



EWC Board of Trustees Meeting Work Session

Eastern Wyoming College

EWC Board Room

Dec 12, 2023 4:00 PM - Dec 12, 2023 5:00 PM MST

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I. Call the Work Session to Order - Chairman Bob Baumgartner

II. Approval of the December 12, 2023 Work Session Agenda

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IV. Audit Review and Summary - Ms. Brittany Wilson, McGee, Hearne & Paiz, LLP.....3

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V. Election of New Officers

Chairman - Bob Baumgartner, Vice Chair - Jackie Van Mark, Secretary - Randy Adams and Treasurer - Rick Vonburg

VI. Discussion and appointment of new representatives to the EWC Foundation

Board.

The Board of Trustees may have up to three representatives serve on the Foundation Board of Directors, which are appointed annually at the December organizational meeting.

VII. Discussion and appointment of a Trustee to the Board of Cooperative Educational

Service (BOCES).

The Board of Trustees must appoint a Trustee representative to the Board of Cooperative Educational Service (BOCES)

VIII. Disclosure of banks and other institutions for Trustees.

All public servants or officers must disclose the banks or other institutions in which they have an account where the institution transacts business with Eastern Wyoming College. Please complete these forms and return to Sally Watson.

IX. Adjournment



EWC Board of Trustees Meeting Work Session

Minutes

Eastern Wyoming College
Nov 16, 2023 at 4:00 PM MST

Board of Trustees

Present:

Members: Randy Adams, Bob Baumgartner, Doug Mercer, Katherine Patrick, Kurt Sittner, Jackie VanMark, Rick Vonburg, Jim Willox

Guests: Sodexo Representatives

- I. Chairman Baumgartner called the meeting to order.
- II. Approval of the November 16, 2023 Work Session Agenda

Motion to approve the November 16, 2023 Work Session Agenda:

Motion moved by Rick Vonburg and motion seconded by Randy Adams. Motion passed.

- III. Sodexo Presentation

The Sodexo representatives, Mr. Jason Rosvall, Ms. Kelly Bolger, Mr. Rafael Perez, and Mr. Kurt Swensen, presented the benchmarks for the Food Service Management and the Facilities and Grounds Management proposals.

- IV. Work Session adjourned at 5:08pm

EASTERN WYOMING COLLEGE
FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Eastern Wyoming College
Torrington, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Eastern Wyoming College (the College) and its discretely presented component unit, Eastern Wyoming College Foundation (the Foundation), as of and for the years ended June 30, 2023 and 2022, 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 College as of June 30, 2023 and 2022, and the respective changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and, except for the Foundation component unit, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter - Adoption of Accounting Principle

As discussed in Notes 1 and 7 to the financial statements, the College adopted new accounting guidance based on the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which require governments to recognize subscription assets and corresponding subscription liabilities for qualifying arrangements. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 48, the Schedule of the College's Contributions on page 49, the Schedule of the College's Proportionate Share of the Total OPEB Liability on page 50, and the Notes to Required Supplementary Information on pages 51 and 52 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The 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 is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Cheyenne, Wyoming
[REDACTED], 2023

EASTERN WYOMING COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Eastern Wyoming College (the College), we offer readers of the College's financial statements this narrative overview and analysis of the financial activity of the College for the fiscal years ended June 30, 2023 and 2022. This report is designed to focus attention on current activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the Independent Auditor's Report; Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; Statements of Cash Flows; and notes to financial statements, which are contained within the body of this report. Responsibility for the completeness and fairness of this information rests with the College.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following section is intended to serve as an introduction to the College's basic financial statements. The basic financial statements comprise three components, as discussed below, and are designed to provide readers with a broad overview of the College's finances. These statements show an "entity-wide" perspective of the College in a manner similar to private-sector business.

The College, like other public colleges and universities, will continue to use a fund accounting system for the daily tracking of assets, liabilities, fund balances, revenues, and expenses, which is described by accounting and financial reporting standards established by the Governmental Accounting Standards Board (GASB), an authoritative standard-setting body recognized by the American Institute of Certified Public Accountants (AICPA). An AICPA member may not issue an unmodified audit opinion for organizations subject to the GASB's standards unless these standards are followed. All of the funds of the College are divided into four major categories: current funds, endowment funds, agency funds, and plant funds. These fund groups are combined for year-end reporting purposes. Certain interfund eliminations, adjustments for capital items and depreciation, and the recognition of scholarship allowances against student-based revenues are necessary in the preparation of entity-wide financial statements.

The notes to the basic financial statements give the reader additional pieces of information that are essential to a full understanding of the data provided in the entity-wide financial statements. The College's significant accounting policies and practices are described in the notes, and detailed information about capital assets and debt is also presented.

Statements of Net Position

The Statements of Net Position present information on all of the College's assets, deferred resources, and liabilities as of June 30, 2023, the end of the fiscal year, with the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the College has improved or deteriorated.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the College's net position has changed over the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Therefore, revenues and expenses are reported in this statement for some items that will result in cash inflows or outflows in future periods (e.g., uncollected state and local revenue and unused vacation leave).

**EASTERN WYOMING COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Statements of Cash Flows

These statements summarize the sources and uses of unrestricted and restricted cash and cash equivalents over the course of the current year.

FINANCIAL HIGHLIGHTS

As of June 30, the College's financial position was as follows:

	<u>2023</u>	<u>2022*</u>	<u>2021*</u>
ASSETS			
Current Assets	\$ 14,984,767	\$ 13,203,586	\$ 13,646,379
Noncurrent Assets	57,081,427	58,100,603	59,130,434
	<u>72,066,194</u>	<u>71,304,189</u>	<u>72,776,813</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>4,046,803</u>	4,870,301	5,494,954
LIABILITIES			
Current Liabilities	2,614,928	1,740,890	2,157,616
Noncurrent Liabilities	21,867,131	25,264,190	27,354,885
	<u>24,482,059</u>	<u>27,005,080</u>	<u>29,512,501</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,471,321</u>	6,954,607	5,720,784
NET POSITION			
Net Investment in Capital Assets	42,653,412	43,327,579	43,925,467
Restricted	14,067,719	12,088,203	8,300,393
Unrestricted	<u>(14,561,514)</u>	<u>(13,200,979)</u>	<u>(9,187,378)</u>
	<u>\$ 42,159,617</u>	<u>\$ 42,214,803</u>	<u>\$ 43,038,482</u>

* GASB Statement No. 96 is effective for the year ended June 30, 2023. The years ended June 30, 2022 and 2021, as presented in these columns, were not restated. For further discussion, see Notes 1 and 7 to the financial statements.

The College's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$42,159,617 at the close of the most recent fiscal year. The total net position decreased by \$55,186 during fiscal year 2023. Fiscal year 2023 had an increase in tuition and fees revenue, local appropriations, and the net investment income recorded on the College's Wyoming Community College Endowment Challenge (WCCEC) investment portfolio. These revenue increases were offset by increases in operating expenses, as well as decreases in Federal and state grants. The total net position decreased by \$1,318,494 during fiscal year 2022, which was offset by a prior-period restatement of \$494,815. This is due to lower state appropriations and the net investment loss recorded on the College's WCCEC investment portfolio. There are no restrictions, commitments, or other limitations that significantly affect the availability of resources for future use in the fulfillment of the College's primary educational mission.

Building up adequate cash reserves is a recognized budget priority, and the amount of reserves is reviewed annually as part of the yearly budget process.

EASTERN WYOMING COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

Noncurrent assets consist of restricted cash reserves, land, buildings, facilities improvements, equipment, library materials, and endowment investments owned by the College. Capital assets, net of depreciation, decreased by \$1,385,819 in fiscal year 2023. Noncurrent restricted cash increased in fiscal year 2023 by approximately \$233,000. Noncurrent restricted cash increased in fiscal year 2022 by approximately \$174,000.

There were a number of capital construction projects that were either recently completed or in progress during the past several fiscal years. Some of the larger projects undertaken include remodeling the Veterinary Technology Building, installing a new fire alarm notification system, and adding an electronic door access system throughout campus. Other projects include installing a backup generator for the residence halls, replacing the chiller and the boiler in the Tebbet Building and installing the Johnson Controls Metasys® User Interface, which allows maintenance personnel to view and control building temperatures via the computer network. Further projects include repairs to the chillers, the boilers and the bleachers in the gymnasium.

The accrued liability for voluntary termination decreased by \$66,392 in fiscal year 2023 and \$115,545 in fiscal year 2022. No employees were approved for the program in fiscal years 2023 or 2022. This program was sunsetted during fiscal year 2021.

Payments on revenue bonds to finance the construction costs of the Lancer Hall expansion were \$195,000 in fiscal year 2023, and the principal balance owed on the 2014 revenue bond series as of June 30, 2023 is approximately \$2.7 million. The agreement that funded renovations to Eastern Hall and other energy-related renovation improvements has a principal balance owed of \$308,671 at June 30, 2023, after the current-year principal payment of \$143,024. General obligation bond debt issued in fiscal year 2016 for the local match to construct the Career and Technical Education Center (CTEC) was reduced through scheduled principal payments of approximately \$194,000 during fiscal year 2023. The outstanding balance at June 30, 2023 is \$1,812,597. The 2017 ATEC general obligation bond issue has an outstanding balance of \$2,618,239 at June 30, 2023. Principal payments of approximately \$150,000 were made in fiscal year 2023. For additional information, see Notes 4 through 6 to the financial statements.

Accounts payable at the end of fiscal year 2023 are approximately \$237,000 higher than the previous year because of the timing of payments. Accounts payable at the end of fiscal year 2022 were approximately \$401,000 lower than the previous year because amounts due on outstanding contracts were paid down for the various active construction and remodeling projects ending in fiscal year 2022.

**EASTERN WYOMING COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the years ended June 30, the College had the following revenues and expenses:

	<u>2023</u>	<u>2022*</u>	<u>2021*</u>
OPERATING REVENUES			
Tuition and Fees	\$ 2,471,614	\$ 1,853,792	\$ 2,148,285
Grants and Contracts	1,770,573	1,813,429	4,099,792
Auxiliary Enterprise Revenue, Net of Scholarship Allowances	744,103	812,821	479,404
Other Operating Revenues	253,642	330,231	215,011
Total Operating Revenues	<u>5,239,932</u>	<u>4,810,273</u>	<u>6,942,492</u>
OPERATING EXPENSES			
Instruction	5,780,747	5,775,965	5,249,219
Research	51,162	31,602	55,904
Public Service	73,023	52,588	56,930
Academic Support	1,475,762	1,464,850	1,212,327
Student Services	1,756,969	1,751,274	1,698,408
Institutional Support	4,165,972	3,593,622	4,750,793
Operation and Maintenance of Plant	2,264,350	1,833,509	1,699,122
Scholarships	1,237,356	1,124,952	1,473,840
Auxiliary Enterprises	1,156,181	1,124,031	1,041,978
Depreciation	2,208,591	2,219,300	2,238,236
Amortization	54,127	-	-
Total Operating Expenses	<u>20,224,240</u>	<u>18,971,693</u>	<u>19,476,757</u>
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	9,732,368	9,519,593	10,157,228
Local Appropriations	2,435,386	2,174,552	1,992,050
Non-Exchange Grants and Contracts	1,854,925	2,254,131	4,227,366
Private Gifts, Grants, and Contracts	102,114	155,477	86,696
Interest Expense	(242,702)	(264,472)	(284,947)
Investment Income (Loss)	1,047,031	(1,026,355)	2,185,821
Total Nonoperating Revenues	<u>14,929,122</u>	<u>12,812,926</u>	<u>18,364,214</u>
OTHER REVENUES			
State Endowment Appropriation	-	30,000	-
Total Other Revenues	<u>-</u>	<u>30,000</u>	<u>-</u>
(Decrease) Increase in Net Position	<u>\$ (55,186)</u>	<u>\$ (1,318,494)</u>	<u>\$ 5,829,949</u>

* GASB Statement No. 96 is effective for the year ended June 30, 2023. The years ended June 30, 2022 and 2021, as presented in these columns, were not restated. For further discussion, see Notes 1 and 7.

