

Garden City Community College

**OPEID No.: 00191900
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June 30, 2011

Garden City Community College
 Basic Financial Statements
 For the Year Ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Garden City Community College
801 Campus Drive
Garden City, Kansas 67846

We have audited the accompanying financial statements of the business-type activity and the aggregate discretely presented component units of the Garden City Community College, Garden City, Kansas, as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Garden City Community College's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the aggregate discretely presented component units of Garden City Community College, Garden City, Kansas, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2011, on our consideration of the Garden City Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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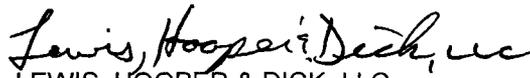
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The management's discussion and analysis and the schedule of funding progress on pages v through xiii and 30 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The information identified in the table of contents as supplementary information and additional information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the College. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


LEWIS, HOOPER & DICK, LLC

December 16, 2011

Management's Discussion and Analysis

This section of the report contains an overview and analysis of Garden City Community College's financial statements for the fiscal years ended June 30, 2011, and June 30, 2010. The information contained here is intended to provide the users of these financial statements with a well rounded picture of the College's financial condition. It addresses the primary government financial statements only; the component units presented are not discussed in this Management's Discussion and Analysis. A more detailed presentation is given in the College's basic financial statements, footnotes and supplementary information (pages 1-62). Responsibility for this discussion and the completeness and fairness of the information presented resides with the College.

Using This Report

The financial statement focuses on the College as a whole. The College's financial statements (see pages 2 through 5) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statement of Net Assets 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 of Revenues, Expenses and Changes in Net Assets focuses on both the gross costs and the net costs of College activities which are supported substantially by property taxes, state and federal grants and contracts, student tuition and fees, and auxiliary enterprise revenues. This approach is intended to summarize and simplify the user's analysis of cost of various College services to students and the public.

Financial Highlights

- The College had net assets at the beginning of the year totaling \$18,849,284. The net increase in net assets of \$1,002,653, or 5.32%, brought the total of net assets at June 30, 2011, to \$19,851,937. This was due primarily because of the College's ability to decrease operating expenses due to budget cuts and layoffs.
- Capital assets increased a total of \$239,275 from 2010, as a result of construction in progress. Major projects during fiscal year 2011 include the Fouse and Academic building additions/renovations.
- Operating revenues decreased by \$292,714, or 3.56% from 2010.
- Operating expenses decreased by \$1,051,921, or 5.09% from 2010. This is primarily because of decreases in general operating expenses as the result of budget cuts and layoffs which were implemented as the result of lower projected assessed valuations in the County.
- Actual expenditures for the General Fund were under budget \$3,650,469, or 20.03%. The comparison of actual to published budget reflects that the College operated within its legal budget authority as required by the State of Kansas.

Financial Analysis of the College as a Whole

Net assets As of June 30, 2011 and 2010

	2011	2010	Increase (Decrease)
Assets			
Current assets	\$ 13,656,546	\$ 14,697,736	\$ (1,041,190)
Non-current assets	20,084,356	19,845,081	239,275
Total assets	33,740,902	34,542,817	(801,915)
Liabilities			
Current liabilities	6,288,343	6,742,543	(454,200)
Non-current liabilities	7,600,622	8,950,990	(1,350,368)
Total liabilities	13,888,965	15,693,533	(1,804,568)
Net assets			
Investment in capital assets	11,758,165	11,267,299	490,866
Restricted for: expendable	504,268	907,002	(402,734)
Unrestricted	7,589,504	6,674,983	914,521
Total net assets	\$ 19,851,937	\$ 18,849,284	\$ 1,002,653

This schedule is prepared from the College's statement of net assets (page 2) which is presented on an accrual basis of accounting whereby assets costing \$5,000 or more are capitalized and depreciated.

Total net assets at June 30, 2011, increased \$1,002,653 to \$19,851,937 from \$18,849,284 in fiscal year 2010, as previously discussed. Current assets have decreased due to receivables for taxes and notes payable proceeds along with a decrease in cash on hand for construction in progress. Non-current assets consist primarily of net capital assets. Here is a summary of changes in net capital assets.

Changes in Capital Assets

	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Land	\$ 655,387	\$ -	\$ -	\$ 655,387
Construction in progress	1,455,853	1,169,582	-	2,625,435
Improvements other than buildings	5,292,928	35,323	-	5,328,251
Buildings	26,836,602	-	-	26,836,602
Equipment	7,531,884	274,033	11,690	7,794,227
Total cost	41,772,654	1,478,938	11,690	43,239,902
Less accumulated depreciation:				
Improvements other than buildings	1,878,325	265,739	-	2,144,064
Buildings	14,320,813	616,403	-	14,937,216
Equipment	5,728,435	357,521	11,690	6,074,266
Total accumulated depreciation	21,927,573	1,239,663	11,690	23,155,546
Property, plant and equipment, net	\$ 19,845,081	\$ 239,275	\$ -	\$ 20,084,356

The College completed the Penka building addition/renovation project during fiscal year 2010. Remodeling of the Fouse and Academic buildings began in fiscal year 2008. Capital projects in process at June 30, 2011, are as follows:

Project	Authorization	Expended	Committed
Penka, Fouse & Academic Buildings renovations	\$ 4,727,505	\$ 4,128,283	\$ 599,222
Kitchen repair	99,600	-	99,600

Current liabilities decreased largely due to the decrease in deferred tax revenues. Non-current liabilities consist entirely of long-term liabilities. Here is a summary of changes in long-term liabilities.

Changes in Long-term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance
Notes payable:				
Kansas Board of Regents	\$ 1,939,564	\$ -	\$ 277,081	\$ 1,662,483
Leases payable:				
Lease obligation - building	235,000	-	235,000	-
Lease obligation - improvements and equipment	1,365,000	-	320,000	1,045,000
Lease obligation - building	2,850,000	-	35,000	2,815,000
Lease obligation - equipment	275,000	-	135,000	140,000
Lease obligation - building	845,000	-	270,000	575,000
Lease obligation - building	2,050,000	-	10,000	2,040,000
Lease obligation - equipment	130,000	-	30,671	99,329
Total leases payable	7,750,000	-	1,035,671	6,714,329
Other liabilities:				
Compensated absences, net	271,546	-	39,281	232,265
Net OPEB liability, net	292,632	62,816	-	355,448
Total other liabilities	564,178	62,816	39,281	587,713
Total long-term liabilities	\$ 10,253,742	\$ 62,816	\$ 1,352,033	\$ 8,964,525

The College's net assets consist of capital assets net of related debt, restricted net assets and unrestricted net assets. Expendable restricted net assets represent assets whose use is restricted by a party independent of the College, including restrictions related to grants, contracts and gifts. Unrestricted net assets represent net assets of the College that have not been restricted by parties independent of the College.

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**Statement of Revenues, Expenses and Changes in Net Assets
As of June 30, 2011 and 2010**

	2011	2010	Increase (Decrease)
Operating revenues:			
Student tuition and fees (net of scholarship allowances)	\$ 770,498	\$ 844,157	\$ (73,659)
Federal grants and contracts	5,310,371	5,183,997	126,374
Auxiliary enterprises	513,763	490,390	23,373
Other	1,329,735	1,698,537	(368,802)
Total operating revenues	<u>7,924,367</u>	<u>8,217,081</u>	<u>(292,714)</u>
Operating expenses	<u>19,630,199</u>	<u>20,682,120</u>	<u>(1,051,921)</u>
Operating loss	(11,705,832)	(12,465,039)	759,207
Non-operating revenues (expenses)			
State appropriations	2,559,826	2,621,285	(61,459)
Property taxes	10,329,281	10,339,581	(10,300)
Other	(225,622)	(237,641)	12,019
Capital grants and gifts	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Increase in net assets	1,002,653	303,186	699,467
Net assets, beginning of year	<u>18,849,284</u>	<u>18,546,098</u>	<u>303,186</u>
Net assets, end of year	<u>\$ 19,851,937</u>	<u>\$ 18,849,284</u>	<u>\$ 1,002,653</u>
Total revenues	<u>\$ 20,908,296</u>	<u>\$ 21,310,747</u>	<u>\$ (402,451)</u>

Operating revenues decreased by \$292,714. This reflects an decrease in student tuition and fees of \$73,659 after the allowance for scholarships and federal student financial aid. The increase in federal grants and contracts of \$126,374 is a result of increased student aid for the current year. Auxiliary enterprises experienced an increase of \$23,373 as a result of an increase in cosmetology students. Other operating revenues decreased \$368,802 primarily as a result of changes in the other restricted funds' sponsorship agreements.

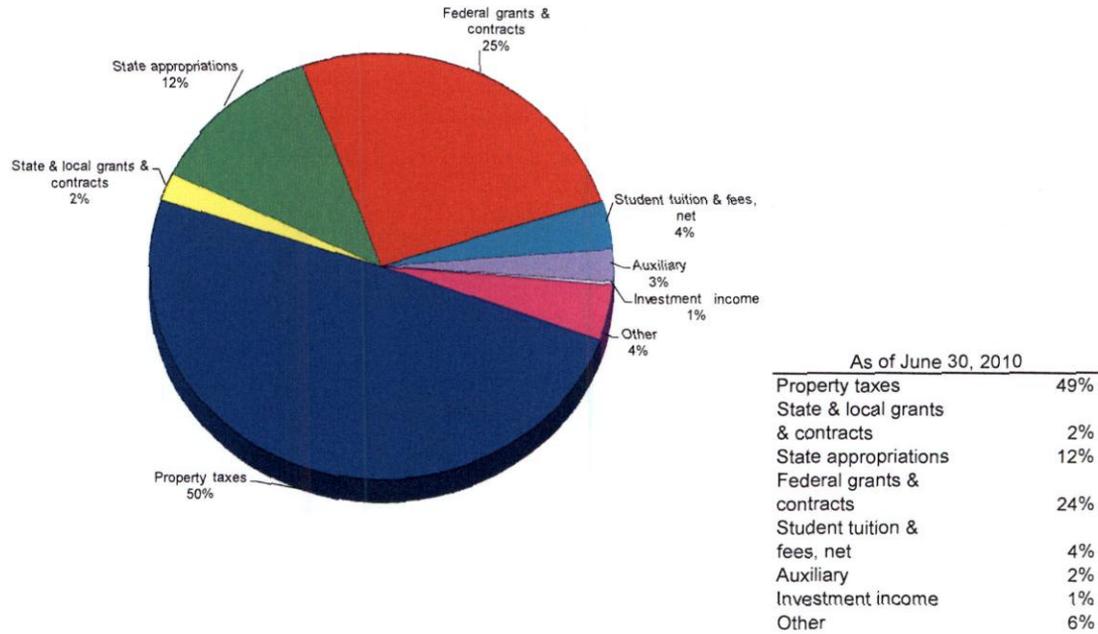
Total non-operating revenues (expenses) decreased by \$59,740. This was primarily due to a decrease in State appropriations.

Capital grants and gifts due to contributions received through the State's tax credit program were the same as in the prior year.

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The following is a graphic illustration of revenues by source.

Revenues by Source



As shown in the revenues by source graph, the three primary sources of revenue for the College are property taxes at 50%, federal grants and contracts at 25% and state appropriations at 12%.

Local funding consists primarily of property tax allocations. Here is an analysis of the College's mill levy for the past 10 years.

Mill Analysis

Year Taxes Levied	Abstract Assessed Valuation	Total Mills Assessed	Total Taxes Levied	% Taxes Increase/Decrease
2011	\$486,809,220	20.201	\$ 9,833,827	3.55%
2010	451,133,347	20.238	9,496,909	-5.26%
2009	497,714,282	20.183	10,024,377	5.20%
2008	492,125,637	19.360	9,528,537	4.45%
2007	475,127,875	19.200	9,122,827	-6.42%
2006	507,386,172	19.220	9,748,992	6.02%
2005	470,512,179	19.543	9,195,220	4.54%
2004	452,245,616	19.450	8,796,117	10.82%
2003	368,727,377	21.530	7,937,593	6.67%
2002	379,944,348	19.586	7,441,589	-2.78%

The average increase over the 10 year period is 2.68%. Since over half of the College's funding comes from local sources, the local tax levy has a significant impact on the College's finances.

State funding consists primarily of State operating grants. An analysis of the grants received for the past nine years under the new State funding formula are as follows:

State Operating Grant Analysis

Year	Grant Amount	% Increase/Decrease
2011	\$ 2,559,826	-2.34%
2010	2,621,285	-3.31%
2009	2,711,153	0.59%
2008	2,695,144	-4.66%
2007	2,827,007	6.02%
2006	2,666,547	6.70%
2005	2,499,062	2.26%
2004	2,443,941	-6.54%
2003	2,614,925	2.21%

As shown, the State operating grant decreased slightly in the current year. The reason for this change is due to the State funding formula based on State budget appropriations and decreases in overall State aid to educational institutions.

Student tuition is determined by the number of credit hours and the tuition rate. The following is an analysis of credit hours, tuition rates and gross tuition revenue over the past 10 years.

Credit Hour Analysis

Year	In State	Out of State	Total	% Increase/Decrease
2011	40,077	5,104	45,181	0.06%
2010	39,990	5,165	45,155	8.26%
2009	37,118	4,590	41,708	2.13%
2008	35,446	5,391	40,837	-3.07%
2007	37,630	4,501	42,131	-6.19%
2006	40,134	4,778	44,912	8.23%
2005	37,110	4,385	41,495	-2.19%
2004	37,340	5,082	42,422	-6.61%
2003	40,321	5,103	45,424	1.15%
2002	39,508	5,398	44,906	4.57%

Cost per Credit Hour

Year	In State	Out of State
2011	\$ 45	\$ 65
2010	43	65
2009	41	65
2008	41	65
2007	39	65
2006	39	65
2005	37	65
2004	37	65
2003	34	65
2002	34	65

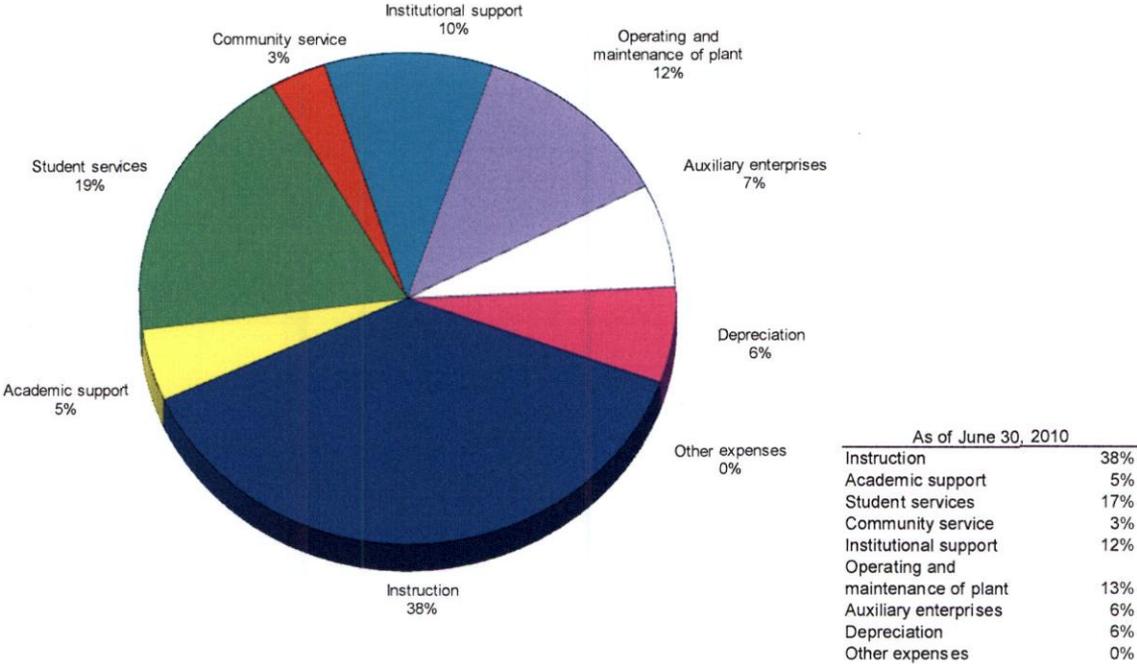
Gross Tuition Revenue Analysis

Year	In State	Out of State	Total	% Increase/Decrease
2011	\$ 1,803,465	\$ 331,760	\$ 2,135,225	3.89%
2010	1,719,570	335,725	2,055,295	12.92%
2009	1,521,838	298,350	1,820,188	0.91%
2008	1,453,286	350,415	1,803,701	2.48%
2007	1,467,570	292,565	1,760,135	-1.97%
2006	1,484,950	310,570	1,795,520	8.29%
2005	1,373,097	285,025	1,658,122	-3.14%
2004	1,381,586	330,330	1,711,916	2.00%
2003	1,346,675	331,695	1,678,370	-0.93%
2002	1,343,291	350,870	1,694,161	12.58%

The number of credit hours fluctuates based on course offerings and resulting student enrollment.

