

WYOMING CATHOLIC COLLEGE

Financial Statements

For the Year Ended June 30, 2021

with

Independent Auditors' Report

ALMICH & ASSOCIATES

Certified Public Accounting and Business Services

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Wyoming Catholic College:

We have audited the accompanying financial statements of Wyoming Catholic College (the College, a Wyoming nonprofit religious corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Lake Forest, California
May 18, 2023

WYOMING CATHOLIC COLLEGE
Statement of Financial Position
June 30, 2021

Assets

Cash and cash equivalents	\$ 685,085
Restricted cash for endowment and other	1,287,567
Accounts receivable from students	187,187
Trust receivable	59,685
Estate receivable	21,832
Student and parent loans receivable, net of allowance for accounts of \$173,805	2,037,322
Prepaid expenses	34,535
Inventories	48,240
Property and equipment, net of accumulated depreciation and amortization of \$1,380,044	7,484,179
Land held for sale	1,180,000
Unamortized value of donated facilities	247,771
Other assets	497,963
Total assets	<u><u>\$ 13,771,366</u></u>

Liabilities and Net Assets

Accounts payable	\$ 482,949
Accrued expenses	1,521,647
Prepaid tuition	698,425
Notes payable	8,258,049
Total liabilities	<u>10,961,070</u>
Net assets:	
Without donor restrictions	(336,876)
With donor restrictions	3,147,172
Total net assets	<u>2,810,296</u>
Total liabilities and net assets	<u><u>\$ 13,771,366</u></u>

See notes to financial statements

WYOMING CATHOLIC COLLEGE
Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Tuition and fees	\$ 4,384,575	\$ -	\$ 4,384,575
Room and board	1,556,954		1,556,954
Less: scholarships	(2,580,671)	-	(2,580,671)
Net tuition and fees	3,360,858	-	3,360,858
Private gifts and grants	3,078,995	897,655	3,976,650
Investment income	36,395	80,837	117,232
Auxiliary revenues	658,355	-	658,355
Government grant	739,100	-	739,100
Other	464,639	-	464,639
Total revenues and other support	8,338,342	978,492	9,316,834
Net assets released from restrictions	741,125	(741,125)	-
	<u>9,079,467</u>	<u>237,367</u>	<u>9,316,834</u>
Expenses:			
Instruction	2,406,053	-	2,406,053
Continuing education	53,886	-	53,886
Academic support	175,469	-	175,469
Student services	1,981,671	-	1,981,671
Auxiliary enterprises	1,825,191	-	1,825,191
Institutional support	3,029,178	-	3,029,178
Total expenses before loss from real property	<u>9,471,448</u>	<u>-</u>	<u>9,471,448</u>
Change in net assets before loss from sale of real property	(391,981)	237,367	(154,614)
Loss from sale of real property	(82,650)	-	(82,650)
Change in net assets	(474,631)	237,367	(237,264)
Net assets, beginning of year	137,755	2,909,805	3,047,560
Net assets, end of year	<u>\$ (336,876)</u>	<u>\$ 3,147,172</u>	<u>\$ 2,810,296</u>

