

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2024 AND 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Gillette Community College District  
Gillette, Wyoming

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities of the Gillette Community College District (the College) and its discretely presented component unit, the Gillette College Foundation (the Foundation), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College and its discretely presented component unit as of June 30, 2024 and 2023, and the respective changes in their financial position and, where applicable, their cash flows thereof for the years then ended, respectively, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Foundation as of and for the years ended June 30, 2024 or 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 8, the Schedule of the College's Proportionate Share of the Net Pension Liability on page 32, the Schedule of the College's Contributions on page 33, and the Note to Required Supplementary Information on page 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
November 14, 2024

# GILLETTE COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Years 2024 and 2023

This section represents Management's Discussion and Analysis (MD&A) of the Gillette Community College District's (the College) financial activity during the years ended June 30, 2024 and 2023 and the period from inception (August 17, 2021) to June 30, 2022. The financial statements have been prepared on a generally accepted accounting principles basis, including the Gillette College Foundation as a discretely presented component unit. There are separate Statements of Financial Position and Activities for the Gillette College Foundation. The MD&A was prepared by management and should be read in conjunction with the financial statements and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College.

#### Using This Annual Report

It is the College's duty to be accountable to the public and provide information that responds to the three primary groups of users of its financial report:

- The citizenry;
- The governing board, the Wyoming Community College Commission, and oversight bodies; and
- Investors and creditors.

Financial reports and accompanying notes provide information useful for assessing financial condition and results of operations; assisting in determining compliance with finance-related laws, rules, and regulations; and evaluating the uses of monetary resources.

The College's annual financial report consists of three components, in accordance with required reporting standards: (1) this MD&A section; (2) the financial statements; and (3) the notes to the financial statements. The College's financial statements include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) of the College. This statement combines and consolidates current financial resources with capital assets.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and net costs of the College's activities, which are supported mainly by institutional campus course revenue, State of Wyoming (the State) appropriations, local property taxes, and Federal and State grants. This approach is intended to summarize and simplify the user's analysis of the costs of the various services that the College provides to its students and community.

# GILLETTE COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Years 2024 and 2023

### Statements of Net Position

At the conclusion of its third year of operations, the College had \$52,564,834 of total assets, \$3,303,991 of deferred outflows of resources, \$20,157,102 of total liabilities, \$4,505,576 of deferred inflows of resources, and \$31,206,147 of total net position. At the conclusion of its second year of operations, the College had \$46,053,006 of total assets, \$1,131,658 of deferred outflows of resources, \$5,066,076 of total liabilities, \$15,010,436 of deferred inflows of resources, and \$27,108,152 of total net position. At the conclusion of its first year of operations, the College had \$16,456,053 of total assets, \$18,877 of deferred outflows of resources, \$1,130,219 of total liabilities, \$11,571,423 of deferred inflows of resources, and \$3,773,288 of total net position.

### *Assets and Liabilities*

As of June 30, 2024, the largest portion of current assets relates to cash and cash equivalents and property taxes receivable. The property taxes receivable related to the 2.8 mills of taxes assessed in January 2024. These property taxes are also recognized as deferred inflows of resources as they are not available until collection occurs in fiscal year 2025. The College's mill levy has continued to increase as operations have increased. The College previously assessed mills of 2.63 and 2.545 in 2023 and 2022, respectively. The College has the ability to draw up to four mills for operations but has not had a budgetary need to reach that amount at this time.

Noncurrent assets include capital assets, net of accumulated depreciation, of \$12,735,719. Note 4 to the financial statements provides details of the capital assets. Additional capital assets are anticipated to be transferred from the Northern Wyoming Community College District (NWCCD) as the separation continues.

Current liabilities of \$15,278,334, \$3,014,168, and \$358,681 as of June 30, 2024, 2023 and 2022, respectively, are made up of accounts payable, payroll and related liabilities, a portion of accrued compensated absences, advance payments, custodial deposits and current maturities on the debt for the College's Student Housing. Advance payments represent mineral ad valorem property taxes, which have been collected and remitted to the College but have not been assessed, and as such, the revenue recognition requirement under accrual accounting has not been satisfied. Additional information regarding the College's current liabilities can be found in Notes 5, 6 and 11 to the financial statements.

The College reports a net pension liability related to its participation in the Wyoming Retirement System's Public Employee Pension Plan. Notes 5, 6 and 8 to the financial statements provide additional details on the noncurrent liabilities and outstanding debts of the College.

## GILLETTE COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Years 2024 and 2023

The following table is a summary of the Statements of Net Position:

|                                       | 2024                 | 2023          | 2022          |
|---------------------------------------|----------------------|---------------|---------------|
| <b>ASSETS</b>                         |                      |               |               |
| Current Assets                        | \$ 35,605,113        | \$ 30,257,420 | \$ 13,158,446 |
| Noncurrent Assets                     | 16,959,721           | 15,795,586    | 3,297,607     |
| <b>Total Assets</b>                   | <b>52,564,834</b>    | 46,053,006    | 16,456,053    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                      |               |               |
|                                       | <b>3,303,991</b>     | 1,131,658     | 18,877        |
| <b>LIABILITIES</b>                    |                      |               |               |
| Current Liabilities                   | 15,278,334           | 3,014,168     | 358,681       |
| Noncurrent Liabilities                | 4,878,768            | 2,051,908     | 771,538       |
| <b>Total Liabilities</b>              | <b>20,157,102</b>    | 5,066,076     | 1,130,219     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |               |               |
|                                       | <b>4,505,576</b>     | 15,010,436    | 11,571,423    |
| <b>NET POSITION</b>                   |                      |               |               |
| Net Investment in Capital Assets      | 12,267,343           | 11,376,320    | -             |
| Restricted                            | 3,812,199            | 3,513,712     | 3,297,607     |
| Unrestricted                          | 15,126,605           | 12,218,120    | 475,681       |
| <b>Total Net Position</b>             | <b>\$ 31,206,147</b> | \$ 27,108,152 | \$ 3,773,288  |

#### Statements of Revenues, Expenses, and Changes in Net Position

Operating revenues are those generated from an exchange transaction. Most Federal and State grants are reported as operating revenues because they are for specifically defined programs and uses, similar to exchange transactions. Also, the Wyoming colleges agreed to define most grants and contracts as operating revenues for consistency purposes. Operating revenues have been on an upward trend in fiscal years 2023 and 2024 as operations continue to build. Primary operating revenue sources included campus course revenue, State and local grants and contracts, auxiliary enterprise charges, and program revenue. Campus course revenue represents revenue from NWCCD for classes held on the College's campus. The allocation of revenue from these courses is based on a written memo from NWCCD. The College received over \$1 million from the State under a Wyoming Innovation Partnership grant. Food services and student housing revenue are also now being allocated to the College from NWCCD. Program revenue includes revenues from AREA 59 and Mine Safety and Health Administration (MSHA) classes. Federal grants and contracts also relate to a Federal grant for MSHA.



