

**CASPER COMMUNITY COLLEGE DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**CASPER COMMUNITY COLLEGE DISTRICT  
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**CASPER COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

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, 2020 and 2019. 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.

3). **The Statement of Cash Flows** presents inflows and outflows summarized by operating, capital and non-capital financing and investing activities. The reconciliation of operating loss to cash used in operations, explains the relationship between the statement of net position since increases and decreases in operating assets often require use or receipt of cash, but do not result in recognition of a revenue or an expense.

**CASPER COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Financial Highlights – Statement of Net Position – (See Pages 5-6)**

Total Current Assets on June 30, 2020 have increased by approximately \$6.8M compared to the same time last year. Cash and cash equivalents decreased approximately \$7.1M and Property Taxes Receivable increased \$190,549. Accounts receivable increased \$39,633 compared to the balance at June 30, 2019. The current portion of the Deposits with bond trustee balance is \$2,204,915. 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 \$860,606 due from the State of Wyoming is primarily composed of the final reimbursement due for employee health insurance and retirement reimbursement for the period ending June 30, 2020.

In the area of Non-current Assets the state matching portion for the Community College Endowment Challenge Program has decreased \$1,335,432 to a total of \$15,619,856; a decrease of 7.8% during fiscal year 2020 as compared to a decrease of 5.7% during fiscal year 2019. The percentage decrease is due to an investment loss of \$357,041 in fiscal year 2020 compared to an investment gain of \$462,929 in fiscal year 2019. Additional expenditures for scholarships and capital projects totaled approximately \$978,000 for the fiscal year. 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 \$524,111 due to an increase in Accounts Payable, a decrease in Accrued Liabilities and an increase in the current portion of Bonds Payable. The Accounts Payable balance at June 30, 2020 increased by \$552,027 compared to June 30, 2019.

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, 2020 was \$16,184,727, as compared to \$20,912,648 recorded at June 30, 2019; a decrease of approximately \$4,727,000 for fiscal year 2020.

In addition, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* requires the college to record its estimated net other postemployment benefits (OPEB) liability based on the State of Wyoming Group Insurance Retiree Health Plan. As a result of this, the net OPEB liability at June 30, 2020 was \$22,495,276, as compared to \$26,204,849 recorded at June 30, 2019; a decrease of approximately \$3,709,000 for fiscal year 2020.

**CASPER COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
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Of the \$58.0 million in net position, approximately \$46.4 is invested in capital assets - net of related debt. Of the approximately \$22.6 million in Restricted Expendable Net Assets, \$9.47 million is restricted to capital and major maintenance projects, \$186,056 is restricted to scholarships, \$8.39 million for Debt Service and \$3.55 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, 2020 and 2019 along with a comparison for the year ended June 30, 2018.

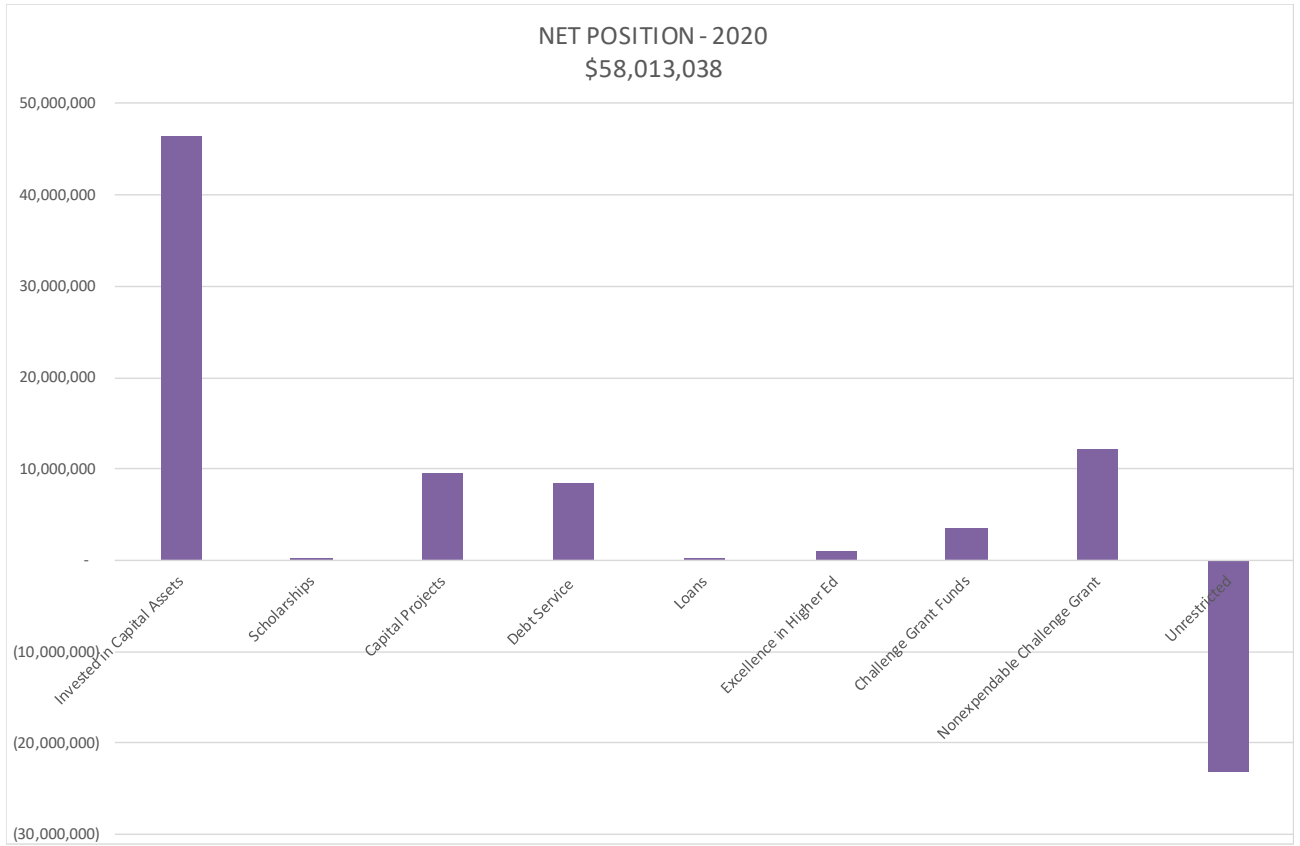
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**CASPER COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Net Position, End of Year**

	<u>2020</u>	% Change 2020- 2019	<u>2019</u>	% Change 2019- 2018	<u>2018</u>
<b>Assets:</b>					
Total Current Assets	\$36,670,101		\$29,817,778		\$24,960,281
Total Noncurrent Assets	<u>130,532,691</u>		<u>131,556,634</u>		<u>135,927,246</u>
Total Assets	<u>\$167,202,792</u>	3.61%	<u>\$161,374,412</u>	0.30%	<u>\$160,887,527</u>
<b>Deferred Outflows of Resources:</b>					
Total Deferred Outflows	<u>\$9,244,396</u>	-23.64%	<u>\$12,105,879</u>	136.47%	<u>\$5,119,380</u>
<b>Liabilities:</b>					
Total Current Liabilities	\$7,101,138		\$6,577,027		\$7,021,780
Total Noncurrent Liabilities	<u>80,053,796</u>		<u>90,928,098</u>		<u>82,550,148</u>
Total Liabilities	<u>\$87,154,934</u>	-10.62%	<u>\$97,505,125</u>	8.86%	<u>\$89,571,928</u>
<b>Deferred Inflows of Resources:</b>					
Total Deferred Inflows	<u>\$31,279,216</u>	31.93%	<u>\$23,708,730</u>	-3.98%	<u>\$24,692,334</u>
Invested in Capital Assets, Net of Related Debt Expendable:	\$46,451,141		\$44,760,184		\$46,772,519
Scholarships and Fellowships	186,056		262,932		367,806
Capital Projects	9,470,388		6,317,714		6,253,231
Debt Service	8,390,397		7,727,319		4,822,878
Loans	60,000		60,000		60,000
Excellence in Higher Education	968,451		965,980		1,009,523
Endowment Challenge Program	3,546,777		4,882,209		5,915,908
Nonexpendable:					
Endowment Challenge Program	12,073,079		12,073,079		12,073,079
Unrestricted	<u>-23,133,251</u>		<u>-24,782,981</u>		<u>-25,532,299</u>
Total Net Position	<u><u>\$58,013,038</u></u>	10.99%	<u><u>\$52,266,436</u></u>	1.01%	<u><u>\$51,742,645</u></u>

