

**NORTHWEST COLLEGE**  
**FINANCIAL AND COMPLIANCE REPORT**  
**JUNE 30, 2020**

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1 and 2

*(Required Supplementary Information)*

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FINANCIAL STATEMENTS

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To the Board of Trustees  
Northwest College  
Powell, Wyoming

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Northwest College 2020 and 2019, and its discretely presented component unit, the as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively

### ***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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in 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 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 y, 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 opinions.

### ***Opinions***

In our opinion, the 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, 2020 and 2019, and December 31, 2019 and 2018, respectively, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3 through 10, and certain pension plan information and certain OPEB plan information on pages 43 through 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ( 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

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.

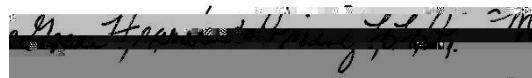
*Supplementary Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The combining schedules and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 auditing standards generally accepted in the United States of America. In our opinion, the combining schedules and Schedule of Expenditures of Federal Awards are 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 November 10, 2020 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 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



Cheyenne, Wyoming  
November 10, 2020

The following Management's Discussion and Analysis ("MD&A") is designed to assist readers in understanding the accompanying financial statements and provide an overview of Northwest College's financial position and activities for the fiscal year ended June 30, 2020, with selected comparative information for the year ended June 30, 2019. It has been prepared by management to be read in conjunction with the financial statements and the notes thereto, which follow this section.

This financial report focuses on Northwest College (the "College") as the primary entity, including the Northwest College Building Authority (the "Authority") as a blended component unit, but also includes financial information for the Northwest College Foundation (the "Foundation") as a discretely presented component unit. Analysis in this section will focus on the College's financials without drawing any conclusion about the Foundation's financials. It is important to note that the College operates on a July to June fiscal year, while the Foundation use



Condensed Statements of Net Position at June 30 are presented below:

	2019	2018
Assets		
Current assets	\$ 17,490,835	\$ 19,459,640
Noncurrent assets	46,287,921	46,306,130
	63,778,756	65,765,770
Deferred Outflows of Resources		
Pension-related deferred outflows	2,493,357	1,021,253
Other Postemployment Benefits ("OPEB")-related deferred outflows	3,739,510	583,510
Debt defeasance	123,097	131,890
	6,355,964	1,736,653
Liabilities		
Current liabilities	2,794,631	3,533,840
Noncurrent liabilities	29,915,756	23,199,239
	32,710,387	26,733,079
Deferred Inflows of Resources		
Pension-related deferred inflows	543,532	1,070,658
OPEB-related deferred inflows	2,059,748	2,091,392
Unavailable property taxes		

Total net position increased \$796,408 in fiscal year 2020 to a total of \$32,140,363. Total net position decreased \$2,865,190 in fiscal year 2019 to a total of \$31,343,955. Unrestricted net position, (\$11,264,024) in 2020, (\$12,764,467) in 2019, and (\$9,849,532) in 2018, was available for future operating and capital needs of the College.

Current assets include cash and cash equivalents, accu

Noncurrent assets, \$44,331,261 and \$46,287,921 for the years ended June 30, 2020 and 2019, respectively, are made up of land, buildings, improvements, construction in progress, equipment, library books, and the endowment challenge. These values, except the endowment challenge, which is valued at fair value, are stated based on original amounts less depreciation. In 2020, \$1,185,917 was spent on new or in-progress capital improvements, which included electr





Based on the above enrollment history, the 2020 \$496,147 increase in tuition and fees before the scholarship allowance was due to an increase in the tuition and fee rates while overall enrollment remained steady. The 2019 \$537,846 decrease in tuition and fees before the scholarship allowance was due to the decrease in enrollment noted above. For 2018, there was a decrease of \$158,121 compared to 2017. Reported tuition and fee revenues are offset by the amount of the scholarship allowance, which represents the discount that the College awards and must be netted against the tuition charged to the students. The scholarship allowance offsetting tuition and fee revenues was \$1,508,199 in 2020, \$1,725,264 in 2019, and \$1,900,268 in 2018.

