

NORTHWEST COLLEGE
FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Northwest College
Powell, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Northwest College (the College) as of and for the years ended June 30, 2024 and 2023, and its discretely presented component unit, the Northwest College Foundation (the Foundation), as of and for the 18-month period ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College as of June 30, 2024 and 2023 and its discretely presented component unit as of June 30, 2024, and the respective changes in their financial position and, where applicable, their cash flows thereof for the years and the 18-month period then ended, respectively, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 14, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 47, the Schedule of the College's Contributions on page 48, the Schedule of the College's Proportionate Share of the Total OPEB Liability on page 49, and the Notes to Required Supplementary Information on pages 50 and 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The combining schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 10, 2024

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) is designed to assist readers in understanding the accompanying financial statements and provide an overview of Northwest College's (the College) financial position and activities for the fiscal year ended June 30, 2024, with selected comparative information for the fiscal years ended June 30, 2023 and 2022. It has been prepared by management to be read in conjunction with the financial statements and the notes thereto, which follow this section.

This financial report focuses on the College as the primary entity, including the Northwest College Building Authority (the Authority) as a blended component unit, but also includes financial information for the Northwest College Foundation (the Foundation) as a discretely presented component unit. Analysis in this section will focus on the College's financials without drawing any conclusions about the Foundation's financials.

The College's financial statements consist of the following funds:

Unrestricted Funds

- Operating Fund
- One Mill Fund
- Auxiliary Fund
- Community Education Non-Credit Fund
- Continuing Education Contract Training Fund

Restricted Funds

- General Restricted Fund
- Federal Pell/Supplemental Educational Opportunity Grant/Work-Study Fund
- Federal Funds Fund
- Restricted Scholarships Fund
- Workforce Restricted Fund

Endowment Fund

- Northwest College Quasi Endowment Fund

Custodial Funds

- Custodial Fund
- Custodial-Foundation Pass-Through Fund

Plant Funds

- Plant Renewal and Replacement Fund
- Plant Construction Fund
- Fixed Assets Fund
- Retirement of Indebtedness Fund

It is the College's duty to be accountable to the public and provide information that responds to the three primary groups of users of its financial report:

- The citizenry;
- The governing board, the Wyoming Community College Commission (WCCC), and oversight bodies; and
- Investors and creditors.

Financial reports and accompanying notes provide information useful for assessing financial condition and results of operations; assisting in determining compliance with finance-related laws, rules, and regulations; and evaluating the uses of monetary resources.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL STATEMENTS

The College's annual financial report consists of three components, in accordance with required reporting standards: (1) this MD&A section; (2) the financial statements; and (3) the notes to the financial statements. The College's financial statements include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Certain interfund eliminations and adjustments are necessary for the preparation of these entity-wide financial statements when compared to internally generated financial statements by fund.

Statement of Net Position

The Statement of Net Position reflects the College's financial and capital resources. This statement presents the financial position of the College at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the College. In addition, this statement segregates the assets and liabilities into current and noncurrent components. The difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources represents the College's net position. The net position is displayed in four components: net investment in capital assets, restricted non-expendable, restricted expendable, and unrestricted.

- **Net investment in capital assets:** Net investment in capital assets represents the College's total investment at historical cost in capital assets; property, plant, and equipment; and infrastructure, net of accumulated depreciation, and outstanding debt obligations related to those capital assets, including accounts payable related to the acquisition of capital assets. The College capitalizes assets that have a value above \$10,000 for equipment and software, \$25,000 for land and site improvements, and \$50,000 for buildings and building improvements.
- **Restricted net position (non-expendable):** Restricted net position (non-expendable) consists of endowment and similar-type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may be either expended or added to principal.
- **Restricted net position (expendable):** Restricted net position (expendable) includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external parties and/or donors.
- **Unrestricted net position:** Unrestricted net position represents all other funds available to the institution, which may be used for the operation of the College at the discretion of the Board of Trustees.

Net position is one indicator of the current financial condition of the College, while the change in net position is an indicator of whether the overall financial condition has improved or deteriorated during the year.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account, regardless of when cash is actually received or paid. Assets and liabilities are generally measured using current values; one exception is capital assets, which are stated at historical cost, less an allowance for depreciation.

Condensed Statements of Net Position at June 30 are presented below:

	2024	2023	2022
Assets			
Current assets	\$ 32,880,184	\$ 32,560,078	\$ 30,857,947
Noncurrent assets	67,291,554	50,847,327	44,276,692
Total assets	100,171,738	83,407,405	75,134,639
Deferred Outflows of Resources			
Pension-related deferred outflows	348,981	931,780	623,864
Other postemployment benefits (OPEB)-related deferred outflows	7,694,147	5,224,246	7,128,165
Debt defeasance	79,134	87,926	96,719
Total deferred outflows of resources	8,122,262	6,243,952	7,848,748
Liabilities			
Current liabilities	4,834,329	4,961,768	2,984,664
Noncurrent liabilities	17,800,826	22,518,197	27,403,255
Total liabilities	22,635,155	27,479,965	30,387,919
Deferred Inflows of Resources			
Pension-related deferred inflows	964,629	1,196,546	3,647,788
OPEB-related deferred inflows	15,086,980	9,675,302	4,512,543
Lease deferred inflows	148,957	215,910	151,125
Unavailable property taxes	3,638,020	3,808,703	4,373,176
Total deferred inflows of resources	19,838,586	14,896,461	12,684,632
Net Position			
Net investment in capital assets	47,719,530	32,555,803	26,655,807
Restricted non-expendable	10,801,707	10,801,707	10,801,707
Restricted expendable - scholarships	7,594,721	5,881,090	5,624,236
Restricted expendable - capital projects	2,211,289	1,882,707	1,589,901
Unrestricted	(2,506,988)	(3,846,376)	(4,760,815)
Total net position	\$ 65,820,259	\$ 47,274,931	\$ 39,910,836

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total net position increased \$18,545,328 in fiscal year 2024, for a total of \$65,820,259. Total net position increased \$7,364,095 in fiscal year 2023, for a total of \$47,274,931. Unrestricted net position of (\$2,506,908) in 2024, (\$3,846,376) in 2023, and (\$4,760,815) in 2022 was available for future operating and capital needs of the College.

Current assets include cash and cash equivalents, accounts and lease receivables, property taxes receivable, advance construction payments, and prepaids. Unrestricted cash increased (decreased) by \$733,871, (\$749,572), and \$3,660,025 during 2024, 2023, and 2022, respectively.

The ad valorem tax, based on market values of local mineral production, was put into effect by Senate Bill 60, which was enacted into law in 2021. Before Senate Bill 60, mineral ad valorem taxes were assessed in August for the previous calendar year and then collected in the following September and March. This process resulted in an 18-month average delay between production and cash collection. Senate Bill 60 did not affect the timing of the August levy, but it did affect the timing of cash collections for mineral taxes. Senate Bill 60 resulted in a four- to five-month delay from production to collection, which is a significant change. As a result, the College is collecting mineral taxes before the levy and, therefore, has a reduction in receivables. The cash collected before the levy is also unearned tax revenue and will be presented as a current liability on the Statements of Net Position. This liability will remain until the levy in August of the following fiscal year, at which time the College can recognize the revenue as being earned.

Park County property and mineral values increased in 2024. However, because of the expedited cash collections, property taxes receivable decreased from \$4,265,045 in 2023 to \$4,003,994 in 2024. See the additional discussion of the increase in assessed property values in the Statement of Revenues, Expenses, and Changes in Net Position section below.

Noncurrent assets of \$67,291,554 and \$50,847,327 at June 30, 2024 and 2023, respectively, are made up of land, buildings, improvements, construction in progress, equipment, library books, right-to-use assets, lease receivable, and the endowment challenge. These are valued based on original amounts, less depreciation and/or amortization, except for the endowment challenge, which is valued at fair value. In 2024, \$17,521,378 was spent on new or in-progress capital improvements, which included the construction of a new student center and the conversion of the temporary dining facility into the soccer field house; electrical upgrades; upgrading the Science and Math chiller; remodeling Ashley Hall; designing and building the new college website; heating, ventilation and air conditioning (HVAC); campus paving; and several vehicles. In 2023, \$7,949,714 was spent on new or in-progress capital improvements, which included the construction of a new student center and a temporary dining facility; electrical upgrades; upgrading the server room in the Moyer building; HVAC; campus paving; heavy equipment simulator; and several vehicles. See Note 3 to the financial statements. The College's endowment held by the Foundation increased (decreased) by \$1,094,917, \$1,030,108, and (\$2,367,870) for the years ended June 30, 2024, 2023, and 2022, respectively.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total liabilities as of June 30, 2024 were \$22,635,155, compared to \$27,479,965 as of June 30, 2023. The decrease in total liabilities is due to a decrease in the total other postemployment benefits (OPEB) liability, and the net pension liability, as established by Governmental Accounting Standards Board (GASB) Statement No. 75 and GASB Statement No. 68, respectively. These GASB statements are discussed below.

The long-term maturity of notes payable refers to the amount to be repaid in a time period longer than the next 12 months for a loan associated with Simpson Hall in the Authority. The balance will decrease over time as required debt payments are made. See Note 4 to the financial statements for the College's long-term liabilities.

Total current liabilities as of June 30, 2024 were \$4,834,329, compared to \$4,961,768 as of June 30, 2023. This decrease was primarily related to the timing associated with cash receipts of mineral ad valorem taxes.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in fiscal year 2015. This statement requires the College to recognize its proportionate share of the total net pension liability as calculated by the Wyoming Retirement System's actuarial firm. Based on the calculations performed by the actuarial firm, the College's 2024 portion of the pension-related outflows, pension-related inflows, and net pension liability is \$348,981, \$964,629, and \$4,775,873, respectively. This is in comparison to fiscal year 2023, with pension-related outflows, pension-related inflows, and a net pension liability of \$931,780, \$1,196,546, and \$6,199,769, respectively. These amounts were recorded on the Statements of Net Position. See Note 5 to the financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented in fiscal year 2018. This statement requires the College to recognize its proportionate share of the total OPEB liability as calculated by the State of Wyoming's (the State) actuarial firm. Based on the calculation performed by the actuarial firm, the College's 2024 portion of the OPEB-related outflows, OPEB-related inflows, and total OPEB liability is \$7,694,147, \$15,086,980, and \$10,414,507, respectively. This is in comparison to fiscal year 2023, with OPEB-related outflows, OPEB-related inflows, and a total OPEB liability of \$5,224,246, \$9,675,302, and \$13,668,707, respectively. These amounts were recorded on the Statements of Net Position. See Note 7 to the financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the College's results of operations and supports the total change in net position for the year. Revenues and expenses are classified as operating or nonoperating. "Operating" is defined by the GASB as resulting from transactions involving exchanges of goods or services for payment. The College receives revenue from several sources; operating revenues are directly related to the operation of the College and include tuition and fees, Federal grants, State and local grants and contracts, and auxiliary enterprises.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

"Nonoperating" is defined by the GASB as resulting from transactions not involving the exchange of goods or services for payment. Nonoperating revenues are not directly related to, or derived from, a College operation and include State and local appropriations and endowments from the State. The College shows a substantial "operating loss" in the Statement of Revenues, Expenses, and Changes in Net Position primarily because the GASB requires that State appropriations and district levy revenues be reported as "nonoperating."