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JUNE 30, 2020 AND 2019**



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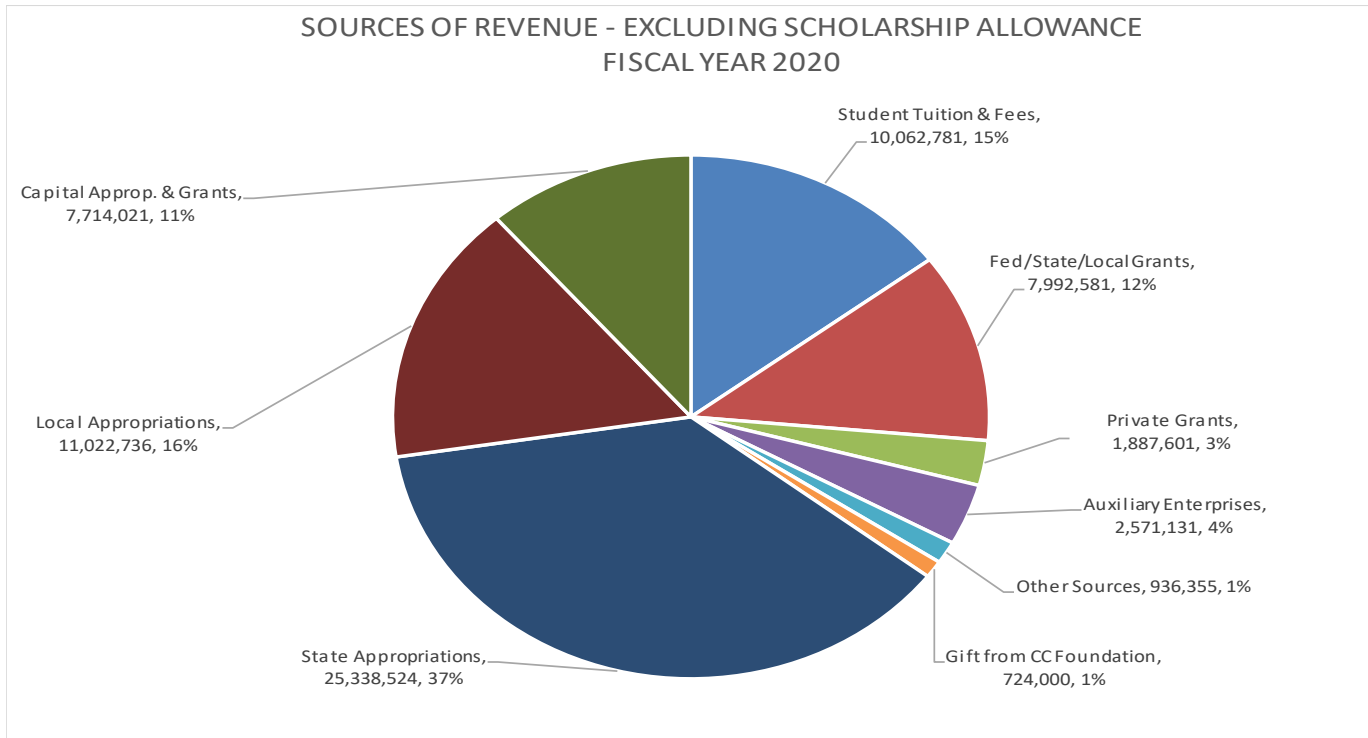
**Financial Highlights – Statement of Revenues, Expenses, and Changes in Net Position – (See Pages 8-9)**

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating Revenues	\$14,324,049	\$14,520,832	\$14,252,762
Operating Expenses	54,482,761	52,912,936	53,405,659
Operating Loss	(\$40,158,712)	(\$38,392,104)	(\$39,152,897)
 Non-operating Revenues & Expenses	 \$38,191,293	 \$35,385,052	 \$36,156,290
 Income (Loss) Before Other Revenue, Gains/Losses	 (\$1,967,419)	 (\$3,007,052)	 (\$2,996,607)
 Capital Appropriations	 4,489,337	 2,811,764	 1,733,718
Challenge Program	0	0	719,136
Capital Grants & Gifts	3,224,684	719,079	29,288
 Increase in Net Position	 \$5,746,602	 \$523,791	 201.81% -\$514,465



**CASPER COMMUNITY COLLEGE DISTRICT  
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Tuition and Fee revenue, prior to recognition of scholarship allowances, increased \$709,529 over the previous year even though FTE enrollment decreased. The increase was due to an increase of 5.32% in per credit tuition approved by the Wyoming Community College Commission for FY2020. In addition, fee rates increased by \$2 per credit hour for FY2020 with mandatory per credit fees assessed for each credit. The total Tuition and Fees were \$10,062,781 compared to \$9,353,252 in 2019.

Auxiliary Enterprise revenue, before scholarship allowance, decreased even though there was an approved rate increase of approximately 2.62% for fiscal year 2020 for the nineteen-meal per week plan with double occupancy. Overall, occupancy levels in the student residence hall were down in fiscal year 2020 from fiscal year 2019. Furthermore, revenues were negatively impacted due to departures in March 2020 of students living in the residence hall due to COVID-19. Detailed schedules of many of the auxiliary operations begin on page 40 of the audit report.

Local Tax revenues received from Natrona County based on assessed valuation increased approximately 5.07% in fiscal year 2020 as compared to those in fiscal year 2019.

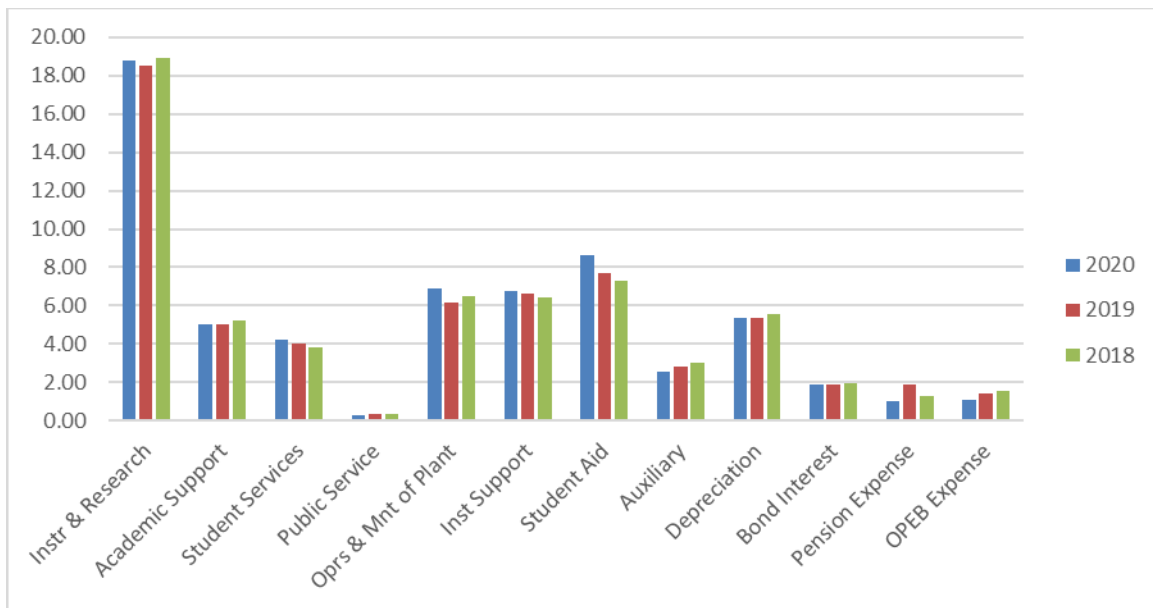
The amounts received for Direct Federal Student Financial Assistance (including student loan programs) increased over 2019 (1.67%). A total of \$6,787,791 was expended for the year compared to \$6,676,121 in 2019 and \$6,987,553 in 2018. Total expenditures of all Federal Awards for 2020 were \$8,702,610 compared to \$7,823,487 for 2019 which can be compared to \$8,294,261 for 2018. A complete list of all Federal Awards begins on page 37 of the report.

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**Change in Expenses (Including Scholarship Allowance)**

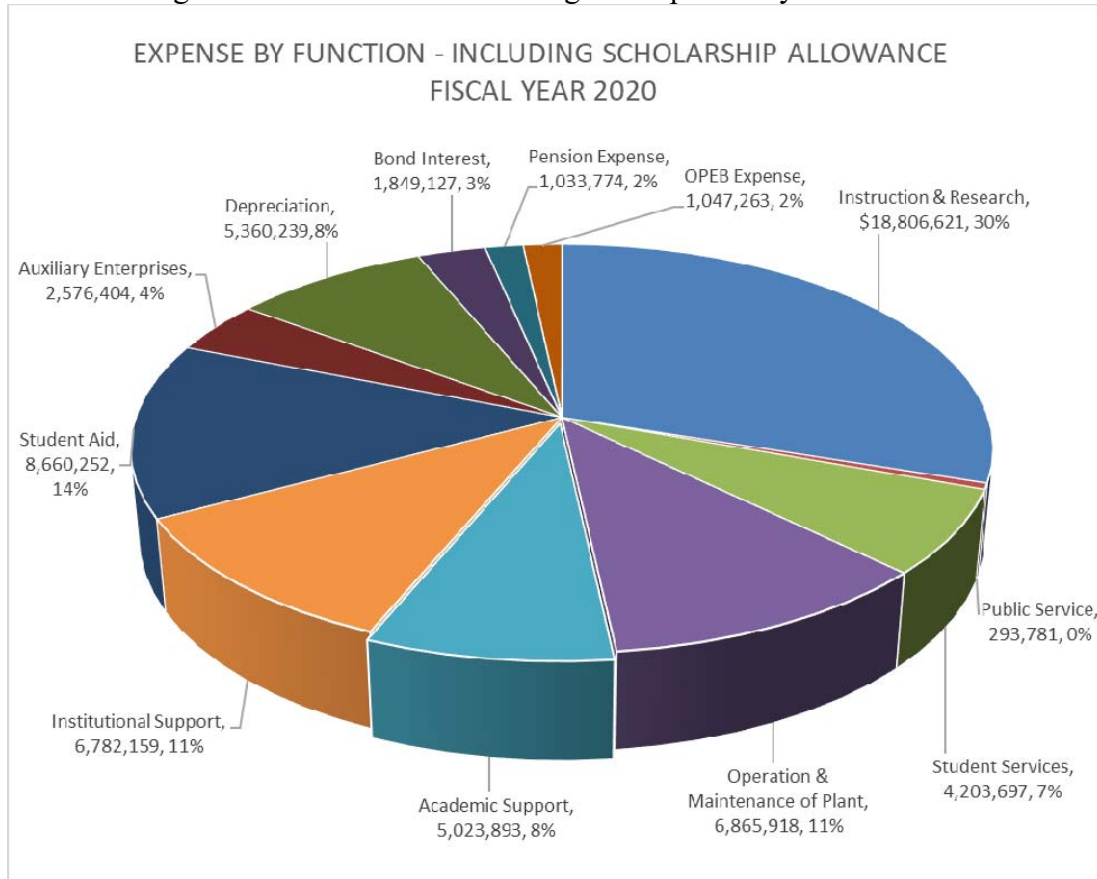
Expenses	2020	% Chg 2020-2019	2019	% Chg 2019-2018	2018
Instruction & Research	\$18,806,621	1.4%	\$18,540,176	-2.1%	\$18,936,886
Public Service	293,781	-9.6%	324,941	-8.8%	356,230
Student Services	4,203,697	5.3%	3,990,494	4.7%	3,813,134
Operation & Maintenance of Plant	6,865,918	11.8%	6,140,706	-5.5%	6,498,039
Academic Support	5,023,893	-0.2%	5,036,162	-3.1%	5,195,154
Institutional Support	6,782,159	2.0%	6,646,901	3.1%	6,449,841
Student Aid	8,660,252	12.8%	7,677,177	5.7%	7,262,863
Auxiliary Enterprises	2,576,404	-9.1%	2,834,683	-5.7%	3,005,812
Depreciation	5,360,239	0.1%	5,356,670	-3.6%	5,554,040
Bond Interest	1,849,127	-2.9%	1,904,699	-3.1%	1,965,799
Pension Expense	1,033,774	-45.5%	1,897,443	45.7%	1,302,299
OPEB Expense	1,047,263	-25.7%	1,409,223	-10.2%	1,568,734
<b>Total Expenses</b>	<b><u>\$62,503,128</u></b>	<b>1.2%</b>	<b><u>\$61,759,275</u></b>	<b>-0.2%</b>	<b><u>\$61,908,831</u></b>

**Comparison of Expenses Fiscal Years 2020 thru 2018 (In Millions)**



**CASPER COMMUNITY COLLEGE DISTRICT  
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The following chart shows a breakdown of gross expenses by function:



Total operating expenses, including depreciation, increased by approximately \$1,569,000 over the prior year. Many of the program areas reflect increased expenditure levels. The amount of funding provided to Pell Grant eligible students increased from the previous year by \$55,325 even though FTE enrollment decreased for FY2020. Expenditures in the Student Aid program for FY2020 increased by approximately \$983,075 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 2020, however, increases were given for educational advancement with movement on the salary scale. Gross expenditures for employees for salaries and benefits increased approximately \$480,000 from last year (\$34.36 million vs. \$33.88 million).