State appropriations make up the bulk of the College's total revenues and represent approximately 51% in 2020, 50% in 2019, and 50% in 2018 of the respective total revenue. During 2020, total State appropriations increased by \$96,051 compared to 2019. During 2019, total State appropriations increased by \$604,039

Information from the Statement of Cash Flows reflects the College's operating cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during the fiscal year. Below is a summary of the Statements of Cash Flows for the years ended June 30, found on pages 17 and 18:

	2019	2018
Cash Provided by (Used in):		
Operating activities	\$ (20,009,213)	\$ (19,201,457)
Noncapital financing activities	21,126,833	20,520,472
Capital and related financing activities	(3,489,226)	(2,917,939)
Inve		

In summary, the cash provided by noncapital financing activities was more than the cash used in operating, capital, and investing activities by \$3,106,736. In 2019, the cash provided by noncapital financing activities was less than the cash used in operating, capital, and investing activities by \$2,058,259. In 2018, the cash provided by noncapital financing activities was less than the cash used in operating, capital, and investing activities by \$413,845.

The College is accredited by the Higher Learning Commission. The Higher Learning Commission completed an on-site comprehensive evaluation in September 2017 in which the College was affirmed and accredited in the Open and Standard Pathways. In addition, three College departments hold national accreditations through the following subject matter accrediting bodies: National Association of Schools of Art & Design, National Association of Schools of Music, and Accreditation Commission for Education in Nursing.

The College is required by Wyoming State Statutes to update its facility master plan every five years. In the master plan that was updated in March 2014, the Nelson Performing Arts Center and the DeWitt Student Center were identified as top priorities for capital improvements. The Wyoming Legislature did not pass a budget funding these projects during its session in Spring 2020; however, the State Building Commission still supports these facilities and will request funding during future legislative sessions.

Funding received from S



**NORTHWEST COLLEGE**

**STATEMENTS OF NET POSITION**

**June 30, 2020 and 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 12,650,700	\$ 9,545,810
Cash and cash equivalents, restricted (Note 2)	2,995,531	2,993,685
Accounts receivable, net of allowance of \$200,000 for 2020 and 2019	1,700,023	1,189,308
Property taxes receivable	3,755,363	3,659,653
Prepays	147,453	102,379
<b>Total current assets</b>	<b>21,249,070</b>	<b>17,490,835</b>
<b>Noncurrent Assets</b>		
Capital assets, net of accumulated depreciation (Note 3)	31,005,024	31,958,310
Investments held by others (Note 2)	13,326,237	14,329,611
<b>Total noncurrent assets</b>	<b>44,331,261</b>	<b>46,287,921</b>
<b>Total assets</b>	<b>65,580,331</b>	<b>63,778,756</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension-Related Deferred Outflows (Note 5)	738,429	2,493,357
OPEB-Related Deferred Outflows (Note 7)	2,803,617	3,739,510
Debt Defeasance	114,305	123,097
<b>Total deferred outflows of resources</b>	<b>3,656,351</b>	<b>6,355,964</b>

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**NORTHWEST COLLEGE**

**COMPONENT UNIT - NORTHWEST COLLEGE FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2019 and 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and Cash Equivalents, including \$24,266 and \$9,517, respectively, held for Youth Clubs of Park County (Note 2)	\$ <del>147,680</del>	\$ 147,680
Investments (Note 2)	<b>1,352,999</b>	1,202,266
Contributions	0	368,143

