

Garden City Community College

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June 30, 2012

Garden City Community College
Basic Financial Statements
For the Year Ended June 30, 2012

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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 basic financial statements of the Garden City Community College, Garden City, Kansas, and its aggregate discretely presented component units as of and for the year ended June 30, 2012, 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 Garden City Community College, Garden City, Kansas, and of its aggregate discretely presented component units as of June 30, 2012, 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 issued our report dated January 10, 2013, 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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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress on pages v through xiii and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Garden City Community 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garden City Community College's basic financial statements. The Graphs presented in Schedules 15, 16 and 17 (pages 60 through 62), and on page 83 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


LEWIS, HOOPER & DICK, LLC

January 10, 2013

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, 2012, and June 30, 2011. 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 6) 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 \$19,851,937. The net increase in net assets of \$255,305, or 1.29%, brought the total of net assets at June 30, 2012, to \$20,107,242. This was due primarily to the collection of Kansas tax credit donations.
- Capital assets increased a total of \$288,915 from 2011, as a result of construction in progress. Major projects during fiscal year 2012 include the Fouse, Academic, Administration, and Access and Opportunity building renovations.
- Operating revenues decreased by \$239,977, or 3.03% from 2011. This was due primarily to a decrease in revenues from federal grants.
- Operating expenses increased by \$688,267, or 3.51% from 2011. This was primarily because of increases in wages and fuel.
- Actual expenditures, excluding transfers, for the General Fund were under budget \$3,297,514, or 20.9%. 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, 2012 and 2011

	2012	2011	Increase (Decrease)
Assets			
Current assets	\$ 12,557,351	\$ 13,656,546	\$ (1,099,195)
Non-current assets	20,373,271	20,084,356	288,915
Total assets	32,930,622	33,740,902	(810,280)
Liabilities			
Current liabilities	6,382,818	6,288,343	94,475
Non-current liabilities	6,440,562	7,600,622	(1,160,060)
Total liabilities	12,823,380	13,888,965	(1,065,585)
Net assets			
Investment in capital assets	13,339,949	11,758,165	1,581,784
Restricted for: expendable	437,744	504,268	(66,524)
Unrestricted	6,329,549	7,589,504	(1,259,955)
Total net assets	\$ 20,107,242	\$ 19,851,937	\$ 255,305

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, 2012, increased \$255,305 to \$20,107,242 from \$19,851,937 in fiscal year 2011, as previously discussed. Current assets have decreased due to cash on hand used 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	\$ 131,371	\$ -	\$ 786,758
Construction in progress	2,625,435	1,398,259	2,874,310	1,149,384
Improvements other than buildings	5,328,251	65,969	-	5,394,220
Buildings	26,836,602	2,742,940	403,500	29,176,042
Equipment	7,794,227	441,113	1,259,746	6,975,594
Total cost	43,239,902	4,779,652	4,537,556	43,481,998
Less accumulated depreciation:				
Improvements other than buildings	2,144,064	270,341	-	2,414,405
Buildings	14,937,216	763,344	164,130	15,536,430
Equipment	6,074,266	342,255	1,258,629	5,157,892
Total accumulated depreciation	23,155,546	1,375,940	1,422,759	23,108,727
Property, plant and equipment, net	\$ 20,084,356	\$ 3,403,712	\$ 3,114,797	\$ 20,373,271

The College completed the Fouse and Academic building renovation projects during fiscal year 2012. Remodeling of the Administration building and the Access and Opportunity Center began in fiscal year 2012. Capital projects in process at June 30, 2012, are as follows:

Project	Authorization	Expended	Committed
Fouse & Academic buildings renovations	\$ 3,224,657	\$ 3,005,335	\$ 339,220
Administrative, & Access & Opportunity Center remodeling	585,701	585,701	-
Collins building renovations	448,000	20,076	427,924

Current liabilities increased largely due to the increase 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	\$ 1,662,483	\$ -	\$ 319,264	\$ 1,343,219
Leases payable:				
Lease obligation - improvements and equipment	1,045,000	-	335,000	710,000
Lease obligation - building	2,815,000	-	35,000	2,780,000
Lease obligation - equipment	140,000	-	140,000	-
Lease obligation - building	575,000	-	285,000	290,000
Lease obligation - building	2,040,000	-	260,000	1,780,000
Lease obligation - equipment	99,329	-	31,823	67,506
Lease obligation - equipment	-	79,843	17,246	62,597
Total leases payable	6,714,329	79,843	1,104,069	5,690,103
Other liabilities:				
Compensated absences, net	232,265	25,633	-	257,898
Net OPEB liability, net	355,448	48,341	-	403,789
Total other liabilities	587,713	73,974	-	661,687
Total long-term liabilities	\$ 8,964,525	\$ 153,817	\$ 1,423,333	\$ 7,695,009

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, 2012 and 2011

	2012	2011	Increase (Decrease)
Operating revenues:			
Student tuition and fees (net of scholarship allowances)	\$ 851,349	\$ 770,498	\$ 80,851
Federal grants and contracts	4,897,119	5,310,371	(413,252)
Auxiliary enterprises	442,280	513,763	(71,483)
Other	1,493,642	1,329,735	163,907
Total operating revenues	<u>7,684,390</u>	<u>7,924,367</u>	<u>(239,977)</u>
Operating expenses	<u>20,318,466</u>	<u>19,630,199</u>	<u>688,267</u>
Operating loss	(12,634,076)	(11,705,832)	(928,244)
Non-operating revenues (expenses)			
State appropriations	2,530,535	2,559,826	(29,291)
Property taxes	10,420,712	10,329,281	91,431
Other	(438,866)	(225,622)	(213,244)
Capital grants and gifts	<u>377,000</u>	<u>45,000</u>	<u>332,000</u>
Increase in net assets	255,305	1,002,653	(747,348)
Net assets, beginning of year	<u>19,851,937</u>	<u>18,849,284</u>	<u>1,002,653</u>
Net assets, end of year	<u>\$ 20,107,242</u>	<u>\$ 19,851,937</u>	<u>\$ 255,305</u>
Total revenues	<u>\$ 21,053,747</u>	<u>\$ 20,908,296</u>	<u>\$ 145,451</u>

Operating revenues decreased by \$239,977. This reflects an increase in student tuition and fees of \$80,851 after the allowance for scholarships and federal student financial aid. The decrease in federal grants and contracts of \$413,252 is a result of decreased student aid for the current year. Auxiliary enterprises experienced a decrease of \$71,483 as a result of decreases in dormitory and student union fees collected due to fewer students. Other operating revenues increased \$163,907 primarily as a result of increases in the other restricted funds' sponsorship agreements.

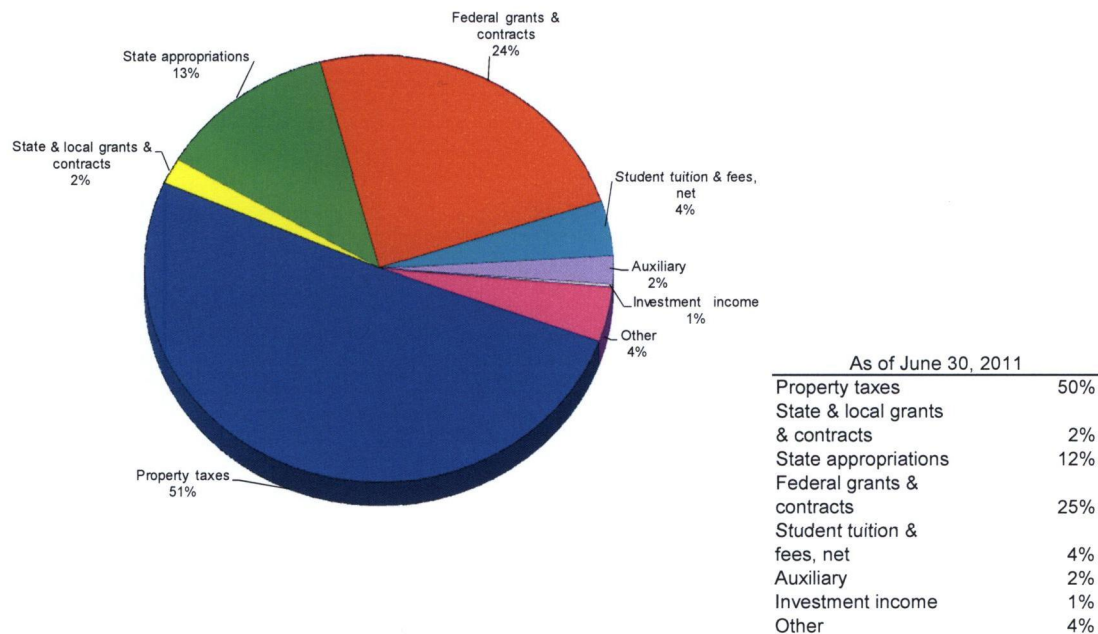
Total non-operating revenues (expenses) decreased by \$151,104. This was primarily due to a loss on the disposal of fixed assets.

Capital grants and gifts due to contributions received through the State's tax credit program increased \$307,300 over 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 51%, federal grants and contracts at 24% and state appropriations at 13%.

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
2012	\$497,565,320	21.180	\$ 10,538,311	7.16%
2011	485,847,279	20.242	9,834,521	7.72%
2010	451,133,347	20.238	9,130,037	-8.92%
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%

The average increase over the 10 year period is 3.13%. 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 ten years under the new State funding formula are as follows:

State Operating Grant Analysis

Year	Grant Amount	% Increase/ Decrease
2012	\$ 2,530,535	-1.14%
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 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 and tuition rates over the past 10 years.

