WYOMING CATHOLIC COLLEGE

Financial Statements

For the Year Ended June 30, 2023

with

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Wyoming Catholic College:

Opinion

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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the College changed the manner in which it accounts for leases during the year ended June 30, 2023.

Responsibilities of Management 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, 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 one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. 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 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, 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.

Lake Forest, California
December 29, 2023

WYOMING CATHOLIC COLLEGE
Statement of Financial Position
June 30, 2023

Assets

Cash and cash equivalents	$	496,466
Restricted cash for endowment and other		1,919,642
Accounts receivable from students		126,792
Trust receivable		48,395
Student and parent loans receivable, net of allowance for doubtful accounts of $164,756		1,181,383
Prepaid expenses		24,765
Inventories		23,440
Property and equipment, net of accumulated depreciation and amortization of $1,894,589		9,958,267
Unamortized value of donated facilities		177,885
Right-of-use assets for operating leases		156,002
Other assets		795,313
Total assets	$	14,908,350

Liabilities and Net Assets

Accounts payable	$	370,043
Accrued expenses		660,491
Prepaid tuition		921,827
Line of credit		500,000
Operating lease liabilities		158,071
Notes payable		8,714,643
Total liabilities		11,325,075
Net assets:		
Without donor restrictions		(604,068)
With donor restrictions		4,187,343
Total net assets		3,583,275
Total liabilities and net assets	$	14,908,350

See notes to financial statements

WYOMING CATHOLIC COLLEGE
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Tuition and fees	$ 4,790,442	$ -	$ 4,790,442
Room and board	1,800,870		1,800,870
Less: scholarships	(2,940,293)	-	(2,940,293)
Net tuition and fees	3,651,019	-	3,651,019
Private gifts and grants	4,384,179	1,544,272	5,928,451
Investment income	764	111,845	112,609
Auxiliary revenues	1,335,660	-	1,335,660
Other	561,528	-	561,528
Total revenues and other support	9,933,150	1,656,117	11,589,267
Net assets released from restrictions	1,183,511	(1,183,511)	-
	11,116,661	472,606	11,589,267
Expenses:			
Instruction	2,275,036	-	2,275,036
Continuing education	39,353	-	39,353
Academic support	153,722	-	153,722
Student services	2,122,871	-	2,122,871
Auxiliary enterprises	2,175,355	-	2,175,355
Institutional support	3,410,105	-	3,410,105
Total expenses	10,176,442	-	10,176,442
Change in net assets	940,219	472,606	1,412,825
Net assets, beginning of year	(1,544,287)	3,714,737	2,170,450
Net assets, end of year	$ (604,068)	$ 4,187,343	$ 3,583,275