The Wyoming Community College Commission (WCCC) is responsible for the establishment of uniform tuition rates for all Wyoming colleges. The WCCC set the resident tuition rate at \$105 per credit hour for fiscal year 2021 and beyond. The tuition rate for students from states that participate in the Western Undergraduate Exchange (WUE) is approximately 1.5 times the resident tuition rate. For all other out-of-state students, the tuition rate is three times the resident tuition rate.

EASTERN WYOMING COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

Mandatory student activity and use fees are set at \$38 per credit hour for fiscal year 2021 and beyond. Room and board rates were increased by approximately 3% for fiscal year 2022 after being held steady for the past five years.

In fiscal year 2021, the enrollment measure, AFTE, dropped significantly to 1,007, for a decrease of 97 AFTE. The total headcount also dropped to 1,952 students, for a 13% decrease. The AFTE in fiscal year 2022 dropped significantly to 963, for a decrease of 44 AFTE. The total headcount also dropped to 1,934 students from 1,952, for a 1% decrease. The AFTE in fiscal year 2023 increased slightly to 969, for an increase of six AFTE or 0.6%. The total headcount also grew nominally by two students, for a 0.1% increase. These enrollment fluctuations are driven largely by population demographics and economic conditions within the College's service area. Scholarship expenditures increased by \$112,404 in fiscal year 2023, decreased by \$352,488 in fiscal year 2022, and increased by \$375,720 in fiscal year 2021. A conscious effort has been made to increase the number and amount of scholarships available to students, particularly scholarships that emphasize student completion and retention objectives. Tuition and auxiliary enterprise sales and services revenues tend to follow these enrollment fluctuations and rate changes.

Operating revenues increased in fiscal year 2023 by 9% or \$429,659. The increase was primarily due to the increase in tuition and fees revenue. Operating revenues decreased in fiscal year 2022 by 31% or \$2,132,219. This is because grant funding from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act that came to the College through the State of Wyoming peaked in fiscal year 2021.

State appropriations make up the bulk of the College's nonoperating revenues, and they increased by 2% in fiscal year 2023 to \$9,732,368. State appropriations decreased by 6% in fiscal year 2022 to \$9,519,593. State appropriations decreased by less than 1% in fiscal year 2021 to \$10,157,228. Local appropriations increased to \$2,435,386 in fiscal year 2023 due to an increase in Goshen County's total assessed value. This is a 12% increase over the fiscal year 2022 local appropriations of \$2,174,552. In fiscal year 2021, local appropriations increased as Goshen County's assessed valuation increased to \$1,992,050 or 2%. Non-exchange transactional Federal and state funding was higher in fiscal year 2021 but has decreased in fiscal years 2022 and 2023, with Federal funding being the primary driver. Interest expense on capital debt decreased \$19,235 in fiscal year 2021 and \$20,475 in fiscal year 2022. In fiscal year 2023, interest expense decreased by \$21,770 or 8%.

Total operating expenses for fiscal year 2021 increased by approximately 4%. This increase was due to CARES Act funds used to help maneuver through the challenges of COVID-19. Total operating expenses for fiscal year 2022 decreased by approximately 3%, and this decrease is reflective of the fewer CARES Act dollars that were available for that fiscal year. Total operating expenses for fiscal year 2023 increased by approximately 7%. This increase is due to higher inflationary costs and commitments by management to strengthen the College's ongoing investment in employee compensation, information technology, and physical plant. No institution-wide salary raises were given in fiscal years 2022 or 2021. However, a substantial cost of living increase was granted across the board during fiscal year 2023. Auxiliary enterprise expenses increased overall in fiscal year 2023 because of higher costs from inflation and supply chain difficulties caused by COVID-19. Auxiliary enterprise expenses also increased in fiscal years 2022 and 2021.

The new cost category, amortization, arose in fiscal year 2023 through the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The \$30,000 state endowment appropriation received in fiscal year 2022 represents the final amount that will be received for the WCCEC unless the Wyoming State Legislature chooses to replenish the matching funds available for this ongoing program.

EASTERN WYOMING COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

OTHER CONSIDERATIONS

The College has added substantial new and replacement facilities to its Torrington and Douglas campuses during the past 10 years. During fiscal year 2024, the College will complete and begin the implementation of a new long-range capital facilities master plan, which will guide future campus renewal efforts.

The College completed the re-accreditation of its academic and vocational study offerings during 2011 through the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools and received an affirmation of accreditation that is valid through 2020-2021. As such, the College may offer up to 20% of its total degree programs through distance education. The College completed its quality assurance report and comprehensive visit for HLC in November 2020. Due to COVID-19, the comprehensive visit was completed virtually. The College is pleased to note that it passed its HLC accreditation. HLC last conducted a site visit in October 2014 that focused on diversity awareness initiatives and the College's continuing progress toward increasing ethnic diversity within its student body and employee ranks. The College has been commended for its commitment to diversity. Additionally, the College is accredited by the American Veterinary Medical Association and the American Welding Society.

As of the date of this report, there are no criminal or civil lawsuits pending against the College. The College does not have any active or potential claims at this time. The law office of Coal Creek Law, LLP, formerly Hickey & Evans, LLP, of Cheyenne, Wyoming provides general counsel to College administration and the Board of Trustees on policy considerations and all other legal matters. The College has also secured services from the law offices of Parker, Poe, Adams and Bernstein, LLP of Atlanta, Georgia for matters specifically tied to the U.S. Department of Education.

The future economic position of the College is largely dependent upon state funding. The College serves Converse, Crook, Goshen, Niobrara, Platte, and Weston counties. Goshen County provides support through local property taxes. Indirect local tax support for operations and facilities from other counties in the service area is provided through the Eastern Wyoming Board of Cooperative Educational Services. The College faces challenges in its attempts to improve the delivery of educational services to its six-county service area with limited available resources.

At the end of fiscal year 2021, the College endured a campus-wide cyber-attack over multiple computing systems. The College has worked diligently and intensely to become functional again. One of the results of the cyber-attack is that the College was placed on Heightened Cash Monitoring (HCM2) status with the U.S. Department of Education. The College is working closely with the U.S. Department of Education to improve its overall compliance.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the College's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to *Eastern Wyoming College, Chief Financial Officer, 3200 West C Street, Torrington, Wyoming 82240.*

EASTERN WYOMING COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

NON-DISCRIMINATION STATEMENT

The College does not discriminate on the basis of race, color, national origin, marital status, sexual orientation, sex, religion, political belief, veteran status, age, or disability in admission or access to, treatment of, participation in, or employment in its educational programs and activities. Inquiries concerning Title II, Title VI, Title VII, and Section 504 may be directed to: *Office of the Director of Human Resources*. Inquiries concerning Title IX may be directed to: *Office of the Executive Dean of Student Services*. Both offices may be reached at: *Eastern Wyoming College, 3200 West C Street, Torrington, Wyoming 82240*, or (307) 532-8200 or (866) 327-8996. Alternatively, contact: *Wyoming Department of Education, Office for Civil Rights Coordinator, 2300 Capitol Avenue, Cheyenne, Wyoming 82002-2060* or (307) 777-3672, or *Office for Civil Rights, Region VIII, U.S. Department of Education, Federal Building, Suite 310, 244 Speer Boulevard, Denver, Colorado 80204-3582*, or (303) 844-5695 or TDD (303) 844-3417.

WHISTLEBLOWING/CRIME PREVENTION

The College maintains strong connections with local law enforcement agencies. Students and community members should contact local law enforcement if they have information about vandalism, theft, drugs, threats, weapons, or any other illegal activities. Anyone concerned about the ethical or humane treatment of animals employed in the College's educational programs should call the campus hotline at (855) 392-2273.

COMPONENT UNIT FINANCIAL STATEMENTS

A copy of the audited financial statements of the Eastern Wyoming College Foundation component unit may be obtained by writing to: *Eastern Wyoming College Foundation, Office of Institutional Development, 3200 West C Street, Torrington, Wyoming 82240*.

EASTERN WYOMING COLLEGE

STATEMENTS OF NET POSITION

June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 2,080,940	\$ 4,631,979
Restricted cash and cash equivalents (Note 2)	92,313	113,654
Current portion of restricted cash held by Goshen County for general obligation bond repayment (Note 2)	518,140	494,802
Certificates of deposit (Note 2)	2,033,149	31,815
Property taxes receivable	2,366,027	1,479,506
Accounts receivable, net of allowance of \$185,413 and \$201,619, respectively (Note 8)	7,632,861	6,200,093
Inventories	43,991	34,604
Prepaid expenses	217,346	217,133
Total current assets	14,984,767	13,203,586
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)	1,528,225	1,505,149
Restricted cash held by Goshen County for general obligation bond repayment, less current portion (Note 2)	1,049,570	839,526
Capital assets, net of accumulated depreciation (Note 3)	50,052,257	51,438,076
Right-to-use subscription assets, net of accumulated amortization (Note 7)	133,465	-
Investments held by others (Note 2)	4,317,910	4,317,852
Total noncurrent assets	57,081,427	58,100,603
Total assets	72,066,194	71,304,189
 DEFERRED OUTFLOWS OF RESOURCES		
Pension-Related Deferred Outflows (Note 14)	635,336	389,699
OPEB-Related Deferred Outflows (Note 15)	3,411,467	4,480,602
Total deferred outflows of resources	4,046,803	4,870,301

Continued

EASTERN WYOMING COLLEGE

STATEMENTS OF NET POSITION, *Continued*
June 30, 2023 and 2022

	2023	2022
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 616,202	\$ 378,790
Accrued interest	29,672	32,311
Advance payments, tuition	14,831	6,524
Unearned revenue	409,212	-
Accrued compensated absences (Note 4)	177,019	164,318
Liability for voluntary termination (Note 4)	70,291	70,291
Custodial deposits (Note 10)	535,215	406,689
Current portion of contract that transfers ownership (Notes 4 and 6)	150,164	143,001
Current portion of bonds payable (Notes 4 and 5)	582,974	538,966
Current maturities of subscription liabilities (Note 7)	29,348	-
Total current liabilities	2,614,928	1,740,890
Noncurrent Liabilities		
Accrued compensated absences (Note 4)	59,006	54,773
Liability for voluntary termination (Note 4)	43,237	109,629
Contract that transfers ownership, less current portion (Notes 4 and 6)	158,507	308,694
Bonds payable, less current portion (Notes 4 and 5)	6,532,862	7,115,836
Net pension liability (Note 14)	4,216,476	2,536,380
Total OPEB liability (Note 15)	10,782,588	15,138,878
Subscription liabilities, less current maturities (Note 7)	74,455	-
Total noncurrent liabilities	21,867,131	25,264,190
Total liabilities	24,482,059	27,005,080
DEFERRED INFLOWS OF RESOURCES		
Pension-Related Deferred Inflows (Note 14)	452,526	2,127,622
OPEB-Related Deferred Inflows (Note 15)	6,740,293	3,264,026
Unavailable Grant Revenue	-	129,275
Unavailable Property Taxes	2,278,502	1,433,684
Total deferred inflows of resources	9,471,321	6,954,607
NET POSITION		
Net Investment in Capital Assets	42,653,412	43,327,579
Restricted, non-expendable	4,314,839	4,314,839
Restricted, expendable scholarships and other	6,615,597	4,918,446
Restricted, expendable capital asset purchase	3,137,283	2,854,918
Unrestricted	(14,561,514)	(13,200,979)
Total net position	\$ 42,159,617	\$ 42,214,803

See Notes to Financial Statements.