**NORTHWEST COLLEGE**

**STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
Years Ended June 30, 2020 and 2019**

	2020	2019
<b>Operating Revenues</b>		
Tuition and fees, net of scholarship allowance of 2020 \$1,508,199; 2019 \$1,725,524	\$ 2,979,534	\$ 2,266,062
Federal grants and contracts	900,405	830,064
State and local grants and contracts	1,198,100	436,059
Auxiliary enterprise charges, net of scholarship allowance of 2020 \$812,107; 2019 \$929,128	2,410,623	2,913,236
Other operating revenues	574,732	763,894
<b>Total operating revenues</b>	<b>8,063,394</b>	<b>7,209,315</b>
<b>Operating Expenses (Note 12)</b>		
Instruction	8,640,290	9,449,014
Public service	131,348	219,805
Academic support	2,381,342	1,993,329
Student services	3,319,699	3,659,524
Institutional support	4,846,259	4,964,220
Operation and maintenance of plant	2,296,372	2,652,794
Scholarships	417,178	488,641
Auxiliary enterprises	3,654,700	5,075,137
Depreciation	2,566,483	3,011,379
<b>Total operating expenses</b>	<b>28,253,671</b>	<b>31,513,843</b>
<b>Operating (loss)</b>	<b>(20,190,277)</b>	<b>(24,304,528)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Non-exchange Federal and State grants	2,694,300	2,361,240
State appropriations	14,775,186	14,679,135
Local appropriations	4,167,899	4,047,769
Private gifts, grants, and contracts	64,632	147,602
Net investment income (loss)	(648,674)	274,497
Interest expense	(93,080)	(98,586)
Gain (loss) on sale of assets	16,137	(11,169)
<b>Total nonoperating revenues</b>	<b>20,976,400</b>	<b>21,400,488</b>
<b>Income (loss) before other revenues, expenses, gains, or losses</b>	<b>786,123</b>	<b>(2,904,040)</b>

*Continued*





**NORTHWEST COLLEGE**

**COMPONENT UNIT - NORTHWEST COLLEGE FOUNDATION**

**STATEMENTS OF ACTIVITIES**

**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	2018
Changes in Net Assets Without Donor Restrictions		
Revenues, gains, and other support:		
Contributions	\$ 19,955	\$ 22,210
Investment income (loss), net	234,022	(127,779)
In-kind contributions	203,743	181,006
Administrative fees	393,859	370,738
Miscellaneous	81,265	61,937
Net assets released from restrictions	1,575,502	1,701,907
<b>Total revenues, gains, and other support</b>	<b>2,508,346</b>	<b>2,210,019</b>
Expenses:		
Program services:		
College support	1,745,745	1,772,887
Management	206,355	179,823
Fundraising	321,405	276,855
<b>Total expenses</b>	<b>2,273,505</b>	<b>2,229,565</b>
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>234,841</b>	<b>(19,546)</b>
Changes in Net Assets With Donor Restrictions		
Contributions	1,137,444	582,231
Investment income (loss)	5,061,192	(2,041,784)
Royalty	64,568	7,357
Changes in liabilities associated with charitable gift annuities	9,472	10,058
Changes in present value of beneficial interest and perpetual trusts	97,360	(115,209)
Miscellaneous income	5,505	3,295
Net assets released from restrictions	(1,575,502)	(1,701,907)
<b>Increase (decrease) in net assets with a,</b>		

**NORTHWEST COLLEGE**

**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2020 and 2019**

	2020	2019
Cash Flows from Operating Activities		
Received from students and customers	\$ 8,190,146	\$ 7,271,394
Payments to employees and benefits	(15,326,845)	(17,784,807)
Payments to vendors and suppliers	(8,855,128)	(8,692,046)
Payments for scholarships	(417,178)	(488,641)
Other receipts	(58,952)	(315,113)
<b>Net cash (used in) operating activities</b>	<b>(16,467,957)</b>	<b>(20,009,213)</b>
Cash Flows from Noncapital Financing Activities		
Non-exchange Federal and State grants	2,694,300	2,361,240
State appropriations	14,190,789	14,578,817
Local appropriations	4,126,447	4,039,174
Gifts, endowments, and grants for other than capital purchase	64,632	147,602
<b>Net cash provided by noncapital financing activities</b>	<b>21,076,168</b>	<b>21,126,833</b>
Cash Flows from Capital and Related Financing Activities		
Purchases of capital assets	(1,572,097)	(3,323,110)
Proceeds from sale of capital assets	19,330	52,879
Interest paid on note	(93,550)	(99,044)
Payment of note principal	(220,143)	(214,648)
State endowment invested in the Foundation	1,003,374	94,697
<b>Net cash (used in) capital and related financing activities</b>	<b>(863,086)</b>	<b>(3,489,226)</b>