WYOMING CATHOLIC COLLEGE
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services						Institutional Support				
	Instruction	Continuing Education	Academic Support	Student Services	Auxiliary	Total	General and Administration	Development and Public Relations	Facilities and Maintenance	Total	Total
Salary and wages	$ 1,485,076	$ 33,650	$ 77,904	$ 573,810	$ 1,181,612	$ 3,352,052	$ 518,253	$ 503,511	$ 219,927	$ 1,241,691	$ 4,593,743
Employee benefits	196,821	367	13,022	43,951	71,089	325,250	121,651	50,218	27,395	199,264	524,514
Total compensation	1,681,897	34,017	90,926	617,761	1,252,701	3,677,302	639,904	553,729	247,322	1,440,955	5,118,257
Occupancy	75,243	-	1,407	383,442	40,279	500,371	32,729	3,035	89,454	125,218	625,589
Food service	35,632	155	-	228,122	238,792	502,701	-	-	-	-	502,701
Student employment	63,848	-	7,571	117,441	-	188,860	20,971	16,775	62,604	100,350	289,210
Payroll taxes	110,131	2,684	5,742	45,115	93,618	257,290	45,707	36,953	17,730	100,390	357,680
Interest on debt	-	-	-	-	-	-	436,246	-	-	436,246	436,246
Supplies and minor equipment	49,097	363	92	60,782	98,826	209,160	49,127	16,597	17,348	83,072	292,232
Travel and entertainment	30,025	1,221	10,075	56,805	115,032	213,158	30,055	28,379	24,184	82,618	295,776
Other	27,071	-	13,947	21,343	45,210	107,571	82,473	9,250	5,590	97,313	204,884
Professional fees	3,537	-	-	524,690	115,046	643,273	114,213	117,043	175	231,431	874,704
Services and contracting	53,395	108	20,411	31,674	121,574	227,162	202,939	9,510	79,136	291,585	518,747
Depreciation and amortization	-	-	-	-	-	-	-	-	294,128	294,128	294,128
Equipment rental	26,663	-	134	9,819	7,507	44,123	4,365	4,258	340	8,963	53,086
Course books	104,970	360	71	-	-	105,401	-	-	-	-	105,401
General insurance	-	-	-	-	32,241	32,241	53,136	-	-	53,136	85,377
Telecommunications	12,692	407	1,532	20,279	10,260	45,170	10,372	10,323	1,575	22,270	67,440
Printing and copying	310	-	-	1,844	1,071	3,225	1,724	11,596	-	13,320	16,545
Postage and shipping	525	38	411	3,754	3,198	7,926	2,369	4,027	-	6,396	14,322
Advertising	-	-	1,403	-	-	1,403	22,714	-	-	22,714	24,117
	$ 2,275,036	$ 39,353	$ 153,722	$ 2,122,871	$ 2,175,355	$ 6,766,337	$ 1,749,044	$ 821,475	$ 839,586	$ 3,410,105	$ 10,176,442

WYOMING CATHOLIC COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities:		
Change in net assets	$	1,412,825
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		294,128
Amortization of donated facilities		83,812
Gift - use of facilities		(75,869)
Amortization of right-of-use assets for operating leases		86,057
Gain from sale of equipment		(3,801)
Changes in assets and liabilities:		
Accounts receivable from students		24,250
Trust receivable		(774)
Student and parent loans receivable, net		385,740
Prepaid expenses		(24,765)
Inventories		30,866
Other assets		(300,000)
Accounts payable		(216,691)
Accrued expenses		(219,687)
Prepaid tuition		(53,307)
Operating lease liabilities		(83,988)
Net cash provided by operating activities		1,338,796
Cash flows from investing activities:		
Purchases of property and equipment		(841,708)
Proceeds from sale of equipment		15,400
Net cash used by investing activities		(826,308)
Cash flows from financing activities:		
Principal repayments on notes payable		(366,497)
Net cash used by financing activities		(366,497)
Net increase in cash, cash equivalents and restricted cash		145,991
Cash, cash equivalents, and restricted cash at beginning of year		2,270,117
Cash, cash equivalents, and restricted cash at end of year	$	2,416,108
Supplemental cash flows information:		
Cash paid for interest	$	429,763
Supplemental schedule of noncash investing and financing activities:		
Real property acquired under terms of a note payable	$	1,438,029
Right-of-use assets obtained in exchange for lease liabilities	$	236,580
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$	496,466
Restricted cash		1,919,642
Total cash, cash equivalents and restricted cash	$	2,416,108

See notes to financial statements

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.

Management's Plan

The College's financial statements as of June 30, 2023 and for the year then ended, have been prepared on a going concern basis which contemplates the continued operations of the College through one year after the date of the auditors' report, and the realization of assets and the settlement of liabilities and commitments in the normal course of business. The College had negative net assets without donor restrictions of $604,068 as of June 30, 2023.

Management has developed a plan to address the negative financial trends that the College had experienced over the last few years. First, the College is increasing the tuition charged per student for the next school year to offset rising costs due to inflation. Next, the College is working with an outside consultant to develop a campaign that should increase future fundraising opportunities. The College has also identified approximately $400,000 in expenses to cut over the next 12 months. Another issue the College is working on is to refinance its debt with better terms to save some interest expense over the life of the loans, including the loan with a balloon payment that comes due in September 2024. Lastly, the College was informed that it will receive a large estate gift by the Summer of 2024 which should exceed $1,200,000.

