

CASPER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

**CASPER COMMUNITY COLLEGE DISTRICT
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**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

This section of Casper Community College District’s (College) annual financial report provides an overview of the College’s financial activities for the fiscal years ending June 30, 2018 and 2017. This discussion has been prepared by management and should be read in conjunction with the financial statements and footnotes.

Using the Financial Report

This report consists of three college financial statements:

1). **The Statement of Net Position** is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The statement differentiates between current and non-current assets and liabilities, and deferred inflows and outflows of resources, and categorizes net position into three categories:

- INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT
- RESTRICTED (EXPENDABLE AND NONEXPENDABLE)
- UNRESTRICTED

2). **The Statement of Revenues, Expenses, and Changes in Net Position** presents the revenues earned and expenses incurred during the year, classifying activities as either “operating” or “non-operating.” This distinction results in an operating deficit because the GASB 34/35 reporting model classifies state and local appropriations and investment revenue as non-operating revenue. The utilization of capital assets is reflected as depreciation expense, which allocates the cost of assets over their expected useful lives. This approach is intended to summarize and simplify the user’s analysis of cost of various College services to students and the public.

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Financial Highlights – Statement of Net Position – (See Pages 5-6)

Total Current Assets on June 30, 2018 have increased by approximately \$1.0M compared to the same time last year. Cash and cash equivalents increased approximately \$947,500 and Property Taxes Receivable increased \$38,000. Accounts receivable increased \$39,058 compared to the balance at June 30, 2017. The current portion of the Deposits with bond trustee balance is \$2,218,448. These are the amounts paid to the County Treasurer resulting from the levy for debt service payment on the General Obligation Bonds issued in June 2009 and July 2010. The \$1,276,017 due from the State of Wyoming is the final reimbursement due for employee health insurance and retirement reimbursement for the period ending June 30, 2018.

In the area of Non-current Assets the state matching portion for the Community College Endowment Challenge Program has increased \$1,668,194 to a total of \$17,988,987; an increase of 10.2% during fiscal year 2018 as compared to an approximately 14.9% increase during fiscal year 2017. The percentage increase is due to an increase in the amount and timing of gifts made to the Casper College Foundation combined with the match from the State and investment gains. The Challenge Program is invested with the College's foundation as required by legislation authorizing the matching program. Earnings from the Challenge endowment can be expended for various purposes to benefit the College.

Current Liabilities increased \$181,640 due to an increase in Accounts Payable and in the current portion of Bonds Payable offset by a decrease in Accrued Liabilities. The Accounts Payable balance at June 30, 2018 increased by \$103,319 compared to June 30, 2017.

In accordance with *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* – the College has recorded its estimated net pension liability based on information provided by the Wyoming Retirement System. As a result of this, the net pension liability at June 30, 2018 was \$15,747,531, as compared to \$16,836,854 recorded at June 30, 2017; a decrease of approximately \$1,089,000 for fiscal year 2018.

In addition, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* – (effective for fiscal year ending June 30, 2018) required the college to record its estimated net other postemployment benefits (OPEB) liability based on the State of Wyoming Group Insurance Retiree Health Plan in the amount of \$20,294,708.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Of the \$51.7 million in net position, approximately \$46.7 is invested in capital assets. Of the approximately \$18.4 million in Restricted Expendable Net Assets, \$6.25 million is restricted to capital and major maintenance projects, \$367,806 is restricted to scholarships, \$4.82 million for Debt Service and \$5.92 million for the Endowment Challenge Program. In addition, approximately \$12.0 million for the Endowment Challenge Program is Nonexpendable.

The following table and chart summarize the College's assets, liabilities, and net position and the breakdown of net position as of June 30, 2018 and 2017 along with a comparison for the year ended June 30, 2016.

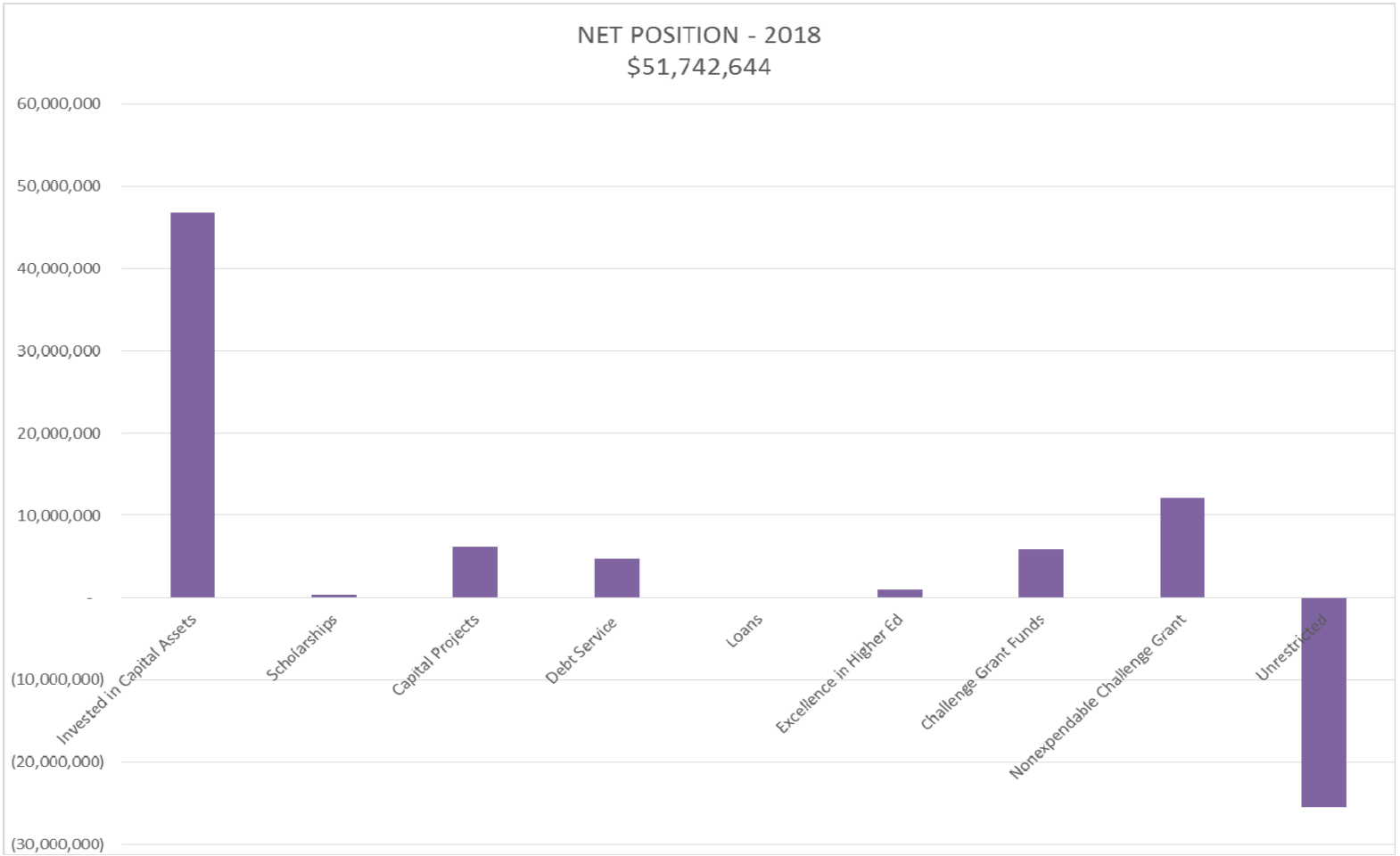
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**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Net Position, End of Year

	2018	%	2017	%	2016
Assets:	<u>2018</u>	Change 2018- 2017	<u>2017</u>	Change 2017- 2016	<u>2016</u>
Total Current Assets	\$24,960,281		\$23,920,706		\$28,856,936
Total Noncurrent Assets	<u>135,927,246</u>		<u>137,464,924</u>		<u>134,233,666</u>
Total Assets	<u>\$160,887,527</u>	-0.31%	<u>\$161,385,630</u>	-1.05%	<u>\$163,090,602</u>
Deferred Outflows of Resources:					
Total Deferred Outflows	<u>\$5,119,380</u>	31.00%	<u>\$3,907,832</u>	-22.59%	<u>\$5,047,983</u>
Liabilities:					
Total Current Liabilities	\$7,021,780		\$6,840,140		\$7,430,039
Total Noncurrent Liabilities	<u>82,550,148</u>		<u>66,116,410</u>		<u>67,686,365</u>
Total Liabilities	<u>\$89,571,928</u>	22.77%	<u>\$72,956,550</u>	-2.88%	<u>\$75,116,404</u>
Deferred Inflows of Resources:					
Total Deferred Inflows	<u>\$24,692,334</u>	30.58%	<u>\$18,910,158</u>	-2.09%	<u>\$19,313,764</u>
Invested in Capital Assets, Net of Related Debt Expendable:	\$46,772,519		\$48,872,775		\$50,242,814
Scholarships and Fellowships	367,806		482,855		602,522
Capital Projects	6,253,231		6,395,790		5,872,714
Debt Service	4,822,878		6,155,370		5,845,283
Loans	60,000		60,000		60,000
Excellence in Higher Education	1,009,523		985,066		913,699
Endowment Challenge Program	5,915,908		4,966,850		3,073,302
Nonexpendable:					
Endowment Challenge Program	12,073,079		11,353,943		11,270,838
Unrestricted	<u>-25,532,300</u>		<u>-5,845,895</u>		<u>-4,172,755</u>
Total Net Position	<u>\$51,742,644</u>	-29.53%	<u>\$73,426,754</u>	-0.38%	<u>\$73,708,417</u>

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**



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MANAGEMENT'S DISCUSSION AND ANALYSIS
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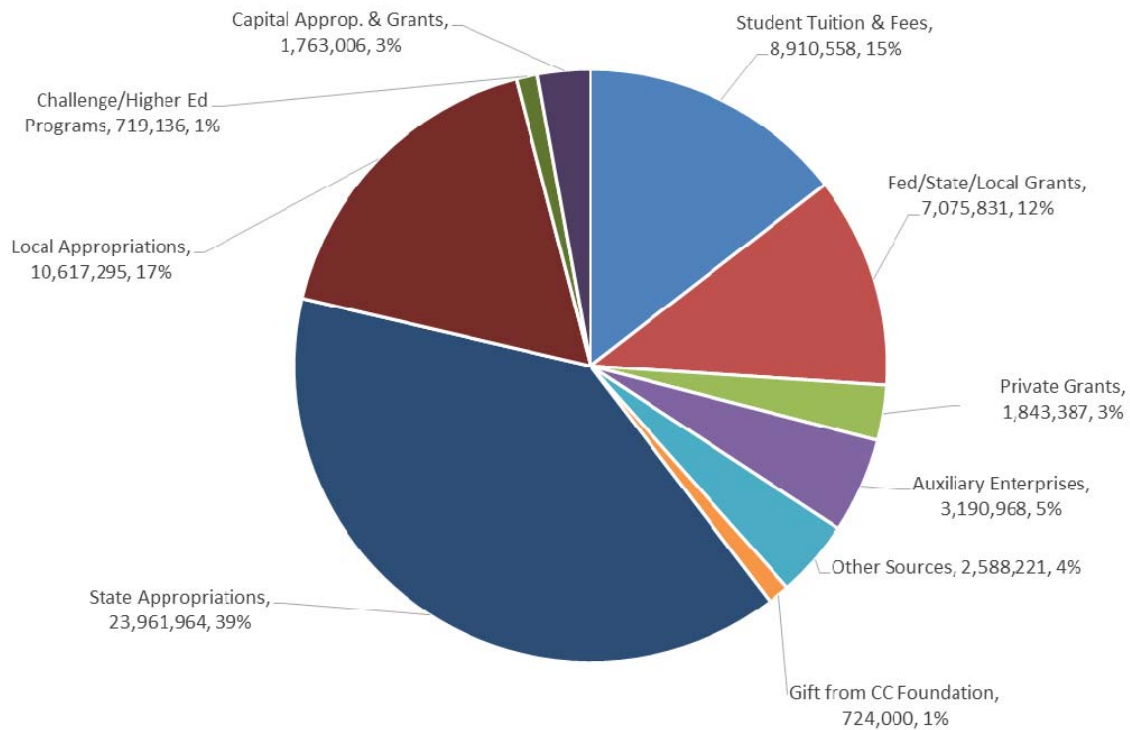
Financial Highlights – Statement of Revenues, Expenses, and Changes in Net Position – (See Pages 8 and 9)

The following table and chart summarizes the College's revenues, expenses and changes in net position as well as a breakdown of gross revenues:

	2018		2017		2016
Operating Revenues	\$14,252,762		\$14,048,452		\$15,352,097
Operating Expenses	53,405,659		53,567,951		57,965,650
Operating Loss	(\$39,152,897)		(\$39,519,499)		(\$42,613,553)
 Non-operating Revenues & Expenses	 \$36,156,290		 \$36,994,582		 \$39,977,509
 Income (Loss) Before Other Revenue, Gains/Losses	 (\$2,996,607)		 (\$2,524,917)		 (\$2,636,044)
 Capital Appropriations	 1,733,718		 2,135,604		 1,370,581
Challenge Program	719,136		83,095		242,784
Capital Grants & Gifts	29,288		24,555		66,258
 Increase in Net Position	 -\$514,465	 -82.65%	 -\$281,663	 70.55%	 -\$956,421

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

SOURCES OF REVENUE - EXCLUDING SCHOLARSHIP ALLOWANCE
FISCAL YEAR 2018



Tuition and Fee revenue, prior to recognition of scholarship allowances, increased \$343,085 over the previous year even though FTE enrollment decreased slightly for fiscal year 2018. An increase of 5.62% in tuition rates was approved by the Wyoming Community College Commission for fiscal year 2018. In addition, fee rates increased by \$3 per credit hour for FY2018. The total Tuition and Fees were \$8,910,558 compared to \$8,567,473 in 2017.

Auxiliary Enterprise revenue, before scholarship allowance, remained relatively flat compared to the prior year even though there was an approved rate increase of approximately 3.13% for fiscal year 2018 for the nineteen-meal per week plan with double occupancy. Overall, occupancy levels in the student residence hall were down in fiscal year 2018 from fiscal year 2017. Detailed schedules of many of the auxiliary operations begin on page 39 of the audit report.

Local Tax revenues increased approximately 9.24% from the previous year due to an increase in the assessed valuation of Natrona County in 2018 as compared to 2017.