EASTERN WYOMING COLLEGE
COMPONENT UNIT - EASTERN WYOMING COLLEGE
FOUNDATION

STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 1,330,983	\$ 854,783
Receivables		
Contributions receivable, net of allowance of \$1,328 and \$2,155, respectively, and discount of \$853 and \$2,799, respectively	24,369	38,145
Related party (Eastern Wyoming College)	35,000	146
Other	26,327	61,658
Investments (Note 2)	15,445,361	14,125,558
Property and Improvements	877,997	593,854
	<hr/>	<hr/>
Total assets	\$ 17,740,037	\$ 15,674,144
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other liabilities, including \$651,302 and \$526,720, respectively, to Eastern Wyoming College	\$ 667,924	\$ 553,021
Long-term investments held for others (Note 2)	6,986,806	6,221,502
Charitable gift annuity	114,998	118,778
Total liabilities	<hr/> 7,769,728	<hr/> 6,893,301
Net Assets		
Without donor restrictions	1,771,010	1,665,618
With donor restrictions	8,199,299	7,115,225
Total net assets	<hr/> 9,970,309	<hr/> 8,780,843
	<hr/>	<hr/>
Total liabilities and net assets	\$ 17,740,037	\$ 15,674,144
	<hr/>	<hr/>

See Notes to Financial Statements.

EASTERN WYOMING COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues		
Tuition and fees, net of scholarship allowances of \$1,440,290 and \$1,959,570, respectively	\$ 2,471,614	\$ 1,853,792
Federal grants and contracts	795,012	615,028
State and local grants and contracts	975,561	1,198,401
Auxiliary enterprise revenue, net of scholarship allowances of \$448,011 and \$332,660, respectively	744,103	812,821
Other operating revenues	253,642	330,231
Total operating revenues	5,239,932	4,810,273
Operating Expenses (Note 13)		
Instruction	5,780,747	5,775,965
Research	51,162	31,602
Public service	73,023	52,588
Academic support	1,475,762	1,464,850
Student services	1,756,969	1,751,274
Institutional support	4,165,972	3,593,622
Operation and maintenance of plant	2,264,350	1,833,509
Scholarships	1,237,356	1,124,952
Auxiliary enterprises	1,156,181	1,124,031
Depreciation	2,208,591	2,219,300
Amortization (Note 7)	54,127	-
Total operating expenses	20,224,240	18,971,693
Operating (loss)	(14,984,308)	(14,161,420)
Nonoperating Revenues (Expenses)		
State appropriations	9,732,368	9,519,593
Local appropriations	2,435,386	2,174,552
Non-exchange Federal and State grants	1,854,925	2,254,131
Private gifts, grants, and contracts	102,114	155,477
Interest expense	(242,702)	(264,472)
Investment income (loss)	1,047,031	(1,026,355)
Total nonoperating revenues	14,929,122	12,812,926
(Loss) before other revenues, expenses, gains, or losses	(55,186)	(1,348,494)
Other Revenues		
State endowment appropriation	-	30,000
(Decrease) in net position	(55,186)	(1,318,494)
Net Position		
Beginning of year, as originally presented	42,214,803	43,038,482
Prior-period restatement	-	494,815
Beginning of year, as restated	42,214,803	43,533,297
End of year	\$ 42,159,617	\$ 42,214,803

See Notes to Financial Statements.

EASTERN WYOMING COLLEGE
COMPONENT UNIT - EASTERN WYOMING COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	\$ 63,142	\$ 735,116	\$ 798,258	\$ 51,711	\$ 542,146	\$ 593,857
Investment and interest income (Note 2)	6,028	252,570	258,598	12,318	646,008	658,326
Net unrealized gain (loss) from investments (Note 2)	8,255	817,216	825,471	(14,188)	(1,819,894)	(1,834,082)
Management fees	188,378	-	188,378	148,049	-	148,049
Miscellaneous income (loss)	35,000	-	35,000	10,413	(10,413)	-
Net assets released from restriction:						
Satisfaction of program restrictions	720,828	(720,828)	-	581,870	(581,870)	-
Total revenue, gains, and other support	1,021,631	1,084,074	2,105,705	790,173	(1,224,023)	(433,850)
Expenses and Losses						
Program services:						
Grants and scholarships	569,355	-	569,355	457,182	-	457,182
Other	61,385	-	61,385	23,686	-	23,686
Supporting services:						
Management and general	212,310	-	212,310	149,048	-	149,048
Fundraising	73,189	-	73,189	67,062	-	67,062
Total expenses and losses	916,239	-	916,239	696,978	-	696,978
Change in net assets	105,392	1,084,074	1,189,466	93,195	(1,224,023)	(1,130,828)
Net Assets, beginning of year	1,665,618	7,115,225	8,780,843	1,572,423	8,339,248	9,911,671
Net Assets, end of year	\$ 1,771,010	\$ 8,199,299	\$ 9,970,309	\$ 1,665,618	\$ 7,115,225	\$ 8,780,843

See Notes to Financial Statements.

EASTERN WYOMING COLLEGE

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Payments from customers	\$ 5,455,543	\$ 4,842,328
Payments to vendors and suppliers	(6,839,940)	(6,465,094)
Payments to employees and benefits	(9,753,081)	(9,476,521)
Payments for scholarships	(1,237,356)	(1,121,352)
Other	(1,280,187)	145,318
Net cash (used in) operating activities	(13,655,021)	(12,075,321)
Cash Flows From Noncapital Financing Activities		
State appropriations	9,732,368	9,519,593
Non-exchange Federal and State grants	1,854,925	2,748,946
Private gifts, grants, and contracts	102,114	155,477
Local appropriations	2,442,261	2,158,954
State Excellence in Higher Education endowment appropriation	-	30,000
Net cash provided by noncapital financing activities	14,131,668	14,612,970
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(827,088)	(983,580)
Principal payments on subscription liabilities	(83,789)	-
Principal paid on capital debt	(681,990)	(637,832)
Interest paid on capital debt	(245,341)	(267,000)
Net cash (used in) capital and related financing activities	(1,838,208)	(1,888,412)
Cash Flows From Investing Activities		
Interest received (paid) on investments	1,047,031	(1,026,355)
Purchase of certificates of deposit	(2,001,334)	-
(Increase) in State endowment invested with Foundation	(58)	(32,062)
Net cash (used in) investing activities	(954,361)	(1,058,417)
Net (decrease) in cash and cash equivalents, and restricted cash and cash equivalents	(2,315,922)	(409,180)
Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents		
Beginning of year	7,585,110	7,994,290
End of year	\$ 5,269,188	\$ 7,585,110

Continued

EASTERN WYOMING COLLEGE

STATEMENTS OF CASH FLOWS, *Continued*
Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating (loss)	\$ (14,984,308)	\$ (14,161,420)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	2,208,591	2,219,300
Amortization expense	54,127	-
Loss on sale of capital assets	4,316	-
Changes in assets, liabilities, deferred inflows, and deferred outflows:		
Receivables, net	(1,432,768)	114,216
Inventories	(9,387)	(2,754)
Prepaid expenses	(213)	(74,304)
Accounts payable and accrued liabilities	365,938	(379,618)
Accrued compensated absences	16,934	(31,403)
Unavailable revenue and advance payments	239,666	41,751
Voluntary termination	(66,392)	(115,545)
Net pension liability	1,680,096	(1,402,669)
Deferred outflows - pension	(245,637)	(144,004)
Deferred inflows - pension	(1,675,096)	926,121
Total OPEB liability	(4,356,290)	65,616
Deferred outflows - OPEB	1,069,135	768,657
Deferred inflows - OPEB	3,476,267	100,735
Net cash (used in) operating activities	\$ (13,655,021)	\$ (12,075,321)
Supplementary Disclosures of Cash Flows Information		
Capital assets included in accounts payable	\$ 4,000	\$ 4,000
Acquisition of right-to-use subscription assets financed by subscription liabilities	187,592	-

See Notes to Financial Statements.

EASTERN WYOMING COLLEGE
COMPONENT UNIT - EASTERN WYOMING COLLEGE
FOUNDATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ 1,189,466	\$ (1,130,828)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	21,857	-
Contributions restricted for permanent endowments	(46,978)	(69,112)
Net unrealized (gain) loss from investments	(825,471)	1,834,082
Investment and interest (income)	(258,598)	(658,326)
Decrease in:		
Contributions receivable	13,776	25,747
Related-party and other receivables	477	4,152
Increase (decrease) in:		
Accounts payable and other liabilities, including related party	114,903	(1,835,143)
Liability associated with charitable gift annuity	(3,780)	(3,611)
Net cash provided by (used in) operating activities	205,652	(1,833,039)
Cash Flows From Investing Activities		
Purchases of investments	(1,758,608)	(2,879,052)
Proceeds from sales of investments	1,522,874	2,428,944
Net cash (used in) investing activities	(235,734)	(450,108)
Cash Flows From Financing Activities		
Contributions restricted for permanent endowments	46,978	69,112
Cash payments for purchase of vehicle	(306,000)	-
Increase (decrease) in long-term investments held for others	765,304	(1,158,795)
Net cash provided by (used in) financing activities	506,282	(1,089,683)
Increase (decrease) in cash and cash equivalents	476,200	(3,372,830)
Cash and Cash Equivalents		
Beginning	854,783	4,227,613
Ending	\$ 1,330,983	\$ 854,783

See Notes to Financial Statements.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Eastern Wyoming College (the College) is one of Wyoming's eight public two-year community colleges. The College offers a wide variety of programs and services to students, businesses, and community members of all ages. The College has credentials and associate degrees in career-technical (applied) programs, as well as numerous academic transfer programs. Additionally, the College offers noncredit professional and personal development courses. The College's service area is designated as Converse, Crook, Goshen, Niobrara, Platte, and Weston counties. The Board of Trustees (the Board) is the College's ruling body that establishes the policies and procedures by which the College is governed. The College is a municipal corporation formed under, and subject to, the requirements of Wyoming State Statutes.

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

The College is governed by a seven-member Board elected by those voters within the College's district.

Component unit: The financial reporting entity consists of the primary government, as well as its discretely presented component unit, the Eastern Wyoming College Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt organization supporting the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. The Foundation's fiscal year-end is June 30.

The Foundation is a private not-for-profit organization that reports its financial results under the standards established by the Financial Accounting Standards Board (FASB). Most significant to the Foundation's operations and reporting model is FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Organizations*. As such, certain presentation features are different from the GASB's presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures related to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. A copy of the Foundation's financial statements can be obtained by calling 307-532-8397.

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

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

Jointly governed organizations (not included in the College reporting entity): Under provisions of Wyoming State Statutes 21-20-101 et seq., the College has joined with Converse County School District Nos. 1 and 2, Crook County School District No. 1, Goshen County Unified School District No. 1, Platte County School District Nos. 1 and 2, and Weston County School District Nos. 1 and 7 to form the Eastern Wyoming Board of Cooperative Educational Services. The purpose of this board is to provide adult, community, and continuing education. The transactions of this board are not included in these financial statements.

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

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

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

Student accounts receivable are recorded at the amount the College expects to collect on balances outstanding at year-end. Accounts receivable balances unpaid for more than 30 days are considered past due. The College does not accrue interest on outstanding accounts receivable balances. Factors considered in making a determination of the likelihood of collection include economic conditions, factors affecting individual customers, and historical losses; management established an allowance for uncollectibility based on these factors. Included in accounts receivable are student accounts receivable balances that are more than 120 days past due, which are \$232,450 and \$256,274 at June 30, 2023 and 2022, respectively.