Management believes that the College's plans will provide sufficient funds to meet the College's obligations and commitments as they become due. However, there can be no assurance of the effects on the College as a result of the outcome of these planned courses of action or the College's return to positive net assets without donor restrictions. The College's long-term sustainability is dependent upon its ability to successfully execute its plans. The accompanying financial statements do not include any adjustments that might result from the above uncertainties.

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:

<u>Net assets without donor restrictions</u> – Net assets that are not subject to donor-imposed stipulations.

<u>Net assets with donor restrictions</u> – 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, 2023, net assets with donor restrictions that are available for specified operating needs of the College amounted to $1,491,761 and net assets restricted to investment in perpetuity amounted to $2,695,582 (see Note 8). 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, 2023, were as follows:

Facilities	$ 1,012,078
Scholarships	115,413
Operations	56,020
	$ 1,183,511

Cash and Cash Equivalents

The College considers cash equivalents to be only those investments with original maturities of three months or less at the time of purchase and readily convertible to cash. Cash equivalents consist entirely of money market funds as of June 30, 2023.

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 and amortization 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
Livestock	15 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.

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, 2023, 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. The balance at the beginning of the year for accounts receivable and student and parent loans receivable totaled $151,042 and $1,567,123, respectively.

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 changes 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. The balance at the beginning of the year for prepaid tuition totaled $975,134.

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 is recorded as an asset and donor restricted contribution revenue during a fiscal year when the gift is received based upon fair market value for rental of similar property. Donated facilities are being amortized to rent expense ratably over the period of intended use of the facilities of eight and four years (see Note 4).

Other Assets

Other assets are comprised of outfitter permits for the College's outdoor programs. The outfitter permits have an indefinite life.

Adoption of New Accounting Guidance

In February 2016, the Financial Accounting Standards Board issued *Accounting Standards Update (ASU) 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 liabilities and right of use assets 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. The College completed an assessment of its evaluation of the new standard's impact on its accounting policies and processes and adopted the guidance under *ASU 2016-02* effective July 1, 2022 using a modified retrospective approach without restating comparative periods, also electing the practical expedients package which allows the College to forego reassessing (i) whether any expired or existing contracts are or contain leases; (ii) the lease classification for any expired or expiring leases; and (iii) initial direct costs for any existing leases. The most significant impact of *ASU 2016-02* relates to the College's accounting for its real estate lease. The adoption of *ASU 2016-02* impacts the presentation of the College's statement of financial position and disclosures, but does not materially impact its annual results from operations and cash flows.

On July 1, 2022, the College recorded total operating lease liability and total operating lease right-of-use asset of $105,101. Recording these items had no impact upon the statement of activities and cash flows or beginning net assets.

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 $74,332 as of June 30, 2023. 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 $48,395 as of June 30, 2023.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2023:

Land improvements	$ 2,016,744
Buildings and improvements	8,022,709
Leasehold improvements	155,413
Furniture and equipment	594,984
Vehicles	345,349
Library books	71,927
Livestock	3,000
	11,210,126
Less: accumulated depreciation and amortization	(1,894,589)
	9,315,537
Construction in progress	639,730
	$ 9,955,267

Depreciation expense of $294,128, for the year ended June 30, 2023, has been reflected within institutional support on 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 its board of directors and free use of chapel space by an unrelated third-party. Rent expense of $83,812 was recognized during the year ended June 30, 2023.

