

Financial Statements
June 30, 2025

Northern Wyoming Community College District

Northern Wyoming Community College District

Table of Contents

June 30, 2025

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position.....	14
Statement of Cash Flows	15
Statement of Financial Position – Component Unit	17
Statement of Activities – Component Unit	18
Notes to Financial Statements	19
Required Supplementary Information	
Schedule of Employer's Share of Net Pension Liability and Employer Contributions	51
Schedule of Employer's Share of Total OPEB Liability and Employer Contributions	52
Other Information	
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 <i>Government Auditing Standards</i>	53
Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance	55
Schedule of Expenditures of Federal Awards	58
Notes to Schedule of Expenditures of Federal Awards	60
Schedule of Findings and Questioned Costs	61



Independent Auditor's Report

To the Board of Trustees
Northern Wyoming Community College District
Sheridan, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Northern Wyoming Community College District (the District), as of and for the year ended June 30, 2025, 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 and the discretely presented component unit of the District, as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 District, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 District's ability to continue as a going concern for twelve 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 District'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 District'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 the management's discussion and analysis, the schedule of employer's share of net pension liability and employer contributions, and the schedule of employer's share of net OPEB liability and employer contributions (collectively referred to as RSI) as noted in the table of contents, 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 audit of the basic financial statements. We do not express an opinion

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. 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* is 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, the schedule of expenditures of federal awards 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 9, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

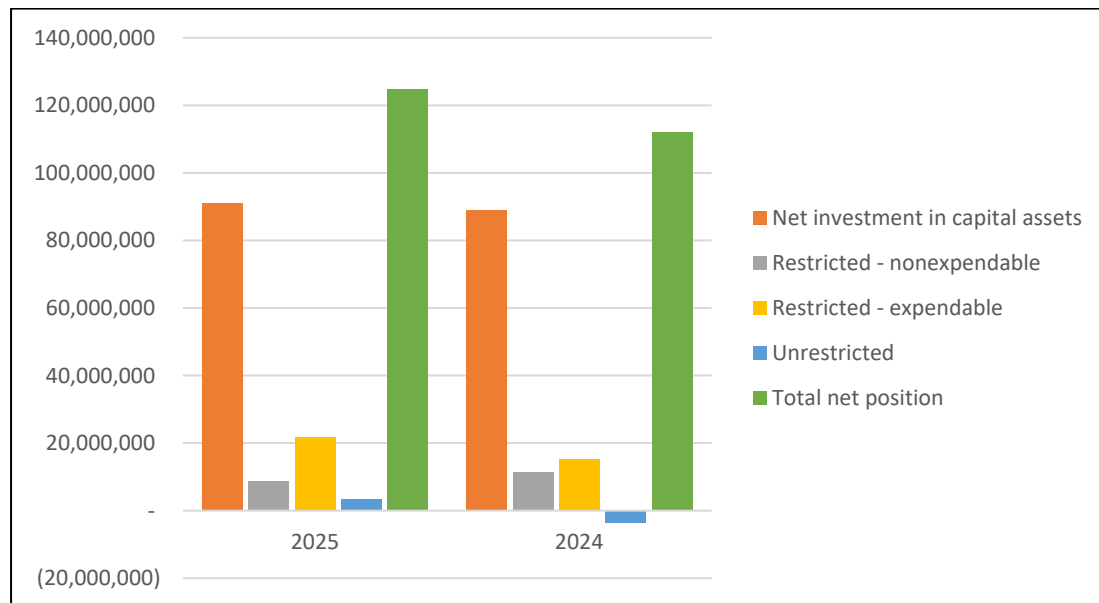
A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
December 9, 2025

The following discussion and analysis provides an overview of the financial position and activities of the Northern Wyoming Community College District (the District) for the fiscal year ended June 30, 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying footnotes, which follow this section.

Financial Highlights

The District's total net position by category for the fiscal years ended June 30, 2025 and 2024 is shown below:



The District's overall financial position increased by \$12.9 million or 11.5% during fiscal year 2025. The categories of net position changed with the most significant increase in unrestricted net position, 199%. Restricted expendable net position had an increase of 21.5%, net investment in capital assets had a slight increase of 2.3% and restricted non-expendable net position had a slight increase of 3.4%. Net position equals total assets plus deferred outflows minus total liabilities plus deferred inflows. As of June 30, 2025, the District's unrestricted net position was a positive \$3.6 million, primarily due to the decreased share of the State's retiree health insurance liability and net pension liability which are \$8.1 million and \$9 million, respectively, down from \$12.4 million and \$10.8 million in 2024. This reduction of liability causes an increase from the 2024 unrestricted net position amount of negative \$3.6 million.

Using the Financial Statements

This report consists of three basic financial statements, presented for the District. The statements presented are:

- **The Statements of Net Position:** presents the financial position at the end of the fiscal year and includes all assets, deferred outflows, liabilities, and deferred inflows. The difference between total assets plus deferred outflows and total liabilities plus deferred inflows is net position, which is one indicator of the financial health of the District. This statement is akin to the Balance Sheet of a commercial business. In addition to assets and liabilities, the Statements of Net Position includes deferred outflows and deferred inflows of future resources. Deferred outflows represent a consumption of resources that apply to future periods (similar to a prepaid asset). Deferred inflows represent an acquisition of net position that will not be recognized as an inflow of resources until future periods (similar to advanced revenue).
- **The Statements of Revenues, Expenses, and Changes in Net Position:** presents the results of operations, revenue and expense, broken down between operating and non-operating sources. Revenues are presented by source, and expenses are presented by functional area, a method of categorizing expenses based on their purpose rather than the nature of the expense. This statement is akin to the income statement of a commercial business.
- **The Statements of Cash Flows:** presents relevant information about the cash receipts and cash payments of the District during the fiscal year.

These statements are prepared in accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) pronouncements. The District, like other public colleges and universities, uses a fund accounting system for daily and monthly tracking of assets, liabilities, funds balances, revenues, and expenses. Funds are determined by the source of revenue and the nature of the expenditures from that revenue. The District's funds are comprised of the following:

- | | |
|-----------------------------|---|
| • Operating | • BOCHES |
| • Auxiliary | • Strategic Investment Project Account (SIPA) |
| • One-Mill | • Endowment |
| • Grants, Gifts & Contracts | • Plant |

These funds are combined for year-end reporting purposes. Certain inter-fund eliminations, adjustments for capital items and depreciation, and the recognition of scholarship discounts against tuition and fee revenues are necessary to comply with GASB pronouncements. These adjustments convert the fund accounting records, which are on a modified accrual basis (current financial resources measurement focus, which only includes current financial resources) to combined financial statements, which are on a full accrual basis (economic resources measurement focus, which includes all economic resources, such as capital assets and long-term debt).

Component Unit

The Northern Wyoming Community College Foundation dba Sheridan College Foundation (the Foundation) is considered a component unit because its primary concern is to support the district. A summary of the Foundation's financial data is included in these reports. Complete financial statements for the District's component unit can be obtained by calling the Foundation at 307-675-0700.

Condensed Financial Statement Information

A summarized comparison of the District's assets, deferred outflows, liabilities, deferred inflows and net position is presented below:

	<u>Net Position</u>		
	<u>2025</u>	<u>% Chg</u>	<u>2024</u>
Current assets	\$ 36,211,473	-0.4%	\$ 36,362,138
Noncurrent assets other than capital assets	40,622,557	2.8%	39,509,518
Capital assets (property, plant & equipment)	113,541,379	-0.2%	113,822,916
Total assets	190,375,409	0.4%	189,694,572
Deferred outflow (net pension and OPEB)	8,083,771	-27.3%	11,114,287
Current liabilities	12,092,501	-32.7%	17,981,113
Noncurrent liabilities	37,343,344	-18.5%	45,823,929
Total liabilities	49,435,845	-22.5%	63,805,042
Deferred inflows (property taxes, net pension, and OPEB)	23,917,806	-3.7%	24,831,513
Net position			
Net investment in capital assets	90,967,288	2.3%	88,911,746
Restricted - nonexpendable	11,882,737	3.4%	11,493,306
Restricted - expendable	18,675,947	21.5%	15,367,061
Unrestricted	3,579,557	-199.4%	(3,599,809)
Total net position	\$ 125,105,529	11.5%	\$ 112,172,304

Total current assets and capital assets decreased slightly while noncurrent assets increased from 2024 to 2025. The small increase in noncurrent assets (not including capital assets) was 2.8% or \$1.1 million. Noncurrent assets include restricted cash and cash equivalents, endowment assets received from the State and invested by the Foundation, and unrestricted investments held by the District. The increase in noncurrent assets is primarily due to the recognition of \$836 thousand in earnings on the state match endowment investment accounts held by the Sheridan College Foundation and the Gillette College Foundation.

Current assets consist of cash and cash equivalents, accounts receivable net of allowance for doubtful accounts, and property taxes receivable. Current assets remained relatively the same with only a .4% decrease or \$151 thousand. Capital assets of \$113.5 million (a decrease of \$282 thousand from 2024) consist of land, buildings, building improvements, and library books. Decreases in capital assets are due to depreciation and retirements.

Current liabilities consist primarily of accounts payable, accrued expenses, and advanced revenue as well as the current portion due on bonds payable. Current liabilities decreased by \$5.9 million or 27.3%. Advanced revenue decreased by \$1.8 million due to the use of previous cash received for restricted purposes, primarily from the Wyoming Innovation Partnership (WIP), an initiative from Governor Gordon's office that began in 2021 with a goal to modernize and focus Wyoming's efforts to develop a resilient workforce and economy. WIP is a collaboration to align education and workforce development to support innovation, entrepreneurship, and research with a goal to help drive Wyoming's economy. The District received funding from WIP Phase II in the areas of Advanced Manufacturing, Manufacturing Incubator, Construction Trades, Hospitality & Tourism, Software Development and Creative Economy/Business Startup. In addition, the District received a small subaward of WIP funding in Virtual Reality Instructional Technology and Strategies. The significant decrease in accounts payable from 2024 to 2025 is largely due to a change in timing of the voluntary transfer of a portion of Gillette campus generated revenue, to the Gillette Community College District (GCCD).