See notes to financial statements

WYOMING CATHOLIC COLLEGE
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services					Institutional Support					Total
	Instruction	Continuing Education	Academic Support	Student Services	Auxiliary	Total	General and Administration	Development and Public Relations	Facilities and Maintenance	Total	
Salary and wages	\$ 1,410,660	\$ 47,581	\$ 81,291	\$ 633,885	\$ 724,020	\$ 2,897,437	\$ 293,163	\$ 393,132	\$ 180,201	\$ 866,496	\$ 3,763,933
Employee benefits	213,819	46	16,566	56,966	47,167	334,564	125,658	41,263	20,527	187,448	522,012
Total compensation	1,624,479	47,627	97,857	690,851	771,187	3,232,001	418,821	434,395	200,728	1,053,944	4,285,945
Occupancy	132,151	-	25,672	364,602	45,769	568,194	54,656	8,286	48,256	111,198	679,392
Food service	41,066	195	-	430,233	198,169	669,663	685	-	-	685	670,348
Student enrollment	30,383	-	5,982	162,261	35,901	234,527	17,311	4,096	71,793	93,200	327,727
Payroll taxes	105,166	3,996	6,704	45,077	63,936	224,879	(10,418)	32,926	14,196	36,704	261,583
Interest on debt	-	-	-	-	-	-	323,227	-	-	323,227	323,227
Supplies and minor equipment	213,252	1,034	1,298	98,460	416,294	730,338	58,623	27,969	35,646	122,238	852,576
Travel and entertainment	25,324	485	8,412	33,416	101,581	169,218	37,702	9,681	14,933	62,316	231,534
Other	16,408	-	15,894	7,495	14,776	54,573	364,838	268	395	365,501	420,074
Professional fees	8,210	-	1,000	48,325	52,891	110,426	141,383	136,478	-	277,861	388,287
Services and contracting	70,337	252	10,868	51,062	101,672	234,191	138,849	9,910	88,791	237,550	471,741
Depreciation and amortization	-	-	-	-	-	-	-	-	208,957	208,957	208,957
Equipment rental	36,655	-	130	25,052	14,312	76,149	824	8,491	5,501	14,816	90,965
Course books	88,450	-	545	-	-	88,995	-	-	-	-	88,995
General insurance	-	-	-	-	-	-	53,640	-	4,060	57,700	57,700
Telecommunications	10,216	297	297	14,141	3,847	28,798	12,367	14,989	-	27,356	56,154
Printing and copying	696	-	-	3,444	3,758	7,898	11	6,897	-	6,908	14,806
Postage and shipping	3,260	-	810	7,252	1,098	12,420	3,081	5,609	-	8,690	21,110
Advertising	-	-	-	-	-	-	20,327	-	-	20,327	20,327
	<u>\$ 2,406,053</u>	<u>\$ 53,886</u>	<u>\$ 175,469</u>	<u>\$ 1,981,671</u>	<u>\$ 1,825,191</u>	<u>\$ 6,442,270</u>	<u>\$ 1,635,927</u>	<u>\$ 699,995</u>	<u>\$ 693,256</u>	<u>\$ 3,029,178</u>	<u>\$ 9,471,448</u>

See notes to financial statements

WYOMING CATHOLIC COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ (237,264)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	208,957
Amortization of donated facilities	61,941
Loss from sale of real property	82,650
Changes in assets and liabilities:	
Accounts receivable from students	(72,793)
Trust receivable	(15,269)
Estate receivable	150,000
Student and parent loans receivable, net	537,345
Prepaid expenses	(8,565)
Inventories	(15,589)
Other assets	(309,000)
Accounts payable	271,767
Accrued expenses	1,435,925
Prepaid tuition	56,616
Net cash provided by operating activities	<u>2,146,721</u>
Cash flows from investing activities:	
Purchases of property and equipment	(1,615,862)
Proceeds received from sale of real property	<u>125,000</u>
Net cash used by investing activities	<u>(1,490,862)</u>
Cash flows from financing activities:	
Principal repayments on notes payable	(954,993)
Proceeds from line of credit	402,000
Principal repayments on line of credit	<u>(500,589)</u>
Net cash used by financing activities	<u>(1,053,582)</u>
Net decrease in cash, cash equivalents and restricted cash	(397,723)
Cash, cash equivalents, and restricted cash at beginning of year	<u>2,370,375</u>
Cash, cash equivalents, and restricted cash at end of year	<u><u>\$ 1,972,652</u></u>
Supplemental cash flows information:	
Cash paid for interest	<u><u>\$ 315,294</u></u>
Supplemental schedule of noncash investing and financing activities:	
Real property acquired under terms of notes payable	<u><u>\$ 4,425,731</u></u>

See notes to financial statements

WYOMING CATHOLIC COLLEGE
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Wyoming Catholic College (the College) is a Wyoming nonprofit religious corporation with its campus located in Lander, Wyoming. The College's primary educational objective is to offer a traditional liberal arts education that schools the whole person in three dimensions – physical, intellectual and spiritual. The College is primarily funded by tuition, room and board charges, and gifts.