Instruction and Academic Support programs combined account for 38% of the total which includes the scholarship allowance. This percentage increases to 42% when depreciation, a non-cash expense, is backed out. Bond Interest expense decreased \$55,572 over FY2019. As a result of GASB #68, pension expense for fiscal year 2020 was \$1,033,774 as compared to \$1,897,443 for fiscal year 2019. In accordance with GASB #75, the OPEB expense for fiscal year 2020 was \$1,047,263 as compared to \$1,409,223 for fiscal year 2019.

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Overall, operating expenses exceeded operating revenues by \$40.1 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 \$25.39 million were received during the year, an \$812,215 increase 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 (\$4.75 million) was also provided for employee health insurance benefits, and nursing program support (\$85,334). Local tax receipts increased \$531,721 (5.07%) as assessed valuations increased in Natrona County for fiscal year 2020 as compared to those in fiscal year 2019.

Including non-operating revenue, total expenditures exceeded revenues by approximately \$1.97 million for the period. Additionally, restricted capital appropriations and capital grants and gifts totaling \$7,714,021 were received. Combining all operating and non-operating income and expenses, net position of the College increased \$5,746,602 for the year compared to an increase of \$523,791 in 2019.

**CONDENSED STATEMENT OF CASH FLOWS**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used in):</b>			
Operating activities, net	(\$33,062,580)	(\$33,575,430)	(\$34,126,184)
Noncapital financing Activities, net	42,000,208	39,924,865	40,176,527
Capital & related financing Activities, net	(3,581,122)	(3,359,843)	(4,412,683)
Investing activities, net	<u>(14,821,095)</u>	<u>40,419</u>	<u>(718,129)</u>
Net increase (decrease) in cash	(9,464,589)	3,030,011	919,531
Cash, beginning of the year	<u>18,264,227</u>	<u>15,234,216</u>	<u>14,314,685</u>
Cash, end of the year	<u>8,799,638</u>	<u>18,264,227</u>	<u>15,234,216</u>

**CASPER COMMUNITY COLLEGE DISTRICT  
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**Financial Highlights – Statement of Cash Flows – (See Page 13)**

Operating activities used \$33.1 million in cash. The use of cash resulted from the operating loss of \$40.1 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 13); 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 decrease of \$221,279 from fiscal year 2019. Cash Flows from Investing Activities show a net cash decrease of approximately \$14,821,095 during fiscal year 2020 compared to net cash increase of \$40,419 for fiscal year 2019. This decrease is due to the purchase of investments totaling \$19.2 million for FY2020 offset by the sales and maturities of investments totaling \$4,067,000.

Overall, cash decreased \$9,464,589 during fiscal year 2020 resulting in a cash balance of \$8,799,638 at June 30, 2020 as compared to \$18,264,227 at June 30, 2019.

**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 16). 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, 10-12 and 15. 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  
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**Financial Highlights – Economic Outlook**

Declining enrollments, the continued uncertainty of stable funding from Natrona County property taxes, and the sustainability of state appropriations continue to impact college operations. The impact of declining revenues caused by the assault on fossil-based power has been exacerbated by the global pandemic. The Governor remarked that “2020 has been an absolutely devastating year and it has been a year which brought the budgetary issues Wyoming faces into sharp relief. ...we now face a stark reality that if we do nothing our reserves will be depleted within two years.” Although the Governor is referring to the State of Wyoming reserves, it is within this context that Casper College must review programs to ensure the continuation of its core mission to meet the educational needs of students.

Although the forecast for the balance of the General Fund and Budget Reserve Account improved from May 2020, the future for revenues in Wyoming is not bright. The 2021 – 2022 biennium community college state appropriation budget was reduced by 10% for FY 21 and an additional reduction is expected as of July 1, 2021. The pandemic caused short-term closures of businesses across the state which impacted the sales and use tax revenue. Economic relief was received through CARES funding and utilized to purchase needed supplies, technology infrastructure, and aid to students. However, most of this support will end as of December 31, 2020.

A continuing concern is the rapidly increasing health insurance rates and the ability of the state to support the appropriation necessary to provide reimbursement for health insurance to community colleges. The reimbursement percentage has been reduced from 85% to 82% for FY 21. Insurance rates were increased in early fall and an additional increase will be implemented in January 2021. Currently, there is expected to be a \$4 million shortfall in the amount available for reimbursement of health insurance expenditures for the biennium. Additional increases to health insurance costs during the upcoming fiscal year magnify the impact. For example, if an additional 10% increase occurs next summer, the resulting shortfall will increase to \$6.7 million for the community college system.

Generally, an enrollment decline continues across the Wyoming community colleges. Enrollment has been further impacted by COVID – 19 and the uncertainty surrounding campus operations. The one-year change in full-time equivalent (FTE) enrollment for all Wyoming community colleges was a negative 1.5% as compared to a negative 3.1% change in 2019. The system-wide percentage decline in enrollment has continued for the last seven years. Enrollment at Casper College for fiscal year 2020 declined slightly compared to fiscal year 2019. The one year change in FTE enrollment at Casper College decreased by 76 FTE (-2.5%) for fiscal year 2020 as compared to fiscal year 2019. Casper College continues to focus on enrollment management to foster, coordinate and support collaboration between departments to enhance the quality of the student experience from initial contact thru graduation. Enrollment projections at Casper College for fiscal year 2021 suggest that enrollment will be similar to fiscal year 2020. There is

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uncertainty regarding preliminary enrollment projections for Casper College for fiscal year 2022, however, flat and declining projections will be used for budget planning.

The October 2020 unemployment rate in Natrona County was 7.8% and although it is considerably higher than the October 2019 rate of 3.8%, it is less than the April 2020 rate of 12.6%. Sales and use tax collections saw a sharp year-over-year decline of 31.3%. Natrona County's median home sales price in September 2020 was 5.5% higher than the same month last year. Housing prices appear to be one of the only economic variables that have not been negatively impacted by the pandemic.

The assessed valuation of Natrona County for fiscal year 2021 increased by 1.4% over 2020. State-wide assessed valuations increased slightly for fiscal year 2021, however, county valuations at that time did not yet reflect the impact of declining mineral valuations. Declining mineral production and continued low natural gas prices make the future of assessed valuations difficult to predict.

The Wyoming Community College Commission (WCCC) approved an increase of \$6 (approximately 6%) per credit hour for the in-state tuition rate for fiscal year 2022 and removed the cap on tuition charges.

Community college 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 \$36 to \$38 per credit hour for fiscal year 2021. The increase was directed for the support of digital technology improvements that are necessary for both students and staff. There will likely be a recommendation to increase mandatory per credit fees for fiscal year 2022 with the majority of the allocation directed to technology, instructional support, and infrastructure.

The college continues to plan for future construction. Design is nearly complete for the Visual Arts Building and construction will begin in April 2021. The indoor arena at the Casper College Ranch has been completed. Activities continue at the property to complete various projects in barn three.

### **Contacting the District's Financial Management**

This financial report is designed to provide our constituents with a general overview of 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  
BOARD MEMBERS**

<u>Name</u>	<u>Title</u>
Kathy Dolan	Board Chair
Steven Degenfelder	Vice Chair
Sue Schilling	Secretary
Dr. Scott Bennion	Treasurer
Susan D. Miller	Trustee
Tim Kugler	Trustee
Bill DeGraeve	Trustee



Larry D. Graham, CPA  
Richard P. Reimann, CPA  
Stephen A. Willadson, CPA  
Stephanie L. Means, CPA  
Jack E. Lenhart, CPA - Of Counsel



Joni Kumor, CPA  
John A. Smith, CPA  
Scott Buckingham, CPA  
Andrew J. Beyeler, CPA  
Rick Mason, CPA - Of Counsel  
Larry G. Bean, CPA - Of Counsel

## *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, 2020 and 2019, 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, 2020 and 2019, 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 xii 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 48 through 52 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 4, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Casper Community College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Casper Community College District's internal control over financial reporting and compliance.