Credit Hour Analysis

Cost per Credit Hour

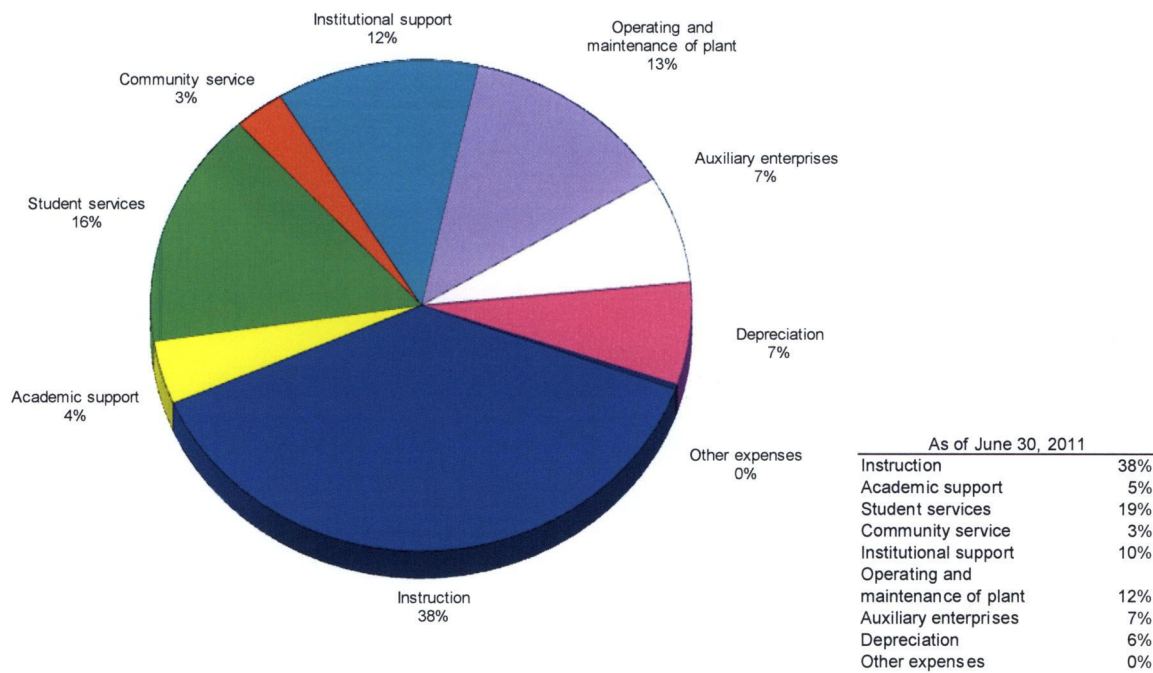
Year	In State	Out of State	Total	% Increase/ Decrease	Year	In State	Out of State
2012	36,201	5,176	41,377	-8.42%	2012	\$ 45	\$ 65
2011	40,077	5,104	45,181	0.06%	2011	45	65
2010	39,990	5,165	45,155	8.26%	2010	43	65
2009	37,118	4,590	41,708	2.13%	2009	41	65
2008	35,446	5,391	40,837	-3.07%	2008	41	65
2007	37,630	4,501	42,131	-6.19%	2007	39	65
2006	40,134	4,778	44,912	8.23%	2006	39	65
2005	37,110	4,385	41,495	-2.19%	2005	37	65
2004	37,340	5,082	42,422	-6.61%	2004	37	65
2003	40,321	5,103	45,424	1.15%	2003	34	65

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

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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 16%, institutional support at 12%, and operating and maintenance of plant at 13%. Total operating expenses increased \$688,267, or 3.51% from 2011. This was primarily because of increases in wages and fuel.

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Statement of Cash Flows
For the Years ended June 30, 2012 and 2011

	2012	2011	Increase (Decrease)
Cash provided (used) by:			
Operating activities	\$ (11,287,595)	\$ (9,401,399)	\$ (1,886,196)
Noncapital financing activities	13,105,997	12,564,262	541,735
Capital and related financing activities	(3,124,259)	(3,034,775)	(89,484)
Investing activities	1,101,528	(1,833,042)	2,934,570
Net increase (decrease) in cash	(204,329)	(1,704,954)	1,500,625
Cash, beginning of year	3,539,820	5,244,774	(1,704,954)
Cash, end of year	<u>\$ 3,335,491</u>	<u>\$ 3,539,820</u>	<u>\$ (204,329)</u>
Reconciliation:			
Operating loss	\$ (12,634,076)	\$ (11,705,832)	\$ (928,244)
Depreciation	1,375,940	1,239,663	136,277
Changes in net assets	(29,459)	1,064,770	(1,094,229)
Net cash used by operating activities	<u>\$ (11,287,595)</u>	<u>\$ (9,401,399)</u>	<u>\$ (1,886,196)</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, 2012

	Actual	Budget	Over (Under)
Revenue	\$ 13,598,278	\$ 17,946,514	\$ (4,348,236)
Expenditures and encumbrances	12,477,486	15,775,000	(3,297,514)
Revenue over (under) expenditures and encumbrances	1,120,792	2,171,514	(1,050,722)
Other financing uses	(1,390,200)	(3,821,717)	(2,431,517)
Revenue over (under) expenditures and encumbrances and other financing uses	(269,408)	(1,650,203)	1,380,795
Unencumbered cash, July 1, 2011	8,003,561	7,371,785	631,776
Unencumbered cash, June 30, 2012	<u>\$ 7,734,153</u>	<u>\$ 5,721,582</u>	<u>\$ 2,012,571</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:

Dee A. Wigner
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BASIC FINANCIAL STATEMENTS

GARDEN CITY COMMUNITY COLLEGE
Statement of Net Assets
As of June 30, 2012

	Community College	Endowment Association	Broncbuster Athletic Association
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 3,335,491	\$ -	\$ 177,277
Short-term investments	8,002,561	-	-
Receivables (net of allowance for uncollectibles):			
Taxes	208,194	-	-
Miscellaneous	1,011,105	2,647	36,052
Total current assets	12,557,351	2,647	213,329
Noncurrent assets:			
Restricted cash and cash equivalents	-	251,964	-
Endowment investments	-	5,234,859	-
Property, plant and equipment, net	20,373,271	67,993	-
Total noncurrent assets	20,373,271	5,554,816	-
Total assets	32,930,622	5,557,463	213,329
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	666,875	-	20,000
Deposits held in custody for others	328,082	-	-
Deferred revenues	69	-	39,192
Deferred tax revenues	4,079,274	-	-
Accrued interest	54,071	-	-
Long-term liabilities, current portion	1,254,447	-	-
Total current liabilities	6,382,818	-	59,192
Noncurrent liabilities:			
Long-term liabilities	6,440,562	-	-
Total liabilities	12,823,380	-	59,192
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	13,339,949	-	-
Restricted for:			
Scholarships	-	366,131	-
Loans	-	14,023	-
Capital projects, net of related debt	-	101,431	-
Other	437,744	246,929	-
Unrestricted	6,329,549	4,828,949	154,137
Total net assets	\$ 20,107,242	\$ 5,557,463	\$ 154,137

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, 2012

	Community College	Endowment Association	Broncbuster Athletic Association
REVENUES			
Operating revenues:			
Student tuition and fees (net of scholarship allowances of \$2,059,170)	\$ 851,349	\$ -	\$ -
Gifts and contributions	-	728,794	4,571
Federal grants and contracts	4,897,119	-	-
State and local grants and contracts	399,694	-	-
Nongovernmental grants and contracts	143,750	-	-
Sales and services of educational departments	19,548	-	-
Auxiliary enterprises (net of scholarship allowances of \$969,021)	442,280	-	-
Other operating revenues	930,650	6,511	194,475
Total operating revenues	7,684,390	735,305	199,046
EXPENSES			
Operating expenses:			
Instruction	7,696,100	-	-
Academic support	856,479	-	-
Student services	3,158,573	-	956
Community service	617,296	-	87,286
Operating and maintenance of plant	2,639,120	-	5,070
Institutional support	2,459,575	307,228	-
Auxiliary enterprises	1,449,077	-	-
Depreciation	1,375,940	824	-
Other expenses	66,306	-	-
Total operating expenses	20,318,466	308,052	93,312
Operating income (loss)	(12,634,076)	427,253	105,734
NONOPERATING REVENUES (EXPENSES)			
State appropriations	2,530,535	-	-
Property taxes	10,420,712	-	-
Investment income (loss)	41,110	(367,320)	2,409
Payments to GCCC	-	(480,476)	(93,994)
Loss from disposal of assets	(240,487)	(100)	-
Interest on capital asset related debt	(239,489)	-	-
Net nonoperating revenues (expenses)	12,512,381	(847,896)	(91,585)
Income before other revenues, expenses, gains or losses	(121,695)	(420,643)	14,149
Capital grants and gifts	377,000	-	-
Increase (decrease) in net assets	255,305	(420,643)	14,149
NET ASSETS			
Net assets, beginning of year	19,851,937	5,978,106	139,988
Net assets, end of year	\$ 20,107,242	\$ 5,557,463	\$ 154,137

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, 2012

	<u>Community College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 713,834
Federal grants and contracts	4,897,119
State and local grants and contracts	399,694
Nongovernmental grants and contracts	143,750
Payment to suppliers	(8,113,369)
Payment to employees	(10,721,101)
Sales and services of educational departments	19,548
Auxiliary enterprise charges	442,280
Other	<u>930,650</u>
Net cash used by operating activities	<u>(11,287,595)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	10,575,462
State appropriations	<u>2,530,535</u>
Net cash provided by noncapital financing activities	<u>13,105,997</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants and gifts	377,000
Proceeds from capital debt and leases	79,843
Purchases of capital assets	(1,905,342)
Principal paid on capital debt and leases	(1,423,333)
Interest paid on capital debt and leases	<u>(252,427)</u>
Net cash used by capital and related financing activities	<u>(3,124,259)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	10,062,979
Interest on investments	41,110
Purchase of investments	<u>(9,002,561)</u>
Net cash provided by investing activities	<u>1,101,528</u>
Net decrease in cash	(204,329)
Cash, beginning of year	<u>3,539,820</u>
Cash, end of year	<u><u>\$ 3,335,491</u></u>

(continued)

GARDEN CITY COMMUNITY COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2012

	<u>Community College</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (12,634,076)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,375,940
Changes in net assets:	
Miscellaneous receivables	(62,579)
Accounts payable and accrued liabilities	34,082
Deposits held in custody for others	(75,005)
Deferred revenues	69
Accrued compensated absences	25,633
Net OPEB liability	<u>48,341</u>
Net cash used by operating activities	<u>\$ (11,287,595)</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, 2012

	<u>Agency Accounts</u>
<u>ASSETS</u>	
Cash and investments	\$ 332,342
Total assets	<u>\$ 332,342</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 4,260
Due to agency funds	<u>328,082</u>
Total liabilities	<u>\$ 332,342</u>

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, 2012

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

A. Description of government-wide financial statement

The government-wide financial statement (i.e., the statement of net position) reports information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The College has no *governmental activities*.

B. 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 \$480,476 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 \$93,994 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, 2012

1. Summary of significant accounting policies (continued)

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. For financial statement reporting purposes, the College is considered a special-purpose government engaged only in a business-type activity. The business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. While neither the Endowment Association nor the Broncbuster Athletic Association is considered to be a major component unit, they are nevertheless shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the College's funds, including its fiduciary funds. Separate statements for each fund category – proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major enterprise funds, each displayed in a separate column. All remaining enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The College reports all operating activity under one major enterprise fund.

Additionally, the College reports the following fund type:

The *agency fund* accounts for student organization accounts and special revolving accounts for funds collected by the College on behalf of other governments.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

1. Summary of significant accounting policies (continued)

F. Assets, liabilities, and net assets

Cash and cash equivalents

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.

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.

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, 2012, is \$2,236.

Receivables

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, 2012, 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, 2011, were allocated forty percent to fiscal year 2013.

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, 2012

1. Summary of significant accounting policies (continued)

F. 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

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.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

Land and construction in progress are not depreciated. 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.

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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

1. Summary of significant accounting policies (continued)

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

Net assets

In the government-wide financial statements, net assets of the College are classified in three components:

- *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 noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, contributors, or laws or regulations.
- *Unrestricted:* This includes the remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*.

G. Revenues and expenses

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the College are sales and services of educational departments and auxiliary enterprises. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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, 2012, totals \$257,898. 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, 2012

2. Stewardship, compliance and accountability

A. Budgetary information

Although the College's financial statements consist of only one enterprise-type activity, budgets are adopted for the departments classified as 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, 3 and 4 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, 2012, in the Current Unrestricted Funds, Current Funds – Restricted – Adult Basic Education, and Unexpended Plant Funds totaled \$345,665.

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.

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 2012.