The following shows the change in net position from revenues and expenses for the years ended June 30:

	2024	2023	2022
Operating Revenues			
Tuition and fees (net of scholarship allowance)	\$ 3,740,174	\$ 3,741,447	\$ 3,498,142
Federal grants and contracts	1,570,661	1,487,258	817,158
State and local grants and contracts	930,300	521,490	314,391
Auxiliary enterprise charges (net of scholarship allowance)	2,607,468	2,566,787	2,075,212
Other operating revenues	486,199	484,889	650,832
Total operating revenues	9,334,802	8,801,871	7,355,735
Operating Expenses			
Instruction	7,247,534	7,285,009	7,533,568
Public service	201,359	200,772	133,655
Academic support	1,554,100	1,491,149	1,818,279
Student services	3,707,396	3,857,463	3,652,251
Institutional support	5,248,925	4,194,167	6,061,773
Operation and maintenance of plant	2,855,065	2,794,647	2,286,527
Scholarships	540,282	581,128	1,894,475
Auxiliary enterprises	2,875,540	3,014,880	2,725,336
Amortization	129,571	55,103	63,284
Depreciation	2,530,144	2,475,843	2,517,952
Total operating expenses	26,889,916	25,950,161	28,687,100
Operating (loss)	(17,555,114)	(17,148,290)	(21,331,365)
Nonoperating Revenues	36,100,442	24,512,385	24,008,926
Increase in net position	\$ 18,545,328	\$ 7,364,095	\$ 2,677,561

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The WCCC is responsible for setting the tuition rates for all Wyoming colleges, and those rates are set based on a June 30 fiscal year. The WCCC set the in-state tuition rates at \$105 per credit hour for 2024, 2023, and 2022. The College is responsible for setting fixed fees and course fee rates. The Board of Trustees approves the College's fixed fee rates annually. These rates were set at \$53, \$53, and \$51 per credit hour for 2024, 2023, and 2022, respectively. Fluctuations in enrollment have offset these increases in tuition and fixed-fee rates. The College's enrollment headcount was as follows:

Year Ended	Fall Semester	Spring Semester	Combined
June 30, 2024	1,284	1,068	2,352
June 30, 2023	1,445	1,332	2,777
June 30, 2022	1,442	1,396	2,838

Based on the above enrollment history, the \$179,991 increase in tuition and fees in 2024 before the scholarship allowance was due to an increase in out-of-state enrollment and out-of-state tuition, and an increase of average credits enrolled per headcount. The \$274,621 increase in tuition and fees in 2023 before the scholarship allowance was due to an increase in out-of-state enrollment and out-of-state tuition. The \$626,131 increase in tuition and fees in 2022 before the scholarship allowance was due to an increase in tuition and fee rates while enrollment remained steady. Reported tuition and fee revenues are offset by the amount of the scholarship allowance, which represents the discount that the College awards and must be netted against the tuition charged to the students. The scholarship allowance offsetting tuition and fee revenues was \$1,590,485, \$1,409,221, and \$1,377,905 in 2024, 2023, and 2022, respectively.

State appropriations normally make up the bulk of the College's total revenues and represent approximately 50%, 46%, and 51% of total revenue in 2024, 2023, and 2022, respectively. The increase in the fiscal year 2024 percentage is related to an increase in State appropriations related to the student center, and State matching funds from 2024 HEA0050, Section 312(a-c). During 2024, total State appropriations increased by \$7,520,546 compared to 2023. The change in State appropriations was largely due to an increase of approximately \$5 million in additional funding that was received for the student center, as compared to fiscal year 2023, and an additional \$1.7 million from 2024 HEA0050, Section 312(a-c). During 2023, total State appropriations decreased by \$843,209 compared to 2022. The change in State appropriations was largely due to a decrease of \$589,328 that was recaptured by the WCCC; approximately \$1.8 million received for the Wyoming Innovation Partnership program in fiscal year 2022 that was not received in fiscal year 2023; and approximately \$2.4 million in additional funding that was received for the student center, as compared to fiscal year 2022. Another factor that affected State appropriations was less funding related to the major maintenance program.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Local appropriations are included in nonoperating revenues. Local appropriations include both mill levy revenue based on Park County property tax valuation, the market value of mineral production, and motor vehicle registration fees. As the majority of local appropriations are property tax and mineral tax valuation, the following table represents the Park County assessed value for the previous five fiscal years and the current fiscal year:

Fiscal Year	County Valuation	% Change
June 30, 2024	\$1,075,509,618	22.97%
June 30, 2023	874,635,153	39.65%
June 30, 2022	626,294,645	(11.32%)
June 30, 2021	706,271,171	3.92%
June 30, 2020	679,629,861	12.34%
June 30, 2019	604,982,133	(5.49%)

Local appropriations revenue increased \$648,663 from 2023 to 2024 and increased \$1,284,102 from 2022 to 2023, representing approximately 13%, 15%, and 12% of total revenue in 2024, 2023, and 2022, respectively. Senate Bill 60 adjusted the timing of cash collections but did not affect the levying of taxes for revenue recognition. Changes in revenue are primarily due to the change in valuation rather than the timing of cash collections.

Auxiliary services consist primarily of housing and dining services. Income in these areas varies annually based on enrollment and rates charged by these auxiliary services. Occupancy in the residence halls declined during previous years but has had incremental increases for the past couple years. While the student center has been under construction, food service has had net losses due to the temporary dining environment. Auxiliary enterprise revenues are also reported net of the scholarship allowance. Currently, the auxiliary allowance is calculated at 35% of the institutional, Foundation, and Hathaway scholarships; in 2024, auxiliary enterprise revenue increased by \$138,285 before the scholarship allowance, while expenses decreased by \$139,340. Revenue increased due to an increase in the occupancy of College-owned housing and the sale of additional meal plans. Expenses decreased due to fewer repairs being required in the College-owned housing. In 2023, auxiliary enterprise revenue increased by \$480,437 before the scholarship allowance, while expenses increased by \$269,335. Revenue increased due to an increase in the occupancy of College-owned housing and the sale of additional meal plans. Expenses increased due to increased food service costs. Food service increased due to additional meal plans that were purchased and increased costs related to the temporary dining facilities.

In 2024 and 2023, the Wyoming Challenge Match Endowment cost basis increased \$582,423. The College's portion of the Wyoming Challenge Match Endowment held by the Foundation had a book value of \$12,007,170 and a market value of \$16,521,060 as of June 30, 2024.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Cash Flows

Information from the Statement of Cash Flows reflects the College's operating cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during the fiscal year. Below is a summary of the Statements of Cash Flows for the years ended June 30, found on pages 20 and 21:

	2024	2023	2022
Cash (Used in) Provided by:			
Operating activities	\$ (15,664,988)	\$ (15,605,444)	\$ (17,981,965)
Noncapital financing activities	34,028,777	24,364,164	26,774,164
Capital and related financing activities	(18,116,526)	(10,484,585)	(471,710)
Investing activities	1,967,708	1,524,414	(2,024,061)
Net increase (decrease) in cash and cash equivalents, and restricted cash and cash equivalents	2,214,971	(201,451)	6,296,428
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents, beginning of year	23,994,193	24,195,644	17,899,216
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents, end of year	<u>\$ 26,209,164</u>	<u>\$ 23,994,193</u>	<u>\$ 24,195,644</u>

In summary, the 2024 cash provided by noncapital financing and investing activities was more than the cash used in operating and capital and related financing activities by \$2,214,971. In 2023, the cash provided by noncapital financing and investing activities was less than the cash used in operating and capital and related financing activities by \$201,451. In 2022, the cash provided by noncapital financing was more than the cash used in operating, capital and related financing, and investing activities by \$6,296,428.

OTHER CONSIDERATIONS

The Higher Learning Commission accredits the College. The Higher Learning Commission completed an on-site comprehensive evaluation in September 2017, in which the College was affirmed and accredited in the Open Pathway. The Higher Learning Commission completed its four-year assurance review in September 2022 with no changes to the College's accreditation status. The College was approved in its submission of the quality initiative program review in December 2023, related to academic, support services, and co-curricular. In addition, three College departments hold national accreditations through the following subject matter accrediting bodies: the National Association of Schools of Art & Design, the National Association of Schools of Music, and the Accreditation Commission for Education in Nursing.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The College is required by Wyoming State Statutes to have a facility master plan. In the master plan that was updated in March 2014, the Nelson Performing Arts Center and the DeWitt Student Center were identified as top priorities for capital improvements. The Wyoming State Legislature appropriated \$1,000,000 for Level 3 construction plans for a new student center during the Spring 2021 legislative session, to be matched by the College. During the Spring 2022 legislative session, \$12,565,378 was appropriated for the construction of a new student center and a temporary dining facility, which must be matched by the College. The College completed the new temporary dining facility, demolished the old student center, and has begun construction of the new student center. The Wyoming State Legislature has yet to appropriate funds for a performing arts center; however, the State Building Commission still supports this facility and will continue to request funding during future legislative sessions.

Funding received from State and local appropriations significantly decreased for fiscal years 2017 and 2018. Appropriations were steady for fiscal years 2019 and 2020. Funding decreased 13% for 2021 and an additional 10% for 2022. Revenue stabilized for fiscal year 2023 due to the stabilization of revenue from mineral and extraction taxes. Revenue increased in fiscal year 2024 primarily from the state appropriations from the student center construction. However, a reliance on revenue from mineral and extraction taxes, coupled with a lack of economic diversification, could result in less revenue and have long-term negative effects for the State, Park County and, ultimately, the College itself. As part of reviewing all revenue sources for the Wyoming community colleges, the WCCC voted to increase in-State tuition by \$6 per credit hour for fiscal year 2022, along with removing the tuition cap. Both measures were designed to help protect the Wyoming community colleges from significant swings in State and local appropriations, but declining enrollments have not provided the tuition income that was originally projected. The WCCC voted to hold tuition rates steady for fiscal years 2023 and 2024. Finally, the community colleges are now included under the Joint Education Interim Committee for the Wyoming State Legislature, thus allowing an additional forum for the community colleges to educate and request funding from the Wyoming State Legislature. This change resulted in increased State appropriations at the WCCC for fiscal years 2023 and 2024, primarily associated with compensation increases. Due to volatility related to mill valuations and cash collections from the counties, the WCCC redistributed \$127,861 in State appropriations to the College.