*Lenhart, Mason & Associates, LLC*

Lenhart, Mason & Associates, LLC  
Casper, Wyoming  
December 4, 2020

**CASPER COMMUNITY COLLEGE DISTRICT**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2020 AND 2019**

ASSETS	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 8,786,574	\$ 15,858,761
Investments	16,581,966	3,816,552
Accounts receivable	1,670,323	1,630,690
Deposits with bond trustee	2,204,915	2,214,996
Deposit with State of Wyoming	2,920,000	1,078,201
Due from University of Wyoming	229,014	207,107
Due from State of Wyoming	860,606	1,241,982
Due from funding agencies	120,115	191,373
Due from Casper College Foundation	41,746	445,971
Property taxes receivable	3,322,604	3,132,145
Total current assets	<u>36,737,863</u>	<u>29,817,778</u>
Restricted cash and cash equivalents	13,064	2,405,466
Restricted investments	6,312,260	3,912,248
Deposits with bond trustee	6,395,209	5,728,649
Investments-Endowment Challenge Program	15,619,856	16,955,288
Property, plant and equipment, net	102,124,540	102,554,983
Total assets	<u>167,202,792</u>	<u>161,374,412</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources for pension plan	4,364,903	6,721,302
Deferred outflows of resources for OPEB plan	4,879,493	5,384,577
Total deferred outflows of resources	<u>9,244,396</u>	<u>12,105,879</u>
 LIABILITIES		
Current liabilities		
Accounts payable	966,004	413,977
Accrued liabilities	3,372,554	3,555,961
Due to Casper College Foundation	24,512	22,181
Deposits held in custody for others	595,664	510,028
Student deposits	79,177	66,927
Bonds payable, current portion	1,850,000	1,805,000
Note payable Casper College Foundation, current portion	213,227	202,953
Total current liabilities	<u>7,101,138</u>	<u>6,577,027</u>

(Continued)

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF NET POSITION (CONTINUED)  
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>LIABILITIES</b>		
Bonds payable, long-term portion	\$ 40,060,000	\$ 41,910,000
Note payable Casper College Foundation, long term portion	706,660	919,887
Accrued compensated absences, long-term portion	516,051	515,534
Early retirement payable, long-term portion	91,082	465,180
Net pension liability	16,184,727	20,912,648
Net OPEB liability	<u>22,495,276</u>	<u>26,204,849</u>
Total long-term liabilities	<u>80,053,796</u>	<u>90,928,098</u>
Total liabilities	<u>87,154,934</u>	<u>97,505,125</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue	17,677,859	17,764,001
Deferred inflows of resources for pension plan	6,016,534	2,611,238
Deferred inflows of resources for OPEB plan	7,578,941	3,327,189
Bond premium received, net of amortization	<u>5,882</u>	<u>6,302</u>
Total deferred inflows of resources	<u>31,279,216</u>	<u>23,708,730</u>
<b>NET POSITION</b>		
Net investment in capital assets	46,451,141	44,760,184
Restricted for		
Expendable		
Scholarships and fellowships	186,056	262,932
Capital projects	9,402,626	6,317,714
Debt service	8,390,397	7,727,319
Loans	60,000	60,000
Excellence in higher education	968,451	965,980
Endowment challenge program	3,546,777	4,882,209
Nonexpendable		
Endowment challenge program	12,073,079	12,073,079
Unrestricted	(23,205,489)	(24,922,981)
Unrestricted-Designated for auxiliary sinking fund	<u>140,000</u>	<u>140,000</u>
Total net position	<u>\$ 58,013,038</u>	<u>\$ 52,266,436</u>

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
CASPER COLLEGE FOUNDATION (COMPONENT UNIT)  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,912,666	\$ 1,728,010
Investments	96,642,299	100,988,190
Royalties receivable	25,558	60,031
Accrued interest receivable	13,599	16,546
Due from Casper Community College District	24,512	34,501
Contribution receivable	427,003	277,115
Unconditional promises to give	70,116	28,390
Prepaid expenses	1,000	1,000
Note receivable Casper Community College District	919,887	1,122,840
Assets held in charitable remainder trust	2,229,435	2,260,919
Mineral interests	4,048,643	4,056,186
Assets held for display purposes	2,108,680	2,064,180
Property and equipment, net	4,247,143	4,507,401
Total assets	\$ 112,670,541	\$ 117,145,309
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 26,426	\$ 47,993
Accrued liabilities	50,187	45,640
Due to Casper Community College District	65,056	770,382
Pledge payable - Casper Community College District residence hall	13,000,000	13,650,000
Investments held on behalf of Casper Community College District	15,619,856	16,955,288
Liability under charitable remainder trust agreement	145,912	145,912
Total liabilities	28,907,437	31,615,215
Net assets		
Without donor restrictions		
Designated for theater maintenance	398,853	404,654
Undesignated	29,331,391	30,315,556
	29,730,244	30,720,210
With donor restrictions		
Perpetual in nature	20,784,416	20,566,326
Purpose restrictions	33,248,444	34,243,558
	54,032,860	54,809,884
Total net assets	83,763,104	85,530,094
Total liabilities and net assets	\$ 112,670,541	\$ 117,145,309

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, 2020 AND 2019**

	2020	2019
<b>REVENUES</b>		
Operating revenues		
Student tuition and fees, net of scholarship allowances of \$3,271,644 and \$2,777,768	\$ 6,791,137	\$ 6,575,484
Federal grants and contracts	1,240,344	1,147,366
State grants and contracts	676,341	533,834
Local grants and contracts	302,989	273,874
Private grants and contracts	1,887,601	2,069,122
Auxiliary enterprises, net of scholarship allowances of \$818,559 and \$857,206	1,752,572	2,174,830
Lease income	571,403	544,123
Other sources	377,662	478,199
Gift from Casper College Foundation - rental value of buildings	724,000	724,000
Total operating revenues	14,324,049	14,520,832
<b>EXPENSES</b>		
Operating expenses		
Instruction	18,806,621	18,540,176
Public service	293,781	324,941
Student services	4,203,697	3,990,494
Operation and maintenance of plant	6,865,918	6,140,706
Academic support	5,023,893	5,036,162
Institutional support	6,782,159	6,646,901
Student aid	4,570,049	4,042,203
Auxiliary enterprises	2,576,404	2,834,683
Depreciation	5,360,239	5,356,670
Total operating expenses	54,482,761	52,912,936
Operating loss	(40,158,712)	(38,392,104)
		(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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	\$ 25,338,524	\$ 24,526,309
Property taxes	11,022,736	10,491,015
Federal grants and contracts	4,241,858	3,519,469
State and local grants and contracts	1,531,049	1,398,874
Investment income (loss)	(357,041)	462,471
Interest income	344,331	198,279
Interest expense on capital asset - related debt	(1,849,127)	(1,904,699)
OPEB expense (GASB 75 adjustment)	(1,047,263)	(1,409,223)
Pension expense (GASB 68 adjustment)	(1,033,774)	(1,897,443)
Non-operating revenues, net	<u>38,191,293</u>	<u>35,385,052</u>
Loss before other revenues, expenses, gains or losses	(1,967,419)	(3,007,052)
OTHER REVENUES		
Capital appropriations	4,489,337	2,811,764
Capital grants and gifts	<u>3,224,684</u>	<u>719,079</u>
Increase in net position	5,746,602	523,791
NET POSITION, BEGINNING	<u>52,266,436</u>	<u>51,742,645</u>
NET POSITION, ENDING	<u><u>\$ 58,013,038</u></u>	<u><u>\$ 52,266,436</u></u>

See accompanying notes to financial statements



**CASPER COMMUNITY COLLEGE DISTRICT  
CASPER COLLEGE FOUNDATION (COMPONENT UNIT)  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>CHANGES IN NET ASSETS</b>						
Revenue, support and gains						
Contributions	\$ 1,274,068	\$ 1,722,437	\$ 2,996,505	\$ 688,530	\$ 3,113,230	\$ 3,801,760
Investment income (loss)	1,479,359	(790,807)	688,552	1,400,130	1,862,494	3,262,624
Rental income	749,000	-	749,000	749,000	-	749,000
Royalties	180,864	50,284	231,148	355,189	134,361	489,550
Other income	-	153,603	153,603	-	133,437	133,437
	<u>3,683,291</u>	<u>1,135,517</u>	<u>4,818,808</u>	<u>3,192,849</u>	<u>5,243,522</u>	<u>8,436,371</u>
Net assets released from restrictions						
Satisfaction of donor restrictions	1,912,541	(1,912,541)	-	2,310,204	(2,310,204)	-
Total revenue (loss), support and gains	<u>5,595,832</u>	<u>(777,024)</u>	<u>4,818,808</u>	<u>5,503,053</u>	<u>2,933,318</u>	<u>8,436,371</u>
Expenses and losses						
Casper Community College District support						
Scholarships and student assistance	1,220,054	-	1,220,054	1,072,686	-	1,072,686
College programs and plant	4,389,156	-	4,389,156	2,203,453	-	2,203,453
Support of other organizations	38,402	-	38,402	59,097	-	59,097
Total Casper Community College District support	<u>5,647,612</u>	<u>-</u>	<u>5,647,612</u>	<u>3,335,236</u>	<u>-</u>	<u>3,335,236</u>
General administration	771,269	-	771,269	827,774	-	827,774
Fundraising	166,917	-	166,917	177,617	-	177,617
Total expenses	<u>6,585,798</u>	<u>-</u>	<u>6,585,798</u>	<u>4,340,627</u>	<u>-</u>	<u>4,340,627</u>
Loss on sale of mineral interests	-	-	-	-	1,248,854	1,248,854
Total expenses and losses	<u>6,585,798</u>	<u>-</u>	<u>6,585,798</u>	<u>4,340,627</u>	<u>1,248,854</u>	<u>5,589,481</u>
INCREASE (DECREASE) IN NET ASSETS	(989,966)	(777,024)	(1,766,990)	1,162,426	1,684,464	2,846,890
NET ASSETS, BEGINNING	<u>30,720,210</u>	<u>54,809,884</u>	<u>85,530,094</u>	<u>29,557,784</u>	<u>53,125,420</u>	<u>82,683,204</u>
NET ASSETS, ENDING	<u>\$ 29,730,244</u>	<u>\$ 54,032,860</u>	<u>\$ 83,763,104</u>	<u>\$ 30,720,210</u>	<u>\$ 54,809,884</u>	<u>\$ 85,530,094</u>

