and other	1,595	2,355
<b>Total additions</b>	<b>690,429</b>	<b>414,831</b>
<b>Total available funds</b>	<b>1,498,644</b>	<b>1,372,989</b>
Deductions:		
Salaries and benefits	182,160	140,482
Other noncapital expenditures	397,888	424,292
<b>Total deductions</b>	<b>580,048</b>	<b>564,774</b>
End of year	<b>\$ 918,596</b>	<b>\$ 808,215</b>

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### Note 9. Commitments and Contingencies

Voluntary termination: As discussed in Note 4, the College offers voluntary termination to employees of the College who meet certain employment, age and service requirements. As of June 30, 2014, approximately 29 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, 2014 was approximately \$2,128,417.

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, 2014, the remaining commitment to complete construction projects totaled approximately \$36,136. These completion costs will be paid primarily from a state appropriation for major maintenance and contingency reserve.



# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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Bond reserve fund: For the Series 2005 Bond, the Indenture of Trust agreement with the bond trustee required the Authority to deposit \$936,000 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, 2014. As of June 30, 2014, the reserve fund consists of investments with a fair market value of \$914,550 and cash of \$8,984.

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. No withdrawals have been made as of June 30, 2014. As of June 30, 2014, the reserve fund consists of investments with a fair market value of \$800,096 and cash of \$12,365.

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, 2014. As of June 30, 2014, the reserve fund consists of investments with a fair market value of \$258,495 and cash of \$8,927.

### **Note 10. Risk Management**

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2014, 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.

### **Note 11. Designated Net Position**

During the 1999 fiscal year, the College requested and received public support for a five mill property tax levy which is restricted under State of Wyoming Statutes for community college purposes. Although the State statutes include provisions restricting the use of funds for certain broad purposes or under certain circumstances, one provision allows use of the funds for specific district program needs which needs were not defined or limited by the State statute. Therefore, these funds were considered unrestricted. However, the Board had designated these funds to be used for facility maintenance, renovation and improvement. As of June 30, 2014 and 2013, the College has \$0 and \$117,226, respectively, of net unrestricted assets related to the five mill property tax levy.

# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

### Note 12. Natural Classifications with Functional Classifications

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

	Natural Classification				Total
	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	
	<b>2014</b>				
Functional Classification:					
Instruction	\$ 16,070,124	\$ 3,633,371	\$ -	\$ -	\$ 19,703,495
Public service	345,922	101,116	-	-	447,038
Academic support	4,547,824	2,154,157	-	-	6,701,981
Student services	3,046,275	954,275	-	-	4,000,550
Institutional support	4,861,949	2,652,815	-	-	7,514,764
Operation of plant	2,526,031	2,451,506	-	-	4,977,537
Scholarships	-	-	-	13,215,710	13,215,710
Auxiliary enterprises	929,842	1,492,579	-	-	2,422,421
Depreciation	-	-	3,800,630	-	3,800,630
<b>Total expenses</b>	<b>\$ 32,327,967</b>	<b>\$ 13,439,819</b>	<b>\$ 3,800,630</b>	<b>\$ 13,215,710</b>	<b>\$ 62,784,126</b>
	<b>2013</b>				
Functional Classification:					
Instruction	\$ 16,573,816	\$ 3,413,737	\$ -	\$ -	\$ 19,992,553
Public service	280,124	228,078	-	-	508,202
Academic support	4,353,453	1,327,107	-	-	5,680,560
Student services	2,785,427	786,930	-	-	3,572,357
Institutional support	4,786,983	2,116,704	-	-	6,903,687
Operation of plant	2,418,681	2,314,450	-	-	4,733,131
Scholarships	-	-	-	11,136,921	11,136,921
Auxiliary enterprises	997,106	1,610,456	-	-	2,607,562
Depreciation	-	-	4,064,011	-	4,064,011
<b>Total expenses</b>	<b>\$ 32,200,590</b>	<b>\$ 11,797,462</b>	<b>\$ 4,064,011</b>	<b>\$ 11,136,921</b>	<b>\$ 59,198,984</b>

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# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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### Note 13. New Pronouncement

On July 1, 2013, the College implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), which states that debt issuance costs should be recognized as an expense in the period incurred. The accounting change adopted to conform to the provisions of GASB 65 has been applied retroactively by restating the beginning net position of the earliest period presented.