The College is proud of the academic program development that is occurring to meet the needs of its students and community. The College's student completion and retention rates far exceed national rates and reflect the College's commitment to its mission.

NORTHWEST COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS



NORTHWEST COLLEGE

STATEMENTS OF NET POSITION June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 19,041,839	\$ 18,307,968
Cash and cash equivalents, restricted (Notes 2 and 12)	7,167,325	5,686,225
Accounts receivable, net of allowance of \$200,000 for 2024 and 2023	1,575,145	1,729,010
Property taxes receivable	4,003,994	4,265,045
Current portion of lease receivable (Note 8)	80,936	75,313
Advance construction payments (Note 3)	840,632	2,243,610
Prepays	170,313	252,907
Total current assets	32,880,184	32,560,078
Noncurrent Assets		
Capital assets, net of accumulated depreciation (Note 3)	50,176,434	35,185,200
Lease receivable, less current portion (Note 8)	68,021	140,597
Right-to-use subscription assets, net of accumulated amortization (Note 9)	526,039	95,387
Investments held by others (Note 2)	16,521,060	15,426,143
Total noncurrent assets	67,291,554	50,847,327
Total assets	100,171,738	83,407,405
DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Deferred Outflows (Note 5)	348,981	931,780
OPEB-Related Deferred Outflows (Note 7)	7,694,147	5,224,246
Debt Defeasance	79,134	87,926
Total deferred outflows of resources	8,122,262	6,243,952

Continued

NORTHWEST COLLEGE

STATEMENTS OF NET POSITION, *Continued* June 30, 2024 and 2023

	2024	2023
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,305,669	\$ 825,177
Payroll and related liabilities	678,928	661,531
Accrued compensated absences (Note 4)	394,982	406,370
Accrued interest payable	15,819	5,844
Advance payments	170,260	682,595
Unearned mineral production receipts	1,554,082	1,834,148
Custodial deposits (Note 12)	336,131	285,071
Current maturities of note payable (Note 4)	249,802	243,567
Current maturities of subscription liabilities (Note 9)	128,656	17,465
Total current liabilities	4,834,329	4,961,768
Noncurrent Liabilities		
Accrued compensated absences (Note 4)	131,661	135,457
Note payable, less current maturities (Note 4)	2,245,927	2,495,729
Net pension liability (Note 5)	4,775,873	6,199,769
Total OPEB liability (Note 7)	10,414,507	13,668,707
Subscription liabilities, less current maturities (Note 9)	232,858	18,535
Total noncurrent liabilities	17,800,826	22,518,197
Total liabilities	22,635,155	27,479,965
DEFERRED INFLOWS OF RESOURCES		
Pension-Related Deferred Inflows (Note 5)	964,629	1,196,546
OPEB-Related Deferred Inflows (Note 7)	15,086,980	9,675,302
Lease Deferred Inflows (Note 8)	148,957	215,910
Unavailable Property Taxes	3,638,020	3,808,703
Total deferred inflows of resources	19,838,586	14,896,461
NET POSITION		
Net Investment in Capital Assets	47,719,530	32,555,803
Restricted		
Non-expendable	10,801,707	10,801,707
Expendable:		
Scholarships	7,594,721	5,881,090
Capital projects	2,211,289	1,882,707
Unrestricted	(2,506,988)	(3,846,376)
Total net position	\$ 65,820,259	\$ 47,274,931

See Notes to Financial Statements.

NORTHWEST COLLEGE
COMPONENT UNIT - NORTHWEST COLLEGE FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

Cash and Cash Equivalents, including \$12,936 held for Youth Clubs of Park County (Note 2)	\$	192,589
Investments (Note 2)		269,655
Contributions Receivable		541,525
Cash and Cash Equivalents Restricted by Donors for Long-Term Purposes (Note 2)		724,068
Investments Restricted by Donors for Long-Term Purposes, including \$1,054,272 held for Youth Clubs of Park County (Note 2)		49,441,405
Beneficial Interest in Perpetual Trust		579,622
Property and Equipment, net of accumulated depreciation		383,451
Other Assets		438,737
		<hr/>
Total assets	\$	52,571,052

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$	55,732
Assets held for others (Note 2)		16,521,060
Assets held in trust		1,071,168
Liabilities associated with charitable gift annuities		19,429
Total liabilities		<hr/> 17,667,389 <hr/>
Net Assets		
Without donor restrictions:		
Designated - operating reserve		1,000,000
Quasi-endowment		1,098,037
Undesignated		(635,684)
With donor restrictions		33,441,310
Total net assets		<hr/> 34,903,663 <hr/>
Total liabilities and net assets	\$	52,571,052

See Notes to Financial Statements.

NORTHWEST COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Tuition and fees, net of scholarship allowance of 2024 \$1,590,485; 2023 \$1,409,221	\$ 3,740,174	\$ 3,741,447
Federal grants and contracts	1,570,661	1,487,258
State and local grants and contracts	930,300	521,490
Auxiliary enterprise charges, net of scholarship allowance of 2024 \$856,415; 2023 \$758,811	2,607,468	2,566,787
Other operating revenues	486,199	484,889
Total operating revenues	9,334,802	8,801,871
Operating Expenses (Note 13)		
Instruction	7,247,534	7,285,009
Public service	201,359	200,772
Academic support	1,554,100	1,491,149
Student services	3,707,396	3,857,463
Institutional support	5,248,925	4,194,167
Operation and maintenance of plant	2,855,065	2,794,647
Scholarships	540,282	581,128
Auxiliary enterprises	2,875,540	3,014,880
Amortization (Note 9)	129,571	55,103
Depreciation	2,530,144	2,475,843
Total operating expenses	26,889,916	25,950,161
Operating (loss)	(17,555,114)	(17,148,290)
Nonoperating Revenues (Expenses)		
Non-exchange Federal and state grants	2,140,372	2,011,203
State appropriations	22,751,971	15,231,425
Local appropriations	5,801,283	5,152,620
Private gifts, grants, and contracts	3,510,711	604,499
Net investment income	1,967,708	1,524,414
Interest expense	(80,101)	(75,699)
Gain on sale of assets	8,498	63,923
Total nonoperating revenues	36,100,442	24,512,385
Increase in net position	18,545,328	7,364,095
Net Position, beginning of year	47,274,931	39,910,836
Net Position, end of year	\$ 65,820,259	\$ 47,274,931

See Notes to Financial Statements.

NORTHWEST COLLEGE
COMPONENT UNIT - NORTHWEST COLLEGE FOUNDATION

STATEMENT OF ACTIVITIES
For the 18-Month Period Ended June 30, 2024

Changes in Net Assets Without Donor Restrictions	
Revenues, gains, and other support:	
Contributions	\$ 22,538
Investment income, net	400,409
In-kind contributions	244,907
Administrative fees	496,415
Miscellaneous	151,140
Net assets released from restrictions	6,597,127
Total revenues, gains, and other support	7,912,536
Expenses:	
Program services:	
College support	6,781,764
Management	364,607
Fundraising	527,988
Total expenses	7,674,359
Increase in net assets without donor restrictions	238,177
Changes in Net Assets With Donor Restrictions	
Contributions	2,181,373
Investment income, net	7,031,741
Changes in liabilities associated with charitable gift annuities	9,794
Changes in present value of beneficial interest and perpetual trusts	29,175
Miscellaneous income	8,709
Modifications of net asset restrictions	96,806
Net assets released from restrictions	(6,597,127)
Increase in net assets with donor restrictions	2,760,471
Change in net assets	2,998,648
Net Assets, beginning of period	31,905,015
Net Assets, end of period	\$ 34,903,663

See Notes to Financial Statements.

NORTHWEST COLLEGE

STATEMENTS OF CASH FLOWS Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Received from students and customers	\$ 9,492,918	\$ 8,397,124
Payments to employees and benefits	(15,530,763)	(14,853,981)
Payments to vendors and suppliers	(9,137,921)	(8,590,195)
Payments for scholarships	(540,282)	(581,128)
Other receipts	51,060	22,736
Net cash (used in) operating activities	(15,664,988)	(15,605,444)
Cash Flows From Noncapital Financing Activities		
Non-exchange Federal and state grants	2,140,372	2,011,203
State appropriations	22,766,109	15,196,607
Local appropriations	5,611,585	6,551,855
Gifts, endowments, and grants for other than capital purchase	3,510,711	604,499
Net cash provided by noncapital financing activities	34,028,777	24,364,164
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(17,353,959)	(5,238,028)
Proceeds from sale of capital assets	8,498	64,275
Advance construction payment	1,402,978	(4,383,267)
Interest paid on note	(70,126)	(76,206)
Principal payments on subscription liabilities	(234,709)	(114,490)
Payment of note principal	(243,567)	(237,487)
State endowment invested in the Foundation	(1,625,641)	(499,382)
Net cash (used in) capital and related financing activities	(18,116,526)	(10,484,585)
Cash Flows From Investing Activities		
Interest received on investment	1,967,708	1,524,414
Net cash provided by investing activities	1,967,708	1,524,414
Net increase (decrease) in cash and cash equivalents, and restricted cash and cash equivalents	2,214,971	(201,451)
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents, beginning of year	23,994,193	24,195,644
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents, end of year	\$ 26,209,164	\$ 23,994,193

Continued

NORTHWEST COLLEGE

STATEMENTS OF CASH FLOWS, *Continued* Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating (loss)	\$ (17,555,114)	\$ (17,148,290)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	2,530,144	2,475,843
Amortization	129,571	55,103
Debt defeasance amortization	8,793	8,793
Changes in assets and liabilities:		
Receivables, net	139,727	(367,978)
Prepays	82,594	(148,592)
Accounts payable and related liabilities	381,529	(110,927)
Advance payments	18,389	(36,769)
Accrued compensated absences	(15,184)	26,507
Net pension liability	(1,423,896)	2,186,042
Deferred outflows - pension	582,799	(307,916)
Deferred inflows - pension	(231,917)	(2,451,242)
Total OPEB liability	(3,254,200)	(6,852,696)
Deferred outflows - OPEB	(2,469,901)	1,903,919
Deferred inflows - OPEB	5,411,678	5,162,759
Net cash (used in) operating activities	\$ (15,664,988)	\$ (15,605,444)
Supplementary Disclosures of Cash Flows Information		
Capital assets included in accounts payable	\$ 204,834	\$ 37,414
Capital assets purchased with advance construction payment funds	7,051,557	2,850,083
Write-off of right-to-use lease asset and lease liability	13,222	58,010
Acquisition of right-to-use subscription assets financed by subscription liabilities	606,174	150,490

See Notes to Financial Statements.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Northwest College (the College) is a public institution of higher education created in 1946. The College's main campus is located in Powell, Wyoming, with outreach centers in Cody and Worland, Wyoming. It is governed by a Board of Trustees (the Board) comprising seven elected trustees and is subject to the laws of the State of Wyoming. The College is a municipal corporation formed under, and subject to, the requirements of Wyoming State Statutes.