## GILLETTE COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### Fiscal Years 2024 and 2023

Operating expenses of \$18,274,305 were incurred in the third year of operations. This is an increase from \$7,189,081 in fiscal year 2023 and \$781,297 in fiscal year 2022. The increase is primarily driven by operations that continue to be transferred over incrementally from NWCCD. Fiscal year 2024 was the first year the majority of faculty providing instruction at the College were employed by the College instead of NWCCD. In fiscal year 2024, 59% of expenses were related to compensation and benefits, with 34% relating to supplies and services, and 7% relating to depreciation and amortization expense. Operating expenses of \$7,189,081 were incurred in the second year of operations. In fiscal year 2023, the allocation was 68%, 31%, and 1%, respectively. In fiscal year 2022, the allocation was 56% compensation and benefits and 44% supplies and services.

Net position was \$31,206,147 at the end of fiscal year 2024. Of this total, \$3,812,199 is restricted as it relates to the permanent endowment funds held by the Gillette College Foundation, \$12,267,343 represents the net investment in capital assets, and the remaining \$15,126,605 is available for use in the operations of the College. Net position was \$27,108,152 at the end of fiscal year 2023. Of this total, \$3,513,712 is restricted as it relates to the permanent endowment funds held by the Gillette College Foundation, \$11,376,320 represents the net investment in capital assets, and the remaining \$12,218,120 is available for use in the operations of the College. Net position was \$3,773,288 at the end of fiscal year 2022. Of this total, \$3,297,607 was restricted relating to the permanent endowment funds held by the Gillette College Foundation and the remaining \$475,681 was available for use in the operations of the College.

The following table summarizes the Statements of Revenues, Expenses, and Changes in Net Position:

|  | 2024                 | 2023          | 2022         |
|--|----------------------|---------------|--------------|
| Operating Revenues                         | \$ 6,479,632         | \$ 3,138,066  | \$ 200,000   |
| Operating Expenses                         | <b>18,274,305</b>    | 7,189,081     | 781,297      |
| <b>Operating (Loss)</b>                    | <b>(11,794,673)</b>  | (4,051,015)   | (581,297)    |
| Nonoperating Revenues (Expenses)           | <b>15,892,668</b>    | 12,138,500    | (580,707)    |
| Other Revenues, Expenses, Gains, or Losses | -                    | -             | 279,672      |
| Special Item - Transfer of Operations      | -                    | 15,247,379    | 4,655,620    |
| Net Position, Beginning of Year            | <b>27,108,152</b>    | 3,773,288     | -            |
| Net Position, End of Year                  | <b>\$ 31,206,147</b> | \$ 27,108,152 | \$ 3,773,288 |

# **GILLETTE COMMUNITY COLLEGE DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fiscal Years 2024 and 2023**

### **Other Considerations**

In fiscal year 2024, the College made additional progress toward becoming an independent college by making strides toward accreditation, while keeping a strong focus on building a solid foundation as an institution for higher education. In August 2024, faculty completed the transition to the new district and are now Gillette Community College District employees. The College submitted a Letter of Intent to the Higher Learning Commission, an important accreditation first step, and will be submitting the Eligibility Filing documentation in December 2024.

Work in fiscal year 2024 also included the further development of information technology infrastructure, the continued evolution of policies and procedures, and the professional advancement of staff and faculty.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF NET POSITION**  
**June 30, 2024 and 2023**

|  | 2024              | 2023              |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| Current Assets   |                   |                   |
| Cash and cash equivalents (Note 3)   | \$ 16,716,451     | \$ 7,922,511      |
| Investments (Note 3)   | 2,875,000         | -                 |
| Accounts receivable  | 541,788           | 370,082           |
| Due from other government, net of allowance of \$84,000 and \$71,000, respectively | 1,406,434         | 901,326           |
| Right to receive assets (Note 2)   | 4,290,344         | 4,450,848         |
| Prepaid expenses   | 188,112           | 518,023           |
| Property taxes receivable  | 9,586,984         | 16,094,630        |
| <b>Total current assets</b>  | <b>35,605,113</b> | <b>30,257,420</b> |
| Noncurrent Assets  |                   |                   |
| Capital assets, net of accumulated depreciation (Note 4)                           | 12,735,719        | 12,055,275        |
| Right-to-use subscription assets, net of accumulated amortization (Note 5)         | 411,803           | 226,599           |
| Investments held by others (Note 3)  | 3,812,199         | 3,513,712         |
| <b>Total noncurrent assets</b>   | <b>16,959,721</b> | <b>15,795,586</b> |
| <b>Total assets</b>  | <b>52,564,834</b> | <b>46,053,006</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                   |                   |
| Pension-Related Outflows (Note 8)  | 3,303,991         | 1,131,658         |
| <b>Total deferred outflows of resources</b>  | <b>3,303,991</b>  | <b>1,131,658</b>  |

*Continued*

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF NET POSITION, *Continued***  
**June 30, 2024 and 2023**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>LIABILITIES</b>                                      |                      |                      |
| Current Liabilities                                     |                      |                      |
| Accounts payable  | \$ 505,613           | \$ 364,762           |
| Payroll and related liabilities                         | 306,018              | 288,282              |
| Accrued compensated absences (Note 6)                   | 220,816              | 132,932              |
| Accrued expenses and other liabilities                  | 221,023              | 65,762               |
| Advance payments  | 12,138,721           | 1,683,043            |
| Current maturities of note payable (Note 6)             | 244,916              | 244,916              |
| Current portion of subscription liabilities (Note 5)    | 154,630              | 55,748               |
| Custodial deposits (Note 11)                            | 1,486,597            | 178,723              |
| <b>Total current liabilities</b>                        | <b>15,278,334</b>    | <b>3,014,168</b>     |
| Noncurrent Liabilities                                  |                      |                      |
| Accrued compensated absences (Note 6)                   | 73,605               | 44,311               |
| Note payable, less current maturities (Note 6)          | 245,423              | 490,338              |
| Subscription liabilities, less current portion (Note 5) | 235,210              | 114,552              |
| Net pension liability (Note 8)                          | 4,324,530            | 1,402,707            |
| <b>Total noncurrent liabilities</b>                     | <b>4,878,768</b>     | <b>2,051,908</b>     |
| <b>Total liabilities</b>                                | <b>20,157,102</b>    | <b>5,066,076</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                    |                      |                      |
| Unavailable Property Taxes                              | 4,333,392            | 15,001,544           |
| Pension-Related Inflows (Note 8)                        | 172,184              | 8,892                |
| <b>Total deferred inflows of resources</b>              | <b>4,505,576</b>     | <b>15,010,436</b>    |
| <b>NET POSITION</b>                                     |                      |                      |
| Net Investment in Capital Assets                        | 12,267,343           | 11,376,320           |
| Restricted  |                      |                      |
| Non-expendable  | 3,812,199            | 3,513,712            |
| Unrestricted  | 15,126,605           | 12,218,120           |
| <b>Total net position</b>                               | <b>\$ 31,206,147</b> | <b>\$ 27,108,152</b> |

See Notes to Financial Statements.