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

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

Inventories: Inventories consist of various types of supplies and are stated at the lower of cost (first-in, first-out) or net realizable value.

Capital assets: Capital assets include property, plant, and equipment. Expenditures for buildings and improvements having a value greater than \$50,000 and land improvements having a value greater than \$25,000 are capitalized, and other capital items having a value greater than \$5,000 are also capitalized.

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

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

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

Buildings and improvements	20-40 years
Furniture and equipment	3-14 years
Library materials	5-7 years
Land improvements	20 years

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

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

Compensated absences: The College's policy permits all employees, except instructors, to accumulate a limited amount of vacation leave. These benefits are payable to employees upon separation from service. All leave pay is accrued when incurred, and a liability for these amounts is reported in compliance with GASB Statement No. 16, *Accounting for Compensated Absences*. The College considers approximately 75% of this liability current and due within one year. The College has no commitment for unused accumulated sick leave upon separation, and no liability is recorded.

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

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

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

Deferred outflows of resources and deferred inflows of resources: The College reports the consumption of net position that is applicable to a future period as deferred outflows of resources. Deferred outflows of resources as of June 30, 2023 and 2022 consist of items related to the College's pension and OPEB retirement benefit plans.

The College reports an acquisition of net position that is applicable to a future period as deferred inflows of resources. Deferred inflows of resources as of June 30, 2023 and 2022 consist of unavailable revenue and items related to the College's pension and OPEB retirement benefit plans.

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

Net investment in capital assets: This represents the College's total investment in capital assets, net of accumulated depreciation, and outstanding principal of borrowings and liabilities (including accounts payable) related to those capital assets.

Restricted net position - non-expendable: This includes resources provided by the State to the College as a match for donations made to the Foundation. Wyoming State Statutes require that the College place the funds with the Foundation to be invested and the earnings expended in accordance with the terms and stipulations of the corresponding permanently restricted donation made by the Foundation's donor.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Property taxes: Property taxes are assessed and attach as an enforceable lien on property as of January 1. Taxes are levied on or about September 1. Real property taxes are payable in two installments on or about November 11 and May 11. Goshen County (the County) bills and collects its own real property taxes as well as those for all municipalities and political subdivisions within the County, including the College. Effective January 1, 2022, mineral ad valorem property taxes are billed and collected monthly by the State of Wyoming Department of Revenue, with a true-up following the annual assessment on January 1. The College's property tax revenues are recognized when assessed. Property taxes receivable include property taxes assessed for the year that will be levied and billed in the subsequent year and delinquent property taxes.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

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

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

Federal direct loans: For the years ended June 30, 2023 and 2022, the College received and disbursed funds under the Federal Direct Loan Program in the amount of \$528,896 and \$59,155, respectively. The College does not recognize these transactions as revenues or expenses based on the nature of the transactions.

Reclassifications: To be consistent with the year ended June 30, 2023, certain components of revenues and expenses for the year ended June 30, 2022 have been reclassified. There was no effect on the change in net position.

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

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

Recent pronouncements: In May 2020, the GASB issued Statement No. 96, which provided guidance regarding the accounting and financial reporting for subscription-based IT arrangements (SBITA). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The provisions of the statement were effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. The College implemented GASB Statement No. 96 for the fiscal year ended June 30, 2023 and retroactively applied the effects to all years presented.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits With Financial Institutions and Investments

Eastern Wyoming College: Wyoming State Statutes authorize agencies of the State to deposit public funds in financial institutions authorized to do business in the State. These deposits must be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of assets, including any bonds, debentures, and other securities in which the State Treasurer may, by law, invest, or a depository may pledge conventional real estate mortgages and notes connected with mortgages at a ratio of 1.5:1 of the value of public funds secured by the securities. The College has restricted accounts for the custodial funds, Federal funds received to be expended, and funds restricted for the purchase of capital assets.

Custodial credit risk: Custodial credit risk for deposits of the College is the risk that, in the event of a bank failure, the College's deposits may not be returned to the College. At June 30, 2023, the carrying amount of the College's deposits was \$5,730,970, with bank balances of \$6,060,857, which were fully insured or collateralized.

Cash and cash equivalents are restricted for the following purposes:

Current:		
Program-specific	\$	92,313
Noncurrent:		
Maintenance of facilities constructed with bond proceeds and special-purpose taxes		1,528,225

Restricted cash held by the County for the repayment of general obligation bond issues, both current and noncurrent asset portions, is listed separately in the Statements of Net Position.

Eastern Wyoming College Foundation:

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

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

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

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

The Foundation has valued its investments utilizing the Level 1 approach, except for its fixed-income bonds and negotiable certificates of deposit, which were valued utilizing the Level 2 approach.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

Investments as of June 30 are summarized as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Negotiable certificates of deposit	\$ 980,000	\$ 962,989	\$ 1,470,000	\$ 1,473,371
Equity securities	10,428,425	13,372,371	10,557,481	11,998,363
Fixed-income bonds	1,150,092	1,110,001	667,926	653,824
	\$ 12,558,517	\$ 15,445,361	\$ 12,695,407	\$ 14,125,558

Certificates of deposit are held by Edward Jones. One investment portfolio is administered by Edward Jones through its Advisory Solutions Custom All-Equity Focus Account, which invests in various U.S. and international mutual funds within the parameters of the Foundation’s Investment Policy and had a fair value of \$3,581,263 and \$3,108,114 as of June 30, 2023 and 2022, respectively. One investment portfolio, also held by Edward Jones, comprises Standard & Poor’s (S&P) 500 mutual funds, with a fair value of \$4,241,009 and \$3,554,417 as of June 30, 2023 and 2022, respectively. One investment portfolio is held through Fidelity Investments’ Portfolio Advisory Service. This is a mixed portfolio of stocks, bonds, and short-term mutual funds, with a fair value of \$6,029,586 and \$5,447,709 as of June 30, 2023 and 2022, respectively, invested in various U.S. and international mutual funds. The remaining investment portfolio is held through RBC Wealth Management and invests in U.S. and international equities and taxable fixed-income bonds, with a fair value of \$630,513 and \$541,947 as of June 30, 2023 and 2022, respectively. Investment accounts also included money market funds of \$795,453 and \$127,287 as of June 30, 2023 and 2022, respectively, which are treated as cash and cash equivalents. All portfolios are highly diversified among major industry sectors.

The following schedules summarize the investment return (loss) and its classification in the Statements of Activities for the years ended June 30:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment and interest income	\$ 6,028	\$ 252,570	\$ 258,598
Net unrealized gain	8,255	817,216	825,471
Total investment return	\$ 14,283	\$ 1,069,786	\$ 1,084,069

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

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

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment and interest income	\$ 12,318	\$ 646,008	\$ 658,326
Net unrealized (loss)	(14,188)	(1,819,894)	(1,834,082)
Total investment (loss)	\$ (1,870)	\$ (1,173,886)	\$ (1,175,756)

Concentration of credit risk: The College has no formal investment policy for endowment funds as it does not manage any such funds since they are required to be managed by the Foundation. The Foundation’s Investment Policy is as follows. The Foundation expects the investment managers to maintain diversified portfolios by using the following guidelines in accordance with investment policies.

The Foundation adopts an overall target asset allocation strategy, as follows:

Equity-oriented portfolios	Range of 65%-75% acceptable
Fixed-income portfolios	Range of 15%-20% acceptable
Short-term cash equivalent portfolios	Range of 10%-15% acceptable

The Foundation categorizes all funds that are equity, growth, income, and balanced funds as part of its equity portfolio. These funds are generally fully invested in equity securities, although at times, they may hold up to 10% in cash investments for defensive purposes and the Foundation’s asset mix may slightly overstate its equity position. The Foundation’s endowment assets invested in balanced funds and income funds are separated in the allocation mix according to their generally stated percentages of equity and fixed income.

The expected long-term rate of return on the endowment assets is 8% per year. This assumes an average annual rate of inflation of 3% and an average annual spending rate in an amount equal to 5% of the permanently restricted fund corpus.

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

As of June 30, 2023 and 2022, the Foundation held \$4,314,839 of noncurrent permanent investments for the College.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Following are the changes in capital assets of the College for the years ended June 30, 2023 and 2022:

	Balance June 30, 2022	Additions	Deletions	Transfers (Out) In	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 269,664	\$ -	\$ -	\$ -	\$ 269,664
Construction in progress	644,126	491,645	-	(619,050)	516,721
Total capital assets not being depreciated	\$ 913,790	\$ 491,645	\$ -	\$ (619,050)	\$ 786,385
Other capital assets:					
Land improvements	\$ 1,635,199	\$ -	\$ -	\$ -	\$ 1,635,199
Buildings and improvements	73,491,726	-	-	619,050	74,110,776
Furniture and equipment	2,765,772	335,443	(93,165)	-	3,008,050
Library materials	848,611	-	-	-	848,611
Total other capital assets	78,741,308	335,443	(93,165)	619,050	79,602,636
Less accumulated depreciation for:					
Land improvements	(1,032,533)	(73,324)	-	-	(1,105,857)
Buildings and improvements	(24,116,000)	(2,000,453)	-	-	(26,116,453)
Furniture and equipment	(2,220,142)	(126,996)	88,849	-	(2,258,289)
Library materials	(848,347)	(7,818)	-	-	(856,165)
Total accumulated depreciation	(28,217,022)	(2,208,591)	88,849	-	(30,336,764)
Other capital assets, net	\$ 50,524,286	\$ (1,873,148)	\$ (4,316)	\$ 619,050	\$ 49,265,872
Capital asset summary:					
Capital assets not being depreciated	\$ 913,790	\$ 491,645	\$ -	\$ (619,050)	\$ 786,385
Other capital assets, at cost	78,741,308	335,443	(93,165)	619,050	79,602,636
Total cost of capital assets	79,655,098	827,088	(93,165)	-	80,389,021
Less accumulated depreciation	(28,217,022)	(2,208,591)	88,849	-	(30,336,764)
Capital assets, net	\$ 51,438,076	\$ (1,381,503)	\$ (4,316)	\$ -	\$ 50,052,257

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets, *Continued*

	Balance June 30, 2021	Additions	Deletions	Transfers (Out) In	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 269,664	\$ -	\$ -	\$ -	\$ 269,664
Construction in progress	785,763	824,311	-	(965,948)	644,126
Total capital assets not being depreciated	\$ 1,055,427	\$ 824,311	\$ -	\$ (965,948)	\$ 913,790
Other capital assets:					
Land improvements	\$ 1,635,199	\$ -	\$ -	\$ -	\$ 1,635,199
Buildings and improvements	72,525,778	-	-	965,948	73,491,726
Furniture and equipment	2,606,503	159,269	-	-	2,765,772
Library materials	848,611	-	-	-	848,611
Total other capital assets	77,616,091	159,269	-	965,948	78,741,308
Less accumulated depreciation for:					
Land improvements	(959,209)	(73,324)	-	-	(1,032,533)
Buildings and improvements	(22,114,225)	(2,001,775)	-	-	(24,116,000)
Furniture and equipment	(2,084,715)	(135,427)	-	-	(2,220,142)
Library materials	(839,573)	(8,774)	-	-	(848,347)
Total accumulated depreciation	(25,997,722)	(2,219,300)	-	-	(28,217,022)
Other capital assets, net	\$ 51,618,369	\$ (2,060,031)	\$ -	\$ 965,948	\$ 50,524,286
Capital asset summary:					
Capital assets not being depreciated	\$ 1,055,427	\$ 824,311	\$ -	\$ (965,948)	\$ 913,790
Other capital assets, at cost	77,616,091	159,269	-	965,948	78,741,308
Total cost of capital assets	78,671,518	983,580	-	-	79,655,098
Less accumulated depreciation	(25,997,722)	(2,219,300)	-	-	(28,217,022)
Capital assets, net	\$ 52,673,796	\$ (1,235,720)	\$ -	\$ -	\$ 51,438,076

Note 4. Long-Term Liabilities

Voluntary termination: The College previously offered a retirement severance pay option allowing eligible employees the option of volunteering to leave the employment of the College. The amount of the voluntary termination option is based upon 55% of the annual full-time salary and 5% of the current annual full-time salary for each year over 15 years of service plus \$12,000. Amounts are paid out monthly over a five-year period. Contracts are payable in equal monthly installments over the payment period. The Board dissolved the plan in December 2020 and, therefore, does not allow new entrants.