Reporting entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB), consists of the College as the primary government, organizations for which the College is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

Component units: The financial reporting entity consists of the primary government, as well as its discretely presented component unit, the Northwest College Foundation (the Foundation), and its blended component unit, the Northwest College Building Authority (the Authority). The Foundation is a legally separate, tax-exempt organization supporting the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The 28-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation's year-end was December 31 through calendar year 2022. However, effective January 1, 2023, the Foundation transitioned to a June 30 fiscal year-end, presenting financial statements as of and for the 18-month period ended June 30, 2024. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

Financial statements for the Foundation can be obtained by calling the Foundation at (307) 754-6110.

The Foundation is a private not-for-profit organization that has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, as the basis of presentation of its financial statements. As such, certain presentation features are different from the GASB's presentation features. No modifications have been made to the Foundation's financial statements, which have been presented separately within the College's financial statements. In addition, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

The Authority was created on July 2, 2008 as a public benefit corporation for the purpose of financing the construction, ownership, and operation of real and personal property to be used by the College. The Authority is a separate legal entity from the College but is treated as a blended component unit of the College, as its services exclusively benefit the College, and is reported in its financial statements.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Northwest College:

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, most private gifts and grants, state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Jointly governed organizations (not included in the College reporting entity): Under provisions of Wyoming State Statutes 21-20-101 *et seq.*, the College has joined with Park County School District No. 1 to form the Park County School District No. 1 Board of Cooperative Educational Services. The purpose of this board is to provide adult, community, and continuing education. The transactions of this board are not included in these financial statements.

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

Restricted cash and cash equivalents: Restricted cash and cash equivalents include amounts for which the use is constrained through external restrictions or imposition by law. Restricted purposes include gifts and endowments, debt- or state-funded construction projects, and debt service reserves.

Investments and investment income: The College accounts for its investments at fair value, as determined by quoted market prices, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. Changes in the unrealized gain on the carrying value of investments are reported as a component of net investment income in the Statements of Revenues, Expenses, and Changes in Net Position.

Accounts receivable: Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources in connection with the reimbursement of allowable expenditures made pursuant to contracts and grants. Accounts receivable are recorded net of estimated uncollectible amounts.

Property taxes receivable: Property taxes receivable include the delinquent property taxes receivable and property taxes assessed during the year that will be levied and billed in the subsequent year.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Lease receivable: Lease receivable includes the present value of future payments associated with a lessor lease.

Fair value measurements: The College categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2024 and 2023:

- Investments held by the Foundation of \$16,521,060 and \$15,426,143, respectively, are valued using significant other observable inputs (Level 2).

Capital assets: The College capitalizes assets that have a donated value or cost in excess of \$10,000 for equipment and software, \$50,000 for building improvements, \$25,000 for land and site improvements, and \$50,000 for buildings at the date of acquisition and an expected useful life of more than one year. Library books are generally not considered to have a useful life of more than one year, unless they are part of a collection and expensed in the year of acquisition.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred. Routine repairs and maintenance are charged to operating expenses in the year the expense was incurred.

The College does not capitalize works of art or historical treasures that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered by any means. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are generally three to 14 years for equipment; three to seven years for software; 15 to 20 years for building improvements, and land and site improvements; and 40 years for buildings.

Right-to-use lease assets: The College capitalizes the right-to-use lease asset obtained under a lease in accordance with GASB Statement No. 87, *Leases*. The asset is calculated utilizing the value of the lease liability plus any lease prepayments made for future periods, as well as any direct ancillary costs necessary to place the asset into service. The asset will be amortized over the years remaining on the lease. The College utilized the same capitalization thresholds utilized for capital assets.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Right-to-use subscription assets: The College capitalizes the right-to-use subscription-based information technology (IT) assets (SBITA) obtained under contracts in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The assets are calculated utilizing the value of the subscription liabilities plus any contract prepayments made for future periods, as well as any capitalizable initial implementation costs. The assets will be amortized over the years remaining on the term.

Impairment: The College evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, the enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The College will consider an asset impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. The College will recognize an impairment loss when it considers a capital asset impaired and will recognize the capital asset at the lower of the carrying value or fair value.

Compensated absences: It is the College's policy to provide full-time and eligible part-time staff with sick leave, personal leave, and vacation. Accrued sick leave is paid to benefited staff upon termination. Staff are entitled to accrued vacation leave upon termination. All leave pay is accrued when incurred, and a liability for these amounts is reported in compliance with GASB Statement No. 16, *Accounting for Compensated Absences*. The College considers approximately 75% of this liability current and due within one year.

Unearned mineral production receipts: Unearned mineral production receipts consist of mineral ad valorem taxes that have been distributed to the College but will not be recognized as revenue until a subsequent year.

Bond issuance costs: Bond issuance costs are expensed when incurred.

Unavailable property taxes: Unavailable property taxes consist of property taxes assessed for the year that will be levied and recognized as revenue in the subsequent year.

Noncurrent liabilities: Noncurrent liabilities include estimated amounts for accrued compensated absences, subscription liabilities, the net pension liability, the note payable, and total obligations for postemployment benefits other than pensions (OPEB) that will not be paid within the next fiscal year.

Deferred outflows of resources and deferred inflows of resources: The College reports the consumption of net position that is applicable to a future period as deferred outflows of resources. Deferred outflows of resources as of June 30, 2024 and 2023 consist of deferred losses on previous debt defeasance and items related to the College's pension and OPEB retirement benefit plans.

The College reports the acquisition of net position that is applicable to a future period as deferred inflows of resources. Deferred inflows of resources as of June 30, 2024 and 2023 consist of unavailable property taxes and items related to the College's lessor leases and pension and OPEB retirement benefit plans.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

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

Net investment in capital assets: This represents the College's total investment in capital assets, net of accumulated depreciation and debt related to the purchase or construction of those assets, including accounts payable and retentions payable.

Restricted net position - non-expendable: This includes amounts for the endowment challenge, of which the corpus is not to be spent but earnings are used for scholarships. Accounts are held by the Foundation.

Restricted net position - expendable (scholarships): This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net position - expendable (capital projects): This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties for the purchase of capital assets.

Unrestricted net position: This includes resources derived from student tuition and fees, state and local appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first and then unrestricted resources as needed.

Classification of revenues: The College classified its revenue as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship allowances; and (3) Federal, state, and local grants and contracts considered to be exchange activities.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, such as state and local appropriations, certain Federal and state programs, and investment income.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies, *Continued*

Property taxes: Property taxes are assessed and attach as an enforceable lien on property as of January 1 of the preceding levy year. Taxes are levied on or about September 1. Real property taxes are payable in two installments on November 1 and May 1 or the tax may be paid in full by December 31. Park County bills and collects its own real property taxes as well as those for all municipalities and political subdivisions within Park County, including the College. Mineral ad valorem property taxes are billed and collected by the State of Wyoming Department of Revenue monthly, with a true-up following the annual assessment on January 1. The College's property tax revenues are recognized when assessed. Property taxes receivable include property taxes assessed for the year that will be levied and billed in the subsequent year and delinquent property taxes.

Scholarship discounts and allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for the goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell Grants, and other Federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Accounting estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Federal direct loans: For the years ended June 30, 2024 and 2023, the College received and disbursed funds under the Federal Direct Loan Program in the amount of \$660,092 and \$908,505, respectively. The College does not recognize these transactions as revenues or expenses based on the nature of the transactions.

Reclassifications: To be consistent with the year ended June 30, 2024, certain components of revenues and expenses for the year ended June 30, 2023 have been reclassified. There was no effect on the change in net position.

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

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

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits With Financial Institutions and Investments

Northwest College: Wyoming State Statutes authorize agencies of the State of Wyoming to deposit public funds in financial institutions authorized to do business in Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of assets, including any bonds, debentures, and other securities in which the Wyoming State Treasurer may, by law, invest, or a depository may pledge conventional real estate mortgages and notes connected with mortgages at a ratio of 1.05:1 of the value of public funds secured by the securities. The College has restricted deposits for the custodial funds, Federal funds received to be expended, departmental donations with donor restrictions, and funds restricted for the purchase of capital assets totaling \$7,167,325 and \$5,686,225 as of June 30, 2024 and 2023, respectively.

Custodial credit risk: Custodial credit risk for deposits of the College is the risk that in the event of a bank failure, the College's deposits may not be returned to the College. At June 30, 2024 and 2023, the carrying amount of the College's deposits was \$26,206,800 and \$23,874,598, respectively, and the bank balance was \$26,783,592 and \$24,514,154, respectively. As of June 30, 2024 and 2023, all deposits of the College were fully collateralized, as required by Wyoming State Statutes.

Northwest College Foundation:

Fair value measurements: FASB ASC Topic 820-10, *Fair Value Measurements*, establishes a framework for fair value measurement and disclosure. It requires assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Level 2 valuations are based on quoted market prices for identical assets in less-than-active markets.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits With Financial Institutions and Investments, *Continued*

Investments in marketable securities, including agency investments held for Youth Clubs of Park County, consist of the following at June 30, 2024:

	Cost	Fair Value
Level 1:		
Mutual/index funds, including REITs	\$ 4,919,528	\$ 5,019,439
Equity	28,332,395	40,168,337
Total Level 1	33,251,923	45,187,776
Level 2:		
U.S. Treasury securities	1,895,308	1,733,197
Other U.S. government bonds	968,292	885,185
Corporate bonds	979,748	910,384
Investment in hedge fund	156,187	156,187
Brokered certificate of deposit	817,059	838,331
Total Level 2	4,816,594	4,523,284
Total investments held by the Foundation	\$ 38,068,517	\$ 49,711,060

The Foundation maintains cash balances in one financial institution located in Powell, Wyoming and with several investment service firms. The carrying amount of cash with the investment service firms, totaling \$658,435 at June 30, 2024, is insured by the Securities Investor Protection Corporation up to \$250,000 per broker account.

The bank balance and the book balance of cash with the financial institution were \$257,522 and \$256,163, respectively, at June 30, 2024. At June 30, 2024, \$250,000 was insured by the Federal Deposit Insurance Corporation.

Concentration of credit risk: The Foundation expects the investment managers to maintain diversified portfolios by using the following guidelines in accordance with investment policies:

Diversification: The portfolio should be diversified among cash and cash equivalents, high-quality equity, and fixed-income securities.