**GILLETTE COLLEGE FOUNDATION  
(A COMPONENT UNIT OF THE GILLETTE  
COMMUNITY COLLEGE DISTRICT)**

**STATEMENTS OF FINANCIAL POSITION  
June 30, 2024 and 2023**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| Cash and Cash Equivalents   | \$ 1,523,137         | \$ 1,411,275         |
| Grants Receivable, less allowance for credit losses of \$0 for both years | 47,916               | 71,496               |
| Prepaid Expenses  | 3,760                | 1,370                |
| Promises to Give  | -                    | 175,151              |
| Investments   | 939,586              | 687,193              |
| Land Held for Investment  | 930,000              | 915,000              |
| Property and Equipment, net   | 2,877,583            | 2,934,454            |
| Assets Held in Trust for Others   | 3,812,199            | 3,513,712            |
| Endowment   |                      |                      |
| Promises to give  | 94,651               | 21,000               |
| Investments   | 6,248,325            | 5,462,979            |
|   | <u>\$ 16,477,157</u> | <u>\$ 15,193,630</u> |
| <b>LIABILITIES AND NET ASSETS</b>   |                      |                      |
| Liabilities   |                      |                      |
| Accounts payable  | \$ 328,212           | \$ 201,446           |
| Deferred revenue  | 19,130               | 13,310               |
| Assets held in trust for others   | 3,812,199            | 3,513,712            |
| <b>Total liabilities</b>  | <u>4,159,541</u>     | <u>3,728,468</u>     |
| Net Assets  |                      |                      |
| Net assets without donor restrictions:                                    |                      |                      |
| Undesignated  | 4,842,059            | 4,884,170            |
| Board-designated for operations reserve                                   | 292,451              | 278,332              |
| Net assets with donor restrictions  | 7,183,106            | 6,302,660            |
| <b>Total net assets</b>   | <u>12,317,616</u>    | <u>11,465,162</u>    |
|   | <u>\$ 16,477,157</u> | <u>\$ 15,193,630</u> |

See Notes to Financial Statements.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION**

**Years Ended June 30, 2024 and 2023**

|   | <b>2024</b>          | <b>2023</b>          |
|---|----------------------|----------------------|
| Operating Revenues                                  |                      |                      |
| Campus course revenue                               | \$ 2,857,283         | \$ 1,772,953         |
| Federal grants and contracts                        | 307,278              | 306,475              |
| State and local grants and contracts                | 1,600,824            | 101,094              |
| Auxiliary enterprise charges                        | 1,022,669            | 14,401               |
| Program revenue                                     | 586,348              | 923,413              |
| Other auxiliary revenues                            | 40,282               | 19,730               |
| Other operating revenues                            | 64,948               | -                    |
| <b>Total operating revenues</b>                     | <b>6,479,632</b>     | <b>3,138,066</b>     |
| Operating Expenses (Note 10)                        |                      |                      |
| Instruction   | 4,564,818            | 152,416              |
| Research  | 20,554               | -                    |
| Academic support                                    | 436,238              | 333,676              |
| Student services                                    | 3,452,481            | 796,742              |
| Institutional support                               | 4,387,567            | 3,854,857            |
| Operations and maintenance of plant                 | 1,957,195            | 1,371,642            |
| Auxiliary enterprises                               | 2,214,641            | 626,491              |
| Depreciation (Notes 2 and 4)                        | 1,164,354            | 43,588               |
| Amortization (Note 5)                               | 76,457               | 9,669                |
| <b>Total operating expenses</b>                     | <b>18,274,305</b>    | <b>7,189,081</b>     |
| <b>Operating (loss)</b>                             | <b>(11,794,673)</b>  | <b>(4,051,015)</b>   |
| Nonoperating Revenues (Expenses)                    |                      |                      |
| Investment income, net of fees                      | 300,163              | 216,105              |
| Interest expense                                    | (20,480)             | (93,773)             |
| Local appropriations                                | 15,572,985           | 12,012,418           |
| Private gifts, grants, and contracts                | 40,000               | 3,750                |
| <b>Total nonoperating revenues</b>                  | <b>15,892,668</b>    | <b>12,138,500</b>    |
| <b>Increase in net position before special item</b> | <b>4,097,995</b>     | <b>8,087,485</b>     |
| Special Item - transfer of operations (Note 2)      | -                    | 15,247,379           |
| <b>Increase in net position</b>                     | <b>4,097,995</b>     | <b>23,334,864</b>    |
| Net Position  |                      |                      |
| Beginning of year                                   | 27,108,152           | 3,773,288            |
| End of year   | <b>\$ 31,206,147</b> | <b>\$ 27,108,152</b> |

See Notes to Financial Statements.

**GILLETTE COLLEGE FOUNDATION  
(A COMPONENT UNIT OF THE GILLETTE  
COMMUNITY COLLEGE DISTRICT)**

**STATEMENTS OF ACTIVITIES  
Years Ended June 30, 2024 and 2023**

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| Without Donor Restrictions   |                      |                      |
| Revenues, gains, and support:  |                      |                      |
| Contributions  | \$ 82,834            | \$ 104,287           |
| Grants, Federal  | 172,057              | 103,185              |
| In-kind contributions  | 195,386              | 161,187              |
| Administrative fee income  | 124,879              | 116,901              |
| Net special events   | 151,839              | 183,917              |
| Net investment income  | 34,402               | 24,071               |
| Net assets released from restriction, satisfaction of program restrictions | 565,223              | 1,780,237            |
| <b>Total revenues, gains, and support</b>                                  | <b>1,326,620</b>     | <b>2,473,785</b>     |
| Operating expenses:  |                      |                      |
| Program services   | 870,399              | 785,266              |
| Supporting services:   |                      |                      |
| Management and general   | 247,422              | 234,234              |
| Fundraising  | 236,791              | 202,879              |
| <b>Total operating expenses</b>  | <b>1,354,612</b>     | <b>1,222,379</b>     |
| <b>Change in net assets without donor restrictions</b>                     | <b>(27,992)</b>      | <b>1,251,406</b>     |
| With Donor Restrictions  |                      |                      |
| Contributions  | 798,703              | 600,103              |
| In-kind contributions  | 5,000                | 531,208              |
| Net investment income  | 641,966              | 530,966              |
| (Loss) on uncollectible promises to give                                   | -                    | (13,000)             |
| Net assets released from restriction, satisfaction of program restrictions | (565,223)            | (1,780,237)          |
| <b>Change in net assets with donor restrictions</b>                        | <b>880,446</b>       | <b>(130,960)</b>     |
| <b>Change in net assets</b>  | <b>852,454</b>       | <b>1,120,446</b>     |
| Net Assets   |                      |                      |
| Beginning of year  | 11,465,162           | 10,344,716           |
| End of year  | <b>\$ 12,317,616</b> | <b>\$ 11,465,162</b> |