At June 30, 2013 and 2012, the Building Authority reported an asset of \$290,633 and \$248,516, respectively, related to capitalized bond issuance costs. The total debt issuance cost of \$248,516 has been reported as a restatement of beginning net position for the year ended June 30, 2013. The statement of revenue, expenses and changes in net position for the year ended June 30, 2013 has also been restated by increasing bond issuance costs and the net decrease in net position by \$42,117.

### Note 14. Subsequent Event

On July 8, 2014, the College issued \$25,000,000 of general obligation bonds for the purpose of paying the costs of planning, designing, engineering, constructing, furnishing and equipping a new Flex-Tech Building and a new University Student Center on the Laramie County Campus.

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**LARAMIE COUNTY COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF NET POSITION**  
**June 30, 2014**

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 15,801,469	\$ 73,833	\$ -	\$ 15,875,302
Investments	75,000	-	-	75,000
Accounts receivable, net	3,475,027	-	-	3,475,027
Current maturities of lease	-	1,096,570	(1,096,570)	-
Interest receivable	-	149,657	(149,657)	-
Property taxes receivable	6,081,358	-	-	6,081,358
Prepaid expense	48,217	-	-	48,217
<b>Total current assets</b>	<b>25,481,071</b>	<b>1,320,060</b>	<b>(1,246,227)</b>	<b>25,554,904</b>
Noncurrent Assets				
Restricted cash	263,113	30,276	-	293,389
Restricted investments	-	1,973,141	-	1,973,141
Building Authority receivable	936,000	-	(936,000)	-
Long-term lease	-	13,509,467	(13,509,467)	-
Capital assets, net of accumulated depreciation	58,097,760	-	-	58,097,760
Investments held by others	9,566,892	-	-	9,566,892
	<b>68,863,765</b>	<b>15,512,884</b>	<b>(14,445,467)</b>	<b>69,931,182</b>
<b>Total assets</b>	<b>94,344,836</b>	<b>16,832,944</b>	<b>(15,691,694)</b>	<b>95,486,086</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	885,848	-	-	885,848
Payroll and related liabilities	1,589,614	-	-	1,589,614
Accrued compensated absences	937,765	-	-	937,765
Accrued interest payable	151,443	129,150	(149,657)	130,636
Advance tuition payments	252,786	-	-	252,786
Custodial deposits	918,596	-	-	918,596
Capital lease obligation	1,131,483	-	(1,096,570)	34,913
Current maturities of bonds payable	-	1,088,802	-	1,088,802
<b>Total current liabilities</b>	<b>5,867,235</b>	<b>1,217,952</b>	<b>(1,246,227)</b>	<b>5,838,960</b>
Noncurrent Liabilities				
Liability for voluntary termination	1,010,716	-	-	1,010,716
Accrued compensated absences	280,111	-	-	280,111
Due to Laramie County Community College	-	936,000	(936,000)	-
Capital lease obligation	13,581,989	-	(13,509,467)	72,522
Long-term bonds payable	-	14,855,540	-	14,855,540
<b>Total noncurrent liabilities</b>	<b>14,872,816</b>	<b>15,791,540</b>	<b>(14,445,467)</b>	<b>16,218,889</b>
<b>Total liabilities</b>	<b>20,740,051</b>	<b>17,009,492</b>	<b>(15,691,694)</b>	<b>22,057,849</b>
<b>DEFERRED INFLOWS</b>				
Deferred property taxes	5,834,387	-	-	5,834,387
<b>NET POSITION</b>				
Invested in Capital Assets, net of related debt	43,384,288	(1,338,305)	-	42,045,983
Restricted for:				
Nonexpendable	7,784,574	-	-	7,784,574
Expendable:				
Scholarships	2,060,356	-	-	2,060,356
Capital projects	1,315,995	-	-	1,315,995
Unrestricted	13,225,185	1,161,757	-	14,386,942
<b>Total net position</b>	<b>\$ 67,770,398</b>	<b>\$ (176,548)</b>	<b>\$ -</b>	<b>\$ 67,593,850</b>