Equity investments: Equity investments may range from 45% to 75% of the value of the fund.

At the time of purchase, small-cap equities shall not represent more than 10% of fund assets.

Investments in international equities shall not represent more than 20% of fund assets at the time of the purchase.

Equity investments may include common stocks and mutual funds that invest in equity securities.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits With Financial Institutions and Investments, *Continued*

Benchmarks: The benchmark for measuring equity performance shall be the Standard & Poor's (S&P) 500 Index.

In the event that asset allocation guidelines are violated for reasons including, but not limited to, market price fluctuations, the Investment Committee will instruct the investment manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible.

Interest rate risk: The Foundation is also exposed to investment fair value loss arising from increased interest rates. The Foundation's policy for fixed-income portfolios is as follows:

Fixed-income investments may represent 33% to 43% of fund assets. Fixed-income obligations other than cash equivalents and high-yield securities shall have an average quality rating of "A" or better by Moody's, S&P, or another nationally recognized bond rating agency. No more than 10% of fund assets may be invested in high-yield (junk) bonds. The Investment Committee requests that investment managers advise it in writing prior to initiating purchases of high-yield bonds or high-yield bond funds.

Permissible fixed-income investments include U.S. government and agency bonds, investment-grade corporate bonds, and fixed-income securities of foreign governments and corporations.

Managers may also elect to use mutual funds that invest in these securities. However, mutual funds charge fees that add to the total cost of operating the fund. Therefore, if investment managers choose to utilize mutual funds, they should consider whether the additional cost is warranted in order to carry out their particular strategy.

The benchmark for measuring fixed-income performance shall be the Lehman Government/Credit Intermediate Index.

The following table shows the fixed-income investments by type, amount, and maturity for the endowed scholarship fund, which includes the endowment challenge funds, at June 30, 2024:

	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	More Than 5
Investment type:				
U.S. Treasury	\$ 1,733,197	\$ -	\$ 843,550	\$ 889,647
U.S. government obligations	885,185	-	7,044	878,141
	<u>\$ 2,618,382</u>	<u>\$ -</u>	<u>\$ 850,594</u>	<u>\$ 1,767,788</u>

The quality rating of debt securities in the Foundation's investment portfolio at fair value as of June 30, 2024 is as follows:

U.S. government investments (S&P rating AA+)	\$ 2,618,382
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NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits With Financial Institutions and Investments, *Continued*

Investments held for others: The Foundation has received funds from the College to invest on its behalf pursuant to the requirements of the Wyoming Community College Endowment Challenge Program under Wyoming Session Laws, Chapter 117, as well as other secondary matching funds. Under the terms of this program, the Foundation has solicited contributions for its endowment fund. These contributions were reported to the State of Wyoming, which made a matching contribution to the College. The College invested these funds with the Foundation, as required by Wyoming State Statutes. The Foundation is required to invest the money and use the investment earnings to fund the same endowments consistent with the original donor's intent.

As of June 30, 2024, the Foundation held \$16,521,060 of investments for the College.

Note 3. Capital Assets

A summary of changes in capital assets for the years ended June 30, 2024 and 2023 is as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers (Out) In	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 1,464,663	\$ -	\$ -	\$ -	\$ 1,464,663
Art, literature, and artifacts	50,000	-	-	-	50,000
Construction in progress	5,337,748	16,520,253	-	(1,215,136)	20,642,865
Total capital assets not being depreciated	\$ 6,852,411	\$ 16,520,253	\$ -	\$ (1,215,136)	\$ 22,157,528
Other capital assets:					
Land improvements	\$ 3,136,283	\$ 165,642	\$ -	\$ 875,259	\$ 4,177,184
Buildings	73,301,977	478,328	-	339,877	74,120,182
Software	-	28,470	-	-	28,470
Machinery and equipment	8,602,735	328,685	(22,135)	-	8,909,285
Total other capital assets	85,040,995	1,001,125	(22,135)	1,215,136	87,235,121
Less accumulated depreciation for:					
Land improvements	1,199,934	235,615	-	-	1,435,549
Buildings	48,556,989	1,684,241	-	-	50,241,230
Software	-	4,745	-	-	4,745
Machinery and equipment	6,951,283	605,543	(22,135)	-	7,534,691
Total accumulated depreciation	56,708,206	2,530,144	(22,135)	-	59,216,215
Other capital assets, net	\$ 28,332,789	\$ (1,529,019)	\$ -	\$ 1,215,136	\$ 28,018,906
Capital assets summary:					
Capital assets not being depreciated	\$ 6,852,411	\$ 16,520,253	\$ -	\$ (1,215,136)	\$ 22,157,528
Other capital assets, at cost	85,040,995	1,001,125	(22,135)	1,215,136	87,235,121
Total cost of capital assets	91,893,406	17,521,378	(22,135)	-	109,392,649
Less accumulated depreciation	56,708,206	2,530,144	(22,135)	-	59,216,215
Capital assets, net	\$ 35,185,200	\$ 14,991,234	\$ -	\$ -	\$ 50,176,434

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets, *Continued*

	Balance June 30, 2022	Additions	Deletions	Transfers (Out) In	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 1,464,663	\$ -	\$ -	\$ -	\$ 1,464,663
Art, literature, and artifacts	50,000	-	-	-	50,000
Construction in progress	1,311,264	7,275,569	-	(3,249,085)	5,337,748
Total capital assets not being depreciated	\$ 2,825,927	\$ 7,275,569	\$ -	\$ (3,249,085)	\$ 6,852,411
Other capital assets:					
Land improvements	\$ 2,393,348	\$ 8,928	\$ -	\$ 734,007	\$ 3,136,283
Buildings	70,843,973	43,701	(100,775)	2,515,078	73,301,977
Machinery and equipment	8,085,508	621,516	(104,289)	-	8,602,735
Total other capital assets	81,322,829	674,145	(205,064)	3,249,085	85,040,995
Less accumulated depreciation for:					
Land improvements	1,041,881	158,053	-	-	1,199,934
Buildings	46,924,077	1,733,687	(100,775)	-	48,556,989
Machinery and equipment	6,471,117	584,103	(103,937)	-	6,951,283
Total accumulated depreciation	54,437,075	2,475,843	(204,712)	-	56,708,206
Other capital assets, net	\$ 26,885,754	\$ (1,801,698)	\$ (352)	\$ 3,249,085	\$ 28,332,789
Capital assets summary:					
Capital assets not being depreciated	\$ 2,825,927	\$ 7,275,569	\$ -	\$ (3,249,085)	\$ 6,852,411
Other capital assets, at cost	81,322,829	674,145	(205,064)	3,249,085	85,040,995
Total cost of capital assets	84,148,756	7,949,714	(205,064)	-	91,893,406
Less accumulated depreciation	54,437,075	2,475,843	(204,712)	-	56,708,206
Capital assets, net	\$ 29,711,681	\$ 5,473,871	\$ (352)	\$ -	\$ 35,185,200

In August 2021, the State of Wyoming approved \$1 million in funding for the Level 3 planning of a new student center project. The funding required a match of \$1 million from the College. On October 17, 2022, the College signed a Memorandum of Understanding (MOU) with the State of Wyoming State Construction Department. The MOU notes that the College will pay the department \$11,219,088, which will be combined with \$11,219,088 of Strategic Investment Projects Account funds from the State of Wyoming for the costs of the demolition of the existing building and the design, construction, geotechnics, surveying and artwork for the construction of the new Northwest College Student Center. As of June 30, 2024, the College has \$1 million remaining to pay to the State of Wyoming for its portion. The project is being managed by the State of Wyoming State Construction Department. The total project expenditures are shown above in construction in progress. Funds submitted to the State of Wyoming but not yet expended for the project are shown as advance construction payments within the Statements of Net Position.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities

Note payable: The Authority issued a \$4,480,000 Series 2015 lease revenue note payable on May 26, 2015. The note is a limited obligation of the Authority and does not constitute an obligation or guarantee of the College or of its agencies or political subdivisions. The note is unsecured, and repayments will be made through lease payments by the College for the use of the assets. This note was incurred when existing bonds payable were refinanced, which lowered future debt payments and resulted in a deferred outflow of resources.

Interest on the note is 2.56% and payable semiannually. The note requires annual principal payments through June 1, 2033.

The aggregate principal, including interest, required on the note at June 30, 2024 is as follows:

Years ending June 30:	Principal	Interest
2025	\$ 249,802	\$ 63,891
2026	256,197	57,496
2027	262,756	50,937
2028	269,482	44,211
2029	276,381	37,312
2030-2033	1,181,111	76,629
	<u>\$ 2,495,729</u>	<u>\$ 330,476</u>

Long-term liability activity, other than the note payable, for the years ended June 30, 2024 and 2023 was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
Other liabilities:					
Accrued compensated absences	\$ 541,827	\$ 720,624	\$ (735,808)	\$ 526,643	\$ 394,982
Total other liabilities	\$ 541,827	\$ 720,624	\$ (735,808)	\$ 526,643	\$ 394,982

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
Other liabilities:					
Accrued compensated absences	\$ 515,320	\$ 641,278	\$ (614,771)	\$ 541,827	\$ 406,370
Total other liabilities	\$ 515,320	\$ 641,278	\$ (614,771)	\$ 541,827	\$ 406,370

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS

Plan description: Substantially all employees of the College, excluding those participating in the Teachers Insurance and Annuity Association of America (TIAA) defined contribution plan, are provided with pensions through the Public Employee Pension Plan, a statewide cost-sharing multiple-employer defined benefit contributory retirement plan administered by the WRS. The authority to establish and amend benefits and contribution rates rests with the Wyoming State Legislature. The WRS is granted the authority to administer the plan by Wyoming State Statutes 9-3-401 through 432. The WRS issues a publicly available financial report that may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: The determination of retirement benefits is dependent upon each employee's initial employment date.

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. The formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average salary after 15 years.

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

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his/her service retirement benefit, as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor's benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Titles 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2021, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, for the years ended June 30, 2024 and 2023, the College has elected to pay 5.57% of each member's contribution in addition to the employer's contribution. Total contributions to the pension plan from the College were \$643,522 and \$642,376 for the years ended June 30, 2024 and 2023, respectively.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2024 and 2023, the College reported a liability of \$4,775,873 and \$6,199,769, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2023 and 2022, respectively. There were no assumption changes for the 2023 and 2022 actuarial valuations. The College's proportion of the net pension liability was based on the relationship of the College's total contributions to the plan for the years ended December 31, 2023 and 2022 to the contributions of all participating employers for the same period. At December 31, 2023, the College's proportion was 0.2103741%, which was a decrease from its December 31, 2022 proportion of 0.2268639%.