Noncurrent liabilities consist primarily of bonds payable, net pension liability, and net retiree health liability (OPEB – other post-employment benefits). Noncurrent liabilities decreased by \$8.4 million (18.5%) from 2024 to 2025. Long-term debt decreased by \$2.3 million due to scheduled repayments. The long-term debt primarily relates to the bonds on the Tech Center, Mars Ag Center and Whitney Center for the Arts. These bonds are paid entirely with funding received from Whitney Benefits. The total OPEB liability (other post-employment benefits – retiree health insurance plan) decreased by \$4.3 million. The \$9 million net pension liability (a decrease of \$1.8 million from the prior year) represents the District's proportionate share of the total net pension liability for our employees participating in the Wyoming Retirement System (WRS). Thankfully, the WRS has never failed to pay the required contributions and has been willing to raise rates and modify benefits as prudent analysis indicated. See Notes 9 and 10 for more detailed information.

Deferred outflows related to the pension and retiree health plans decreased by 27.3% or \$3.0 million. Deferred inflows related to the pension and retiree health plans decreased by 1.2% or \$242 thousand, in addition to a decrease of \$672 thousand (16.4%) related to property taxes.

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows as of June 30, 2025, by \$125.1 million. Net investment in capital assets of \$91.0 million are capital assets of \$113.5 million less \$22.5 million of debt owed to finance these assets.

A summarized comparison of the District's net income before other revenues and expenses is presented below:

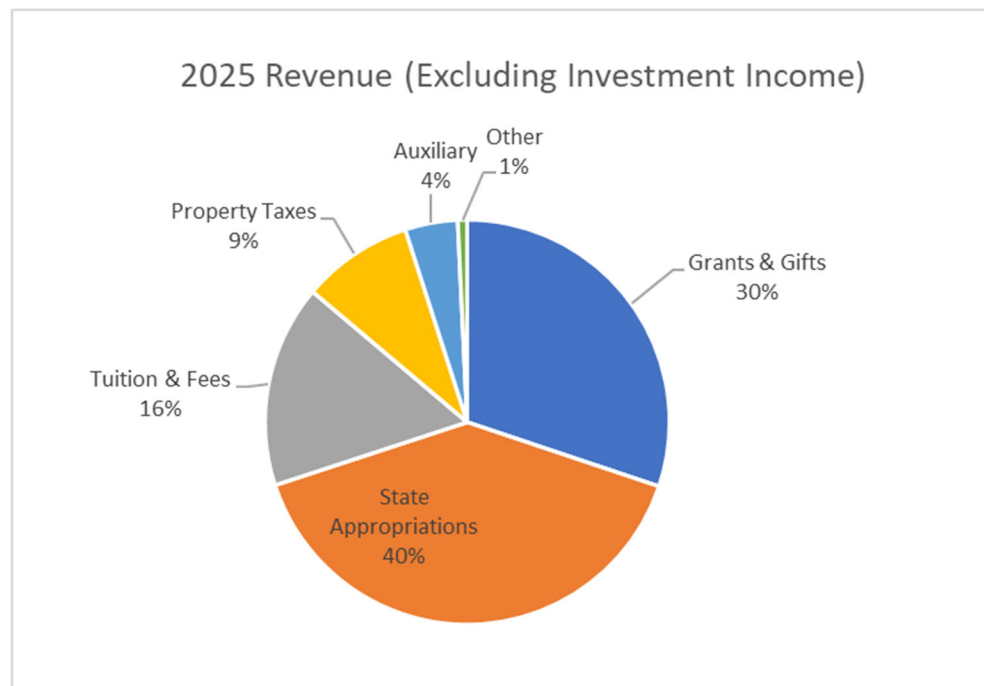
	<u>Revenues and Expenses</u>		
	<u>2025</u>	<u>% Chg</u>	<u>2024</u>
Operating revenues	\$ 23,795,934	-0.3%	\$ 23,857,262
Operating expenses	<u>41,630,970</u>	-2.2%	<u>42,557,086</u>
Operating loss	(17,835,036)	-4.6%	(18,699,824)
Nonoperating revenues	34,859,393	8.8%	32,040,350
Nonoperating expenses	<u>4,091,132</u>	3.7%	<u>3,944,648</u>
Gain (loss) before other revenues & expenses	<u>\$ 12,933,225</u>	37.6%	<u>\$ 9,395,878</u>

In fiscal year 2025, 59% of District revenues are considered non-operating revenues while 41% are considered operating in nature (fiscal year 2024 was 57% and 43%, respectively), while most of the District's expenses are considered operating expenses. The difference in the classification is an exchange or exchange-like transaction, where value is given for value received. The state appropriation and local taxes are non-exchange revenues, where the District receives value without directly giving equal value in exchange. In contrast, tuition and fees is an exchange transaction, where students pay the District and receive educational services in return. This required classification of revenues causes the District to show an operating loss. The small change in distribution is attributable to increases in State appropriations (\$2.1 million) due to a fixed and variable cost adjustment. Property tax revenue (\$230 thousand), Federal grants for student aid (\$317 thousand) and a small increase in Investment gain (\$127 thousand) of which \$836 thousand is earnings on the state match endowment investment accounts held by the Sheridan College Foundation and the Gillette College Foundation.

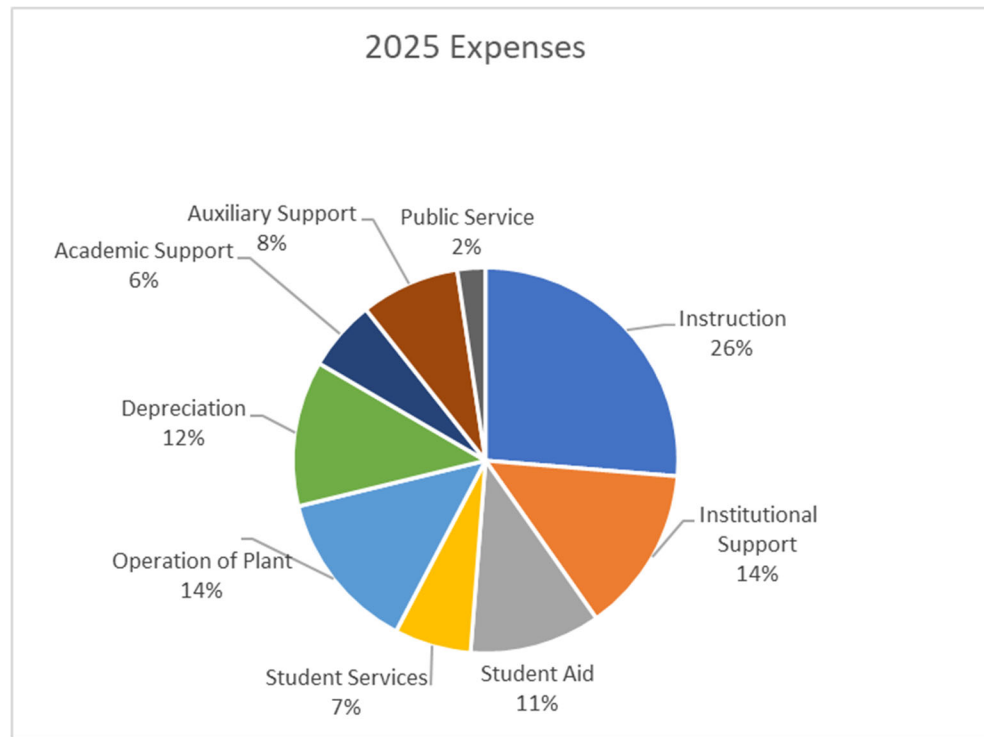
Operating revenues include tuition and fees, auxiliary sales and services, some federal, state and private grants, and other operating revenues. Overall operating revenue decreased slightly by \$61 thousand (-0.3%) between fiscal year 2024 and 2025. The largest decrease in operating revenue was Federal grants (\$525 thousand) offset by an increase in State grants (\$545 thousand). The increase in tuition and fees revenue of \$432 thousand was offset by decreases in Auxiliary sales (\$250 thousand) and private revenue (\$260 thousand).

All expenses of the District are considered operating expenses, with the exception of interest expense on debt, investment losses and transfer of funds and assets to GCCD, which are nonoperating expenses. Total operating expenses decreased by 2.2% or \$926 thousand, however, these figures are impacted significantly by the financial statement entries to report the pension and retiree health plans required by GASB 68 and 75. Items to note are that Institutional Support and Operation of Plant, before adjusting for the pension and retiree health plans, increased by \$949 thousand and \$246 thousand over 2024, respectively, showing our investment in our educational programs and our facilities. Also, Auxiliary Support expenses increased by \$1.0 million due to payment on the renovation of the HVAC system in South Hall.

District revenues for 2025 are presented in the chart below. The composition of revenues remained relatively stable between fiscal categories. State appropriations saw the largest increase of 2%, with Grants & Gifts and Auxiliary decreasing by 1% each. All other categories of revenue remained consistent with no change from 2024.



Operating expenses by function for 2025 are presented in the chart below. The composition of expenses remained relatively stable between functional categories with the largest changes being a decrease in Instructional of -4%, an increase in Auxiliary Support of 2%. With the exception of Student Services, which was unchanged from 2024 to 2025, all other categories shifted up or down by 1%.