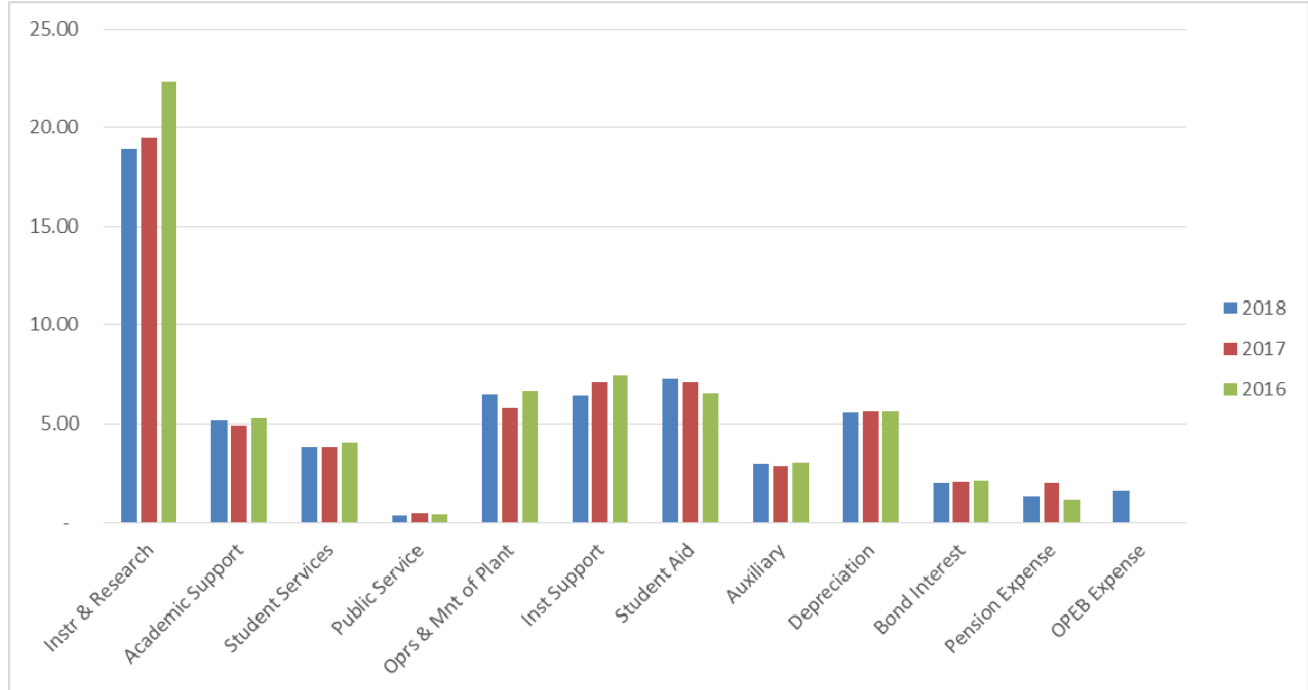
The amounts received for Direct Federal Student Financial Assistance (including student loan programs) increased over 2017 (13.3%). A total of \$6,987,553 was expended for the year compared to \$6,165,844 in 2017 and \$5,200,598 in 2016. Total expenditures of all Federal Awards for 2018 were \$8,294,261 compared to \$7,645,076 for 2017 which can be compared to \$7,332,808 for 2016. A complete list of all Federal Awards begins on page 35 of the report.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Change In Expenses (Including Scholarship Allowance)

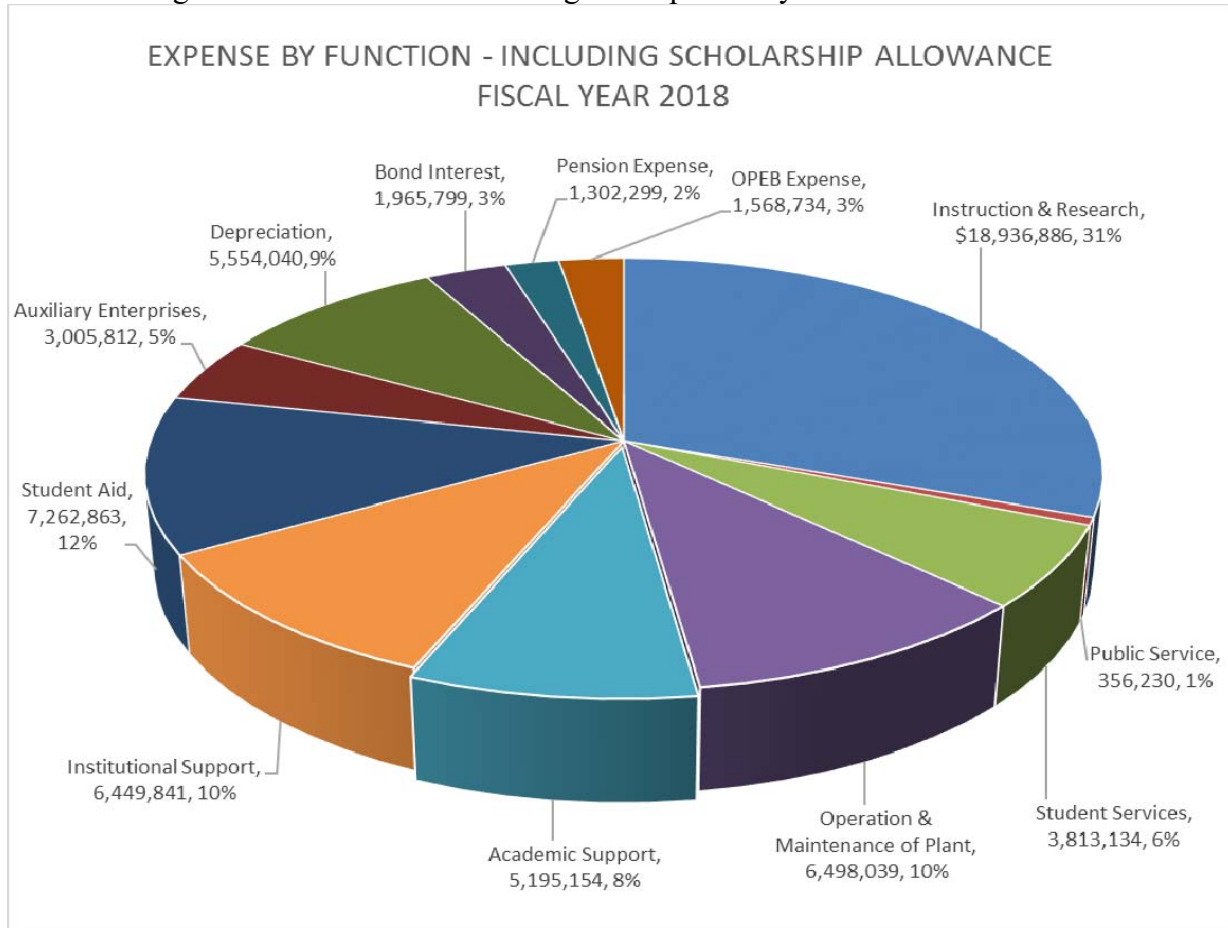
Expenses	2018	% Chg 2018-2017	2017	% Chg 2017-2016	2016
Instruction & Research	\$18,936,886	-2.5%	\$19,430,206	-12.9%	\$22,312,716
Public Service	356,230	-28.7%	499,406	17.4%	425,232
Student Services	3,813,134	-0.4%	3,828,701	-5.8%	4,065,928
Operation & Maintenance of Plant	6,498,039	11.7%	5,818,500	-12.4%	6,645,047
Academic Support	5,195,154	6.0%	4,903,208	-7.4%	5,293,023
Institutional Support	6,449,841	-9.8%	7,152,850	-3.6%	7,420,178
Student Aid	7,262,863	1.9%	7,126,138	8.8%	6,546,795
Auxiliary Enterprises	3,005,812	3.9%	2,892,179	-5.5%	3,060,659
Depreciation	5,554,040	-0.6%	5,587,525	-0.5%	5,615,393
Bond Interest	1,965,799	-3.5%	2,036,649	-2.6%	2,090,560
Pension Expense	1,302,299	-35.5%	2,017,734	69.7%	1,188,853
OPEB Expense	1,568,734				
Total Expenses	<u>\$61,908,831</u>	1.0%	<u>\$61,293,096</u>	-5.2%	<u>\$64,664,384</u>

Comparison of Expenses Fiscal Years 2018 thru 2016 (In Millions)



**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

The following chart shows a breakdown of gross expenses by function:



Total operating expenses, including depreciation, decreased by approximately \$162,000 over the prior year. Many of the program areas reflect decreased expenditure levels. The amount of funding provided to Pell Grant eligible students increased from the previous year by \$92,228 even though FTE enrollment decreased slightly for FY2018. Expenditures in the Student Aid program for FY2018 increased by approximately \$136,725 over the prior fiscal year.

Employee compensation and related benefits account for a significant portion of the expenditures. Employees did not receive a salary increase for fiscal year 2018, however, increases were given for educational advancement with movement on the salary scale. Gross expenditures for employees for salaries and benefits decreased approximately \$130,000 from last year (\$34.36 million vs. \$34.49 million).

Instruction and Academic Support programs combined account for 39% of the total which includes the scholarship allowance. This percentage increases to 43% when depreciation, a non-cash expense, is backed out. Bond Interest expense decreased \$70,850 over FY2017. As a result of GASB #68, pension expense for fiscal year 2018 was \$1,302,299 as compared to \$2,017,734 for fiscal year 2017. In accordance with GASB #75, the OPEB expense was \$1,568,734 for fiscal year 2018.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Overall, operating expenses exceeded operating revenues by \$39.1 million which creates an operating deficit. This large deficit is expected as State Appropriations and Local Tax Levies are classified as non-operating revenues. State Appropriations of \$23.96 million were received during the year, a \$200,262 decrease over the previous year. The majority of revenue classified as State Appropriations is attributed to formula distribution by the Wyoming Community College Commission. Significant state funding (\$4.54 million) was also provided for employee health insurance benefits, and nursing program support (\$83,129). Local tax receipts increased \$897,666 (9.2%) as a result of an increased assessed valuation of Natrona County in fiscal year 2018 as compared to fiscal year 2017.

Including non-operating revenue, total expenditures exceeded revenues by approximately \$2.99 million for the period. Additionally, restricted capital appropriations, capital grants and gifts, state matching funds for the Endowment Programs, and Foundation support totaling \$2,482,142 were received. Combining all operating and non-operating income and expenses, net position of the College decreased \$514,465 for the year compared to a decrease of \$281,663 in 2017.

CONDENSED STATEMENT OF CASH FLOWS

	2018	2017	2016
Cash provided by (used in):			
Operating activities, net	(\$34,126,184)	(\$35,131,079)	(\$36,022,380)
Noncapital financing			
Activities, net	40,176,527	38,854,441	43,710,906
Capital & related financing			
Activities, net	(4,412,683)	(4,436,263)	(5,765,863)
Investing activities, net	<u>(718,129)</u>	<u>777,167</u>	<u>(131,101)</u>
Net increase (decrease) in cash	919,531	64,266	1,791,562
Cash, beginning of the year	<u>14,314,685</u>	<u>14,250,419</u>	<u>12,458,857</u>
Cash, end of the year	<u>15,234,216</u>	<u>14,314,685</u>	<u>14,250,419</u>

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Financial Highlights – Statement of Cash Flows – (See Pages 11 - 12)

Operating activities used \$34.1 million in cash. The use of cash resulted from the operating loss of \$39.1 million offset by the non-cash expense of depreciation. Other less significant sources and uses of cash contributed to the overall decrease in Cash from Operating Activities (see page 11); however, cash provided by Non-Capital Financing Activities, State Support, and Local Taxes eliminated the deficit.

Cash flows regarding Capital and Related Financing Activities reflect a cash increase of \$23,580 from fiscal year 2017 as all of the capital projects were complete. Cash Flows from Investing Activities show a net cash decrease of approximately \$718,129 during fiscal year 2018 with most of the decrease from amounts invested with the Casper College Foundation for the Endowment Challenge Program and lack of proceeds from sales and maturities of investments compared to the prior year.

Cash increased \$919,531 during fiscal year 2018 resulting in a cash balance of \$15,234,216 at June 30, 2018 as compared to \$14,314,685 at June 30, 2017. This increase is primarily due to the lack of capital construction contracts as noted in the paragraph above.

Financial Statements – Casper College Foundation (Component Unit)

As required by GASB Statement Number 39, The Casper College Foundation is included in the audit report as a component unit of the College (see Note 1, page 14). The Foundation is a discretely presented component unit because its resources directly benefit the College and its students even though it has a board of directors that are independent of the College. The statements of the Foundation are presented separately on pages 7, 10 and 13. The College does not control the timing of receipts, expenditures, or investments of the Foundation as they are determined by the Foundation's Board of Directors.