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
CASPER COLLEGE FOUNDATION (COMPONENT UNIT)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Casper Community College District Support					
	Scholarships and Student Assistance	College Progrms and Plant	Support of Other Organizations	General Administration	Fundraising	Totals
College programs and plant	\$ -	\$ 3,587,684	\$ 38,402	\$ -	\$ -	\$ 3,626,086
Depletion on mineral interest	-	-	-	7,543	-	7,543
Depreciation	-	-	-	281,280	-	281,280
Investment fees	-	-	-	94,901	-	94,901
Legal, accounting and audit	-	-	-	30,335	-	30,335
Maintenance	-	-	-	1,132	-	1,132
Meetings, entertainment and promotions	-	-	-	5,312	3,157	8,469
Miscellaneous expenses	-	-	-	9,988	6,308	16,296
Office supplies	-	-	-	-	13,424	13,424
Professional services	-	-	-	8,297	-	8,297
Professional development	-	-	-	9,361	-	9,361
Rent expense	-	724,000	-	25,000	-	749,000
Salaries and benefits	-	77,472	-	245,421	144,028	466,921
Scholarships and student assistance	1,220,054	-	-	-	-	1,220,054
Software expense	-	-	-	52,699	-	52,699
Total expenses	<u>\$ 1,220,054</u>	<u>\$ 4,389,156</u>	<u>\$ 38,402</u>	<u>\$ 771,269</u>	<u>\$ 166,917</u>	<u>\$ 6,585,798</u>

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
CASPER COLLEGE FOUNDATION (COMPONENT UNIT)  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Casper Community College District Support</u>					
	<u>Scholarships and Student Assistance</u>	<u>College Progrms and Plant</u>	<u>Support of Other Organizations</u>	<u>General Administration</u>	<u>Fundraising</u>	<u>Totals</u>
College programs and plant	\$ -	\$ 1,376,525	\$ 59,097	\$ -	\$ -	\$ 1,435,622
Depreciation	-	-	-	278,278	-	278,278
Investment fees	-	-	-	94,261	-	94,261
Legal, accounting and audit	-	-	-	26,545	-	26,545
Maintenance	-	-	-	3,410	-	3,410
Meetings, entertainment and promotions	-	-	-	6,067	4,763	10,830
Miscellaneous expenses	-	-	-	7,985	26,222	34,207
Office supplies	-	-	-	-	12,702	12,702
Professional services	-	-	-	78,379	-	78,379
Professional development	-	-	-	1,569	-	1,569
Rent expense	-	724,000	-	25,000	-	749,000
Salaries and benefits	-	102,928	-	258,603	133,930	495,461
Scholarships and student assistance	1,072,686	-	-	-	-	1,072,686
Software expense	-	-	-	47,677	-	47,677
Total expenses	<u>\$ 1,072,686</u>	<u>\$ 2,203,453</u>	<u>\$ 59,097</u>	<u>\$ 827,774</u>	<u>\$ 177,617</u>	<u>\$ 4,340,627</u>

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 6,778,809	\$ 6,349,936
Grants and contracts	5,343,683	3,944,218
Payments to suppliers	(29,627,608)	(28,744,870)
Payments to employees	(17,687,698)	(17,777,743)
Auxiliary enterprise charges	1,752,572	2,174,830
Other operating revenues	377,662	478,199
Net cash used in operating activities	(33,062,580)	(33,575,430)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	25,338,524	24,526,309
Property taxes	10,888,777	10,480,213
Federal grants and contracts	4,241,858	3,519,469
State and local grants and contracts	1,531,049	1,398,874
Direct student loan receipts	3,220,405	3,156,649
Direct student loan disbursements	(3,220,405)	(3,156,649)
Net cash provided by noncapital financing activities	42,000,208	39,924,865
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital appropriations	2,811,764	2,811,764
Capital grants and gifts	3,224,684	719,079
Principal payments on note payable-Casper College Foundation	(202,953)	(193,172)
Purchases of capital assets	(2,174,022)	(1,287,936)
Principal paid on capital debt	(1,805,000)	(1,740,000)
Interest paid on capital debt	(1,859,116)	(1,927,491)
Deposit with State of Wyoming	(2,920,000)	(1,078,201)
Deposit with bond trustee	(656,479)	(663,886)
Net cash used in capital and related financing activities	(3,581,122)	(3,359,843)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	4,067,000	4,000,000
Investment and interest income	344,331	198,279
Purchase of investments	(19,232,426)	(4,157,860)
Net cash provided by (used in) investing activities	(14,821,095)	40,419
Net increase (decrease) in cash	\$ (9,464,589)	\$ 3,030,011

(Continued)

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH, BEGINNING	\$ 18,264,227	\$ 15,234,216
Net increase (decrease) in cash	<u>(9,464,589)</u>	<u>3,030,011</u>
CASH, ENDING	<u>\$ 8,799,638</u>	<u>\$ 18,264,227</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (40,158,712)	\$ (38,392,104)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	5,360,239	5,356,670
Scholarships paid from the Endowment Challenge Program	576,726	663,532
Program and plant expenses paid from the Endowment Challenge Program	401,665	832,638
Changes in assets and liabilities:		
Accounts receivable	(39,633)	(246,163)
Due from University of Wyoming	(21,907)	10,682
Due from State of Wyoming	381,376	34,035
Due from funding agencies	71,258	(15,778)
Due from Casper College Foundation	404,225	(353,634)
Accounts payable	552,027	(59,210)
Accrued liabilities	114,290	(85,181)
Due to Casper College Foundation	2,331	(38,714)
Deposits held in custody for others	85,636	(10,664)
Deferred revenue	(142,642)	(278,791)
Student deposits	12,250	(4,282)
Accrued compensated absences	1,291	(112,466)
Early retirement payable	<u>(663,000)</u>	<u>(876,000)</u>
Net cash used in operating activities	<u>\$ (33,062,580)</u>	<u>\$ (33,575,430)</u>
<b>RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	\$ 8,786,574	\$ 15,858,761
Restricted cash and cash equivalents	<u>13,064</u>	<u>2,405,466</u>
	<u>\$ 8,799,638</u>	<u>\$ 18,264,227</u>
<b>NONCASH TRANSACTIONS</b>		
Investment income (loss)-Endowment Challenge Program	\$ (357,041)	\$ 462,471
Scholarship expense-Endowment Challenge Program	576,726	663,532
Program and plant expense-Endowment Challenge Program	401,665	832,638
Capital assets paid for by the State of Wyoming	1,677,573	-

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
CASPER COLLEGE FOUNDATION (COMPONENT UNIT)  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (1,766,990)	\$ 2,846,890
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities		
Depreciation and depletion	288,823	278,278
Loss on investments	3,478,945	1,307,111
Loss on sale of mineral interests	-	1,248,854
Loss on assets held in charitable remainder trust	215,948	97,382
Noncash contributions	-	(658,125)
Increase (decrease) in cash and cash equivalents as a result of changes in operating assets and liabilities		
Royalties and accrued interest receivable	37,420	3,642
Due from Casper Community College District	9,989	23,980
Contribution receivable	(149,888)	(233,999)
Unconditional promises to give	(41,726)	104,470
Prepaid expenses	-	7,376
Accounts payable and accrued liabilities	(17,020)	22,580
Due to Casper Community College District	(705,326)	(375,938)
Pledge payable - Casper Community College District residence hall	(650,000)	(650,000)
Contributions and income restricted for endowments	(232,309)	(474,386)
Investment income restricted for endowments	14,219	(44,260)
Net cash provided by operating activities	482,085	3,503,855
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(6,234,332)	(8,323,660)
Purchases of property and equipment	(21,022)	(29,620)
Purchases of assets held for display purposes	(44,500)	(206,875)
Principal payments received from Casper Community College District	202,953	193,172
Proceeds from the sale of mineral interests	-	1,901,146
Proceeds from the sale and maturities of investments	5,581,382	2,493,727
Net cash used in investing activities	(515,519)	(3,972,110)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions and income restricted for endowments	232,309	474,386
Investment income restricted for endowments	(14,219)	44,260
Net cash provided by financing activities	218,090	518,646
Net increase in cash and cash equivalents	184,656	50,391
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	1,728,010	1,677,619
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 1,912,666	\$ 1,728,010

See accompanying notes to financial statements

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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, 2020 AND 2019**

**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, 2020 AND 2019**

**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, 2020 AND 2019**

**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 classes:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions are further divided into undesignated net assets without donor restrictions and designated net assets without donor restrictions. Designated net assets without donor restrictions are those assets which are unrestricted, but designated by the Foundation's Board for specified purposes.

*Net Assets With Donor Restrictions* – Net assets subject to donor – (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 net assets with donor restrictions to net assets without donor restrictions 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. Depletion of these interests is 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, 2020 AND 2019**

**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, 2020 and 2019 was \$8,792,240 and \$18,254,043, respectively, and the bank balance was \$9,423,478 and \$18,527,417, respectively. At June 30, 2020 and 2019, 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, 2020 and 2019, Casper College held investments of:

	2020	2019
WYOSTAR	\$ 22,890,309	\$ 3,689,579
WGIF	3,917	4,039,221
	\$ 22,894,226	\$ 7,728,800

*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 and WGIF, 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, 2020, the State Treasurer's Investment Pool (WYOSTAR) did not have a quality service credit rating. As of June 30, 2020, the WGIF Liquid Asset Series had a money market investment rating of AAAM.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, 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.

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

*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.

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.

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

*Investments held by Casper College Foundation on behalf of Casper College (Continued)*

*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.