Capital and Debt Analysis

During fiscal year 2025, total capital assets, net of depreciation and amortization, decreased by \$282 thousand. The decrease was due to increased depreciation expense with the Perkins Health Science Center now included in total capital assets as well as equipment retirements. See Note 4 for more information.

As of June 30, 2025, the District had bonds and notes payable outstanding related to construction in the amount of \$24.9 million compared to \$22.6 million as of June 30, 2024. The decrease is due to scheduled debt payments. Please see Note 5 for more information.

Pledges from Whitney Benefits cover 100% of the debt service on the \$29.4 million of bonds issued in 2016 and 58% of the annual payment toward the loan from the Wyoming State Lands and Investments Board (SLIB) on the Centennial Hall housing unit (with the final payment due November 2043). The remainder of the payment on the SLIB loan is covered by the housing auxiliary. The debt on Inspiration Hall is covered by the obligation of GCCD to pay out the remaining debt as outlined in MOU Exhibit A. See Note 13 for more information.

Future Economic Outlook

The economic position of the District is closely tied to that of the State and the assessed value in Sheridan County. The assessed value of Sheridan County declined substantially from 2010-2017, resulting in an annual loss of 4-mill revenue of \$1.5 million, which the District had successfully absorbed. Over the past six fiscal years, the assessed value in Sheridan County has been increasing with substantial increases in 2023 and 2024 however that valuation decreased in fiscal year 2025. Wyoming state legislators have taken steps to address the issue of increasing property taxes by passing bills to limit the inflationary amount. These steps are part of an effort to reduce the inflationary adjustments that have led to double-digit percentage increases of assessed valuations across many counties in Wyoming over the past two years.

In November 2020, the Wyoming Community College Commission (WCCC) voted affirmatively to allow Campbell County to create its own community college district. On August 17, 2021, Campbell County voters approved the formation of a new Gillette Community College District (GCCD). With that vote, GCCD became a recognized community college district in the State of Wyoming but is not yet an accredited college. The accreditation process could take 3 to 5 years. The separation of GCCD from the Northern Wyoming Community College District is currently estimated, by the WCCC, in a loss of approximately \$3 million annually in State funding due to the loss of Gillette's enrollment. The fiscal year 2025 financial statements show very little activity related to the separation of the Gillette College Campus except for the voluntary sharing of tuition and fee revenue that is generated by the students on the Gillette campus. Employees based on the Gillette Campus have all been transferred to GCCD with the final group of faculty that transferred August 15, 2023. In addition, MOU Exhibit B, addressing management, responsibility and ownership of property and capital investments, was fully executed on August 17, 2022. Ownership in properties where the District partnered with the City of Gillette are still being formalized as of June 30, 2025.

Northern Wyoming Community College District

Statement of Net Position

June 30, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 27,763,016
Student accounts receivable (net of allowance)	982,872
Accounts receivable	3,546,773
Due from Gillette Community College District - current portion	245,516
Property tax receivable	3,425,818
Prepaid expenses	247,478

Total current assets	36,211,473
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Noncurrent Assets

Restricted cash and cash equivalents	1,622,958
Investments - Endowment Challenge Program	15,388,805
Investments	23,610,794
Capital assets, not depreciated	7,445,012
Capital assets, net	106,096,367

Total noncurrent assets	154,163,936
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Total assets	190,375,409
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Deferred Outflows of Resources

Net pension liability	1,333,628
Total OPEB liability	6,750,143

	8,083,771
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	\$ 198,459,180
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Northern Wyoming Community College District

Statement of Net Position

June 30, 2025

Liabilities and Net Position

Current Liabilities

Accounts payable	\$ 1,932,571
Accrued expenses	1,492,034
Compensated absences	653,681
Deposits	150,706
Deposits held in custody for others	809,951
Advanced revenue	4,647,968
Bonds payable - current portion	1,857,500
Notes payable on residence halls - current portion	548,090

Total current liabilities	12,092,501
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Noncurrent Liabilities

Net pension liability	9,016,670
Total OPEB liability	8,158,173
Bonds payable - net of current portion	13,210,000
Notes payable on residence halls- net of current portion	6,958,501

Total noncurrent liabilities	37,343,344
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Total liabilities	49,435,845
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Deferred Inflows of Resources

Property taxes	3,425,818
Net pension liability	3,004,941
Total OPEB liability	17,487,047

Total deferred inflows of resources	23,917,806
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Net Position

Net investment in capital assets	90,967,288
Restricted - expendable	18,675,947
Restricted - nonexpendable	11,882,737
Unrestricted	3,579,557

Total net position	125,105,529
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	\$ 198,459,180
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Northern Wyoming Community College District
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

Operating Revenue	
Tuition and fees	\$ 10,092,879
Less, scholarship allowance	<u>(1,110,152)</u>
Net tuition and fees	8,982,727
Federal grants and contracts	1,186,513
State and local grants	5,838,357
Auxiliary enterprises, net of scholarship allowance of \$133,276	2,337,622
Private gifts, grants and contracts	5,033,636
Other operating revenue	<u>417,079</u>
Total operating revenue	<u>23,795,934</u>
Expenses	
Operating Expenses	
Instruction	10,948,545
Academic support	2,468,584
Student services	2,683,938
Public service	980,262
Scholarships	4,581,198
Auxiliary expenses	3,460,090
Institutional support	5,804,920
Operation and maintenance of plant	5,617,204
Depreciation	<u>5,086,229</u>
Total operating expenses	<u>41,630,970</u>
Operating Loss	<u>(17,835,036)</u>
Nonoperating Revenues (Expenses)	
State appropriations	22,093,509
Property tax	4,931,909
Federal grants and contracts	3,570,426
State grants and contracts	1,095,638
Transfer of funds to Gillette Community College District	(3,559,385)
Investment income	3,154,045
Gain/(Loss) on disposal of assets	13,866
Interest expense	<u>(531,747)</u>
Total nonoperating revenue	<u>30,768,261</u>
Change in Net Position	12,933,225
Net Position, Beginning of Year	<u>112,172,304</u>
Net Position, End of Year	<u><u>\$ 125,105,529</u></u>

Northern Wyoming Community College District

Statement of Cash Flows
Year Ended June 30, 2025

Operating Activities	
Tuition and fees	\$ 8,677,940
Gifts, grants, and contracts	11,680,345
Auxiliary enterprises	
Cash received from customers	2,337,622
Cash paid to suppliers for resale material	(3,460,090)
Payments to suppliers	(14,467,640)
Payments to employees	(24,573,473)
Other revenue	417,079
	<u> </u>
Net Cash used for Operating Activities	<u>(19,388,217)</u>
Noncapital Financing Activities	
State appropriations	20,573,864
Grants and contracts	4,666,064
Property tax	4,931,909
	<u> </u>
Net Cash from Noncapital Financing Activities	<u>30,171,837</u>
Capital Related Financing Activities	
Principal payments on capital debt	(2,337,079)
Interest paid on capital debt	(552,711)
Purchase of capital assets	(4,843,001)
Transfer of funds to Gillette Community College District	(3,559,385)
	<u> </u>
Net Cash used for Capital Related Financing Activities	<u>(11,292,176)</u>
Investing Activities	
Purchase of investments	(305,852)
Sale of investments	178,240
Interest income from investments, net of fees	2,404,439
	<u> </u>
Net Cash from Investing Activities	<u>2,276,827</u>
Net Change in Cash, Restricted Cash, and Cash Equivalents	1,768,271
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	<u>27,617,703</u>
Cash, Restricted Cash, and Cash Equivalents, End of Year	<u><u>\$ 29,385,974</u></u>

Northern Wyoming Community College District

Statement of Cash Flows

Year Ended June 30, 2025

Reconciliation of Operating Loss to Net Cash used for Operating Activities

Operating loss	\$ (17,835,036)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	5,086,229
GASB 68 - pension expense/(expense offset)	(1,703,451)
GASB 75 - OPEB expense	(1,572,788)
Change in assets and liabilities	
Accounts receivable, net	1,144,209
Prepays and other assets	(80,478)
Accounts payable and accrued expenses	(2,824,269)
Advanced revenue	(1,827,157)
Accrued compensated absences	189,932
Deposits held in custody for others	57,024
Student deposits	<u>(22,432)</u>

Net Cash used for Operating Activities	<u><u>\$ (19,388,217)</u></u>
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Reconciliation of Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents	\$ 27,763,016
Restricted cash	<u>1,622,958</u>

Total cash, cash equivalents, and restricted cash	<u><u>\$ 29,385,974</u></u>
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Supplemental Disclosure of Non-Cash Activity

Reduction in GCCD's receivable and payable to City of Gillette	\$ 244,823
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Northern Wyoming Community College District Foundation
dba Sheridan College Foundation
Statement of Financial Position – Component Unit
June 30, 2025

Assets	
Cash and cash equivalents	\$ 169,584
Promises to give, net	419,900
Prepaid expenses and other assets	49,504
Investments other than endowments	4,593,258
Property and equipment, net	3,925
Assets held in trust for others	11,293,013
Endowment	
Investments	21,110,912
Land	1,440,000
	<u> </u>
Total assets	<u><u>\$ 39,080,096</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ 45,982
Support payable to NWCCD	807,695
Note payable	388,876
Assets held in trust for others	11,293,013
	<u> </u>
Total liabilities	<u>12,535,566</u>
Net Assets	
Without donor restrictions	
Undesignated	1,289,570
Board designated operating reserve	400,000
Board designated quasi-endowment	122,982
Board designated for institutional programs	53,567
Invested in property and equipment	3,925
	<u> </u>
	1,870,044
With donor restrictions	
Perpetual in nature	17,308,418
Purpose restrictions	7,346,387
Board designated quasi-endowment	98,822
Underwater endowments	(79,141)
	<u> </u>
	24,674,486
	<u> </u>
Total net assets	<u>26,544,530</u>
	<u> </u>
Total liabilities and net assets	<u><u>\$ 39,080,096</u></u>