The following is a graphic illustration of operating expenses.

Operating Expenses



As shown, the four largest areas of operating expenses are instruction at 38%, student services at 19%, institutional support at 10%, and operating and maintenance of plant at 12%. Total operating expenses decreased \$1,051,921, or 5.09% from 2010. This was primarily because of decreases in expenses due to budget cuts in anticipation of a lower assessed valuation.

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Statement of Cash Flows
For the Years ended June 30, 2011 and 2010

	2011	2010	Increase (Decrease)
Cash provided (used) by:			
Operating activities	\$ (9,401,399)	\$ (10,262,226)	\$ 860,827
Noncapital financing activities	12,564,262	13,251,064	(686,802)
Capital and related financing activities	(3,034,775)	(3,218,382)	183,607
Investing activities	(1,833,042)	1,700,329	(3,533,371)
Net increase (decrease) in cash	(1,704,954)	1,470,785	(3,175,739)
Cash, beginning of year	5,244,774	3,773,989	1,470,785
Cash, end of year	<u>\$ 3,539,820</u>	<u>\$ 5,244,774</u>	<u>\$ (1,704,954)</u>
Reconciliation:			
Operating loss	\$ (11,705,832)	\$ (12,465,039)	\$ 759,207
Depreciation	1,239,663	1,294,795	(55,132)
Changes in net assets	1,064,770	908,018	156,752
Net cash used by operating activities	<u>\$ (9,401,399)</u>	<u>\$ (10,262,226)</u>	<u>\$ 860,827</u>

This cash flow statement presents the College's cash receipts and cash payments during its fiscal year. All of the primary sources of revenue have been analyzed and the major uses of cash have been summarized in previous pages. This statement further reconciles the operating loss to net cash used by operating activities.

**Schedule of Revenue, Expenditures, Encumbrances and
Changes in Unencumbered Cash - General Fund - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Over (Under)
Revenue	\$ 15,123,354	\$ 16,188,078	\$ (1,064,724)
Expenditures and encumbrances	14,574,531	18,225,000	(3,650,469)
Revenue over (under) expenditures and encumbrances	548,823	(2,036,922)	2,585,745
Other financing uses	(739,628)	(750,000)	(10,372)
Revenue over (under) expenditures and encumbrances and other financing uses	(190,805)	(2,786,922)	2,596,117
Unencumbered cash, July 1, 2010	8,194,366	8,749,760	(555,394)
Unencumbered cash, June 30, 2011	<u>\$ 8,003,561</u>	<u>\$ 5,962,838</u>	<u>\$ 2,040,723</u>

The comparison of actual to published budget reflects that the College operated within its legal budget authority as required by the State of Kansas.

The economics in the State of Kansas and Garden City continue to be a challenge. A large portion of the College's resources come from state and local sources.

This financial report is designed to provide our users with a general overview of Garden City Community College's finances and to show their accountability for the revenue it receives. If you have questions about this report or need additional information please contact:

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BASIC FINANCIAL STATEMENTS

GARDEN CITY COMMUNITY COLLEGE
Statement of Net Assets
As of June 30, 2011

	<u>Community College</u>	<u>Endowment Association</u>	<u>Broncbuster Athletic Association</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 3,539,820	\$ -	\$ 163,193
Short-term investments	9,062,979	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	105,221	-	-
Miscellaneous	948,526	2,747	59,745
Total current assets	<u>13,656,546</u>	<u>2,747</u>	<u>222,938</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	320,299	-
Endowment investments	-	5,588,844	-
Property, plant and equipment, net	20,084,356	66,216	-
Total noncurrent assets	<u>20,084,356</u>	<u>5,975,359</u>	<u>-</u>
Total assets	<u>33,740,902</u>	<u>5,978,106</u>	<u>222,938</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	632,793	-	21,000
Deposits held in custody for others	403,087	-	-
Deferred revenues	-	-	61,950
Deferred tax revenues	3,821,551	-	-
Accrued interest	67,009	-	-
Long-term liabilities, current portion	1,363,903	-	-
Total current liabilities	<u>6,288,343</u>	<u>-</u>	<u>82,950</u>
Noncurrent liabilities:			
Long-term liabilities	7,600,622	-	-
Total liabilities	<u>13,888,965</u>	<u>-</u>	<u>82,950</u>
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	11,758,165	-	-
Restricted for:			
Scholarships	-	359,693	-
Loans	-	13,998	-
Capital projects, net of related debt	-	65,141	-
Other	504,268	237,672	-
Unrestricted	7,589,504	5,301,602	139,988
Total net assets	<u>\$ 19,851,937</u>	<u>\$ 5,978,106</u>	<u>\$ 139,988</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

GARDEN CITY COMMUNITY COLLEGE
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2011

	<u>Community College</u>	<u>Endowment Association</u>	<u>Broncbuster Athletic Association</u>
REVENUES			
Operating revenues:			
Student tuition and fees (net of scholarship allowances of \$2,214,737)	\$ 770,498	\$ -	\$ -
Gifts and contributions	-	734,726	1,682
Federal grants and contracts	5,310,371	-	-
State and local grants and contracts	444,482	-	-
Nongovernmental grants and contracts	16,883	-	-
Sales and services of educational departments	22,550	-	-
Auxiliary enterprises (net of scholarship allowances of \$1,140,925)	513,763	-	-
Other operating revenues	845,820	7,915	189,819
Total operating revenues	<u>7,924,367</u>	<u>742,641</u>	<u>191,501</u>
EXPENSES			
Operating expenses:			
Instruction	7,382,965	-	-
Academic support	935,727	-	-
Student services	3,663,281	-	3,886
Community service	669,697	-	73,717
Operating and maintenance of plant	2,399,619	-	8,008
Institutional support	1,994,771	386,935	-
Auxiliary enterprises	1,338,416	-	-
Depreciation	1,239,663	4,355	-
Other expenses	6,060	-	-
Total operating expenses	<u>19,630,199</u>	<u>391,290</u>	<u>85,611</u>
Operating income (loss)	<u>(11,705,832)</u>	<u>351,351</u>	<u>105,890</u>
NONOPERATING REVENUES (EXPENSES)			
State appropriations	2,559,826	-	-
Property taxes	10,329,281	-	-
Investment income	49,822	1,034,897	1,373
Payments to GCCC	-	(451,878)	(104,358)
Loss from disposal of assets	-	(227,976)	-
Interest on capital asset related debt	(275,444)	-	-
Net nonoperating revenues (expenses)	<u>12,663,485</u>	<u>355,043</u>	<u>(102,985)</u>
Income before other revenues, expenses, gains or losses	957,653	706,394	2,905
Capital grants and gifts	45,000	-	-
Increase in net assets	1,002,653	706,394	2,905
NET ASSETS			
Net assets, beginning of year	<u>18,849,284</u>	<u>5,271,712</u>	<u>137,083</u>
Net assets, end of year	<u>\$ 19,851,937</u>	<u>\$ 5,978,106</u>	<u>\$ 139,988</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2011

	<u>Community College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 1,966,936
Federal grants and contracts	5,310,371
State and local grants and contracts	444,482
Nongovernmental grants and contracts	16,883
Payment to suppliers	(7,839,401)
Payment to employees	(10,682,803)
Sales and services of educational departments	22,550
Auxiliary enterprise charges	513,763
Other	<u>845,820</u>
Net cash used by operating activities	<u>(9,401,399)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	10,004,436
State appropriations	<u>2,559,826</u>
Net cash provided by noncapital financing activities	<u>12,564,262</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants and gifts	45,000
Purchases of capital assets	(1,478,938)
Principal paid on capital debt and leases	(1,312,752)
Interest paid on capital debt and leases	<u>(288,085)</u>
Net cash used by capital and related financing activities	<u>(3,034,775)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	8,184,157
Interest on investments	49,822
Purchase of investments	<u>(10,067,021)</u>
Net cash used by investing activities	<u>(1,833,042)</u>
Net decrease in cash	(1,704,954)
Cash, beginning of year	<u>5,244,774</u>
Cash, end of year	<u><u>\$ 3,539,820</u></u>

(continued)

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2011

	<u>Community College</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (11,705,832)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,239,663
Changes in net assets:	
Miscellaneous receivables	1,165,561
Accounts payable and accrued liabilities	(155,203)
Deposits held in custody for others	33,636
Deferred revenues	(2,759)
Accrued compensated absences	(39,281)
Net OPEB liability	<u>62,816</u>
Net cash used by operating activities	<u>\$ (9,401,399)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

GARDEN CITY COMMUNITY COLLEGE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Agency Accounts
<u>ASSETS</u>	
Cash and investments	\$ 403,093
Total assets	\$ 403,093
<u>LIABILITIES</u>	
Accounts payable	\$ 6
Due to agency funds	403,087
Total liabilities	\$ 403,093

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Garden City Community College
Notes to Financial Statements
June 30, 2011

1. Summary of significant accounting policies

The Garden City Community College, Garden City, Kansas, was incorporated under the provisions of the State of Kansas.

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The College reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as private-sector standards of accounting and financial reporting issued prior to December 1, 1989, unless those standards conflict with or contradict GASB pronouncements.

The more significant of the College's accounting policies are described below.

A. Financial reporting entity

The College is governed by an elected six-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the Garden City Community College (the primary government) and its component units. Component units are included in the College's reporting entity because of the significance of their operational or financial relationships with the College.

The following organizations, functions or activities are discretely presented component units of the College and are included in the component units' columns in the College's basic financial statements. They are reported in a separate column to emphasize that they are not-for-profit entities legally separate from the College. Each discretely presented component unit has a June 30th year end.

The Garden City Community College Endowment Association is a not-for-profit corporation organized to raise funds to support educational undertakings at Garden City Community College, and to receive and hold in trust any property transferred to the Association for the benefit of the College, or any student or employee of the College, managing all property received according to the uses specified by the donors or, in case the gift is a general one, to such uses as may be agreed upon by the Board of Directors. Scholarships totaling \$451,878 were provided the College during the year.

The Broncbuster Athletic Association is a not-for profit organization created to promote activities and events to raise funds to provide scholarships, education equipment and opportunities for student athletes at Garden City Community College. Scholarships totaling \$104,358 were provided the College during the year.

Complete financial statements of the individual component units can be obtained from the College's business office or from their respective administrative offices.

Garden City Community College
Endowment Association
801 Campus Drive
Garden City, Kansas 67846

Broncbuster Athletic Association
801 Campus Drive
Garden City, Kansas 67846

Garden City Community College
Notes to Financial Statements
June 30, 2011

1. Summary of significant accounting policies (continued)

B. Measurement focus and basis of accounting

For financial statement reporting purposes, the College is considered a special-purpose government engaged only in a business-type activity. Accordingly, the College's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated.

Charges for services include revenues based on exchange or exchange-like transactions, namely sales and services of educational departments and auxiliary enterprises. Program-specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; certain federal, state and local grants; State appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, State appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Operating and nonoperating revenues are distinguished by source of funds. Operating revenues generally consist of user charges. Nonoperating revenues include tax revenues and other revenue not directly related to the College's provision of goods or services.

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements as well as private-sector standards of accounting and financial reporting issued prior to December 1, 1989, unless those standards conflict with or contradict GASB pronouncements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Basis of presentation

The College follows the GASB standards for external financial reporting for public colleges and universities. Accordingly, the College's resources are classified for accounting and reporting purposes into the following net asset categories:

- Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted: This includes resources subject to externally imposed stipulations.
- Unrestricted: This includes resources that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or may otherwise be limited by contractual agreements with outside parties.

Garden City Community College
Notes to Financial Statements
June 30, 2011

1. Summary of significant accounting policies (continued)

D. Assets, liabilities, and net assets

Deposits and investments

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the Dean of Administrative Services. Cash includes amounts in demand deposits. Investments of the pooled accounts consist of certificates of deposit and money market investments backed by U.S. government securities. Interest income earned is allocated among funds based on average monthly cash balances and in accordance with the adopted budget.

The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the College to invest idle funds in U.S. government securities, temporary notes, no-fund warrants, repurchase agreements and the Kansas Municipal Investment Pool. The Kansas Municipal Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the investment in the Kansas Municipal Investment Pool is the same as the fair value of its pool shares. Other investments of the College and its component units are stated at fair value, which equals cost. The aggregate value of the investments at June 30, 2011, is \$62,979.

Receivables and payables

All trade receivables are considered to be fully collectible; accordingly, no allowance for uncollectible accounts is required. If amounts become uncollectible, an allowance will be established.

Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2011, have been deferred.

Property taxes are levied each calendar year on all taxable real property located in the taxing district. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee resolution, property tax levies passed in August, 2010, were allocated forty percent to fiscal year 2012.

The College's property taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20th and distributed to the College by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the College by June 5th. This distribution to the College is for its next budget year and is reflected as deferred revenues. The College draws available funds from the County Treasurer's office at designated times throughout the year.

The College has a concentration of credit risk in the form of taxes receivable from the County Treasurer for property taxes collected in Finney County, Kansas.

Garden City Community College
Notes to Financial Statements
June 30, 2011

1. Summary of significant accounting policies (continued)

D. Assets, liabilities, and net assets (continued)

Inventories and prepaid items

The College deems inventory as immaterial to the financial statements. No capitalization or amortization has been recorded in the financial statements of the primary government. The College records certain payments to vendors that reflect costs applicable to future accounting periods as prepaid items in its financial statements.