See Notes to Financial Statements.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2024 and 2023**

|  | 2024                 | 2023                |
|--|----------------------|---------------------|
| <b>Cash Flows From Operating Activities</b>                        |                      |                     |
| Received from students and customers                               | \$ 5,404,638         | \$ 1,924,557        |
| Received from state and local grants and contracts                 | 1,600,824            | 101,094             |
| Payments to employees and benefits                                 | (9,561,943)          | (4,194,752)         |
| Payments to vendors and suppliers                                  | (5,797,832)          | (2,432,212)         |
| Other receipts   | 105,230              | 19,730              |
| <b>Net cash (used in) operating activities</b>                     | <b>(8,249,083)</b>   | <b>(4,581,583)</b>  |
| <b>Cash Flows From Noncapital Financing Activities</b>             |                      |                     |
| Local appropriations   | 21,868,157           | 12,602,375          |
| Private gifts, grants, and contracts                               | -                    | 3,750               |
| <b>Net cash provided by noncapital financing activities</b>        | <b>21,868,157</b>    | <b>12,606,125</b>   |
| <b>Cash Flows From Capital and Related Financing Activities</b>    |                      |                     |
| Purchase of capital assets   | (1,644,294)          | (322,206)           |
| Payment on note principal  | (244,915)            | (244,872)           |
| Proceeds from warrant  | -                    | 3,310,665           |
| Payments on warrant  | -                    | (3,310,665)         |
| Principal payments on subscription liabilities                     | (42,121)             | (65,968)            |
| Interest payments  | (20,480)             | (93,773)            |
| <b>Net cash (used in) capital and related financing activities</b> | <b>(1,951,810)</b>   | <b>(726,819)</b>    |
| <b>Cash Flows From Investing Activities</b>                        |                      |                     |
| Purchase of investments  | (2,875,000)          | -                   |
| Interest on cash and investments                                   | 1,676                | -                   |
| <b>Net cash (used in) investing activities</b>                     | <b>(2,873,324)</b>   | <b>-</b>            |
| <b>Net increase in cash and cash equivalents</b>                   | <b>8,793,940</b>     | <b>7,297,723</b>    |
| <b>Cash and Cash Equivalents</b>                                   |                      |                     |
| Beginning of year  | 7,922,511            | 624,788             |
| End of year  | <b>\$ 16,716,451</b> | <b>\$ 7,922,511</b> |

*Continued*



**GILLETTE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF CASH FLOWS, *Continued***  
**Years Ended June 30, 2024 and 2023**

|   | <b>2024</b>            | <b>2023</b>    |
|---|------------------------|----------------|
| <b>Reconciliation of Operating (Loss) to Net Cash (Used in) Operating</b>                         |                        |                |
| <b>Activities</b>   |                        |                |
| Operating (loss)  | <b>\$ (11,794,673)</b> | \$ (4,051,015) |
| Investments held by others  | -                      | -              |
| Depreciation  | <b>1,164,354</b>       | 43,588         |
| Amortization  | <b>76,457</b>          | 9,669          |
| <b>Adjustments to reconcile operating (loss) to net cash (used in)</b>                            |                        |                |
| <b>operating activities:</b>  |                        |                |
| <b>Changes in assets, deferred outflows of resources, liabilities,</b>                            |                        |                |
| <b>and deferred inflows of resources:</b>   |                        |                |
| Accounts receivable, net  | <b>(676,814)</b>       | (1,271,408)    |
| Prepaid expenses  | <b>329,911</b>         | (518,023)      |
| Custodial deposits  | <b>1,307,874</b>       | 178,723        |
| Accounts payable  | <b>140,851</b>         | 306,977        |
| Accrued compensated absences, and payroll and related liabilities                                 | <b>290,175</b>         | 465,832        |
| Net pension liability   | <b>2,921,823</b>       | 1,375,854      |
| Deferred outflows - pension   | <b>(2,172,333)</b>     | (1,112,781)    |
| Deferred inflows - pension  | <b>163,292</b>         | (8,999)        |
|   | <b>\$ (8,249,083)</b>  | \$ (4,581,583) |
| <b>Supplemental Schedule of Noncash Investing and Noncapital and Related Financing Activities</b> |                        |                |
| Transactions within the investments held by the Foundation  | <b>\$ 298,487</b>      | \$ 216,105     |
| Acquisition of right-to-use subscription assets financed by subscription liabilities (Note 5)     | <b>261,661</b>         | 236,268        |
| Transfer of operations - transfer of capital assets (Note 2)                                      | -                      | 15,247,379     |
| Assets received through in-kind donations   | <b>40,000</b>          | -              |

See Notes to Financial Statements.

# GILLETTE COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

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

**Nature of activities:** The Gillette Community College District (the College) is a public institution of higher education created in 2021. The College's campus is located in Gillette, Wyoming. It is governed by a Board of Trustees comprising seven elected trustees that establish the policies and procedures by which the College is governed. The College is a municipal corporation formed under, and subject to, the requirements of Wyoming State Statutes.

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to colleges and universities, as well as guidance prescribed by the Wyoming Community College Commission (WCCC). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The financial reporting entity consists of the College and its component unit, the Gillette College Foundation (the Foundation). Following is information related to the College's component unit:

*Foundation:* The Foundation is a legally separate, tax-exempt entity. The Foundation's purpose is to advance and assist in the development, growth, and operation of the College. The Foundation provides, among other things, general support for various College programs. The Foundation also serves as a pass-through entity for certain grants. A copy of the Foundation's financial statements can be obtained by calling (307) 681-6400.

The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources held and support received by the Foundation is restricted to the activities of the College. Because of these restrictions, the Foundation is considered a component unit of the College.

The Foundation is a private not-for-profit organization that reports its financial results under the Financial Reporting for Not-for-Profit Organizations and Accounting for Contributions Received and Contributions Made Topics of the Financial Accounting Standards Board Accounting Standards Codification. As such, certain presentation features are different from the GASB's presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

### **Jointly governed organizations (not included in the College's reporting entity):**

*Board of Cooperative Higher Educational Services (BOCHES):* Effective July 1, 2023, the College joined Campbell County School District as a member of the BOCHES. The BOCHES was created to provide post-secondary education services under the authority of Wyoming State Statute 21-20-102 as that term is defined in Wyoming State Statute 21-20-103(a)(iii).

# GILLETTE COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

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

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

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

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

**Investments and investment income:** Investments in non-negotiable certificates of deposit are carried at cost plus accrued interest and are not subject to the leveling requirements.

The College accounts for its investments in debt securities at fair value, as determined by quoted market prices. Changes in the unrealized gain (loss) on the carrying value of investments are reported as a component of net investment (loss) in the Statements of Revenues, Expenses, and Changes in Net Position.

**Fair value measurements:** The College categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2024 and 2023:

- Investments held by the Foundation of \$3,812,199 and \$3,513,712, respectively, are valued using significant other observable inputs (Level 2 inputs).

**Accounts receivable:** Accounts receivable consist of course charges to students and organizations. Accounts receivable also include amounts due from the Federal government, state and local governments, and private sources in connection with the reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

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

# GILLETTE COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

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

**Capital assets:** Capital assets include property, plant, equipment, and infrastructure assets, such as roads, curbs and gutters, sidewalks, and lighting systems. The College's capitalization policy conforms to the policy adopted by the WCCC. The policy is as follows: infrastructure assets with initial costs that equal or exceed \$50,000 are capitalized, expenditures for buildings and improvements having a useful life greater than five years and a value greater than \$50,000 are capitalized, and expenditures for other capital items having a useful life greater than one year and a value greater than \$5,000 are capitalized. Individual items having a lesser value may be capitalized if they are purchased in a group.