For the years ended June 30, 2024 and 2023, the College recognized pension (offset) of (\$663,871) and (\$169,395), respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,270	\$ 20,863	\$ 31,091	\$ 39,301
Changes in assumptions	49,024	-	166,387	-
Net difference between projected and actual earnings on pension plan investments	-	169,291	533,678	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	774,475	-	1,157,245
Contributions subsequent to the measurement date	207,687	-	200,624	-
	<u>\$ 348,981</u>	<u>\$ 964,629</u>	<u>\$ 931,780</u>	<u>\$ 1,196,546</u>

The amount of \$207,687 at June 30, 2024, reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date, is recognized as a reduction of the net pension liability in the year ending June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized in pension expense, as follows:

Years ending June 30:	
2025	\$ (613,771)
2026	(230,583)
2027	254,842
2028	(233,823)
	<u>\$ (823,335)</u>

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Actuarial assumptions: The total pension liability in the January 1, 2023 and 2022 actuarial valuations was determined using the following actuarial assumptions adopted by the WRS Board, effective at its November 17, 2021 and February 17, 2022 meetings, and applied to the December 31, 2023 and 2022 measurement dates:

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Cost of Living Increase	0.00%
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation
Pre-Retirement Mortality	Mortality rates were based on the PUB-2010 General Employee Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 100%.
Post-Retirement Mortality	Mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 103%.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Each major asset class is included in the pension plan's target asset allocation as of January 1, 2023 and 2022. These best estimates are summarized in the following tables:

Asset Class	Target Allocation	2023	
		Long-Term Expected Geometric Rate of Return	Long-Term Expected Arithmetic Rate of Return
Cash	0.50%	-0.30%	-0.30%
Gold	1.50%	2.13%	0.70%
Fixed income	20.00%	3.38%	3.80%
Equity	51.50%	6.52%	8.20%
Marketable alternatives	16.00%	4.39%	5.23%
Private real assets	10.50%	5.97%	7.48%
	<u>100.00%</u>		
Asset Class	Target Allocation	2022	
		Long-Term Expected Geometric Rate of Return	Long-Term Expected Arithmetic Rate of Return
Cash	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable alternatives	16.00%	5.14%	6.02%
Private real assets	10.50%	6.05%	7.67%
	<u>100.00%</u>		

Experience analysis: An experience study was conducted on behalf of all WRS plans covering the five-year period ended December 31, 2020. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return, and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination, and disability) and proposed assumptions consistent with the findings.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitment - WRS, *Continued*

Discount rate: The discount rate used to measure the total pension liability as of December 31, 2023 and 2022 was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate: The following presents the College's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 6.80%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 7,584,243	\$ 4,775,873	\$ 2,448,583

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report, which may be accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Note 6. Retirement Commitment - TIAA

Eligible College employees may elect to participate in TIAA instead of the WRS. TIAA is a private defined contribution pension plan that is portable to other institutions and states. For the years ended June 30, 2024 and 2023, the College's contributions to TIAA were \$888,803 and \$820,367, respectively.

Note 7. OPEB Commitment

General information about the OPEB plan:

Plan description: Eligible employees of the College are provided with OPEB through the State of Wyoming Employee Group Insurance Retiree Health Plan (the Plan), a multiple-employer defined benefit OPEB plan administered by the State of Wyoming Employee Group Insurance (EGI). Any employee of a participating employer is eligible for retiree coverage under the Plan at premium rates established by EGI, provided that:

1. The employee had coverage in effect under the Plan for at least one year prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the WRS or TIAA and either:
 - a. Has reached age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan; or

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, Continued

- b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Retirement eligibility varies under the WRS. The Public Employee Pension Plan, which is the Plan applicable to the College, requires 25 years of service credit.

The Wyoming State Legislature has the authority to establish and amend the benefit terms of the Plan. The Plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming's Annual Comprehensive Financial Report, which may be obtained from its website at <http://sao.wyo.gov/publications>.

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

Funding policy: The State finances this program on a pay-as-you-go basis, and there are no assets held in trust for pre-funding the obligations of the Plan. The Wyoming State Legislature has the authority for establishing and amending the funding policy.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2024 and 2023, the College reported a liability of \$10,414,507 and \$13,668,707, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2023 and 2022, respectively, and the total OPEB liability used to calculate the collective total OPEB liability was determined by actuarial valuations as of June 30, 2024 and 2023, respectively. The College's proportion of the collective total OPEB liability was based on a projection of the College's expected benefit payments during the measurement period attributable to retirees of the College relative to the expected benefit payments during the measurement period attributable to all retirees of the Plan, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2024, the College's proportion was 1.57450%, which was an increase from its June 30, 2023 proportion of 1.30231%.

For the years ended June 30, 2024 and 2023, the College recognized OPEB (offset) expense of (\$312,422) and \$213,982, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,210,540	\$ 2,311,957	\$ 1,343,373	\$ 1,380,847
Changes in assumptions	2,768,278	9,954,761	2,740,986	4,900,608
Change in proportionate share of expected payments	3,558,908	2,820,262	899,649	3,393,847
Expected benefit payments subsequent to measurement date	156,421	-	240,238	-
	<u>\$ 7,694,147</u>	<u>\$ 15,086,980</u>	<u>\$ 5,224,246</u>	<u>\$ 9,675,302</u>

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

The amount of \$156,421, reported as deferred outflows of resources related to OPEB resulting from expected benefit payments subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2024 will be recognized in the College's OPEB expense, as follows:

Years ending June 30:	
2025	\$ (1,379,228)
2026	(1,379,228)
2027	(1,212,615)
2028	(1,521,699)
2029	(1,200,926)
Thereafter	<u>(855,558)</u>
	<u>\$ (7,549,254)</u>

Actuarial assumptions: The total OPEB liability was determined by actuarial valuations as of June 30, 2024 and 2023 using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Measurement Dates	June 30, 2023 and 2022, respectively (based on census data as of June 30, 2023 and 2021, respectively)
Inflation	2.25%
Salary Increases	2.50%-6.50%
Mortality Rates	
Pre-Retirement:	General: Headcount-Weighted PUB-2010 General Employee, projected generationally with the two-dimensional Scale MP-2020.
	Safety: Headcount-Weighted PUB-2010 Safety Employee, projected generationally with the two-dimensional Scale MP-2020.
Post-Retirement:	General: Headcount-Weighted PUB-2010 Non-Safety Health Retiree, projected generationally with the two-dimensional Scale MP-2020.
	Safety: Headcount-Weighted PUB-2010 Safety Health Retiree, projected generationally with the two-dimensional Scale MP-2020.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

Mortality Rates, *Continued*

Disabled: General: Headcount-Weighted PUB-2010 General Disabled, projected generationally with the two-dimensional Scale MP-2020.

Safety: Headcount-Weighted PUB-2010 Safety Disabled, projected generationally with the two-dimensional Scale MP-2020.

Healthcare Cost Trend Rates

Pre-Medicare: 7.50% and 7.25%, respectively, decreasing annually until reaching the ultimate trend rate of 4.50%.

Medicare: 17.25% and 7.25%, respectively, decreasing annually until reaching the ultimate trend rate of 4.50%.

Participation Rate 55% and 65%, respectively, will elect coverage and 30% will cover a spouse.

Spouse Age Differential Males are assumed to be two years older than females.

Cost Method Entry age normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over the expected future working lifetime as defined by the GASB. The proration is determined so that the cost with respect to the service accrued from the date of hire is recognized as a level percentage of pay over the year. The normal cost is equal to the prorated cost for the year of the valuation.

Benefits Excluded Benefits related to retiree dental and life insurance have been excluded from this valuation.

The healthcare cost trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and Consumer Price Index statistics published by the Bureau of Labor Statistics.

Significant assumptions are based on an experience study that covered the five-year period ended December 31, 2020. Significant assumptions varied within the various retirement plans within the WRS.

Discount rate: The discount rate used to measure the total OPEB liability was 3.65% at June 30, 2023, which represents an increase from the discount rate of 3.54% utilized for the June 30, 2022 measurement date. As the Plan is unfunded, the Plan has no fiduciary net position from which to make future benefit payments. Therefore, the discount rate is based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

Sensitivity of the College's proportionate share of the collective total OPEB liability to changes in the discount rate: The table below presents the College's proportionate share of the collective total OPEB liability, calculated using the discount rate of 3.65%, as well as what the College's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Proportionate share of the collective total OPEB liability	\$ 12,558,185	\$ 10,414,507	\$ 8,742,591

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Pre-Medicare	6.50%	7.50%	8.50%
Medicare	16.25%	17.25%	18.25%
Proportionate share of the collective total OPEB liability	\$ 8,894,738	\$ 10,414,507	\$ 12,422,138

Note 8. Leasing Arrangements

Lessee arrangements: As of June 30, 2024 and 2023, the College has no lease arrangements as a lessee that are reasonably certain to extend beyond 12 months. As such, in accordance with GASB Statement No. 87, the College has not recorded a right-to-use lease asset, accumulated amortization, or lease liability as of June 30, 2024 or 2023.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 8. Leasing Arrangements, *Continued*

Lessor leases: The College has entered into various lease arrangements as a lessor for clinical and office space and farm land. The current lease terms conclude between February 2026 and February 2027, with all reasonably certain extensions being included in the current terms. To the extent possible, all variable payments that the College is reasonably certain to receive have been included in the lease receivable amount as of year-end. The College does not have any leases containing residual value guarantees, and therefore, no residual value guarantees have been included in the lease receivable amount as of year-end. Further, the College is not owed any commitments under leases that occurred prior to the lease terms outlined below. The College recognized \$79,493 and \$67,890 related to lease revenue during the years ended June 30, 2024 and 2023, respectively.

Future lease receivables of principal consist of the following:

Years ending June 30:	
2025	\$ 80,936
2026	<u>68,021</u>
	<u>\$ 148,957</u>

Note 9. Right-to-Use Subscription Assets and Related Subscription Liabilities

The College has SBITAs related to various right-to-use subscription assets, including cloud computing software; digital computing licenses; virtual job shadow software; internet safety software; various simulation learning software; admissions and recruiting software; information technology software; and governance, risk, and compliance software. Terms range from less than two years to six years, with start dates ranging from July 2021 to June 2024 and end dates ranging from December 2024 to June 2029. Some of these subscriptions are paid in total at the beginning of the term by the College. The College recognized right-to-use subscription assets of \$673,467 and \$150,490 at June 30, 2024 and 2023, respectively, using the prime rate in effect at the commencement of the SBITAs. The accumulated amortization on the right-to-use subscription assets was \$147,428 and \$55,103 at June 30, 2024 and 2023, respectively.