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis of accounting.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the College and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that need to be maintained permanently by the College or whose restrictions will be met either by the actions of the College or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

As of June 30, 2021, net assets with donor restrictions that are available for specified operating needs of the College amounted to \$789,404 and net assets restricted to investment in perpetuity amounted to \$2,357,768. The income from net assets restricted to investment in perpetuity is classified as restricted until it's expendable to support student financial aid and other activities of the College. Net assets released from restrictions for the year ended June 30, 2021, were as follows:

Scholarships	\$ 32,145
Facilities	61,941
Capital improvements	647,039
	<hr/>
	\$ 741,125
	<hr/>

Cash and Cash Equivalents

Cash equivalents consist of cash, either on hand or in banks including time deposits with original maturities of three months or less when purchased.

Risks and Uncertainties

The College remains subject to certain risks and uncertainties as a result of the recent novel coronavirus (COVID-19). While management continues to monitor the situation and its financial impact on the College, the extent to which the COVID-19 pandemic ultimately affects the College's financial position, cash flows and results of operations currently remains uncertain.

Property and Equipment

Property and equipment are stated at cost at date of acquisition or estimated fair value at date of donation. It is the College's policy to capitalize all additions with a purchase cost greater than \$1,500. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are as follows:

Land improvements	15 years
Buildings and improvements	20 to 40 years
Leasehold improvements	2 to 7 years
Furniture and equipment	2 to 7 years
Vehicles	5 years
Library books	10 years

Expenditures for repairs and maintenance that do not prolong the useful lives of property and equipment are charged to expense as incurred.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When such factors indicate that assets should be evaluated for possible impairment, management would prepare an analysis comparing the carrying value of the assets to future undiscounted cash flows of the underlying assets. The net book value of the underlying assets is adjusted to fair value if the sum of the expected undiscounted future cash flows is less than book value. To date, management has not identified any such factors pertaining to the College's long-lived assets.

Inventories

Inventories are stated at the lower of cost (first in, first out) or net realizable value and consist primarily of textbooks and memorabilia held for sale to students and promotional materials held for free distributions to potential donors.

Land Held for Sale

Land held for sale consists of properties in the process of being sold to a developer as of June 30, 2021. The land held for sale is not used in the College's operations. Subsequent to June 30, 2021, the College sold the land for \$1,500,000.

Accounts Receivable and Student and Parent Loans Receivable

Accounts receivable and student and parent loans receivable represent amounts due from students, parents or third-party payors which are recorded at the net realizable value expected to be received and are not collateralized. Management continually monitors the College's receivables to address any credit risks associated with the receivables. Management does not believe an allowance for doubtful accounts at June

30, 2021, is necessary, related to accounts receivable from students. When uncertainty exists as to the collection of student and parent loans receivable, the College records an allowance for doubtful accounts and a corresponding charge to bad debt expense. The allowance for doubtful accounts represents management's best estimate based upon historical collection experience, general economic conditions, and review of individual student and parent loans account balances.

Revenue Recognition

The College recognizes revenue in accordance with *Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers. The College's program is designed to be completed in 4 years. Student tuition and fees and room and board charges are billed on a semester-by-semester basis and earned evenly over the semester. Prepaid tuition represents cash collected in excess of tuition and fees and room and board charges billed as of the statement of financial position date; these amounts are applied to future tuition and room and board charges should the student remain active; if not, the monies are refunded.