Cash Flows from (-)3(9n4 11.88 05W\*ne0)171.66 Tm0 g0 G[ )TJETQ4OC7

**NORTHWEST COLLEGE**

**STATEMENTS OF CASH FLOWS, *Continued***  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities:		
Operating (loss)	<b>\$ (20,190,277)</b>	<b>\$ (24,304,528)</b>
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	<b>2,566,483</b>	3,011,379
Debt defeasance amortization	<b>8,792</b>	8,793
Changes in assets and liabilities:		
Receivables, net	<b>73,682</b>	53,771
Prepays	<b>(45,074)</b>	44,637
Accounts payable and related liabilities	<b>(218,560)</b>	(638,393)
Advance payments	<b>53,070</b>	8,308
Accrued compensated absences	<b>52,519</b>	76,045
Net pension liability	<b>(2,145,221)</b>	2,787,779
Deferred outflows - pension	<b>1,754,928</b>	(1,472,104)
Deferred inflows - pension	<b>873,146</b>	(527,126)
Total OPEB liability	<b>(2,641,409)</b>	4,129,870
Deferred outflows - OPEB	<b>935,893</b>	(3,156,000)
Deferred inflows - OPEB	<b>2,454,071</b>	(31,644)
<b>Total adjustments</b>	<b>3,722,320</b>	4,295,315
<b>Net cash (used in) operating activities</b>	<b>\$ (16,467,957)</b>	<b>\$ (20,009,213)</b>
Supplemental Disclosures of Cash Flow Information		
Capital assets included in accounts payable	<b>\$ 201,437</b>	<b>\$ 157,143</b>

See Notes to Financial Statements.

**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

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

Nature of activities

## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

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Investments: The College accounts for its investments at fair value, as determined by quoted market prices, in accordance with Governmental Accounting Standards Board ( GASB ) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of net investment income in the Statements of Revenues, Expenses, and Changes in Net Position.

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 contracts and grants. Accounts receivable are recorded net of estimated uncollectible amounts.

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

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 ( U.S. GAAP ). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 in

## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

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Impairments: 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, 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 the College considers a capital asset impaired, and will recognize the capital asset at the lower of the carrying value or fair value.

Compensated absences: -time and eligible part-time staff sick leave, personal leave, and vacation. Accrued sick leave is paid upon termination to benefited staff. Staff are entitled to accrued vacation leave upon termination. All leave pay is accrued when incurred and a liab

# NORTHWEST COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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Classification of revenues: The College classified its revenue 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 discounts and allowances; 2) sale and services of auxiliary enterprises, net of scholarship allowances; and 3) Federal, state, and local grants and contracts considered to be exchange activities.

*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 attach as an enforceable lien on property as of January 1 of the preceding levy year. Taxes are levied on or about September 1 and payable in two installments on November 1 and May 1, or the tax may be paid in full by December 31. Park County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within Park County, including Northwest College. Property tax revenues are recognized when levied. Property taxes receivable include property taxes assessed for the year that will be levied and billed in the subsequent year and delinquent property taxes.

Scholarship discounts and allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and 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. Governmental grants, such as Pell grants, and other Federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues. 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 discount and 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, 2020 and 2019, the College received and disbursed funds under the Federal Direct Loan Program in the amount of \$1,333,184 and \$1,380,389, respectively. The College does not recognize these transactions as revenue or expenses based on the nature of the transactions.