Capital assets are recorded at historical cost, if the cost is known, or estimated historical cost. Estimates are made by College personnel. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets obtained through the transfer of operations are recorded at the net book value of the transferor. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

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

|                            |             |
|----------------------------|-------------|
| Buildings and improvements | 14-40 years |
| Furniture and equipment    | 3-15 years  |
| Vehicles                   | 5-10 years  |
| Library books              | 5 years     |

**Right-to-use subscription assets:** The College capitalizes right-to-use subscription-based information technology (IT) assets obtained under contracts in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The assets are calculated utilizing the value of the contract liability plus any contract prepayments made for future periods, as well as any direct ancillary costs necessary to place the assets into service. The assets will be amortized over the years remaining on the contracts. The College utilized the sample capitalization thresholds utilized for capital and intangible assets.

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

**Compensated absences:** It is the College's policy to provide full-time and eligible part-time staff with sick leave, personal leave, and vacation. Accrued vacation is payable to employees upon the separation from service. Vacation pay is accrued when incurred, and a liability for these amounts is reported in compliance with GASB Statement No. 16, *Accounting for Compensated Absences*. The College considers approximately 75% of this liability current and due within one year.

## GILLETTE COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

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

**Unavailable property taxes:** Unavailable property taxes consist of amounts recognized for property taxes assessed during the year, which will be levied and recognized as revenue in the subsequent year.

**Noncurrent liabilities:** Noncurrent liabilities include estimated amounts for accrued compensated absences, the note payable, the net pension liability, and other liabilities that will not be paid within the next fiscal year.

**Deferred outflows of resources and deferred inflows of resources:** The College reports the consumption of net position that is applicable to a future period as deferred outflows of resources. Deferred outflows of resources as of June 30, 2024 and 2023 consist of items related to the College's pension plan.

The College reports an acquisition of net position that is applicable to a future period as deferred inflows of resources. Deferred inflows of resources as of June 30, 2024 and 2023 consist of unavailable property taxes and items related to the College's pension plan.

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

*Net investment in capital assets:* This represents the College's total investment in capital and right-to-use subscription assets, net of accumulated depreciation and amortization and debt related to the purchase or construction of those assets, including accounts payable and retentions payable.

*Restricted net position - non-expendable:* This represents net assets subject to externally imposed stipulations that they be maintained permanently by the College. Such assets include permanent endowment funds.

*Unrestricted net position:* This includes resources derived from campus course revenue, state appropriations, local general-use taxes and fees, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

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

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

*Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as (1) campus course revenues, net of allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; (3) some Federal, state, and local grants and contracts, and Federal appropriations; and (4) most payments from public broadcasting entities.

*Nonoperating revenues:* Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as (1) local property taxes; (2) state appropriations; (3) some Federal, state, and local grants and contracts, and Federal appropriations; and (4) gifts and contributions.

## GILLETTE COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

---

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

**Property taxes:** The College's property taxes are assessed as of January 1 and levied at the county level on September 1 of each year. The county assessors in Campbell County are responsible for the assessment of all taxable real property. The county treasurer computes the annual tax for each parcel of real property and prepares tax books that are used as the basis for issuing tax bills to all taxpayers in the county. Property taxes are collected by the county treasurer who remits to each unit its respective share of the collections. Provided that the payments are timely, the tax can be paid in two equal installments in November and May or paid in full on December 31. Mineral ad valorem taxes are collected monthly by the State of Wyoming Department of Revenue and remitted to the county treasurer in order to distribute accordingly. Property taxes are recorded on the accrual basis of accounting.

**Accounting estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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 results could differ from those estimates.

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

#### Note 2. Transfer of Operations

The College previously operated as a campus of the Northern Wyoming Community College District (NWCCD). On August 31, 2020, the Campbell County commissioners submitted an application to the WCCC requesting the formation of a community college district in Campbell County. This request was approved by the WCCC on November 20, 2020. During the 2021 General Session, Senate File 83, adopted on April 6, 2021, approved the formation of the College, subject to the approval of voters within the district. A special election in Campbell County was held on August 17, 2021, and the formation of the College, including a property tax of up to four mills, was approved by voters.

On December 3, 2021, the College signed a Memorandum of Understanding with NWCCD, which included the transfer of \$975,862 of NWCCD's fund balance and all obligations owed by NWCCD for the payment of indebtedness of \$980,126 pertaining to the Gillette College Student Housing (Inspiration Hall). This assumed debt is discussed further in Note 6. As of June 30, 2023, Inspiration Hall was still held by NWCCD. The parties also agreed that any remaining funds at June 30, 2022 and every subsequent year-end would be transferred in the same manner.

During the years ended June 30, 2024 and 2023, the College recognized a transfer of capital assets from NWCCD with a net book value of \$0 and \$11,776,657, respectively. Based on agreements reached, the College also recognized capital assets to be transferred from NWCCD as an additional right to receive assets of \$0 and \$3,470,722, respectively. As of June 30, 2024, these assets have still not transferred ownership to the College. During the year ended June 30, 2024, there was \$160,504 of depreciation expense recorded by NWCCD on these assets.

## GILLETTE COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

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#### Note 3. Cash and Investments

**College:** Wyoming State Statute 9-4-817 authorizes agencies of the State of Wyoming to deposit public funds in financial institutions authorized to do business in the state. These deposits must be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of assets, including any bonds, debentures, and other securities in which the Wyoming 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 elected to invest cash in excess of immediate needs in certificates of deposit.

**Bank deposits:** At June 30, 2024 and 2023, the carrying amount of the College's bank deposits was \$16,716,451 and \$7,922,511, respectively, and the bank balance was \$17,230,758 and \$8,066,628, respectively, which is covered by Federal depository insurance and collateral held for safekeeping by third-party trustees.

#### **Investments:**

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal policy addressing interest rate risk.

As of June 30, 2024, the College had \$2,875,000 of unrestricted investments within non-negotiable certificates of deposit with maturities within the year.

*Custodial credit risk:* Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the College will not be able to recover the value of its investments or its collateral securities that are in the possession of an outside party. The College does not have a formal investment policy for custodial credit risk. Investments are held for safekeeping by external custodians in the College's name.

*Concentration of credit risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of the College's investment in a single issuer. Concentration of credit risk is not formally addressed in the College's investment policy.

**Investments held by others:** It is the policy of the College to invest endowment funds under a memorandum of agreement with the Foundation. The balance of investments held by others was \$3,812,199 and \$3,513,712 for the years ended June 30, 2024 and 2023, respectively.