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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

2. Stewardship, compliance and accountability (continued)

D. 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. There were no violations noted for the year ended June 30, 2012.

3. Detailed notes on all activities and 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	\$ 3,335,491
Short-term investments	<u>8,002,561</u>
Total cash and investments	<u>\$ 11,338,052</u>
Carrying amount of deposits	\$ 11,334,276
Carrying amount of investments	2,236
Cash on hand	<u>1,540</u>
Total cash and investments	<u>\$ 11,338,052</u>

Investments

As of June 30, 2012, 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>	
Certificates of participation - U.S. Treasuries	\$ 1	\$ 1	N/A
Municipal Investment Pool	<u>2,235</u>	<u>2,235</u>	S&P AAAf/S1+
Total fair value	<u>\$ 2,236</u>	<u>\$ 2,236</u>	

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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

A. Deposits and investments (continued)

Interest rate and credit risk (continued)

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, 2012, is as follows:

<u>Investment Type</u>	<u>Percentage of Investments</u>
Certificates of participation - U.S. Treasuries	0.04%
Municipal Investment Pool	99.96%

Custodial credit risk – deposits

In the case of deposits, custodial credit risk 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, 2012.

At June 30, 2012, the College's carrying amount of deposits was \$11,334,276 and the bank balance was \$11,818,566. Eighty-four percent of the bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$3,909,906 was covered by federal depository insurance and \$7,908,660 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:

	<u>Commerce Bank</u>	<u>Landmark National Bank</u>	<u>First National Bank</u>	<u>First National Bank - Holcomb</u>
Bank balance covered by:				
FDIC coverage	\$ 1,398,855	\$ 250,000	\$ 2,011,051	\$ 250,000
Pledged securities at market value	3,537,109	1,621,551	-	2,750,000
Total bank balance	<u>\$ 4,935,964</u>	<u>\$ 1,871,551</u>	<u>\$ 2,011,051</u>	<u>\$ 3,000,000</u>

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, 2012

3. Detailed notes on all activities and funds (continued)

B. Receivables

Receivables as of year-end for the College, including the applicable allowances for uncollectible accounts, are as follows:

	General	Plant Funds Unexpended	Total
Receivables:			
Taxes	\$ 197,319	\$ 10,875	\$ 208,194
Miscellaneous	1,011,105	-	1,011,105
	<hr/>	<hr/>	<hr/>
Gross receivables	1,208,424	10,875	1,219,299
Less allowance for uncollectibles	<hr/> -	<hr/> -	<hr/> -
Total net receivables	<hr/> <u>\$ 1,208,424</u>	<hr/> <u>\$ 10,875</u>	<hr/> <u>\$ 1,219,299</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:

	<u>Unavailable</u>
Current property taxes receivable:	
General	\$ 197,319
Plant Funds - Unexpended	<hr/> 10,875
Total deferred revenue	<hr/> <u>\$ 208,194</u>

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Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

C. Capital assets

The following is a summary of changes in the various capital asset categories for the year ended June 30, 2012:

	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Land	\$ 655,387	\$ 131,371	\$ -	\$ 786,758
Construction in progress	2,625,435	1,398,259	2,874,310	1,149,384
Improvements other than buildings	5,328,251	65,969	-	5,394,220
Buildings	26,836,602	2,742,940	403,500	29,176,042
Equipment	7,794,227	441,113	1,259,746	6,975,594
Total cost	43,239,902	4,779,652	4,537,556	43,481,998
Less accumulated depreciation:				
Improvements other than buildings	2,144,064	270,341	-	2,414,405
Buildings	14,937,216	763,344	164,130	15,536,430
Equipment	6,074,266	342,255	1,258,629	5,157,892
Total accumulated depreciation	23,155,546	1,375,940	1,422,759	23,108,727
Property, plant and equipment, net	<u>\$ 20,084,356</u>	<u>\$ 3,403,712</u>	<u>\$ 3,114,797</u>	<u>\$ 20,373,271</u>

Depreciation expense for the year ended June 30, 2012, was \$1,375,940.

Capital projects in process at June 30, 2012, are as follows:

Project	Authorization	Expended	Committed
Fouse & Academic buildings renovations	\$ 3,224,657	\$ 3,005,335	\$ 339,220
Administrative, & Access & Opportunity			
Center remodeling	585,701	585,701	-
Collins building renovations	448,000	20,076	427,924

D. 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.

E. Postemployment 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 was one participant in the program at June 30, 2012.

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

F. Other postemployment 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, 2012, 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, 2012, 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.

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Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

F. Other postemployment healthcare benefits (continued)

Annual OPEB cost and net OPEB obligation

The College's annual OPEB (Other Postemployment 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.

Normal cost	\$ 70,175
Amortization of unfunded actuarial accrued liability	<u>57,713</u>
Annual required contribution	127,888
Interest on net OPEB obligation	14,218
Adjustment to annual required contribution	<u>(19,765)</u>
Annual OPEB cost (expense)	122,341
Contributions made	<u>74,000</u>
Increase in net OPEB obligation	48,341
Net OPEB obligation, July 1	<u>355,448</u>
Net OPEB obligation, June 30	<u><u>\$ 403,789</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
2012	122,341	74,000	60%	403,789

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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

F. Other postemployment healthcare benefits (continued)

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.

In the June 30, 2012, 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 9.77% 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, 2012, 2011 and 2010, were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year.

H. 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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

H. Leases (continued)

Capital leases

The College has entered into various capital lease agreements outstanding at June 30, 2012, 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, 2012

3. Detailed notes on all activities and funds (continued)

H. 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 expired May 1, 2012.

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.

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

H. Leases (continued)

Capital leases (continued)

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.

7. Western State Bank

The College entered into a lease purchase agreement for equipment with Western State Bank dated September 16, 2011, in the amount of \$79,842.

The lease purchase agreement commenced September 16, 2011, and expires September 16, 2016. 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 Western State 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, 2012

3. Detailed notes on all activities and funds (continued)

H. 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, 2012:

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	891,479
Buildings	1,920,116
Equipment	<u>1,208,877</u>
Total accumulated depreciation	<u>4,020,472</u>
Total, net	<u>\$ 9,570,305</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>
2013	\$ 1,197,374
2014	900,683
2015	865,842
2016	868,164
2017	864,517
2018-2021	<u>1,904,917</u>
Total minimum lease commitments	6,601,497
Amount representing interest	<u>(911,394)</u>
Present value of minimum lease payments	<u>\$ 5,690,103</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, 2012

3. Detailed notes on all activities and funds (continued)

H. Leases (continued)

Capital leases (continued)

Subsequent to June 30, 2012, the College entered into a lease purchase agreement for equipment and a building with UMB Bank, NA dated July 5, 2012, under a refinancing arrangement involving the issuance of lease purchase agreement certificates of participation in the amount of \$3,610,000. Proceeds from the lease purchase agreement are to be used to terminate the 2004 lease purchase agreements with UMB National Bank of America and Security Bank of Kansas City, for a net savings of \$289,357 in total minimum lease commitments.

The College's future minimum lease obligations and the net present value of those minimum lease payments for this subsequent lease purchase agreement and the associated savings from the refinancing are as follows for the fiscal years ended June 30:

<u>Year</u>	<u>Total</u>
2013	\$ 486,195
2014	476,795
2015	477,445
2016	473,045
2017	478,645
2018-2020	<u>1,454,240</u>
Total minimum lease commitments	3,846,365
Amount representing interest	<u>(236,365)</u>
Present value of minimum lease payments	<u><u>\$ 3,610,000</u></u>

I. 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, 2012, including interest payments (servicing fees), are as follows:

	<u>Principal</u>	<u>Interest/Fees</u>	<u>Total</u>
2013	\$ 268,644	\$ 3,358	\$ 272,002
2014	268,644	2,686	271,330
2015	268,644	2,015	270,659
2016	268,644	1,253	269,897
2017	<u>268,643</u>	<u>672</u>	<u>269,315</u>
Total	<u><u>\$ 1,343,219</u></u>	<u><u>\$ 9,984</u></u>	<u><u>\$ 1,353,203</u></u>

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

I. Long-term debt (continued)

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, 2012:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Notes payable:					
Kansas Board of Regents	\$ 1,662,483	\$ -	\$ 319,264	\$ 1,343,219	\$ 268,644
Leases payable:					
Lease obligation - improvements and equipment	1,045,000	-	335,000	710,000	345,000
Lease obligation - building	2,815,000	-	35,000	2,780,000	35,000
Lease obligation - equipment	140,000	-	140,000	-	-
Lease obligation - building	575,000	-	285,000	290,000	290,000
Lease obligation - building	2,040,000	-	260,000	1,780,000	270,000
Lease obligation - equipment	99,329	-	31,823	67,506	33,093
Lease obligation - equipment	-	79,843	17,246	62,597	12,710
Total leases payable	6,714,329	79,843	1,104,069	5,690,103	985,803
Other liabilities:					
Compensated absences, net	232,265	25,633	-	257,898	-
Net OPEB liability, net	355,448	48,341	-	403,789	-
Total other liabilities	587,713	73,974	-	661,687	-
Total long-term liabilities	\$ 8,964,525	\$ 153,817	\$ 1,423,333	\$ 7,695,009	\$ 1,254,447

In addition to the \$1,423,333 in principal retired during the year, the College paid \$239,489 in interest on the notes and leases payable during the year ended June 30, 2012.

J. Related party transactions

The College purchases goods and services from businesses owned and operated by two board members. The College paid these businesses \$60,416 during the year ended June 30, 2012.

K. 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, 2012, amounted to \$20,073. 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, 2012.

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

K. Commitments and contingencies (continued)

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.

L. 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, 2012. 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 \$417,621 to the operations of Western Kansas Community College Virtual Education Consortium during the year ended June 30, 2012. Garden City Community College has no equity interest nor does the College

Garden City Community College
Notes to Financial Statements
June 30, 2012

3. Detailed notes on all activities and funds (continued)

L. Jointly governed organizations (continued)

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.

M. Discretely presented component units

1. Garden City Community College Endowment Association

At year end, the Endowment Association's investment balances consisted of \$3,679,984 in marketable securities with a fair value of \$3,870,232, and \$1,364,627 of certificates of deposit.

The carrying amount of deposits for the Endowment Association, a discretely presented component unit, was \$1,616,591 and the bank balance was \$1,624,471. All of the bank balance was covered by federal depository insurance.

Property and equipment at June 30, 2012, for the Endowment Association consisted of the following:

Land	\$ 56,000
Buildings and improvements	9,500
Equipment	<u>27,127</u>
Total, cost	92,627
Less accumulated depreciation	<u>(24,634)</u>
Property and equipment, net	<u><u>\$ 67,993</u></u>

2. Broncbuster Athletic Association

The carrying amount of deposits for the Broncbuster Athletic Association, a discretely presented component unit, was \$177,277 and the bank balance was \$177,771. All of the bank balance was covered by federal depository insurance.

Property and equipment at June 30, 2012, 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>

N. Subsequent events

Subsequent to June 30, 2012, the College purchased equipment totaling of \$670,299 and entered into a construction contract for building renovations totaling \$643,380.