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, 2020 and 2019 are as follows:

	2020	2019
Publicly traded mutual funds	\$ 86,529,793	\$ 93,412,254
Publicly traded equity securities	234,961	169,253
Alternative investments	9,877,545	7,406,683
	\$ 96,642,299	\$ 100,988,190

Fair values of assets at June 30, 2020 and 2019 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Units (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2020</u>				
Publicly traded mutual funds	\$ 86,529,793	\$ 86,529,793	\$ -	\$ -
Publicly traded equity securities	234,961	234,961	-	-
Alternative investments	9,877,545	-	9,877,545	-
Assets in charitable trust (mutual fund)	2,229,435	2,229,435	-	-
	\$ 98,871,734	\$ 88,994,189	\$ 9,877,545	\$ -
<u>2019</u>				
Publicly traded mutual funds	\$ 93,412,254	\$ 93,412,254	\$ -	\$ -
Publicly traded equity securities	169,253	169,253	-	-
Alternative investments	7,406,683	-	7,406,683	-
Assets in charitable trust (mutual fund)	2,260,919	2,260,919	-	-
	\$ 103,249,109	\$ 95,842,426	\$ 7,406,683	\$ -

**CASPER COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 3 – PROPERTY AND EQUIPMENT**

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

	Beginning	2019		Balance June 30, 2019	2020		Ending Balance June 30, 2020
	Balance July 1, 2018	Additions	Retirements/ Reclassifications		Additions	Retirements/ Reclassifications	
Capital assets not being depreciated							
Land	\$ 361,099	\$ -	\$ -	\$ 361,099	\$ -	\$ -	\$ 361,099
Construction in progress	328,505	110,345	249,267	189,583	666,036	189,583	666,036
Total capital assets not being depreciated	<u>689,604</u>	<u>110,345</u>	<u>249,267</u>	<u>550,682</u>	<u>666,036</u>	<u>189,583</u>	<u>1,027,135</u>
Depreciable assets							
Land improvements	6,455,664	-	-	6,455,664	-	-	6,455,664
Buildings, improvements and infrastructure	147,432,127	580,810	-	148,012,937	3,346,131	-	151,359,068
Equipment and vehicles	12,230,380	542,616	180,282	12,592,714	486,021	125,541	12,953,194
Library books	1,173,669	57,750	-	1,231,419	23,295	39,930	1,214,784
Infrastructure	13,224,251	245,682	-	13,469,933	597,895	-	14,067,828
Total depreciable assets	<u>180,516,091</u>	<u>1,426,858</u>	<u>180,282</u>	<u>181,762,667</u>	<u>4,453,342</u>	<u>165,471</u>	<u>186,050,538</u>
Accumulated depreciation							
Land improvements	6,091,095	82,897	-	6,173,992	82,897	-	6,256,889
Buildings, improvements and infrastructure	54,436,285	4,021,004	-	58,457,289	4,012,855	-	62,470,144
Equipment and vehicles	9,470,882	839,244	180,282	10,129,844	839,433	125,541	10,843,736
Library books	1,052,371	43,168	-	1,095,539	43,695	39,930	1,099,304
Infrastructure	3,531,345	370,357	-	3,901,702	381,358	-	4,283,060
Total accumulated depreciation	<u>74,581,978</u>	<u>5,356,670</u>	<u>180,282</u>	<u>79,758,366</u>	<u>5,360,238</u>	<u>165,471</u>	<u>84,953,133</u>
Net depreciable capital assets	<u>105,934,113</u>	<u>(3,929,812)</u>	<u>-</u>	<u>102,004,301</u>	<u>(906,896)</u>	<u>-</u>	<u>101,097,405</u>
Net property & equipment	<u>\$ 106,623,717</u>	<u>\$(3,819,467)</u>	<u>\$ 249,267</u>	<u>\$ 102,554,983</u>	<u>\$ (240,860)</u>	<u>\$ 189,583</u>	<u>\$ 102,124,540</u>

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 4 – LONG-TERM LIABILITIES**

Long-term liability activity was as follows:

	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts Due Within One Year
Accrued compensated absences	\$ 1,288,836	\$ 774,593	\$ 773,302	\$ 1,290,127	\$ 774,076
Bonds payable	43,715,000	-	1,805,000	41,910,000	1,850,000
Early retirement payable	1,143,000	-	663,000	480,000	388,918
Note payable					
Casper College Foundation	1,122,840	-	202,953	919,887	213,227
Total long-term liabilities	<u>\$ 47,269,676</u>	<u>\$ 774,593</u>	<u>\$ 3,444,255</u>	<u>\$ 44,600,014</u>	<u>\$ 3,226,221</u>

	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Amounts Due Within One Year
Accrued compensated absences	\$ 1,401,302	\$ 728,315	\$ 840,781	\$ 1,288,836	\$ 773,302
Bonds payable	45,455,000	-	1,740,000	43,715,000	1,805,000
Early retirement payable	2,019,000	-	876,000	1,143,000	677,820
Note payable					
Casper College Foundation	1,316,012	-	193,172	1,122,840	202,953
Total long-term liabilities	<u>\$ 50,191,314</u>	<u>\$ 728,315</u>	<u>\$ 3,649,953</u>	<u>\$ 47,269,676</u>	<u>\$ 3,459,075</u>

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

	Interest Rates (4)	Maturity Through	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020
General obligation bonds - 2009 (1)	2.75 - 5.0%	2034	\$ 7,950,000	\$ -	\$ 385,000	\$ 7,565,000
Revenue bonds - 2010B (2)	3.83 - 6.83%	2040	18,370,000	-	580,000	17,790,000
General obligation bonds - 2010B (3)	4.25 - 5.85%	2035	17,395,000	-	840,000	16,555,000
Total bonds payable			<u>\$ 43,715,000</u>	<u>\$ -</u>	<u>\$ 1,805,000</u>	<u>\$ 41,910,000</u>

	Interest Rates (4)	Maturity Through	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019
General obligation bonds - 2009 (1)	2.75 - 5.0%	2034	\$ 8,325,000	\$ -	\$ 375,000	\$ 7,950,000
Revenue bonds - 2010B (2)	3.83 - 6.83%	2040	18,920,000	-	550,000	18,370,000
General obligation bonds - 2010B (3)	4.25 - 5.85%	2035	18,210,000	-	815,000	17,395,000
Total bonds payable			<u>\$ 45,455,000</u>	<u>\$ -</u>	<u>\$ 1,740,000</u>	<u>\$ 43,715,000</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*.

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 4 – LONG-TERM LIABILITIES**

*Bonds payable (Continued)*

- (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 5.9% due to sequestration) of the interest cost on these bonds for the years ending June 30, 2020 and 2019. The subsidy is used to offset the interest costs associated with taxable Build America Bonds. For the year ending June 30, 2020, the College has been notified that their 35% interest subsidy will be reduced by 5.7% 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". 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, 2020 and 2019 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, 2020, the College has been notified that their 35% interest subsidy will be reduced by 5.7% due to sequestration.
- (4) 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, 2020 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest, Net of Subsidy</u>	<u>Total</u>
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	2,070,000	1,497,032	3,567,032
2025	2,140,000	1,419,758	3,559,758
2026-2030	12,015,000	5,768,056	17,783,056
2031-2035	13,995,000	3,055,204	17,050,204
2036-2040	5,920,000	807,863	6,727,863
	<u>\$ 41,910,000</u>	<u>\$ 17,456,741</u>	<u>\$ 59,366,741</u>



**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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 2.0%. The current portion of the obligation is included in accrued expenses in the accompanying financial statements.

Aggregate future minimum payments, as of June 30, 2020, are as follows:

Year	Present Value	Imputed Interest	Total
2021	\$ 388,918	\$ 26	\$ 388,944
2022	91,082	1,836	92,918
	\$ 480,000	\$ 1,862	\$ 481,862

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** – In a prior year, 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.

Subsequent to June 30, 2020, the Foundation’s Board approved applying all of the interest paid or accrued on this note from prior years to the principal balance of the note which reduced the balance of the note to \$460,469. In addition, the interest rate was reduced to 0% and the semi-annual principal payments were deferred for payments from September 15, 2020 to September 15, 2022.

A summary of future principal and interest payments after the change in terms is as follows:

Year	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	256,589	-	256,589
2024	203,880	-	203,880
	\$ 460,469	\$ -	\$ 460,469

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 5 - DEFERRED REVENUE**

Deferred inflows of resources includes deferred revenue as follows:

	2020	2019
Deferred University of Wyoming lease revenue	\$ 13,763,399	\$ 14,079,799
Deferred property tax revenue	3,177,600	3,121,100
Deferred tuition and fees revenue	478,395	451,090
Deferred grant revenue	258,465	112,012
Total deferred revenue	\$ 17,677,859	\$ 17,764,001

**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, 2020 and 2019, 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, 2020 and 2019 is \$3,224,684 and \$719,079, 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, 2020 and 2019 is \$65,000 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, 2020 and 2019, are operating grants from the Foundation in the amount of \$198,022 and \$334,750, 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, 2020 and 2019, the College paid the Foundation rent of \$23,372 and \$26,043, 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, 2020 and 2019, 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, 2020, is \$13,000,000 and is included under the caption *Pledge payable - Casper Community College District residence hall* and payable as follows:

Year ending June 30,		
2021	\$	650,000
2022		650,000
2023		650,000
2024		650,000
2025		650,000
Thereafter		9,750,000
		\$ 13,000,000

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Effective Date of Rate Change	<u>July 1 2019</u>	<u>September 1, 2018</u>	<u>July 1, 2017</u>
Employer contribution rate	14.44%	14.19%	13.94%
Employee contribution rate	3.18%	2.93%	2.68%
	<u>17.62%</u>	<u>17.12%</u>	<u>16.62%</u>
Total contributions	<u>\$ 1,256,712</u>	<u>\$ 1,272,345</u>	<u>\$ 1,359,779</u>

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**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)**

***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.

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

	2020	2019	2018
Effective Date of Rate Change	July 1, 2019	September 1, 2018	July 1, 2017
Employer contribution rate	14.44%	14.19%	13.94%
Employee contribution rate	3.18%	2.93%	2.68%
	<u>17.62%</u>	<u>17.12%</u>	<u>16.62%</u>
Total contributions	<u>\$ 1,785,759</u>	<u>\$ 1,702,508</u>	<u>\$ 1,752,606</u>

***Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions*** – At June 30, 2020 and 2019, the College reported a liability of \$16,184,727 and \$20,912,648, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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, 2018 to the contributions of all participating employers for the same period. At December 31, 2019, the College’s proportion was 0.689% which was an increase from its December 31, 2018 proportion of 0.687%.

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)**

***Retirement Commitment-Wyoming Retirement System (Continued)***

For the years ended June 30, 2020 and 2019, the College recognized pension expense of \$1,033,774 and \$1,897,443, respectively. The College reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	June 30, 2020		June 30, 2019	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Changes in proportionate share	\$ 50,891	\$ 96,266	\$ 75,109	\$ 156,594
Changes in projected and actual investment earnings	3,173,665	5,601,260	5,055,324	1,927,260
Changes in expected and actual experience	572,226	319,008	1,051,196	527,384
Contributions subsequent to the measurement date	568,121	-	539,673	-
	<u>\$ 4,364,903</u>	<u>\$ 6,016,534</u>	<u>\$ 6,721,302</u>	<u>\$ 2,611,238</u>

\$568,121 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, 2021.