Northern Wyoming Community College District Foundation
dba Sheridan College Foundation
Statement of Activities – Component Unit
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue and Gains			
Contributions	\$ 101,072	\$ 1,358,492	\$ 1,459,564
Gift and investment management fees	355,826	-	355,826
Net investment return	368,870	2,590,481	2,959,351
Net assets released from restrictions	1,843,733	(1,843,733)	-
Total support, revenue and gains	2,669,501	2,105,240	4,774,741
Expenses			
Program services expense			
Scholarships and student assistance	1,214,611	-	1,214,611
Funds Transferred by Donor request	17,595	-	17,595
Institutional support	656,834	-	656,834
Center for a Vital Community	227,859	-	227,859
Total program services expense	2,116,899	-	2,116,899
Supporting services expense			
Management and general	221,056	-	221,056
Fundraising and development	172,813	-	172,813
Total supporting services expense	393,869	-	393,869
Total expenses	2,510,768	-	2,510,768
Change in Net Assets	158,733	2,105,240	2,263,973
Net Assets, Beginning of Year	1,711,311	22,569,246	24,280,557
Net Assets, End of Year	\$ 1,870,044	\$ 24,674,486	\$ 26,544,530

Note 1 - Nature of Operations and Significant Accounting Policies

The significant accounting policies followed by the Northern Wyoming Community College District (the District), a public institution of higher learning created in 1946, are described below. The District's campus is located in Sheridan, Wyoming and it provides satellite courses in Buffalo, Wyoming. It is governed by a Board of Trustees (the Board) comprised of seven elected trustees and is subject to the laws of the State of Wyoming. As a public institution, the District receives funding from the State of Wyoming upon approval of the state legislature.

Effective August 17, 2021, Campbell County voters approved the formation of a new Gillette Community College District (GCCD). With that vote, GCCD became a recognized community college district in the State of Wyoming, but is not yet an accredited College. See Note 13 for discussion regarding the effects on the District of GCCD becoming its own community college.

The Financial Reporting Entity**Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the Northern Wyoming Community College District and its component units, Northern Wyoming Community College Building Authority (the Authority) and Northern Wyoming Community College Foundation dba Sheridan College Foundation (the Foundation).

The District follows Governmental Accounting Standards Board (GASB) and provides additional guidance to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District.

Blended Component Unit

Northern Wyoming Community College Building Authority, (the Authority), was established as a separate not-for-profit entity to provide financing of the District's capital building needs. The Authority's sole purpose is to provide financing for the District and therefore has been included in the District's financial statements, as a blended component unit.

Discretely Presented Component Unit

The Foundation is a legally separate tax-exempt component unit of the District and is presented discretely within the financial statements of the District. The Foundation acts primarily as fund-raising organization to supplement the resources that are available to the District in support of its programs. The board of the Foundation is self-perpetuating. Although the Foundation holds and invests monies, these monies are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the District, the Foundation is considered a component unit of the District.

The Foundation's financial statements for fiscal year ended June 30, 2025, are discretely presented because of the differences in their reporting model, as further described on the following page.

The Foundation is a private, not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the District. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been included in Note 14.

Financial statements for the Foundation can be obtained by calling the Northern Wyoming Community College Foundation at 307-675-0700.

Financial Statement Presentation

The District's financial statements are presented in accordance with the requirements of GASB. Under GASB, the District is required to present a statement of net position classified between current and non-current assets, deferred outflows, current and non-current liabilities and deferred inflows, a statement of activities, with separate presentation for operating and non-operating revenues and expenses, and a statement of cash flows using the direct method.

Basis of Accounting and Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

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

Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted for long-term purposes are classified as noncurrent assets.

Restricted Cash and Cash Equivalents

In accordance with various agreements with other entities, the District is obligated to separately hold cash and cash equivalents related to these agreements.

Restricted cash accounts are cash amounts not available for general use. Amounts are held to assist in debt service payments or are for specific student-led groups/clubs.

Investments

State statute authorizes the District to invest in obligations of the U.S. Treasury, the State of Wyoming, or county, city or other taxing district of the State of Wyoming, commercial paper, corporate bonds and repurchase agreements. The degree of risk depends upon the underlying portfolio. The District accounts for its investments at fair value, as determined by quoted market prices. Changes in unrealized gain (losses) on the carrying value of investments are reported as a component of investment income/(loss) in the statement of revenues, expenses and changes in net position.

Accounts Receivable

Accounts receivable balances consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable balances also includes amounts due from federal, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to grants and contracts and contributions that are verifiable, measurable, and expected to be collected and available for expenditures, where the resource provider's conditions have been satisfied.

Accounts receivable-tuition and fees balances are recorded net of estimated uncollectible amounts, and no collateral is required. The allowance for uncollectible accounts at June 30, 2025 was \$1,588,374.

Property Tax Receivable

Property taxes attach as an enforceable lien on property in May of each year. Taxes are levied on or about August 1 and are payable in two installments on September 1 and March 1, with delinquent dates of November 10 and May 10, respectively. If the first installment is not paid, the entire levy is delinquent on December 31. Sheridan County bills and collects property taxes for all municipalities and political subdivisions within the County, including the Northern Wyoming Community College District.

Prepaid Expenses

Prepaid items include payments made in the current fiscal year for expenditures attributable to future periods.

Capital Assets

Capital assets are stated at cost when purchased, or if acquired by gift, at the acquisition value at the date of the gift. The District's capitalization policy requires capitalization of all equipment with a unit cost or donated value of \$5,000 or more, \$25,000 for land/site improvements, \$50,000 for buildings and building improvements, and \$250,000 for infrastructure that have an expected useful life of more than one year.

Major renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

5 years -	Computer related equipment, except for servers
7 years -	Most equipment, including servers
20 years -	Building improvements
20 years -	Land/site improvements
30 years -	Infrastructure
40 years -	New or purchased buildings

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate selection for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The District's deferred outflow of resources consists of the pension obligation and the OPEB obligation. See Notes 9 and 10 for more information.

In addition to liabilities, the Statements of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category: the pension obligation, the OPEB obligation, and property taxes. On the statement of net position, property taxes are restricted to future years. See Notes 9 and 10 for more information regarding the pension obligation and the OPEB obligation.

Implementation of GASB Statement No. 101 – *Compensated Absences*

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for consistent recognition and measurement of the compensated absence liability. The implementation of this standard did not have a significant effect on the District's financial statements.

Vacation Leave

All full-time employees earn vacation leave in amounts varying with classification. Employees are allowed to accumulate vacation leave in amounts varying with classification. Upon retirement or separation from the District, unused vacation leave up to 160 hours (144 hours for 10-month employees) is paid to employees. In accordance with GASB 101, vacation leave is recognized as a liability when earned, provided that the leave will be used or paid. The liability is reported in the government-wide financial statements.

Supplemental Leave

All full-time employees earn vacation leave in amounts varying with classification. Employees are allowed to accumulate vacation leave in amounts varying with classification. Upon retirement or separation from the District, unused vacation leave up to 160 hours (144 hours for 10-month employees) is paid to employees. In accordance with GASB 101, vacation leave is recognized as a liability when earned, provided that the leave will be used or paid. The liability is reported in the government-wide financial statements.

Advanced Revenue

Advanced revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for advanced revenue is removed from the statement of net position and the revenue is recognized.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Wyoming Retirement System (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. 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.

Net Position

The District's net position is classified as follows:

Net investment in capital assets – This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted net position, expendable – This represents resources in which the District is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external third parties. This balance also contains the amount of unspent funds from revenue bonds unspent at year end.

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

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

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

Classification of Revenues

The District has classified its revenues as either operating or nonoperating according to the following criteria:

Operating revenues and expenses-include activities that have the characteristics of exchange transactions that generally result from providing services and delivering goods in connection with the District's principal ongoing operations. Operating revenues include student tuition and fees, net of scholarship discounts and allowances, sales and services of auxiliary enterprises, most federal grants, state, and local grants and contracts, and federal appropriations.

Nonoperating revenues and expenses-include activities that have the characteristics of non-exchange transactions, such as state aid appropriation, the remaining state and local grants and contracts and the Federal Pell Grant, property taxes, investment income, interest expense and gain or loss on the disposal of capital assets.

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 statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or other 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 scholarship allowance to the extent that revenues from such programs are used in to satisfy tuition and fees and other student charges.

Federal Student Loan Program

The District receives proceeds from the Federal Direct Student Loan Program. The District transmits these grantor supplied moneys without having administrative or direct financial involvement in the program. Federal student loans received by the District's students but not reported in operations for the year June 30, 2025, was \$1,762,160.

Income Taxes

As a public institution of higher education, the income of the District is generally exempt from federal and state income taxes under Section 115 (a) of the Internal Revenue Code and a similar provision of state law. However, the District is subject to federal income tax on any unrelated business taxable income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance of the organization or its exempt purpose or function. The District did not incur unrelated business income tax expense in the fiscal year ended June 30, 2025.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Note 2 - Cash, Cash Equivalents and Investments**Custodial Credit Risk – Deposits**

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

At June 30, 2025, the District's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank deposit	\$ 28,263,259	\$ 27,269,285
Money market	2,116,688	2,116,689
	<u>\$ 30,379,947</u>	<u>\$ 29,385,974</u>

At June 30, 2025, \$366,688 was uninsured or uncollateralized. The remaining unrestricted cash was collateralized or insured with securities held by the pledging financial institution in the District's name.