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LARAMIE COUNTY COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2014

	Laramie County Community College	Laramie County Community College Building Authority	Eliminations	Total
<b>Operating Revenues</b>				
Tuition and fees	\$ 9,938,247	\$ -	\$ -	\$ 9,938,247
Federal grants and contracts	1,804,919	-	-	1,804,919
State and local grants and contracts	1,492,561	-	-	1,492,561
Auxiliary enterprise charges	3,322,432	-	-	3,322,432
Other operating revenues	420,658	-	-	420,658
<b>Total operating revenues</b>	<b>16,978,817</b>	<b>-</b>	<b>-</b>	<b>16,978,817</b>
<b>Operating Expenses</b>				
Instruction	19,703,495	-	-	19,703,495
Public service	447,038	-	-	447,038
Academic support	6,701,981	-	-	6,701,981
Student services	4,000,550	-	-	4,000,550
Institutional support	7,514,764	-	-	7,514,764
Operation and maintenance of plant	4,964,773	12,764	-	4,977,537
Scholarships	13,215,710	-	-	13,215,710
Auxiliary enterprises	2,422,421	-	-	2,422,421
Depreciation	3,800,630	-	-	3,800,630
<b>Total operating expenses</b>	<b>62,771,362</b>	<b>12,764</b>	<b>-</b>	<b>62,784,126</b>
<b>Operating (loss)</b>	<b>(45,792,545)</b>	<b>(12,764)</b>	<b>-</b>	<b>(45,805,309)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Non-exchange Federal and state grants	12,161,995	-	-	12,161,995
State appropriations	25,185,336	-	-	25,185,336
Local appropriations	6,555,970	-	-	6,555,970
Net investment income	1,647,897	64,349	-	1,712,246
Direct financing income	-	668,776	(668,776)	-
Interest expense	(508,476)	(758,734)	668,776	(598,434)
Interest refund	-	119,254	-	119,254
<b>Net nonoperating revenues</b>	<b>45,042,722</b>	<b>93,645</b>	<b>-</b>	<b>45,136,367</b>
<b>Income (loss) before other revenue, expenses, gains or losses</b>	<b>(749,823)</b>	<b>80,881</b>	<b>-</b>	<b>(668,942)</b>
<b>Other Revenue, Expenses, Gains or Losses</b>				
State endowment appropriation	192,505	-	-	192,505
<b>Increase (decrease) in net position</b>	<b>(557,318)</b>	<b>80,881</b>	<b>-</b>	<b>(476,437)</b>
Net Position, beginning of year, as previously reported	68,327,716	(257,429)	-	68,070,287
Adjustment to prior years	-	-	-	-
Net Position, beginning of year, as restated	68,327,716	(257,429)	-	68,070,287
Net Position, end of year	\$ 67,770,398	\$ (176,548)	\$ -	\$ 67,593,850