REQUIRED SUPPLEMENTARY INFORMATION

GARDEN CITY COMMUNITY COLLEGE
Schedule of Funding Progress –
Other Post-Employment Benefits
June 30, 2012

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, 2012

	General		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ 10,022,584	\$ 10,324,066	\$ (301,482)
State	1,873,661	1,872,448	1,213
Federal	-	-	-
Student tuition and fees	1,494,093	4,500,000	(3,005,907)
Other:			
Interest	41,109	100,000	(58,891)
Miscellaneous	166,831	650,000	(483,169)
Private gifts and grants	-	500,000	(500,000)
Total revenue	<u>13,598,278</u>	<u>17,946,514</u>	<u>(4,348,236)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	3,432,678	5,000,000	(1,567,322)
Community service	102,063	375,000	(272,937)
Academic support	670,261	1,200,000	(529,739)
Student services	2,518,325	3,000,000	(481,675)
Institutional support	2,957,075	3,000,000	(42,925)
Operation and maintenance	2,532,278	2,800,000	(267,722)
Scholarships	264,806	400,000	(135,194)
Total expenditures and encumbrances	<u>12,477,486</u>	<u>15,775,000</u>	<u>(3,297,514)</u>
Revenue over (under) expenditures and encumbrances	1,120,792	2,171,514	(1,050,722)
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	3,121,819	-	3,121,819
Mandatory transfers out	<u>(4,512,019)</u>	<u>(3,821,717)</u>	<u>690,302</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	(269,408)	(1,650,203)	1,380,795
Unencumbered cash, July 1, 2011	<u>8,003,561</u>	<u>7,371,785</u>	<u>631,776</u>
Unencumbered cash, June 30, 2012	<u>\$ 7,734,153</u>	<u>\$ 5,721,582</u>	<u>\$ 2,012,571</u>
From fiscal year 2013 budget	\$ 7,755,366		
Adjustment	<u>(21,213)</u>		
Total	<u>\$ 7,734,153</u>		

Adult Supplementary Education			Auxiliary Enterprise Funds		
Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	2,054	2,600,000	(2,597,946)
189,627	500,000	(310,373)	1,521,686	-	1,521,686
-	-	-	-	-	-
55,323	50,000	5,323	4,286	275,000	(270,714)
143,750	25,000	118,750	-	25,000	(25,000)
<u>388,700</u>	<u>575,000</u>	<u>(186,300)</u>	<u>1,528,026</u>	<u>2,900,000</u>	<u>(1,371,974)</u>
219,976	750,000	(530,024)	-	-	-
-	-	-	6,815	-	6,815
-	-	-	-	-	-
-	-	-	1,319,743	2,925,000	(1,605,257)
-	-	-	-	-	-
-	-	-	-	-	-
<u>219,976</u>	<u>750,000</u>	<u>(530,024)</u>	<u>1,326,558</u>	<u>2,925,000</u>	<u>(1,598,442)</u>
168,724	(175,000)	343,724	201,468	(25,000)	226,468
-	-	-	-	-	-
-	(10,000)	(10,000)	(338,025)	(400,000)	(61,975)
168,724	(185,000)	353,724	(136,557)	(425,000)	288,443
444,856	448,526	(3,670)	544,773	556,502	(11,729)
<u>\$ 613,580</u>	<u>\$ 263,526</u>	<u>\$ 350,054</u>	<u>\$ 408,216</u>	<u>\$ 131,502</u>	<u>\$ 276,714</u>
\$ 591,278			\$ 422,955		
22,302			(14,739)		
<u>\$ 613,580</u>			<u>\$ 408,216</u>		

(continued)

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, 2012

	Total (Memorandum Only)		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ 10,022,584	\$ 10,324,066	\$ (301,482)
State	1,873,661	1,872,448	1,213
Federal	2,054	2,600,000	(2,597,946)
Student tuition and fees	3,205,406	5,000,000	(1,794,594)
Other:			
Interest	41,109	100,000	(58,891)
Miscellaneous	226,440	975,000	(748,560)
Private gifts and grants	143,750	550,000	(406,250)
Total revenue	<u>15,515,004</u>	<u>21,421,514</u>	<u>(5,906,510)</u>
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	3,652,654	5,750,000	(2,097,346)
Community service	108,878	375,000	(266,122)
Academic support	670,261	1,200,000	(529,739)
Student services	3,838,068	5,925,000	(2,086,932)
Institutional support	2,957,075	3,000,000	(42,925)
Operation and maintenance	2,532,278	2,800,000	(267,722)
Scholarships	264,806	400,000	(135,194)
Total expenditures and encumbrances	<u>14,024,020</u>	<u>19,450,000</u>	<u>(5,425,980)</u>
Revenue over (under) expenditures and encumbrances	1,490,984	1,971,514	(480,530)
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	3,121,819	-	3,121,819
Mandatory transfers out	<u>(4,850,044)</u>	<u>(4,231,717)</u>	<u>618,327</u>
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	(237,241)	(2,260,203)	2,022,962
Unencumbered cash, July 1, 2011	<u>8,993,190</u>	<u>8,376,813</u>	<u>616,377</u>
Unencumbered cash, June 30, 2012	<u>\$ 8,755,949</u>	<u>\$ 6,116,610</u>	<u>\$ 2,639,339</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue - Actual and Budget -
General Fund - Unrestricted (Legal Basis)
For the Year Ended June 30, 2012

	General		Variance Over (Under)
	Actual	Budget	
Local:			
Prior year ad valorem property tax	\$ 124,084	\$ 99,613	\$ 24,471
Current year ad valorem property tax	8,988,301	9,320,527	(332,226)
Motor vehicle tax	651,886	697,626	(45,740)
Recreational vehicle tax	8,230	10,203	(1,973)
Delinquent tax	149,085	86,602	62,483
In lieu of tax	100,998	109,495	(8,497)
Total local	10,022,584	10,324,066	(301,482)
State:			
State operating grant	1,873,661	1,872,448	1,213
Student tuition and fees:			
Tuition - in State	964,490	3,000,000	(2,035,510)
Tuition - out of State	220,219	-	220,219
Course fees	44,153	1,500,000	(1,455,847)
Other student fees	265,231	-	265,231
Total student tuition and fees	1,494,093	4,500,000	(3,005,907)
Other:			
Interest	41,109	100,000	(58,891)
Miscellaneous	166,831	650,000	(483,169)
Private gifts and grants	-	500,000	(500,000)
Total other	207,940	1,250,000	(1,042,060)
Total revenue	\$ 13,598,278	\$ 17,946,514	\$ (4,348,236)

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, 2012

	Adult Basic Education		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local	\$ -	\$ 9	\$ (9)
State	66,252	150,000	(83,748)
Federal	340,850	700,000	(359,150)
Other:			
Miscellaneous	219,482	250,000	(30,518)
Total revenue	626,584	1,100,009	(473,425)
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	707,782	1,235,000	(527,218)
Total expenditures and encumbrances	707,782	1,235,000	(527,218)
Revenue over (under) expenditures and encumbrances	(81,198)	(134,991)	53,793
OTHER FINANCING SOURCES			
Mandatory transfers in	32,500	108,575	(76,075)
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES	(48,698)	(26,416)	(22,282)
Unencumbered cash, July 1, 2011	121,328	39,629	81,699
Unencumbered cash, June 30, 2012	\$ 72,630	\$ 13,213	\$ 59,417
From fiscal year 2013 budget Adjustment	\$ 61,560 11,070		
Total	\$ 72,630		

GARDEN CITY COMMUNITY COLLEGE
Schedule of Revenue, Expenditures,
Encumbrances and Changes in Unencumbered Cash - Actual and Budget -
Postsecondary Technical Education Fund (Legal Basis)
For the Year Ended June 30, 2012

	Postsecondary Technical Education		
	Actual	Budget	Variance Over (Under)
REVENUE			
State	\$ 656,874	\$ 656,839	\$ 35
Student tuition and fees:			
Tuition	610,307	2,000,000	(1,389,693)
Course fees	517,100	1,000,000	(482,900)
Total revenue	1,784,281	3,656,839	(1,872,558)
EXPENDITURES AND ENCUMBRANCES			
Education and general:			
Instruction	2,478,989	2,100,000	378,989
Community service	-	500,000	(500,000)
Academic support	189,124	900,000	(710,876)
Student services	-	1,500,000	(1,500,000)
Institutional support	-	1,000,000	(1,000,000)
Operation and maintenance	-	1,000,000	(1,000,000)
Scholarships	-	400,000	(400,000)
Total expenditures and encumbrances	2,668,113	7,400,000	(4,731,887)
Revenue over (under) expenditures and encumbrances	(883,832)	(3,743,161)	2,859,329
OTHER FINANCING SOURCES			
Mandatory transfers in	4,007,619	3,821,717	185,902
Mandatory transfers out	(3,121,819)	-	(3,121,819)
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES	1,968	78,556	(76,588)
Unencumbered cash, July 1, 2011	-	-	-
Unencumbered cash, June 30, 2012	\$ 1,968	\$ 78,556	\$ (76,588)
From fiscal year 2013 budget Adjustment	\$ - 1,968		
Total	\$ 1,968		

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, 2012

	Capital Outlay		Variance Over (Under)
	Actual	Budget	
REVENUE			
Local:			
Prior year ad valorem property tax	\$ 5,780	\$ 5,608	\$ 172
Current year ad valorem property tax	495,481	513,291	(17,810)
Motor vehicle tax	36,343	39,327	(2,984)
Recreational vehicle tax	458	575	(117)
Delinquent tax	8,294	4,882	3,412
In lieu of tax	6,522	6,173	349
Total local	552,878	569,856	(16,978)
Other	347,158	2,347,055	(1,999,897)
Total revenue	900,036	2,916,911	(2,016,875)
EXPENDITURES AND ENCUMBRANCES			
Plant facilities and equipment	910,222	2,750,000	(1,839,778)
Total expenditures and encumbrances	910,222	2,750,000	(1,839,778)
Revenue over (under) expenditures and encumbrances	(10,186)	166,911	(177,097)
OTHER FINANCING SOURCES (USES)			
Mandatory transfers out	(506,015)	(500,000)	6,015
REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)	(516,201)	(333,089)	(183,112)
Unencumbered cash, July 1, 2011	767,828	769,348	(1,520)
Unencumbered cash, June 30, 2012	<u>\$ 251,627</u>	<u>\$ 436,259</u>	<u>\$ (184,632)</u>
From fiscal year 2013 budget Adjustment	\$ 251,627	-	
Total	<u>\$ 251,627</u>		

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GARDEN CITY COMMUNITY COLLEGE
Notes to Supplementary Information
For the Year Ended June 30, 2012

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)	\$ 13,598,278	\$ 388,700	\$ 1,528,026
Adjustments:			
Ad valorem property tax receipts from May, but not available revenue until following fiscal year for GAAP reporting -			
Plus 2011 tax receipts	3,518,140	-	-
Less 2012 tax receipts	(3,668,778)	-	-
Total revenue as reported on the statement of changes in fund balances (Schedules 6, 9 and 12)	<u>\$ 13,447,640</u>	<u>\$ 388,700</u>	<u>\$ 1,528,026</u>
EXPENDITURES			
Actual amounts (budgetary basis) expenditures from combining schedules (Schedules 1, 2 and 3)	\$ 12,477,486	\$ 219,976	\$ 1,326,558
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 2011 encumbrances	(120,359)	(2,172)	(93,324)
Plus 2010 encumbrances	524,632	3,358	215,843
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 6, 9 and 12)	<u>\$ 12,881,759</u>	<u>\$ 221,162</u>	<u>\$ 1,449,077</u>
OTHER FINANCING SOURCES (USES)			
Actual amounts (budgetary basis) other financing sources (uses) from combining schedules (Schedules 1, 2 and 3)	\$ (1,390,200)	\$ -	\$ (338,025)
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 6, 9 and 12)	<u>\$ (1,390,200)</u>	<u>\$ -</u>	<u>\$ (338,025)</u>