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
2021	\$ 1,588,533	\$ (1,970,899)
2022	1,153,318	(1,869,816)
2023	1,054,931	(1,096,713)
2024	-	(1,079,106)
	<u>\$ 3,796,782</u>	<u>\$ (6,016,534)</u>

***Actuarial assumptions*** – The total pension liability in the January 1, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.5% - 6.5%, including inflation
Payroll growth rate	2.5%
Cost of living increase	0.00%
Investment rate of return	7.00%, net of pension plan investment expense

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

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)**

***Retirement Commitment-Wyoming Retirement System (Continued)***

*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, 2020		June 30, 2019	
	Target Allocation	Expected Arithmetic Real Rate of Return	Target Allocation	Expected Arithmetic Real Rate of Return
Fixed income	21.00%	1.67%	20.00%	2.00%
Equity	48.50%	7.42%	49.00%	7.40%
Marketable alternatives	19.00%	4.33%	19.00%	3.50%
Private markets	9.50%	5.58%	12.00%	7.00%
Cash	2.00%	-0.19%	0.00%	0.30%
Total	<u>100.00%</u>		<u>100.00%</u>	

***Experience analysis*** – An experience study was conducted on behalf of all WRS’ plans covering the five-year period ended December 31, 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:

Proportionate share of the net pension liability	1% Decrease	Current	1% Increase
	(6.00%)	Discout Rate (7.00%)	(8.00%)
	\$ 24,452,918	\$ 16,184,727	\$ 9,284,799

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 7 - RETIREMENT PROGRAMS (CONTINUED)**

***Retirement Commitment-Wyoming Retirement System (Continued)***

***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)**

***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.

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

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

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* - At June 30, 2020 and 2019 the College reported a liability of \$22,495,276 and \$26,204,849, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2020. The College’s proportion of the collective total OPEB liability was based on a projection of the College’s expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2020 and 2019, the College’s proportion was 2.37792% and 2.57050%, respectively.

For the years ended June 30, 2020 and 2019, the College recognized OPEB expense of \$1,047,263 and \$1,409,222, respectively. At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2020		June 30, 2019	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 4,850,055	\$ 5,966,129	\$ 5,350,993	\$ 3,327,189
Differences in proportionate share	29,438	1,612,812	33,584	-
	<u>\$ 4,879,493</u>	<u>\$ 7,578,941</u>	<u>\$ 5,384,577</u>	<u>\$ 3,327,189</u>

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

Year ended June 30,	Deferred Outflows	Deferred Inflows
2021	\$ 700,667	\$ (1,044,416)
2022	700,667	(1,044,416)
2023	700,667	(1,044,416)
2024	700,667	(1,044,416)
2025	700,667	(1,044,416)
Thereafter	1,376,158	(2,356,861)
	<u>\$ 4,879,493</u>	<u>\$ (7,578,941)</u>



**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

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

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

Measurement Date	July 1, 2019 (based on July 1, 2019 census data).
Mortality Rates	Pre-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017. Post-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017. Disabled: P-2014 Disabled, 100% male, 100% female, generational projection using MP-2017.
Healthcare Cost Trend Rates	Non-Medicare: 4.50% - 7.20% Medicare: 4.50% - 7.60%
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.
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.

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 3.51%, which represents an decrease from the discount rate of 3.87% utilized for the June 30, 2018 measurement date. The discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

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

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Proportionate share of the collective total OPEB liability	\$ 27,385,913	\$ 22,495,276	\$ 18,726,485

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

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

*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:

	<u>1% Decrease</u>	<u>Current Discout Rate</u>	<u>1% Increase</u>
Non-Medicare	6.20%	7.20%	8.20%
Medicare	6.60%	7.60%	8.60%
Total OPEB liability	\$ 18,883,659	\$ 22,495,276	\$ 27,358,513

**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 \$781,000 and \$799,000 as of June 30, 2020 and 2019, respectively. The income received by the College from the trust was \$36,088 and \$36,146 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 10 - CONTINGENCIES AND COMMITMENTS**

At June 30, 2020, the College had outstanding purchase orders of approximately \$1,660,000 which are not reflected in accounts payable nor expenditures as the goods or services had not been received.

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.

**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 carrying 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, 2020 and 2019 was \$5,322,620 and \$4,500,370, respectively.

**CASPER COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 13 - UNCERTAINTY**

The emergence of the coronavirus (COVID-19) pandemic in March of 2020 has created uncertainties in the economy of the state of Wyoming as well as the United States. The effects of the pandemic on the College and its operations are currently unknown.

**NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 87, Leases, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This standard is effective for reporting periods beginning after July 15, 2021. Management is currently evaluating the impact that the provisions of the statement will have on the College's financial statements.

GASB Statement No. 84, Fiduciary Activities, is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. This standard is effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact that the provisions of the statement will have on the College's financial statements.

**SCHEDULE 1**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-Through Number</b>	<b>Program or Award Amount</b>	<b>Federal Expenditures</b>
<i>U. S. Department of Education</i>				
<i>Direct Program:</i>				
<i>Student Financial Aid - Cluster:</i>				
Federal Pell Grant Program - FY20	84.063	N/A	3,439,502	\$ 3,439,502
Federal Supplemental Educational Opportunity Grants - FY19	84.007	N/A	6,483	6,483
Grants - FY20	84.007	N/A	68,250	68,250
Total Federal Supplemental Education Opportunity awards				74,733
Federal Work-Study Program - FY19	84.033	N/A	1,983	1,983
Federal Work-Study Program - FY20	84.033	N/A	51,168	51,168
Total Federal Work-Study Program awards				53,151
Federal Direct Student Loans FY19	84.268	N/A	26,184	26,184
Federal Direct Student Loans FY20	84.268	N/A	3,194,221	3,194,221
Total Federal Direct Student Loans				3,220,405
Total Student Financial Assistance				6,787,791
Education Stabilization Fund				
CARES ACT Higher Ed Emergency Relief Fund	84.425	N/A	674,473	674,473
Total U.S. Department of Education (Direct)				7,462,264
<i>Passed Through State Department of Education:</i>				
<i>Career and Technical Education - Basic Grants to States:</i>				
Allocation Grant for Vocational Training - FY19	84.048	1913509PPS00	312,107	16,544
Allocation Grant for Vocational Training - FY20	84.048	V048A190050	379,699	310,504
Total Passed through Wyoming Department of Education				327,048
<i>Passed Through Wyoming Community College Commission:</i>				
<i>Adult Education - Basic Grants to States:</i>				
Federal Adult Education Grant - FY20	84.002	AE20R01	126,486	125,339
Total Passed through Wyoming Community College Comm				125,339
<i>Passed Through Natrona County School District #1:</i>				
<i>Education for Homeless Children and Youth:</i>				
Education for Homeless Children and Youth - FY20	84.196	5196A180052	4,820	3,604
Total Passed through Natrona County School District #1				3,604
<i>Passed Through the University of Wyoming:</i>				
<i>Gaining Early Awareness and Readiness for Undergraduate Programs - FY20</i>				
	84.334	1004098A-CC	3,430,000	357,071
Total Passed through University of Wyoming				357,071
Total U.S. Department of Education (Pass-Through)				813,062
Total U.S. Department of Education				8,275,326

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, 2020**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-Through Number</b>	<b>Program or Award Amount</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Labor</u>				
<i>Passed Through Northern Wyoming Community College District:</i>				
H-1B Job Training Grants	17.268	HG-30137-17-60-A-56	950,910	<u>371,060</u>
Total U.S. Department of Labor				<u>371,060</u>
<u>National Foundation for the Arts and the Humanities</u>				
<i>Passed Through the Wyoming Arts Council:</i>				
Promotion of the Arts to Organizations and Individuals 2020 Jazz Festival	45.024	1859369-78-20	10,000	<u>10,000</u>
<i>Passed Through the Wyoming Humanities Council:</i>				
Promotion of the Humanities - Federal/State Partnerships: 2020 Humanities Festival	45.129	201-19	10,000	<u>10,000</u>
Total National Foundation for the Arts and Humanities				<u>20,000</u>
<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	10,521	<u>10,521</u>
Total U.S. Department of Agriculture				<u>10,521</u>
<u>Corp for National &amp; Community Service</u>				
<i>Passed Through Serve Wyoming:</i>				
Volunteer Generation Fund	94.021	20VGHWY001CC	29,816	<u>20,885</u>
Total National Aeronautics and Space Administration				<u>20,885</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	<u>4,818</u>
Total National Aeronautics and Space Administration				<u>4,818</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 8,702,610</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, 2020**

**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*.

**NOTE 2 – INDIRECT COST RATE**

Casper Community College District has an indirect cost rate of 41% and thus does not use the de minimis cost rate.

**SUPPLEMENTARY INFORMATION**

**SCHEDULE 2**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF INCOME AND EXPENSES - RESIDENCE HALL  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
INCOME		
Rental	\$ 1,066,677	\$ 1,301,500
Laundry	4,097	2,588
Damages	1,365	2,403
	<u>1,072,139</u>	<u>1,306,491</u>
OPERATING EXPENSES		
Maintenance	25,193	52,243
Miscellaneous	10,642	15,103
Resident assistants	84,645	105,284
Salaries and benefits	276,131	424,986
Supplies	18,038	10,128
Utilities	217,317	220,590
	<u>631,966</u>	<u>828,334</u>
INCOME BEFORE SCHOLARSHIP ALLOWANCE	440,173	478,157
Scholarship allowance	<u>(491,135)</u>	<u>(514,324)</u>
NET LOSS	<u>\$ (50,962)</u>	<u>\$ (36,167)</u>



**SCHEDULE 3**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF INCOME AND EXPENSES - APARTMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>WHEELER TERRACE</u>		<u>CIVIC</u>		<u>THORSON</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
RENTAL INCOME	<u>\$ 149,153</u>	<u>\$ 163,678</u>	<u>\$ 35,295</u>	<u>\$ 32,576</u>	<u>\$ 46,744</u>	<u>\$ 52,087</u>
OPERATING EXPENSES						
Maintenance	94,432	2,468	21,468	988	91	1,068
Miscellaneous	548	-	-	-	-	503
Rent - Casper College Foundation	-	-	-	-	23,372	26,043
Supplies	339	597	5,883	230	3,772	51
Utilities	22,784	23,194	7,981	7,874	8,868	8,969
	<u>118,103</u>	<u>26,259</u>	<u>35,332</u>	<u>9,092</u>	<u>36,103</u>	<u>36,634</u>
Operating income (loss)	31,050	137,419	(37)	23,484	10,641	15,453
GIFT FROM CASPER COLLEGE FOUNDATION	-	-	-	-	3,772	-
OTHER FUND SUPPORT	<u>110,000</u>	<u>-</u>	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 141,050</u>	<u>\$ 137,419</u>	<u>\$ 26,963</u>	<u>\$ 23,484</u>	<u>\$ 14,413</u>	<u>\$ 15,453</u>