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LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Grantor's Number	Catalog of Federal Domestic Assistance Number	Federal Award Expenditures
<b>Student Financial Aid Cluster:</b>			
<b>U.S. Department of Education:</b>			
Federal Direct Loan	N/A	84.268	\$ 6,240,488
Federal Pell Grant Program	N/A	84.063	4,942,591
Federal Work-Study Program	N/A	84.033	75,159
Federal Supplemental Educational Opportunity Grant	N/A	84.007	83,459
<i>Total Student Financial Aid Cluster</i>			<u>11,341,697</u>
<b>Other Programs:</b>			
<b>U.S. Department of Education:</b>			
TRIO-Student Support Services	N/A	84.042A	<u>266,397</u>
Passed through Wyoming Department of Education:			
Career and Technical Education - Basic			
Grants to States	N/A	84.048	<u>391,206</u>
Passed through University of Wyoming:			
GEAR-UP	1001320A/1001320C-LCCC	84.334S	357,748
College Access Challenge Grant		84.378A	<u>55,479</u>
<i>Total passed through University of Wyoming</i>			<u>413,227</u>
Passed through Wyoming College Commission:			
Adult Education State Grant Program	ABE14R04	84.002	103,490
Adult Education State Grant Program	ABE13R04	84.002	6,464
El Civics State Grant Program	ABE14C04	84.002	24,032
El Civics State Grant Program	ABE13C04	84.002	746
<i>Total passed through Wyoming College Commission</i>			<u>134,732</u>
<b>Total U.S. Department of Education</b>			<u>12,547,259</u>
<b>U.S. Department of Health and Human Services:</b>			
Passed through Wyoming Department of Workforce Services:			
Adelante - ETSS	N/A	93.558	202,044
Passed through University of Wyoming:			
InBre	1001481K/10019320-LCCC	93.859	68,947
Passed through Wyoming Department of Health:			
National Bioterrorism Hospital Preparedness Program	108423	93.889	<u>5,500</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>276,491</u>
<b>National Science Foundation:</b>			
Education and Human Resources	Due 1603452	47.076	<u>57,124</u>
<b>National Aeronautics and Space Administration:</b>			
Passed through University of Wyoming:			
Education	NWX10A095H	43.008	<u>5,666</u>

Continued

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
 For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Grantor's Number	Catalog of Federal Domestic Assistance Number	Federal Award Expenditures
<b>U.S. Department of Labor:</b>			
Passed through Pueblo Community College:			
Trade Adjustment Assistance Community College and Career Training	23780-12-60-A-8	17.282	\$ 61,335
Passed through Wyoming Department of Workforce Services:			
WIA Youth Activities	98433/110015	17.259	11,590
H-1B Job Training Grant	HG-22737-12-60-A-56	17.268	157,340
<i>Total passed through University of Wyoming</i>			<u>168,930</u>
<b>Total U.S. Department of Labor</b>			<u>230,265</u>
<b>U.S. Department of Homeland Security:</b>			
Passed through Wyoming Department of Homeland Security:			
Homeland Security Grant Program	11-GPD-LCCC-MA-SSG11	97.067	3,861
<b>U.S. Department of Agriculture:</b>			
Passed through Wyoming Department of Education:			
Child and Adult Care Food Program		10.558	25,950
<b>Total Federal award expenditures</b>			<u>\$ 13,146,616</u>

See Note to Schedule of Expenditures of Federal Awards.

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# LARAMIE COUNTY COMMUNITY COLLEGE

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### Note 1. Basis of Presentation

The purpose of the schedule of expenditures of Federal awards (the "Schedule") is to present a summary of the activities of the Laramie County Community College (the "College") for the year ended June 30, 2014, which have been financed by the U.S. Government. The Schedule is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

For purposes of the Schedule, Federal awards have been classified into two types:

1. Direct Federal awards consisting of Federal assistance and Federal student financial aid, and
2. Pass-through funds received from non-Federal organizations made under federally sponsored programs conducted by those organizations.

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**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 of Laramie County Community College (the "College") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2014.

**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 entity'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.

Cheyenne, Wyoming  
\_\_\_\_\_, 2014

**PRELIMINARY DRAFT**  
**for Review and Discussion**  
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED  
BY OMB CIRCULAR A-133**

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 Circular A-133 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, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the College’s major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

## ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major Federal program is not modified with respect to this matter.