Gifts and Grants

Gifts are recorded upon receipt in amounts equivalent to their estimated fair market value. Unrestricted gifts and revenues are classified as net assets without donor restrictions. Unconditional promises to give cash and other assets are recognized in the period the promise is made. Conditional promises are recognized when they become unconditional. Restricted gifts, grants, appropriations, and other restricted resources are classified as net assets with donor restrictions.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

The College's primary program service is academic instruction. Expenses reported as auxiliary, student services and academic support are incurred in support of this primary program activity. Expenses are directly coded to programs or support services whenever possible. Natural expense attributable to more than one functional expense category are allocated using a variety of cost allocation techniques. Occupancy expenses are allocated on a square footage-basis. Compensation and student employment expenses are allocated based upon time and effort reporting that is done.

Unamortized Value of Donated Facilities

The fair value of the future use of these facilities was recorded as an asset and donor restricted contribution revenue in a prior fiscal year when the gift was received based upon fair market value for rental of similar property. This asset is being amortized to rent expense ratably over the period of intended use of the facilities of eight years, which is the year ending June 30, 2025.

Other Assets

Other assets are principally comprised of \$473,500 in outfitter permits for the College's outdoor programs. The outfitter permits have an indefinite life.

Recent Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued *Accounting Standards Update (ASU) No. 2016-02, Leases*. The guidance in this *ASU* supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. This *ASU* will be effective for the College for the year ending June 30, 2023. Management is evaluating the impact *ASU 2016-02* will have on College's financial statements.

Fair Value Measurements

The carrying value of the College's financial instruments, including cash, accounts receivable, accounts payable and accrued expenses, approximates fair value due to the relative short-term nature of these instruments.

The College uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either observable directly or indirectly through market corroboration, for substantially the full term of the financial instruments; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Income Taxes

The College is a not-for-profit entity that is exempt from federal income tax pursuant to Internal Revenue Code Section 501(c)(3). The College has no material unrelated business income. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Advertising

Advertising costs are expensed as incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

NOTE 2 – TRUST RECEIVABLE

The trust receivable is the estimated present value of the College's interest in a charitable remainder trust. The trust had a fair market value of \$95,315 as of June 30, 2021. The value of the trust will be given to the College upon the death of the donor. Based on the age of the donor, there was an estimated life of 13.4 years for the trust when created in April 2014. The College is to contribute the lesser of 5% of the trust or income on the investment each year to the donor. The net present value of the investment and payments owed to the donor were discounted at 5% for a net present value of the trust of \$59,685 as of June 30, 2021.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2021:

Land improvements	\$ 828,938
Buildings and improvements	6,326,765
Leasehold improvements	146,812
Furniture and equipment	511,789
Vehicles	338,262
Library books	<u>71,927</u>
	8,224,493
Less: accumulated depreciation and amortization	<u>(1,380,044)</u>
	6,844,449
Construction in progress	<u>639,730</u>
	<u><u>\$ 7,484,179</u></u>

Depreciation expense of \$208,957, for the year ended June 30, 2021, has been allocated to the functional operating expense categories within the accompanying statement of activities.

NOTE 4 – UNAMORTIZED VALUE OF DONATED FACILITIES

The College has been promised free use of certain facilities for student housing and activities by a member of the College's board of directors. Rent expense of \$61,941 was recognized during the year ended June 30, 2021.

The donated use of facilities pledge is summarized as follows as of June 30, 2021:

Donated use of facilities expected to be utilized in:	
Less than one year	\$ 76,143
One to five years	<u>244,797</u>
	320,940
Less: present value discount	<u>(73,169)</u>
Unamortized value of donated facilities	<u><u>\$ 247,771</u></u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Commitments

The College has entered into various operating leases for real estate and equipment scheduled to expire at various times through June 2026. Some of the leases require the College to pay certain operating expenses in addition to base monthly rent, as well as renewal options and rent escalation clauses.