Capital assets

Capital assets include property, plant and equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	20 to 40 years
Improvements other than buildings	20 years
Equipment	5 to 22 years
Computer technology	3 years

The College's library collection adheres to the College's policy to (a) maintain the library collection for education or research; (b) protect, keep unencumbered, care for, and preserve the library collection; and (c) require proceeds from the sale of the library collection to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of purchase rather than capitalized.

Compensated absences

The College's policy regarding sick leave pay permits employees to accumulate leave days at a maximum rate of 10 days per year up to 60 days. Leave may be used for sick leave and personal leave. The College does not pay for unused leave time if the employee leaves the College's employ.

The College's policy regarding vacation leave permits employees to accumulate vacation leave to a maximum of up to 20 days. Personnel leaving the employment of the College will be paid for unused vacation days at the daily rate of the employee's last contract. The estimated dollar amount of accumulated vacation leave pay at June 30, 2011, totals \$232,265. The current portion of accrued vacation leave, which would be liquidated with expendable available resources, is not material.

Garden City Community College
Notes to Financial Statements
June 30, 2011

1. Summary of significant accounting policies (continued)

D. Assets, liabilities, and net assets (continued)

Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Net assets

In the government-wide financial statements, net assets of the College are classified in three components. *Net assets invested in capital assets net of related debt* consist of property and equipment net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net assets* are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, contributors, or laws or regulations. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*.

2. Stewardship, compliance and accountability

A. Budgetary information

Budgets are adopted for the Current Unrestricted Funds (including Auxiliary Enterprises), and Unexpended Plant Funds. All budgets are prepared using the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year. The Statements of Revenue, Expenditures and Encumbrances and Changes in Unencumbered Cash – Actual and Budget; Schedules 1, 1-A, 2 and 3 in the SUPPLEMENTARY INFORMATION section; present the comparisons by funds of the legally adopted budget with actual data on the budgetary basis. Encumbrances outstanding at June 30, 2011, in the Current Unrestricted Funds, Current Funds – Restricted – Adult Basic Education, and Unexpended Plant Funds totaled \$126,796.

Although directory rather than mandatory, Kansas statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

Garden City Community College
Notes to Financial Statements
June 30, 2011

2. Stewardship, compliance and accountability (continued)

A. Budgetary information (continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments to the adopted annual operating budget for fiscal year 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

B. Excess of expenditures over appropriations

Under Kansas statutes, expenditures are mandated to be controlled, so that no indebtedness is created in excess of budgeted limits. Management is not aware of any statutory violations.

C. Budgetary compliance – non-GAAP financial statements

By statute, the College prepares its annual budget on a non-GAAP basis of accounting as described in Note 2, item A. A reconciliation of these budgetary basis statements to the GAAP statements is presented in the Notes to Supplementary Information.

3. Detailed notes on all funds

A. Deposits and investments

A reconciliation of cash and investments as shown on the government-wide statement of net assets for the primary government follows:

Cash and cash equivalents	\$ 3,539,820
Short-term investments	<u>9,062,979</u>
Total cash and investments	<u>\$ 12,602,799</u>
Carrying amount of deposits	\$ 12,538,280
Carrying amount of investments	62,979
Cash on hand	<u>1,540</u>
Total cash and investments	<u>\$ 12,602,799</u>

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

A. Deposits and investments (continued)

Investments

As of June 30, 2011, the College had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>Less Than 1</u>	<u>2</u>	
Certificates of participation - U.S. Treasuries	\$ 2	\$ 2		N/A
Municipal Investment Pool	62,977	62,977		S&P AAAf/S1+
Total fair value	<u>\$ 62,979</u>	<u>\$ 62,979</u>		

At year end, the Endowment Association's investment balances consisted of \$3,484,485 in marketable securities with a fair value of \$4,238,447, and \$1,350,397 of certificates of deposit.

Interest rate and credit risk

K.S.A. 9-1401 establishes the depositories which may be used by the College. The statute requires banks eligible to hold the College's funds have a main or branch bank in the county in which the College is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The College has no other policies that would further limit interest rate risk or limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statute limits the College's investment maturities to two years or less.

K.S.A. 12-1675 limits the College's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. All investments must be insured, registered, or held by the College or its agent in the College's name. The College has no investment policy that would further limit its investment choices. The rating of the Government's investments is noted above.

Concentration of credit risk

State statutes places no limit on the amount the College may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The College's allocation of investments as of June 30, 2011, is as follows:

<u>Investment Type</u>	<u>Percentage of Investments</u>
Certificates of participation - U.S. Treasuries	0.00%
Municipal Investment Pool	100.00%

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

A. Deposits and investments (continued)

Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of a bank failure, the College's deposits may not be returned to it. State statutes require the College's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka and held by a third party bank that is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the College, the pledging bank and the independent third-party bank holding the pledged securities. All deposits were secured at June 30, 2011.

At June 30, 2011, the College's carrying amount of deposits was \$12,538,280 and the bank balance was \$12,978,355. Ninety-two percent of the bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$6,706,503 was covered by federal depository insurance and \$6,271,852 was collateralized with securities held by the pledging financial institutions' agents in the College's name. The College's cash deposits by financial institution at year end are as follows:

	Commerce Bank	Landmark National Bank	First National Bank	First National Bank - Holcomb
Bank balance covered by:				
FDIC coverage	\$ 1,204,941	\$ 250,000	\$ 5,001,562	\$ 250,000
Pledged securities at market value	2,750,000	2,771,852	-	750,000
 Total bank balance	 <u>\$ 3,954,941</u>	 <u>\$ 3,021,852</u>	 <u>\$ 5,001,562</u>	 <u>\$ 1,000,000</u>

The carrying amount of deposits for the Endowment Association, a discretely presented component unit, was \$1,670,696 and the bank balance was \$1,672,434. All of the bank balance was covered by federal depository insurance.

The carrying amount of deposits for the Broncbuster Athletic Association, a discretely presented component unit, was \$163,193 and the bank balance was \$162,128. All of the bank balance was covered by federal depository insurance.

Custodial credit risk – investments

For an investment, this 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 or collateral securities that are in the possession of an outside party. The College has no custodial credit risk exposure for its investments.

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

B. Receivables

Receivables as of year-end for the College's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Plant Funds		Total
		Unexpended	Investment in Plant	
Receivables:				
Taxes	\$ 99,613	\$ 5,608	\$ -	\$ 105,221
Miscellaneous	897,905	-	-	897,905
Note receivable	-	-	50,621	50,621
Gross receivables	997,518	5,608	50,621	1,053,747
Less allowance for uncollectibles	-	-	-	-
Total net receivables	<u>\$ 997,518</u>	<u>\$ 5,608</u>	<u>\$ 50,621</u>	<u>\$ 1,053,747</u>

Revenues of the enterprise funds are reduced by uncollectible amounts when written off.

Proprietary funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the proprietary funds were as follows:

	Unearned	Unavailable
Current property taxes receivable:		
General	\$ -	\$ 99,613
Plant Funds - Unexpended	-	5,608
Total deferred revenue	<u>\$ -</u>	<u>\$ 105,221</u>

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Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

C. Capital assets

The following is a summary of changes in the various capital asset categories for the year ended June 30, 2011:

	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Land	\$ 655,387	\$ -	\$ -	\$ 655,387
Construction in progress	1,455,853	1,169,582	-	2,625,435
Improvements other than buildings	5,292,928	35,323	-	5,328,251
Buildings	26,836,602	-	-	26,836,602
Equipment	7,531,884	274,033	11,690	7,794,227
Total cost	41,772,654	1,478,938	11,690	43,239,902
Less accumulated depreciation:				
Improvements other than buildings	1,878,325	265,739	-	2,144,064
Buildings	14,320,813	616,403	-	14,937,216
Equipment	5,728,435	357,521	11,690	6,074,266
Total accumulated depreciation	21,927,573	1,239,663	11,690	23,155,546
Property, plant and equipment, net	\$ 19,845,081	\$ 239,275	\$ -	\$ 20,084,356

Depreciation expense for the year ended June 30, 2011, was \$1,239,663.

Capital projects in process at June 30, 2011, are as follows:

Project	Authorization	Expended	Committed
Penka, Fouse & Academic Buildings renovations	\$ 4,727,505	\$ 4,128,283	\$ 599,222
Kitchen repair	99,600	-	99,600

Discretely presented component units

Property and equipment at June 30, 2011, for the Endowment Association consisted of the following:

Land	\$ 56,000
Buildings and improvements	9,500
Equipment	31,311
Total, cost	96,811
Less accumulated depreciation	(30,595)
Property and equipment, net	\$ 66,216

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

C. Capital assets (continued)

Property and equipment at June 30, 2011, for the Broncbuster Athletic Association consisted of the following:

Property and equipment	\$ 875
Less accumulated depreciation	<u>(875)</u>
Property and equipment, net	<u><u>\$ -</u></u>

D. Leases

Operating leases

During the year ended June 30, 1995, the College entered into an agreement to purchase an additional facility to be used for another Adult Learning Center. The agreement contains a lease for the facility site for a period of 36 months, renewable on a year to year basis thereafter. As consideration for the purchase, the College has been granted the leasehold interest without obligation for payment of any basic cash rent for the facility site during the original, or any renewal term, of the agreement.

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Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

D. Leases (continued)

Capital leases

The College has entered into various capital lease agreements outstanding at June 30, 2011, as follows:

1. Bank of New York

The College entered into a lease purchase agreement with the Bank of New York (formerly Intrust Bank, N.A.) dated March 1, 2002. The College has leased building sites to the above entity. Buildings constructed on the sites leased to the Bank of New York are leased by the College for its use. On March 1, 2002, the College participated in the issuance of lease purchase agreement certificates of participation in the amount of \$3,820,000. On October 1, 2008, the College participated in the issuance of refunding certificates of participation in the amount of \$2,065,000.

The lease purchase agreement commenced March 1, 2002, and expires April 1, 2018. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the facility granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments and additional rental payments to the trustee bank. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the buildings after construction. The lease agreement also requires certain insurance requirements which the College has met.

2. UMB National Bank of America

The College entered into a lease purchase agreement for equipment with UMB National Bank of America dated January 1, 2004, resulting in the issuance of lease purchase agreement certificates of participation in the amount of \$3,085,000.

The lease purchase agreement commenced January 1, 2004, and expires January 1, 2014; the lease may be extended to February 1, 2014. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments and additional rental payments to the trustee bank. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the equipment. The lease agreement also requires certain insurance requirements which the College has met.

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

D. Leases (continued)

Capital leases (continued)

3. Security Bank of Kansas City

The College entered into a lease purchase agreement with Security Bank of Kansas City dated December 1, 2004. The College has leased a building site to the above entity. Buildings constructed on the site leased to Security Bank of Kansas City are leased by the College for its use. On December 1, 2004, the College participated in the issuance of lease purchase agreement certificates of participation in the amount of \$3,120,000.

The lease purchase agreement commenced December 1, 2004, and expires June 30, 2014; the lease may be extended to May 1, 2020. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the facility granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments and additional rental payments to the trustee bank. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the buildings after construction. The lease agreement also requires certain insurance requirements which the College has met.

4. UMB Bank, NA

The College entered into a lease purchase agreement for equipment with UMB Bank, NA dated May 15, 2006, resulting in the issuance of lease purchase agreement certificates of participation in the amount of \$760,000.

The lease purchase agreement commenced May 15, 2006, and expires May 1, 2012. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments and additional rental payments to the trustee bank. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the equipment. The lease agreement also requires certain insurance requirements which the College has met.

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

D. Leases (continued)

Capital leases (continued)

5. UMB Bank, NA

The College entered into a lease purchase agreement with UMB Bank, NA dated August 1, 2008. The College has leased a building site to the above entity. Buildings constructed on the site leased to UMB Bank, NA are leased by the College for its use. On August 1, 2008, the College participated in the issuance of lease purchase agreement certificates of participation in the amount of \$1,084,000.

The lease purchase agreement commenced August 1, 2008, and expires August 1, 2012. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the facility granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments and additional rental payments to the trustee bank. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the buildings after construction. The lease agreement also requires certain insurance requirements which the College has met.

6. Commerce Bank, NA

The College entered into a lease purchase agreement for equipment with Commerce Bank, NA dated July 10, 2009, in the amount of \$130,000. The lease was effective as of June 30, 2009.

The lease purchase agreement commenced June 30, 2009, and expires June 30, 2013. The lease may be terminated upon any of the following events: (1) expiration of the original term including any renewals; (2) the exercise by the College of the option to purchase the equipment granted under the lease; (3) a default by the College and Lessor's election to terminate this lease; (4) the payment by the College of all base rental payments and additional rental payments due or to become due and the payment of the purchase price balance set forth in the lease; or (5) the effective date of cancellation of this lease by an act of the Kansas Legislature.

The College pays base rental payments to Commerce Bank, NA. Such payments are required to be budgeted by the College and are subject to any such limitations. The College is responsible for maintaining and operating the equipment. The lease agreement also requires certain insurance requirements which the College has met.

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

D. Leases (continued)

Capital leases (continued)

The total amount of the assets and construction in progress included on the College's fixed asset records under these lease agreements are as follows for the fiscal year ended June 30, 2011:

Cost:	
Improvements other than buildings	\$ 2,680,072
Buildings	9,568,541
Equipment	<u>1,342,164</u>
Total cost	<u>13,590,777</u>
Less accumulated depreciation:	
Improvements other than buildings	757,475
Buildings	1,681,094
Equipment	<u>1,186,556</u>
Total accumulated depreciation	<u>3,625,125</u>
Total, net	<u><u>\$ 9,965,652</u></u>

The College's future minimum lease obligations and the net present value of those minimum lease payments are as follows for the fiscal years ended June 30:

<u>Year</u>	<u>Total</u>
2012	\$ 1,333,544
2013	1,182,792
2014	886,101
2015	851,260
2016	853,582
2017-2020	<u>2,760,234</u>
Total minimum lease commitments	7,867,513
Amount representing interest	<u>(1,153,184)</u>
Present value of minimum lease payments	<u><u>\$ 6,714,329</u></u>

The above payments are reduced by interest earnings on any reserve funds held by the trustee banks.

Garden City Community College
Notes to Financial Statements
June 30, 2011

3. Detailed notes on all funds (continued)

E. Long-term debt

Notes payable

The College entered into a loan agreement with the Kansas Board of Regents acting on behalf of the State of Kansas, for a \$2,216,645 loan at a zero percentage interest rate with an annual financing fee of 0.25%. The loan is to finance capital improvements at the College.