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

## **Report on Internal Control over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cheyenne, Wyoming

\_\_\_\_\_, 2014

LARAMIE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2014

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I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

A. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes  X  No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

B. Federal Awards

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ Yes  X  No
- Significant deficiencies identified that are not considered to be material weaknesses?  X  Yes \_\_\_\_\_ None Reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  X  Yes \_\_\_\_\_ No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
Cluster	Student Financial Assistance
17.268	H-1B Job Training Grant
84.048	Career and Technical Education

- Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

# LARAMIE COUNTY COMMUNITY COLLEGE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

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### II. FINANCIAL STATEMENT FINDINGS

None

### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

#### 2014-001: Student Financial Aid Cluster – Special Tests: Enrollment Reporting

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans , 84.063 Federal Pell Grant Program
<b>Federal Agency Name:</b> Department of Education
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Number/Name:</b> N/A
<b>Award Year(s):</b> July 1, 2013- June 30, 2014

**Condition** – Of the 40 students tested for Enrollment Reporting, we noted four instances in which the students were reported to NSLDS with graduated status effective dates of the last day of classes instead of the last day of finals, which would be the date the student completed the course requirements.

Of the 40 students tested for Enrollment Reporting, we noted 14 instances in which the students status change (to withdrawn or graduate) were not reported to NSLDS.

Of the 40 students tested for Enrollment Reporting, we noted six instances in which the students' withdrawn dates were improperly reported to the NSLDS.

**Criteria** – Per review of 34 CFR 685.305 (FDL), the College must use the withdrawal date determined under 34 CFR 668.22(b) or (c), as applicable for the purpose of reporting the date that the student has withdrawn from the institution. In addition, per review of 34 CFR 690.83 (Pell), an institution shall submit, in accordance with deadline dates established by the Secretary, through publication in the Federal Register, other reports and information the Secretary requires and shall comply with the procedures the Secretary finds necessary to ensure that the reports are correct. Appendix A of the National Student Loan Data System Enrollment Reporting Guide also states that graduated students should be reported with an effective date of the day the student completed the course requirements.

**Cause** – The underlying condition is believed to be a lack of effective controls in place within the Registrar's office to ensure that all enrollment status changes are properly reported after the necessary information is received from the Office of Scholarships and Financial Aid.

**Effect** – Lack of controls over proper reporting of student status changes could impact a student's repayment status.

**Recommendation** – We recommend that the Registrar's office evaluate their controls in place to ensure that all required reporting is occurring and that status effective dates are being properly reported for each student.

**Questioned Costs** – \$0

**Management's Response** – As noted during the on-site visit, the academic calendar was changed as of the 2014-2015 academic year to show the last day of finals as the last day of the semester.

Records and Financial Aid will work together to ensure that unofficial withdrawals are reported to the Clearinghouse no later than 60 days after the date of determination.

# LARAMIE COUNTY COMMUNITY COLLEGE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

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In addition, the Registrar's office will continue to report graduates in batch to the National Student Clearinghouse at the end of each semester, and submit an additional degree file the following month to report any graduates whose degrees were conferred after the batch conferral.

### **2014-002: Student Financial Aid Cluster – Special Tests: R2T4**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.007 FSEOG, 84.033 FWS, 84.268 Federal Direct Student Loans, 84.063 Federal Pell Grant Program
<b>Federal Agency Name:</b> Department of Education
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Number/Name:</b> N/A
<b>Award Year(s):</b> July 1, 2013- June 30, 2014

**Condition** – The Office of Scholarships and Financial Aid does not have a formalized process regarding the documentation of the date of determination for students who unofficially withdraw during the semester without providing notification to the institution. The date of determination currently documented by the Office of Scholarships and Financial Aid is not the date the institution knew, or should have known, that the student withdrew. The condition does not result in any known questioned costs as the calculations selected for testing were performed accurately and all required funds were returned timely.

**Criteria** – Per review of 34 CFR 668.22, treatment of Title IV funds when a student withdraws, “for an institution that is not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the -

- i. Payment period or period of enrollment, as appropriate, in accordance with paragraph (e)(5) of this section;
- ii. Academic year in which the student withdrew; or
- iii. Educational program from which the student withdrew.”