All voluntary termination contracts granted under the plan must be renewed annually by the Board and are subject to the availability of funds. However, based on past experience and future intentions, which indicate that the payment of the entire liability is probable, the liability has been recognized in the financial statements. During the years ended June 30, 2023 and 2022, the College paid \$66,392 and \$115,545, respectively, under the plan.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities, *Continued*

As of June 30, 2023 and 2022, the accompanying financial statements reflect an obligation of \$113,528 and \$179,920, respectively, for voluntary termination benefits to former employees who elected and were approved to receive voluntary termination benefits.

The following schedule summarizes the aggregate maturities of the long-term voluntary termination obligations as of June 30, 2023:

Years ending June 30:	
2024	\$ 70,291
2025	30,211
2026	<u>13,026</u>
	<u>\$ 113,528</u>

Long-term liability activity for the years ended June 30, 2023 and 2022 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Bonds and contract obligations:					
Facility revenue bonds	\$ 2,880,000	\$ -	\$ (195,000)	\$ 2,685,000	\$ 205,000
Contract that transfers ownership	451,695	-	(143,024)	308,671	150,164
Career and Technical Education Center (CTEC) general obligation bonds	2,006,704	-	(194,107)	1,812,597	212,257
Agricultural Technology Education Center (ATEC) general obligation bonds	2,768,098	-	(149,859)	2,618,239	165,717
Total bonds and contract obligations	8,106,497	-	(681,990)	7,424,507	733,138
Other liabilities:					
Liability for voluntary termination	179,920	-	(66,392)	113,528	70,291
Accrued compensated absences	219,091	271,240	(254,306)	236,025	177,019
Total other liabilities	399,011	271,240	(320,698)	349,553	247,310
Total long-term liabilities	\$ 8,505,508	\$ 271,240	\$ (1,002,688)	\$ 7,774,060	\$ 980,448

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Liabilities, *Continued*

	Balance		Balance		Amounts Due
	June 30, 2021	Additions	Reductions	June 30, 2022	Within One Year
Bonds and contract obligations:					
Facility revenue bonds	\$ 3,070,000	\$ -	\$ (190,000)	\$ 2,880,000	\$ 195,000
Contract that transfers ownership	587,549	-	(135,854)	451,695	143,001
CTEC general obligation bonds	2,183,724	-	(177,020)	2,006,704	194,107
ATEC general obligation bonds	2,903,056	-	(134,958)	2,768,098	149,859
Total bonds and contract obligations	8,744,329	-	(637,832)	8,106,497	681,967
Other liabilities:					
Liability for voluntary termination	295,465	-	(115,545)	179,920	70,291
Accrued compensated absences	250,494	228,055	(259,458)	219,091	164,318
Total other liabilities	545,959	228,055	(375,003)	399,011	234,609
Total long-term liabilities	\$ 9,290,288	\$ 228,055	\$ (1,012,835)	\$ 8,505,508	\$ 916,576

Note 5. Bonds Payable

2014 Revenue Bonds:

Name	\$4,230,000 Facility Refunding and Improvement Revenue Bonds, Series 2014
Dated	March 13, 2014
Final Maturity	March 1, 2034
Payment Amounts and Dates	Semiannual principal and interest payments on September 1 and March 1. Principal amounts range from \$75,000 to \$145,000.
Interest Rate	2.5% through March 1, 2024; the rate will be adjusted for the balance of the repayment period to be equal to the then-quoted 10-year U.S. Treasury Bond Rate minus (-) 0.20%.
Revenue Pledged	Net revenues derived from the operation of the College's residence halls, dining halls, and recreation facilities, and gross revenues of the College.
Purpose	To erect and equip a student dormitory.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Bonds Payable, *Continued*

Reserve Requirement	The College shall make annual payments to the fund in an amount of no less than \$14,805 beginning on August 15, 2014 and continuing each August 15 thereafter until the fund contains \$296,100. Monies in the fund shall be used solely for maintenance, repair, facility obsolescence, and depreciation relating to the projects.
Optional Redemption Provisions	Bonds are redeemable on or after March 1, 2017, with no prepayment penalty thereafter.
Special Redemption	The bonds are subject to redemption at the option of the College, in whole on any date or in part on any payment date, at a redemption price equal to the principal amount of each bond to be redeemed plus accrued interest to the redemption date under certain limited situations related to the impairment of the facilities generating pledged revenue.

Annual maturities of bonds payable are as follows:

	2014 Revenue Bonds		
	Principal	Interest	Total
Years ending June 30:			
2024	\$ 205,000	\$ 66,980	\$ 271,980
2025	210,000	Variable	210,000
2026	220,000	Variable	220,000
2027	225,000	Variable	225,000
2028	235,000	Variable	235,000
2029-2033	1,300,000	Variable	1,300,000
2034	290,000	Variable	290,000
	<u>\$ 2,685,000</u>	<u>\$ 66,980</u>	<u>\$ 2,751,980</u>

2015 General Obligation Bond:

Name	\$3,137,722 General Obligation Building Bond, Series 2015
Dated	July 8, 2015
Final Maturity	December 15, 2030
Payment Amounts and Dates	Semiannual principal and interest payments on June 15 and December 15. Principal amounts range from \$26,838 to \$171,814.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Bonds Payable, *Continued*

Interest Rate	2.47% through final maturity.
Purpose	To pay the local match cost of constructing and equipping the CTEC. The bond is a limited obligation of the College and does not constitute an obligation or guarantee of the County, the State or any political subdivision other than the College. The bond is secured by an ad valorem tax levied against all taxable property within the Eastern Wyoming Community College District, without the limitation of rate or amount. Should the tax for the payment of principal and interest on the bond at any time not be levied or collected in time to meet such payment, the principal or interest so maturing shall be paid out of the general fund of the College or from any other funds available for that purpose.
Reserve Requirement	Total of \$219,641, which shall be used solely for maintenance, repairs, facility obsolescence, and depreciation relating to the projects.
Optional Redemption Provisions	The bond is redeemable prior to maturity, with no prepayment penalty, at the option of the College.

Annual maturities of bonds payable are as follows:

	2015 General Obligation Bond		
	Principal	Interest	Total
Years ending June 30:			
2024	\$ 212,257	\$ 43,473	\$ 255,730
2025	231,525	38,112	269,637
2026	251,973	32,268	284,241
2027	273,662	25,912	299,574
2028	296,658	19,012	315,670
2029-2031	546,522	15,314	561,836
	<u>\$ 1,812,597</u>	<u>\$ 174,091</u>	<u>\$ 1,986,688</u>

2017 General Obligation Bond:

Name	\$3,271,728 General Obligation Building Bond, Series 2017
Dated	December 20, 2017
Final Maturity	December 15, 2032

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 5. Bonds Payable, *Continued*

Payment Amounts and Dates	Semiannual principal and interest payments on June 15 and December 15. Principal amounts range from \$44,381 to \$332,324.
Interest Rate	3.75% through final maturity.
Purpose	To pay a portion of the local match cost of constructing and equipping the ATEC building. The bond is a limited obligation of the College and does not constitute an obligation or guarantee of the County, the State or any political subdivision other than the College. The bond is secured by an ad valorem tax levied against all taxable property within the Eastern Wyoming Community College District, without the limitation of rate or amount. Should the tax for the payment of principal and interest on the bond at any time not be levied or collected in time to meet such payment, the principal or interest so maturing shall be paid out of the general fund of the College or from any other funds available for that purpose.
Reserve Requirement	Total of \$229,021, which shall be used solely for maintenance, repairs, facility obsolescence, and depreciation relating to the projects.
Optional Redemption Provisions	The bond is redeemable prior to maturity, with no prepayment penalty, at the option of the College.

Annual maturities of bonds payable are as follows:

	2017 General Obligation Bond		
	Principal	Interest	Total
Years ending June 30:			
2024	\$ 165,717	\$ 96,693	\$ 262,410
2025	182,583	90,324	272,907
2026	200,510	83,312	283,822
2027	219,557	75,618	295,175
2028	239,784	67,199	306,983
2029-2033	1,610,088	174,294	1,784,382
	<u>\$ 2,618,239</u>	<u>\$ 587,440</u>	<u>\$ 3,205,679</u>

Legal debt margin: Wyoming State Statutes provide that the Eastern Wyoming Community College District shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein. As of June 30, 2023, the district's assessed valuation was \$297,634,650. The district had general obligation debt of \$4,430,836 as of June 30, 2023.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 6. Contract That Transfers Ownership

In July 2010, the College entered into a contract with Points West Community Bank for the purchase of equipment related to campus construction projects. This financed purchase resulted in the recognition of an asset included in capital assets at the present value of future minimum contract payments using an effective interest rate of 4.97%. The College received \$1,635,903 in cash to be used for the purchase of specific equipment. This equipment has been classified under the major asset class, buildings and improvements, since it is predominately nonmovable in nature.

The following is a schedule of future minimum contract payments due under the contract, together with the net present value of the minimum contract payments, as of June 30, 2023:

Years ending June 30:		
2024	\$	165,724
2025		<u>165,724</u>
Total minimum contract payments		331,448
Less amount representing interest		<u>(22,777)</u>
	\$	<u><u>308,671</u></u>

Note 7. Right-to-Use Subscription Assets and Related Subscription Liabilities

The College has SBITAs related to various right-to-use subscription assets, including virtual learning software and licenses, digital threat prevention software, event management software, virtual storage licenses, and student enrollment and scholarship software. Terms range from three to 10 years, with end dates ranging from July 2024 to June 2028. Many of these subscriptions are paid in total at the beginning of the term by the College. The College recognized right-to-use subscription assets of \$187,592 at June 30, 2023 using the prime rate in effect at the commencement of the SBITAs. The accumulated amortization on the right-to-use subscription assets was \$54,127 at June 30, 2023.

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

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 7. Right-to-Use Subscription Assets and Related Subscription Liabilities, *Continued*

Future minimum subscription-based payments under the SBITAs as of June 30, 2023 are as follows:

Years ending June 30:	Principal	Interest	Total
2024	\$ 29,348	\$ 3,372	\$ 32,720
2025	24,015	2,233	26,248
2026	18,046	1,399	19,445
2027	19,099	570	19,669
2028	13,295	1	13,296
	<u>\$ 103,803</u>	<u>\$ 7,575</u>	<u>\$ 111,378</u>

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

Note 8. Transactions With the Foundation

The Foundation is a legally separate, tax-exempt component unit of the College (see Note 1). The Foundation's Statements of Financial Position, Statements of Activities, and Statements of Cash Flows have been included on pages 13, 15 and 18, respectively.

Included in the College's accounts receivable of \$7,632,861 and \$6,200,093 as of June 30, 2023 and 2022, respectively, is \$3,323,398 and \$2,404,730, respectively, due from the Foundation.