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

At June 30, 2025, the District's investments consisted of the following:

Investments	Ratings	Value	Maturity			
			< 1 Year	1 - 5 Years	6 - 10 Years	
Certificates of deposit held at local bank	NR	\$ 10,198,582	\$ 10,198,582	\$ -	\$ -	43%
U.S. Government Obligations	Aa1	13,412,212	7,280,911	4,145,908	1,985,393	57%
		<u>\$ 23,610,794</u>	<u>\$ 17,479,493</u>	<u>\$ 4,145,908</u>	<u>\$ 1,985,393</u>	<u>57%</u>

Investment Valuation

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the District can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the District develops inputs using the best information available in the circumstances.

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

Investments' fair value measurements are as follows at June 30, 2025:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U.S. Government Obligations				
Fixed income securities	\$ 13,412,212	\$ 10,764,374	\$ 2,647,838	\$ -
Certificates of Deposit	10,198,582	-	-	-
Investments - Endowment Challenge Program				
Money market funds	690,224	690,224	-	-
Common stock	2,256,562	2,256,562	-	-
Equity mutual funds	9,656,776	9,656,776	-	-
Fixed income mutual funds	1,593,299	1,593,299	-	-
Intermediate bond funds	1,114,388	1,114,388	-	-
Short-term bond	77,556	77,556	-	-
 Total investments - Endowment Challenge Program	 15,388,805	 15,388,805	 -	 -
	<u>\$ 38,999,599</u>	<u>\$ 26,153,179</u>	<u>\$ 2,647,838</u>	<u>\$ -</u>

Money market funds, common stock, equity mutual funds, fixed income mutual funds, intermediate bond funds, real estate funds and those fixed income securities that are categorized as level 1 are valued based on prices quoted in active markets. Fixed income securities categorized as level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

Credit Risk – Investments

Credit risk is the risk the counterparty to an investment will not fulfill its obligation. It is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The District follows the applicable State Codes.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's policy and procedures follow the applicable State Codes.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when five percent of the total entity's investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. Government, mutual funds and other pooled investments are exempt from disclosure. The District follows applicable State Codes.

Note 3 - Accounts Receivable

Accounts receivable refer to the portion due to the District, as of June 30, by various customers and constituencies of the District as a result of providing services to said groups. Accounts receivable as of June 30, 2025, consisted of the following:

Sheridan College Foundation	\$ 814,983
Federal, state, and private grants	<u>2,731,790</u>
	<u>\$ 3,546,773</u>

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

Note 4 - Capital Assets

The following are the changes in capital assets as of June 30, 2025:

	Balance June 30, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Capital assets not being depreciated					
Land	\$ 1,446,021	\$ -	\$ -	\$ -	\$ 1,446,021
Construction in progress	5,051,707	1,127,036	-	(179,752)	5,998,991
Total capital assets not being depreciated	6,497,728	1,127,036	-	(179,752)	7,445,012
Other capital assets					
Land improvements	8,623,360	-	-	-	8,623,360
Building	144,190,843	638,792	-	179,752	145,009,387
Infrastructure improvements	3,551,206	-	-	-	3,551,206
Equipment	14,423,485	3,072,049	(253,191)	-	17,242,343
Library books	1,423,295	5,124	-	-	1,428,419
Other capital assets	172,212,189	3,715,965	(253,191)	179,752	175,854,715
Total capital assets	178,709,917	4,843,001	(253,191)	-	183,299,727
Less accumulated depreciation					
Land improvements	4,446,462	321,600	-	-	4,768,062
Building and infrastructure improvements	48,809,445	3,636,406	(12,396)	-	52,433,455
Equipment	10,237,257	1,129,510	(214,881)	-	11,151,886
Library books	1,393,837	11,108	-	-	1,404,945
Total accumulated depreciation	64,887,001	5,098,624	(227,277)	-	69,758,348
Capital assets, net	<u>\$ 113,822,916</u>	<u>\$ (255,623)</u>	<u>\$ (25,914)</u>	<u>\$ -</u>	<u>\$ 113,541,379</u>

Note 5 - Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025, were:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due within one year
Compensated absences*	\$ 463,749	\$ 843,613	\$ 653,681	\$ 653,681	\$ 653,681
Early retirement	116,784	-	116,784	-	-
Bonds payable	16,860,000	-	1,792,500	15,067,500	1,857,500
Note payable - residence halls	8,051,170	-	544,579	7,506,591	548,090
	<u>\$ 25,491,703</u>	<u>\$ 843,613</u>	<u>\$ 3,107,544</u>	<u>\$ 23,227,772</u>	<u>\$ 3,059,271</u>

* The roll-forward schedule only reports the net change in the compensated absences liability.

Early Retirement Plan and Early Retirement Incentive Program

The District has a voluntary early retirement program (ERP) for employees meeting certain age and years of service requirements. This program allows the employee to elect, with board approval, to receive a severance payment which is based upon the salary for the last fiscal year and years of prior service. The payment is paid in five equal installments and, in the case of death; the remaining installments will be paid to a named beneficiary. The program is subject to yearly approval by the Board of Trustees and is only available to employees who were employed prior to July 1, 2007.

In 2014, a significant change was made to the early retirement program. Previously, eligible employees could apply to receive deferred compensation equal to 90% of annual salary at 15 years of service up to 180% of annual salary at 30 years of service. Effective July 1, 2014, the maximum amount of deferred compensation was changed to 100% of annual salary at 15 years of service. The benefit must be taken 3 years prior to full eligibility of social security. Employees that would have been eligible to apply for a deferred compensation amount in excess of 100% of annual salary had 1 year from July 1, 2014 to apply for the benefit otherwise eligibility will be reduced to 100% of annual salary.

In 2017, the board approved the early retirement incentive program (ERIP). Employees that have been employed by the District for 10 years as of June 30, 2017, and obtain board approval for participation are eligible to receive a cash incentive of 100% of the annual base wages of the employee at June 30, 2017 to be paid over 5 years upon separation from the District.

In 2020, the board approved a change to the early retirement program where the age restriction was removed from the plan as well as the changing the years of service from 15 to 8 years, to be completed before December 1, 2020. If approved, an applicant would be paid out on year of their salary over the course of three years. The applicant's retirement date must be on or before December 31, 2021, and they must apply prior to August 1, 2020. The plan was terminated at the end of the application period. As of June 30, 2025, the retirement liability was paid in full.

Bonds Payable

The Mars Agricultural and Science Center Project Revenue Bonds were issued in the amount of \$4,500,000 with an interest rate of 2.92% annually with interest payable semiannually on March and September 1 of each year commencing September 1, 2015. The principal is payable annually on September 1 of each year and are to be used in financing the construction of the Mars Agricultural and Science Center Project until the bonds maturity on September 1, 2029. The bonds are secured by a pledge of revenues as defined in the bond document. The bonds include certain restrictive covenants. As of June 30, 2025, the District was in compliance with those restrictive financial covenants.

The Technical Education Center Project Revenue Bonds were issued in the amount of \$10,650,000 with an interest rate of 2.75% due semiannually on March 1 and September 1 of each year commencing September 1, 2015. The principal is payable annually on September 1 of each year until its maturity on September 1, 2030. Proceeds are to be used in the construction, renovation and improvement of the Technical Education Center Project. The bonds are secured by a pledge of revenues as described in the bond document. The bonds include certain restrictive covenants. As of June 30, 2025, the District was in compliance with those restrictive financial covenants.

The 2015A and 2015C Whitney Center for the Arts Revenue Lease Bonds were issued in January 2015 in the amount of \$13,500,000 and \$500,000, respectively. The interest rate for the 2015A notes shall be 2.55% payable annually. Principal payments will commence September 1, 2016, until its maturity on September 1, 2029. The interest rate for the 2015C bonds vary from .8% to 3.6% payable annually. Principal payment of \$500,000 is due September 1, 2030. Interest payments are due semiannually for the 2015A and 2015C bonds on March 1 and September 1 until their respective maturities. The funds were issued for proceeds to be used in the construction of the Whitney Center for the Arts Project. The bonds are secured by a pledge of revenues as described in the bond document.

A summary of future minimum payments are as follows:

	Principal	Interest	Total
2026	\$ 1,857,500	\$ 397,333	\$ 2,254,833
2027	1,900,000	347,366	2,247,366
2028	1,940,000	296,087	2,236,087
2029	2,025,000	243,414	2,268,414
2030	3,895,000	164,325	4,059,325
2031-2035	3,450,000	89,875	3,539,875
	<u>\$ 15,067,500</u>	<u>\$ 1,538,400</u>	<u>\$ 16,605,900</u>

Bond funds held in trust to be spent on bond payments totaled approximately \$2,264,352 as of June 30, 2025. During the year ended June 30, 2025, the Mars Agricultural and Science Center Project Revenue Bonds, the Technical Education Center Project Revenue Bonds, had \$2,193,385 in pledged revenues to cover the related debt service of \$2,254,833 for the year ended June 30, 2025.

Notes Payable

In 2017, the District and the City of Gillette finalized an agreement regarding Phase I and Phase II of the Gillette College Student Housing. This agreement established the final ownership and the operation of Phase I and Phase II of the Gillette College Student Housing. As a result of this agreement, upon completion of the student Housing, the District would begin making contributions to the outstanding debt that the City of Gillette incurred related to the housing. The District is responsible for 17% of the total outstanding debt, which corresponds to the ownership that the District will have over Phase I and Phase II. The construction associated with the two phases was completed in 2017 and the District began payments at this time. Payments are to be paid annually on August 1st of each year and note payable is to be paid in full on August 1, 2025.