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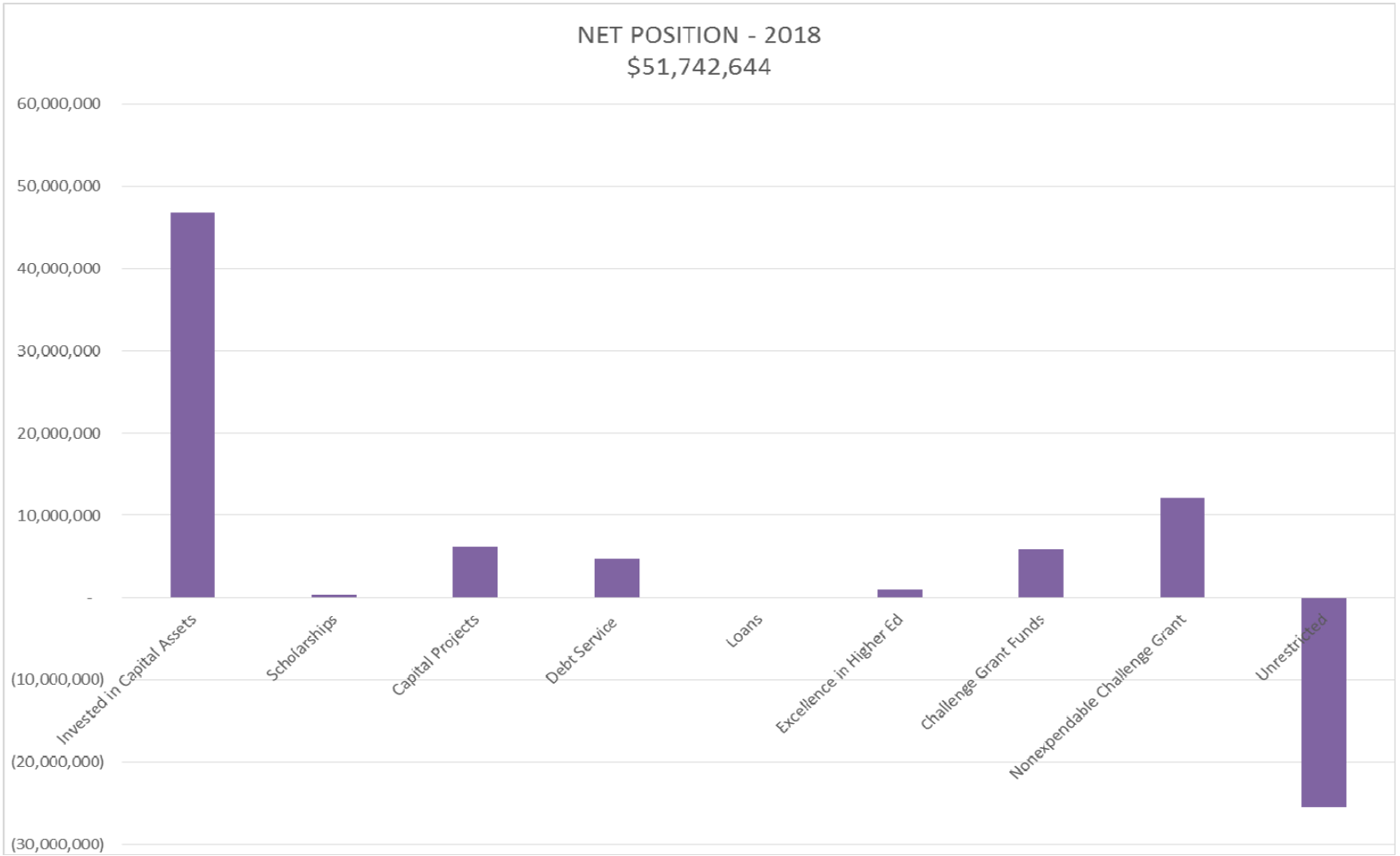
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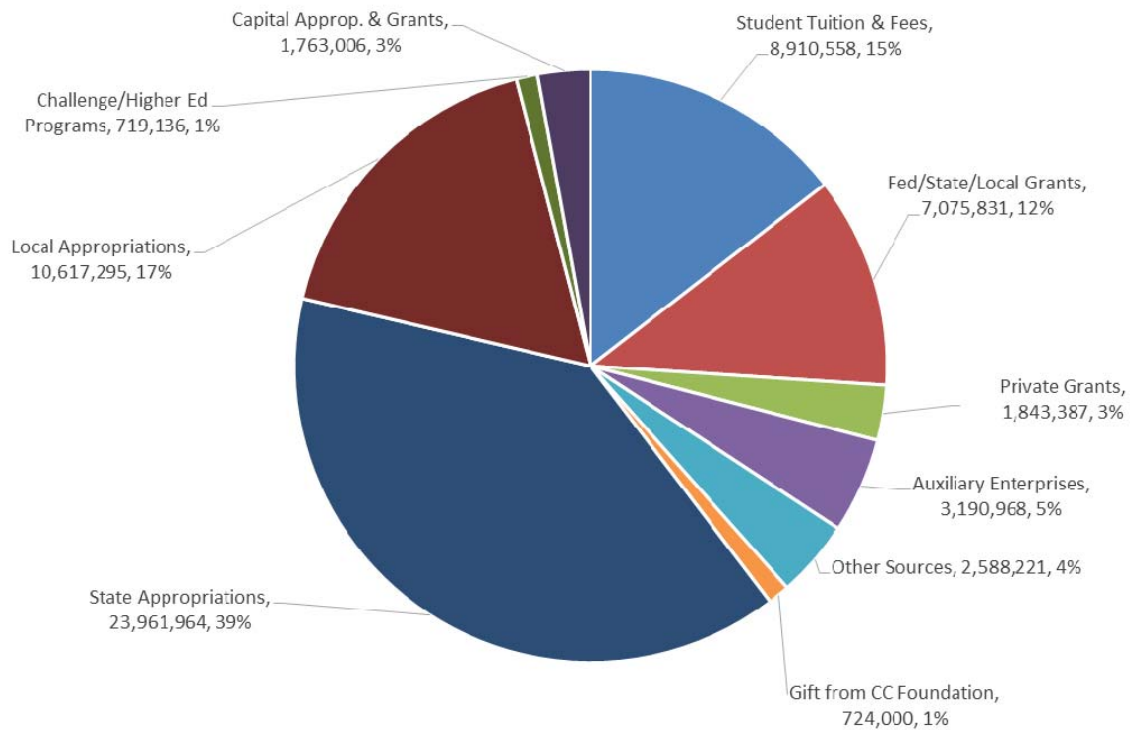
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Capital Grants & Gifts	29,288		24,555		66,258
 Increase in Net Position	 -\$514,465	 -82.65%	 -\$281,663	 70.55%	 -\$956,421

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

SOURCES OF REVENUE - EXCLUDING SCHOLARSHIP ALLOWANCE
FISCAL YEAR 2018



Tuition and Fee revenue, prior to recognition of scholarship allowances, increased \$343,085 over the previous year even though FTE enrollment decreased slightly for fiscal year 2018. An increase of 5.62% in tuition rates was approved by the Wyoming Community College Commission for fiscal year 2018. In addition, fee rates increased by \$3 per credit hour for FY2018. The total Tuition and Fees were \$8,910,558 compared to \$8,567,473 in 2017.

Auxiliary Enterprise revenue, before scholarship allowance, remained relatively flat compared to the prior year even though there was an approved rate increase of approximately 3.13% for fiscal year 2018 for the nineteen-meal per week plan with double occupancy. Overall, occupancy levels in the student residence hall were down in fiscal year 2018 from fiscal year 2017. Detailed schedules of many of the auxiliary operations begin on page 39 of the audit report.

Local Tax revenues increased approximately 9.24% from the previous year due to an increase in the assessed valuation of Natrona County in 2018 as compared to 2017.

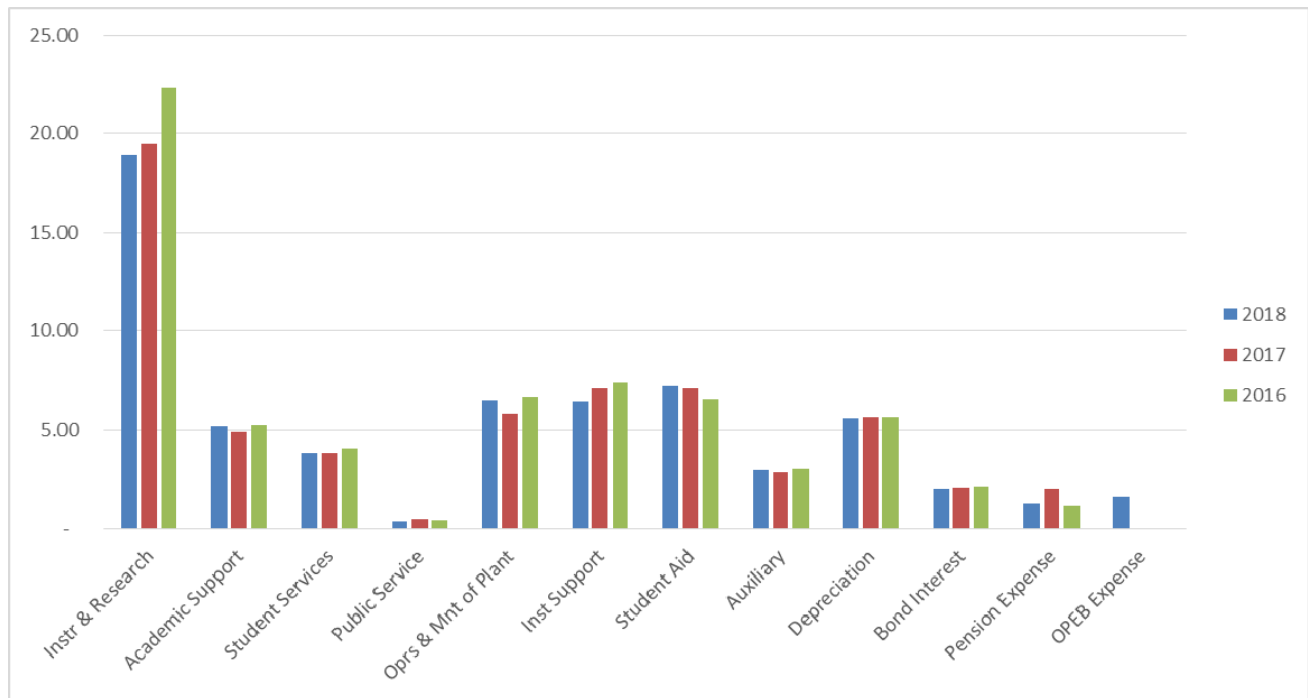
The amounts received for Direct Federal Student Financial Assistance (including student loan programs) increased over 2017 (13.3%). A total of \$6,987,553 was expended for the year compared to \$6,165,844 in 2017 and \$5,200,598 in 2016. Total expenditures of all Federal Awards for 2018 were \$8,294,261 compared to \$7,645,076 for 2017 which can be compared to \$7,332,808 for 2016. A complete list of all Federal Awards begins on page 35 of the report.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Change In Expenses (Including Scholarship Allowance)

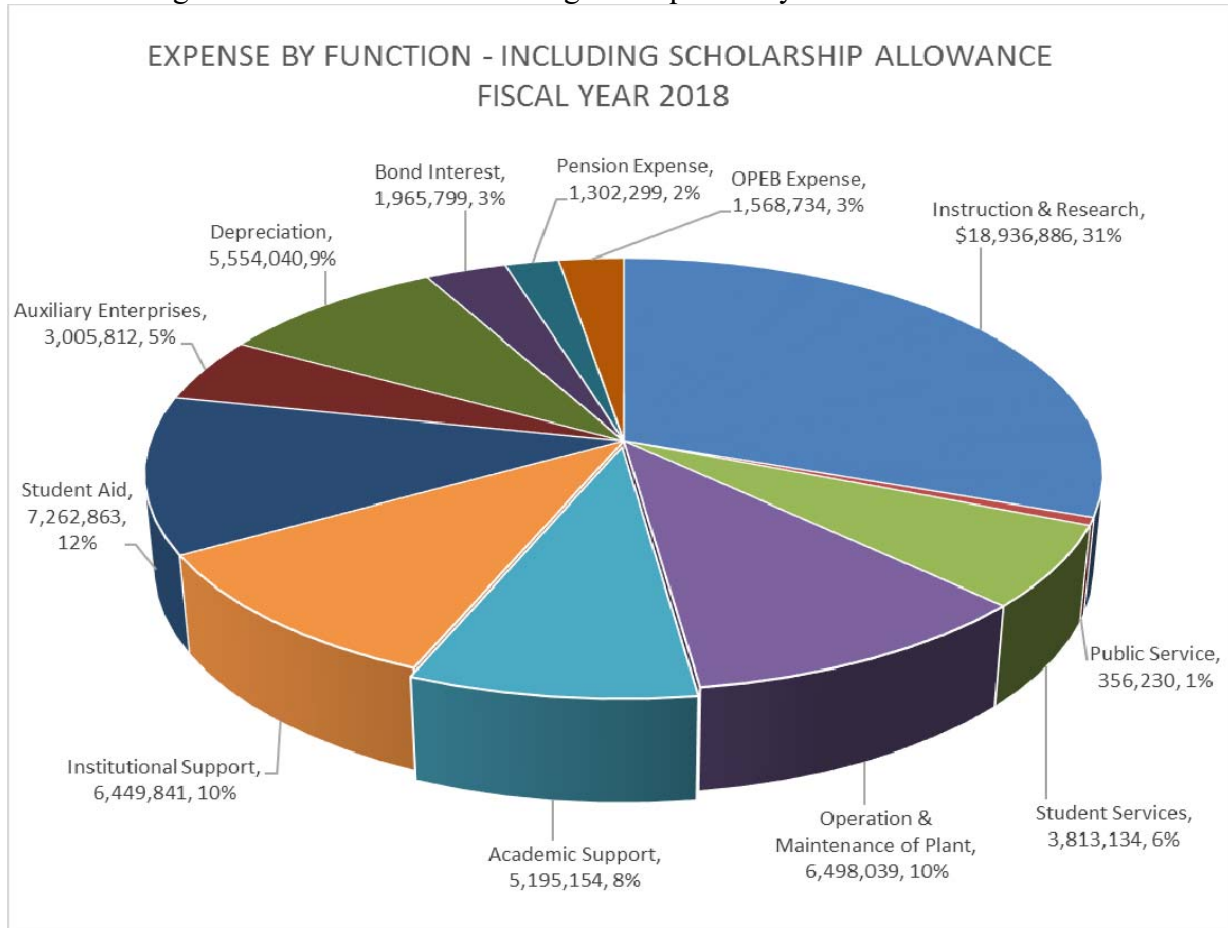
Expenses	2018	% Chg 2018-2017	2017	% Chg 2017-2016	2016
Instruction & Research	\$18,936,886	-2.5%	\$19,430,206	-12.9%	\$22,312,716
Public Service	356,230	-28.7%	499,406	17.4%	425,232
Student Services	3,813,134	-0.4%	3,828,701	-5.8%	4,065,928
Operation & Maintenance of Plant	6,498,039	11.7%	5,818,500	-12.4%	6,645,047
Academic Support	5,195,154	6.0%	4,903,208	-7.4%	5,293,023
Institutional Support	6,449,841	-9.8%	7,152,850	-3.6%	7,420,178
Student Aid	7,262,863	1.9%	7,126,138	8.8%	6,546,795
Auxiliary Enterprises	3,005,812	3.9%	2,892,179	-5.5%	3,060,659
Depreciation	5,554,040	-0.6%	5,587,525	-0.5%	5,615,393
Bond Interest	1,965,799	-3.5%	2,036,649	-2.6%	2,090,560
Pension Expense	1,302,299	-35.5%	2,017,734	69.7%	1,188,853
OPEB Expense	1,568,734				
Total Expenses	<u>\$61,908,831</u>	1.0%	<u>\$61,293,096</u>	-5.2%	<u>\$64,664,384</u>

Comparison of Expenses Fiscal Years 2018 thru 2016 (In Millions)



**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

The following chart shows a breakdown of gross expenses by function:



Total operating expenses, including depreciation, decreased by approximately \$162,000 over the prior year. Many of the program areas reflect decreased expenditure levels. The amount of funding provided to Pell Grant eligible students increased from the previous year by \$92,228 even though FTE enrollment decreased slightly for FY2018. Expenditures in the Student Aid program for FY2018 increased by approximately \$136,725 over the prior fiscal year.