Future minimum rent on noncancelable operating leases were as follows as of June 30, 2021:

<u>Year Ending</u> <u>June 30,</u>	
2022	\$ 375,682
2023	305,215
2024	239,746
2025	112,503
2026	<u>30,000</u>
	<u>\$ 1,063,146</u>

Rental expense for the year ended June 30, 2021 was approximately \$536,000 and is reflected within occupancy costs in the accompanying statement of functional expenses.

Contingencies

In the ordinary course of business, the College is subject to certain claims and lawsuits. In the opinion of management and legal counsel, the resolution of the claims and lawsuits will not have a material adverse effect upon the College's financial condition. In addition, the following is a description of a legal matter which the College considers to be other than ordinary, routine, and incidental.

In February 2021, the College's chief financial officer signed a pledge agreement stating his intention to donate \$20 million to the College in two installments. In May 2021, the College received \$10 million. Also in May 2021, the College paid off its line of credit (see Note 6). In June 2021, the College was notified by the attorney for Ria R Squared (RRS) that the contribution was fraudulently obtained as part of a larger transaction; RRS lent money to the College's chief financial officer in his individual capacity. The College's chief financial officer resigned in June 2021. Also in June 2021, as part of the U.S. Department of Justice's investigation into the incident, approximately \$9.26 million was identified and removed from the College's bank accounts. In July 2021, the College facilitated an additional payment of \$497,000 by means of the College's revolving line of credit. In December 2021, RRS filed suit against the College to return the remaining \$239,155 of the \$10 million received by the College. In November 2022, RRS and the College settled the lawsuit with the College paying \$239,155 to RRS; the lawsuit was dismissed with prejudice.

The payments of \$497,000 and \$239,155 are reflected within accrued expenses on the accompanying statement of financial position.

NOTE 6 – LINE OF CREDIT

The College has a revolving line of credit with a bank that will mature on July 31, 2023. The line of credit is available for operating purposes and is secured by substantially all assets of the College. The line of credit carries a variable interest rate of the Wall Street Journal Prime rate plus 1.0%. Accrued interest is paid monthly, with the principal balance and all remaining accrued but unpaid interest due at maturity. As of June 30, 2021, there was no outstanding balance under the line of credit. As of the date of the auditors' report, the College's line of credit balance was \$500,000.

NOTE 7 – NOTES PAYABLE

As of June 30, 2021, notes payable consisted of the following:

Note payable to a private party; principal and interest payable in monthly installments of \$1,754; interest accrues at a fixed rate of 6%; note matured on October 1, 2019 but has been extended indefinitely by verbal agreement; secured by a deed of trust on land	\$ 233,667
Note payable to a bank; principal and interest payable in monthly installments of \$1,950; interest accrues at a fixed rate of 5.5%; note matures on July 1, 2030; secured by real property	166,343
Note payable to a related party; principal and interest payable in monthly installments of \$2,500 beginning July 2020 and ending May 2021; interest accrues at a fixed rate of 6% and the note is secured by \$101,118 in student and parent loans receivable	2,368
Note payable to a private party; principal and interest payable in monthly installments of \$1,098 beginning in September 2019 and ending August 2029; interest accrues at a fixed rate of 5%; secured by a guaranty	88,176
Unsecured note payable to a private party; interest payable in quarterly installments of \$313 beginning in August 2020 and ending May 2025 with principal and unpaid accrued interest due in May 2025; interest accrues at a fixed rate of 5%	25,000
Note payable to a bank; principal and interest payable in monthly installments of \$445 beginning March 2020 and ending February 2024; interest accrues at a fixed rate of 5% and is secured by a vehicle	13,249
Note payable to a bank; principal and interest payable in monthly installments of \$492 beginning June 2020 and ending May 2024; interest accrues at a fixed rate of 5% and secured by a vehicle	15,945
Note payable to a bank; principal and interest payable in monthly installments of \$245 beginning January 2019 and ending December 2023; interest accrues at a fixed rate of 4.75% and secured by a vehicle	6,915