Note 9. Retirement Commitment - Teachers Insurance and Annuity Association of America (TIAA)

The College offers a retirement benefit to all permanent full-time employees that is equal to 16.91% of each employee's monthly salary. Employees who are temporary, according to the College's definition, are excluded. Eligible College employees may participate in one of two pension plans offered by the College: the WRS or TIAA. TIAA is a private defined contribution retirement plan that is portable to other institutions and states. For the years ended June 30, 2023 and 2022, the College's contribution to TIAA was \$422,096 and \$325,959, respectively.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 10. Custodial Deposits

Funds collected by various student and affiliated groups are held in trust by the College. A liability for these funds is included in current liabilities in the accompanying Statements of Net Position. The following summarizes activity within the custodial funds during the years ended June 30:

	<u>2023</u>	<u>2022</u>
Beginning of year	\$ 406,689	\$ 385,283
Additions:		
Student fees	236,348	147,872
Allocated interest and other	293,540	262,168
Other revenue	2,010,135	2,025,772
Total additions	<u>2,540,023</u>	<u>2,435,812</u>
Total available funds	<u>2,946,712</u>	<u>2,821,095</u>
Deductions:		
Administrative expenditures	211,738	201,899
Other noncapital expenditures	2,199,759	2,212,507
Total deductions	<u>2,411,497</u>	<u>2,414,406</u>
End of year	<u>\$ 535,215</u>	<u>\$ 406,689</u>

Note 11. Commitments and Contingencies

Construction commitments: The College has contracted and/or appropriated funds for the planning and construction or maintenance of several facilities. As of June 30, 2023, the remaining commitment to complete these projects totaled approximately \$1.3 million. These completion costs will be financed by a combination of State appropriations, private gifts, general obligation bond financing, and grant funding.

Other: Amounts expended under the terms of certain grants are subject to audit and possible adjustment by governmental agencies. In the opinion of management, any adjustments will not have a material effect on the accompanying financial statements.

Note 12. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the College contracted with various insurance companies for property insurance (including machinery), general liability insurance, professional insurance, and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The College has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The College has had no significant reductions in insurance coverage from coverage in the prior year.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 12. Risk Management, *Continued*

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

Note 13. Natural Classifications With Functional Classifications

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

Functional classification:	2023				
	Natural Classification				
	Compensation and Benefits	Supplies and Services	Depreciation and Amortization	Scholarships	Total
Instruction	\$ 4,167,086	\$ 1,613,661	\$ -	\$ -	\$ 5,780,747
Research	31,228	19,934	-	-	51,162
Public service	42,784	30,239	-	-	73,023
Academic support	798,808	676,954	-	-	1,475,762
Student services	1,179,042	577,927	-	-	1,756,969
Institutional support	2,211,861	1,954,111	-	-	4,165,972
Operation and maintenance of plant	721,655	1,542,695	-	-	2,264,350
Scholarships	-	-	-	1,237,356	1,237,356
Auxiliary enterprises	492,126	664,055	-	-	1,156,181
Depreciation	-	-	2,208,591	-	2,208,591
Amortization	-	-	54,127	-	54,127
Total operating expenses	\$ 9,644,590	\$ 7,079,576	\$ 2,262,718	\$ 1,237,356	\$ 20,224,240

Functional classification:	2022				
	Natural Classification				
	Compensation and Benefits	Supplies and Services	Depreciation and Amortization	Scholarships	Total
Instruction	\$ 4,343,234	\$ 1,432,731	\$ -	\$ -	\$ 5,775,965
Research	10,215	21,387	-	-	31,602
Public service	37,653	14,935	-	-	52,588
Academic support	800,814	664,036	-	-	1,464,850
Student services	1,227,827	523,447	-	-	1,751,274
Institutional support	2,021,814	1,571,808	-	-	3,593,622
Operation and maintenance of plant	684,034	1,149,475	-	-	1,833,509
Scholarships	-	-	-	1,124,952	1,124,952
Auxiliary enterprises	518,438	605,593	-	-	1,124,031
Depreciation	-	-	2,219,300	-	2,219,300
Amortization	-	-	-	-	-
Total operating expenses	\$ 9,644,029	\$ 5,983,412	\$ 2,219,300	\$ 1,124,952	\$ 18,971,693

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 14. Retirement Commitment - WRS

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

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

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

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

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

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

Contributions: Per Titles 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2022 and 2021, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the College has elected to pay 7.54% of each member's contribution in addition to the employer's contribution. Total contributions to the pension plan from the College were \$492,233 and \$488,701 for the years ended June 30, 2023 and 2022, respectively.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 14. Retirement Commitment - WRS, *Continued*

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2023 and 2022, the College reported a liability of \$4,216,476 and \$2,536,380, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2022 and 2021, respectively. There were no assumption changes for the 2022 actuarial valuation. The 2021 actuarial valuation incorporated assumption changes adopted by the WRS Board at its November 17, 2021 and February 17, 2022 meetings. The College's proportion of the net pension liability was based on the relationship of the College's total contributions to the plan for the years ended December 31, 2022 and 2021 to the contributions of all participating employers for the same periods. At December 31, 2022, the College's proportion was 0.1542906%, which was a decrease from its December 31, 2021 proportion of 0.1663504%.

For the years ended June 30, 2023 and 2022, the College recognized pension expense (offset) of \$35,619 and (\$346,122), respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,145	\$ 26,729	\$ 47,569	\$ 3,897
Changes in assumptions	113,160	-	205,245	-
Net difference between projected and actual earnings on pension plan investments	362,956	-	-	1,686,020
Changes in proportionate share of contributions	-	425,797	-	437,705
Contributions subsequent to the measurement date	138,075	-	136,885	-
	<u>\$ 635,336</u>	<u>\$ 452,526</u>	<u>\$ 389,699</u>	<u>\$ 2,127,622</u>

The amount of \$138,075 at June 30, 2023, reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 will be recognized in pension expense, as follows:

Years ending June 30:	
2024	\$ (370,336)
2025	(70,698)
2026	93,393
2027	392,376
	<u>\$ 44,735</u>

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 14. Retirement Commitment - WRS, *Continued*

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

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

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 14. Retirement Commitment - WRS, *Continued*

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Each major asset class is included in the pension plan’s target asset allocation as of January 1, 2022 and 2021. These best estimates are summarized in the following tables:

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

Asset Class	2021		
	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-0.50%	-0.50%
Fixed income	21.00%	1.32%	1.63%
Equity	48.50%	5.63%	7.54%
Marketable alternatives	19.00%	3.74%	4.63%
Private real assets	9.50%	4.84%	5.99%
	<u>100.00%</u>		

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

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 14. Retirement Commitment - WRS, *Continued*

Discount rate: The discount rate used to measure the total pension liability as of December 31, 2022 and 2021 was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College’s proportionate share of the net pension liability to changes in the discount rate: The following presents the College’s proportionate share of the net pension liability as of June 30, 2023 and 2022, calculated using the discount rate of 6.80%, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 6,226,221	\$ 4,216,476	\$ 2,550,942

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

Note 15. OPEB Commitment

General information about the OPEB plan:

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

1. The employee had coverage in effect under the Plan for at least one year prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the WRS or TIAA and either:
 - a. Has reached age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan; or
 - b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Retirement eligibility varies under the WRS. The Public Employee Pension Plan, which is the plan applicable to the College, requires 25 years of service credit.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, *Continued*

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

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

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

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2023 and 2022, the College reported a liability of \$10,782,588 and \$15,138,878, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2022 and 2021, respectively, and the total OPEB liability used to calculate the collective total OPEB liability was determined by actuarial valuations as of June 30, 2023 and 2022, respectively. The College’s proportion of the collective total OPEB liability was based on a projection of the College’s expected benefit payments during the measurement period attributable to retirees of the College relative to the expected benefit payments during the measurement period attributable to all retirees of the Plan, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2023, the College’s proportion was 1.02733%, which was a decrease from its June 30, 2022 proportion of 1.14799%.

For the years ended June 30, 2023 and 2022, the College recognized OPEB expense of \$189,112 and \$935,008, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,059,723	\$ 1,089,284	\$ 1,485,754	\$ 1,443,658
Changes in assumptions	2,162,232	3,865,854	2,813,985	1,114,318
Change in proportionate share of expected payments	-	1,785,155	-	706,050
Expected benefit payments subsequent to measurement date	189,512	-	180,863	-
	\$ 3,411,467	\$ 6,740,293	\$ 4,480,602	\$ 3,264,026

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, *Continued*

The amount of \$189,512 at June 30, 2023, reported as deferred outflows of resources related to OPEB resulting from expected benefit payments subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2023 will be recognized in the College’s OPEB expense, as follows:

Years ending June 30:	
2024	\$ (595,759)
2025	(595,759)
2026	(595,759)
2027	(487,047)
2028	(634,508)
Thereafter	<u>(609,506)</u>
	<u>\$ (3,518,338)</u>

Actuarial assumptions: The total OPEB liability was determined by actuarial valuations as of June 30, 2023 and 2022 using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Measurement Dates	June 30, 2022 and 2021, respectively (based on July 1, 2021 census data)
Inflation	2.25%
Salary Increases	2.50%-6.50%
Mortality Rates	
Pre-Retirement:	General: Headcount-Weighted Pub 2010 General Employee, projected generationally with the two-dimensional Scale MP-2020.
	Safety: Headcount-Weighted Pub-2010 Safety Employee, projected generationally with the two-dimensional Scale MP-2020.
Post-Retirement:	General: Headcount-Weighted Pub-2010 Non-Safety Healthy Retiree, projected generationally with the two-dimensional Scale MP-2020.
	Safety: Headcount-Weighted Pub-2010 Safety Healthy Retiree, projected generationally with the two-dimensional Scale MP-2020.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, *Continued*

Mortality Rates, *Continued*

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

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

Healthcare Cost Trend Rates

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

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

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

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

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

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

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

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

Discount rate: The discount rate used to measure the total OPEB liability was 3.54% at June 30, 2022, which represents an increase from the discount rate of 2.16% utilized for the June 30, 2021 measurement date. As the Plan is unfunded, the Plan has no fiduciary net position from which to make future benefit payments. Therefore, the discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

EASTERN WYOMING COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, *Continued*

Sensitivity of the College’s proportionate share of the collective total OPEB liability to changes in the discount rate: The table below presents the College’s proportionate share of the collective total OPEB liability, calculated using the discount rate of 3.54%, as well as what the College’s proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate share of the collective total OPEB liability	<u>\$ 13,083,736</u>	<u>\$ 10,782,588</u>	<u>\$ 9,006,301</u>

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

	1% Decrease	Current Discount Rate	1% Increase
Pre-Medicare	6.25%	7.25%	8.25%
Medicare	6.25%	7.25%	8.25%
Proportionate share of the collective total OPEB liability	<u>\$ 9,110,830</u>	<u>\$ 10,782,588</u>	<u>\$ 12,997,820</u>

REQUIRED SUPPLEMENTARY INFORMATION

EASTERN WYOMING COLLEGE

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

**Public Employee Pension Plan
Last 10 Fiscal Years***

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
2014	0.2811254800%	\$ 4,274,233	\$ 4,640,000	92.12%	N/A
2015	0.2620460560%	4,624,306	4,471,826	103.41%	79.08%
2016	0.2399659380%	5,589,641	4,631,078	120.70%	73.40%
2017	0.2193169000%	5,301,987	3,922,747	135.16%	73.42%
2018	0.2008483000%	4,578,017	3,541,412	129.27%	76.35%
2019	0.1965097000%	5,984,292	3,452,344	173.34%	69.17%
2020	0.1909323000%	4,486,768	3,397,957	132.04%	76.83%
2021	0.1812424000%	3,939,049	3,303,245	119.25%	79.24%
2022	0.1663504000%	2,536,380	3,034,120	83.60%	86.03%
2023	0.1542906000%	4,216,476	2,898,196	145.49%	75.47%

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

See Notes to Required Supplementary Information.