**Cause** – There was no control process in place to ensure that the date of determination for all students who unofficially withdrew without providing notification to the institution was documented.

**Effect** – If the institution fails to document the date of determination for all students who unofficially withdrew without providing notification to the institution, they may be in violation of 34 CFR 668.22 which would result in R2T4 refunds not being timely return to the Department of Education.

**Recommendation** – We recommend the Director of the Office of Scholarships and Financial Aid establish a formal policy stating when the determination will be made regarding students who unofficially withdrew during the semester without providing the institution notice. The policy should comply with the requirements and the determination should be made within 30 days of the end of the semester.

**Questioned Costs** – \$0

**Management's Response** – The Office of Scholarships and Financial Aid will determine the date of unofficial withdrawals 30 days after the semester end of Fall, Spring, and Summer semesters and use that date as the determination date.

LARAMIE COUNTY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2014

Finding	Status					
<p><b>2013-001: Schedule of Expenditures of Federal Awards</b></p> <p>The College did not provide a schedule of expenditures of Federal awards (SEFA) which was presented fairly in all material respects. Specifically, we noted the following:</p> <ol style="list-style-type: none"> <li>1. An overstatement of Federal expenditures of \$2,186,121 related to the incorrect exclusion of credits to the expenses accounts and the incorrect inclusion of non-Federal expenditures in one program.</li> <li>2. The improper inclusion of state ABE funds and exclusion of Federal ABE funds.</li> </ol>	<p>Steps were taken to properly train all personnel in the preparation of the SEFA. Procedures for the collection and reporting of awards information for the SEFA have been recorded and revised as necessary for full disclosure of information between offices at the College. Additional internal control procedures were implemented to include review by the accounting office personnel and the Director of Accounting Services to ensure inclusion of all Federal awards.</p> <p><i>Auditor's Comment 2013-001</i> – Based on audit work performed, the corrective procedures were implemented.</p>					
<p><b>2013-002: Student Financial Aid Cluster- Special Tests: Return of Title IV</b></p> <table border="1" style="width: 100%;"> <tr> <td><b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans and 84.063 Federal Pell Grant Program</td> </tr> <tr> <td><b>Federal Agency Name:</b> Department of Education</td> </tr> <tr> <td><b>Pass-Through Entity Name (if applicable):</b> N/A</td> </tr> <tr> <td><b>Award Number/Name:</b> N/A</td> </tr> <tr> <td><b>Award Year(s):</b> July 1, 2012- June 30, 2013</td> </tr> </table> <p>Of the 40 students tested for Return of Title IV, we noted five instances where the incorrect amount of Title IV funds was initially returned to the Department of Education. These five instances were corrected through an internal quality control review in June; however, due to the timing of the review, the correct amounts of funds were not remitted to the Department of Education within the required 45 days. In addition, we noted one instance where the R2T4 calculation showed a reduction in Pell, that had not properly been transmitted through COD. We also noted one instance where the institution timely remitted the funds they owed to the Department of Education, but failed to remit the \$311 of Pell funds the student owed within 45 days. In addition, the College was not able to provide proof the student was notified that they were responsible for grant funds to be returned.</p>	<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans and 84.063 Federal Pell Grant Program	<b>Federal Agency Name:</b> Department of Education	<b>Pass-Through Entity Name (if applicable):</b> N/A	<b>Award Number/Name:</b> N/A	<b>Award Year(s):</b> July 1, 2012- June 30, 2013	<p>The Financial Aid Director uses an Ellucion delivered report to determine students that have withdrawn on a weekly basis. The report was reconfigured to accurately calculate Return of Title IV using the delivered Calculate Return of Funds process. Additional processes were implemented to ensure Return of Title IV was conducted timely.</p> <p><i>Auditor's Comment 2013-002</i> – We selected 22 R2T4 calculations in the current year for testing and noted no errors in calculations or funds that were not returned timely. Based on testing performed, we noted the corrective procedures were implemented; however, there is a control deficiency related to this special test which is reported at 2014-002.</p>
<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans and 84.063 Federal Pell Grant Program						
<b>Federal Agency Name:</b> Department of Education						
<b>Pass-Through Entity Name (if applicable):</b> N/A						
<b>Award Number/Name:</b> N/A						
<b>Award Year(s):</b> July 1, 2012- June 30, 2013						