The annual debt service requirements to maturity for this note payable outstanding at June 30, 2011, including interest payments (servicing fees), are as follows:

	Principal	Interest/Fees	Total
2012	\$ 277,080	\$ 4,156	\$ 281,236
2013	277,080	3,484	280,564
2014	277,081	2,771	279,852
2015	277,081	2,078	279,159
2016	277,081	1,385	278,466
2017	277,080	693	277,773
Total	<u>\$ 1,662,483</u>	<u>\$ 14,567</u>	<u>\$ 1,677,050</u>

Changes in long-term liabilities

The following is a summary of changes in long-term liabilities of the College for the year ended June 30, 2011:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Notes payable:					
Kansas Board of Regents	\$ 1,939,564	\$ -	\$ 277,081	\$ 1,662,483	\$ 277,080
Leases payable:					
Lease obligation - building	235,000	-	235,000	-	-
Lease obligation - improvements and equipment	1,365,000	-	320,000	1,045,000	335,000
Lease obligation - building	2,850,000	-	35,000	2,815,000	35,000
Lease obligation - equipment	275,000	-	135,000	140,000	140,000
Lease obligation - building	845,000	-	270,000	575,000	285,000
Lease obligation - building	2,050,000	-	10,000	2,040,000	260,000
Lease obligation - equipment	130,000	-	30,671	99,329	31,823
Total leases payable	<u>7,750,000</u>	<u>-</u>	<u>1,035,671</u>	<u>6,714,329</u>	<u>1,086,823</u>
Other liabilities:					
Compensated absences, net	271,546	-	39,281	232,265	-
Net OPEB liability, net	292,632	62,816	-	355,448	-
Total other liabilities	<u>564,178</u>	<u>62,816</u>	<u>39,281</u>	<u>587,713</u>	<u>-</u>
Total long-term liabilities	<u>\$ 10,253,742</u>	<u>\$ 62,816</u>	<u>\$ 1,352,033</u>	<u>\$ 8,964,525</u>	<u>\$ 1,363,903</u>

In addition to the \$1,305,671 in principal retired during the year, the College paid \$275,444 in interest on the leases payable during the year ended June 30, 2011.

Garden City Community College
Notes to Financial Statements
June 30, 2011

4. Other information

A. Compliance with Kansas statutes

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and the legal representative of the College. Violations noted for the year ended June 30, 2011; are follows:

- Kansas statute 79-2935 requires no indebtedness be created in excess of budgeted limits in any fund. At June 30, 2011, the Adult Supplementary Education and the Auxiliary Enterprise Funds expenditures exceeded the funds' budgets by \$246,015 and \$1,825,560, respectively. This was a result of the College not budgeting for the activity expected in these two funds.
- Kansas statutes 10-1113 and 10-1121 require no indebtedness be created in excess of available monies in any fund. At June 30, 2011, a student activity funds account had a deficit unencumbered cash balance totaling \$2,471. The deficit balance resulted from excess expenditures by the organization.

B. Risk management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

C. Commitments and contingencies

Commitments

The College is party to a service agreement with Southwest Plains Regional Service Center for communications facilities and services. Payments for the year ended June 30, 2011, amounted to \$23,340. Annual payments of \$15,000 each are due through fiscal year 2014, with four renewal options for five years each.

Contingencies

The College receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the College as of June 30, 2011.

Federal financial assistance programs

The College participates in federally funded PELL Grants, SEOG Grants, Federal Work-Study, and Federal Family Education Loans programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133 Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Garden City Community College
Notes to Financial Statements
June 30, 2011

4. Other information (continued)

D. Jointly governed organizations

The following organizations are jointly governed organizations in which the College participates and are not included in the combined financial statements of the College's basic financial statements:

Garden City Information Technologies Cooperative is a jointly governed organization between Garden City Community College, the County of Finney, Kansas, the City of Garden City, Kansas, Unified School District No. 457, and St. Catherine Hospital, created under K.S.A. 12-2901. Garden City Information Technologies Cooperative is governed by a board appointed by the participating parties. The purpose of Garden City Information Technologies Cooperative is to enhance the coordination and technology sharing among the members of the Cooperative, address the long-term goals of the Cooperative that provide an enhanced community and regional telecommunications and integrated community network, and to seek out the opportunities that are identified by the Cooperative that provide services to local and regional interest and lead to the use of the Cooperative as a tool for economic development. This is accomplished by coordinating technology purchases and training, development of communication networks within Garden City and southwest Kansas, and providing videoconferencing, telecommuting and office access within the community. The primary source of funding for Garden City Information Technologies Cooperative is from the general funds of the participating parties and through procuring grants. Garden City Community College contributed \$-0- to the operations of Garden City Information Technologies Cooperative during the year ended June 30, 2011. The College has no equity interest nor does the College materially contribute to the continued existence of Garden City Information Technologies Cooperative. Garden City Information Technologies Cooperative has a December 31st year end.

Western Kansas Community College Virtual Education Consortium is a jointly governed organization between six western Kansas community colleges. Western Kansas Community College Virtual Education Consortium is governed by a six member board of official institutional representatives appointed by the member educational institutions. The purpose of Western Kansas Community College Virtual Education Consortium is to serve as an instrument of cooperation among the member educational institutions on the design and delivery of distance education courses, programs and degrees. This is accomplished by expanding distance education programs and increasing effectiveness of individual institutions by combining forces, coordinating activities, and eliminating duplication of efforts by pooling and sharing the financial, physical, and intellectual resources and expenditures of the individual institutions to realize a broader base of support through affiliation. A primary source of funding for Western Kansas Community College Virtual Education Consortium is from the general funds of the participating parties, student fees and through procuring grants. Garden City Community College contributed \$319,157 to the operations of Western Kansas Community College Virtual Education Consortium during the year ended June 30, 2011. Garden City Community College has no equity interest nor does the College materially contribute to the continued existence of Western Kansas Community College Virtual Education Consortium. Western Kansas Community College Virtual Education Consortium has a June 30th year end.

Garden City Community College
Notes to Financial Statements
June 30, 2011

4. Other information (continued)

E. Post employment benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the College makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. This program is offered for a duration of 18 months after the employee's termination date. There is no cost to the College under this program, and there were five participants in the program at June 30, 2011.

F. Other post-employment healthcare benefits

Description

Kansas statute provides that post-employment healthcare benefits be extended to retired employees who have met the age and/or service eligibility requirements. The health insurance benefit generally provides the same coverage for retirees and their dependents as for active employees and their dependents. The health insurance benefit plan is a single employer defined benefit plan administered by the College. The benefit is available for selection at retirement and is extended to retirees and their dependents until the age of 65. The benefits renew annually each October 1st. The accounting for the health insurance for retirees is included in the College's general operating fund, with the subsidy provided from the general operating fund.

Funding policy

The College provides health insurance benefits to qualifying retirees and their dependents in accordance with Kansas law. Kansas statute, which may be amended by the State legislature, established that participating retirees may remain in the College's health insurance plan by paying the entire premium.

Currently, eligible retirees receive a direct contribution from the College for their premium equivalent to the Plan Option 2 and dental single premium rates as established annually by the Board of Trustees. The required retiree contribution rate equals the carrier-charged premium less any direct premium paid by the College. The carrier-charged premium after College paid premium for the year ended June 30, 2011, ranged from \$0 to \$1,174.81 per month per retiree participant. The direct premium paid by the College for the year ended June 30, 2011, was \$375.64 per month per retiree participant. Spouses of retirees do not receive a direct contribution from the College for their coverage. The College appropriates funds annually for the costs associated with the retirement benefit and provides funding for the expenditures on a pay-as-you-go basis.

Annual OPEB cost and net OPEB obligation

The College's annual OPEB (Other Post-Employment Benefits) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table presents the components of the College's annual OPEB cost for the year, the contribution to the plan, and changes in the College's net OPEB obligation.

Garden City Community College
Notes to Financial Statements
June 30, 2011

4. Other information (continued)

F. Other post employment healthcare benefits (continued)

Normal cost	\$ 70,175
Amortization of unfunded actuarial accrued liability	<u>57,713</u>
Annual required contribution	127,888
Interest on net OPEB obligation	11,705
Adjustment to annual required contribution	<u>(16,272)</u>
Annual OPEB cost (expense)	123,321
Contributions made	<u>60,505</u>
Increase in net OPEB obligation	62,816
Net OPEB obligation, July 1	<u>292,632</u>
Net OPEB obligation, June 30	<u><u>\$ 355,448</u></u>

Fiscal Year	Annual OPEB Cost	Net Employer Contributions	Percentage Contributed	End of Year Net OPEB Obligation
2009	\$ 212,316	\$ 66,000	31%	\$ 146,316
2010	212,316	66,000	31%	292,632
2011	123,321	60,505	49%	355,448

Funded status and funding progress

As of July 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$997,975. The College's policy is to fund the benefits on a pay as you go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$997,975. The covered payroll (annual payroll of active employees covered by the plan) was \$8,980,971 and the ratio of the UAAL to the covered payroll was 11.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress will present in time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions

Projections of benefits for reporting purposes are based on the substantive plan and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

Garden City Community College
Notes to Financial Statements
June 30, 2011

4. Other information (continued)

F. Other post-employment healthcare benefits (continued)

Actuarial methods and assumptions (continued)

In the June 30, 2011, actuarial valuation, the projection unit credit method was applied. The actuarial assumptions included a 4% investment rate of return which is based on long term return experience of asset classes stipulated in the investment policy underlying applicable funds and on recent return experience of the College. The valuation assumed annual healthcare cost trend rates of 0% to 8.5% in the first three years and an ultimate rate of 7.5% after three years. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized over a 30 year open period in level dollar amounts.

G. Defined benefit pension plan

Plan description: The Garden City Community College participates in the Kansas Public Employees Retirement System ("KPERs"), a cost sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas Avenue, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding policy: K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at up to 6% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.17% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas school-type municipality employees for the years ending June 30, 2011, 2010 and 2009, were \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the required contributions for each year.

H. Related party transactions

The College purchases goods and services from businesses owned and operated by two board members. The College paid these businesses \$70,717 during the year ended June 30, 2011.

I. Subsequent event

Subsequent to June 30, 2011, the College purchased real property in the amount of \$270,862 and entered into construction contracts for building renovations totaling \$325,000.

REQUIRED SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Funding Progress –
 Other Post-Employment Benefits
 June 30, 2011

As of July 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$997,975. The College's policy is to fund the benefits on a pay as you go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$997,975. The covered payroll (annual payroll of active employees covered by the plan) was \$8,980,971 and the ratio of the UAAL to the covered payroll was 11.1%.

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (AAL) (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2008	\$ -	\$ 1,641,117	\$ 1,641,117	0.0%	\$10,172,560	16.1%
7/1/2010	-	997,975	997,975	0.0%	8,980,971	11.1%

SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Combining Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Current Funds - Unrestricted (Legal Basis)
For the Year Ended June 30, 2011

	General		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ 9,472,161	\$ 9,678,252	\$ (206,091)
State	2,559,826	2,559,826	-
Federal	-	-	-
Student tuition and fees	2,586,217	3,300,000	(713,783)
Other:			
Interest	49,821	150,000	(100,179)
Miscellaneous	455,329	500,000	(44,671)
Private gifts and grants	-	-	-
Total revenue	<u>15,123,354</u>	<u>16,188,078</u>	<u>(1,064,724)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	6,032,385	7,000,000	(967,615)
Community service	109,002	300,000	(190,998)
Academic support	874,068	1,600,000	(725,932)
Student services	2,628,315	3,100,000	(471,685)
Institutional support	2,196,916	2,825,000	(628,084)
Operation and maintenance	2,509,943	3,000,000	(490,057)
Scholarships	<u>223,902</u>	<u>400,000</u>	<u>(176,098)</u>
Total expenditures and encumbrances	<u>14,574,531</u>	<u>18,225,000</u>	<u>(3,650,469)</u>
Revenue over (under) expenditures and encumbrances	548,823	(2,036,922)	2,585,745
OTHER FINANCING SOURCES (USES)			
Mandatory transfers out	<u>(739,628)</u>	<u>(750,000)</u>	<u>(10,372)</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	(190,805)	(2,786,922)	2,596,117
Unencumbered cash, July 1, 2010	<u>8,194,366</u>	<u>8,749,760</u>	<u>(555,394)</u>
Unencumbered cash, June 30, 2011	<u>\$ 8,003,561</u>	<u>\$ 5,962,838</u>	<u>\$ 2,040,723</u>
From fiscal year 2012 budget	\$ 7,371,785		
Adjustment	<u>631,776</u>		
Total	<u>\$ 8,003,561</u>		

Adult Supplementary Education			Auxiliary Enterprise Funds		
Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	3,287	-	3,287
180,977	-	180,977	1,771,786	-	1,771,786
-	-	-	-	-	-
34,217	-	34,217	2,983	-	2,983
11,650	-	11,650	-	-	-
<u>226,844</u>	<u>-</u>	<u>226,844</u>	<u>1,778,056</u>	<u>-</u>	<u>1,778,056</u>
239,181	-	239,181	-	-	-
-	-	-	5,576	-	5,576
-	-	-	-	-	-
-	-	-	1,485,504	-	1,485,504
-	-	-	-	-	-
-	-	-	-	-	-
<u>239,181</u>	<u>-</u>	<u>239,181</u>	<u>1,491,080</u>	<u>-</u>	<u>1,491,080</u>
(12,337)	-	(12,337)	286,976	-	286,976
(6,834)	-	6,834	(334,480)	-	334,480
(19,171)	-	(19,171)	(47,504)	-	(47,504)
464,027	467,378	(3,351)	592,278	604,705	(12,427)
<u>\$ 444,856</u>	<u>\$ 467,378</u>	<u>\$ (22,522)</u>	<u>\$ 544,774</u>	<u>\$ 604,705</u>	<u>\$ (59,931)</u>
\$ 448,526			\$ 556,502		
(3,670)			(11,728)		
<u>\$ 444,856</u>			<u>\$ 544,774</u>		

GARDEN CITY COMMUNITY COLLEGE
Combining Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Current Funds - Unrestricted (Legal Basis)
For the Year Ended June 30, 2011

	Total (Memorandum Only)		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ 9,472,161	\$ 9,678,252	\$ (206,091)
State	2,559,826	2,559,826	-
Federal	3,287	-	3,287
Student tuition and fees	4,538,980	3,300,000	1,238,980
Other:			
Interest	49,821	150,000	(100,179)
Miscellaneous	492,529	500,000	(7,471)
Private gifts and grants	11,650	-	11,650
Total revenue	<u>17,128,254</u>	<u>16,188,078</u>	<u>940,176</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	6,271,566	7,000,000	(728,434)
Community service	114,578	300,000	(185,422)
Academic support	874,068	1,600,000	(725,932)
Student services	4,113,819	3,100,000	1,013,819
Institutional support	2,196,916	2,825,000	(628,084)
Operation and maintenance	2,509,943	3,000,000	(490,057)
Scholarships	223,902	400,000	(176,098)
Total expenditures and encumbrances	<u>16,304,792</u>	<u>18,225,000</u>	<u>(1,920,208)</u>
Revenue over (under) expenditures and encumbrances	823,462	(2,036,922)	2,860,384
OTHER FINANCING SOURCES (USES)			
Mandatory transfers out	<u>(1,080,942)</u>	<u>(750,000)</u>	<u>330,942</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	(257,480)	(2,786,922)	2,529,442
Unencumbered cash, July 1, 2010	<u>9,250,671</u>	<u>9,821,843</u>	<u>(571,172)</u>
Unencumbered cash, June 30, 2011	<u>\$ 8,993,191</u>	<u>\$ 7,034,921</u>	<u>\$ 1,958,270</u>