**SCHEDULE 4**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF INCOME AND EXPENSES  
EARLY CHILDHOOD LEARNING CENTER  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>INCOME</b>		
Fees and grants	\$ 159,848	\$ 202,943
Federal grant	10,521	13,763
Miscellaneous income	-	179
	<u>170,369</u>	<u>216,885</u>
<b>OPERATING EXPENSES</b>		
Cost of food	23,048	28,632
Insurance	500	500
Maintenance	2,078	1,660
Miscellaneous	4,128	5,682
Professional Fees	-	50
Salaries and benefits	508,199	494,163
Supplies	5,332	7,071
Utilities	13,736	10,847
	<u>557,021</u>	<u>548,605</u>
Operating loss	(386,652)	(331,720)
GIFT FROM CASPER COLLEGE FOUNDATION	65,000	65,000
OTHER FUND SUPPORT	<u>65,000</u>	<u>65,000</u>
NET LOSS	<u>\$ (256,652)</u>	<u>\$ (201,720)</u>

**SCHEDULE 5**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF INCOME AND EXPENSES - STUDENT CENTER  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
INCOME		
Student fees	\$ 400,035	\$ 415,276
Miscellaneous	95,053	101,820
Rental - bookstore	125,206	115,137
	<u>620,294</u>	<u>632,233</u>
OPERATING EXPENSES		
Maintenance	25,475	18,854
Miscellaneous	2,663	593
Professional fees	-	10,080
Salaries and benefits	298,643	263,723
Supplies	15,348	12,934
Utilities	166,184	175,656
	<u>508,313</u>	<u>481,840</u>
NET INCOME	<u>\$ 111,981</u>	<u>\$ 150,393</u>

**SCHEDULE 6****CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF INCOME AND EXPENSES - CAFETERIA  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>INCOME</b>		
Cafeteria - contracts	\$ 847,983	\$ 996,486
Commissions on cash sales	39,710	60,820
	<u>887,693</u>	<u>1,057,306</u>
Total income	887,693	1,057,306
	<u>757,524</u>	<u>835,697</u>
Less - cost of food service	757,524	835,697
	<u>130,169</u>	<u>221,609</u>
Gross profit	130,169	221,609
<b>OPERATING EXPENSES</b>		
Maintenance	28,086	15,835
Miscellaneous	557	2,575
Salaries and benefits	6,000	10,000
Supplies	130	274
Utilities	26,693	27,643
	<u>61,466</u>	<u>56,327</u>
INCOME BEFORE SCHOLARSHIP ALLOWANCE	68,703	165,282
	<u>(327,424)</u>	<u>(342,883)</u>
Scholarship allowance	(327,424)	(342,883)
NET LOSS	<u>\$ (258,721)</u>	<u>\$ (177,601)</u>

**SCHEDULE 7**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF INCOME AND EXPENSES - AUXILIARY ENTERPRISES  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
INCOME		
Cafeteria contracts	\$ 847,983	\$ 996,486
Rental - dorms and apartments	1,297,869	1,549,841
Student fees	400,035	415,276
Rental - bookstore	125,206	115,137
Day care fees and grants	159,848	202,943
Federal grant	10,521	13,763
Cafeteria commissions on cash sales	39,710	60,820
Laundry	4,097	2,588
Damages	1,365	2,403
Miscellaneous	101,470	116,915
	<u>2,988,104</u>	<u>3,476,172</u>
OPERATING EXPENSES		
Bad debts	10,079	11,105
Cost of food (day care)	23,048	28,632
Cost of food service (cafeteria)	757,524	835,697
Insurance	500	500
Maintenance	196,823	93,116
Miscellaneous	18,538	24,456
Resident assistants	84,645	105,284
Professional fees	-	10,130
Rent - Casper College Foundation	23,372	26,043
Salaries and benefits	1,088,973	1,192,872
Supplies	48,842	31,285
Utilities	463,563	474,773
	<u>2,715,907</u>	<u>2,833,893</u>
Operating income	<u>272,197</u>	<u>642,279</u>
OTHER INCOME (EXPENSE)		
Casper College Foundation gift	718,772	715,000
Other fund support	202,000	65,000
Interest income	43,379	41,626
Interest expense	(791,751)	(801,433)
	<u>172,400</u>	<u>20,193</u>
INCOME BEFORE SCHOLARSHIP ALLOWANCE	444,597	662,472
Scholarship allowance	<u>(818,559)</u>	<u>(857,207)</u>
NET LOSS	<u>\$ (373,962)</u>	<u>\$ (194,735)</u>

**SCHEDULE 8**

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULES OF NET POSITION - CIVIC ASSOCIATION LOAN FUND  
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 4,995	\$ 150,392
Investments	85,133	40,151
Accounts receivable - other	<u>194</u>	<u>194</u>
Total assets	<u>90,322</u>	<u>190,737</u>
NET POSITION	<u>\$ 90,322</u>	<u>\$ 190,737</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER ADDITIONS		
Interest income	\$ 1,290	\$ 1,717
Miscellaneous income	<u>-</u>	<u>30</u>
Total revenue and other additions	<u>1,290</u>	<u>1,747</u>
TRANSFERS AMONG FUNDS - ADDITIONS (REDUCTIONS)		
Mandatory rent from civic rental	35,295	32,576
Transfer to auxiliary	(137,000)	-
Bad debt expense	<u>-</u>	<u>(205)</u>
Total transfers	<u>(101,705)</u>	<u>32,371</u>
NET INCREASE FOR THE YEAR	(100,415)	34,118
NET POSITION, BEGINNING	<u>190,737</u>	<u>156,619</u>
NET POSITION, ENDING	<u><u>\$ 90,322</u></u>	<u><u>\$ 190,737</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CASPER COLLEGE'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY (WYOMING RETIREMENT SYSTEM)  
FOR THE LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.689%	0.687%	0.691%	0.696%	0.685%	0.711%	0.706%
Proportionate share of the net pension liability	\$ 16,185,075	\$ 20,912,648	\$ 15,747,531	\$ 16,836,854	\$ 15,951,162	\$ 12,463,625	\$ 10,738,118
Covered employee payroll	\$ 12,222,488	\$ 12,107,245	\$ 12,310,840	\$ 12,541,975	\$ 12,443,299	\$ 12,394,990	\$ 12,100,311
Proportionate share of the net pension liability as a percentage of covered employee payroll	132.42%	172.73%	127.92%	134.24%	128.19%	100.55%	88.74%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	**

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

\*\* Information not available.

See accompanying notes to required supplementary information

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CASPER COLLEGE'S CONTRIBUTIONS TO THE WYOMING RETIREMENT SYSTEM  
FOR THE LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,177,558	\$ 2,060,221	\$ 2,029,819	\$ 2,034,811	\$ 2,096,397	\$ 1,977,065	\$ 1,572,356
Contributions in relation to contractually required contribution	2,177,558	2,060,221	2,029,819	2,034,811	2,096,397	1,977,065	1,572,356
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered employee payroll	12,358,193	12,091,666	12,213,105	12,243,146	12,613,691	12,456,403	12,151,128
Contributions as a percentage of covered employee payroll	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%	12.94%

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

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 LAST THREE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the total OPEB liability	2.37792%	2.57050%	2.56573%
Proportionate share of the total OPEB liability	\$ 22,495,276	\$ 26,204,849	\$ 20,294,708
Covered employee payroll	N/A	N/A	N/A
Proportionate share of the total OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

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

See accompanying notes to required supplementary information

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020 AND 2019**

**NOTE 1 – RETIREMENT COMMITMENT – WYOMING RETIREMENT SYSTEM**

*Changes in Benefit Terms* - There were no changes in benefit terms between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

*Changes in Assumptions*

There were 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.

There have been no changes in assumptions made during any of the other years.

**NOTE 2 – OPEB COMMITMENT**

*Changes in Benefit Terms* - There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

*Changes in Assumptions*

The valuation reflects the following assumption changes from the June 30, 2018 measurement date to the June 30, 2019 measurement date:

- Discount rate changed from 3.87% to 3.51%
- In addition to the above changes, the valuation also reflects updated health care claims costs based on recent EGI experience and an increase in retiree contributions between 2019 and 2020.

The changes resulted in a \$8,224,979 increase to the OPEB Liability. The portion allocable to the College was \$195,583.

The valuation reflects the following assumption changes from the June 30, 2017 measurement date to the June 30, 2018 measurement date.

- Discount rate changed from 3.58% to 3.87%.
- Mortality rates were updated to reflect the tables used by the Wyoming Retirement System. Specifically, the mortality assumption was changed from the RP-2006 tables projected using scale MP-2017 to the RP-2014 tables projected using scale MP-2017. See the Actuarial Assumptions and Methods section for additional details.
- In addition to the above changes, the valuation also reflects updated health care claims costs based on recent EGI experience, which was generally higher than expected, and no increase in retiree contributions between 2018 and 2019.

The changes resulted in a \$15,580,507 decrease to the OPEB Liability. The portion allocable to the College was \$400,497.

**CASPER COMMUNITY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020 AND 2019**

**NOTE 2 – OPEB COMMITMENT (CONTINUED)**

*Changes in Assumptions (continued)*

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, 2020, 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 4, 2020. 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*

Lenhart, Mason & Associates, LLC  
Casper, Wyoming  
December 4, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL 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, 2020. 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, 2020.



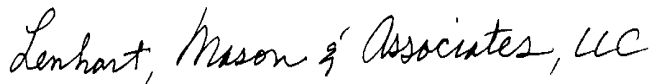
## Report on Internal Control Over Compliance

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 4, 2020

**CASPER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**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 FEDERAL 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.