On December 3, 2021, a Memorandum of Understanding was signed between the District and Gillette Community College District (GCCD), wherein GCCD assumed responsibility for the debt service payments associated with Phase I and II of Gillette College Student Housing. The obligation remains in the name of the District, and as such a note receivable was recorded for the payments that were to be paid by GCCD to the City of Gillette for the remaining debt service payments. See Note 13 for more information about the newly established GCCD.

The following payment schedule was established by the Memorandums of Understanding (MOU):

2026	<u>\$ 245,516</u>
	<u><u>\$ 245,516</u></u>

In 2019, the District entered into a promissory note for the construction of a residence hall for \$9,000,000. Payments are to be made annually on November 1st in the amount of \$488,483, until twenty-nine payments have been made, with a final payment of \$423,482, unless the promissory note is matured sooner by additional payments on principal. The note payable is to mature on November 1, 2043. The note is secured by land and building of the District and bears a fixed interest rate of 2.5% annually.

A summary of future minimum payments are as follows:

	Residence Halls	
	Principal	Interest
2026	\$ 548,090	\$ 185,910
2027	316,122	172,361
2028	323,917	164,566
2029	331,904	156,579
2030	340,088	148,395
2031-2035	1,830,439	611,978
2036-2040	2,067,516	374,901
2041-2044	1,748,515	108,720
	<u>\$ 7,506,591</u>	<u>\$ 1,923,410</u>

Note 6 - Restricted Net Position – Expendable

The following is a summary of expendable restricted net position as of June 30, 2025:

B.O.C.H.E.S.	\$ 2,252,079
Capital financing funds	1,622,958
Endowment Challenge Program	3,506,761
Excellence in Higher Education	274,970
Instruction	8,125,654
Student Housing	2,893,525
	<u>18,675,947</u>
	<u>\$ 18,675,947</u>

Note 7 - Related Entity

The Northern Wyoming Community College Foundation dba Sheridan College Foundation (Sheridan College Foundation) (a component unit) leases office space from the District for a cost of \$1 per year. The initial lease term was through March 2008, and included two five-year renewal options. During the year ended June 30, 2017, the lease term was extended for an additional ten-year term through June 2027.

During the year ended June 30, 2025, Sheridan College Foundation paid \$1,214,611 to the District for scholarship support. During the year ended June 30, 2025, Sheridan College Foundation also provided various program and department support to the District of \$855,890. As of June 30, 2025, Sheridan College Foundation had \$807,695, due to the District related to various program and department support.

Sheridan College Foundation manages certain investments on behalf of the District in the amount of \$11,293,013 as of June 30, 2025.

The Sheridan College Foundation, included as a component unit, provides ongoing resources to the District as reflected in their separate financial statements.

Note 8 - Teachers Insurance and Annuity Association/College Retirement Equities Fund

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

The District contributes 17.37% of the employee's gross salary to the Plan. The participants have personal contracts with TIAA-CREF and personally own the annuities. This full vesting allows participants to transfer to other employers which participate in TIAA-CREF and continue to accumulate retirement benefits. Contributions for the year ended June 30, 2025 were \$491,593, which is equal to the required contribution for each year.

Note 9 - Pension Plan**Plan Description**

Substantially all employees of the District, excluding employees participating in the TIAA-CREF defined contribution plan, are provided with pensions through the Public Employee Pension Plan - a statewide cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). The authority to establish and amend benefits and contributions rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained at <http://retirement.state.wy.us>.

Benefits Provided

The determination of retirement benefits is dependent upon the employee's initial employment date.

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. Formula for retirement equals 2.125% times the number of years of service times 3 years highest average salary for the first fifteen years and 2.25% time the number of years of service times 3-year highest average over fifteen 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. Formula for retirement equals 2% multiplied by the number of years of service times the 5-year highest average salary.

Contributions

Per Title 9-3-412 and 413 of State Statutes, member contributions were required to be 9.25% of compensation and employer contributions were required to be 9.37% for the measurement period ended December 31, 2024. In accordance with Title 9-3-412 (c) (ii) of State Statutes, a total of 18.62% of compensation is required to be paid to the state pension fund. The District currently pays 17.37% and the employees pay 1.25%. Contributions to the pension plan from the District were \$1,635,962, for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The District reported a liability of \$9,016,670, for its proportionate share of the net pension liability as of June 30, 2025. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The District's proportion of the net pension liability was based on the relationship of the District's total contributions to the plan for the year ended December 31, 2024, to the contributions of all participating employers for the same period. At December 31, 2024, the District's proportion was 0.4323353% a decrease of .04527% from the December 31, 2023, proportionate share of 0.4776086%.

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$(1,703,451). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 584,652	\$ 10,855
Net difference between projected and actual earnings on pension proportionate share of plan investments	-	1,141,596
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2023, amortized over 3.339 years	-	150,564
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2024, amortized over 3.6117 years	-	954,051
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2025, amortized over 3.5751 years	-	747,875
Contributions subsequent to the measurement date	748,976	-
Total	<u>\$ 1,333,628</u>	<u>\$ 3,004,941</u>

As of June 30, 2025, \$748,976 of deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as reduction in the net pension liability in the next fiscal year.

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

2026	\$ (1,204,301)
2027	(96,055)
2028	(831,434)
2029	(288,499)

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method	Entry age normal
Amortization method	Level Percentage of Payroll, Closed
Remining Amortization Period	23 years
Asset Valuation method	5 year smoothed market
Inflation	2.25%
Salary increases	2.50% to 6.50%; including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation pursuant to an experience study of the period 2016-2020.
Post-retirement mortality	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 103%
Pre-retirement mortality	Pub-2010 General Active Mortality Table, amount wieghted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

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 by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation for the plan year ended December 31, 2024, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Cash	0.50%	0.41%	0.40%
Gold	1.50%	2.33%	0.90%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private markets	10.50%	6.23%	7.74%
Total	100.00%	5.53%	6.75%

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.

Discount Rate

The discount rate used to measure the total pension liability 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 Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	<u>\$ 15,019,869</u>	<u>\$ 9,016,670</u>	<u>\$ 4,045,269</u>

Note 10 - Other Post-Employment Benefits**Plan Description**

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

Benefits Provided

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

Funding Policy

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The District reported a liability of \$8,158,173, for its proportionate share of the collective total OPEB liability as of June 30, 2025. The collective total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the collective total OPEB liability was based on a projection of the District's expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. For the valuation period ended June 30, 2025, the District's proportionate share of the total OPEB liability was 1.1186% an decrease of 0.7556% from the 2024 proportionate share of 1.8742%.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$1,572,788). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 686,484	\$ 1,313,199
Changes in assumptions	1,689,337	5,716,901
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2020, amortized over 9.10 years	-	561,672
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2022, amortized over 8.60 years	-	283,693
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2023, amortized over 7.23 years	-	1,882,892
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2024, amortized over 7.23 years	4,374,322	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions for fiscal year 2025, amortized over 7.2 years	-	7,728,690
Total	<u>\$ 6,750,143</u>	<u>\$ 17,487,047</u>

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

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

Years Ended June 30:

2026	\$ (2,064,277)
2027	(1,945,908)
2028	(2,134,174)
2029	(1,840,486)
2030	(1,333,982)
Thereafter	<u>(1,418,077)</u>
	<u>\$ (10,736,904)</u>

Actuarial Assumptions

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

Measurement Date	June 30, 2024 (based on July 1, 2023 census data)
Inflation	2.25%
Salary increases	2.50% to 8.50%, vary by service, including inflation
Actuarial cost method	Entry age normal
Discount Rate	3.93%
Healthcare trend rates	Non-Medicare: 7.75 % for year ending June 30, 2024 then downgraded to ultimate 4.50% over 13 years Medicare: 17.25% for the year ending June 30, 2024, 7.50% for the year ending June 30, 2025, then downgraded to ultimate 4.50% over 12 years
Mortality rates	Pre Retirement: General: Headcount-Weighted Pub-2010 General Employee, projected generationally with two-dimensional scale MP-2020. Safety: Headcount-Weighted Pub-2010 Safety Employee, projected generationally with two-dimensional scale MP-2020. Post Retirement: General: Headcount-Weighted Pub-2010 Non-Safety Healthy Retiree with 103% multiplier for females, projected generationally with two-dimensional scale MP-2020. Safety: Headcount-Weighted Pub-2010 Safety Healthy Retiree, projected generationally with two-dimensional scale MP-2020. Disabled: General: Headcount-Weighted Pub-2010 General Disabled, projected generationally with two-dimensional scale MP-2020. Safety: Headcount-Weighted Pub-2010 Safety Disabled, projected generationally with two-dimensional scale MP-2020.
Benefits Excluded	Benefits related to retiree dental and life insurance have been excluded from this valuation.

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

The demographic assumptions which are not unique to the OPEB valuation were based on the Actuarial Experience Study as of December 31, 2020, for the Wyoming Retirement System dated April 29, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2024, was 3.93%. The discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Sensitivity of the District's proportionate share of the collective total OPEB liability to changes in the discount rate. The following represents the District's proportionate share of the collective total OPEB liability, as well as what the District's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Proportionate share of the total OPEB liability	<u>\$ 9,771,035</u>	<u>\$ 8,158,173</u>	<u>\$ 6,892,946</u>

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

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 6,968,110</u>	<u>\$ 8,158,173</u>	<u>\$ 9,717,674</u>

Note 11 - Risk Management

The District is exposed to risks of loss due to errors and omissions, liability claims arising from employment actions, automobile accidents, employee theft or forgery, breaches of information security and privacy theft, damage or destruction of property. The District purchases commercial insurance to mitigate any losses. Insurance policies include educator's management liability, professional liability, automobile liability, general liability, employee benefits liability, excess liability coverage, government crime liability, cyber-crime liability, peace officer liability, dental hygiene clinic liability, and property insurance including boiler and machinery coverage and business interruption coverage. Coverage limits and deductibles vary by policy. The District has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The District has had no significant reduction in insurance coverage from coverage in the prior year.