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Revenue - Actual and Budget -
 General Fund - Unrestricted (Legal Basis)
 For the Year Ended June 30, 2011

	General		Variance Over (Under)
	Actual	Budget	
Local:			
Prior year ad valorem property tax	\$ 134,547	\$ 150,413	\$ (15,866)
Current year ad valorem property tax	8,410,313	8,642,633	(232,320)
Motor vehicle tax	644,421	708,685	(64,264)
Recreational vehicle tax	9,462	9,945	(483)
Delinquent tax	233,302	94,960	138,342
In lieu of tax	40,116	71,616	(31,500)
Total local	<u>9,472,161</u>	<u>9,678,252</u>	<u>(206,091)</u>
State:			
State operating grant	<u>2,559,826</u>	<u>2,559,826</u>	<u>-</u>
Student tuition and fees:			
Tuition - in State	1,537,164	2,400,000	(862,836)
Tuition - out of State	394,875	-	394,875
Course fees	593,578	900,000	(306,422)
Other student fees	<u>60,600</u>	<u>-</u>	<u>60,600</u>
Total student tuition and fees	<u>2,586,217</u>	<u>3,300,000</u>	<u>(713,783)</u>
Other:			
Interest	49,821	150,000	(100,179)
Miscellaneous	<u>455,329</u>	<u>500,000</u>	<u>(44,671)</u>
Total other	<u>505,150</u>	<u>650,000</u>	<u>(144,850)</u>
Total revenue	<u>\$ 15,123,354</u>	<u>\$ 16,188,078</u>	<u>\$ (1,064,724)</u>

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Revenue, Expenditures,
 Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
 Adult Basic Education Fund (Legal Basis)
 For the Year Ended June 30, 2011

	Adult Basic Education		
	Actual	Budget	Variance Over (Under)
REVENUE			
State	\$ 74,301	\$ 100,000	\$ (25,699)
Federal	317,864	700,000	(382,136)
Other:			
Miscellaneous	203,951	30,000	173,951
Total revenue	596,116	830,000	(233,884)
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	611,142	945,000	(333,858)
Total expenditures and encumbrances	611,142	945,000	(333,858)
Revenue over (under) expenditures and encumbrances	(15,026)	(115,000)	99,974
OTHER FINANCING SOURCES			
Mandatory transfers in	32,500	63,840	(31,340)
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES	17,474	(51,160)	68,634
Unencumbered cash, July 1, 2010	103,854	76,748	27,106
Unencumbered cash, June 30, 2011	\$ 121,328	\$ 25,588	\$ 95,740
From fiscal year 2012 budget Adjustment	\$ 39,629	81,699	
Total	\$ 121,328		

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Revenue, Expenditures,
 Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
 Plant Funds - Unexpended (Legal Basis)
 For the Year Ended June 30, 2011

	Capital Outlay		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local:			
Prior year ad valorem property tax	\$ 7,473	\$ 8,348	\$ (875)
Current year ad valorem property tax	474,077	486,829	(12,752)
Motor vehicle tax	35,056	39,361	(4,305)
Recreational vehicle tax	514	552	(38)
Delinquent tax	12,895	5,274	7,621
In lieu of tax	2,260	3,978	(1,718)
Total local	<u>532,275</u>	<u>544,342</u>	<u>(12,067)</u>
Other	39,828	2,347,055	(2,307,227)
Total revenue	<u>572,103</u>	<u>2,891,397</u>	<u>(2,319,294)</u>
EXPENDITURES AND ENCUMBRANCES			
Plant facilities and equipment	<u>153,462</u>	<u>2,750,000</u>	<u>(2,596,538)</u>
Total expenditures and encumbrances	<u>153,462</u>	<u>2,750,000</u>	<u>(2,596,538)</u>
Revenue over expenditures and encumbrances	418,641	141,397	277,244
OTHER FINANCING SOURCES (USES)			
Mandatory transfers out	<u>(368,177)</u>	<u>(500,000)</u>	<u>(131,823)</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	50,464	(358,603)	409,067
Unencumbered cash, July 1, 2010	<u>717,364</u>	<u>765,230</u>	<u>(47,866)</u>
Unencumbered cash, June 30, 2011	<u>\$ 767,828</u>	<u>\$ 406,627</u>	<u>\$ 361,201</u>
From fiscal year 2012 budget Adjustment	\$ 769,348	(1,520)	
Total	<u>\$ 767,828</u>		

GARDEN CITY COMMUNITY COLLEGE
Notes to Supplementary Information
For the Year Ended June 30, 2011

Reconciliation of Revenue, Expenditures, and Other Financing Sources (Uses) for budgetary funds on a budgetary basis to GAAP basis.

	Current Funds - Unrestricted		
	General	Adult Supplementary Education	Auxiliary Enterprise Funds
REVENUE			
Actual amounts (budgetary basis) revenues from combining schedules (Schedules 1, 2 and 3)	\$ 15,123,354	\$ 226,844	\$ 1,778,056
Adjustments:			
Ad valorem property tax receipts from May, but not available revenue until following fiscal year for GAAP reporting -			
Plus 2010 tax receipts	3,828,722	-	-
Less 2011 tax receipts	(3,518,140)	-	-
Total revenue as reported on the statement of changes in fund balances (Schedules 5, 8 and 11)	<u>\$ 15,433,936</u>	<u>\$ 226,844</u>	<u>\$ 1,778,056</u>
EXPENDITURES			
Actual amounts (budgetary basis) expenditures from combining schedules (Schedules 1, 2 and 3)	\$ 14,574,531	\$ 239,181	\$ 1,491,080
Adjustments:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the items are received for GAAP reporting -			
Less 2010 encumbrances	(524,632)	(3,358)	(215,843)
Plus 2009 encumbrances	150,051	701	63,178
Reclassifications:			
Budgetary expenditures for plant facilities are reclassified to other financing sources (uses) for GAAP reporting	-	-	-
Total expenditures as reported on the statement of changes in fund balances (Schedules 5, 8 and 11)	<u>\$ 14,199,950</u>	<u>\$ 236,524</u>	<u>\$ 1,338,415</u>
OTHER FINANCING SOURCES (USES)			
Actual amounts (budgetary basis) other financing sources (uses) from combining schedules (Schedules 1, 2 and 3)	\$ (739,628)	\$ (6,834)	\$ (334,480)
Reclassifications:			
Budgetary expenditures for plant facilities are reclassified to other financing sources (uses) for GAAP reporting	-	-	-
Total other financing sources (uses) as reported on the statement of changes in fund balances (Schedules 5, 8 and 11)	<u>\$ (739,628)</u>	<u>\$ (6,834)</u>	<u>\$ (334,480)</u>

Total	Current Funds - Restricted Adult Basic Education	Plant Funds - Unexpended Capital Outlay
\$ 17,128,254	\$ 596,116	\$ 572,103
3,828,722	-	212,453
(3,518,140)	-	(198,190)
\$ 17,438,836	\$ 596,116	\$ 586,366
\$ 16,304,792	\$ 611,142	\$ 153,462
(743,833)	(28,007)	(98,789)
213,930	26,299	61,979
-	-	(116,652)
\$ 15,774,889	\$ 609,434	\$ -
\$ (1,080,942)	\$ 32,500	\$ (368,177)
-	-	(116,652)
\$ (1,080,942)	\$ 32,500	\$ (484,829)

**ADDITIONAL INFORMATION –
Schedule of Management Information**

GARDEN CITY COMMUNITY COLLEGE
Additional Information –
Schedule of Management Information
June 30, 2011

The following schedules are additional financial information maintained for management purposes only.

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Balance Sheet
June 30, 2011

	<u>Current Funds</u>	
	<u>Unrestricted</u>	<u>Restricted</u>
<u>ASSETS</u>		
Cash and investments	\$ 10,056,845	\$ 507,043
Receivables (net of allowance for uncollectibles):		
Taxes	99,613	-
Miscellaneous	897,905	-
Property, plant and equipment	-	-
Less allowance for accumulated depreciation	-	-
	<hr/>	<hr/>
Total assets	<u>\$ 11,054,363</u>	<u>\$ 507,043</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 630,012	\$ 2,775
Deposits held in custody for others	-	-
Deferred tax revenues	3,617,753	-
Accrued interest	-	-
Long-term liabilities	587,713	-
	<hr/>	<hr/>
Total liabilities	<u>4,835,478</u>	<u>2,775</u>
Fund equity:		
Net investment in plant	-	-
Unrestricted		
Education and general funds:		
Reserved for encumbrances	743,833	-
Reserved for future lease payments	-	-
Unreserved:		
Designated for subsequent year's expenditures	4,930,279	-
Auxiliary enterprise funds:		
Designated for subsequent year's expenditures	544,773	-
Restricted	-	504,268
	<hr/>	<hr/>
Total fund equity	<u>6,218,885</u>	<u>504,268</u>
Total liabilities and fund equity	<u>\$ 11,054,363</u>	<u>\$ 507,043</u>

Plant Funds			
Unexpended	Capital Project Accounts	Investment in Plant	Agency Funds
\$ 866,618	\$ 769,200	\$ -	\$ 403,093
5,608	-	-	-
-	-	50,621	-
-	-	43,239,902	-
-	-	(23,155,546)	-
<u>\$ 872,226</u>	<u>\$ 769,200</u>	<u>\$ 20,134,977</u>	<u>\$ 403,093</u>
\$ -	\$ -	\$ -	\$ 6
-	-	-	403,087
203,798	-	-	-
-	67,009	-	-
-	-	8,376,812	-
<u>203,798</u>	<u>67,009</u>	<u>8,376,812</u>	<u>403,093</u>
-	-	11,758,165	-
98,789	-	-	-
-	702,191	-	-
569,639	-	-	-
-	-	-	-
-	-	-	-
<u>668,428</u>	<u>702,191</u>	<u>11,758,165</u>	<u>-</u>
<u>\$ 872,226</u>	<u>\$ 769,200</u>	<u>\$ 20,134,977</u>	<u>\$ 403,093</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Statement of Changes in Fund Balances
For the Year Ended June 30, 2011

	Current Funds	
	Unrestricted	Restricted
REVENUE AND OTHER ADDITIONS		
Unrestricted current fund revenue	\$ 17,438,836	\$ -
State grants - restricted	-	444,482
Federal grants - restricted	-	6,976,555
Investment income - restricted	-	-
Expended for plant facilities	-	-
Other	-	654,309
Ad valorem property tax and motor vehicle tax	-	-
Retirement of indebtedness	-	-
	17,438,836	8,075,346
Total revenue and other additions		
EXPENDITURES AND OTHER DEDUCTIONS		
Education and general expenditures	14,436,475	8,345,914
Auxiliary enterprise expenditures	1,338,416	-
Administrative and issuance costs	-	-
	15,774,891	8,345,914
Total expenditures		
OTHER FINANCING SOURCES (USES)		
Non-mandatory transfers in	-	96,992
Non-mandatory transfers out	(1,080,942)	(229,158)
Proceeds of capital debt and leases	-	-
Expended for plant facilities	-	-
Debt service	-	-
	(1,080,942)	(132,166)
Total other financing sources (uses)		
NET INCREASE (DECREASE) FOR YEAR	583,003	(402,734)
FUND BALANCES, July 1, 2010	5,635,882	907,002
FUND BALANCES, June 30, 2011	\$ 6,218,885	\$ 504,268

Plant Funds		
Unexpended	Capital Project Accounts	Investment in Plant
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	1	-
-	-	1,478,938
39,828	30,000	-
546,538	-	-
-	-	1,312,752
<u>586,366</u>	<u>30,001</u>	<u>2,791,690</u>
-	-	1,239,663
-	-	-
-	6,060	-
<u>-</u>	<u>6,060</u>	<u>1,239,663</u>
-	1,581,285	-
(368,177)	-	-
-	1,061,161	(1,061,161)
(116,652)	(848,210)	-
-	(1,588,196)	-
<u>(484,829)</u>	<u>206,040</u>	<u>(1,061,161)</u>
101,537	229,981	490,866
566,891	472,210	11,267,299
<u>\$ 668,428</u>	<u>\$ 702,191</u>	<u>\$ 11,758,165</u>

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Statement of Revenue, Expenditures and Other Changes - Current Funds
 For the Year Ended June 30, 2011

	Current Funds		Total (Memorandum Only)
	Unrestricted	Restricted	
REVENUE			
Local	\$ 9,782,743	\$ -	\$ 9,782,743
State	2,559,826	444,482	3,004,308
Federal	3,287	6,976,555	6,979,842
Student tuition and fees	3,142,094	9,684	3,151,778
Other:			
Interest	49,821	-	49,821
Miscellaneous	212,267	593,725	805,992
Private gifts and grants	31,883	-	31,883
Sales and services of auxiliary's enterprises	1,656,915	-	1,656,915
Institutional support	-	50,900	50,900
	<u>17,438,836</u>	<u>8,075,346</u>	<u>25,514,182</u>
EXPENDITURES			
Education and general:			
Instruction	6,116,817	1,780,224	7,897,041
Community service	112,797	556,900	669,697
Academic support	935,727	-	935,727
Student services	2,601,942	6,008,790	8,610,732
Institutional support	2,045,671	-	2,045,671
Operating and maintenance of plant	2,399,619	-	2,399,619
Scholarships	223,902	-	223,902
	<u>14,436,475</u>	<u>8,345,914</u>	<u>22,782,389</u>
Auxiliary enterprises:			
Expenditures	<u>1,338,416</u>	-	<u>1,338,416</u>
	<u>15,774,891</u>	<u>8,345,914</u>	<u>24,120,805</u>
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	-	96,992	96,992
Mandatory transfers out	<u>(1,080,942)</u>	<u>(229,158)</u>	<u>(1,310,100)</u>
	<u>(1,080,942)</u>	<u>(132,166)</u>	<u>(1,213,108)</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 583,003</u>	<u>\$ (402,734)</u>	<u>\$ 180,269</u>

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Balance Sheet -
 All Current Funds - Unrestricted
 June 30, 2011

<u>ASSETS</u>	<u>General</u>	<u>Adult Supple- mental Education</u>	<u>Auxiliary Enterprise Funds</u>	<u>Total (Memorandum Only)</u>
Cash and investments	\$ 8,740,709	\$ 501,330	\$ 814,806	\$ 10,056,845
Receivables (net of allowance for uncollectibles):				
Taxes	99,613	-	-	99,613
Miscellaneous	897,905	-	-	897,905
Total assets	<u>\$ 9,738,227</u>	<u>\$ 501,330</u>	<u>\$ 814,806</u>	<u>\$ 11,054,363</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 522,706	\$ 53,116	\$ 54,190	\$ 630,012
Deferred tax revenues	3,617,753	-	-	3,617,753
Compensated absences	232,265	-	-	232,265
Net OPEB liability	355,448	-	-	355,448
Total liabilities	<u>4,728,172</u>	<u>53,116</u>	<u>54,190</u>	<u>4,835,478</u>
Fund balances:				
Reserve for encumbrances	524,632	3,358	215,843	743,833
Unreserved:				
Designated for subsequent year's expenditures	4,485,423	444,856	544,773	5,475,052
Undesignated	-	-	-	-
Total fund balances	<u>5,010,055</u>	<u>448,214</u>	<u>760,616</u>	<u>6,218,885</u>
Total liabilities and fund balances	<u>\$ 9,738,227</u>	<u>\$ 501,330</u>	<u>\$ 814,806</u>	<u>\$ 11,054,363</u>