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 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.







## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

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Revenue recognition – administrative fees: The Foundation recognizes revenue in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers, as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Administrative fee revenues are primarily from fee various endowments as well as development services.

The Foundation charges an annual fee (transaction price) to each qualifying endowment, which is equal to 1% of the three-year average balance of the endowment at the end of each fiscal year.

## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 2. Deposits with Financial Institutions and Investments**

##### *Northwest College:*

The Statutes of the State of Wyoming authorize agencies of the State to deposit public funds in financial institutions authorized to do business in the State of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation ( FDIC ) 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 deposits for the agency funds, Federal funds received to be expended, departmental donations with donor restrictions, and funds restricted for the purchase of capital assets, totaling \$2,995,531 and \$2,993,685 as of June 30, 2020 and 2019, respectively.

Custodial credit risk: Custodial credit risk for deposits of the College is the risk that in the event of a bank failur eposits may not be returned to them. At June 30, 2020



## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

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Concentration of credit risk policy is as follows. The Foundation expects the Investment Managers to maintain diversified portfolios by using the following guidelines in accordance with investment policies:

*Diversification:* The portfolio should be diversified among cash and cash equivalents, high-quality equity, and fixed-income securities.

*Equity investments:* Equity investments may range from a minimum of 45% to a maximum of 75% of the value of the f

**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

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**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 3. Capital Assets**

A summary of changes in the capital assets for the years ended June 30, 2020 and 2019 is as follows:



**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

	Balance June 30, 2018	Additions	Deletions	Transfers In (Out)	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 1,464,663	\$ -	\$ -	\$ -	\$ 1,464,663
Art, literature, and artifacts	50,000	-	-	-	50,000
Construction in progress	1,495,167	2,491,386	(40,610)	(3,364,163)	581,780
<b>Total capital assets not being depreciated</b>	<b>\$ 3,009,830</b>	<b>\$ 2,491,386</b>	<b>\$ (40,610)</b>	<b>\$ (3,364,163)</b>	<b>\$ 2,096,443</b>
Other capital assets:					
Land improvements	\$ 1,842,672	\$ -	\$ -	\$ 550,676	\$ 2,393,348
Buildings	65,079,429	-	-	2,813,487	67,892,916
Machinery and equipment	6,846,488	660,529	(382,486)	-	7,124,531
<b>Total other capital assets</b>	<b>73,768,589</b>	<b>660,529</b>	<b>(382,486)</b>	<b>3,364,163</b>	<b>77,410,795</b>
Less accumulated depreciation for:					
Land improvements	475,479	117,428	-	-	592,907
Buildings	38,871,123	2,418,058	-	-	41,289,181
Machinery and equipment	5,549,995	475,893	(359,048)	-	5,666,840
<b>Total accumulated depreciation</b>	<b>44,896,597</b>	<b>3,011,379</b>	<b>(359,048)</b>	<b>-</b>	<b>47,548,928</b>
<b>Other capital assets, net</b>	<b>\$ 28,871,992</b>	<b>\$ (2,350,850)</b>	<b>\$ (23,438)</b>	<b>\$ 3,364,163</b>	<b>\$ 29,861,867</b>
Capital assets summary:					
Capital assets not being depreciated	\$ 3,009,830	\$ 2,491,386	\$ (40,610)	\$ (3,364,163)	\$ 2,096,443
Other capital assets, at cost	73,768,589	660,529	(382,486)	3,364,163	77,410,795
<b>Total cost of capital assets</b>	<b>76,778,419</b>	<b>3,151,915</b>	<b>(423,096)</b>	<b>-</b>	<b>79,507,238</b>
Less accumulated depreciation	44,896,597	3,011,379	(359,048)	-	47,548,928
<b>Capital assets, net</b>	<b>\$ 31,881,822</b>	<b>\$ 140,536</b>	<b>\$ (64,048)</b>	<b>\$ -</b>	<b>\$ 31,958,310</b>

**Note 4. Long-Term Liabilities**

Voluntary termination: The College had established an arrangement for certain classes of employees. The plan was based on a predetermined formula computed with regard to length of service, attained age at termination, and salary schedule previous to the year of termination. As of December 2019, the Board voted to eliminate the voluntary termination plan. As of June 30, 2020, the College has no employees enrolled in this plan and no associated liability or future remaining commitment.