Note 12 - Contingencies and Legal Matters

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

As of June 30, 2025, the District had construction commitments of \$608,605 associated with the Sheridan College Golden Dome Cooling Addition.

Note 13 - Establishment of the Gillette Community College District

On August 17, 2021, Campbell County voters approved the formation of a new Gillette Community College District (GCCD). With that vote, GCCD became a recognized community college district in the State of Wyoming, but is not yet an accredited college.

During the transition, the President of the newly formed GCCD and the President of the District signed various Memorandums of Understanding (MOUs) outlining the transfer of funds, tangible physical assets, personnel, management and responsibilities from the District to GCCD.

MOU Exhibit A, signed December 3, 2021, established the understanding and assumption of debt service payments for the residence hall located on Gillette's campus. The payments to be made to the District, by GCCD are outlined in Note 5. There is an offsetting receivable due from Gillette Community College District of \$245,516 as of June 30, 2025.

MOU Exhibit C, signed June 3, 2022, and amended June 13, 2022, established the timeline for transfer of Gillette Campus based personnel. Facilities staff, Information Technology staff, Area 59 staff, Rodeo coaches and Gillette College Foundation staff were terminated by the district on June 29, 2022, and hired by GCCD on June 30, 2022. Student employees hired after July 1, 2022, except those eligible to be funded by the Federal Work Study program, were hired by GCCD. MSHA grant funded employees were terminated by the District on September 29, 2022, and hired by GCCD on September 30, 2022. All remaining Administrative and Classified

staff were terminated by the District on December 30, 2022, and hired by GCCD on December 31, 2022, except Nursing administration and support. Full-time and adjunct faculty, as well as Nursing support staff were terminated on August 15, 2023, and hired by GCCD on August 17, 2023, with the stipulation that GCCD must assign a Director to the Nursing program to work directly with the Dean of Health Sciences as they carry out the program under the district's ACEN accreditation.

MOU Exhibit B was signed on August 17, 2022. The provisions of this MOU established the District to transfer ownership of specific buildings as identified in the MOU. As of June 30, 2023, the net book value of the capital assets transferred over to GCCD as a result of this MOU was \$11,776,657. For the year ended June 30, 2023, the District also transferred over \$218,118 of fiscal year 2022 fund balances from City of Gillette, Campbell County and Campbell County BOCHES accounts, and an additional \$1,601,787 in cash to cover costs associated with teaching students in Gillette. There were also investments of \$1,209,260 transferred over to GCCD associated with covering operation and maintenance costs of the Gillette Tech Center.

During the year ended June 30, 2025, the District committed to transferring \$3,559,385 to GCCD for tuition and fee amounts, facility fees, and testing revenue. Amounts remitted to GCCD are net of operating costs incurred by the District to provide these services to GCCD.

Management of the District continues to evaluate the impact of tax revenues and other funding sources as a result of the division.

Note 14 - Subsequent Event

As of November 20, 2025, the District purchased 47.6 acres in North Sheridan directly adjacent to the current Agri Park for \$2,100,000. There was no debt associated with this purchase.

Note 15 - Component Unit-Northern Wyoming Community College Foundation dba Sheridan College

Foundation Operations and Significant Accounting Policies

The Foundation is a discretely presented within the financial statements as a component unit. The Foundation was established to provide support for the private fundraising efforts of Sheridan College and to manage privately donated funds. The Foundation is a not-for-profit corporation incorporated in accordance with the laws of the State of Wyoming and managed by a volunteer Board of Directors.

The Foundation's financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require two classes of net assets: with donor restriction and without donor restriction instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing in-kind donations, and the presentation of information.

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restriction or other restrictions limiting their use, within one year of the statement of financial position date for the Sheridan College Foundation, comprise the following:

Cash and cash equivalents	\$ 169,584
Operating investments	4,593,258
Endowment spending-rate distributions and appropriations	<u>550,080</u>
	<u>\$ 5,312,922</u>

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

A board-designated endowment is subject to an annual spending rate of five percent. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available in the circumstances.

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of the Foundation's investment assets are classified within Level 1 because they are comprised of common stock, exchange traded funds, and open-end mutual funds with readily determinable fair values based on daily closing market prices or redemption values. The fair value of land held as an endowment investment is determined through comparison of the market prices of like properties and is considered to be a Level 2 measurement.

The following table presents the Sheridan College Foundation's assets measured at fair value on a recurring basis at June 30, 2025:

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2025	Total			
Equity investments				
Common stock	\$ 7,384,386	\$ 7,384,386	\$ -	\$ -
Equity mutual funds	22,407,299	22,407,299	-	-
Fixed income investments				
Fixed income mutual funds	5,213,921	5,213,921	-	-
Money market mutual funds	1,949,706	1,949,706	-	-
Cash	41,871	-	-	-
	<u>\$ 36,997,183</u>	<u>\$ 36,955,312</u>	<u>\$ -</u>	<u>\$ -</u>

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

Assets measured at fair value on a non-recurring basis at June 30, 2025 are as follows:

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2025	<u>Fair Value</u>			
Land held in an endowment investment	<u>\$ 1,440,000</u>	<u>\$ -</u>	<u>\$ 1,440,000</u>	<u>\$ -</u>

Promises to Give

Promises to give represent unconditional promises to give to the Sheridan College Foundation at June 30, 2025.

Within one year	\$ 210,000
In one to five years	<u>230,000</u>
	440,000
Less discount to net present value	<u>(20,100)</u>
	<u>\$ 419,900</u>

Net Assets with Donor Restrictions

Net Assets with Donor Restrictions arise from donor-imposed restrictions limiting the use of funds for scholarships and program support. Net Assets with Donor Restrictions of the Sheridan College Foundation consist of the following as of June 30, 2025:

Subject to Expenditure for Specific Purpose	
Scholarships and student assistance	\$ 1,001,816
Program activities	1,054,060
Capital improvements	<u>145,679</u>
	<u>2,201,555</u>
Subject to the Passage of Time	
Promise to give - lease agreement not restricted by donors, but which are unavailable for expenditure until due	<u>45,000</u>
	<u>45,000</u>

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

Endowments

Subject to appropriation and expenditure when a specified event occurs

Restricted by donors for

Scholarships and student assistance

3,224,632

Program activities

1,395,054

Capital improvements

255,858

Available for general use

224,288

Art programs designated by the board for quasi-endowment

98,822

Underwater endowments

(79,141)

5,119,513

Perpetual in nature, earnings from which are subject to endowment spending policy appropriation

Scholarships and student assistance

13,556,248

Program activities

3,752,170

17,308,418

Total endowments

22,427,931

\$ 24,674,486

Net assets released from restriction were as follows:

Scholarship and student assistance

\$ 1,133,300

Program activities

710,433

\$ 1,843,733

Endowment Funds

The Sheridan College Foundation's endowments include numerous individual funds established to provide funding for specific activities and general operations. The Endowment also includes certain unrestricted and restricted net assets designated for quasi-endowment by the Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence or absences of donor-imposed restrictions.

The Board of Directors has interpreted the Wyoming Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in

accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

As of June 30, 2025, the Sheridan College Foundation had the following endowment net asset composition by type of fund:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment Donor-restricted endowment funds Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 122,982	\$ 98,822	\$ 221,804
Accumulated investment gains	-	17,308,418	17,308,418
	-	5,020,690	5,020,690
	<u>\$ 122,982</u>	<u>\$ 22,427,930</u>	<u>\$ 22,550,912</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2025, funds with original gift values of \$1,451,835, fair values of \$1,372,695 and deficiencies of \$79,141 were reported in net assets with donor restrictions.

Investment and Spending Policies

The Foundation has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5% on an annual basis. Actual returns in any given year may vary from this amount.

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

Spending decisions for the Foundation differ for the varying types of funds. Annual expenditures for *Endowed Funds*, which can and do include scholarship funds and program support are determined by the donor's intent, a percentage of the average of the 12-quarter total market value and whether or not the Foundation has obtained concurrence from the donor or the donor's representative to continue spending if the total market value is below the historical gift value, and any additions to the principal based on the donor's instructions.

Annual Endowed *Scholarship* expenditures for the ensuing year are based on the 12-quarter rolling average as of June 30th of the prior year. The Foundation Board reviews and approves the annual spending plan based on an employee-prepared budget and the Finance & Investment Committee's recommendation.

Annual Endowed Program Support expenditures are usually based on the 12-quarter rolling average as of June 30th of the prior year; however, they can and may be determined at the end of any quarter. Several expenditures may be made during a year, but the annual limit will be set at the time of the first expenditure within a 12-month timeframe. The Foundation selects a District point of contact for each program fund and provides financial information and allowable expenditures on a regular basis to that individual, his/her supervisor and the District's CFO. The District determines spending from these funds within the allowable amounts set by the Foundation.

Changes in Endowment net assets of the Sheridan College Foundation for the year ending June 30, 2025, are as follows:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, Beginning of Year	\$ 110,910	\$ 20,987,573	\$ 21,098,483
Investment return, net	13,018	2,358,948	2,371,966
Contributions	-	196,251	196,251
Funds transferred by donor request	-	(17,595)	(17,595)
Appropriation of endowment assets pursuant to spending policy	(946)	(1,097,247)	(1,098,193)
Endowment net assets, End of Year	<u>\$ 122,982</u>	<u>\$ 22,427,930</u>	<u>\$ 22,550,912</u>

Note Payable

In June 2014, the Sheridan College Foundation entered into a promissory note for \$1,000,000, which was collateralized with the land held in the Endowment. During the year ended June 30, 2015, the Foundation drew down the note payable. Monthly payments of \$7,910 are due following the conversion date on the note. Any outstanding interest and principal on the promissory note is due on December 10, 2029. The interest rate associated with the debt is a fixed rate of 5%.