EASTERN WYOMING COLLEGE

**SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS
Public Employee Pension Plan
Last 10 Fiscal Years**

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll Pension Liability
2014	\$ 330,368	\$ 330,368	\$ -	\$ 4,392,093	7.52%
2015	333,521	333,521	-	4,684,209	7.12%
2016	348,401	348,401	-	4,162,497	8.37%
2017	302,833	302,833	-	3,618,076	8.37%
2018	291,771	291,771	-	3,485,914	8.37%
2019	291,877	291,877	-	3,402,491	8.58%
2020	298,056	298,056	-	3,360,270	8.87%
2021	293,037	293,037	-	3,213,125	9.12%
2022	270,794	270,794	-	2,890,011	9.37%
2023	272,751	272,751	-	2,910,896	9.37%

See Notes to Required Supplementary Information.

EASTERN WYOMING COLLEGE

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

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

	College's Proportion of the Total OPEB Liability	College's Proportionate Share of the Total OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total OPEB Liability
2018	1.2624100000%	\$ 9,985,556	N/A	N/A	0.00%
2019	1.2333800000%	12,573,637	N/A	N/A	0.00%
2020	1.1582300000%	10,956,930	N/A	N/A	0.00%
2021	1.1535900000%	15,073,262	N/A	N/A	0.00%
2022	1.1479900000%	15,138,878	N/A	N/A	0.00%
2023	1.0273300000%	10,782,558	N/A	N/A	0.00%

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

See Notes to Required Supplementary Information.

EASTERN WYOMING COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

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

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2022 measurement date.

Changes in assumptions: Healthcare trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the WRS's December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date, as indicated in the table below:

Measurement Date (Plan Year-End)	Discount Rate	Investment Rate of Return	Inflation Rate	Salary Increase Rate (Including Inflation)	Payroll Growth Rate	Cost of Living Increases
2014	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2015	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2016	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2017	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2018	7.00%	7.00%	2.25%	4.75%-8.75%	2.50%	0.00%
2019	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2020	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2021	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2022	6.80%	6.80%	2.25%	2.50% -6.50%	2.50%	0.00%

Note 2. Other Postemployment Benefits Commitment

Changes in benefit terms: There were no changes in benefit terms between the June 30, 2016 and June 30, 2022 measurement dates.

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

Measurement Date (June 30)	Discount Rate	Inflation Rate	Salary Increase Rate	Pre-Medicare HTC*	Medicare HTC*
2016	2.85%	2.50%	2.50%-6.50%	6.50%	7.50%
2017	3.58%	2.50%	2.50%-6.50%	6.50%	7.50%
2018	3.87%	2.25%	2.50%-6.50%	7.60%	8.10%
2019	3.51%	2.50%	2.50%-6.50%	7.20%	7.60%
2020	2.21%	2.25%	2.50%-6.50%	7.20%	7.60%
2021	2.16%	2.25%	2.50%-6.50%	7.50%	7.50%
2022	3.54%	2.25%	2.50%-6.50%	7.25%	7.25%

* Healthcare trend rate.

EASTERN WYOMING COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

Note 2. Other Postemployment Benefits Commitment, *Continued*

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

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

SUPPLEMENTARY INFORMATION

EASTERN WYOMING COLLEGE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures
U.S. Department of Education:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	N/A	84.007	\$ 17,997
Return of FY21 SEOG Funds	N/A	84.007	(34)
Federal Direct Student Loans	N/A	84.268	564,776
Return of FY21 Direct Student Loans	N/A	84.268	(8,154)
Return of FY22 Direct Student Loans	N/A	84.268	(27,726)
Federal Work-Study Program	N/A	84.033	9,678
Return of FY21 FWS Funds	N/A	84.033	(35)
Federal Pell Grant Program	N/A	84.063	936,042
Return of FY21 Pell Grants	N/A	84.063	(52,630)
Return of FY22 Pell Grants	N/A	84.063	(193,339)
Total Student Financial Aid Cluster			1,246,575
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund Student Aid Portion			
	P425E201413	84.425E	54,809
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund Institutional Portion			
	P425F204757	84.425F	527,813
Total COVID-19 Education Stabilization Fund			582,622
Passed through Wyoming Department of Education:			
Career and Technical Education - Basic Grants to States	V048A210050	84.048	191,033
Passed through Wyoming Community College Commission:			
Adult Education - Basic Grants to States	AE21R03	84.002	67,417
Adult Education - Basic Grants to States	AE22SP03	84.002A	5,912
			73,329
Passed through University of Wyoming:			
GEAR UP	1004098I-EWC	84.334	106,535
GEAR UP	1004098L-EWC	84.334	168,408
			274,943
Total other programs			539,305
Total U.S. Department of Education			2,368,502
U.S. Department of Labor:			
Passed through Wyoming Department of Workforce Services:			
WIOA Youth Activities	N/A	17.259	8,810
Total U.S. Department of Labor			8,810

Continued

EASTERN WYOMING COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,

Continued

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures
U.S. Department of Health and Human Services:			
CCDF Cluster:			
Passed through Wyoming Department of Family Services:			
Child Care and Development Block Grant	N/A	93.575	\$ 101,898
Total CCDF Cluster			<u>101,898</u>
Research and Development Cluster:			
Passed through University of Wyoming:			
National Center for Research Resources	1005091C-EWC	93.859	53,162
National Center for Research Resources	1005529C-EWC	93.859	6,666
Total Research and Development Cluster			<u>59,828</u>
Total U.S. Department of Health and Human Services			<u>161,726</u>
U.S. Department of the Treasury:			
Passed through the Wyoming Community College Commission:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	301,728
COVID-19 Coronavirus Relief Fund	N/A	21.019	84,082
Total U.S. Department of the Treasury			<u>385,810</u>
U.S. Department of Commerce:			
Economic Development Cluster:			
Passed through University of Wyoming:			
Economic Adjustment Assistance	N/A	11.307	1,440
Total U.S. Department of Commerce and Economic Development Cluster			<u>1,440</u>
Total expenditures of Federal awards			<u>\$ 2,926,288</u>

See Notes to Schedule of Expenditures of Federal Awards.

EASTERN WYOMING COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

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

Note 2. De Minimis Cost Rate

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

Note 3. Basis of Presentation

The Schedule includes Federal award activity of the College under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the College.



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

To the Board of Trustees
Eastern Wyoming College
Torrington, 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 Eastern Wyoming College (the College) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon, dated [REDACTED], 2023. The financial statements of the College's discretely presented component unit, the Eastern Wyoming College Foundation, were not audited in accordance with *Government Auditing Standards*, and accordingly, the report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this entity.

Report on Internal Control Over Financial Reporting

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

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


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Cheyenne, Wyoming
, 2023



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

To the Board of Trustees
Eastern Wyoming College
Torrington, Wyoming

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Eastern Wyoming College's (the College) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on the College's major Federal program for the year ended June 30, 2023. The College's major Federal program is identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's 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 College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major Federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 through 2023-004. Our opinion on the major Federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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; therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 through 2023-004 to be significant deficiencies.

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.

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

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.

Cheyenne, Wyoming
[REDACTED], 2023

EASTERN WYOMING COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal program:

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

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes No

Identification of major Federal program:

Assistance Listing Number	Name of Federal Program or Cluster
Cluster	Student Financial Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

II. FINANCIAL STATEMENT FINDINGS

None.

EASTERN WYOMING COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001: Special Tests - Number of Students Served (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #84.334, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> University of Wyoming
<i>Award Number/Name:</i> P334S170010-21
<i>Award Year:</i> September 26, 2021 - September 25, 2022

Criteria: Per the Sub-Award Agreement between the University of Wyoming and Eastern Wyoming College (the College or the Contractor), “Subrecipient shall provide services designed to assist in achieving the following objectives for its selected GEAR UP students:

- GEAR UP Wyoming (GUWY) will serve a minimum of 2,000 participants each year. (Contractor is required to serve at least 350 of the 2,000 students).”

Condition/context: The number of students served by the College during the year was recorded at 327, an underserving of 23.

Cause: The College has historically been able to meet the minimum required number of students served via internal tracking, as well as via subrecipient monitoring provided by the University of Wyoming. However, during the year, the GEAR-UP program experienced a turnover in the director position (including a more-than-two-month vacancy). As such, the program struggled to recruit and retain students served via the program. Additionally, the College did not follow its internal procedures to track students served and maintain continuous contact with the University of Wyoming to ensure the minimum required number of students were being served.

Effect: The University of Wyoming could opt to not renew the College’s program funding if the minimum required number of students served is not met.

Questioned costs: None.

Identification as a repeat finding: Yes. See prior-year finding 2022-004.

Recommendation: We recommend that the program have a process in place to ensure that all necessary procedures/controls are adhered to, even in times of positional turnover or when the individuals who usually perform those procedures/controls are on leave.

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

EASTERN WYOMING COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2023-002: Student Financial Aid Cluster - Special Tests: Enrollment Reporting (Significant Deficiency)

<i>Assistance Listing Numbers and Titles:</i> #84.268, Federal Direct Student Loans, and #84.063, Federal Pell Grant Program
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> N/A
<i>Award Year:</i> July 1, 2022 - June 30, 2023

Criteria: Per 34 CFR 690.83(b)(2), “The Secretary accepts a student’s Payment Data that is submitted in accordance with procedures established through publication in the Federal Register, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.”

Per 34 CFR 685.309(b), “Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary - (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary.”

Per 2.3 of the National Student Loan Data System (NSLDS) Enrollment Reporting Guide, “The accurate administration of the Title IV programs depends heavily on the accuracy of the enrollment information reported by schools and timely and complete enrollment status reporting can help reduce the need for paper deferment forms.”

Per 2.4 of the NSLDS Enrollment Reporting Guide, “NSLDS tracks how many students, included on a school’s Roster file, were certified with Program Level information and whether a school has reported programs with a 2020 CIP Year (Enrollment Reporting Statistics). This information is used to determine whether a school is complying with applicable regulations and guidance.”

Per 3.3 of the NSLDS Enrollment Reporting Guide, “As with any school/servicer arrangement for the administration of Title IV programs, if the school uses an Enrollment Reporting Servicer, the school still has the primary responsibility for submitting timely, accurate, and complete responses to Enrollment Reporting Roster files, and for reporting any changes in student enrollment status in a timely manner.”

Condition/context: Of the seven students selected for testing of accurate enrollment reporting, we noted the following errors:

- Two instances in which the students were not reported as withdrawn;
- One instance in which the student’s published program length was incorrect; and
- Two instances in which the reported Program Begin Date did not match institution records.

Cause: The Student Financial Aid and Registrar Offices do not have controls in place to ensure the proper and timely reporting of student status changes.

EASTERN WYOMING COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

Effect: The improper reporting of student status changes could impact students' interest subsidies and/or repayment status.

Questioned costs: None.

Identification as a repeat finding: No.

Recommendation: The Student Financial Aid and Registrar Offices should implement controls to ensure the proper and timely reporting of student status changes. Upon the implementation of an effective reporting control process, we recommend that the College directly review the student status changes at the NSLDS rather than rely solely on its third-party service provider.