Note payable: The Authority issued a \$4,480,000 lease revenue note payable Series 2015 on May 26, 2015. The note is a limited obligation of the Authority and does not constitute an obligation or guarantee of the College or of its agencies or political subdivisions. The note is unsecured and repayments will be made through lease payments by the College for the use of the assets.

Interest on the note is 2.56% and is payable semi-annually. The note requires annual principal payments through June 1, 2033.



## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

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Benefits provided: The determination of retirement benefits is dependent on employment date.

*Service Retirement Tier 1 (employees hired before September 1, 2012):* Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. 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 over 15 years.

*Service Retirement Tier 2 (employees hired on or after September 1, 2012):* Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% 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 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 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:*

compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2020, member contributions were required to be 8.75% of compensation and employer contributions were required to be 8.87% of compensation. These contributions increased July 1, 2019. Previously, the member and employer contribution percentages were 8.50% and 8.62%, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the College has elected to pay 5.57% of the mem

## NORTHWEST COLLEGE

### NOTES TO FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019, the College recognized pension expense of \$988,862 and \$1,258,818, respectively. At June 30, 2020 and 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2020</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 145,302
Changes in assumptions	251,185	-
Net difference between projected and actual earnings on pension plan investments	-	1,106,519
Changes in proportion and differences between employer contributions and proportionate share of contributions	243,808	164,857
Contributions subsequent to the measurement date	243,436	-
	<b><u>\$ 738,429</u></b>	<b><u>\$ 1,416,678</u></b>
	<b>2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 239,931
Changes in assumptions	461,434	-
Net difference between projected and actual earnings on pension plan investments	1,510,740	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	262,070	303,601
Contributions subsequent to the measurement date	259,113	-
	<b><u>\$ 2,493,357</u></b>	<b><u>\$ 543,532</u></b>

**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

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**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

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Experience analysis: An experience study

**NORTHWEST COLLEGE**

**NORTHWEST COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,385,363	\$ -
Changes of assumptions	-	2,059,748
Change in proportionate share of expected payments	354,147	-
	\$ 3,739,510	\$ 2,059,748

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be as follows:

Year ending June 30:	
2021	\$ 211,504
2022	211,504
2023	211,504
2024	211,504
2025	211,504
Thereafter	652,682
	1,710,202

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	July 1, 2019 (based on July 1, 2019 census data)
Inflation	2.50%
Salary Increases	2.50%-6.50%
Mortality Rates	Pre-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017 Post-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017 Disabled: RP-2014 Combined, 100% male, 100% female, generational projection using MP-2017
Healthcare Cost Trend Rates	Non-Medicare: 7.20% decreasing annually until reaching the ultimate trend rate of 4.50% Medicare: 7.60% 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 three years older than females.





# NORTHWEST COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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Sensitivity of the \_\_\_\_\_ proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rates: The table below presents the \_\_\_\_\_ proportionate share of the collective total OPEB liability, as well as what the \_\_\_\_\_ 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 Healthcare Cost Trend Rates	1% Increase
Non-Medicare	6.20%	7.20%	8.20%
Medicare	6.60%	7.60%	8.60%
Proportionate share of the collective total OPEB liability	\$ 11,762,501	\$ 14,012,152	\$ 17,041,430

### Note 8. Leasing Arrangements

Operating leases: The College has entered into several operating leases for office equipment. To comply with Wyoming State Statutes, all leases contain a non-appropriations clause, which allows the College to cancel the lease in the event that resources are not available for future appropriation. Rent expense for these operating leases was \$16,716 for the years ended June 30, 2020 and 2019.