Employee compensation and related benefits account for a significant portion of the expenditures. Employees did not receive a salary increase for fiscal year 2018, however, increases were given for educational advancement with movement on the salary scale. Gross expenditures for employees for salaries and benefits decreased approximately \$130,000 from last year (\$34.36 million vs. \$34.49 million).

Instruction and Academic Support programs combined account for 39% of the total which includes the scholarship allowance. This percentage increases to 43% when depreciation, a non-cash expense, is backed out. Bond Interest expense decreased \$70,850 over FY2017. As a result of GASB #68, pension expense for fiscal year 2018 was \$1,302,299 as compared to \$2,017,734 for fiscal year 2017. In accordance with GASB #75, the OPEB expense was \$1,568,734 for fiscal year 2018.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Overall, operating expenses exceeded operating revenues by \$39.1 million which creates an operating deficit. This large deficit is expected as State Appropriations and Local Tax Levies are classified as non-operating revenues. State Appropriations of \$23.96 million were received during the year, a \$200,262 decrease over the previous year. The majority of revenue classified as State Appropriations is attributed to formula distribution by the Wyoming Community College Commission. Significant state funding (\$4.54 million) was also provided for employee health insurance benefits, and nursing program support (\$83,129). Local tax receipts increased \$897,666 (9.2%) as a result of an increased assessed valuation of Natrona County in fiscal year 2018 as compared to fiscal year 2017.

Including non-operating revenue, total expenditures exceeded revenues by approximately \$2.99 million for the period. Additionally, restricted capital appropriations, capital grants and gifts, state matching funds for the Endowment Programs, and Foundation support totaling \$2,482,142 were received. Combining all operating and non-operating income and expenses, net position of the College decreased \$514,465 for the year compared to a decrease of \$281,663 in 2017.

CONDENSED STATEMENT OF CASH FLOWS

	2018	2017	2016
Cash provided by (used in):			
Operating activities, net	(\$34,126,184)	(\$35,131,079)	(\$36,022,380)
Noncapital financing			
Activities, net	40,176,527	38,854,441	43,710,906
Capital & related financing			
Activities, net	(4,412,683)	(4,436,263)	(5,765,863)
Investing activities, net	<u>(718,129)</u>	<u>777,167</u>	<u>(131,101)</u>
Net increase (decrease) in cash	919,531	64,266	1,791,562
Cash, beginning of the year	<u>14,314,685</u>	<u>14,250,419</u>	<u>12,458,857</u>
Cash, end of the year	<u>15,234,216</u>	<u>14,314,685</u>	<u>14,250,419</u>

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Financial Highlights – Statement of Cash Flows – (See Pages 11 - 12)

Operating activities used \$34.1 million in cash. The use of cash resulted from the operating loss of \$39.1 million offset by the non-cash expense of depreciation. Other less significant sources and uses of cash contributed to the overall decrease in Cash from Operating Activities (see page 11); however, cash provided by Non-Capital Financing Activities, State Support, and Local Taxes eliminated the deficit.

Cash flows regarding Capital and Related Financing Activities reflect a cash increase of \$23,580 from fiscal year 2017 as all of the capital projects were complete. Cash Flows from Investing Activities show a net cash decrease of approximately \$718,129 during fiscal year 2018 with most of the decrease from amounts invested with the Casper College Foundation for the Endowment Challenge Program and lack of proceeds from sales and maturities of investments compared to the prior year.

Cash increased \$919,531 during fiscal year 2018 resulting in a cash balance of \$15,234,216 at June 30, 2018 as compared to \$14,314,685 at June 30, 2017. This increase is primarily due to the lack of capital construction contracts as noted in the paragraph above.

Financial Statements – Casper College Foundation (Component Unit)

As required by GASB Statement Number 39, The Casper College Foundation is included in the audit report as a component unit of the College (see Note 1, page 14). The Foundation is a discretely presented component unit because its resources directly benefit the College and its students even though it has a board of directors that are independent of the College. The statements of the Foundation are presented separately on pages 7, 10 and 13. The College does not control the timing of receipts, expenditures, or investments of the Foundation as they are determined by the Foundation's Board of Directors.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Financial Highlights – Economic Outlook

Declining student enrollment and the risk of decreased funding from Natrona County property taxes and state appropriations continue to affect the future of college funding. Additional factors include the ability of the college to meet the educational need of the community, recruiting and retaining students, and retaining qualified faculty and staff.

According to the October 2018 Consensus Revenue Estimating Group report the revenue forecast for the FY 2019-2020 Biennium general fund was increased by \$212.1 million from the January 2018 report. Within the October 2018 report the general fund revenue forecast for the FY 2019 was increased by approximately \$90.4 million for the general fund and \$121.7 million for FY 2020 from the January 2018 report.

According to the October report the single largest revision when comparing to the January 2018 report is the projected flat to modestly increasing oil production. This is positive for severance tax collections, federal mineral royalty payments, assessed valuations, and sales and use tax collections.

Enrollment declined across the Wyoming community colleges. The one year change in full-time equivalent (FTE) enrollment at Casper College decreased by 165 FTE (.05%) for 2018 as compared to a small increase in 2017. The one year change in FTE enrollment for all Wyoming community colleges was a negative 2.5% as compared to a negative 1.23% change in 2017. Enrollment projections at Casper College for fiscal year 2019 indicate that enrollment will be slightly less than fiscal year 2018. Early projections for 2020 indicate enrollment will remain flat.

The economy in Natrona County has improved slightly from last year as evidenced by a comparison of sales tax revenue from the September 2018 Wyoming Department of Administration and Information report that indicates that the sales and use tax attributed to taxable sales was .40 percent greater than September 2017. The September 2018 unemployment rate at 4.9% remained unchanged as compared to September 2017. The assessed valuation of Natrona County for fiscal year 2019 increased slightly over 2018. Early state-wide estimates of assessed valuations from counties who provide local support to colleges are projected to be flat as mineral valuations moderate.

The Wyoming Community College Commission (WCCC) approved an increase of \$5 (approximately 5%) per credit hour for the in-state tuition rate for fiscal year 2020. The WCCC set the cap on tuition charges at fifteen credits per semester. The WCCC had previously considered removing the cap on tuition but after research and careful consideration the cap was raised from twelve to fifteen credit hours. Casper College removed the cap on mandatory per credit hour student fees charged for each credit hour for fiscal year 2019 but will consider aligning the cap for mandatory per credit hour fees at fifteen hours for fiscal 2020.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

Across the state per credit tuition rates are standardized but mandatory per credit fees and course fees are established upon the recommendation of the administration of each college with approval by their Board of Trustees. Casper College mandatory per credit fees were increased from \$32 to \$34 per credit hour for fiscal year 2019. The increase was directed for the support of digital technology improvements that are necessary for both students and staff. It is likely that there will be a recommendation to increase mandatory per credit fees for fiscal year 2020 along with consideration for course fees that could be assessed for high cost areas such as health science and trades.

The college continues to plan for future construction and renovation projects. A refresh of the Campus Master Plan was completed and approved by the Board of Trustees in September 2018. Two projects remain a priority; the Indoor Practice Arena and the Visual Arts Building. The Indoor Practice Arena received state support during the 2018 legislative session and initial planning is underway. It is scheduled for completion during the summer of 2019. The Visual Arts Building was included in the 2018 State of Wyoming capital construction budget and received Level III construction funding. The college must determine the source(s) of funding for the match required to meet any state funds appropriated for construction of the Visual Arts Building.

Contacting the District’s Financial Management

This financial report is designed to provide our constituents with a general overview of the Casper Community College’s finances and to demonstrate the college’s accountability for the resources it receives. Questions about this report or requests for additional financial information should be directed to the office of the Vice President for Administrative Services, 125 College Drive, Room 415, Gateway Building, Casper, WY.

**CASPER COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018 AND 2017**

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**CASPER COMMUNITY COLLEGE DISTRICT
BOARD MEMBERS
JUNE 30, 2018**

<u>Name</u>	<u>Title</u>
Susan D. Miller	President
Sue Schilling	Vice-President
Kathy Dolan	Treasurer
Dr. Scott Bennion	Secretary
Roy Cohee	Trustee
Suzanne Sandoval	Trustee
Steven Degenfelder	Trustee

INDEPENDENT AUDITORS' REPORT

To the Casper Community College District Board
Casper Community College District
Casper, Wyoming

We have audited the accompanying financial statements of Casper Community College District and its discretely presented component unit, Casper College Foundation, as of and for the years ended June 30, 2018 and 2017, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 entity'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 Casper Community College District and its discretely presented component unit, Casper College Foundation, as of June 30, 2018 and 2017, and the respective changes in financial position, and cash flows 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 i to xiii and the Schedule of Casper College's Proportionate Share of the Net Pension Liability, Schedule of Casper College's Contributions and Schedule of Casper College's Proportionate Share of the Net OPEB Liability on pages 47 through 50 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 Casper Community College District's basic financial statements. The accompanying financial information listed as Supplemental Schedules 2-9 in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental schedules 2-9 and the 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 supplemental schedules 2-9 and the 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 December 14, 2018, on our consideration of Casper Community College District'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 the 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 Casper Community College District's internal control over financial reporting and compliance.

Lenhart, Mason & Associates, LLC
Casper, Wyoming
December 14, 2018

CASPER COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017

ASSETS	2018	2017
Current assets		
Cash and cash equivalents	\$ 12,813,359	\$ 11,865,809
Investments	3,738,566	3,693,608
Accounts receivable	1,384,527	1,345,469
Deposits with bond trustee	2,218,448	2,226,423
Due from University of Wyoming	217,789	218,987
Due from State of Wyoming	1,276,017	1,137,739
Due from funding agencies	175,595	281,001
Due from Casper College Foundation	92,337	146,116
Property taxes receivable	3,043,643	3,005,554
Total current assets	24,960,281	23,920,706
Restricted cash	2,420,857	2,448,876
Restricted investments	3,832,374	3,786,288
Deposits with bond trustee	5,061,311	4,203,594
Investments-Endowment Challenge Program	17,988,987	16,320,793
Property, plant and equipment, net	106,623,717	110,705,373
Total assets	160,887,527	161,385,630
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources for pension plan	4,173,798	3,907,832
Deferred outflows of resources for OPEB plan	945,582	-
Total deferred outflows of resources	5,119,380	3,907,832
LIABILITIES		
Current liabilities		
Accounts payable	473,187	369,868
Accrued liabilities	3,962,624	4,031,802
Due to Casper College Foundation	60,895	38,595
Deposits held in custody for others	520,692	470,797
Student deposits	71,209	80,213
Bonds payable, current portion	1,740,000	1,665,000
Note payable Casper College Foundation, current portion	193,173	183,865
Total current liabilities	7,021,780	6,840,140

(Continued)

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
LIABILITIES		
Bonds payable, long-term portion	\$ 43,715,000	\$ 45,455,000
Note payable Casper College Foundation, long term portion	1,122,839	1,316,012
Accrued compensated absences, long-term portion	560,521	547,835
Early retirement payable, long-term portion	1,109,549	1,960,709
Net pension liability	15,747,531	16,836,854
Net OPEB liability	20,294,708	-
Total long-term liabilities	<u>82,550,148</u>	<u>66,116,410</u>
Total liabilities	<u>89,571,928</u>	<u>72,956,550</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	17,965,092	18,193,402
Deferred inflows of resources for pension plan	3,331,408	673,820
Deferred inflows of resources for OPEB plan	3,389,112	-
Bond premium received, net of amortization	6,722	42,936
Total deferred inflows of resources	<u>24,692,334</u>	<u>18,910,158</u>
NET POSITION		
Net investment in capital assets	46,772,519	48,872,775
Restricted for		
Expendable		
Scholarships and fellowships	367,806	482,855
Capital projects	6,253,231	6,395,790
Debt service	4,822,878	6,155,370
Loans	60,000	60,000
Excellence in higher education	1,009,523	985,066
Endowment challenge program	5,915,908	4,966,850
Nonexpendable		
Endowment challenge program	12,073,079	11,353,943
Unrestricted	(25,672,299)	(5,985,895)
Unrestricted-Designated for auxiliary sinking fund	140,000	140,000
Total net position	<u>\$ 51,742,645</u>	<u>\$ 73,426,754</u>

See accompanying notes to financial statements

**CASPER COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,677,619	\$ 1,790,998
Investments	97,715,757	88,222,360
Royalties receivable	60,726	42,069
Accrued interest receivable	19,493	21,911
Due from Casper Community College District	58,481	31,722
Contribution receivable	43,116	968,550
Unconditional promises to give	132,860	14,965
Note receivable Casper Community College District	1,316,012	1,499,877
Assets held in charitable remainder trust	2,141,612	2,003,737
Mineral interests	7,206,186	234,722
Prepaid expenses	8,376	-
Assets held for display purposes	1,199,180	1,199,180
Property and equipment, net	4,756,058	5,045,384
Total assets	\$ 116,335,476	\$ 101,075,475
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 16,432	\$ 15,477
Accrued liabilities	54,621	49,014
Due to Casper Community College District	1,146,320	401,279
Pledge payable - Casper Community College District residence hall	14,300,000	14,950,000
Investments held on behalf of Casper Community College District	17,988,987	16,320,793
Liability under charitable remainder trust agreement	145,912	145,912
Total liabilities	33,652,272	31,882,475
Net assets		
Unrestricted		
Designated for theater maintenance	398,128	389,338
Undesignated	29,159,656	26,595,110
Temporarily restricted	34,126,695	24,707,599
Permanently restricted	18,998,725	17,500,953
Total net assets	82,683,204	69,193,000
Total liabilities and net assets	\$ 116,335,476	\$ 101,075,475