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Statement of Revenue and Expenditures -
 All Current Funds - Unrestricted
 For the Year Ended June 30, 2011

	General	Adult Supple- mental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
REVENUE				
Local	\$ 9,782,743	\$ -	\$ -	\$ 9,782,743
State	2,559,826	-	-	2,559,826
Federal	-	-	3,287	3,287
Student tuition and fees	2,843,263	180,977	117,854	3,142,094
Other:				
Interest	49,821	-	-	49,821
Miscellaneous	178,050	34,217	-	212,267
Private gifts and grants	20,233	11,650	-	31,883
Sales and services of auxiliary enterprises	-	-	1,656,915	1,656,915
Total revenue	15,433,936	226,844	1,778,056	17,438,836
EXPENDITURES				
Education and general:				
Instruction	5,880,292	236,525	-	6,116,817
Community service	112,797	-	-	112,797
Academic support	935,727	-	-	935,727
Student services	2,601,942	-	-	2,601,942
Institutional support	2,045,671	-	-	2,045,671
Operation and maintenance of plant	2,399,619	-	-	2,399,619
Scholarships	223,902	-	-	223,902
Total education and general expenditures	14,199,950	236,525	-	14,436,475
Auxiliary enterprise expenditures	-	-	1,338,416	1,338,416
Total expenditures	14,199,950	236,525	1,338,416	15,774,891
Revenue over (under) expenditures	1,233,986	(9,681)	439,640	1,663,945
OTHER FINANCING SOURCES (USES)				
Mandatory transfers out	(739,628)	(6,834)	(334,480)	(1,080,942)
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 494,358	\$ (16,515)	\$ 105,160	\$ 583,003

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Statement of Changes in Fund Balances -
 All Current Funds - Unrestricted
 For the Year Ended June 30, 2011

	<u>General</u>	<u>Adult Supple- mental Education</u>	<u>Other Auxiliary Enterprise Funds</u>	<u>Total (Memorandum Only)</u>
FUND BALANCES, July 1, 2010 as previously reported				
Unencumbered cash	\$ 8,194,368	\$ 464,028	\$ 592,278	\$ 9,250,674
Add:				
Reserve for encumbrances	150,051	701	63,178	213,930
Subtract:				
Deferred property tax receipts, 7/1/10	<u>(3,828,722)</u>	<u>-</u>	<u>-</u>	<u>(3,828,722)</u>
FUND BALANCES, July 1, 2010	4,515,697	464,729	655,456	5,635,882
REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>494,358</u>	<u>(16,515)</u>	<u>105,160</u>	<u>583,003</u>
FUND BALANCES, June 30, 2011	<u>\$ 5,010,055</u>	<u>\$ 448,214</u>	<u>\$ 760,616</u>	<u>\$ 6,218,885</u>
FUND BALANCES, June 30, 2011				
Reserve for encumbrances	\$ 524,632	\$ 3,358	\$ 215,843	\$ 743,833
Unreserved:				
Designated for subsequent year's expenditures	<u>4,485,423</u>	<u>444,856</u>	<u>544,773</u>	<u>5,475,052</u>
FUND BALANCES, June 30, 2011	<u>\$ 5,010,055</u>	<u>\$ 448,214</u>	<u>\$ 760,616</u>	<u>\$ 6,218,885</u>

GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Balance Sheet -
 All Current Funds - Restricted
 June 30, 2011

	Federal Student Aid	Restricted Grants	Other Restricted Funds
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 218,504	\$ 69,738
Total assets	\$ -	\$ 218,504	\$ 69,738
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 2,775	\$ -
Total liabilities	-	2,775	-
Fund balances	-	215,729	69,738
Total liabilities and fund balances	\$ -	\$ 218,504	\$ 69,738

<u>Adult Basic Education</u>	<u>EduKan Consortium</u>	<u>Total (Memorandum Only)</u>
<u>\$ 149,337</u>	<u>\$ 69,464</u>	<u>\$ 507,043</u>
<u>\$ 149,337</u>	<u>\$ 69,464</u>	<u>\$ 507,043</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,775</u>
<u>-</u>	<u>-</u>	<u>2,775</u>
<u>149,337</u>	<u>69,464</u>	<u>504,268</u>
<u>\$ 149,337</u>	<u>\$ 69,464</u>	<u>\$ 507,043</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Statement of Changes in Fund Balances -
All Current Funds - Restricted
For the Year Ended June 30, 2011

	Federal Student Aid	Restricted Grants	Other Restricted Funds
REVENUE			
Federal grants	\$ 5,112,773	\$ 1,545,918	\$ -
State grants	-	370,181	-
Institutional support	-	50,900	-
Fees	-	1,570	8,114
Other	-	32,000	11,063
Total revenue	<u>5,112,773</u>	<u>2,000,569</u>	<u>19,177</u>
EXPENDITURES			
Educational and general:			
Instruction	-	815,918	-
Community service	-	549,371	7,529
Student services	5,140,751	538,181	329,858
Total expenditures	<u>5,140,751</u>	<u>1,903,470</u>	<u>337,387</u>
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	27,978	36,514	-
Mandatory transfers out	-	(229,158)	-
Total other financing sources (uses)	<u>27,978</u>	<u>(192,644)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR YEAR			
	-	(95,545)	(318,210)
FUND BALANCES, July 1, 2010	<u>-</u>	<u>311,274</u>	<u>387,948</u>
FUND BALANCES, June 30, 2011	<u>\$ -</u>	<u>\$ 215,729</u>	<u>\$ 69,738</u>

Adult Basic Education	EduKan Consortium	Total (Memorandum Only)
\$ 317,864	\$ -	\$ 6,976,555
74,301	-	444,482
-	-	50,900
-	-	9,684
<u>203,951</u>	<u>346,711</u>	<u>593,725</u>
<u>596,116</u>	<u>346,711</u>	<u>8,075,346</u>
609,434	354,872	1,780,224
-	-	556,900
-	-	<u>6,008,790</u>
<u>609,434</u>	<u>354,872</u>	<u>8,345,914</u>
32,500	-	96,992
-	-	<u>(229,158)</u>
<u>32,500</u>	<u>-</u>	<u>(132,166)</u>
19,182	(8,161)	(402,734)
<u>130,155</u>	<u>77,625</u>	<u>907,002</u>
<u>\$ 149,337</u>	<u>\$ 69,464</u>	<u>\$ 504,268</u>

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GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Schedule of Changes in Fund Balances -
 Various Funds
 For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
AUXILIARY ENTERPRISE FUNDS:				
Adult Ed Orientation Fund	\$ 7,690	\$ 6,845	\$ 5,576	\$ 8,959
Student Union	575,497	1,632,356	1,544,103	663,750
Cosmetology	61,019	109,138	98,644	71,513
Child Care Center	11,250	29,717	24,573	16,394
	<u>\$ 655,456</u>	<u>\$ 1,778,056</u>	<u>\$ 1,672,896</u>	<u>\$ 760,616</u>
FEDERAL STUDENT AID:				
Academic Competiveness Grant	\$ -	\$ 120,120	\$ 120,120	\$ -
College Work Study	-	73,180	73,180	-
Guaranteed Student Loans	-	1,669,471	1,669,471	-
SEOG Grants	-	44,326	44,326	-
PELL Grants	-	3,233,654	3,233,654	-
	<u>\$ -</u>	<u>\$ 5,140,751</u>	<u>\$ 5,140,751</u>	<u>\$ -</u>
RESTRICTED GRANTS:				
HIV/Aids Education Grant	\$ 26,898	\$ -	\$ 4,000	\$ 22,898
Small Business Development Center - Federal	-	102,306	102,306	-
Small Business Development Center - State	-	51,150	51,150	-
Small Business Development Center - Local	17,943	36,514	40,561	13,896
Small Business Development Center - Indirect	-	41,135	41,135	-
Small Business Development Center - Program Income	10,911	1,270	561	11,620
KSBDC Outreach Center Grant	-	63,943	63,943	-
TRIO - Student Support Services	-	273,641	273,439	202
TRIO - Educational Talent Search	-	185,876	185,876	-
College Access Challenge Grant	22,060	24,963	31,793	15,230
Federal Funds Administration	30,241	9,766	6,231	33,776
Title V	-	487,208	484,941	2,267
ARRA Federal Stimulus Grant	85,340	143,281	228,021	600
Drug Prevention Grant	-	173,732	173,732	-
Drug Prevention Program Income	101,886	300	2,972	99,214
Kansas Bridges Grant	-	49,666	49,666	-
Kansas Meth Prevention Grant	10,995	-	-	10,995
Problem Gambling	-	1,240	-	1,240
Project KANCO Grant	-	38,998	38,998	-
Kansas Technology Instruction Grant	-	17,027	17,027	-
Carl Perkins Program Improvement Grant	-	115,912	112,296	3,616
Operation Advance	-	150,143	149,968	175
Greensburg Grant	-	65,932	65,932	-
IME Becas Grant	5,000	-	5,000	-
Motorcycle Safety Grant	-	3,080	3,080	-
	<u>\$ 311,274</u>	<u>\$ 2,037,083</u>	<u>\$ 2,132,628</u>	<u>\$ 215,729</u>
OTHER RESTRICTED FUNDS:				
Cox Communications Grant	\$ 54,968	\$ -	\$ -	\$ 54,968
Pepsi Campus Support	28,600	11,063	33,749	5,914
GED Testing Fund	4,850	8,114	7,529	5,435
Shriver Trust	299,530	-	296,109	3,421
	<u>\$ 387,948</u>	<u>\$ 19,177</u>	<u>\$ 337,387</u>	<u>\$ 69,738</u>

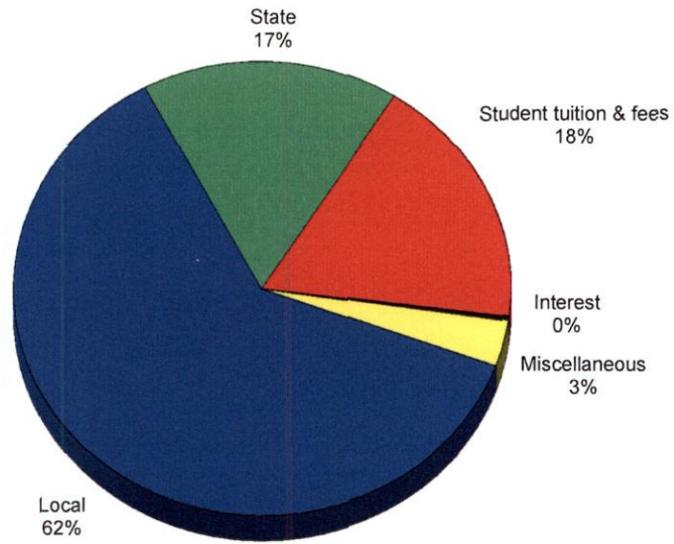
GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Statement of Changes in Assets and Liabilities -
 All Agency Funds
 For the Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<u>ASSETS</u>				
Cash and investments	\$ 370,052	\$ 746,235	\$ 713,194	\$ 403,093
Total assets	<u>\$ 370,052</u>	<u>\$ 746,235</u>	<u>\$ 713,194</u>	<u>\$ 403,093</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 601	\$ 6	\$ 601	\$ 6
Due to agency funds	<u>369,451</u>	<u>746,229</u>	<u>712,593</u>	<u>403,087</u>
Total liabilities	<u>\$ 370,052</u>	<u>\$ 746,235</u>	<u>\$ 713,194</u>	<u>\$ 403,093</u>

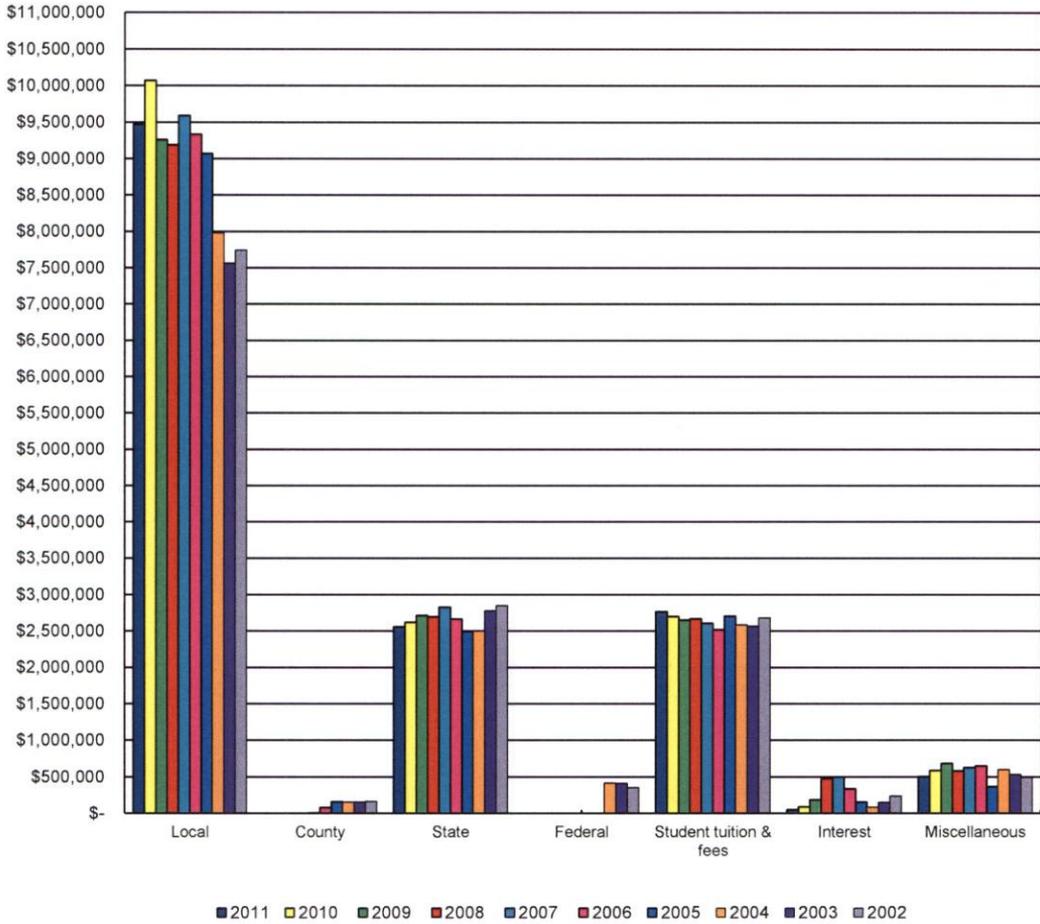
GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds - Due to Agency Funds
 For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
STUDENT ORGANIZATION ACCOUNTS				
Clubs and organizations:				
Academic Challenge	\$ 276	\$ 1,000	\$ 191	\$ 1,085
ADN Students Club	5,395	3,827	5,973	3,249
Ag Tech Club	3,501	10,049	3,290	10,260
All Pro Auto Club	834	-	-	834
Art Club	4,824	1,531	1,919	4,436
Black Student Union	5	6,528	6,479	54
Block & Bridle Club	1,911	9,301	11,207	5
Bloodmobile	104	-	-	104
Breakaway Magazine	25,117	9,175	8,828	25,464
BSNT Voucher Program	540	-	-	540
Business Contest	669	-	-	669
College Players	730	10	-	740
Creative Writing Club	1,755	-	-	1,755
DECA Club	622	650	1,272	-
Dormitory Club	26,360	22,896	13,352	35,904
Fine Arts Travel	890	535	1,424	1
Gamma Omega Gamma	79	-	-	79
GCCC Education Support Professionals	63	-	-	63
GC3 Media	2,974	-	-	2,974
HALO (Mecha Club)	10,313	7,709	4,572	13,450
Intramurals	888	-	-	888
Karate Club	1,091	-	-	1,091
K-HEA Organization	466	14,761	17,698	(2,471)
Lecture Series	131	3,500	-	3,631
Math Club	4,905	2,610	1,875	5,640
National Student Travel	2,477	7,500	-	9,977
Newman Club	2,303	500	608	2,195
Phi Rho Pi Organization	1,846	-	-	1,846
Phi Theta Kappa	1,789	12,929	12,642	2,076
Potter's Guild	752	445	534	663
Practical Nursing Student Association	2,515	2,171	3,364	1,322
River & Gulf Coast Ecology	2,121	-	-	2,121
Rodeo Club	7,480	59,878	60,190	7,168
Science Club	4,250	735	318	4,667
SNEA	807	4,610	4,200	1,217
Sold Out	652	91	240	503
Student Athletic Training	1,042	500	936	606
Student in Free Enterprise	5,189	1,000	5,588	601
Student Government Association	218,493	121,280	120,522	219,251
Student Government Association Scholarships	2,001	394,918	394,919	2,000
Student Newspaper	20,374	21,445	8,475	33,344
Tau Epsilon Lambda	321	3,209	2,446	1,084
Trap Shooting Club	17	-	-	17
Vocal Music Council	579	-	-	579
Welding	-	1,405	-	1,405
Total student organization accounts	<u>369,451</u>	<u>726,698</u>	<u>693,062</u>	<u>403,087</u>
SPECIAL REVOLVING ACCOUNTS				
Tax - state sales	-	19,531	19,531	-
Total special revolving accounts	<u>-</u>	<u>19,531</u>	<u>19,531</u>	<u>-</u>
Total - all agency funds	<u>\$ 369,451</u>	<u>\$ 746,229</u>	<u>\$ 712,593</u>	<u>\$ 403,087</u>

