

**EASTERN WYOMING COLLEGE
BOARD OF TRUSTEES
WORK SESSION**

Tuesday, April 14, 2026
Douglas Campus Board Room

Attendance

Present:

Members: Kurt Sittner, Rick Vonburg, Bob Baumgartner, Katherine Patrick, Jackie VanMark, and Doug Mercer

Absent:

Members: Jim Willox and Randy Adams

1. Call Meeting to Order

Chairman VanMark called the meeting to order at 4:02 pm

2. Approval of the Work Session Minutes as Distributed

Minutes Board of Trustees Work Session March 10, 2026.pdf

The board unanimously approved the minutes as presented.

3. Construction Site Inspection:

Vice President Dr. Margaret Farley

Beam Signing Ceremony

Chairman VanMark called a recess at 4:04pm to attend the beam signing ceremony.

Chairman VanMark reconvened the meeting at 4:21 pm.

4. Reports

4.1 Eastern Wyoming College Financial Audit Evaluation:

Cheryl Heath

Cheryl Heath provided detailed training on the CFI calculation, its components, and significance for HLC accreditation.

- Cheryl explained that CFI has been collected by HLC since the early 2000s and is based on strategic financial analysis for higher education.
- She described the evaluation zones - above the zone (no further review), in the zone (flagged if 2 years consecutive), and below the zone (immediate review).
- Cheryl clarified that public institutions have different thresholds than private institutions, with 3.0 being the healthy benchmark for public colleges.
- She emphasized that the CFI includes foundation numbers even though financial statements are not consolidated.

- EWC has historically maintained healthy financial indicators.

Four Component Ratios of the CFI

Cheryl Heath explained each of the four ratios that comprise the CFI and their respective weightings.

- Primary Reserve Ratio (35% weight) - expendable net assets divided by total expenses; EWC's current ratio is 1.16, indicating approximately one year of reserves.
- Viability Ratio (35% weight) - expendable net assets over long-term debt; EWC's ratio is over 4 times coverage, which is very strong.
- Return on Net Assets (20% weight) - change in net assets divided by total beginning net assets; EWC's current ratio is low and requires trend analysis.
- Net Operating Revenue Ratio (10% weight) - weighted lowest because public colleges often show operating deficits due to state funding classification; EWC's ratio is fairly healthy

A significant discrepancy was discovered in the previously submitted CFI data to HLC.

- Cheryl identified that the net operating revenue ratio was reported as 144% instead of negative 4% in the 2024 submission.
- She explained this error resulted in the CFI being reported as 6.56 instead of the actual 5.25. This was attributed the error to a positive/negative number input mistake in the HLC website system, which is not completely user-friendly.
- It was noted that HLC likely did not flag this because even the corrected CFI of 5.25 is well above the monitoring threshold.
- Trustee Sittner inquired why the error wasn't caught in an audit. Cheryl explained that the CFI is not audited by external auditors and requires internal review processes before submission.

Audit and Review Processes

The board discussed the need for enhanced internal and external review procedures for financial data submissions.

- Trustee Sittner questioned what prevents fabrication of numbers if there's no external audit.
- Dr. Hawes explained that the president and CFO have ultimate signing authority and accountability for all submissions. He stated that fraudulent reporting could result in termination and potentially criminal charges.

Discussion of how CFI should inform institutional spending and strategic decisions.

- Dr. Hawes shared that Cheryl's first question upon reviewing EWC's CFI was whether the institution was spending enough to solve problems or holding onto resources unnecessarily.
- Dr. Hawes expressed desire to invest more in solving organizational problems while ensuring financial stability.
- Dr. Hawes proposed that CFI should become part of annual board conversations during fall budget planning, not just at submission time.
- Cheryl Heath agreed that CFI should be incorporated into strategic and budget

planning processes annually.

- EWC's strong CFI position may indicate opportunity to invest more strategically in institutional improvements.


Historical CFI Performance and Future Monitoring

Review of EWC's historical CFI performance and plans for ongoing analysis.

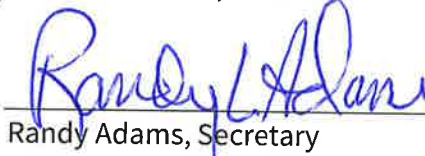
- Cheryl Heath presented 4 years of CFI data but noted she has access to approximately 6 years of historical information.
- She plans to work with CFO Kwin Wilkes to obtain additional historical data to plot trends over time.
- She suggested correlating CFI trends with major events, investments, or state budget cuts to understand impacts.

5. Adjournment

Chairman VanMark called to adjourn the Work Session at 4:52 pm



Jackie Van Mark, Chairman



Randy Adams, Secretary



Lynda Dean, Executive Assistant