The donated use of facilities pledge is summarized as follows as of June 30, 2023:

Donated use of facilities expected to be utilized in:		
Less than one year	$	100,197
One to five years		123,661
		223,858
Less: present value discount		(45,973)
Unamortized value of donated facilities	$	177,885

NOTE 5 – LINE OF CREDIT

The College had a revolving line of credit with a bank that matured in July 2023. The line of credit was available for operating purposes and was secured by substantially all assets of the College. The line of credit carried a variable interest rate of the Wall Street Journal Prime rate plus 1.0% (5.75% as of June 30, 2023). Accrued interest was paid monthly, with the principal balance and all remaining accrued but unpaid interest due at maturity. As of June 30, 2023, outstanding balance under the line of credit was $500,000. The line of credit was terminated and the outstanding balance of $500,000 was repaid in full in July 2023 using the proceeds from a loan agreement entered in July 2023 (see Note 14).

NOTE 6 – LEASES

The College has entered into various leases for real estate and equipment scheduled to expire at various times through June 2027. 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. There are no early termination penalties, residual value guarantees, restrictions or covenants imposed by the leases.

Lease Liability and Right-of-Use Asset

The College determines a contract to represent a lease when it conveys the right to control the use of identified property, plant or equipment, in exchange for consideration. Upon identification and commencement of a lease, a right-of-use (ROU) asset and a lease liability are established.

The lease liability represents future lease payments for lease and non-lease components discounted for present value. Generally, rent escalation clauses which are specifically stated are included within the lease liability; options to extend are included within minimum lease terms when they are reasonably certain to be exercised. Payments for leases that are less than 12 months in length, as well as other variable lease payments for lease and non-lease components which are not based on an index or rate, are excluded from the calculation of the lease liability and are recognized within operations in the period incurred; short-term lease payments are recognized on a straight-line basis over the respective lease term.

The ROU asset consists of the amount of the initial measurement of the lease liability and adjusted for any lease incentives, including rent abatements and tenant improvement allowances, and any initial direct costs incurred by the College. The ROU asset is amortized over the remaining lease term on a straight-line basis and recorded within occupancy expense on the accompanying statement of functional expenses.

The lease term is determined by taking into account the initial period as stated in the lease contract and adjusted for any renewal options that the College is reasonably certain to exercise, as well as any period of time that the College has control of the space before the stated initial term of the lease, when applicable.

Significant Assumptions and Judgments

Upon adoption of *ASU 2016-02*, the College identified its two facility leases described above to represent the only operating leases for recognition under the new lease standard; no contracts held by the College were identified to be a finance lease. For the College's operating leases, the discount rates implicit were not readily determinable. As such, the College has elected to utilize risk-free rates to calculate the present value of its operating leases. The weighted-average remaining lease term and the weighted-average discount rate used to calculate the present value of lease liabilities were as follows as of June 30, 2023:

Weighted-average remaining lease term for operating leases	3.06 years
Weighted-average discount rate for operating leases	3.23%

The components of the College's lease expense for the year ended June 30, 2023 are included within occupancy expense on the accompanying statement of functional expenses, and consisted of the following for the year ended June 30, 2023:

Fixed operating lease expenses	$	86,057
Short-term and other variable operating lease expenses		280,082
	$	366,139

For the year ended June 30, 2023, cash paid for amounts in the measurement of the College's operating lease liabilities was $83,988.

As of June 30, 2023, future maturities of the College's operating lease liabilities were as follows:

Year Ending June 30,		
2024	$	76,116
2025		30,000
2026		30,000
2027		30,000
Future minimum lease payments		166,116
Less: imputed interest		(8,045)
Present value of future minimum lease payments	$	158,071

In December 2020, the College assumed a lease agreement in connection with a purchase of real property. The lease expires in October 2025 and requires the lessee to pay certain operating expenses in addition to base monthly rent, as well as renewal options and rent escalation clauses. During the year ended June 30, 2023, the rental income was approximately $109,000 which is reflected within other revenues on the accompanying statement of activities.