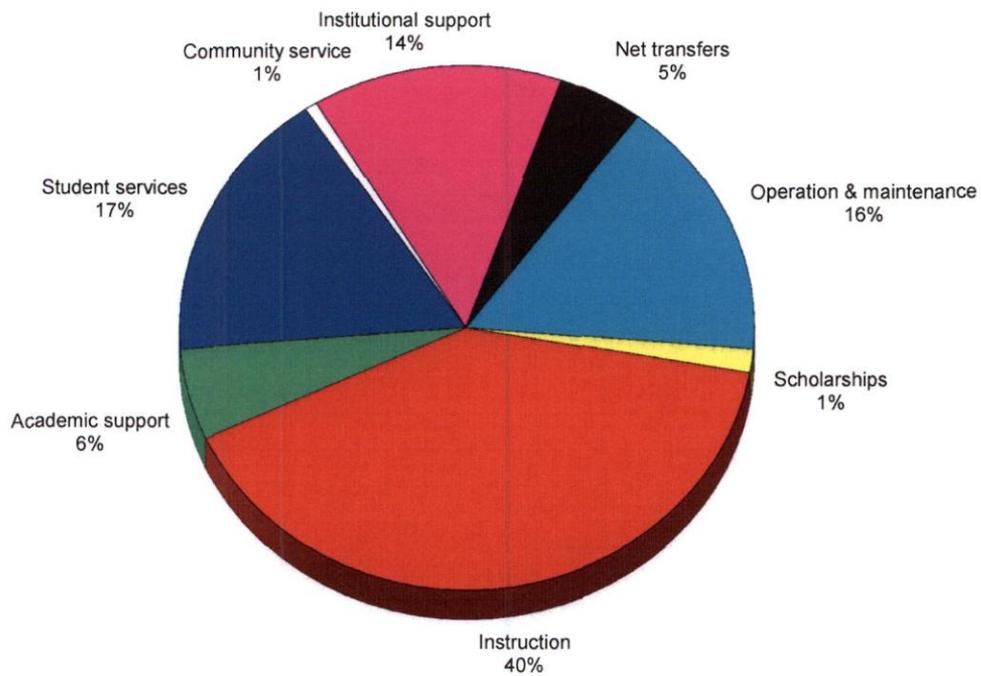
GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Graph 1 -
Comparison of Revenues -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
For the Year Ended June 30, 2011



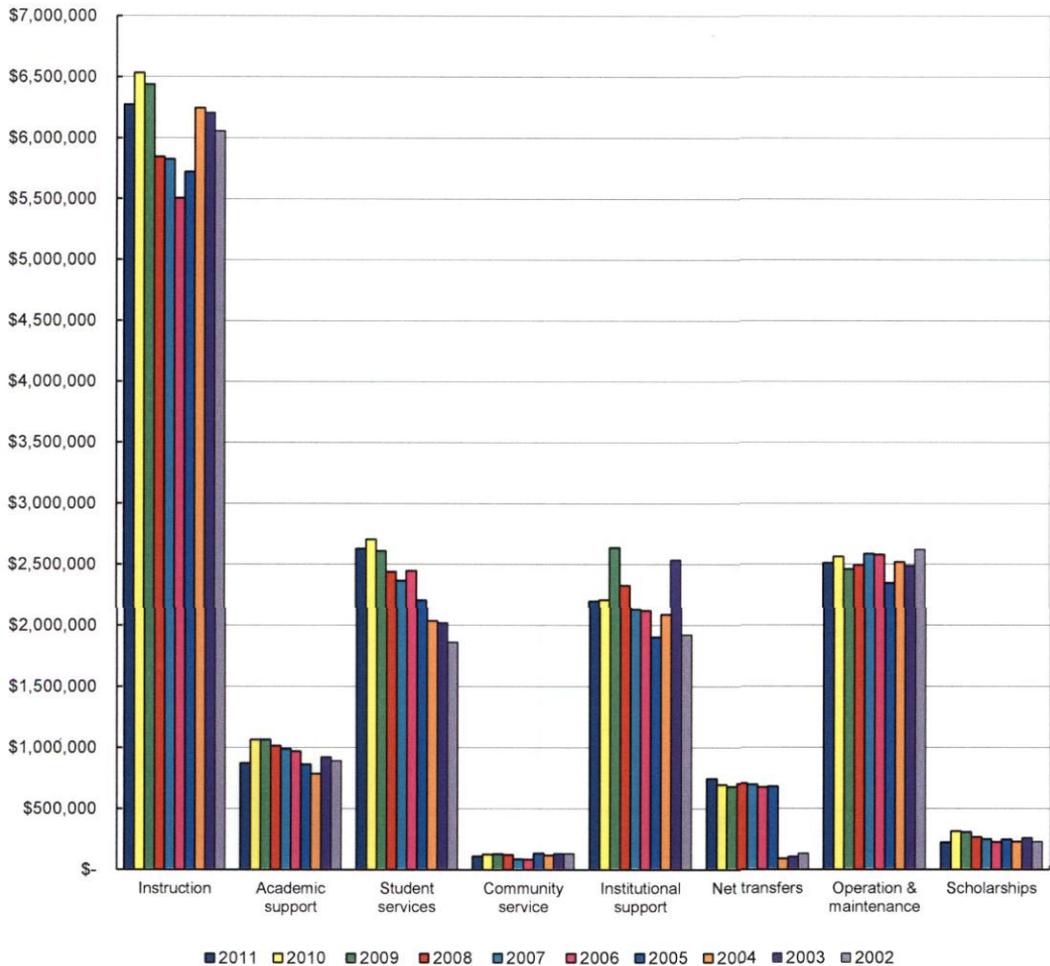
GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Graph 2 -
 Comparison of Revenues -
 All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
 For the Years Ended June 30



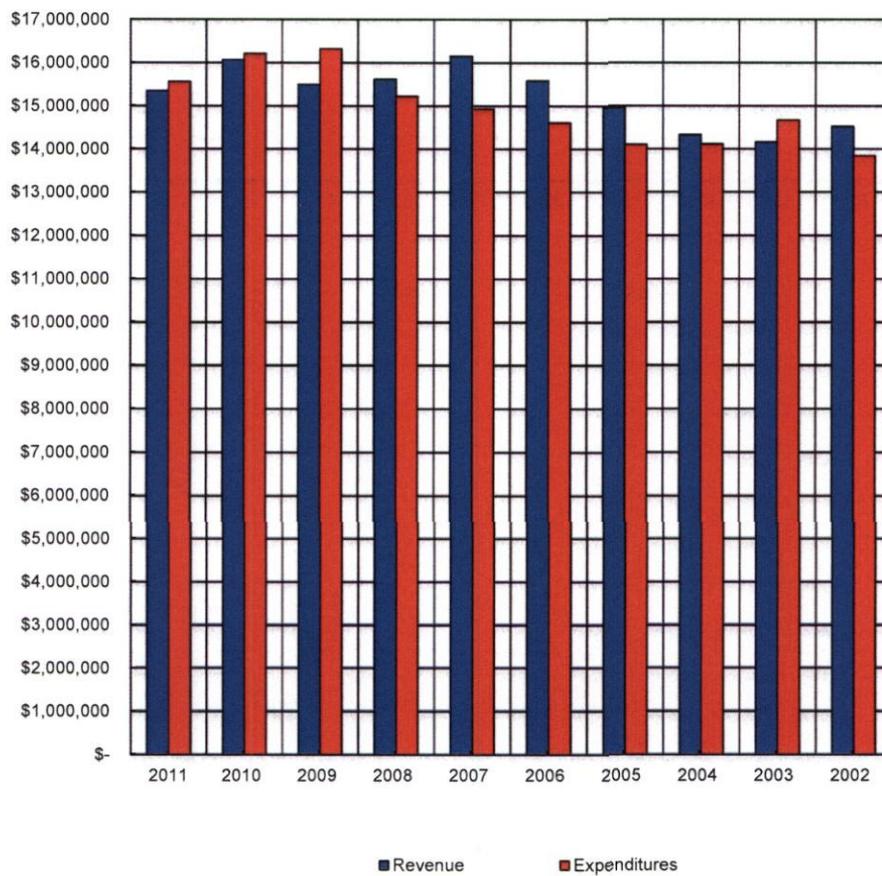
GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Graph 3 -
Comparison of Expenditures, Encumbrances and Net Transfers -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
For the Year Ended June 30, 2011



GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Graph 4 -
Comparison of Expenditures, Encumbrances and Net Transfers -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
For the Years Ended June 30



GARDEN CITY COMMUNITY COLLEGE
 Schedule of Management Information
 Graph 5 -
 Comparison of Revenues, and Expenditures, Encumbrances and Net Transfers -
 All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
 For the Years Ended June 30



GARDEN CITY COMMUNITY COLLEGE

OPEID No.: 00191900
EIN: 48-0698107

FEDERAL AWARD PROGRAMS

June 30, 2011



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

Board of Trustees
Garden City Community College
801 Campus Drive
Garden City, Kansas 67846

We have audited the financial statements of the business-type activity and the aggregate discretely presented component units of the Garden City Community College as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 16, 2011. The financial statements of the Garden City Community College Endowment Association and the Broncbuster Athletic Association were not audited in accordance with Government Auditing Standards; accordingly this report does not extend to those component units of the Garden City Community College. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Garden City Community College's primary government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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 College's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Garden City Community College's primary government'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

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Steven D. Josseland, CPA
Gary A. Schlappe, CPA
Rodney Van Norden, CPA

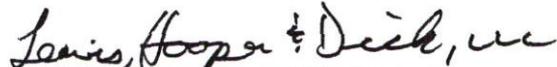
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Kimberly A. Roth, CPA
Kristin J. Sekavec, CPA
Monica J. Wilson, CPA

Board of Trustees
Garden City Community College
Page 2

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.

We noted certain matters that we have reported to management of the Garden City Community College's primary government in a separate letter dated December 16, 2011.

This report is intended solely for the information and use of the College's management and Board of Trustees, the Kansas Board of Regents, the Kansas Division of Accounts and Reports, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


LEWIS, HOOPER & DICK, LLC

December 16, 2011



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Garden City Community College
801 Campus Drive
Garden City, Kansas 67846

Compliance

We have audited the compliance of the Garden City Community College's primary government with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the management of Garden City Community College. Our responsibility is to express an opinion on Garden City Community College's compliance based on our audit.

The Garden City Community College's basic financial statements include the operations of the Garden City Community College Endowment Association and the Broncbuster Athletic Association; neither of which received any federal awards during the year ended June 30, 2011. Our audit described below, did not include the operations of the Garden City Community College Endowment Association or the Broncbuster Athletic Association because the component units were not subject to an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on College's compliance with those requirements.

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In our opinion, the Garden City Community College's primary government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

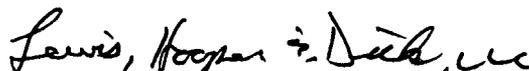
Internal Control Over Compliance

The management of Garden City Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance 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.

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 that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance of the Garden City Community College's primary government that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the College's management and Board of Trustees, the Kansas Board of Regents, the Kansas Division of Accounts and Reports, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


LEWIS, HOOPER & DICK, LLC

December 16, 2011

Garden City Community College
Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

I. SUMMARY OF AUDIT RESULTS

A. Financial Statements

- Type of auditors' report issued: Unqualified
- Internal control over financial reporting as reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:
 Material weaknesses identified: None
 Significant deficiencies identified: None reported
- Noncompliance material to financial statements noted: None

B. Federal Awards

- Internal control over major programs as reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133:
 Material weaknesses identified: None
 Significant deficiencies identified: None reported
- Type of auditors' report issued on compliance for major programs: Unqualified
- Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133: None
- The programs tested as major programs include:

Program	CFDA	Expenditures
Student Financial Aid Cluster:		
Federal Supplemental Educational Opportunity Grant Programs	84.007	\$ 33,719
Federal Family Education Loans Programs:		
Stafford Student Loan Program	84.032	1,044,117
Unsubsidized Stafford Student Loan Program	84.032	619,879
PLUS Loan Program	84.032	12,842
Federal Work-Study Program, Recovery Act	84.033	55,810
Federal PELL Grant Program, Recovery Act	84.063	3,233,654
Academic Competitiveness Grant	84.375	120,120
TRIO Cluster:		
Student Support Services	84.042	104,100
Student Support Services	84.042	169,338
Talent Search	84.044	81,558
Talent Search	84.044	104,318
State Fiscal Stabilization Fund:		
Education State Grants, Recovery Act	84.394	85,340
Education State Grants, Recovery Act	84.394	142,681

- Dollar threshold used to distinguish between type A and B programs: \$300,000
- Auditee qualified as low-risk auditee: Yes

Garden City Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

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GARDEN CITY COMMUNITY COLLEGE

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Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Student Financial Assistance and Federal Award Programs
June 30, 2011

December 16, 2011

Department of Education:

Garden City Community College, Garden City, Kansas, respectfully submits the following corrective action plan for the year ended June 30, 2011.