# GILLETTE COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital Assets

Capital asset activity for the years ended June 30, 2024 and 2023 is as follows:

|  | Balance<br>June 30, 2023 | Additions         | Deletions   | Transfers<br>From NW CCD | Balance<br>June 30, 2024 |
|--|--------------------------|-------------------|-------------|--------------------------|--------------------------|
| Nondepreciable capital assets:             |                          |                   |             |                          |                          |
| Construction in process                    | \$ -                     | \$ 15,513         | \$ -        | \$ -                     | \$ 15,513                |
| <b>Total nondepreciable capital assets</b> | <b>-</b>                 | <b>15,513</b>     | <b>-</b>    | <b>-</b>                 | <b>15,513</b>            |
| Depreciable capital assets:                |                          |                   |             |                          |                          |
| Buildings and improvements                 | 10,158,391               | -                 | -           | -                        | 10,158,391               |
| Furniture and equipment                    | 1,748,632                | 1,580,780         | -           | -                        | 3,329,412                |
| Vehicles                                   | 132,569                  | 88,000            | -           | -                        | 220,569                  |
| Library books                              | 59,271                   | -                 | -           | -                        | 59,271                   |
| <b>Total depreciable capital assets</b>    | <b>12,098,863</b>        | <b>1,668,780</b>  | <b>-</b>    | <b>-</b>                 | <b>13,767,643</b>        |
| <b>Total capital assets</b>                | <b>12,098,863</b>        | <b>1,684,293</b>  | <b>-</b>    | <b>-</b>                 | <b>13,783,156</b>        |
| Less accumulated depreciation for:         |                          |                   |             |                          |                          |
| Buildings and improvements                 | 31,089                   | 371,390           | -           | -                        | 402,479                  |
| Furniture and equipment                    | 667                      | 568,751           | -           | -                        | 569,418                  |
| Vehicles                                   | 11,832                   | 48,695            | -           | -                        | 60,527                   |
| Library books                              | -                        | 15,013            | -           | -                        | 15,013                   |
| <b>Total accumulated depreciation</b>      | <b>43,588</b>            | <b>1,003,849</b>  | <b>-</b>    | <b>-</b>                 | <b>1,047,437</b>         |
| <b>Capital assets, net</b>                 | <b>\$ 12,055,275</b>     | <b>\$ 680,444</b> | <b>\$ -</b> | <b>\$ -</b>              | <b>\$ 12,735,719</b>     |
|  |                          |                   |             |                          |                          |
|  | Balance<br>June 30, 2022 | Additions         | Deletions   | Transfers<br>From NW CCD | Balance<br>June 30, 2023 |
| Nondepreciable capital assets:             |                          |                   |             |                          |                          |
| Construction in process                    | \$ -                     | \$ -              | \$ -        | \$ -                     | \$ -                     |
| <b>Total nondepreciable capital assets</b> | <b>-</b>                 | <b>-</b>          | <b>-</b>    | <b>-</b>                 | <b>-</b>                 |
| Depreciable capital assets:                |                          |                   |             |                          |                          |
| Buildings and improvements                 | -                        | -                 | -           | 10,158,391               | 10,158,391               |
| Furniture and equipment                    | -                        | 258,403           | -           | 1,490,229                | 1,748,632                |
| Vehicles                                   | -                        | 63,803            | -           | 68,766                   | 132,569                  |
| Library books                              | -                        | -                 | -           | 59,271                   | 59,271                   |
| <b>Total depreciable capital assets</b>    | <b>-</b>                 | <b>322,206</b>    | <b>-</b>    | <b>11,776,657</b>        | <b>12,098,863</b>        |
| <b>Total capital assets</b>                | <b>-</b>                 | <b>322,206</b>    | <b>-</b>    | <b>11,776,657</b>        | <b>12,098,863</b>        |
| Less accumulated depreciation for:         |                          |                   |             |                          |                          |
| Buildings and improvements                 | -                        | -                 | -           | 31,089                   | 31,089                   |
| Furniture and equipment                    | -                        | 667               | -           | -                        | 667                      |
| Vehicles                                   | -                        | 10,634            | -           | 1,198                    | 11,832                   |
| Library books                              | -                        | -                 | -           | -                        | -                        |
| <b>Total accumulated depreciation</b>      | <b>-</b>                 | <b>11,301</b>     | <b>-</b>    | <b>32,287</b>            | <b>43,588</b>            |
| <b>Capital assets, net</b>                 | <b>\$ -</b>              | <b>\$ 310,905</b> | <b>\$ -</b> | <b>\$ 11,744,370</b>     | <b>\$ 12,055,275</b>     |



## GILLETTE COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

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#### Note 5. Right-to-Use Subscription Assets and Related Subscription Liabilities

The College has subscription-based information technology arrangements (SBITA) related to various right-to-use subscription assets, including video conferencing software and campus-wide computer software subscriptions. Subscription terms utilized in the calculation include all initial periods plus periods covered by an option to extend, which the College is reasonably certain to exercise. Terms range from three to five years, with end dates ranging from September 2025 to December 2028. The College recognized right-to-use subscription assets of \$504,910 and \$236,268, and accumulated amortization of \$93,107 and \$9,669, at June 30, 2024 and 2023, respectively, using the prime rate in effect at the commencement of the SBITAs. During the years ended June 30, 2024 and 2023, there were no significant outflows of resources recognized for other payments, including termination penalties, not previously included in the measurement of the subscription liabilities.

Future minimum subscription-based payments under the arrangements as of June 30, 2024 are as follows:

|                       | Principal         | Interest         | Total             |
|-----------------------|-------------------|------------------|-------------------|
| Years ending June 30: |                   |                  |                   |
| 2025                  | \$ 154,630        | \$ 26,389        | \$ 181,019        |
| 2026                  | 91,783            | 18,641           | 110,424           |
| 2027                  | 97,488            | 10,691           | 108,179           |
| 2028                  | 45,939            | 2,101            | 48,040            |
|                       | <u>\$ 389,840</u> | <u>\$ 57,822</u> | <u>\$ 447,662</u> |

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

#### Note 6. Long-Term Liabilities

**Note payable:** In 2017, NWCCD and the City of Gillette finalized an agreement establishing the final ownership and operation of Phase I and Phase II of Inspiration Hall. As a result of this agreement, upon the completion of Inspiration Hall, NWCCD would begin making contributions to the outstanding debt that the City of Gillette incurred related to the housing. NWCCD was responsible for 17% of the total outstanding debt, which corresponds to the ownership that NWCCD will have over Phase I and Phase II. The construction associated with the two phases was completed in 2017, and NWCCD began payments at this time.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Long-Term Liabilities, Continued**

On December 3, 2021, the College signed a Memorandum of Understanding with NWCCD to assume all obligations pertaining to Inspiration Hall with the City of Gillette. Payments are to be made annually on August 1, and the note payable is to be paid in full on August 1, 2025. Payments are scheduled as follows:

|                       |                   |
|-----------------------|-------------------|
| Years ending June 30: |                   |
| 2025                  | \$ 244,916        |
| 2026                  | <u>245,423</u>    |
|                       | <u>\$ 490,339</u> |

As of June 30, 2024, NWCCD had not been fully released from all obligations relating to the note payable with the City of Gillette. In addition, NWCCD had not transferred its ownership interest in Inspiration Hall to the College.