NOTE 7 – NOTES PAYABLE

As of June 30, 2023, 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	$	218,777
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 owned by a board member		135,320
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		69,781
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 secured by a vehicle		2,984
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		4,715
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		2,103,143
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		2,177,199

Note payable to a bank to refinance prior loan; principal and interest payable in monthly installments of $11,571 beginning November 2021 and ending December 2040; interest accrues at a fixed rate of 4.50% adjustable every five years and secured by real property	$	1,671,372
Note payable to a private party to finance a purchase of real property; principal and interest payable in monthly installments of $4,363 beginning January 2022 and ending December 2041; interest accrues at a fixed rate of 4.00% and secured by real property		683,646
Note payable to a private party; principal of $100,000 to be repaid in July 2024 with the remaining $100,000 to be fully repaid by November 2024; non-interest bearing and unsecured		200,000
Note payable to a bank to finance a purchase of real property; principal and interest payable in monthly installments of $9,800 beginning November 2022 and ending October 2032; interest accrues at a fixed rate of 6.50% and secured by real property		1,422,706
	$	8,714,643

Future maturities of notes payable as of June 30, 2023, were as follows:

Year Ending June 30,		
2024	$	386,619
2025		2,333,626
2026		243,882
2027		229,010
2028		411,967
Thereafter		5,109,539
	$	8,714,643

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets held in perpetuity at June 30, 2023 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, 2023, the College has eight 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, 2023 was $72,594. 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, 2023. The balance of the endowment is $1,000,000 at June 30, 2023.

The third fund consists of $48,395 in a charitable remainder trust held by a third-party. The interest and dividends of $911 earned by the endowment during the year ended June 30, 2023 was added to the corpus. The trust balance will be received upon the death of the donor.

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. Interest earned by the endowment for the year ended June 30, 2023 was $25,277 which have been fully appropriated during the year ended June 30, 2023.

The sixth fund consists of $500,000 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. Interest earned by the endowment for the year ended June 30, 2023 was $11,772; no earnings have been appropriated during the year ended June 30, 2023.

The seventh fund consists of $49,104 to fund a Chair for the Mathematics Department. The interest and dividends of $967 earned by the endowment during the year ended June 30, 2023 was added to the corpus. Earnings of endowment will be added to the corpus until the Chair is established. The corpus of the gift is to be preserved and retained so that the income only is expended.

The eighth fund consists of $100,000 received during the year ended June 30, 2023 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.

The changes in endowment net assets for the year ended June 30, 2023 were as follows:

Endowment net assets, beginning of the year	$ 2,593,704
Contributions	100,000
Dividends and interests	1,878
Endowment net assets, end of the year	$ 2,695,582

NOTE 9 – GOVERNMENT 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. 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. As of the date of the auditors' report, $432,321 has been applied to students' tuition.

NOTE 10 – RELATED-PARTY TRANSACTIONS

During the year ended June 30, 2023, the College received $642,126 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 $61,943 (see Note 4), in free use of facilities from the board member during the year ended June 30, 2023.

NOTE 11 – 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 matched those deferrals up to 3% of the plan participant's earnings during the period from July 1, 2022 through December 31, 2022; the College reduced the matching percentage to 1% effective January 1, 2023. College contributions vest in-full immediately. The expense for the College's matching contributions was approximately $52,000 for the year ended June 30, 2023.

NOTE 12 – 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 the outstanding balance under its line of credit of $500,000. 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.

NOTE 13 – CONCENTRATION OF CREDIT RISK

The College maintains its bank accounts at high-quality financial institutions. 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

In July 2023, the College entered into a loan agreement with a bank for $504,960, currently bearing interest at 8.25% and adjustable every five years based on the lender's sole discretion. The loan agreement requires monthly payments of interest and principal of $4,500 commencing August 2023, with the final payment due July 2043. The outstanding balance under the loan agreement is secured by the College's real property. The outstanding balance under the loan agreement as of the date of the auditors' report was $500,312.

The College has evaluated subsequent events through the date of the auditors' report, December 29, 2023, which is the date the accompanying financial statements were available to be issued.