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
REVENUES		
Operating revenues		
Student tuition and fees, net of scholarship allowances of \$2,752,195 and \$2,736,046	\$ 6,158,363	\$ 5,831,427
Federal grants and contracts	1,300,305	1,467,678
State grants and contracts	577,140	550,165
Local grants and contracts	320,174	256,328
Private grants and contracts	1,843,387	1,917,534
Auxiliary enterprises, net of scholarship allowances of \$914,145 and \$934,716	2,276,823	2,253,333
Lease income	528,891	528,773
Other sources	523,679	519,214
Gift from Casper College Foundation - rental value of buildings	724,000	724,000
Total operating revenues	14,252,762	14,048,452
EXPENSES		
Operating expenses		
Instruction	18,936,886	19,430,206
Public service	356,230	499,406
Student services	3,813,134	3,828,701
Operation and maintenance of plant	6,498,039	5,818,500
Academic support	5,195,154	4,903,208
Institutional support	6,449,841	7,152,850
Student aid	3,596,523	3,455,376
Auxiliary enterprises	3,005,812	2,892,179
Depreciation	5,554,040	5,587,525
Total operating expenses	53,405,659	53,567,951
Operating loss	(39,152,897)	(39,519,499)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	23,961,964	24,162,226
Property taxes	10,617,295	9,719,629
Federal grants and contracts	3,380,230	3,296,152
State and local grants and contracts	1,497,982	1,427,913
Investment income (loss)	1,443,604	2,405,122
Interest income	92,047	48,206
Interest expense on capital asset - related debt	(1,965,799)	(2,036,649)
Loss on disposal of assets	-	(10,283)
OPEB expense (GASB 75 adjustment)	(1,568,734)	-
Pension expense (GASB 68 adjustment)	(1,302,299)	(2,017,734)
Non-operating revenues, net	36,156,290	36,994,582
Loss before other revenues, expenses, gains or losses	(2,996,607)	(2,524,917)

(Continued)

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
OTHER REVENUES		
Endowment Challenge Program	\$ 719,136	\$ 83,095
Capital appropriations	1,733,718	2,135,604
Capital grants and gifts	29,288	24,555
Decrease in net position	(514,465)	(281,663)
NET POSITION, BEGINNING	73,426,754	73,708,417
CUMULATIVE EFFECT OF NEW ACCOUNTING PRINCIPLE (GASB 75)	(21,169,644)	-
NET POSITION, ENDING	\$ 51,742,645	\$ 73,426,754

See accompanying notes to financial statements

**CASPER COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018			2017				
	Unrestricted	Restricted		Unrestricted	Restricted			
		Temporarily	Permanently	Total		Temporarily	Permanently	Total
CHANGES IN NET ASSETS								
Revenues and gains								
Contributions	\$ 137,500	\$ 8,005,762	\$ 1,487,997	\$ 9,631,259	\$ 976,985	\$ 942,857	\$ 504,379	\$ 2,424,221
Investment income (loss)	4,088,184	3,079,802	7,975	7,175,961	4,955,016	6,379,507	23,421	11,357,944
Rental income	749,000	-	-	749,000	749,000	-	-	749,000
Royalties	418,109	-	-	418,109	411,814	-	-	411,814
Other income	-	141,056	-	141,056	-	122,043	-	122,043
Total revenues and gains	5,392,793	11,226,620	1,495,972	18,115,385	7,092,815	7,444,407	527,800	15,065,022
Net assets released from restrictions								
Satisfaction of donor restrictions	1,805,724	(1,805,724)	-	-	1,376,979	(1,376,979)	-	-
Total revenues, gains and other support	7,198,517	9,420,896	1,495,972	18,115,385	8,469,794	6,067,428	527,800	15,065,022
Expenses								
Casper Community College District support								
Scholarships and student assistance	1,098,204	-	-	1,098,204	735,863	-	-	735,863
College programs and plant	2,450,625	-	-	2,450,625	1,895,482	-	-	1,895,482
Support of other organizations	67,350	-	-	67,350	43,387	-	-	43,387
Total Casper Community College District support	3,616,179	-	-	3,616,179	2,674,732	-	-	2,674,732
General administration	809,855	-	-	809,855	762,126	-	-	762,126
Fundraising	199,147	-	-	199,147	123,094	-	-	123,094
Total expenses	4,625,181	-	-	4,625,181	3,559,952	-	-	3,559,952
INCREASE IN NET ASSETS	2,573,336	9,420,896	1,495,972	13,490,204	4,909,842	6,067,428	527,800	11,505,070
NET ASSETS, BEGINNING	26,984,448	24,707,599	17,500,953	69,193,000	22,074,606	18,640,171	16,973,153	57,687,930
RECLASSIFICATIONS OF NET ASSETS	-	(1,800)	1,800	-	-	-	-	-
NET ASSETS, ENDING	\$ 29,557,784	\$ 34,126,695	\$ 18,998,725	\$ 82,683,204	\$ 26,984,448	\$ 24,707,599	\$ 17,500,953	\$ 69,193,000

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 6,243,445	\$ 5,756,547
Grants and contracts	4,201,402	4,327,544
Payments to suppliers	(29,337,584)	(29,581,052)
Payments to employees	(18,033,949)	(18,406,665)
Auxiliary enterprise charges	2,276,823	2,253,333
Other operating revenues	523,679	519,214
Net cash used in operating activities	(34,126,184)	(35,131,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	23,961,964	24,162,226
State challenge match	719,136	223,793
Property taxes	10,617,356	9,744,357
Federal grants and contracts	3,380,089	3,296,152
State and local grants and contracts	1,497,982	1,427,913
Direct student loan receipts	3,594,978	2,881,246
Direct student loan disbursements	(3,594,978)	(2,881,246)
Net cash provided by noncapital financing activities	40,176,527	38,854,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	1,733,718	2,135,604
Capital grants and gifts	29,288	24,555
Principal payments on note payable-Casper College Foundation	(183,865)	(175,004)
Purchases of capital assets (including amounts paid for capitalized interest)	(1,472,383)	(2,286,369)
Principal paid on capital debt	(1,665,000)	(1,625,000)
Interest paid on capital debt	(2,004,699)	(2,236,177)
Deposit with bond trustee	(849,742)	(273,872)
Net cash used in capital and related financing activities	(4,412,683)	(4,436,263)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	-	1,000,000
Amounts invested with Casper College Foundation for Endowment Challenge Program	(719,136)	(223,792)
Investment and interest income	92,047	48,206
Purchase of investments	(91,040)	(47,247)
Net cash provided by (used in) investing activities	(718,129)	777,167
Net increase in cash	919,531	64,266
CASH, BEGINNING	14,314,685	14,250,419
CASH, ENDING	\$ 15,234,216	\$ 14,314,685

(Continued)

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (39,152,897)	\$ (39,519,499)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	5,554,040	5,587,525
Scholarships paid from the endowment challenge program	494,542	511,563
Changes in assets and liabilities:		
Accounts receivable	(39,058)	(64,374)
Due from University of Wyoming	1,198	13,107
Due from State of Wyoming	(138,278)	15,552
Due from funding agencies	105,406	(69,845)
Due from Casper College Foundation	53,779	35,278
Accounts payable	103,319	(286,642)
Accrued liabilities	81,570	(121,891)
Due to Casper College Foundation	22,300	(3,486)
Deposits held in custody for others	49,895	31,011
Deferred revenue	(266,460)	(397,532)
Student deposits	(9,004)	(14,600)
Accrued compensated absences	31,714	(108,936)
Early retirement payable	(1,018,250)	(738,310)
	\$ (34,126,184)	\$ (35,131,079)
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION		
Current assets		
Cash	\$ 12,813,359	\$ 11,865,809
Noncurrent assets		
Restricted cash	2,420,857	2,448,876
	\$ 15,234,216	\$ 14,314,685
NONCASH TRANSACTIONS		
Investment income-Endowment Challenge Program	\$ 1,443,604	\$ 2,405,122
Scholarship expense-Endowment Challenge Program	494,542	511,563

See accompanying notes to financial statements

**CASPER COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 13,490,204	\$ 11,505,070
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities		
Depreciation	289,326	291,942
(Gain) loss on investments	(3,574,397)	(8,377,416)
(Gain) loss on assets held in charitable remainder trust	29,019	(219,667)
Gain on sale of assets	-	(7,238)
Noncash contributions	(6,971,464)	-
Increase (decrease) in cash and cash equivalents as a result of changes in operating assets and liabilities		
Accounts receivable	-	1,400
Royalties receivable	(18,657)	43,078
Accrued interest receivable	2,418	2,499
Due from Casper Community College District	(26,759)	9,983
Contribution receivable	925,434	(950,000)
Unconditional promises to give	(117,895)	4,002
Prepaid expenses	(8,376)	-
Accounts payable	955	3,687
Accrued liabilities	5,607	3,691
Due to Casper Community College District	745,041	(67,798)
Pledge payable - Casper Community College District residence hall	(650,000)	(650,000)
Contributions and income restricted for endowments contributions	(1,487,997)	(504,379)
Investment gain (loss) for endowments	(7,975)	(23,421)
Net cash provided by operating activities	2,624,484	1,065,433
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(6,611,925)	(7,175,227)
Principal payments received from Casper Community College District	183,865	175,005
Proceeds from the sale of assets	-	42,208
Proceeds from the sale and maturities of investments	2,194,225	5,518,178
Net cash used in investing activities	(4,233,835)	(1,439,836)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowments	1,487,997	504,379
Investment income restricted for endowments	7,975	23,421
Net cash provided by financing activities	1,495,972	527,800
Net increase (decrease) in cash and cash equivalents	(113,379)	153,397
CASH AND CASH EQUIVALENTS, BEGINNING	1,790,998	1,637,601
CASH AND CASH EQUIVALENTS, ENDING	\$ 1,677,619	\$ 1,790,998

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by Casper Community College District (College), a public institution of higher learning, are described below. The College boundaries are the same as Natrona County, Wyoming. As a public institution, the College receives funding from the State of Wyoming upon approval of the state legislature.

The Financial Reporting Entity – As required by generally accepted accounting principles, these financial statements present the Casper Community College District and its discretely presented component unit, the Casper College Foundation.

The College follows Governmental Accounting Standards Board (GASB) Statement Number 61, *The Financial Reporting Entity: Omnibus* and Number 39, *Determining Whether Certain Organizations are Component Units* both of which amended GASB Statement No. 14, *The Financial Reporting Entity* to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

As defined by GASB Statement Number 61 and 39, the Casper College Foundation (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation consists of College board members as well as members of the Casper community. Although the College does not control the timing or amount of receipts from the Foundation, the resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards. Most significant to the Foundation's operations and reporting model are FASB standards found in section 958 of the FASB codification of standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Financial statements for the Foundation can be obtained by calling the Foundation at (307) 268-2256.

Financial Statement Presentation – The College's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement Number 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, GASB Statement Number 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement Number 65 *Items Previously Reported as Assets and Liabilities*. Under GASB Statements Number 34, 35, 63, and 65, the College is required to present a statement of net position classified between assets, deferred outflows, liabilities and deferred inflows, a statement of revenues, expenses, and changes in net position, with separate presentation for operating and non-operating revenues and expenses, and a statement of cash flows using the direct method.

Basis of Accounting – For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College 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.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – For the purpose of the statement of cash flows, the College considers all certificates of deposit and money market accounts to be cash equivalents.

Accounts Receivable – A provision for possible losses has not been established for the accounts receivable as any potential loss is not considered significant to the financial statements. The College does not require collateral on its accounts receivable.

Investments – The College accounts for its investments at fair value, as determined by quoted market prices, in accordance with GASB Statement Number 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Noncurrent Cash and Investments – Cash and investments that are externally restricted for long-term debt service payments or the purchase of capital assets are classified as noncurrent assets in the statement of net position.

Property and Equipment – Property and equipment are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the College’s capitalization policy requires capitalization of all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than three years.

Major renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized when the aggregate cost is greater than \$50,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Property and equipment of the College are depreciated using the straight-line method over the following useful lives:

Asset	Years
Buildings	40
Building Improvements	20
Land Improvements	20
Infrastructure	25 - 50
Equipment	3 - 14
Library Books	5

Accrued Compensated Absences – College employees may accrue annual leave based on length of service to a maximum that does not exceed the amount allowed in one and one half calendar years. Accrued leave is paid upon termination. The estimated amount of accrued compensated absences to be paid within one year is included in accrued liabilities in the statement of net position. (See Note 4 for the estimated long-term portion.)

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

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 of outstanding debt obligations related to those capital assets.

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

Restricted net position – nonexpendable – Restricted nonexpendable net position consists of funds received from the State Endowment Challenge Program, which cannot be spent. The earnings on investments will be available based on donor restrictions.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College’s policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

Property Taxes – Property taxes attach as an enforceable lien on property in May of each year. Taxes are levied on or about August 1 and payable in two installments, which are due November 10th and May 10th. The County bills and collects its own property taxes as well as taxes for all municipalities and political subdivisions within the County, including the Casper Community College District.

Classification of Revenues – The College has classified its revenues as either operating or nonoperating 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 allowances, (2) sales and services of auxiliary enterprises, net of scholarship allowances and (3) certain federal, state, local and private grants and contracts.

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 Number 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB Number 34, such as state appropriations, property taxes, investment and interest income, and federal and state grants to students.

CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Allowances – Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for 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, are recorded as a scholarship allowance to the extent that revenues from such programs are used to satisfy tuition and fees and other student charges.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Component unit – Outlined below are the significant differences in accounting policies and principles for the Foundation:

As required by the FASB standards, the Foundation reports its net assets in the following three classes:

Unrestricted net assets – Net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets are further divided into undesignated net assets and designated net assets. Designated net assets are those assets which are unrestricted, but designated by the Foundation's Board for specified purposes.

Temporarily restricted net assets – Net assets whose use by the Foundation have been limited by donors (a) to later periods of time or after specified dates or (b) to specified purposes. Such restricted net assets are deemed to be earned and reported as revenues when the contribution is received and classified as temporarily restricted until expenditures have been incurred in compliance with the specific restrictions.

Permanently restricted net assets – Net assets which must be maintained in perpetuity. Earnings on permanently restricted net assets are classified as temporarily restricted unless otherwise specified by the donor, until the Foundation has incurred expenditures in compliance with the specific restrictions.

Contributions are recorded at their fair value at the earlier of the date of the donation or the unconditional promise to give. Unconditional promises to give (less an allowance for uncollectible amounts) are recorded as receivables in the year the promise is made.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset 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. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. The Foundation does not have a formal capitalization policy. Property and equipment are depreciated using the straight-line method over the useful life of the asset.

Gifts of mineral interests in oil and gas leases located in the Rocky Mountain region are recorded at their fair value at the date of the gift. Leases abandoned are recorded as an expense.

Assets Held for Display Purposes are recorded at their fair value as of the date of the donation.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications – Certain elements of the 2017 financial statements have been reclassified to conform to the 2018 presentation, with no effect on total assets, net position or the change in net position.

NOTE 2 – CASH AND INVESTMENTS

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's policy requires that all deposits be insured or collateralized in accordance with W.S. 9-4-821.