LARAMIE COUNTY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2014

Finding	Status					
<p><b>2013-003: Student Financial Aid Cluster- Matching</b></p> <table border="1"> <tr> <td><b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.007 Federal Supplemental Educational Opportunity Grants</td> </tr> <tr> <td><b>Federal Agency Name:</b> Department of Education</td> </tr> <tr> <td><b>Pass-Through Entity Name (if applicable):</b> N/A</td> </tr> <tr> <td><b>Award Number/Name:</b> N/A</td> </tr> <tr> <td><b>Award Year(s):</b> July 1, 2012- June 30, 2013</td> </tr> </table> <p>During the testing of the FISAP filed in September 2012 for the fiscal year ended June 30, 2012, we noted the College failed to match 25% of the FSEOG funds. As the College's waiver from the Department of Education ended June 30, 2011, the match was required for the year ended June 30, 2012. Based on the College's total funds to FSEOG recipients of \$52,449, the required match was \$13,112.</p>	<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.007 Federal Supplemental Educational Opportunity Grants	<b>Federal Agency Name:</b> Department of Education	<b>Pass-Through Entity Name (if applicable):</b> N/A	<b>Award Number/Name:</b> N/A	<b>Award Year(s):</b> July 1, 2012- June 30, 2013	<p>The Financial Aid Director and the Director of Accounting Services worked together to determine the SEOG institutional matches and to ensure the match was deposited to the SEOG general ledger account at the same time the Federal portion was received.</p> <p><i>Auditor's Comment 2013-003</i> – Based on audit work performed, the corrective procedures were implemented.</p>
<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.007 Federal Supplemental Educational Opportunity Grants						
<b>Federal Agency Name:</b> Department of Education						
<b>Pass-Through Entity Name (if applicable):</b> N/A						
<b>Award Number/Name:</b> N/A						
<b>Award Year(s):</b> July 1, 2012- June 30, 2013						
<p><b>2013-004: Student Financial Aid Cluster- Special Tests: Enrollment Reporting</b></p> <table border="1"> <tr> <td><b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans</td> </tr> <tr> <td><b>Federal Agency Name:</b> Department of Education</td> </tr> <tr> <td><b>Pass-Through Entity Name (if applicable):</b> N/A</td> </tr> <tr> <td><b>Award Number/Name:</b> N/A</td> </tr> <tr> <td><b>Award Year(s):</b> July 1, 2012- June 30, 2013</td> </tr> </table> <p>Of the 40 students tested for SSCR, we noted 28 instances (see TME &amp; at 9000-L-1) where the student's status was not updated to withdrawn correctly as the status first started date was either improperly reported or not reported. The error did not result in any questioned costs.</p>	<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans	<b>Federal Agency Name:</b> Department of Education	<b>Pass-Through Entity Name (if applicable):</b> N/A	<b>Award Number/Name:</b> N/A	<b>Award Year(s):</b> July 1, 2012- June 30, 2013	<p>The Financial Aid Director will implement a procedure whereby the Registers Office will be notified timely of students with withdrawn status and the last date of attendance.</p> <p><i>Auditor's Comment 2013-004</i> – Corrective procedures were not implemented completely, which resulted in current year finding 2014-001.</p>
<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 84.268 Federal Direct Student Loans						
<b>Federal Agency Name:</b> Department of Education						
<b>Pass-Through Entity Name (if applicable):</b> N/A						
<b>Award Number/Name:</b> N/A						
<b>Award Year(s):</b> July 1, 2012- June 30, 2013						