The College has entered into two leases for outreach locations. These include the Cody Center and Worland Center. The total rent expense was \$122,836 and \$108,406 for the years ended June 30, 2020 and 2019, respectively.

Future obligations consist of the following:

### Note 9. Commitments and Contingencies

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



# NORTHWEST COLLEGE

## NOTES TO FINANCIAL STATEMENTS

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### Note 12. Natural Classifications with Functional Classifications

rating expenses by natural classification were as follows for June 30, 2020 and 2019:

Functional Classification	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships	Total
Instruction	\$ 8,056,459	\$ 583,831	\$ -	\$ -	\$ 8,640,290
Public service	80,434	50,914	-	-	131,348
Academic support	1,016,935	1,364,407	-	-	2,381,342
Student services	2,532,527	787,172	-	-	3,319,699
Institutional support	3,502,854	1,343,405	-	-	4,846,259
Operation of plant	1,318,108	978,264	-	-	2,296,372
Scholarships	-	-	-	417,178	417,178
Auxiliary enterprises	1,742,490	1,912,210	-	-	3,654,700

## **REQUIRED SUPPLEMENTARY INFORMATION**

**NORTHWEST COLLEGE**

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

**Public Employee Pension Plan**

**Last Seven 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 Position as a Percentage of the Total Pension Liability
2014	0.355973138%	\$ 5,412,217	\$ 6,111,538	88.56%	81.10%
2015	0.345549783%	6,097,890	6,042,994	100.91%	79.08%
2016	0.327364883%	7,625,467	5,880,121	129.68%	73.40%
2017	0.327219500%	7,910,532	5,852,723	135.16%	73.42%
2018	0.303276300%	6,912,699	5,329,146	129.71%	76.35%
2019	0.318540300%	9,700,478	5,541,309	173.99%	173.99% [(76.35%)] T.

**NORTHWEST COLLEGE**

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

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 440,321	\$ 440,321	\$ -	\$ 6,184,286	7.12%
2015	452,233	452,233	-	5,934,819	7.62%
2016	487,234	487,234	-	5,821,196	8.37%
2017	469,367	469,367	-	5,607,730	8.37%
2018	442,922	442,922	-	5,291,780	8.37%
2019	503,198	503,198	-	5,865,918	

**NORTHWEST COLLEGE**

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

**State of Wyoming Employee Group Insurance Retiree Health Plan  
Last Three 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 Position as a Percentage of the Total OPEB Liability
2018	1.58329%	\$ 12,523,691	N/A	N/A	0.00%
2019	1.63359%	16,653,561	N/A	N/A	0.00%
<b>2020</b>	<b>1.48119%</b>	<b>14,012,152</b>	<b>N/A</b>	<b>N/A</b>	<b>0.00%</b>

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

See Notes to Required Supplementary Information.



## NORTHWEST COLLEGE

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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#### **Note 1. Retirement Commitment WRS**

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

#### **Note 2. OPEB Commitment**

Changes in benefit terms: There were no changes in benefit terms since the prior valuation.

Changes in assumptions: The valuation reflects the following assumption changes from the June 30, 2019 measurement date to the June 30, 2020 measurement date:

- Discount rate changed from 3.87% to 3.51%.
- Updated healthcare claims costs based on recent experience.
- An increase in retiree contributions between 2019 and 2020.
- Healthcare cost trend rates were changed from 7.60% to 7.20% for non-Medicare and 8.10% to 7.60% for Medicare.