Deposits – The carrying amount of the College's deposits with financial institutions at June 30, 2018 and 2017 was \$15,222,564 and \$14,302,801, respectively, and the bank balance was \$15,608,600 and \$14,657,249, respectively. At June 30, 2018 and 2017, the bank balance was insured or fully collateralized with securities held by the pledging financial institution in the College's name.

Investments Held by Casper College – At June 30, 2018 and 2017, Casper College held investments in WYOSTAR investment pool of \$7,570,940 and \$7,479,896, respectively.

Interest Rate Risk – In order to mitigate interest rate risk and provide for cash flow needs, it is the College's policy to invest only in short-term government securities with maturities of less than a year.

Credit Risk – Investments are limited to certain federal government instruments, savings certificates of savings and loan associations, and bank certificates of deposit as authorized by W.S. 9-4-831. Under investment agreements with WYOSTAR, the College has invested monies at a federal contract rate of interest. Because the security is essentially a written contract, there is no rating available for such an investment, however, under Wyoming statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations. As of June 30, 2018, the State Treasurer's Investment Pool (WYOSTAR) did not have a quality service credit rating.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterpart, the College will not be able to recover the value of its investments that are in the possession of an outside party. All of the College's investments are held by the counterparty in the College's name.

The College is authorized by Wyoming statute to invest in various federal government instruments and certificates of deposits from banks and savings and loan associations.

Investments held by Casper College Foundation on behalf of Casper College

Investment Policy – It is the policy of the College to invest Endowment Challenge Program investments under a memorandum of agreement with the Casper College Foundation. The amounts are invested in accordance with the Casper College Foundation's investment policies on behalf of the College as allowed by Wyoming Statute. All investment vehicles must be in compliance with the Wyoming Community College Endowment Challenge Program and the laws of the State of Wyoming. Effective March 12, 2009, the State of Wyoming enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Trustees of the Foundation has interpreted UPMIFA as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments held by Casper College Foundation

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. The general economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. The investment policies of the Foundation

Return Objectives and Risk Parameters – The Foundation has adopted investment and spending policies for endowment assets with the primary investment objective of a balance among capital appreciation, preservation of capital, and current income. This should allow the Foundation to reach its primary long-term goal: to achieve a total return sufficient to support a level of current spending which will be constant as a percent of investable assets and, in absolute terms, grows at least as rapidly as inflation. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). The Foundation expects its endowment funds, over time, to provide an overall long-term return of 5-6% above inflation, depending upon events in the capital markets and the expertise of managers hired. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has adopted a target asset allocation policy of 75% equities and 25% fixed income for its restricted assets and a 60% equities, 15% fixed income, and 25% alternative investments asset allocation policy for unrestricted assets.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation has a policy of appropriating for distribution each year 3 - 5 percent of the June 30th balance of each endowment fund, averaged over the past 5 years, to be available for the next fiscal year. If the fund has no net earnings, defined as cumulative dividends, interest, unrealized market value increases and decreases less expenses, the Board has determined that it will have an annual line of credit available from unrestricted monies. These monies are available to the fund at an interest rate of 5%. If the fund has earnings the next year, the interest will be paid back first and then the principal of the line of credit. Once the interest and principal have been paid, the fund can then use its remaining net income to fund the next fiscal year's budget. The availability of the line of credit will be reviewed annually by the Board. In establishing this policy, the Foundation considered the long-term expected return on its endowments.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments held by Casper College Foundation (Continued)

Foundation investments are carried at fair value as determined by quoted market prices (except as noted below) and realized and unrealized gains and losses are reflected in the statement of activities. Investments by major type, as of June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Publicly traded mutual funds	\$ 90,427,429	\$ 82,758,771
Publicly traded equity securities	169,803	166,142
Alternative investments	7,118,525	5,297,447
	<u>\$ 97,715,757</u>	<u>\$ 88,222,360</u>

Fair values of assets at June 30, 2018 and 2017 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Units (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>2018</u>				
Publicly traded mutual funds	\$ 90,427,429	\$ 90,427,429	\$ -	\$ -
Publicly traded equity securities	169,803	169,803	-	-
Alternative investments	7,118,525	-	7,118,525	-
Assets in charitable trust (mutual fund)	2,141,612	2,141,612	-	-
	<u>\$99,857,369</u>	<u>\$ 92,738,844</u>	<u>\$ 7,118,525</u>	<u>\$ -</u>
<u>2017</u>				
Publicly traded mutual funds	\$ 82,758,771	\$ 82,758,771	\$ -	\$ -
Publicly traded equity securities	166,142	166,142	-	-
Alternative investments	5,297,447	-	5,297,447	-
Assets in charitable trust (mutual fund)	2,003,737	2,003,737	-	-
	<u>\$90,226,097</u>	<u>\$ 84,928,650</u>	<u>\$ 5,297,447</u>	<u>\$ -</u>

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 3 – PROPERTY AND EQUIPMENT

A summary of property and equipment and related depreciation is as follows:

	Beginning Balance July 1, 2016	2017		Balance June 30, 2017	2018		Ending Balance June 30, 2018
		Additions	Retirements/ Reclassifications		Additions	Retirements/ Reclassifications	
Capital assets not being depreciated							
Land	\$ 361,099	\$ -	\$ -	\$ 361,099	\$ -	\$ -	\$ 361,099
Construction in progress	139,991	336,363	314,040	162,314	194,503	28,312	328,505
Total capital assets not being depreciated	<u>501,090</u>	<u>336,363</u>	<u>314,040</u>	<u>523,413</u>	<u>194,503</u>	<u>28,312</u>	<u>689,604</u>
Depreciable assets							
Land improvements	6,455,664	-	-	6,455,664	-	-	6,455,664
Buildings, improvements and infrastructure	145,945,408	701,510	-	146,646,918	785,209	-	147,432,127
Equipment	11,697,897	465,718	103,815	12,059,800	232,165	61,585	12,230,380
Library books	2,384,396	41,525	-	2,425,921	42,297	1,294,549	1,173,669
Infrastructure	11,922,436	1,055,293	-	12,977,729	246,522	-	13,224,251
Total depreciable assets	<u>178,405,801</u>	<u>2,264,046</u>	<u>103,815</u>	<u>180,566,032</u>	<u>1,306,193</u>	<u>1,356,134</u>	<u>180,516,091</u>
Accumulated depreciation							
Land improvements	5,912,944	95,253	-	6,008,197	82,898	-	6,091,095
Buildings, improvements and infrastructure	46,422,978	4,011,100	-	50,434,078	4,002,207	-	54,436,285
Equipment	7,472,658	1,091,881	93,532	8,471,007	1,061,460	61,585	9,470,882
Library books	2,255,083	47,542	-	2,302,625	44,295	1,294,549	1,052,371
Infrastructure	2,826,416	341,749	-	3,168,165	363,180	-	3,531,345
Total accumulated depreciation	<u>64,890,079</u>	<u>5,587,525</u>	<u>93,532</u>	<u>70,384,072</u>	<u>5,554,040</u>	<u>1,356,134</u>	<u>74,581,978</u>
Net depreciable capital assets	<u>113,515,722</u>	<u>(3,323,479)</u>	<u>10,283</u>	<u>110,181,960</u>	<u>(4,247,847)</u>	<u>-</u>	<u>105,934,113</u>
Net property, plant & equipment	<u>\$ 114,016,812</u>	<u>\$ (2,987,116)</u>	<u>\$ 324,323</u>	<u>\$ 110,705,373</u>	<u>\$ (4,053,344)</u>	<u>\$ 28,312</u>	<u>\$ 106,623,717</u>

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 4 – LONG-TERM LIABILITIES

Long-term liability activity was as follows:

	Beginning Balance <u>July 1, 2017</u>	Additions	Reductions	Ending Balance <u>June 30, 2018</u>	Amounts Due Within One Year
Accrued compensated absences	\$ 1,369,588	\$ 853,467	\$ 821,753	\$ 1,401,302	\$ 840,781
Bonds payable	47,120,000	-	1,665,000	45,455,000	1,740,000
Early retirement payable	3,037,000	58,541	1,076,541	2,019,000	909,451
Note payable					
Casper College Foundation	1,499,877	-	183,865	1,316,012	193,173
Total long-term liabilities	<u>\$ 53,026,465</u>	<u>\$ 912,008</u>	<u>\$3,747,159</u>	<u>\$ 50,191,314</u>	<u>\$3,683,405</u>
	Beginning Balance <u>July 1, 2016</u>	Additions	Reductions	Ending Balance <u>June 30, 2017</u>	Amounts Due Within One Year
Accrued compensated absences	\$ 1,478,524	\$ 778,178	\$ 887,114	\$ 1,369,588	\$ 821,753
Bonds payable	48,745,000	-	1,625,000	47,120,000	1,665,000
Early retirement payable	3,775,000	513,393	1,251,393	3,037,000	1,076,291
Note payable					
Casper College Foundation	1,674,882	-	175,005	1,499,877	183,865
Total long-term liabilities	<u>\$ 55,673,406</u>	<u>\$ 1,291,571</u>	<u>\$3,938,512</u>	<u>\$ 53,026,465</u>	<u>\$3,746,909</u>

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**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

Bonds payable – A summary of bonds payable is as follows:

	Interest Rates (5)	Maturity Through	Beginning Balance July 1, 2017	Additions	Reductions	Ending Balance June 30, 2018
General obligation bonds - 2009 (1)	2.75 - 5.0%	2034	\$ 8,675,000	\$ -	\$ 350,000	\$ 8,325,000
Revenue bonds - 2010B (2)	3.83 - 6.83%	2040	19,455,000	-	535,000	18,920,000
General obligation bonds - 2010A (3)	2.0 - 4.0%	2018	780,000	-	780,000	-
General obligation bonds - 2010B (4)	4.25 - 5.85%	2035	18,210,000	-	-	18,210,000
Total bonds payable			<u>\$ 47,120,000</u>	<u>\$ -</u>	<u>\$ 1,665,000</u>	<u>\$ 45,455,000</u>

	Interest Rates (5)	Maturity Through	Beginning Balance July 1, 2016	Additions	Reductions	Ending Balance June 30, 2017
General obligation bonds - 2009 (1)	2.75 - 5.0%	2034	\$ 9,030,000	\$ -	\$ 355,000	\$ 8,675,000
Revenue bonds - 2010B (2)	3.83 - 6.83%	2040	19,975,000	-	520,000	19,455,000
General obligation bonds - 2010A (3)	2.0 - 4.0%	2018	1,530,000	-	750,000	780,000
General obligation bonds - 2010B (4)	4.25 - 5.85%	2035	18,210,000	-	-	18,210,000
Total bonds payable			<u>\$ 48,745,000</u>	<u>\$ -</u>	<u>\$ 1,625,000</u>	<u>\$ 47,120,000</u>

- (1) The bonds were issued for the construction of the Gateway building. The full faith and credit of the College is pledged for the punctual payment of the bond principal and interest. Annually, taxes are levied on property within the County in an amount sufficient for payment of bond principal and interest. The taxes are collected by Natrona County and amounts collected by the County, which have not yet been remitted to bondholders, are reported in the statement of net position as *Deposits with Bond Trustee*.
- (2) The bonds were issued for the construction of a student residence hall. The bonds are taxable Build America Bonds with certain net revenues of the College to be used to pay for the debt service on the bonds, which includes financial contributions from the Casper College Foundation. The College also received a subsidy from the United States Treasury equal to 33% (35% less 6.6% due to sequestration) of the interest cost on these bonds for the years ending June 30, 2018 and 2017. The subsidy is used to offset the interest costs associated with taxable Build America Bonds. For the year ending June 30, 2019, the College has been notified that their 35% interest subsidy will be reduced by 6.2% due to sequestration.
- (3) The bonds were issued for the construction of buildings. The full faith and credit of the College is pledged for the punctual payment of the bond principal and interest. Annually, taxes are levied on property within the County in an amount sufficient for payment of bond principal and interest. The taxes are collected by Natrona County and amounts collected by the County, which have not yet been remitted to bondholders, are reported in the statement of net position as "Deposits with Bond Trustee".

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

Bonds payable (Continued)

- (4) The bonds were issued for the construction of buildings. The full faith and credit of the College is pledged for the punctual payment of the bond principal and interest. Annually, taxes are levied on property within the County in an amount sufficient for payment of bond principal and interest. The taxes are collected by Natrona County and amounts collected by the County, which have not yet been remitted to bondholders, are reported in the statement of net position as "Deposits with Bond Trustee". The bonds are taxable Build America Bonds whereby the College received a subsidy from the United States Treasury equal to 33% of the interest cost on these bonds for the years ending June 30, 2018 and 2017 which is the interest subsidy of 35% less a reduction for sequestration. The subsidy is used to offset the interest costs associated with taxable Build America Bonds. For the year ending June 30, 2019, the College has been notified that their 35% interest subsidy will be reduced by 6.2% due to sequestration.
- (5) The interest rates reflect the range of interest rates from inception to maturity.

A summary of future bond principal and interest payments as of June 30, 2018 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest, Net of Subsidy</u>	<u>Total</u>
2019	\$ 1,740,000	\$ 1,817,618	\$ 3,557,618
2020	1,805,000	1,761,078	3,566,078
2021	1,850,000	1,701,354	3,551,354
2022	1,925,000	1,637,848	3,562,848
2023	1,995,000	1,569,626	3,564,626
2024-2028	11,125,000	6,664,938	17,789,938
2029-2033	13,575,000	4,223,508	17,798,508
2033-2038	8,920,000	1,490,703	10,410,703
2039-2040	2,520,000	168,762	2,688,762
	<u>\$ 45,455,000</u>	<u>\$ 21,035,435</u>	<u>\$ 66,490,435</u>

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**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

Early Retirement Payable – The College has a voluntary program for employees meeting certain age and years of service requirements that allows the employee to elect to receive a severance payment which is based upon the salary for the last fiscal year, years of prior service and the age of the employee. The payment is paid in five equal annual installments and, in the case of death, the remaining installments will be paid to a named beneficiary. The program is subject to yearly approval by the Board of Trustees. The obligation is presented at its estimated present value using a discount rate of 3.0%. The current portion of the obligation is included in accrued expenses in the accompanying financial statements.

Aggregate future minimum payments, as of June 30, 2018, are as follows:

Year	Present Value	Imputed Interest	Total
2019	\$ 909,451	\$ 166	\$ 909,617
2020	644,157	33,757	677,914
2021	374,780	14,164	388,944
2022	89,988	2,765	92,753
2023	624	28	652
	<u>\$ 2,019,000</u>	<u>\$ 50,880</u>	<u>\$ 2,069,880</u>

Effective July 1, 2016 the maximum percentage to be paid out was reduced from 150% to 75% and the years of service was increased from 10 years to 15 years for new applicants. The program was terminated effective July 1, 2017 whereby all current participants will continue to receive benefits but no new applicants were accepted.