There were no outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the related subscription liabilities. There were also no significant outflows of resources recognized for other payments, including termination penalties, not previously included in the measurement of the subscription liabilities.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 9. Right-to-Use Subscription Assets and Related Subscription Liabilities, *Continued*

Future minimum subscription-based payments under the SBITAs as of June 30, 2024 are as follows:

	Principal	Interest	Total
Years ending June 30:			
2025	\$ 128,656	\$ 23,809	\$ 152,465
2026	105,441	14,089	119,530
2027	37,539	7,954	45,493
2028	42,321	4,226	46,547
2029	47,557	12	47,569
	<u>\$ 361,514</u>	<u>\$ 50,090</u>	<u>\$ 411,604</u>

There were no significant commitments under the SBITAs that existed before the commencement of the subscription terms or significant losses associated with impairment.

Note 10. Commitments and Contingencies

Amounts expended under the terms of certain grants are subject to audit and possible adjustment by governmental agencies. In the opinion of management, adjustments, if any, will not have a material effect on the accompanying financial statements. In addition, see Note 3 for commitments related to the student center project.

Note 11. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the College contracted with various insurance companies for property insurance (including machinery), general liability insurance, professional insurance, and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The College has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The College has had no significant reductions in insurance coverage from coverage in the prior year.

The College pays a premium into the State of Wyoming's workers' compensation system for hazardous employees based on a rate per covered payroll. This annual rate is calculated based on accident history and administrative costs. For nonhazardous employees, the College purchases a third-party workers' compensation policy, in which annual premiums are based on historical accident history, administrative costs and estimated annual covered payroll.

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 12. Custodial Deposits

The College holds funds collected by various student groups. A liability for these funds is included in current liabilities in the accompanying Statements of Net Position. The following summarizes activity within the Student Activity Funds during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Beginning of year	<u>\$ 285,071</u>	<u>\$ 262,335</u>
Additions:		
Student fees	121,994	126,974
Interest	35,814	2,531
Donations	7,712	21,924
Other	438,716	430,632
Scholarships and grants	1,997,089	2,081,262
Total additions	<u>2,601,325</u>	<u>2,663,323</u>
Deductions:		
Supplies	22,467	6,924
Printing	283	613
Contractual	1,500	2,000
Scholarships and grants	1,901,613	1,933,595
Various	624,402	697,455
Total deductions	<u>2,550,265</u>	<u>2,640,587</u>
End of year	<u><u>\$ 336,131</u></u>	<u><u>\$ 285,071</u></u>

NORTHWEST COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 13. Natural Classifications With Functional Classifications

The College's operating expenses by natural classification were as follows for June 30:

Functional Classification	2024				
	Natural Classification				
	Compensation and Benefits	Supplies and Services	Amortization and Depreciation	Scholarships	Total
Instruction	\$ 6,446,075	\$ 801,459	\$ -	\$ -	\$ 7,247,534
Public service	105,657	95,702	-	-	201,359
Academic support	703,478	850,622	-	-	1,554,100
Student services	2,388,584	1,318,812	-	-	3,707,396
Institutional support	2,994,162	2,254,763	-	-	5,248,925
Operation and maintenance of plant	1,509,583	1,345,482	-	-	2,855,065
Scholarships	-	-	-	540,282	540,282
Auxiliary enterprises	599,031	2,276,509	-	-	2,875,540
Amortization	-	-	129,571	-	129,571
Depreciation	-	-	2,530,144	-	2,530,144
Total operating expenses	\$ 14,746,570	\$ 8,943,349	\$ 2,659,715	\$ 540,282	\$ 26,889,916

Functional Classification	2023				
	Natural Classification				
	Compensation and Benefits	Supplies and Services	Amortization and Depreciation	Scholarships	Total
Instruction	\$ 6,694,538	\$ 590,471	\$ -	\$ -	\$ 7,285,009
Public service	127,244	73,528	-	-	200,772
Academic support	700,848	790,301	-	-	1,491,149
Student services	2,586,689	1,270,774	-	-	3,857,463
Institutional support	2,823,904	1,370,263	-	-	4,194,167
Operation and maintenance of plant	1,588,785	1,205,862	-	-	2,794,647
Scholarships	-	-	-	581,128	581,128
Auxiliary enterprises	780,374	2,234,506	-	-	3,014,880
Amortization	-	-	55,103	-	55,103
Depreciation	-	-	2,475,843	-	2,475,843
Total operating expenses	\$ 15,302,382	\$ 7,535,705	\$ 2,530,946	\$ 581,128	\$ 25,950,161

REQUIRED SUPPLEMENTARY INFORMATION

NORTHWEST COLLEGE

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan

Last 10 Fiscal Years*

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.345549783%	\$ 6,097,890	\$ 6,042,994	100.91%	79.08%
2016	0.327364883%	7,625,467	5,880,121	129.68%	73.40%
2017	0.327219500%	7,910,532	5,852,723	135.16%	73.42%
2018	0.303276300%	6,912,699	5,329,146	129.71%	76.35%
2019	0.318540300%	9,700,478	5,542,349	175.02%	69.17%
2020	0.321510400%	7,555,257	5,724,305	131.99%	76.83%
2021	0.302105700%	6,565,844	5,503,813	119.30%	79.24%
2022	0.263243300%	4,013,727	4,808,064	83.48%	86.03%
2023	0.226863900%	6,199,769	4,303,091	144.08%	75.47%
2024	0.210374100%	4,775,873	4,231,330	112.87%	80.19%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

NORTHWEST COLLEGE

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS

Public Employee Pension Plan

Last 10 Fiscal Years

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 452,233	\$ 452,233	\$ -	\$ 5,934,819	7.62%
2016	487,234	487,234	-	5,821,196	8.37%
2017	469,367	469,367	-	5,607,730	8.37%
2018	442,922	442,922	-	5,291,780	8.37%
2019	503,198	503,198	-	5,865,918	8.58%
2020	484,554	484,554	-	5,462,841	8.87%
2021	490,765	490,765	-	5,381,192	9.12%
2022	406,199	406,199	-	4,335,097	9.37%
2023	402,473	402,473	-	4,295,336	9.37%
2024	403,539	403,539	-	4,306,713	9.37%

See Notes to Required Supplementary Information.

NORTHWEST COLLEGE

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY

State of Wyoming Employee Group Insurance Retiree Health Plan
Last Seven Fiscal Years*

	College's Proportion of the Total OPEB Liability	College's Proportionate Share of the Total OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	1.58329%	\$ 12,523,691	N/A	N/A	0.00%
2019	1.63359%	16,653,561	N/A	N/A	0.00%
2020	1.48119%	14,012,152	N/A	N/A	0.00%
2021	1.47021%	19,210,344	N/A	N/A	0.00%
2022	1.55615%	20,521,403	N/A	N/A	0.00%
2023	1.30231%	13,688,707	N/A	N/A	0.00%
2024	1.57450%	10,414,507	N/A	N/A	0.00%

* This schedule is to be built prospectively until it contains 10 years of data.

See Notes to Required Supplementary Information.

NORTHWEST COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Retirement Commitment - Wyoming Retirement System (WRS)

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2023 measurement date.

Changes in assumptions: Healthcare trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the WRS's December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2023 measurement date, as indicated in the table below:

Measurement Date (Plan Year-End)	Discount Rate	Inflation Rate	Investment Rate of Return	Salary Increase Rate (Including Inflation)	Payroll Growth Rate	Cost of Living Increases
2014	7.75%	3.25%	7.75%	4.25%-6.00%	4.25%	0.00%
2015	7.75%	3.25%	7.75%	4.25%-6.00%	4.25%	0.00%
2016	7.75%	3.25%	7.75%	4.25%-6.00%	4.25%	0.00%
2017	7.75%	3.25%	7.75%	4.25%-6.00%	4.25%	0.00%
2018	7.00%	2.25%	7.00%	4.25%-6.00%	2.50%	0.00%
2019	7.00%	2.25%	7.00%	2.50%-6.50%	2.50%	0.00%
2020	7.00%	2.25%	7.00%	2.50%-6.50%	2.50%	0.00%
2021	6.80%	2.25%	6.80%	2.50%-6.50%	2.50%	0.00%
2022	6.80%	2.25%	6.80%	2.50%-6.50%	2.50%	0.00%
2023	6.80%	2.25%	6.80%	2.50%-6.50%	2.50%	0.00%

Note 2. Other Postemployment Benefits Commitment

Changes in benefit terms: There were no changes in benefit terms between the June 30, 2016 and June 30, 2023 measurement dates.

NORTHWEST COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 2. Other Postemployment Benefits Commitment, *Continued*

Changes in assumptions: The Plan has experienced the following changes in assumptions:

Measurement Date (Year Ended)	Discount Rate	Inflation Rate	Salary Increase Rate	Pre-Medicare HTC*	Medicare HTC*
2016	2.85%	2.50%	2.50%-6.50%	6.50%	7.50%
2017	3.58%	2.50%	2.50%-6.50%	6.50%	7.50%
2018	3.87%	2.25%	2.50%-6.50%	7.60%	8.10%
2019	3.51%	2.50%	2.50%-6.50%	7.20%	7.60%
2020	2.21%	2.25%	2.50%-6.50%	7.20%	7.60%
2021	2.16%	2.25%	2.50%-6.50%	7.50%	7.50%
2022	3.54%	2.25%	2.50%-6.50%	7.25%	7.25%
2023	3.65%	2.25%	2.50%-6.50%	7.50%	17.25%

* Healthcare trend rate.

In addition, the following assumptions are updated annually as necessary:

- Healthcare claims costs based on recent experience.
- Retiree contributions.
- Healthcare trend rates.
- Spouse age differential.
- Mortality rates, retirement rates, withdrawal rates, and disability rates based on the WRS's December 31, 2020 actuarial experience study.