	Current Funds - Restricted			Plant Funds - Unexpended
	Adult Basic Education	Postsecondary Technical Education		Capital Outlay
<u>Total</u>			<u>Total</u>	
\$ 15,515,004	\$ 626,584	\$ 1,784,281	\$ 2,410,865	\$ 900,036
3,518,140	-	-	-	198,190
<u>(3,668,778)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,302)</u>
<u>\$ 15,364,366</u>	<u>\$ 626,584</u>	<u>\$ 1,784,281</u>	<u>\$ 2,410,865</u>	<u>\$ 895,924</u>
\$ 14,024,020	\$ 707,782	\$ 2,668,113	\$ 3,375,895	\$ 910,222
(215,855)	-	-	-	(345,665)
743,833	28,007	-	28,007	98,789
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(663,346)</u>
<u>\$ 14,551,998</u>	<u>\$ 735,789</u>	<u>\$ 2,668,113</u>	<u>\$ 3,403,902</u>	<u>\$ -</u>
\$ (1,728,225)	\$ 32,500	\$ 885,800	\$ 918,300	\$ (506,015)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(663,346)</u>
<u>\$ (1,728,225)</u>	<u>\$ 32,500</u>	<u>\$ 885,800</u>	<u>\$ 918,300</u>	<u>\$ (1,169,361)</u>

ADDITIONAL INFORMATION –
Schedule of Management Information

GARDEN CITY COMMUNITY COLLEGE
Additional Information –
Schedule of Management Information
June 30, 2012

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

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Balance Sheet
June 30, 2012

	Current Funds	
	Unrestricted	Restricted
<u>ASSETS</u>		
Cash and investments	\$ 9,188,835	\$ 533,981
Receivables (net of allowance for uncollectibles):		
Taxes	197,319	-
Miscellaneous	1,011,105	-
Property, plant and equipment	-	-
Less allowance for accumulated depreciation	-	-
Total assets	<u>\$ 10,397,259</u>	<u>\$ 533,981</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 566,378	\$ 96,237
Deposits held in custody for others	-	-
Deferred revenues	69	-
Deferred tax revenues	3,866,097	-
Accrued interest	-	-
Long-term liabilities	661,687	-
Total liabilities	<u>5,094,231</u>	<u>96,237</u>
Fund equity:		
Net investment in plant	-	-
Unrestricted		
Education and general funds:		
Reserved for encumbrances	215,855	-
Reserved for future lease payments	-	-
Unreserved:		
Designated for subsequent year's expenditures	4,656,655	-
Undesignated	22,302	-
Auxiliary enterprise funds:		
Designated for subsequent year's expenditures	408,216	-
Restricted	-	437,744
Total fund equity	<u>5,303,028</u>	<u>437,744</u>
Total liabilities and fund equity	<u>\$ 10,397,259</u>	<u>\$ 533,981</u>

Unexpended	Plant Funds		Agency Funds
	Capital Project Accounts	Investment in Plant	
\$ 597,293	\$ 685,601	\$ -	\$ 332,342
10,875	-	-	-
-	-	-	-
-	-	43,481,998	-
-	-	(23,108,727)	-
<u>\$ 608,168</u>	<u>\$ 685,601</u>	<u>\$ 20,373,271</u>	<u>\$ 332,342</u>
\$ -	\$ -	\$ -	\$ 4,260
-	-	-	328,082
-	-	-	-
213,177	-	-	-
-	54,071	-	-
-	-	7,033,322	-
<u>213,177</u>	<u>54,071</u>	<u>7,033,322</u>	<u>332,342</u>
-	-	13,339,949	-
345,665	-	-	-
-	631,530	-	-
49,326	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>394,991</u>	<u>631,530</u>	<u>13,339,949</u>	<u>-</u>
<u>\$ 608,168</u>	<u>\$ 685,601</u>	<u>\$ 20,373,271</u>	<u>\$ 332,342</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Statement of Changes in Fund Balances
For the Year Ended June 30, 2012

	Current Funds	
	Unrestricted	Restricted
REVENUE AND OTHER ADDITIONS		
Unrestricted current fund revenue	\$ 15,364,366	\$ -
State grants - restricted	-	1,056,568
Federal grants - restricted	-	6,554,781
Investment income - restricted	-	-
Expended for plant facilities	-	-
Other	-	1,886,031
Ad valorem property tax and motor vehicle tax	-	-
Retirement of indebtedness	-	-
Total revenue and other additions	<u>15,364,366</u>	<u>9,497,380</u>
EXPENDITURES AND OTHER DEDUCTIONS		
Education and general expenditures	13,102,921	10,300,142
Auxiliary enterprise expenditures	1,449,077	-
Administrative and issuance costs	-	-
Total expenditures and other deductions	<u>14,551,998</u>	<u>10,300,142</u>
OTHER FINANCING SOURCES (USES)		
Non-mandatory transfers in	3,121,819	4,102,215
Non-mandatory transfers out	(4,850,044)	(3,365,977)
Proceeds of capital debt and leases	-	-
Expended for plant facilities	-	-
Retirement from plant facilities	-	-
Debt service	-	-
Total other financing sources (uses)	<u>(1,728,225)</u>	<u>736,238</u>
NET INCREASE (DECREASE) FOR YEAR	(915,857)	(66,524)
FUND BALANCES, July 1, 2011	<u>6,218,885</u>	<u>504,268</u>
FUND BALANCES, June 30, 2012	<u>\$ 5,303,028</u>	<u>\$ 437,744</u>

Plant Funds		
Unexpended	Capital Project Accounts	Investment in Plant
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	1	-
-	-	1,905,342
347,158	30,000	-
548,766	-	-
-	-	1,423,333
<u>895,924</u>	<u>30,001</u>	<u>3,328,675</u>
-	-	1,375,940
-	-	-
-	66,306	-
<u>-</u>	<u>66,306</u>	<u>1,375,940</u>
-	1,498,002	-
(506,015)	-	-
-	79,843	(79,843)
(663,346)	-	-
-	-	(240,487)
-	(1,612,201)	(50,621)
<u>(1,169,361)</u>	<u>(34,356)</u>	<u>(370,951)</u>
(273,437)	(70,661)	1,581,784
<u>668,428</u>	<u>702,191</u>	<u>11,758,165</u>
<u>\$ 394,991</u>	<u>\$ 631,530</u>	<u>\$ 13,339,949</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Statement of Revenue, Expenditures and Other Changes - Current Funds
For the Year Ended June 30, 2012

	Current Funds		Total (Memorandum Only)
	Unrestricted	Restricted	
REVENUE			
Local	\$ 9,871,946	\$ -	\$ 9,871,946
State	1,873,661	1,056,568	2,930,229
Federal	2,054	6,554,781	6,556,835
Student tuition and fees	1,774,557	1,135,962	2,910,519
Other:			
Interest	41,109	-	41,109
Miscellaneous	226,440	704,052	930,492
Private gifts and grants	143,750	-	143,750
Sales and services of auxiliary's enterprises	1,430,849	-	1,430,849
Institutional support	-	46,017	46,017
Total revenue	15,364,366	9,497,380	24,861,746
EXPENDITURES			
Education and general:			
Instruction	3,806,418	4,564,795	8,371,213
Community service	102,063	515,233	617,296
Academic support	667,355	189,124	856,479
Student services	2,550,684	5,030,990	7,581,674
Institutional support	3,072,475	-	3,072,475
Operating and maintenance of plant	2,639,120	-	2,639,120
Scholarships	264,806	-	264,806
Total education and general	13,102,921	10,300,142	23,403,063
Auxiliary enterprises:			
Expenditures	1,449,077	-	1,449,077
Total expenditures	14,551,998	10,300,142	24,852,140
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	3,121,819	4,102,215	7,224,034
Mandatory transfers out	(4,850,044)	(3,365,977)	(8,216,021)
Total other financing sources (uses)	(1,728,225)	736,238	(991,987)
NET INCREASE (DECREASE) IN FUND BALANCES	\$ (915,857)	\$ (66,524)	\$ (982,381)

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Balance Sheet -
All Current Funds - Unrestricted
June 30, 2012

	General	Adult Supple- mental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
<u>ASSETS</u>				
Cash and investments	\$ 7,955,557	\$ 692,200	\$ 541,078	\$ 9,188,835
Receivables (net of allowance for uncollectibles):				
Taxes	197,319	-	-	197,319
Miscellaneous	1,011,105	-	-	1,011,105
Total assets	<u>\$ 9,163,981</u>	<u>\$ 692,200</u>	<u>\$ 541,078</u>	<u>\$ 10,397,259</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 450,392	\$ 76,448	\$ 39,538	\$ 566,378
Deferred revenues	69	-	-	69
Deferred tax revenues	3,866,097	-	-	3,866,097
Compensated absences	257,898	-	-	257,898
Net OPEB liability	403,789	-	-	403,789
Total liabilities	<u>4,978,245</u>	<u>76,448</u>	<u>39,538</u>	<u>5,094,231</u>
Fund balances:				
Reserve for encumbrances	120,359	2,172	93,324	215,855
Unreserved:				
Designated for subsequent year's expenditures	4,065,377	591,278	408,216	5,064,871
Undesignated	-	22,302	-	22,302
Total fund balances	<u>4,185,736</u>	<u>615,752</u>	<u>501,540</u>	<u>5,303,028</u>
Total liabilities and fund balances	<u>\$ 9,163,981</u>	<u>\$ 692,200</u>	<u>\$ 541,078</u>	<u>\$ 10,397,259</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, 2012

	General	Adult Supple- mental Education	Auxiliary Enterprise Funds	Total (Memorandum Only)
REVENUE				
Local	\$ 9,871,946	\$ -	\$ -	\$ 9,871,946
State	1,873,661	-	-	1,873,661
Federal	-	-	2,054	2,054
Student tuition and fees	1,494,093	189,627	90,837	1,774,557
Other:				
Interest	41,109	-	-	41,109
Miscellaneous	166,831	55,323	4,286	226,440
Private gifts and grants	-	143,750	-	143,750
Sales and services of auxiliary enterprises	-	-	1,430,849	1,430,849
Total revenue	<u>13,447,640</u>	<u>388,700</u>	<u>1,528,026</u>	<u>15,364,366</u>
EXPENDITURES				
Education and general:				
Instruction	3,585,256	221,162	-	3,806,418
Community service	102,063	-	-	102,063
Academic support	667,355	-	-	667,355
Student services	2,550,684	-	-	2,550,684
Institutional support	3,072,475	-	-	3,072,475
Operation and maintenance of plant	2,639,120	-	-	2,639,120
Scholarships	264,806	-	-	264,806
Total education and general expenditures	<u>12,881,759</u>	<u>221,162</u>	<u>-</u>	<u>13,102,921</u>
Auxiliary enterprise expenditures	<u>-</u>	<u>-</u>	<u>1,449,077</u>	<u>1,449,077</u>
Total expenditures	<u>12,881,759</u>	<u>221,162</u>	<u>1,449,077</u>	<u>14,551,998</u>
Revenue over expenditures	565,881	167,538	78,949	812,368
OTHER FINANCING SOURCES (USES)				
Mandatory transfers in	3,121,819	-	-	3,121,819
Mandatory transfers out	<u>(4,512,019)</u>	<u>-</u>	<u>(338,025)</u>	<u>(4,850,044)</u>
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ (824,319)</u>	<u>\$ 167,538</u>	<u>\$ (259,076)</u>	<u>\$ (915,857)</u>