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

2023-003: Student Financial Aid Cluster - Special Tests: Disbursements to, or on Behalf of, Students (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #84.268, Federal Direct Student Loans
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> N/A
<i>Award Year:</i> July 1, 2022 - June 30, 2023

Criteria: Per 34 CFR 668.165, if the institution disburses funds that include Federal Direct Loan Program funds, the notice must indicate which funds are from subsidized loans, unsubsidized loans, and PLUS loans. The institution must notify the student or parent of (i) the anticipated date and amount of the disbursement, (ii) the student's or parent's right to cancel all or a portion of that loan, and (iii) the procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan. The institution must provide the notice no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution.

Condition/context: During our review of students who were disbursed Federal direct loans, we noted two students in which the College did not provide written notification to borrowers regarding loan disbursements within 30 days prior/subsequent to the disbursement. Both instances of missed notification occurred in spring 2023.

Cause: The Student Financial Aid Office did not have sufficient controls in place to ensure that notifications were provided and records were maintained.

Effect: The borrower is not aware of the anticipated disbursement date or amount, their right to cancel all or a portion of the loan, or the procedures to follow to cancel the loan if necessary.

Questioned costs: None.

EASTERN WYOMING COLLEGE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

Identification as a repeat finding: No.

Recommendation: The Student Financial Aid Office should develop a process to ensure that timely written notification is provided to borrowers regarding loan disbursements and that documentation of notification is maintained.

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

2023-004: Student Financial Aid Cluster - Special Tests: Gramm-Leach-Bliley Act - Student Information Security (Significant Deficiency)

<i>Assistance Listing Numbers and Titles:</i> #84.007, #84.033, #84.063 and #84.268, Student Financial Aid Cluster
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> N/A
<i>Award Year:</i> July 1, 2022 - June 30, 2023

Criteria: 16 CFR 314.3 requires an institution to develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to the institution's size and complexity, the nature and scope of activities, and the sensitivity of any customer information at issue. The information security program shall include the elements set forth in 16 CFR 314.4 and be reasonably designed to achieve the objectives of this part.

Condition/context: The College does not have a written comprehensive information security program that addresses all elements required by 16 CFR 314.4.

Cause: The College does not have a control in place to ensure that policies are reviewed and revised in accordance with Federal deadlines.

Effect: The College is not compliant with the Gramm-Leach-Bliley Act.

Questioned costs: None.

Identification as a repeat finding: No.

Recommendation: The College should implement a control to monitor changes in Federal guidelines in order to update policies timely.

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

EASTERN WYOMING COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2023

I. FINANCIAL STATEMENT FINDINGS

2022-001: Data Recovery and System Reinstatement

Condition: Upon falling victim to a cyber-attack in June 2021, Eastern Wyoming College (the College) was unable to restore a system backup in a timely and efficient manner. In addition, the College was unable to restore all systems and controls timely. This also resulted in the College being unable to provide accurate financial records in a timely manner, resulting in a prior-period restatement.

Status: The protection of the College's data has been reconfigured since the cyber-event in June 2021. The new strategy consists of two HP StoreOnce backup devices, one in the Torrington data center (within the Agricultural Technology Education Center (ATEC) building) and one in the Douglas data center. Backups occur every evening to the Torrington device. After the backup jobs have run, the data is transferred to the remote location in Douglas. This provides a secondary location in the event that the main location becomes compromised. The College also does a quarterly backup of the data, and that data set is stored at a secure off-campus location on disks that are not attached to any other storage. This has provided a robust solution that will allow a quick recovery in the event of a cyber-attack. The backups are tested monthly to ensure that the restoration of data will be successful. Finally, the College has purchased and implemented a dedicated Disaster Recovery server. This server will be able to restore data from the replication StoreOnce and host all of the servers that are necessary to run the core business of the College. This setup was recently retested and modified slightly to enhance the procedures related to a potential restoration; as part of the test, all objected functionality was restored. This server will also be moved to the ATEC building as soon as its building and configuration is completed.

Auditor's comments: Based on current-year testing, the corrective action plan was implemented. The finding is considered resolved.

2022-002: Schedule of Expenditures of Federal Awards (SEFA)

Condition: The initial SEFA inadvertently did not include all Federal expenditures. Lost revenue expenditures claimed under the COVID-19 Educational Stabilization Fund - Higher Education Emergency Relief Fund Institutional Portion grant in the amount of \$566,526 were excluded. In addition, expenditures of \$45,193 within the same grant were listed on the SEFA; however, they were not proper fiscal year 2022 expenditures and should have been claimed as grant expenditures in fiscal year 2023.

Status: The nature of the noted SEFA differences is infrequent and irregular. Therefore, appropriate controls were not in place to handle the items. Now, the College has procedures in place to ensure that expenditures are recorded to the proper fiscal year. Particularly, there is a separate evaluation process to determine if a portion of expenditures needs to be recorded as prepaid expenses that would apply to future fiscal years. Furthermore, the College is better evaluating that expenditures listed on grant reports agree with recorded expenditures on the general ledger. Additionally, now that staff involved in the grant are better informed, this condition should not re-occur.

EASTERN WYOMING COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023

I. FINANCIAL STATEMENT FINDINGS, *Continued*

Auditor's comments: Based on current-year testing, the corrective action plan was implemented. The finding is considered resolved.

II. FEDERAL AWARD FINDINGS

2022-003: Reporting

<i>Assistance Listing Number and Title:</i> #84.425, COVID-19 Education Stabilization Fund
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> 1. P425E201413 2. P425E201413-20A 3. P425F204757 4. P425F204757-20A
<i>Award Years:</i> 1. April 24, 2020 - June 30, 2023 2. April 24, 2020 - June 30, 2023 3. April 24, 2020 - June 30, 2023 4. April 24, 2020 - June 30, 2023

Condition/context: A total of five reports were selected for testing, including one annual report, two quarterly reports related to the Student Aid Portion and two quarterly reports related to the Institutional Portion. Of these five reports:

1. All reports lacked evidence of a proper review and approval by authorized individuals before the submission of the report to the U.S. Department of Education.
2. The Quarterly Student Aid report for the period ended March 31, 2022 was not submitted in a timely manner.
3. The Quarterly Institutional report for the period ended September 30, 2021 was not submitted in a timely manner.
4. The Quarterly Institutional report for the period ended March 31, 2022 was not submitted in a timely manner.

Status: All quarterly reports are now reviewed and approved by two individuals prior to being submitted to the College's website. Both individuals have the necessary access to data, skills, and expertise to perform these reviews. Additionally, the College's business office now uses a calendaring system to ensure the completion, review, and timely submission of all necessary reports.

Auditor's comments: Based on current-year testing, the corrective action plan was implemented. The finding is considered resolved.

EASTERN WYOMING COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023

II. FEDERAL AWARD FINDINGS, *Continued*

2022-004: Special Tests - Number of Students Served

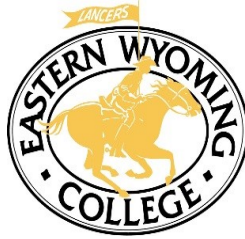
<i>Assistance Listing Number and Title:</i> #84.334, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> University of Wyoming
<i>Award Number/Name:</i> P334S170010-20
<i>Award Year:</i> September 26, 2020 - September 25, 2021

Condition/context: The number of students served by the College during the year was recorded at 298, an underserving of 52.

Status: The College has revised its approach to recruit and retain students served by the GEAR UP program. This includes the inclusion of two additional schools served by the program; the hiring of two additional coordinators to assist with parent-teacher conferences, family programs, and other similar events that can impact recruiting and retention; and ensuring that current program advisors will return for future school years, which will decrease necessary hiring/orientation and allow for more recruiting time.

Auditor's comments: Although the College is making progress toward fully implementing its corrective action plan during the year ended June 30, 2023, the program has yet to reach the minimum threshold for the number of students served. As such, this finding is repeated. See current-year finding 2023-001.

EXHIBIT I
CORRECTIVE ACTION PLAN



Eastern Wyoming College – Corrective Action Plan

2023-001: Special Tests - Number of Students Served

Corrective actions: In response to the previous Corrective Action Plan, the following have been implemented and are in progress:

- Enrollment rates have increased by 29 students from January 2023, showing improvement in recruiting and retention.
- EWC GEAR UP lost its director in April 2023, which impacted the push for recruitment and retaining students.
- As of June 19, a new Director was hired for GEAR UP.
 - Since hiring the new Director, three additional schools have agreed to participate in GEAR UP services. This will increase student enrollment and engagement by an estimated 25 students by the end of 2023.
- Two additional Coordinators will be hired at EWC. Coordinators will serve EWC GEAR UP freshmen as well as local schools without GEAR UP advisors (Torrington High School and Lingle/Ft. Laramie Middle and High School), which will increase enrollment and engagement by an estimated 25 students by the end of 2023.
- Coordinators will attend parent-teacher conferences to aid staff in recruiting and retaining students and families in the GEAR UP Program.
- Coordinators will be able to assist with events and family programs.
- Current advisors have agreed to return for the year of September 2023-September 2024. This will decrease hiring and orientation times and allow for more recruiting from those school advisors.

Anticipated completion date: June 2024

Contact person: GEAR UP Director - Chelsea Ballard

2023-002: Student Financial Aid Cluster - Special Tests: Enrollment Reporting

Corrective actions: EWC Financial Aid actively addressed the issue of awards not showing in the Common Origination and Disbursement (COD) system. EWC has implemented a new process utilizing the Colleague Transfer Monitoring system to ensure NSLDS accepts the NSC enrollment information. In the event that EWC's HCM2 status prevents automatic reporting, EWC Financial Aid will update NSLDS monthly.

Completion date: October 2023

Contact person: Financial Aid Director - Rebecca McAllister

Student with reported program length: EWC has set internal controls to ensure the proper settings within Colleague are selected, including setting years as a default instead of months. EWC Financial Aid and EWC Academic Services will review and evaluate each program and ensure that the proper default is selected to ensure accurate program reporting.

Anticipated completion date: December 2023

Contact people: Financial Aid Director - Rebecca McAllister and Admin. Specialist - Lynn Wamboldt

Students with a program date from Colleague that did not match NSLDS: The Colleague student-information system will be updated to define the parameter of start date as the first day of each semester. This software patch will ensure Colleague matches the reporting parameters utilized by NSLDS.

Anticipated completion date: January 2024

Contact people: Data Analyst - Xi Feng and CIO -Tyler Vasko

2023-003: Student Financial Aid Cluster - Special Tests: Disbursements to, or on Behalf of, Students

Corrective actions: In September 2023, EWC Financial Aid implemented a permanent fix utilizing the Colleague Process Handler, which automates disbursement notifications. The automated disbursement process is set to run weekly and ensures time sensitive acknowledgement to aid recipients.

Completion date: September 2023

Contact person: Director of Financial Aid - Rebecca McAllister

2023-004: Student Financial Aid Cluster - Special Tests: Gramm-Leach-Bliley Act - Student Information Security

Corrective actions: As a result of a cyber-event in 2021 and a program review conducted by the U.S. Department of Education, EWC initiated a comprehensive assessment of information technology and security to ensure compliance with the Gramm-Leach-Bliley Act (GLBA) and industry protocols. EWC hired an educational law firm, Parker & Poe and Associates, to evaluate and prepare policies in accordance with legal requirements.

These policies, Board Policies 7.0 through 7.5 (*as renumbered*), have been reviewed within the College administration and presented to the Board of Trustees for first reading in October 2023. EWC anticipates the final approval and adoption will occur on December 12, 2023. Additionally, EWC foresees finalizing supporting administrative regulations on or before December 31, 2023. The policies and regulations are designed to ensure a comprehensive information security plan and GLBA compliance while meeting the requirements of the U.S. Department of Education.

Anticipated completion dates: December 12, 2023 (Policies) and December 31, 2023 (Regulations)

Contact person: Vice President Administrative Services - Patrick Korell