Long-term liability activity, other than the note payable, for the years ended June 30, 2024 and 2023 is as follows:

|                                | <u>Balance</u><br><u>June 30, 2023</u> | <u>Additions</u>  | <u>Deductions</u>   | <u>Balance</u><br><u>June 30, 2024</u> | <u>Amount Due</u><br><u>Within One Year</u> |
|--------------------------------|--|-------------------|---------------------|--|---|
| Other liabilities:             |  |                   |                     |  |   |
| Accrued compensated absences   | \$ 177,243                             | \$ 235,671        | \$ (118,493)        | \$ 294,421                             | \$ 220,816                                  |
| <b>Total other liabilities</b> | <u>\$ 177,243</u>                      | <u>\$ 235,671</u> | <u>\$ (118,493)</u> | <u>\$ 294,421</u>                      | <u>\$ 220,816</u>                           |

|                                | <u>Balance</u><br><u>June 30, 2022</u> | <u>Additions</u>  | <u>Deductions</u>  | <u>Balance</u><br><u>June 30, 2023</u> | <u>Amount Due</u><br><u>Within One Year</u> |
|--------------------------------|--|-------------------|--------------------|--|---|
| Other liabilities:             |  |                   |                    |  |   |
| Accrued compensated absences   | \$ 37,726                              | \$ 169,360        | \$ (29,843)        | \$ 177,243                             | \$ 132,932                                  |
| <b>Total other liabilities</b> | <u>\$ 37,726</u>                       | <u>\$ 169,360</u> | <u>\$ (29,843)</u> | <u>\$ 177,243</u>                      | <u>\$ 132,932</u>                           |

**Note 7. Retirement Commitment - Teachers Insurance and Annuity Association of America (TIAA)**

The College offers a retirement benefit to all permanent full-time employees that is equal to 17.37% of each employee's monthly salary. Eligible College employees may participate in one of two pension plans offered by the College: the WRS (see Note 8) or TIAA. TIAA is a private defined contribution retirement plan that is portable to other institutions and states. For the years ended June 30, 2024 and 2023, the College's contributions to TIAA were \$259,247 and \$123,848, respectively.

## GILLETTE COMMUNITY COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. Retirement Commitment - WRS

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

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

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

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

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

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

**Contributions:** Per Titles 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2021, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the College has elected to pay 8% of the member's contribution. Total contributions to the pension plan from the College were \$890,188 and \$391,134 for the years ended June 30, 2024 and 2023, respectively.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Retirement Commitment - WRS, *Continued***

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:** At June 30, 2024 and 2023, the College reported a liability of \$4,324,530 and \$1,402,707, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2023 and 2022, respectively. There were no assumption changes for the 2023 and 2022 actuarial valuations. The College's proportion of the net pension liability was based on the relationship of the College's total contributions to the plan for the years ended December 31, 2023 and 2022 to the contributions of all participating employers for the same period. At December 31, 2023, the College's proportion was 0.1905%, which was an increase from its December 31, 2022 proportion of 0.0513%.

For the years ended June 30, 2024 and 2023, the College recognized pension expense of \$1,398,055 and \$498,631, respectively. At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | 2024                                 |                                     | 2023                                 |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 83,550                            | \$ 18,892                           | \$ 7,034                             | \$ 8,892                            |
| Changes in assumptions  | 44,391                               | -                                   | 37,645                               | -                                   |
| Net difference between projected and actual earnings on pension plan investments                              | -                                    | 153,292                             | 120,746                              | -                                   |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 2,918,008                            | -                                   | 829,383                              | -                                   |
| Contributions subsequent to the measurement date  | 258,042                              | -                                   | 136,850                              | -                                   |
|   | <u>\$ 3,303,991</u>                  | <u>\$ 172,184</u>                   | <u>\$ 1,131,658</u>                  | <u>\$ 8,892</u>                     |

The amount of \$258,042 at June 30, 2024, reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement dates, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized in pension expense, as follows:

|                       |                     |
|-----------------------|---------------------|
| Years ending June 30: |                     |
| 2025                  | \$ 1,193,937        |
| 2026                  | 1,027,160           |
| 2027                  | 864,393             |
| 2028                  | (211,725)           |
|                       | <u>\$ 2,873,765</u> |

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Retirement Commitment - WRS, *Continued***

**Actuarial assumptions:** The total pension liability in the January 1, 2023 and 2022 actuarial valuations was determined using the following actuarial assumptions adopted by the WRS Board, effective at its November 17, 2021 and February 17, 2022 meetings, and applied to the December 31, 2023 and 2022 measurement dates:

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

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Retirement Commitment - WRS, *Continued***

**Long-term expected rate of return:** The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Each major asset class is included in the pension plan’s target asset allocation as of January 1, 2023 and 2022. These best estimates are summarized in the following tables:

| Asset Class             | 2023              |  |   |
|-------------------------|-------------------|--|---|
|                         | Target Allocation | Long-Term Expected Geometric Real Rate of Return | Long-Term Expected Arithmetic Real Rate of Return |
| Cash                    | 0.50%             | -0.30%   | -0.30%  |
| Gold                    | 1.50%             | 2.13%  | 0.70%   |
| Fixed income            | 20.00%            | 3.38%  | 3.80%   |
| Equity                  | 51.50%            | 6.52%  | 8.20%   |
| Marketable alternatives | 16.00%            | 4.39%  | 5.23%   |
| Private real assets     | 10.50%            | 5.97%  | 7.48%   |
|                         | <u>100.00%</u>    |  |   |

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

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

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Retirement Commitment - WRS, *Continued***

**Discount rate:** The discount rate used to measure the total pension liability as of December 31, 2023 and 2022 was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the College’s proportionate share of the net pension liability to changes in the discount rate:** The following presents the College’s proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 6.80%, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|  | 1%<br>Decrease<br>(5.80%) | Current<br>Discount Rate<br>(6.80%) | 1%<br>Increase<br>(7.80%) |
|--|---------------------------|-------------------------------------|---------------------------|
| Proportionate share of the net pension liability | \$ 6,867,494              | \$ 4,324,530                        | \$ 2,217,180              |

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

**Note 9. Risk Management**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended June 30, 2024 and 2023, the College contracted with various insurance companies for property insurance (including machinery), general liability insurance, professional insurance, and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles.

The College pays a premium into the State Workers’ Compensation System for hazardous employees based on a rate per covered payroll. This annual rate is calculated based on accident history and administrative costs.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Natural Classifications With Functional Classifications**

The College’s operating expenses by natural classification were as follows for the years ended June 30:

|  | <b>2024</b>                          |                                  |  |                      |
|--|--------------------------------------|----------------------------------|--|----------------------|
|  | <b>Natural Classification</b>        |                                  |  |                      |
|  | <b>Compensation<br/>and Benefits</b> | <b>Supplies<br/>and Services</b> | <b>Depreciation and<br/>Amortization</b> | <b>Total</b>         |
| Functional classification:             |                                      |                                  |  |                      |
| Instruction                            | \$ 4,173,902                         | \$ 390,916                       | \$ -                                     | \$ 4,564,818         |
| Research                               | 18,984                               | 1,570                            | -  | 20,554               |
| Academic support                       | 394,509                              | 41,729                           | -  | 436,238              |
| Student services                       | 1,709,134                            | 1,743,347                        | -  | 3,452,481            |
| Institutional support                  | 2,474,912                            | 1,912,655                        | -  | 4,387,567            |
| Operations and maintenance<br>of plant | 1,311,172                            | 646,023                          | -  | 1,957,195            |
| Auxiliary enterprises                  | 682,287                              | 1,532,354                        | -  | 2,214,641            |
| Depreciation                           | -                                    | -                                | 1,164,354                                | 1,164,354            |
| Amortization                           | -                                    | -                                | 76,457                                   | 76,457               |
| <b>Total expenses</b>                  | <b>\$ 10,764,900</b>                 | <b>\$ 6,268,594</b>              | <b>\$ 1,240,811</b>                      | <b>\$ 18,274,305</b> |
|  |                                      |                                  |  |                      |
|  | <b>2023</b>                          |                                  |  |                      |
|  | <b>Natural Classification</b>        |                                  |  |                      |
|  | <b>Compensation<br/>and Benefits</b> | <b>Supplies<br/>and Services</b> | <b>Depreciation and<br/>Amortization</b> | <b>Total</b>         |
| Functional classification:             |                                      |                                  |  |                      |
| Instruction                            | \$ 132,299                           | \$ 20,117                        | \$ -                                     | \$ 152,416           |
| Academic support                       | 254,730                              | 78,946                           | -  | 333,676              |
| Student services                       | 450,197                              | 346,545                          | -  | 796,742              |
| Institutional support                  | 2,509,298                            | 1,345,559                        | -  | 3,854,857            |
| Operations and maintenance<br>of plant | 1,050,610                            | 321,032                          | -  | 1,371,642            |
| Auxiliary enterprises                  | 517,524                              | 108,967                          | -  | 626,491              |
| Depreciation                           | -                                    | -                                | 43,588                                   | 43,588               |
| Amortization                           | -                                    | -                                | 9,669                                    | 9,669                |
| <b>Total expenses</b>                  | <b>\$ 4,914,658</b>                  | <b>\$ 2,221,166</b>              | <b>\$ 53,257</b>                         | <b>\$ 7,189,081</b>  |