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, 2012

	General	Adult Supple- mental Education	Other Auxiliary Enterprise Funds	Total (Memorandum Only)
FUND BALANCES, July 1, 2011				
as previously reported				
Unencumbered cash	\$ 8,003,563	\$ 444,856	\$ 544,773	\$ 8,993,192
Add:				
Reserve for encumbrances	524,632	3,358	215,843	743,833
Subtract:				
Deferred property tax receipts, 7/1/11	(3,518,140)	-	-	(3,518,140)
FUND BALANCES, July 1, 2011	5,010,055	448,214	760,616	6,218,885
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(824,319)	167,538	(259,076)	(915,857)
FUND BALANCES, June 30, 2012	<u>\$ 4,185,736</u>	<u>\$ 615,752</u>	<u>\$ 501,540</u>	<u>\$ 5,303,028</u>
FUND BALANCES, June 30, 2012				
Reserve for encumbrances	\$ 120,359	\$ 2,172	\$ 93,324	\$ 215,855
Unreserved:				
Designated for subsequent year's expenditures	4,065,377	591,278	408,216	5,064,871
Undesignated	-	22,302	-	22,302
FUND BALANCES, June 30, 2012	<u>\$ 4,185,736</u>	<u>\$ 615,752</u>	<u>\$ 501,540</u>	<u>\$ 5,303,028</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Balance Sheet -
All Current Funds - Restricted
June 30, 2012

	Federal Student Aid	Restricted Grants	Other Restricted Funds
<u>ASSETS</u>			
Cash and investments	\$ -	\$ 331,227	\$ 78,178
Total assets	<u>\$ -</u>	<u>\$ 331,227</u>	<u>\$ 78,178</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 81,426	\$ 364
Total liabilities	-	81,426	364
Fund balances	-	249,801	77,814
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 331,227</u>	<u>\$ 78,178</u>

Adult Basic Education	Postsecondary Technical Education	EduKan Consortium	Total (Memorandum Only)
<u>\$ 82,809</u>	<u>\$ 6,238</u>	<u>\$ 35,529</u>	<u>\$ 533,981</u>
<u>\$ 82,809</u>	<u>\$ 6,238</u>	<u>\$ 35,529</u>	<u>\$ 533,981</u>
<u>\$ 10,177</u>	<u>\$ 4,270</u>	<u>\$ -</u>	<u>\$ 96,237</u>
10,177	4,270	-	96,237
<u>72,632</u>	<u>1,968</u>	<u>35,529</u>	<u>437,744</u>
<u>\$ 82,809</u>	<u>\$ 6,238</u>	<u>\$ 35,529</u>	<u>\$ 533,981</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, 2012

	Federal Student Aid	Restricted Grants	Other Restricted Funds
REVENUE			
Federal grants	\$ 4,472,958	\$ 1,740,973	\$ -
State grants	-	333,442	-
Institutional support	-	46,017	-
Student tuition and fees	-	560	7,995
Other	-	54,148	10,587
Total revenue	<u>4,472,958</u>	<u>2,175,140</u>	<u>18,582</u>
EXPENDITURES			
Educational and general:			
Instruction	-	896,247	-
Community service	-	508,507	6,726
Academic support	-	-	-
Student services	<u>4,503,540</u>	<u>523,670</u>	<u>3,780</u>
Total expenditures	<u>4,503,540</u>	<u>1,928,424</u>	<u>10,506</u>
OTHER FINANCING SOURCES (USES)			
Mandatory transfers in	30,582	31,514	-
Mandatory transfers out	<u>-</u>	<u>(244,158)</u>	<u>-</u>
Total other financing sources (uses)	<u>30,582</u>	<u>(212,644)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR YEAR	-	34,072	8,076
FUND BALANCES, July 1, 2011	<u>-</u>	<u>215,729</u>	<u>69,738</u>
FUND BALANCES, June 30, 2012	<u>\$ -</u>	<u>\$ 249,801</u>	<u>\$ 77,814</u>

Adult Basic Education	Postsecondary Technical Education	EduKan Consortium	Total (Memorandum Only)
\$ 340,850	\$ -	\$ -	\$ 6,554,781
66,252	656,874	-	1,056,568
-	-	-	46,017
-	1,127,407	-	1,135,962
219,482	-	419,835	704,052
<u>626,584</u>	<u>1,784,281</u>	<u>419,835</u>	<u>9,497,380</u>
735,789	2,478,989	453,770	4,564,795
-	-	-	515,233
-	189,124	-	189,124
-	-	-	5,030,990
<u>735,789</u>	<u>2,668,113</u>	<u>453,770</u>	<u>10,300,142</u>
32,500	4,007,619	-	4,102,215
-	(3,121,819)	-	(3,365,977)
<u>32,500</u>	<u>885,800</u>	<u>-</u>	<u>736,238</u>
(76,705)	1,968	(33,935)	(66,524)
<u>149,337</u>	<u>-</u>	<u>69,464</u>	<u>504,268</u>
<u>\$ 72,632</u>	<u>\$ 1,968</u>	<u>\$ 35,529</u>	<u>\$ 437,744</u>

GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Combining Schedule of Changes in Fund Balances -
Various Funds
For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
AUXILIARY ENTERPRISE FUNDS:				
Adult Ed Orientation Fund	\$ 8,959	\$ 6,409	\$ 6,816	\$ 8,552
Student Union	663,750	1,413,418	1,687,379	389,789
Cosmetology	71,513	80,735	74,562	77,686
Child Care Center	16,394	27,464	18,345	25,513
Total auxiliary enterprise funds	<u>\$ 760,616</u>	<u>\$ 1,528,026</u>	<u>\$ 1,787,102</u>	<u>\$ 501,540</u>
FEDERAL STUDENT AID:				
Academic Competitiveness Grant	\$ -	\$ 1,357	\$ 1,357	\$ -
College Work Study	-	79,082	79,082	-
Guaranteed Student Loans	-	1,659,716	1,659,716	-
SEOG Grants	-	49,362	49,362	-
PELL Grants	-	2,714,023	2,714,023	-
Total federal student aid	<u>\$ -</u>	<u>\$ 4,503,540</u>	<u>\$ 4,503,540</u>	<u>\$ -</u>
RESTRICTED GRANTS:				
HIV/Aids Education Grant	\$ 22,898	\$ 9,600	\$ 1,090	\$ 31,408
Small Business Development Center - Federal	-	71,869	71,869	-
Small Business Development Center - State	-	51,150	51,150	-
Small Business Development Center - Local	13,896	31,514	42,514	2,896
Small Business Development Center - Indirect	-	35,131	35,131	-
Small Business Development Center - Program Income	11,620	560	3,357	8,823
KSBDC Outreach Center Grant	-	57,658	65,658	(8,000)
TRIO - Student Support Services	202	289,757	286,997	2,962
TRIO - Educational Talent Search	-	176,203	174,871	1,332
College Access Challenge Grant	15,230	-	9,578	5,652
Federal Funds Administration	33,776	10,886	11,382	33,280
Title V	2,267	821,845	776,598	47,514
ARRA Federal Stimulus Grant	600	-	600	-
Drug Prevention Grant	-	137,651	137,601	50
Drug Prevention Program Income	99,214	-	13,267	85,947
Kansas Bridges Grant	-	32,863	32,863	-
Kansas Meth Prevention Grant	10,995	-	-	10,995
Problem Gambling	1,240	2,747	-	3,987
Project KANCO Grant	-	36,729	36,729	-
Kansas Technology Instruction Grant	-	16,824	16,824	-
Carl Perkins Program Improvement Grant	3,616	100,867	104,483	-
Operation Advance	175	164,703	164,579	299
Greensburg Grant - Federal	-	55,374	55,374	-
Greensburg Grant	-	27,724	27,724	-
IME Becas Grant	-	10,000	-	10,000
Trac 7	-	41,078	28,646	12,432
Motorcycle Safety Grant	-	2,773	2,773	-
KHF Tobacco Free KS	-	1,000	1,000	-
AO-K Accelerated Opportunity Grant	-	20,148	19,924	224
Total restricted grants	<u>\$ 215,729</u>	<u>\$ 2,206,654</u>	<u>\$ 2,172,582</u>	<u>\$ 249,801</u>
OTHER RESTRICTED FUNDS:				
Cox Communications Grant	\$ 54,968	\$ -	\$ -	\$ 54,968
Pepsi Campus Support	5,914	10,588	4,275	12,227
GED Testing Fund	5,435	7,994	6,726	6,703
Shriver Trust	3,421	-	(495)	3,916
Total other restricted funds	<u>\$ 69,738</u>	<u>\$ 18,582</u>	<u>\$ 10,506</u>	<u>\$ 77,814</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, 2012