Note Payable - Casper College Foundation – During the year ended June 30, 2014, Casper College borrowed \$2,000,000 from Casper College Foundation to be used towards the purchase of the Casper College ranch property. A ten year note was created with an annual interest rate of 5%. The College will make semi-annual payments on this note with the final payment in the year ending June 30, 2024.

A summary of future principal and interest payments as of June 30, 2018 is as follows:

Year	Principal	Interest	Total
2019	\$ 193,173	\$ 63,416	\$ 256,589
2020	202,953	53,636	256,589
2021	213,227	43,362	256,589
2022	224,021	32,568	256,589
2023	235,362	21,227	256,589
2024	247,276	93,111	340,387
	<u>\$ 1,316,012</u>	<u>\$ 307,320</u>	<u>\$ 1,623,332</u>

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 5 - DEFERRED REVENUE

Deferred inflows of resources includes deferred revenue as follows:

	2018	2017
Deferred University of Wyoming lease revenue	\$ 14,396,198	\$ 14,712,598
Deferred property tax revenue	3,043,400	3,005,250
Deferred tuition and fees revenue	430,475	306,335
Deferred grant revenue	95,019	169,219
Total deferred revenue	\$ 17,965,092	\$ 18,193,402

NOTE 6 - RELATED ENTITIES

The Casper College Foundation (a component unit) leases various buildings to the College, and in turn, the College leases to the Foundation the land on which the structures are situated, for which no rent is actually paid by either party. For the years ended June 30, 2018 and 2017, the Foundation gifted \$724,000 to the College, which represents the excess of the rental expense over the rental income for the land. Rental amounts are based on fair rentals for similar types of property in the area.

Included in the statement of revenues, expenses, and changes in net position, under the caption *Capital grants and gifts*, for the years ended June 30, 2018 and 2017 is \$29,288 and \$24,555, respectively, of support from the Foundation for gifted equipment or assistance purchasing equipment. Included under the caption *Private grants and contracts* for the years ended June 30, 2018 and 2017 is \$90,000 of support for each year from the Foundation for the College's day care facility. Also included under the caption *Private grants and contracts*, for the years ended June 30, 2018 and 2017, are operating grants from the Foundation in the amount of \$131,070 and \$39,500, respectively.

The College leases the Thorson Apartments from the Foundation. The terms of the agreement require the College to pay the Foundation 50% of rental income each year. For the years ended June 30, 2018 and 2017, the College paid the Foundation rent of \$26,804 and \$20,425, respectively.

In a prior year, the Foundation entered into an agreement to support the College's payment obligations under revenue bonds issued in the spring of 2010 for the construction of residence halls. The total pledged amount for the revenue bond agreement was \$19,634,000 to be paid over 29 years. In each of the years ended June 30, 2018 and 2017, the Foundation made payments totaling \$650,000 on this pledge and is included under the caption *Private grants and contracts*. The agreement requires the Foundation to make semi-annual payments together totaling not more than \$650,000 each fiscal year hereafter. The total outstanding pledged amount as of June 30, 2018, is \$14,300,000 and is included under the caption *Pledge payable - Casper Community College District residence hall* and payable as follows:

Year ending June 30,	
2019	\$ 650,000
2020	650,000
2021	650,000
2022	650,000
2023	650,000
Thereafter	11,050,000
	\$ 14,300,000

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 - RETIREMENT PROGRAMS

The College offers the choice between two retirement plans and a deferred compensation plan described below.

Teachers Insurance and Annuity Association/College Retirement Equities Fund

All full-time College employees may enroll in an alternative retirement plan through the College administered Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF), as allowed by Wyoming State Statutes. The Plan is a defined contribution plan and, accordingly, benefits depend solely on amounts contributed to the Plan, plus investment earnings.

The participants have personal contracts with TIAA-CREF and personally own the annuities. This full vesting allows participants to transfer to other employers which participate in TIAA-CREF and continue to accumulate retirement benefits. Contribution rates and contributions are as follows for the years ended June 30:

	2018	2017	2016
Employer contribution rate	13.940%	14.315%	14.565%
Employee contribution rate	2.680%	2.305%	2.055%
	16.620%	16.620%	16.620%
 Total contributions	 \$ 1,272,345	 \$ 1,359,779	 \$ 1,454,641

Wyoming Retirement System

The College contributes to the Wyoming Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement Board. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The Wyoming Legislature statutorily establishes and amends benefit provisions.

Retirement Commitment-Wyoming Retirement System

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

Service Retirement Tier 1: Full retirement at age 60 with 4 years of service or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times 3 years highest average salary for the first fifteen years and 2.25% time the number of years of service times 3 highest average over fifteen.

Service Retirement Tier 2: Full retirement at age 65 with 4 years of service or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the 5 year highest average salary.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)

Retirement Commitment-Wyoming Retirement System (Continued)

Contributions – Contribution rates and contributions are as follows for the years ended June 30:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer contribution rate	13.940%	14.315%	14.565%
Employee contribution rate	2.680%	2.305%	2.055%
	<u>16.620%</u>	<u>16.620%</u>	<u>16.620%</u>
 Total contributions	 <u>\$ 1,702,508</u>	 <u>\$ 1,752,606</u>	 <u>\$ 2,096,397</u>

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2018 and 2017, the College reported a liability of \$15,747,531 and \$16,836,854, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The College’s proportion of the net pension liability was based on the relationship of the College total contributions to the plan for the year ended December 31, 2017 to the contributions of all participating employers for the same period. At December 31, 2017, the College’s proportion was 0.691% which was a decrease from its December 31, 2016 proportion of 0.696%.

For the years ended June 30, 2018 and 2017, the College recognized pension expense of \$1,302,299 and \$2,017,734, respectively. The College reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>June 30, 2018</u>		<u>June 30, 2017</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 3,648,473	\$ 3,331,408	\$ 3,288,422	\$ 673,820
Contributions subsequent to the measurement date	525,325	-	619,410	-
	<u>\$ 4,173,798</u>	<u>\$ 3,331,408</u>	<u>\$ 3,907,832</u>	<u>\$ 673,820</u>

\$525,325 reported as deferred outflows of resources related to pensions resulting from the College’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)

Retirement Commitment-Wyoming Retirement System (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred Outflows	Deferred Inflows
2019	\$ 1,646,980	\$ (1,060,818)
2020	1,379,768	(835,789)
2021	528,470	(774,198)
2022	93,255	(660,603)
	\$ 3,648,473	\$ (3,331,408)

Actuarial assumptions – The total pension liability in the January 1, 2018 and 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% - 6.0%, including inflation
Payroll growth rate	4.25%
Cost of living increase	0.00%
Investment rate of return	7.75%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

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

Asset Class	June 30, 2018		June 30, 2017	
	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Fixed income	20.00%	1.77%	20.00%	2.00%
Equity	45.00%	6.88%	45.00%	7.70%
Marketable alternatives	17.50%	3.30%	17.50%	3.70%
Private markets	17.50%	7.11%	17.50%	7.10%
Cash	0.00%	0.40%	0.00%	-0.20%
Total	100.00%		100.00%	

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)

Retirement Commitment-Wyoming Retirement System (Continued)

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the net pension liability	\$ 23,801,178	\$ 15,747,531	\$ 9,031,543

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or at <http://retirement.state.wy.us/home/index.html>.

State Deferred Compensation Plan

The College also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The Plan, available to all regular full and part-time College employees, permits them to defer a portion of their salary to future years. The deferred compensation is not available to the employee or their beneficiaries until termination, retirement, death, or unforeseeable emergency. The Plan provides diverse investment alternatives for the participant.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

On July 1, 2017, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which recognizes a long-term obligation for OPEB benefits. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2018, which included recording a total OPEB obligation of \$21,169,645. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2017, the College has elected to not restate the information presented for the period ended June 30, 2017.

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Plan description - Eligible employees of the College are provided with OPEB through the State of Wyoming Group Insurance Retiree Health Plan (Plan) – a cost-sharing multiple-employer defined benefit OPEB plan administered by the State of Wyoming Employee Group Insurance (EGI). Any employee of a participating agency is eligible for retiree coverage under the Plan at premium rates established by EGI, provided that 1) the employee had coverage in effect under the Plan for at least one year just prior to termination; and 2) the employee is eligible to receive a retirement benefit under the Wyoming Retirement System/TIAA-CREF and either a) has attained age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan or b) has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Retirement eligibility varies under each system within the Wyoming Retirement System. The State of Wyoming Legislature has the authority to establish and amend the benefit terms of the plan. The Plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming’s Comprehensive Annual Financial Report.

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

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2018 the College reported a liability of \$20,294,708 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2018. The College’s proportion of the collective total OPEB liability was based on a projection of the College’s expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2018, the College’s proportion was 2.56573%.

For the year ended June 30, 2018, the College recognized OPEB expense of \$1,568,734. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2018	
	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 945,582	\$ -
Changes of assumptions	-	3,389,112
	\$ 945,582	\$ 3,389,112

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Year ended June 30,	Deferred Outflows	Deferred Inflows
2019	\$ 116,739	\$ (418,409)
2020	116,739	(418,409)
2021	116,739	(418,409)
2022	116,739	(418,409)
2023	116,739	(418,409)
Thereafter	361,887	(1,297,067)
	<u>\$ 945,582</u>	<u>\$ (3,389,112)</u>

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

Measurement Date	July 1, 2017 (based on July 1, 2017 census data).
Inflation	2.50%
Salary Increases	2.50% - 8.50%
Mortality Rates	Pre-Termination: RP-2006 Combined, 100% male, 88% female, generational projection using MP-2017. Post-Termination: RP-2006 Combined, 100% male, 88% female, Generational projection using MP-2017. Disabled: P-2006 Combined, 100% male, 100% female, generational projection using MP-2017.
Healthcare Cost Trend Rates	Non-Medicare: 4.50% - 7.60% Medicare: 4.50% - 8.10%
Participation Rate	65% will elect coverage and 30% will cover a spouse.
Spouse Age Differential	Males are assumed to be 3 years older than females.
Cost Method	Entry Age Normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working lifetime as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay over the year. The Normal Cost is equal to the prorated cost for the year of the valuation.
Benefits Excluded	Benefits related to retiree dental and life insurance have been excluded from this valuation.

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

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial assumptions (Continued) - Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2016. Significant assumptions varied within the various retirement Plans within Wyoming Retirement Systems.

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

Sensitivity of the College's proportionate share of the collective total OPEB liability to changes in the discount rate - The following presents the College's proportionate share of the collective total OPEB liability, as well as what the College's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentagepoint higher (4.58 percent) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Proportionate Share of the net pension liability	\$ 24,719,753	\$ 20,294,708	\$ 16,890,240

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

	1% Decrease	Current Discount Rate	1% Increase
Non-Medicare	8.60%	7.60%	6.60%
Medicare	9.10%	8.10%	7.10%
Total OPEB liability	\$ 17,078,254	\$ 20,294,708	\$ 24,644,448

NOTE 9 - FUNDS HELD IN TRUST BY OTHERS

The College is beneficiary of the Vucurevich Trust, which is held by others and has an aggregate market value of approximately \$801,000 and \$807,000 as of June 30, 2018 and 2017, respectively. The income received by the College from the trust was \$32,942 and \$36,377 for the years ended June 30, 2018 and 2017, respectively.

NOTE 10 - CONTINGENCIES AND COMMITMENTS

At June 30, 2018, the College had outstanding purchase orders of approximately \$552,000 which are not reflected in accounts payable nor expenditures as the goods or services had not been received. The bulk of these encumbrances are for major construction projects including approximately \$274,000 for Werner Tech and \$72,000 for Campus Security and Safety.

Expenditures related to federal and state grants are subject to adjustment based upon review by the granting agencies. The College does not anticipate that adjustments, if any, arising from such reviews will have a material effect on the financial statements.

CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 11 – RISK MANAGEMENT

The College is exposed to various risks of loss including torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and students, and natural disasters. The College has purchased commercial insurance for these risks that include insurance for property and liability. The coverage under each type of insurance policy varies in amounts and deductibles. The uninsured risk retention is the amount by which claims exceed coverage. 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 12 - LEASE INCOME

The College has a fifty year lease with the University of Wyoming that went into effect on January 1, 2014. The lease is for the use of the student union building which was put into service on January 1, 2014. The current cost of the building is \$31,259,201. Per the agreement, the University of Wyoming paid the College a cost sharing amount during the construction of the building which totaled \$15,819,998. This amount was recorded as deferred lease income in the statement of net position. The College will recognize the rent income at \$316,400 per year through the fiscal year 2064. The University of Wyoming is responsible for its share of utility and maintenance costs under the lease. Accumulated depreciation on the student union building at June 30, 2018 and 2017 was \$3,678,120 and \$2,855,869, respectively.