**GILLETTE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Custodial Deposits**

The College holds funds collected by various student groups and the BOCHES. A liability for these funds is included in current liabilities in the accompanying Statements of Net Position. In addition, designated student activity fees collected by the College are also recorded within the College’s custodial accounts. The following summarizes activity within the Student Activity Funds during the years ended June 30:

|  | <u>2024</u>         | <u>2023</u>       |
|--|---------------------|-------------------|
| Beginning of year  | \$ 178,723          | \$ -              |
| Additions:   |                     |                   |
| BOCHES appropriations  | 2,718,396           | 218,117           |
| State grants   | 600,000             | -                 |
| Dual enrollment  | 70,589              | -                 |
| Student fees   | 565,567             | -                 |
| <b>Total additions</b>   | <u>3,954,552</u>    | <u>218,117</u>    |
| Deductions:  |                     |                   |
| BOCHES expense   | 1,815,208           | 39,394            |
| Scholarships   | 461,844             | -                 |
| Administrative expenditures and<br>other noncapital expenditures | 369,626             | -                 |
| <b>Total deductions</b>  | <u>2,646,678</u>    | <u>39,394</u>     |
| End of year  | <u>\$ 1,486,597</u> | <u>\$ 178,723</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**

**GILLETTE COMMUNITY COLLEGE DISTRICT**

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

**Public Employee Pension Plan  
Last Three Fiscal Years\***

|             | College's<br>Proportion of the<br>Net Pension<br>Liability | College's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability | College's<br>Covered<br>Payroll | College's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability as a<br>Percentage of its<br>Covered Payroll | Plan<br>Fiduciary<br>Net Position<br>as a Percentage<br>of the Total<br>Pension Liability |
|-------------|--|--|---------------------------------|---|---|
| 2022        | 0.001761193%   | \$ 26,853  | \$ 31,665                       | 84.80%  | 86.03%  |
| 2023        | 0.051328300%   | 1,402,707  | 964,155                         | 145.49%   | 75.47%  |
| <b>2024</b> | <b>0.190492700%</b>  | <b>4,324,530</b>   | <b>3,831,447</b>                | <b>112.87%</b>  | <b>80.19%</b>   |

*\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains 10 years of data.*

See Note to Required Supplementary Information.

**GILLETTE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF THE COLLEGE’S CONTRIBUTIONS**

**Public Employee Pension Plan**

**Last Three Fiscal Years\***

|             | Statorily<br>Required<br>Contribution | Contributions in<br>Relation to the<br>Statorily<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions as a<br>Percentage of<br>Covered Payroll<br>Pension Liability |
|-------------|---------------------------------------|--|--|--------------------|---|
| 2022        | \$ 19,167                             | \$ 19,167  | \$ -                                   | \$ 204,557         | 9.37%   |
| 2023        | 210,992                               | 210,992  | -                                      | 2,251,778          | 9.37%   |
| <b>2024</b> | <b>480,199</b>                        | <b>480,199</b>   | <b>-</b>                               | <b>5,124,858</b>   | <b>9.37%</b>  |

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

See Note to Required Supplementary Information.

# GILLETTE COMMUNITY COLLEGE DISTRICT

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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

**Changes in benefit terms:** There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2023 measurement date.

**Changes in assumptions:** Healthcare trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the WRS's December 31, 2020 actuarial experience study. Further, there have been various assumption changes in discount rates, investment rates of return, inflation rates, and payroll growth rates from the initial measurement date through the December 31, 2023 measurement date, as indicated in the table below:

| Measurement Date<br>(Plan Year-End) | Discount<br>Rate | Inflation<br>Rate | Salary<br>Increase Rate | Payroll<br>Growth Rate | Investment<br>Rate of Return | Cost of Living<br>Increases |
|-------------------------------------|------------------|-------------------|-------------------------|------------------------|------------------------------|-----------------------------|
| 2014                                | 7.75%            | 3.25%             | 4.25%-6.00%             | 4.25%                  | 7.75%                        | 0.00%                       |
| 2015                                | 7.75%            | 3.25%             | 4.25%-6.00%             | 4.25%                  | 7.75%                        | 0.00%                       |
| 2016                                | 7.75%            | 3.25%             | 4.25%-6.00%             | 4.25%                  | 7.75%                        | 0.00%                       |
| 2017                                | 7.75%            | 3.25%             | 4.25%-6.00%             | 4.25%                  | 7.75%                        | 0.00%                       |
| 2018                                | 7.00%            | 2.25%             | 2.50%-6.50%             | 2.50%                  | 7.00%                        | 0.00%                       |
| 2019                                | 7.00%            | 2.25%             | 2.50%-6.50%             | 2.50%                  | 7.00%                        | 0.00%                       |
| 2020                                | 7.00%            | 2.25%             | 2.50%-6.50%             | 2.50%                  | 7.00%                        | 0.00%                       |
| 2021                                | 6.80%            | 2.25%             | 2.50%-6.50%             | 2.50%                  | 6.80%                        | 0.00%                       |
| 2022                                | 6.80%            | 2.25%             | 2.50%-6.50%             | 2.50%                  | 6.80%                        | 0.00%                       |
| <b>2023</b>                         | <b>6.80%</b>     | <b>2.25%</b>      | <b>2.50%-6.50%</b>      | <b>2.50%</b>           | <b>6.80%</b>                 | <b>0.00%</b>                |



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

To the Board of Trustees  
Gillette Community College District  
Gillette, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Gillette Community College District's (the College) business-type activities and its discretely presented component unit, the Gillette College Foundation, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon, dated November 14, 2024. Our report includes a reference to other auditors who audited the financial statements of the Gillette College Foundation, as described in our report on the College's financial statements. The financial statements of the Gillette College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, the report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Gillette College Foundation.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

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



Cheyenne, Wyoming  
November 14, 2024