Note payable to a bank; principal and interest payable in monthly installments of \$24,780 beginning October 2019 and ending September 2024; interest accrues at a fixed rate of 5.85% and secured by \$180,717 in student and parent loans receivable, \$1,175,000 in restricted cash of the College, \$800,000 in cash deposits from unrelated third-parties and a \$25,000 cash deposit from a College board member

\$ 3,336,534

Note payable to a bank to finance a purchase of real property; principal and interest payable in monthly installments of \$13,530 beginning January 2021 and ending December 2040; interest accrues at a fixed rate of 4.50% and secured by real property

2,093,682

Note payable to a private party to finance a purchase of real property; principal and interest payable in monthly installments of \$9,697 beginning January 2021 and ending December 2050; interest accrues at a fixed rate of 3.00% and secured by real property

2,276,170

\$ 8,258,049

Future maturities of notes payable as of June 30, 2021, were as follows:

Year Ending June 30,	
2022	\$ 267,654
2023	278,637
2024	288,077
2025	3,195,596
2026	175,043
Thereafter	4,053,042
	<u>\$ 8,258,049</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets held in perpetuity at June 30, 2021 consist primarily of endowment corpus, with donor stipulations that they be invested in perpetuity to provide a perpetual source of income. As of June 30, 2021, the College has six individual funds established to function as endowments.

The first fund consists of \$1,250 which has been received from various donors and designated by those donors to be donor-restricted in perpetuity. The income from this fund is available for operations. This fund is held in cash and cash equivalents, and no investment or spending policies have yet been adopted for this fund.

The second fund consists of \$1,000,000, which was received during the year ended June 30, 2009 from a private donor. The donor-stipulated that the \$1,000,000 corpus be invested in perpetuity and that the earnings from such corpus be available for use to recruit, mentor, and provide scholarships to Native American students. The College has chosen to invest the corpus in its own plant by using the funds to construct six dormitories at its campus. As of June 30, 2010, the entire \$1,000,000 had been invested in the building project, and the project was completed. The College will pay interest on the investment to the endowment, after taking into account any Native American scholarships distributed during the year, at an annual rate of 5.5% for the first five years. After that, the interest rate will be adjusted. The corpus of \$1,000,000 will be repaid to the endowment ratably over a period of twenty years. Interest earned by the endowment for the year ended June 30, 2021 was \$65,115. Because the College has, in effect, loaned funds to itself, no note receivable or payable has been recorded on the statement of financial position. There were no earnings appropriated during the year ended June 30, 2021. The balance of the endowment is \$1,000,000 at June 30, 2021.

The third fund consists of \$59,685 in a charitable remainder trust held by a third-party. The trust balance will be received upon the death of the donor. The income from this fund will be used for scholarships.

The fourth fund consists of \$25,000 which has been made available to fund up to 5 loans of \$5,000 to students meeting certain criteria. The College is obligated to repay loans on behalf of students who make final vows after entering a convent or seminary, or who are unable to repay for any reason.

The fifth fund consists of \$971,833 received from an estate to endow a scholarship or scholarships in the name of the donor's family. The corpus of the gift is to be preserved and retained so that the income only is expended.

The sixth fund consists of \$300,000 to fund scholarships to students demonstrating financial need and other qualifying traits. The corpus of the gift is to be preserved and retained so that the income only is expended.

Net assets of the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of the College has interpreted the state's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as net assets with donor restrictions the original value of the gifts to the donor-restricted endowment, the value of subsequent gifts to the donor-restricted endowment, and accumulated earnings that are required to be classified as donor-restricted based on donor stipulations. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction held in perpetuity is classified as net assets with donor restriction that is purpose restricted until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 9 – GOVERNMENT GRANTS

Paycheck Protection Program Loan

In April 2020, the College received \$739,100 in loan proceeds from a bank pursuant to the U.S. Small Business Administration's (SBA) Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Securities Act (CARES ACT). The College received full forgiveness of the loan proceeds in March 2021. The amount is shown as government grant on the accompanying statement of activities.