CASPER COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through Number	Program or Award Amount	Federal Expenditures
<u>U. S. Department of Education</u>				
<i>Direct Program:</i>				
Student Financial Aid - Cluster:				
Federal Pell Grant Program - FY18	84.063	N/A	3,282,536	\$ 3,282,536
Total Federal Pell Grants				<u>3,282,536</u>
Federal Supplemental Educational Opportunity				
Grants - FY17	84.007	N/A	3,854	3,854
Grants - FY18	84.007	N/A	61,125	<u>61,125</u>
Total Supplemental Educational Opportunity Grants				<u>64,979</u>
Federal Work-Study Program - FY17	84.033	N/A	443	443
Federal Work-Study Program - FY18	84.033	N/A	44,617	<u>44,617</u>
Total Federal Work-Study Program awards				<u>45,060</u>
Federal Direct Student Loans FY17	84.268	N/A	29,386	29,386
Federal Direct Student Loans FY18	84.268	N/A	3,565,592	<u>3,565,592</u>
Total Federal Direct Student Loans				<u>3,594,978</u>
Total Student Financial Assistance (Direct Program)				<u>6,987,553</u>
<i>Passed Through State Department of Education:</i>				
Career and Technical Education - Basic Grants to States:				
Allocation Grant for Vocational Training - FY17	84.048	1713507PPS00	257,255	68,126
Allocation Grant for Vocational Training - FY18	84.048	1813508PPS00	277,229	<u>245,561</u>
Total Passed through Wyoming Department of Education				<u>313,687</u>
<i>Passed Through Wyoming Community College Commission:</i>				
Adult Education - Basic Grants to States:				
Federal Adult Education Grant - FY17	84.002	ABE17R01	102,564	1,780
Federal Adult Education Grant - FY18	84.002	ABE18R01	98,950	<u>98,950</u>
Total Passed through Wyoming Community College Comm				<u>100,730</u>
<i>Passed Through Natrona County School District #1:</i>				
Education for Homeless Children and Youth:				
Education for Homeless Children and Youth - FY15/16	84.196	1513014HOMA0	5,000	<u>5,000</u>
<i>Passed Through the University of Wyoming:</i>				
Gaining Early Awareness and Readiness for Undergraduate Programs - FY18				
	84.334	1001320G-CC	3,548,876	<u>348,761</u>
Total U.S. Department of Education (Pass-Through)				<u>768,178</u>
Total U.S. Department of Education				<u>7,755,731</u>

See accompanying note to the schedule of expenditures of federal awards

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Labor</u>				
<i>Direct Program:</i>				
Trade Adjustment Assistance Community College and Career Training Round 4	17.282	TC264641460A56	2,499,917	\$ 375,398
<i>Passed Through Northern Wyoming Community College District:</i>				
H-1B Job Training Grants	17.268	HG-30137-17-60-A-56	950,910	111,453
Total U.S. Department of Labor				486,851
<u>U.S. Department of Health and Human Services</u>				
<i>Passed Through Wyoming Dept of Family Services:</i>				
TANF Families Becoming Independent	93.558	118308	172,892	4,277
Total U.S. Department of Health and Human Services				4,277
<u>U.S. Department of Interior</u>				
<i>Direct Program:</i>				
WaterSMART (Sustaining and managing America's Resources for Tomorrow) Water 2025	15.507	N/A	2,448	878
<u>National Foundation for the Arts and the Humanities</u>				
<i>Direct Program:</i>				
Promotion of the Arts - Grants to organizations & Individuals 2018 Jazz Festival	45.024	1831099-78-18	10,000	10,000
<i>Passed Through the Wyoming Arts Council:</i>				
Promotion of the Arts - Partnership Agreements: 2018 Jazz Festival	45.025	33861445	6,671	6,671
<i>Passed Through the Wyoming Humanities Council:</i>				
Promotion of the Humanities - Federal/State Partnerships: 2018 Humanities Festival	45.129	201-17	10,000	10,000
Total National Foundation for the Arts and Humanities				26,671
<u>U.S. Department of Agriculture</u>				
<i>Passed Through the Wyoming State Department Of Education:</i>				
Child and Adult Care Food Program	10.558	N/A	15,750	15,750
Total U.S. Department of Agriculture				15,750

See accompanying note to the schedule of expenditures of federal awards

CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>National Aeronautics and Space Administration</u>				
<i>Passed Through the University of Wyoming:</i>				
WY NASA Space Grant Consortium - Astronomy	43.001	NNX10AO95H	8,687	\$ 4,045
WY NASA Space Grant Consortium - Faculty Ed Enhancement	43.001	NNX15AI08H	10,000	<u>58</u>
Total National Aeronautics and Space Administration				<u>4,103</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 8,294,261</u>

See accompanying note to the schedule of expenditures of federal awards

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE 1)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards summarizes the federal grant activity of Casper Community College District and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

SUPPLEMENTARY INFORMATION

SCHEDULE 2

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME AND EXPENSES - RESIDENCE HALL
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
INCOME		
Rental	\$ 1,374,523	\$ 1,359,149
Laundry	1,641	2,546
Damages	190	487
	<u>1,376,354</u>	<u>1,362,182</u>
OPERATING EXPENSES		
Maintenance	64,669	126,953
Miscellaneous	7,606	11,307
Resident assistants	110,832	101,348
Salaries and benefits	435,250	388,553
Supplies	6,198	12,832
Utilities	226,792	220,136
	<u>851,347</u>	<u>861,129</u>
INCOME BEFORE SCHOLARSHIP ALLOWANCE	525,007	501,053
Scholarship allowance	<u>(548,487)</u>	<u>(560,829)</u>
NET LOSS	<u>\$ (23,480)</u>	<u>\$ (59,776)</u>

SCHEDULE 3**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME AND EXPENSES - APARTMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>WHEELER TERRACE</u>		<u>CIVIC</u>		<u>THORSON</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
INCOME						
Rental	\$ 177,190	\$ 187,202	\$ 28,251	\$ 30,327	\$ 53,609	\$ 40,850
Damages	-	-	567	-	-	85
	<u>177,190</u>	<u>187,202</u>	<u>28,818</u>	<u>30,327</u>	<u>53,609</u>	<u>40,935</u>
OPERATING EXPENSES						
Maintenance	11,567	13,418	20,238	2,300	728	276
Miscellaneous	-	580	-	521	-	196
Rent - Casper College Foundation	-	-	-	-	26,804	20,425
Resident assistants	10,816	-	-	-	-	-
Supplies	1,153	1,967	1,214	884	1,153	40
Utilities	23,299	22,684	7,351	8,278	9,174	10,492
	<u>46,835</u>	<u>38,649</u>	<u>28,803</u>	<u>11,983</u>	<u>37,859</u>	<u>31,429</u>
NET INCOME	<u>\$ 130,355</u>	<u>\$ 148,553</u>	<u>\$ 15</u>	<u>\$ 18,344</u>	<u>\$ 15,750</u>	<u>\$ 9,506</u>

SCHEDULE 4**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME AND EXPENSES - EARLY CHILDHOOD LEARNING CENTER
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
INCOME		
Fees and grants	\$ 203,636	\$ 201,768
Federal grant	15,750	16,064
Miscellaneous income	692	30
	<u>220,078</u>	<u>217,862</u>
OPERATING EXPENSES		
Cost of food	29,655	28,624
Maintenance	1,448	4,495
Miscellaneous	2,417	4,599
Salaries and benefits	472,907	450,881
Supplies	6,044	7,695
Utilities	11,184	11,661
	<u>523,655</u>	<u>507,955</u>
Operating loss	(303,577)	(290,093)
GIFT FROM CASPER COLLEGE FOUNDATION	<u>90,000</u>	<u>90,000</u>
NET LOSS	<u>\$ (213,577)</u>	<u>\$ (200,093)</u>

SCHEDULE 5**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME AND EXPENSES - STUDENT CENTER
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
INCOME		
Student fees	\$ 368,308	\$ 327,666
Miscellaneous	104,444	109,704
Rental - bookstore	139,253	137,539
	<u>612,005</u>	<u>574,909</u>
OPERATING EXPENSES		
Maintenance	13,297	11,407
Miscellaneous	394	12,067
Professional fees	9,060	-
Salaries and benefits	360,007	244,954
Supplies	13,755	25,279
Utilities	178,899	186,310
	<u>575,412</u>	<u>480,017</u>
NET INCOME	<u>\$ 36,593</u>	<u>\$ 94,892</u>

SCHEDULE 6**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME AND EXPENSES - CAFETERIA
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
INCOME		
Cafeteria - contracts	\$ 1,056,822	\$ 1,069,661
Commissions on cash sales	<u>50,841</u>	<u>48,732</u>
Total income	1,107,663	1,118,393
Less - cost of food service	<u>873,630</u>	<u>898,975</u>
Gross profit	<u>234,033</u>	<u>219,418</u>
OPERATING EXPENSES		
Maintenance	10,348	10,001
Miscellaneous	2,670	6,578
Salaries and benefits	10,000	4,500
Supplies	92	279
Utilities	28,156	29,253
	<u>51,266</u>	<u>50,611</u>
INCOME BEFORE SCHOLARSHIP ALLOWANCE	182,767	168,807
Scholarship allowance	<u>(365,658)</u>	<u>(373,887)</u>
NET LOSS	<u>\$ (182,891)</u>	<u>\$ (205,080)</u>

SCHEDULE 7

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME AND EXPENSES - AUXILIARY ENTERPRISES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
INCOME		
Cafeteria contracts	\$ 1,056,822	\$ 1,069,661
Rental - dorms and apartments	1,633,573	1,617,528
Student fees	368,308	327,666
Rental - bookstore	139,253	137,539
Day care fees and grants	203,636	201,768
Federal grant	15,750	16,064
Cafeteria commissions on cash sales	50,841	48,732
Laundry	1,641	2,546
Damages	757	572
Miscellaneous	115,325	131,232
	<u>3,585,906</u>	<u>3,553,308</u>
OPERATING EXPENSES		
Bad debts	7,257	1,222
Cost of food (day care)	29,655	28,624
Cost of food service (cafeteria)	873,630	898,975
Maintenance	122,295	168,850
Miscellaneous	22,835	46,057
Resident assistants	121,648	101,348
Professional fees	9,060	-
Rent - Casper College Foundation	26,804	20,425
Salaries and benefits	1,278,164	1,088,888
Supplies	29,609	48,976
Utilities	484,855	488,814
	<u>3,005,812</u>	<u>2,892,179</u>
Operating income	<u>580,094</u>	<u>661,129</u>
OTHER INCOME (EXPENSE)		
Casper College Foundation gift	740,000	740,000
Interest income	18,122	9,266
Interest expense	(835,549)	(852,174)
	<u>(77,427)</u>	<u>(102,908)</u>
INCOME BEFORE SCHOLARSHIP ALLOWANCE	502,667	558,221
Scholarship allowance	<u>(914,145)</u>	<u>(934,716)</u>
NET LOSS	<u>\$ (411,478)</u>	<u>\$ (376,495)</u>

SCHEDULE 8

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF NET POSITION - CIVIC ASSOCIATION LOAN FUND
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 74,037	\$ 45,756
Investments	82,388	81,398
Accounts receivable - other	194	194
	<u>156,619</u>	<u>127,348</u>
Total assets		
	<u>156,619</u>	<u>127,348</u>
NET POSITION	<u>\$ 156,619</u>	<u>\$ 127,348</u>

SCHEDULE 9**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULES OF INCOME, EXPENSES AND CHANGES IN NET POSITION -
CIVIC ASSOCIATION LOAN FUND
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
REVENUE AND OTHER ADDITIONS		
Interest income	\$ 991	\$ 503
Miscellaneous income	<u>30</u>	<u>60</u>
Total revenue and other additions	<u>1,021</u>	<u>563</u>
TRANSFERS AMONG FUNDS - ADDITIONS (REDUCTIONS)		
Mandatory rent from civic rental	28,250	30,327
Bad debt expense	<u>-</u>	<u>(203)</u>
Total transfers	<u>28,250</u>	<u>30,124</u>
NET INCREASE FOR THE YEAR	29,271	30,687
NET POSITION, BEGINNING	<u>127,348</u>	<u>96,661</u>
NET POSITION, ENDING	<u>\$ 156,619</u>	<u>\$ 127,348</u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 10**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CASPER COLLEGE'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
FOR THE YEARS ENDED JUNE 30, 2018, 2017, 2016, 2015 AND 2014**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.691%	0.696%	0.685%	0.711%	0.706%
Proportionate share of the net pension liability	\$ 15,747,531	\$ 16,836,854	\$ 15,951,162	\$ 12,463,625	\$ 10,738,118
Covered employee payroll	\$ 12,213,105	\$ 12,243,146	\$ 12,613,691	\$ 12,456,403	\$ 12,151,128
Proportionate share of the net pension liability as a percentage of covered employee payroll	128.94%	137.52%	126.46%	100.06%	88.37%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%	79.08%	*

*Information not available.

See accompanying notes to required supplementary information

SCHEDULE 11

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CASPER COLLEGE'S CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2018, 2017, 2016, 2015 AND 2014**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,029,819	\$ 2,034,811	\$ 2,096,397	\$ 1,977,065	\$ 1,572,356
Contributions in relation to contractually required contribution	2,029,819	2,034,811	2,096,397	1,977,065	1,572,356
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	12,213,105	12,243,146	12,613,691	12,456,403	12,151,128
Contributions as a percentage of covered employee payroll	16.62%	16.62%	16.62%	15.87%	12.94%

See accompanying notes to required supplementary information

SCHEDULE 12

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CASPER COLLEGE'S PROPORTIONATE SHARE OF
THE TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018**

Proportion of the total OPEB liability	2.56573%
Proportionate share of the total OPEB liability	\$ 20,294,708
Covered employee payroll	N/A
Proportionate share of the total OPEB liability as a percentage of covered employee payroll	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

See accompanying notes to required supplementary information

**CASPER COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018 AND 2017**

NOTE 1 – RETIREMENT COMMITMENT – WYOMING RETIREMENT SYSTEM

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

Changes in Assumptions - There were changes in assumptions made between the December 31, 2016 measurement date and the December 31, 2017 measurement date. The changes resulted in a \$290,801,601 increase to Deferred Outflows of Resources due to Liabilities to be recognized in Future Pension Expense. The portion allocable to the College was \$2,009,138.

NOTE 2 – OPEB COMMITMENT

Changes in Benefit Terms - There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

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

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

The changes resulted in a \$148,399,106 decrease to the OPEB Liability. The portion allocable to the College was \$3,807,520.

**INDEPENDENT AUDITORS' 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 Casper Community College District Board
Casper Community College District
Casper, 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 Casper Community College District and its discretely presented component unit, Casper College Foundation, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Casper Community College District's basic financial statements, and have issued our report thereon dated December 14, 2018. The financial statements of the Casper College Foundation were not audited in accordance with *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Casper Community College District'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 Casper Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Casper Community College District'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 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 Casper Community College District's financial statements are free of 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lenhart, Mason & Associates, LLC
Casper, Wyoming
December 14, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Casper Community College District Board
Casper Community College District
Casper, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Casper Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Casper Community College District's major federal programs for the year ended June 30, 2018. Casper Community College District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Casper Community College District 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 Casper Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Casper Community College District's internal control over compliance.

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

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

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

Lenhart, Mason & Associates, LLC
Casper, Wyoming
December 14, 2018

**CASPER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Casper Community College District.
2. No significant deficiencies were reported relating to the audit of the financial statements are reported in the **INDEPENDENT AUDITORS' 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***.
3. No instances of noncompliance material to the financial statements of Casper Community College District were disclosed during the audit.
4. No significant deficiencies were reported relating to the audit of the major federal award program are reported in the **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**.
5. The auditors' report on compliance for the major federal award programs for Casper Community College District expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Casper Community College District.
7. The programs tested as major programs were the Student Financial Assistance Cluster – CFDA #84.007, #84.033, #84.063 and #84.268.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Casper Community College District was determined to be a low-risk auditee.

B. FINANCIAL STATEMENT FINDINGS

There were no findings required to be reported under *Government Auditing Standards*.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relative to the major federal award programs.