Northern Wyoming Community College District

Notes to Financial Statements

June 30, 2025

Future maturities of notes payable are as follows:

<u>Years Ending June 30,</u>	
2026	\$ 74,936
2027	78,770
2028	82,800
2029	87,037
2030	<u>65,333</u>
	<u>\$ 388,876</u>

Challenge Match Program

The District and the Foundation participate in a program under which the State of Wyoming matches endowment gifts reported by the Foundation. State match funds received by the District are held and invested by the Foundation on behalf of the District. The Foundation has received a total of \$8,597,816 in State matching funds which are a part of the total funds being invested on behalf of the District. There have been no new collections of state match funding as of June 30, 2025, with legislative allocation last occurring on June 30, 2015.

Required Supplementary Information
June 30, 2025

Northern Wyoming Community College District

Northern Wyoming Community College District
Schedule of Employer's Share of Net Pension Liability and Employer Contributions
Last Ten Fiscal Years

Reported as of measurement date of December 31,	District's portion of the net pension liability	District's proportionate share of the net pension liability	District's covered payroll	District's proportional 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
2024	0.4323353%	\$ 9,016,670	\$ 9,243,032	97.55%	82.46%
2023	0.4776086%	\$ 10,842,581	\$ 9,731,169	111.42%	80.19%
2022	0.5656684%	\$ 15,458,667	\$ 10,887,377	141.99%	75.47%
2021	0.6277536%	\$ 9,571,494	\$ 11,562,329	82.78%	86.03%
2020	0.6687066%	\$ 14,533,400	\$ 12,919,398	112.49%	82.47%
2019	0.6995511%	\$ 16,438,935	\$ 12,435,254	132.20%	80.01%
2018	0.6965199%	\$ 21,211,057	\$ 12,114,499	175.09%	76.35%
2017	0.6790502%	\$ 15,477,866	\$ 11,926,289	129.78%	76.35%
2016	0.6403046%	\$ 15,479,365	\$ 11,172,542	138.55%	73.42%
2015	0.6223254%	\$ 14,496,123	\$ 11,047,219	131.22%	73.40%

Data reported is measured as of December 31.

Reported as of fiscal year end date of June 30,	Statutorily required contributions	Contributions in relation to the contractually required contribution	Contributions (deficiency) excess	District's covered payroll	District's contributions as a percentage of covered payroll
2025	\$ 1,635,962	\$ 1,635,962	\$ -	\$ 9,568,640	17.10%
2024	\$ 1,587,380	\$ 1,587,380	\$ -	\$ 9,184,558	17.28%
2023	\$ 1,906,809	\$ 1,906,809	\$ -	\$ 10,462,972	18.22%
2022	\$ 2,114,954	\$ 2,114,954	\$ -	\$ 11,178,985	18.92%
2021	\$ 2,033,936	\$ 2,033,936	\$ -	\$ 11,789,807	17.25%
2020	\$ 2,212,312	\$ 2,212,312	\$ -	\$ 12,919,398	17.12%
2019	\$ 2,018,494	\$ 2,018,494	\$ -	\$ 12,435,254	16.23%
2018	\$ 2,071,998	\$ 2,071,998	\$ -	\$ 12,114,499	17.10%
2017	\$ 1,980,147	\$ 1,980,147	\$ -	\$ 11,926,289	16.60%
2016	\$ 1,842,867	\$ 1,842,867	\$ -	\$ 11,172,542	16.49%

Data reported is measured as of June 30 (measurement date).

Northern Wyoming Community College District
Schedule of Employer's Share of Total OPEB Liability and Employer Contributions
Last Ten Fiscal Years*

Reported as of measurement date of December 31,	District's portion of the net OPEB liability	District's proportionate share of the net OPEB liability	District's covered payroll	District's proportional share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	1.11860%	\$ 8,158,173	\$ 9,243,032	88.26%	0.00%
2023	1.87420%	\$ 12,396,869	\$ 9,731,169	127.39%	0.00%
2022	1.15600%	\$ 12,133,075	\$ 10,887,377	111.44%	0.00%
2021	1.45680%	\$ 19,211,114	\$ 11,789,807	162.95%	0.00%
2020	1.42820%	\$ 18,661,686	\$ 12,919,398	144.45%	0.00%
2019	1.43610%	\$ 13,585,598	\$ 12,435,254	109.25%	0.00%
2018	1.61134%	\$ 16,426,734	\$ 12,114,499	135.60%	0.00%
2017	1.61226%	\$ 12,752,841	\$ 11,926,289	106.93%	0.00%

Data reported is measured as of December 31.

Reported as of fiscal year end date of June 30,	Statutorily required contributions	Contributions in relation to the contractually required contribution	Contributions (deficiency) excess	District's covered payroll	District's contributions as a percentage of covered payroll
2025	\$ -	\$ -	\$ -	\$ 9,568,640	0.00%
2024	\$ -	\$ -	\$ -	\$ 9,184,558	0.00%
2023	\$ -	\$ -	\$ -	\$ 10,462,972	0.00%
2022	\$ -	\$ -	\$ -	\$ 11,178,895	0.00%
2021	\$ 96,323	\$ 96,323	\$ -	\$ 11,789,807	0.82%
2020	\$ -	\$ -	\$ -	\$ 12,919,398	0.00%
2019	\$ -	\$ -	\$ -	\$ 12,435,254	0.00%
2018	\$ 98,570	\$ 98,570	\$ -	\$ 12,114,499	0.81%

Data reported is measured as of June 30 (measurement date).

(*) This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Other Information
June 30, 2025

Northern Wyoming Community College District



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
Northern Wyoming Community College District
Sheridan, 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 and the discretely presented component unit of Northern Wyoming Community College District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 9, 2025. The audit of the financial statements of the Northern Wyoming Community College District Foundation dba Sheridan College Foundation was 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 Northern Wyoming Community College District Foundation dba Sheridan College Foundation.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 9, 2025



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustee
Northern Wyoming Community College District
Sheridan, Wyoming

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Northern Wyoming Community College District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

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 District 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 District'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 District's federal programs.

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 District'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 District's compliance with the requirements of its 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 District'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 District'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 District'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, 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.

A handwritten signature in black ink that reads "Eric Sallie LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 9, 2025

Northern Wyoming Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
Federal Pell Grant Program - Administrative Allowance	84.063	N/A	\$ 16,345
Federal Pell Grant Program	84.063	N/A	3,479,616
Federal Supplemental Educational Opportunity Grants	84.007	N/A	79,850
Federal Work-Study Program	84.033	N/A	69,892
Federal Direct Student Loans	84.268	N/A	<u>1,762,160</u>
Total Student Financial Assistance Cluster			5,407,863
TRIO Cluster			
TRIO: Student Support Services (SSS) Grant Year 5	84.042A	N/A	231,673
TRIO: Student Support Services (SSS) Grant Year 4	84.042A	N/A	<u>52,541</u>
Total TRIO Cluster			284,214
<i>Passed Through State Department of Education:</i>			
Perkins V Allocation for CTE Programs - FY25	84.048A	FAIN: V048A240050	273,240
Perkins V Allocation for Professional Development - FY25	84.048A	FAIN: V048A240050	<u>2,000</u>
Total for ALN #84.048A			275,240
<i>Passed through the Wyoming Community College Commission</i>			
Federal Adult Education Grant - FY25	84.002A	AE23R06	148,840
<i>Passed through the University of Wyoming</i>			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	P334S240002	205,350
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	P334S170010-23	<u>57,219</u>
Total for ALN #84.334S			<u>262,569</u>
Total U.S. Department of Education			<u>6,378,726</u>

Northern Wyoming Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
<u>U.S. Corporation for National and Community Service</u>			
AmeriCorps State and National	94.006	N/A	<u>7,409</u>
Total U.S. Corporation for National and Community Service			<u>7,409</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through the University of Wyoming</i>			
Biomedical Research and Research Training	93.859	P20GM103432	<u>59,419</u>
Total U.S. Department of Health and Human Services			<u>59,419</u>
U.S Department of Treasury			
<i>Passed through Wyoming Department of Workforce Services</i>			
Wyoming Health Training Grant (Targeted Health Care Program)	21.027	N/A	<u>87,792</u>
Total U.S. Department of Treasury			<u>87,792</u>
<u>U.S. Department of Commerce</u>			
Investments for Public Works and Economic Development Facilities	11.300	05-01-05950	<u>86,339</u>
Total U.S. Department of Commerce			<u>86,339</u>
Total Federal Expenditures			<u><u>\$ 6,619,685</u></u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Northern Wyoming Community College District (the District), under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 – Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal funds were passed through to subrecipients.

Note 3 – Indirect Cost Rate

The District has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

Note 4 – Federal Student Loan Programs

The District does not directly administer any of the Federal Direct Loans that the students utilize at the District. Therefore, only the value of the loans made during the year are represented on the schedule of expenditures of federal awards.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CRF 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Student Financial Assistance Cluster	
Federal Pell Grant Program - Administrative Allowance	84.063
Federal Pell Grant Program	84.063
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work Study	84.033
Federal Direct Student Loans	84.268

Dollar threshold used to distinguish between type A and Type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II – Financial Statement Findings

No findings noted in this area.

Section III – Federal Award Findings and Questioned Costs

No findings noted in this area.