## **SUPPLEMENTARY INFORMATION**



**NORTHWEST COLLEGE**

**COMBINING SCHEDULE OF NET POSITION, *Continued***

**June 30, 2020**

	Northwest College	Northwest College Building Authority	Eliminations	Total
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 961,796	\$ -	\$ -	\$ 961,796
Payroll and related liabilities	699,887	-	-	699,887
Accrued compensated absences	422,177	-	-	422,177
Accrued interest payable	74,987	7,326	(74,987)	7,326
Advance payments	196,660	-	-	196,660
Custodial deposits	204,365	-	-	204,365
Capital lease obligation	225,779	-	(225,779)	-
Current maturities of note payable	-	225,779	-	225,779
<b>Total current liabilities</b>	<b>2,785,651</b>	<b>233,105</b>	<b>(300,766)</b>	<b>2,717,990</b>
<b>Noncurrent Liabilities</b>				
Accrued compensated absences	140,726	-	-	140,726
Capital lease obligation	3,208,341	-	(3,208,341)	-
Note payable, less current maturities	-	3,208,341	-	3,208,341
Net pension liability	7,555,257	-	-	7,555,257
Total OPEB liability	14,012,152	-	-	14,012,152
<b>Total noncurrent liabilities</b>	<b>24,916,476</b>	<b>3,208,341</b>	<b>(3,208,341)</b>	<b>24,916,476</b>
<b>Total liabilities</b>	<b>27,702,127</b>	<b>3,441,446</b>	<b>(3,509,107)</b>	<b>27,634,466</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension-Related Deferred Inflows	1,416,678	-	-	1,416,678
OPEB-Related Deferred Inflows	4,513,819	-	-	4,513,819
Unavailable Property Taxes	3,531,356	-	-	3,531,356
Capital Lease Defeasance	-	97,216	(97,216)	-
<b>Total deferred inflows of resources</b>	<b>9,461,853</b>	<b>97,216</b>	<b>(97,216)</b>	<b>9,461,853</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	27,369,467	-	114,305	27,483,772
Restricted For:				
Nonexpendable	10,801,707	-	-	10,801,707
Expendable:				
Scholarships	3,925,570	-	-	3,925,570
Capital projects	1,193,338	-	-	1,193,338
Unrestricted	(11,246,197)	96,478	(114,305)	(11,264,024)
<b>Total net position</b>	<b>\$ 32,043,885</b>	<b>\$ 96,478</b>	<b>\$ -</b>	<b>\$ 32,140,363</b>





**NORTHWEST COLLEGE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued***  
**Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
<b><u>TANF Cluster:</u></b>			
<b>U.S. Department of Labor:</b>			
Passed through Wyoming Department of Family Services:			
Temporary Assistancessistanscs:			

## NORTHWEST COLLEGE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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#### **Note 1. Summary of Significant Accounting Policies**

Expenditures reported on the accompanying Northwest College (the College ) Schedule of Expenditures of Federal Awards 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.

#### **Note 2. De Minimis Indirect 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**

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**PORT 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  
Northwest College  
Powell, Wyoming

We have audited, in accordance with the 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, the financial statements of the business-type activities and the discretely presented component unit of \_\_\_\_\_ as of and for the year ended June 30, 2020, and the Northwest College Foundation (the \_\_\_\_\_) for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the College \_\_\_\_\_ financial statements, and have issued our report thereon dated November 10, 2020. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered \_\_\_\_\_ 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 \_\_\_\_\_ internal control. Accordingly, we do not express an opinion on the effectiveness of \_\_\_\_\_ 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 \_\_\_\_\_ could occur and not be detected, 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 may exist that have not been identified.





**FOR EACH MAJOR FEDERAL PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Northwest College  
Powell, Wyoming

**Report on Compliance for Each Major Federal Program**

We have audited Northwest College compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the College major Federal programs for the year ended June 30, 2020. The College Federal programs are identified in the summary accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations ( CFR ) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ( Uniform Guidance ). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the College liance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the College mpliance.

***Opinion on Each Major Federal Program***

In our opinion, the College complied, in all material respects, with the types of comp

## **Report on Internal Control over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College internal control over compliance.

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

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

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.



**NORTHWEST COLLEGE**

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS**  
**Year Ended June 30, 2020**

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There were no audit findings for the year ended June 30, 2019.