State Grant

In November 2020, the College received \$460,815 from the State of Wyoming to be used for students who experienced food and or housing insecurity as a result of COVID-19. As of the date of auditors' report, these funds have not been disbursed. These funds will be used to provide financial aid grants to students in the 2023-2024 school year. The College will, with the permission of the student, apply these financial aid grants directly to the student's tuition. The College's board of directors believes that this disbursement is most in line with the grant's original purpose and in keeping with the expanded use of funds authority granted under Coronavirus Response and Relief Supplemental Appropriations Act, 2021 which also applies to undispersed CARES ACT funds. The \$460,815 is reflected withing accrued expenses on the accompanying statement of financial position.

NOTE 10 – LIQUIDITY AND AVAILABILITY

The College's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 685,085
Accounts receivable from students	187,187
Current portion of student and parent loans receivable	469,597
	<u>\$ 1,341,869</u>

The College's practice is to structure its financial assets to be to be available as its general expenditures, liabilities and obligations come due.

NOTE 11 – RELATED-PARTY TRANSACTIONS

During the year ended June 30, 2021, the College received \$143,425 of contributions from members of its board of directors and its employees.

The lessor of two of the College's leased buildings is a member of the College's board of directors. The College received approximately \$61,941 (see Note 4), in free use of facilities from the board member during the year ended June 30, 2021.

NOTE 12 – RETIREMENT PLAN

The College has a defined contribution retirement plan for its employees. Under the plan, the College and plan participants contribute to individual employee retirement accounts which fund individual retirement benefits. Plan participants may defer a percentage of their salary up to the annual federal limit on Simple IRA plans. The College matches those deferrals up to 3% of the plan participant's earnings.

The expense for the College's matching contributions was approximately \$56,000 for the year ended June 30, 2021. College contributions vest immediately.

NOTE 13 – CONCENTRATION OF CREDIT RISK

The College maintains its bank accounts at a high-quality financial institution. College management monitors account levels at its banks and periodically transfers funds to maximize Federal Deposit Insurance Corporation coverage; however, cash balances periodically exceed federally insured limits. The College has not experienced any losses in such accounts. The College does not believe it is exposed to any significant credit risk on cash and cash equivalents.

NOTE 14 – SUBSEQUENT EVENTS

The College rented an apartment from Yalapapus I, LLC (Yalapapus) in 2019 for one of its chaplains. Significant mold growth was discovered in the apartment which the landlord blamed on the tenant's use of a humidifier. The principal of Yalapapus indicated that the College, as a lessee, was responsible for damages to the property and mitigation. In October 2021, without any admission of liability, the College made a settlement payment in the amount of \$100,000 for a full release and forever discharge from all claims related to this matter.

In November 2021, the College purchased a building from an unrelated third-party for \$800,000; \$750,000 of which was financed through a 20-year mortgage with a fixed interest rate of 4.00%. The monthly principal and interest payments commenced January 2022 with a final payment of all principal and accrued interest due January 2042.

In September 2022, the College through Lander Hospitality Holdings, LLC, a wholly owned limited liability company, purchased a building from an unrelated third party for \$2,168,670; \$1,438,029 of which was financed through a ten-year bank loan with a fixed interest rate of 6.5%. The monthly principal and interest payments of \$9,800 commenced November 2022 with a final maturity payment due October 2032. Lander Hospitality Holdings, LLC was created by a College board member solely for the purpose of acquiring the building, and was acquired by the College by assignment of membership interest. The College has a management agreement with the prior owners to operate and manage the property as a motel from its purchase date to May 2023. Afterwards, the building will be used by the College for student housing.

The College has evaluated subsequent events through the date of the auditors' report, May 18, 2023, which is the date the accompanying financial statements were available to be issued.