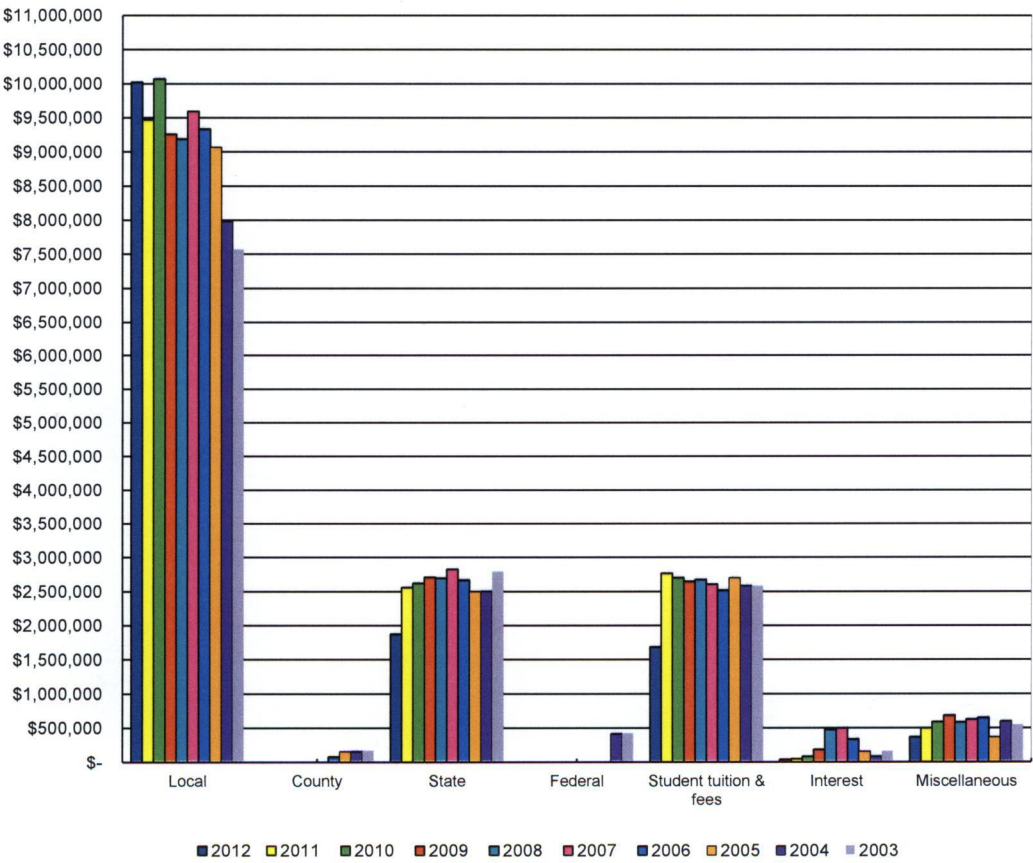
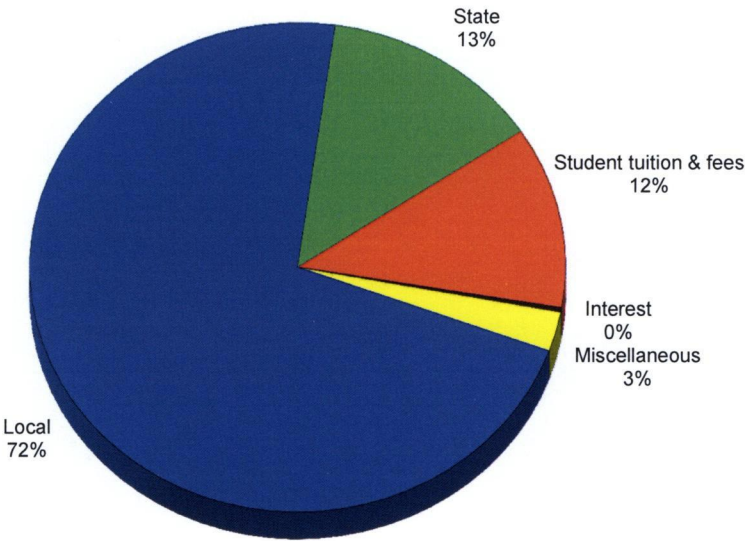
	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<u>ASSETS</u>				
Cash and investments	\$ 403,093	\$ 696,163	\$ 766,914	\$ 332,342
Total assets	<u>\$ 403,093</u>	<u>\$ 696,163</u>	<u>\$ 766,914</u>	<u>\$ 332,342</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6	\$ 4,260	\$ 6	\$ 4,260
Due to agency funds	<u>403,087</u>	<u>691,903</u>	<u>766,908</u>	<u>328,082</u>
Total liabilities	<u>\$ 403,093</u>	<u>\$ 696,163</u>	<u>\$ 766,914</u>	<u>\$ 332,342</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, 2012

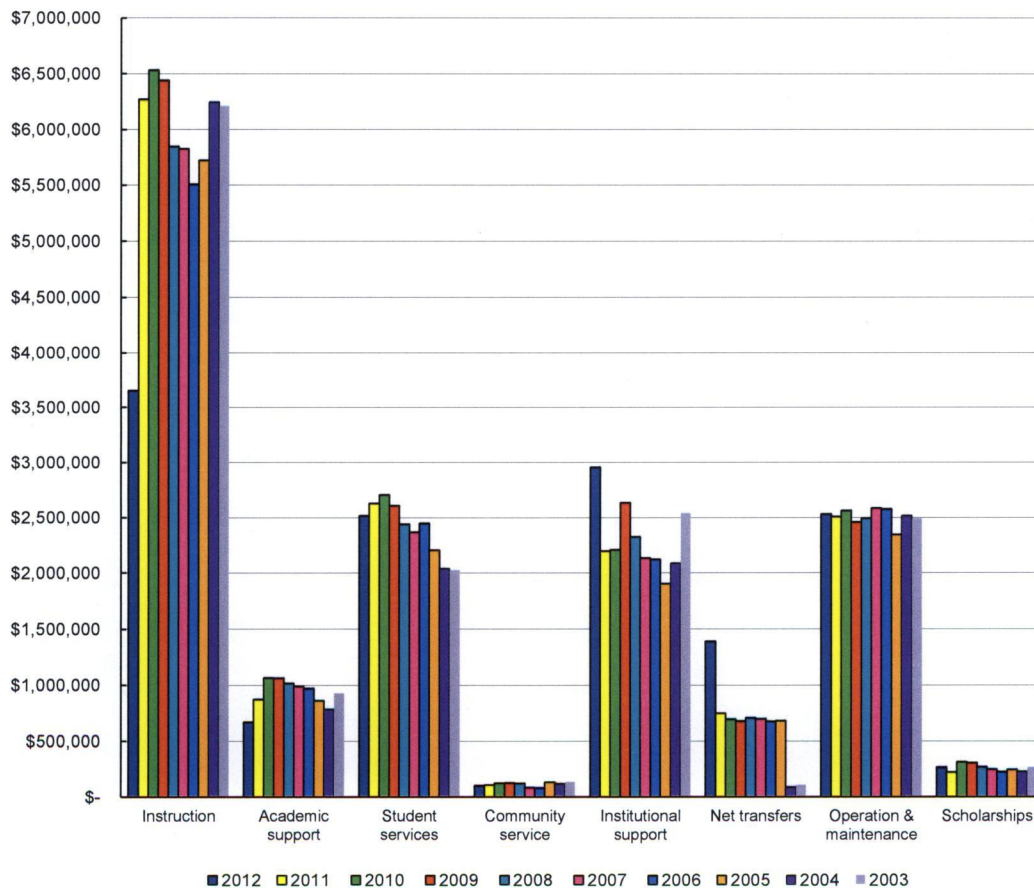
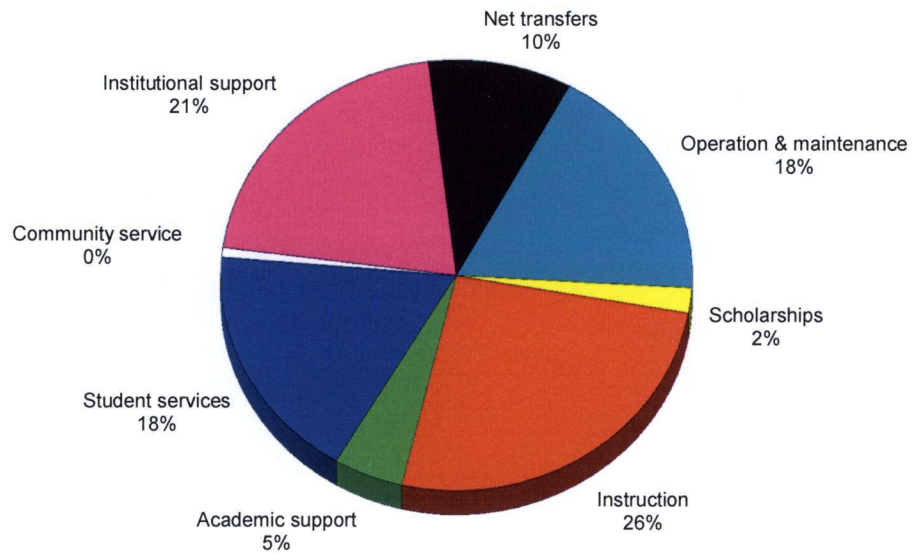
	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
STUDENT ORGANIZATION ACCOUNTS				
Clubs and organizations:				
Academic Challenge	\$ 1,085	\$ 6,109	\$ 4,011	\$ 3,183
ADN Students Club	3,249	6,099	6,464	2,884
Ag Tech Club	10,260	10,730	9,921	11,069
All Pro Auto Club	834	-	-	834
Art Club	4,436	2,413	3,250	3,599
Black Student Union	54	2,500	893	1,661
Block & Bridle Club	5	5,053	3,201	1,857
Bloodmobile	104	-	-	104
Breakaway Magazine	25,464	9,500	13,293	21,671
BSNT Voucher Program	540	-	-	540
Business Contest	669	-	-	669
Christian Athletes	-	300	43	257
Collegiate Farm Bureau	-	750	-	750
College Players	740	2,944	-	3,684
Creative Writing Club	1,755	-	-	1,755
DECA Club	-	2,373	1,469	904
Dormitory Club	35,904	14,863	10,464	40,303
Fine Arts Travel	1	700	701	-
Gamma Omega Gamma	79	-	-	79
GCCC Education Support Professionals	63	-	-	63
GC3 Media	2,974	140	-	3,114
HALO (Mecha Club)	13,450	9,233	8,442	14,241
Intramurals	888	-	812	76
Karate Club	1,091	73	20	1,144
K-HEA Organization	(2,471)	6,390	3,919	-
Lecture Series	3,631	3,500	1,200	5,931
Math Club	5,640	2,615	920	7,335
National Student Travel	9,977	10,000	8,753	11,224
Newman Club	2,195	500	-	2,695
Phi Rho Pi Organization	1,846	-	-	1,846
Phi Theta Kappa	2,076	11,389	10,441	3,024
Potter's Guild	663	402	407	658
Practical Nursing Student Association	1,322	3,307	3,030	1,599
River & Gulf Coast Ecology	2,121	-	-	2,121
Rodeo Club	7,168	66,839	73,454	553
Science Club	4,667	-	566	4,101
SNEA	1,217	6,889	6,609	1,497
Sold Out	503	200	-	703
Student Athletic Training	606	650	507	749
Student in Free Enterprise	601	1,000	1,601	-
Student Government Association	219,251	95,288	182,335	132,204
Student Government Association Scholarships	2,000	369,391	369,396	1,995
Student Newspaper	33,344	17,774	18,839	32,279
Tau Epsilon Lambda	1,084	3,889	4,347	626
Trap Shooting Club	17	-	-	17
Vocal Music Council	579	-	-	579
Welding	1,405	500	-	1,905
Total student organization accounts	403,087	674,303	749,308	328,082
SPECIAL REVOLVING ACCOUNTS				
Tax - state sales	-	17,600	17,600	-
Total special revolving accounts	-	17,600	17,600	-
Total - all agency funds	\$ 403,087	\$ 691,903	\$ 766,908	\$ 328,082