Name and address of independent accounting firm: Lewis, Hooper & Dick, LLC
PO Box 699
Garden City, KS 67846

Audit period: July 1, 2010 through June 30, 2011

The findings from the June 30, 2011, Schedule of Findings and Questioned Costs related to the federal award programs are discussed below. The findings are numbered consistently with the number assigned in the Schedule. Section I of the Schedule, Summary of Auditors' Results, does not include findings and is not addressed.

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

IV. STATUS OF CORRECTIVE ACTIONS ON PRIOR FINDINGS

None

If the Department of Education, the oversight agency, has questions regarding this plan, please call Dee A. Wigner at (620)276-7611.

Sincerely,

A handwritten signature in cursive script that reads "Dee A. Wigner".

Dee A. Wigner
Vice-President for Finance and Operations

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GARDEN CITY COMMUNITY COLLEGE
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Clusters</u>	<u>Grant Number</u>	<u>Disburse- ments/ Expenditures</u>
DEPARTMENT OF EDUCATION				
Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	A	P007A091513	\$ 33,719
Higher Education - Institutional Aid	84.031		P031S070010	406,643
Higher Education - Institutional Aid	84.031		P031S070010	78,299
Federal Work-Study Program, Recovery Act	84.033	A	P033A091513	55,810
TRIO - Student Support Services	84.042	B	PO42A060404	104,100
TRIO - Student Support Services	84.042	B	PO42A060404	169,338
TRIO - Talent Search	84.044	B	PO44A0704343	81,558
TRIO - Talent Search	84.044	B	PO44A0200645	104,318
Federal PELL Grant Program, Recovery Act	84.063	A	P063P0871468	3,233,654
Academic Competitiveness Grant	84.375	A	P375A081468	120,120
Federal Family Education Loans:				
Stafford Student Loan Program	84.032	A		1,044,117
Unsubsidized Stafford Student Loan Program	84.032	A		619,879
PLUS Loan Program	84.032	A		12,842
Passed through the Kansas Board of Regents:				
Adult Education - Basic Grants to States:				
Adult Education	84.002			138,993
EL Civics	84.002			2,653
EL Civics	84.002			5,215
Adult Education Special Project	84.002			6,666
Career & Technical Education				
- Basic Grants to States	84.048		J0809	112,296
College Access Challenge Grant Program	84.378			22,060
College Access Challenge Grant Program	84.378			9,734
State Fiscal Stabilization Fund:				
Education State Grants, Recovery Act	84.394		S394A090017	85,340
Education State Grants, Recovery Act	84.394		S394A090017	142,681
Passed through Kansas State University:				
Migrant Education High School Equivalency Program - Project Destiny	84.141		S141A060038	39,437
Migrant Education High School Equivalency Program - Project Destiny	84.141		S141A060038	110,531
Migrant Education College Assistance Migrant Program - Project KANCO	84.149		S149A090031	38,998
DEPARTMENT OF AGRICULTURE				
Passed through Kansas Department of Education:				
Child and Adult Care Food Program	10.558		J0809	3,287
DEPARTMENT OF LABOR				
Passed through the Kansas Board of Regents:				
WIA Youth Activities	17.259			19,024
Incentive Grants - WIA Section 503	17.267			12,445

GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Clusters</u>	<u>Grant Number</u>	<u>Disburse- ments/ Expenditures</u>
(continued)				
SMALL BUSINESS ADMINISTRATION				
Passed through Fort Hays State				
University:				
Small Business Development Center	59.037		0-603001-Z-0017-15	\$ 60,719
Small Business Development Center	59.037		0-603001-Z-0017-15	41,587
 DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the State Department				
of Education:				
Cooperative Agreements to Support Comprehensive				
School Health Programs to Prevent the Spread of HIV				
and Other Important Health Problems	93.938		23-3100-CD09	4,000
Passed through the State Department				
of Social and Rehabilitation Services:				
2011 Block Grants for Community Mental				
Health Services	93.958			173,732
Refugee and Entrant Assistance - State Administered				
Programs - 2011 Refugee Grant	93.566		RSS-09-01	64,379
Refugee and Entrant Assistance - State Administered				
Programs - 2009 Refugee Grant	93.566		RSS-09-01	25,870
Passed through Kansas State University:				
Biomedical Research and Research Training	93.859		R25GM067589	22,986
Biomedical Research and Research Training	93.859		R25GM067589	26,681
Total				<u>\$ 7,233,711</u>

The accompanying Notes to Schedule of Federal Financial Awards are an integral part of this statement.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Garden City Community College, Garden City, Kansas. The College's reporting entity is defined in Note 1 of the Notes to Financial Statements to the College's basic purpose financial statements. All federal financial assistance received, directly from federal agencies as well as federal financial assistance passed through other government agencies, is included in the Schedule of Expenditures of Federal Awards.

Significant accounting policies, relating to federal financial assistance programs, followed by the College and other related information are described below to enhance the usefulness of the Schedule of Expenditures of Federal Awards to the reader.

A. Scope of audit

The audit of the College's federal financial assistance programs was performed in accordance with auditing standards generally accepted in the United States of America; the financial and compliance elements of Government Auditing Standards issued by the Comptroller General in 1994; and the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Audit requirements set forth in the Department of Education's Compliance Audits (Attestation Engagements) of Federal Student Financial Assistance Programs at Participating Institutions, January, 2000, set forth these objectives:

1. Expressing an opinion on the basic financial statements and required supplementary information.
2. Evaluation of the College's policies, procedures and practices used to administer the programs.
3. Determination of compliance with applicable sections of the acts, related federal regulations and Department of Education policies and procedures.
4. Evaluation of the College's system of internal control, accounting and reporting, and the controls maintained in the operation of an accounting for the funds provided for the programs.
5. Reconciliation of the information reported on the appropriate financial statements with ED Form 646 for the year audited.

The audit covered the period of July 1, 2010, through June 30, 2011, and was conducted at the College's business and student financial aid offices.

B. Administration

The College officials responsible for overall administration of the federal financial assistance programs are the Dean of Administrative Services and the Dean of Student Services (Director of Financial Aid).

The Financial Aid Office is responsible for application processing and loan approvals, as well as the College's compliance with the various U.S. Department of Education regulations governing the College's participation in the federal student financial aid programs.

The Dean of Administrative Services is responsible for the programs' financial management and general ledger accounting functions.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

1. General (continued)

C. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared in accordance with accounting principles generally accepted in the United States of America and the format as set forth in the publications: Government Auditing Standards issued by the Comptroller General in 1994; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The purpose of the Schedule is to present, in summary form, the expenditures of Garden City Community College, Garden City, Kansas, for the year ended June 30, 2011, which have been financed by the United States Government (federal awards). Except as described in the following paragraphs, generally accepted accounting principles are in agreement with the accounting principles prescribed for such programs by the Department of Education's fiscal control and fund accounting procedures.

For the purposes of this Schedule, federal awards include all federal assistance and procurement relationships entered into directly between Garden City Community College and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements.

Because the Schedule presents only a selected portion of the activities of Garden City Community College, it is not intended to and does not present either the financial position, changes in financial position or cash flows for Garden City Community College. For reporting purposes, federal awards have been classified into two types:

1. Awards other than student financial aid; principally, sponsored research and training activities.
2. Student financial aid.

D. Basis of accounting

The accounting principles followed by Garden City Community College in each of the above two areas and used in preparing the accompanying Schedule are as follows:

1. Awards other than student financial aid
Deductions (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in OMB Circular A-21, Cost Principles for Educational Institutions. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.
2. Student financial aid
Deductions are recognized on the accrual basis for awards made to students and allowable administrative expenses of running such programs. Additions, in turn, are recognized when advances are received from the federal government.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

2. Summary of programs from sponsoring agencies

A. Department of Education

1. Supplemental Educational Opportunity Grant Program

The Supplemental Educational Opportunity Grant (SEOG) Program was established by the Garden City Community College in 1973, pursuant to Title IV, Part A, of the Higher Education Act of 1965, as amended. During the academic year ended June 30, 2011, 124 students participated in the program, receiving awards that aggregated \$42,429. Of these awards, \$31,822 were paid from federal funds and \$10,607 were paid from institutional contributions. An administrative allowance of \$1,897 from federal funds was also paid the College.

2. Higher Education – Strengthening Developing Institutions

The Higher Education – Strengthening Developing Institutions grant is from Title V for expanding opportunities for Hispanic students in rural Kansas.

3. Federal Work Study Program

The Federal Work Study (FWS) Program was established by the Garden City Community College in 1967, pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2011, 61 students participated in the program, earning \$69,481 in wages. Of these wages, \$52,111 were paid from federal funds and \$17,370 were paid from institutional contributions. An administrative allowance of \$3,699 from federal funds was also paid the College.

4. Special Services for Disadvantage Students Programs

The Title IV Special Services for Disadvantage Students Program objective at Garden City Community College is to serve the at-risk students, especially the non-English proficient and returning adult students.

5. Talent Search Programs

The Title IV Talent Search Program objective at Garden City Community College is to serve the at-risk students, especially the non-English proficient and returning adult students.

6. Federal PELL Grant Program

The College entered into an agreement with the Department of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post secondary education. During the 2011 academic year, \$3,233,654 was expended for PELL awards to 894 full-time and part-time students.

7. Academic Competitiveness Grant

The Academic Competitiveness Grant through the Department of Education provides eligible first and second-year full-time undergraduates, who have completed a rigorous course of study in high school, with need-based grant assistance to help meet educational expenses. During the 2011 academic year, \$120,120 was expended for Academic Competitiveness Grant awards to 189 full-time students.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

2. Summary of programs from sponsoring agencies (continued)

A. Department of Education (continued)

8. Federal Family Education Loans

The Stafford Student Loan (SSL) Program, formerly the Guaranteed Student Loan Program, was established to make low interest loans available to students to pay for their costs of attending post secondary educational institutions. The SSL Program in Kansas is administered by the Higher Education Assistance Foundation (HEAF), a private, nonprofit corporation chartered to guarantee student loans. The loans are made through lending institutions, but post secondary institutions, such as Garden City Community College, are responsible for completing portions of the loan applications, verifying student eligibility, filing student confirmation reports, refunding money to lenders, when appropriate, and handling loan checks when they are sent to the education institution rather than to the borrower. The College handled 450 approved Stafford Student Loans for college students during the 2011 academic year. In addition, the College processed 239 approved loans under the related Unsubsidized Stafford Student Loan Program and 4 approved loans under the PLUS Loan Program.

9. Adult Education Program

The objective of the Adult Education Program is to provide, improve and expand post secondary vocational services and activities to train and retrain adults. Funds are awarded annually based upon submission of an application and program plan.

10. Vocational Education - Basic Grants to States

Enacted in 1984, this program is designed to service special population groups in their need for marketable skills upon entering the work force. On the national level, this program is intended to improve productivity and promote economic growth.

a. Career & Technical Education

The objective of the Career & Technical Education program is to develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs

11. Adult Education – National Leadership Activities

The objective of the Adult Education – National Leadership Activities program (Next Step) is to support projects for the improvement and expansion of adult basic education nationwide.

12. College Access Challenge Grant Program

The objective of the College Access Challenge Grant Program is to increase the number of underrepresented students who enter and remain in postsecondary education.

13. State Fiscal Stabilization Fund – Education State Grants, Recovery Act

The objective of the State Fiscal Stabilization grant at the College is to modernize and renovate facilities primarily used for instruction.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

2. Summary of programs from sponsoring agencies (continued)

A. Department of Education (continued)

14. Teacher Quality Enhancement

Kansas State University entered into a subaward agreement with the College to design, implement, evaluate, institutionalize, and disseminate a multi-institutional collaborative teacher preparation model to address the continuum of teacher development.

15. Migrant Education High School Equivalency Programs

Kansas State University entered into a subaward agreement with the College to deliver quality educational services to eligible migrant families.

16. Migrant Education College Assistance Migrant Program

Kansas State University entered into a subaward agreement with the College to deliver quality educational services to eligible migrant students.

B. Department of Agriculture

1. Child and Adult Care Food Program

The objective of the Child and Adult Care Food Program is to maintain or expand nonprofit food service programs for children and eligible adults in nonresidential child care and adult day care institutions.

C. Small Business Administration

1. Small Business Development Center

Fort Hays State University is providing funds to the College for the purpose of promotion and development of small businesses and free enterprise within the twenty counties in Southwest Kansas served by the Garden City Community College Small Business Development Center.

D. Department of Health and Human Services

1. Cooperative Agreements to Support Comprehensive School Health Programs

The Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems grants are to provide funding for a CDC HIV/AIDS Education Regional Resource Center at Garden City Community College.

2. Block Grants for Prevention and Treatment of Substance Abuse

The objective of the Block Grants for Prevention and Treatment of Substance Abuse is to develop a network of coordination, communication and training to aid communities within a 19 county area to work toward a drug-free region.

3. Refugee and Entrant Assistance – State Administered Programs

The objective of the Refugee and Entrant Assistance – State Administered Programs is to fund cash assistance, medical assistance, care of unaccompanied refugee minors, and social services for the eligible population.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

2. Summary of programs from sponsoring agencies (continued)

D. Department of Health and Human Services (continued)

4. Biomedical Research and Research Training Program
The College is a subrecipient of the Biomedical Research and Research Training program through a Kansas State University project, Kansas Bridges to the Future.
5. Special Minority Initiatives
The College is a subrecipient of the Special Minority Initiatives program through a Kansas State University project, Kansas Bridges to the Future.

ADDITIONAL INFORMATION

GARDEN CITY COMMUNITY COLLEGE
 2008 Block Grants for Prevention and Treatment of Substance Abuse
 Number PREV 08-15-03
 Revenues and Expenditures Compared to Budget
 For the Year Ended June 30, 2011

Grant period: July 1, 2010, to June 30, 2011	Grant Budget	7/1/10 to 6/30/11 Actual - PREV	Variance Over/ (Under)
REVENUE			
Grant advance - federal	\$ 191,360	\$ 173,732	\$ (17,628)
Total revenue	<u>191,360</u>	<u>173,732</u>	<u>(17,628)</u>
EXPENDITURES			
Personnel	129,566	120,886	(8,680)
Employer taxes and fringe benefits	33,080	25,858	(7,222)
Travel	7,000	8,128	1,128
Marketing and publishing	1,000	2,240	1,240
Staff education and training	2,250	149	(2,101)
Supplies	2,955	931	(2,024)
Other	15,509	15,540	31
Total expenditures	<u>191,360</u>	<u>173,732</u>	<u>(17,628)</u>
REVENUE OVER EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GARDEN CITY COMMUNITY COLLEGE
Graph 6 -
Comparison of Expenditures of Federal Awards
For the Years Ended June 30