SUPPLEMENTARY INFORMATION

NORTHWEST COLLEGE

COMBINING SCHEDULE OF NET POSITION

June 30, 2024

	Northwest College	Northwest College Building Authority	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 19,007,910	\$ 33,929	\$ -	\$ 19,041,839
Cash and cash equivalents, restricted	7,167,325	-	-	7,167,325
Accounts receivable, net	1,575,145	-	-	1,575,145
Current maturities of investment in direct financing lease	-	249,802	(249,802)	-
Interest receivable	-	54,896	(54,896)	-
Property taxes receivable	4,003,994	-	-	4,003,994
Current portion of lease receivable	80,936	-	-	80,936
Advance construction payments	840,632	-	-	840,632
Prepays	170,313	-	-	170,313
Total current assets	32,846,255	338,627	(304,698)	32,880,184
Noncurrent Assets				
Investment in direct financing lease, less current maturities	-	2,245,927	(2,245,927)	-
Capital assets, net	50,176,434	-	-	50,176,434
Lease receivable, less current portion	68,021	-	-	68,021
Right-to-use subscription assets, net	526,039	-	-	526,039
Investments held by others	16,521,060	-	-	16,521,060
Total noncurrent assets	67,291,554	2,245,927	(2,245,927)	67,291,554
Total assets	100,137,809	2,584,554	(2,550,625)	100,171,738
DEFERRED OUTFLOWS OF RESOURCES				
Pension-Related Deferred Outflows	348,981	-	-	348,981
OPEB-Related Deferred Outflows	7,694,147	-	-	7,694,147
Debt Defeasance	-	79,134	-	79,134
Capital Lease Defeasance	52,858	-	(52,858)	-
Total deferred outflows of resources	8,095,986	79,134	(52,858)	8,122,262

Continued

NORTHWEST COLLEGE

COMBINING SCHEDULE OF NET POSITION, *Continued* June 30, 2024

	Northwest College	Northwest College Building Authority	Eliminations	Total
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 1,305,669	\$ -	\$ -	\$ 1,305,669
Payroll and related liabilities	678,928	-	-	678,928
Accrued compensated absences	394,982	-	-	394,982
Accrued interest payable	65,391	5,324	(54,896)	15,819
Advance payments	170,260	-	-	170,260
Unearned mineral production receipts	1,554,082	-	-	1,554,082
Custodial deposits	336,131	-	-	336,131
Capital lease obligation	249,802	-	(249,802)	-
Current maturities of note payable	-	249,802	-	249,802
Current maturities of subscription liabilities	128,656	-	-	128,656
Total current liabilities	4,883,901	255,126	(304,698)	4,834,329
Noncurrent Liabilities				
Accrued compensated absences	131,661	-	-	131,661
Capital lease obligation	2,245,927	-	(2,245,927)	-
Note payable, less current maturities	-	2,245,927	-	2,245,927
Net pension liability	4,775,873	-	-	4,775,873
Total OPEB liability	10,414,507	-	-	10,414,507
Subscription liabilities, less current maturities	232,858	-	-	232,858
Total noncurrent liabilities	17,800,826	2,245,927	(2,245,927)	17,800,826
Total liabilities	22,684,727	2,501,053	(2,550,625)	22,635,155
DEFERRED INFLOWS OF RESOURCES				
Pension-Related Deferred Inflows	964,629	-	-	964,629
OPEB-Related Deferred Inflows	15,086,980	-	-	15,086,980
Lease Deferred Inflows	148,957	-	-	148,957
Unavailable Property Taxes	3,638,020	-	-	3,638,020
Capital Lease Defeasance	-	52,858	(52,858)	-
Total deferred inflows of resources	19,838,586	52,858	(52,858)	19,838,586
NET POSITION				
Net Investment in Capital Assets	47,693,254	(2,416,595)	2,442,871	47,719,530
Restricted				
Non-expendable	10,801,707	-	-	10,801,707
Expendable:				
Scholarships	7,594,721	-	-	7,594,721
Capital projects	2,211,289	-	-	2,211,289
Unrestricted	(2,590,489)	2,526,372	(2,442,871)	(2,506,988)
Total net position	\$ 65,710,482	\$ 109,777	\$ -	\$ 65,820,259

NORTHWEST COLLEGE

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2024

	Northwest College	Northwest College Building Authority	Eliminations	Total
Operating Revenues				
Tuition and fees, net	\$ 3,740,174	\$ -	\$ -	\$ 3,740,174
Federal grants and contracts	1,570,661	-	-	1,570,661
State and local grants and contracts	930,300	-	-	930,300
Auxiliary enterprise charges, net	2,607,468	-	-	2,607,468
Other operating revenues	486,199	-	-	486,199
Total operating revenues	9,334,802	-	-	9,334,802
Operating Expenses				
Instruction	7,247,534	-	-	7,247,534
Public service	201,359	-	-	201,359
Academic support	1,554,100	-	-	1,554,100
Student services	3,707,396	-	-	3,707,396
Institutional support	5,248,925	-	-	5,248,925
Operation and maintenance of plant	2,844,272	10,793	-	2,855,065
Scholarships	540,282	-	-	540,282
Auxiliary enterprises	2,875,540	-	-	2,875,540
Amortization	129,571	-	-	129,571
Depreciation	2,530,144	-	-	2,530,144
Total operating expenses	26,879,123	10,793	-	26,889,916
Operating (loss)	(17,544,321)	(10,793)	-	(17,555,114)
Nonoperating Revenues (Expenses)				
Non-exchange Federal and state grants	2,140,372	-	-	2,140,372
State appropriations	22,751,971	-	-	22,751,971
Local appropriations	5,801,283	-	-	5,801,283
Private gifts, grants, and contracts	3,510,711	-	-	3,510,711
Net investment income	1,957,240	10,468	-	1,967,708
Direct financing income	-	77,951	(77,951)	-
Interest expense	(88,446)	(69,606)	77,951	(80,101)
Gain on sale of assets	8,498	-	-	8,498
Total nonoperating revenues	36,081,629	18,813	-	36,100,442
Increase in net position	18,537,308	8,020	-	18,545,328
Net Position, beginning of year	47,173,174	101,757	-	47,274,931
Net Position, end of year	\$ 65,710,482	\$ 109,777	\$ -	\$ 65,820,259

NORTHWEST COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Direct Student Loans	N/A	84.268	\$ 660,092
Federal Pell Grant Program	N/A	84.063	1,233,861
Federal Work-Study Program	N/A	84.033	31,776
Federal Supplemental Educational Opportunity Grants	N/A	84.007	50,810
Total Student Financial Assistance Cluster			<u>1,976,539</u>
TRIO Cluster:			
TRIO Student Support Services	P042A201943	84.042A	334,104
Total TRIO Cluster			<u>334,104</u>
Passed through Wyoming Community College Commission:			
Adult Education - Basic Grants to States	AE/State21R05	84.002A	69,421
Passed through Wyoming Department of Education:			
Career and Technical Education - Basic Grants to States	1550PPS23	84.048A	115,115
Passed through University of Wyoming:			
Gaining Early Awareness and Readiness for Undergraduate Programs	Multiple	84.334S	171,019
Passed through Montana State University Billings:			
Undergraduate International Studies and Foreign Language Programs	Multiple	84.016	16,755
Total other programs			<u>372,310</u>
Total U.S. Department of Education			<u>2,682,953</u>
U.S. Department of Health and Human Services:			
Research and Development Cluster:			
Passed through University of Wyoming:			
Biomedical Research and Research Training	N/A	93.859	119,285
Total Research and Development Cluster			<u>119,285</u>
Total U.S. Department of Health and Human Services			<u>119,285</u>
U.S. Department of Labor:			
477 Cluster:			
Passed through Park County Commissioners:			
Temporary Assistance for Needy Families	N/A	93.558	16,800
Total 477 Cluster			<u>16,800</u>
Total U.S. Department of Labor			<u>16,800</u>

Continued

NORTHWEST COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures
National Aeronautics and Space Administration:			
Passed through Wyoming NASA Space Grant Consortium:			
Science Mission Directorate	NNX15AI08H	43.001	\$ 6,571
Total National Aeronautics and Space Administration			<u>6,571</u>
U.S. Department of the Treasury:			
Passed through Wyoming Community College Commission:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	681,682
Passed through Wyoming Department of Workforce Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	43,751
Total U.S. Department of the Treasury			<u>725,433</u>
U.S. Department of Commerce:			
Economic Development Cluster:			
Passed through University of Wyoming:			
Economic Adjustment Assistance	N/A	11.307	20,057
Total Economic Development Cluster			<u>20,057</u>
Total U.S. Department of Commerce			<u>20,057</u>
Total expenditures of Federal awards			<u>\$ 3,571,099</u>

See Notes to Schedule of Expenditures of Federal Awards.

NORTHWEST COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the accompanying Northwest College (the College) Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College provided no Federal funds to subrecipients.

Note 2. De Minimis Cost Rate

The College did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Basis of Presentation

The Schedule includes Federal award activity of the College under programs of the Federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the College.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Northwest College
Powell, Wyoming

We have audited, 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 (*Government Auditing Standards*), the financial statements of the business-type activities of Northwest College (the College) as of and for the year ended June 30, 2024, and its discretely presented component unit, the Northwest College Foundation (the Foundation), as of and for the 18-month period ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon, dated December 10, 2024. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

The College's Response to the Finding

Government Auditing Standards require the auditor to perform limited procedures on the College's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cheyenne, Wyoming
December 10, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
Northwest College
Powell, Wyoming

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Northwest College's (the College) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on the College's major Federal program for the year ended June 30, 2024. The College's major Federal program is identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major Federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major Federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's major Federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 10, 2024

NORTHWEST COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major Federal program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major Federal program:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 Code of Federal Regulations 200.516(a)?

☐ Yes ☒ No

Identification of major Federal program:

Assistance Listing
Number

Name of Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

NORTHWEST COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2024

II. FINANCIAL STATEMENT FINDINGS

2024-001: Internal Controls and Audit Adjustment to Investments Held by Others (Significant Deficiency)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to Northwest College's (the College) financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Fundamental concepts in an adequate system of internal control are the identification and prevention or detection of errors on a timely basis.

Condition/context: An adjustment of approximately \$450,000 was made to increase investments held by others and investment income. The adjustment represents earnings on the original investment endowed in fiscal year 2007.

Cause: The College was not recording earnings from the Excellence in Higher Education Endowment investment that was held by the Northwest College Foundation (the Foundation).

Effect: Prior to the proposed audit adjustment, the College's financial statements did not appropriately reflect the investments held by the Foundation that are due to the College in accordance with Wyoming State Statute 21-16-1203, *Excellence in Higher Education Endowment Account Distributions to Wyoming Community Colleges*.

Recommendation: We recommend that the College establish an internal reconciliation process to ensure that its records match the Foundation's records and that it accurately reflects all funds due to the College within its investments held by other financial accounts.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

NORTHWEST COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS

There were no financial statement findings for the year ended June 30, 2023.

II. FEDERAL AWARD PRIOR AUDIT FINDINGS

There were no Federal award findings for the year ended June 30, 2023.

EXHIBIT I

CORRECTIVE ACTION PLAN

**CORRECTIVE ACTION PLAN
Year Ended June 30, 2024**

The following is the corrective action plan for the Schedule of Findings and Questioned Costs:

2024-001: Internal Controls and Adjustment to Investments Held by Others

Corrective Action: Northwest College (the College) will perform a review of its current procedures for reconciling investments held by others, including timing, and frequency of controls. The College will determine if improvements to existing controls are sufficient or if additional controls are needed. The College will implement controls sufficient to identify adjusting journal entries related to investments held by others that are significant to the College's financial statements.

Anticipated Completion Date: June 30, 2025

Contact Person: Mark Grant, Finance Director