GRAPHS

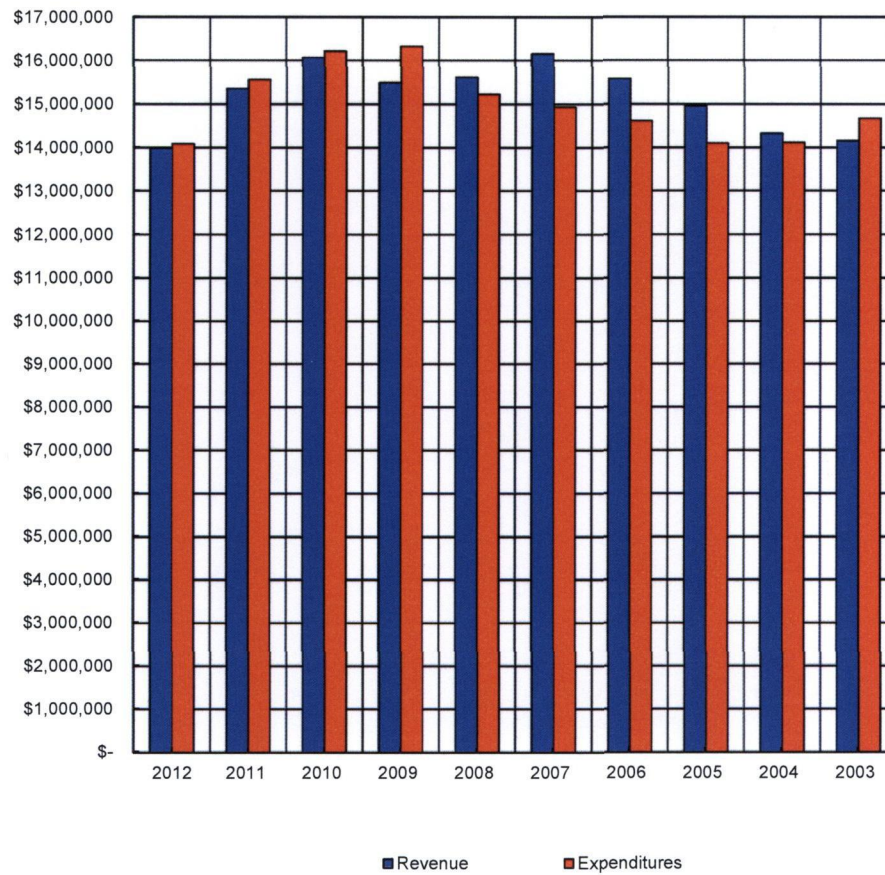
GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
Comparison of Revenues -
All Current Funds - Unrestricted (Legal Basis) excluding Auxiliary Enterprises
For the Years Ended June 30



GARDEN CITY COMMUNITY COLLEGE
Schedule of Management Information
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
 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, 2012



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 basic financial statements of the Garden City Community College as of and for the year ended June 30, 2012, and have issued our report thereon dated January 10, 2013. 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

Management of the Garden City Community College is responsible for establishing and maintaining effective 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 was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, 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.

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

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Shannon N. Miller, CPA
Tracey Homm, CPA, CSEP
Rebecca L. Pfannenstiel, CPA
Kimberly A. Roth, CPA
Kristin J. Sekavec, CPA
Keysha Urie, CPA
Monica J. Wilson, CPA

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 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 January 10, 2013.

This report is intended solely for the information and use of the College's management and Board of Trustees, others within the College, 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

January 10, 2013



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, 2012. 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 the 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, 2012. 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 U.S. Office of Management and Budget 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, 2012.

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 as a basis for designing our 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 with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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. 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, others within the College, 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

January 10, 2013

Garden City Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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	\$ 2,216
Federal Supplemental Educational Opportunity Grant Programs	84.007	35,359
Federal Work-Study Program, Recovery Act	84.033	55,166
Federal Work-Study Program, Recovery Act	84.033	5,121
Federal PELL Grant Program, Recovery Act	84.063	2,714,023
Federal Family Education Loans Programs:		
Stafford Student Loan Program	84.268	995,110
Unsubsidized Stafford Student Loan Program	84.268	640,091
PLUS Loan Program	84.268	17,589
Academic Competitiveness Grant	84.375	1,357
Title V:		
Higher Education - Institutional Aid	84.031	210,195
Higher Education - Institutional Aid	84.031	493,432
Higher Education - Institutional Aid	84.031	51,229
Higher Education - Institutional Aid	84.031	6,836
Higher Education - Institutional Aid	84.031	14,906

- 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, 2012

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

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GARDEN CITY
COMMUNITY COLLEGE

801 Campus Drive
Garden City, Kansas 67846
(620) 276-7611
www.gcccks.edu

Corrective Action Plan
and Comments on Audit Resolution Matters Relating
to the Student Financial Assistance and Federal Award Programs
June 30, 2012

January 10, 2013

Department of Education:

Garden City Community College, Garden City, Kansas, respectfully submits the following corrective action plan for the year ended June 30, 2012.

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

Audit period: July 1, 2011 through June 30, 2012

The findings from the June 30, 2012, 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,

Dee A. Wigner
Executive Vice President

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GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<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	\$ 2,216
Federal Supplemental Educational Opportunity Grants	84.007	A	P007A091513	35,359
Higher Education - Institutional Aid	84.031		P031S070010	210,195
Higher Education - Institutional Aid	84.031		P031S070010	493,432
Higher Education - Institutional Aid	84.031		P031S070010	51,229
Higher Education - Institutional Aid	84.031		P031S070010	6,836
Higher Education - Institutional Aid	84.031		P031S070010	14,906
Federal Work-Study Program, Recovery Act	84.033	A	P033A111513	55,166
Federal Work-Study Program, Recovery Act	84.033	A	P033A101513	5,121
TRIO - Student Support Services	84.042	B	PO42A100272	175,524
TRIO - Student Support Services	84.042	B	PO42A100272	111,473
TRIO - Talent Search	84.044	B	P044A110209	103,125
TRIO - Talent Search	84.044	B	P044A070443	71,746
Federal PELL Grant Program, Recovery Act	84.063	A	P063P111468	2,714,023
Federal Family Education Loans:				
Stafford Student Loan Program	84.268	A		995,110
Unsubsidized Stafford Student Loan Program	84.268	A		640,091
PLUS Loan Program	84.268	A		17,589
Academic Competitiveness Grant	84.375	A	P375A081468	1,357
Passed through the Kansas Board of Regents:				
Adult Education - Basic Grants to States:				
Adult Education	84.002			145,152
EL Civics	84.002			44,338
EL Civics	84.002			19,833
Career & Technical Education				
- Basic Grants to States	84.048		J0809	101,077
Career & Technical Education				
- Basic Grants to States	84.048		J0809	3,406
College Access Challenge Grant Program	84.378			9,578
State Fiscal Stabilization Fund:				
Education State Grants, Recovery Act	84.394		S394A090017	600
Passed through Kansas State University:				
Migrant Education High School Equivalency Program - Project Destiny	84.141		S141A060038	122,765
Migrant Education High School Equivalency Program - Project Destiny	84.141		S141A060038	41,814
Migrant Education College Assistance Migrant Program - Project KANCO	84.149		S149A090031	36,729
DEPARTMENT OF AGRICULTURE				
Passed through Kansas Department of Education:				
Child and Adult Care Food Program	10.558		J0809	2,004
State Administrative Expenses for Child Nutrition	10.560			50

(continued)

GARDEN CITY COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Clusters</u>	<u>Grant Number</u>	<u>Disburse- ments/ Expenditures</u>
(continued)				
DEPARTMENT OF LABOR				
Passed through the Kansas Board of Regents:				
WIA Youth Activities	17.259			\$ 14,310
Passed through Washburn University:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT)	17.282	TC-22513-11-60-A-2		28,646
 SMALL BUSINESS ADMINISTRATION				
Passed through Fort Hays State University:				
Small Business Development Center	59.037		0-603001-Z-0017-15	41,456
Small Business Development Center	59.037		0-603001-Z-0017-15	30,413
Small Business Development Center	59.037		OSDBC-2011-03	55,374
 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	1,090
Passed through the State Department of Social and Rehabilitation Services:				
2012 Block Grants for Community Mental Health Services	93.958			85,607
2011 Block Grants for Community Mental Health Services	93.958			51,994
Refugee and Entrant Assistance - State Administered Programs - 2012 Refugee Grant	93.566		RSS-09-01	93,483
Refugee and Entrant Assistance - State Administered Programs - 2011 Refugee Grant	93.566		RSS-09-01	24,774
Passed through Kansas State University:				
Affordable Care Act (ACA) Health Profession Opportunity	93.093			12,000
Biomedical Research and Research Training	93.859		R25GM067589	24,340
Biomedical Research and Research Training	93.859		R25GM067589	8,523
 Total				<u>\$ 6,703,854</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, 2012

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, 2011, through June 30, 2012, 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 Executive Vice President, Finance and Operations 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, 2012

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, 2012, 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, 2012

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, 2012, 150 students participated in the program, receiving awards that aggregated \$47,146. Of these awards, \$35,359 were paid from federal funds and \$11,787 were paid from institutional contributions. An administrative allowance of \$2,216 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, 2012, 65 students participated in the program, earning \$75,182 in wages. Of these wages, \$56,387 were paid from federal funds and \$18,796 were paid from institutional contributions. An administrative allowance of \$3,900 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 2012 academic year, \$2,714,023 was expended for PELL awards to 812 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 2012 academic year, \$1,357 was expended for Academic Competitiveness Grant awards to 2 full-time students.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

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 470 approved Stafford Student Loans for college students during the 2012 academic year. In addition, the College processed 275 approved loans under the related Unsubsidized Stafford Student Loan Program and 5 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. 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.

12. 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.

13. 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.

14. 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.

Garden City Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

2. Summary of programs from sponsoring agencies (continued)

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. Department of Labor

1. WIA Youth Activities

The WIA Youth Activities programs is to help low income youth, between the ages of 14 and 21, acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood.

2. Trade Adjustment Assistance Community College and Career Training Grant

The Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants Program provides community colleges and other eligible institutions of higher education with funds to expand and improve their ability to deliver education and career training programs that can be completed in two years or less, are suited for workers who are eligible for training under the Trade Adjustment Assistance for Workers program, and prepare program participants for employment in high-wage, high-skill occupations. The targeted population of this program is workers who have lost their jobs or are threatened with job loss as a result of foreign trade.

D. 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.

E. 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 Community Mental Health Services

The objective of the Block Grants for Community Mental Health Services 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, 2012

2. Summary of programs from sponsoring agencies (continued)

E. 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. Affordable Care Act Health Profession Opportunity Grant
The College is a subrecipient of the Affordable Care Act Health Profession Opportunity Grant through a Kansas State University project. The grant is to provide education and training to Temporary Assistance for Needy Families (TANF) recipients and other low-income individuals for occupations in the health care field that pay well and are expected to either experience labor shortages or be in high demand.

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, 2012

Grant period: July 1, 2011, to June 30, 2012	Grant Budget	7/1/11 to 6/30/12 Actual - PREV	Variance Over/ (Under)
REVENUE			
Grant advance - federal	\$ 171,886	\$ 137,652	\$ (34,234)
Total revenue	<u>171,886</u>	<u>137,652</u>	<u>(34,234)</u>
EXPENDITURES			
Personnel	107,626	93,938	(13,688)
Employer taxes and fringe benefits	21,525	17,832	(3,693)
Travel	20,405	10,605	(9,800)
Marketing and publishing	2,246	1,722	(524)
Staff education and training	3,331	50	(3,281)
Supplies	2,756	891	(1,865)
Other	<u>13,997</u>	<u>12,564</u>	<u>(1,433)</u>
Total expenditures	<u>171,886</u>	<u>137,602</u>	<u>(34,284)</u>
REVENUE OVER EXPENDITURES	-	50	50
FUND BALANCE, BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF PERIOD	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>

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

