

NORTHWEST COLLEGE FOUNDATION

**REPORT TO THE
BOARD OF DIRECTORS**

**REGARDING THE
FINANCIAL AUDIT
FOR THE
YEAR ENDED JUNE 30, 2025**



MHP Assurance Services, LLP

To the Board of Directors
Northwest College Foundation
Powell, Wyoming

We are pleased to present this report related to our 2025 audit of the Northwest College Foundation's (the Foundation) financial statements. Our report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Foundation's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Northwest College Foundation.

Cheyenne, Wyoming
[REDACTED], 2025

Draft 10/15/2025

TABLE OF CONTENTS

REQUIRED COMMUNICATIONS	1-3
-------------------------	-----

APPENDIX A	INTERNAL CONTROL MATTERS
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APPENDIX B	SIGNIFICANT WRITTEN COMMUNICATIONS BETWEEN MANAGEMENT AND OUR FIRM
	• Audit Representation Letter

Draft 10/15/2025

REQUIRED COMMUNICATIONS

The following required communications summarize our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

OUR RESPONSIBILITIES

We described our responsibilities under auditing standards generally accepted in the United States of America to you in our Engagement Letter dated August 4, 2025. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

PLANNED SCOPE AND TIMING OF THE AUDIT

We have previously issued a separate communication dated August 4, 2025 regarding the planned scope and timing of our audit and have discussed with you our identification of significant risks of material misstatement.

ACCOUNTING POLICIES AND PRACTICES

Accounting Policies and Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Foundation. The Foundation did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. There were no areas where it was necessary for management to form significant accounting estimates in connection with the preparation of the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Foundation's financial statements relate to:

1. The disclosure of the Foundation's net assets and endowments in Note 11 to the financial statements.
2. The disclosure of financially interrelated organizations in Note 12 to the financial statements.
3. The disclosure of Foundation accomplishments in Note 13 to the financial statements.
4. The disclosure of the Foundation's liquidity and availability of financial assets in Note 15 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

AUDIT ADJUSTMENTS AND UNCORRECTED MISSTATEMENTS

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the Foundation, as well as any adjustments provided by management of the Foundation after presenting the original trial balance for audit, are included in the audit representation letter in Appendix A within the *Summary of Recorded Adjustments*.

Uncorrected misstatements or matters underlying them could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit. We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

OBSERVATIONS ABOUT THE AUDIT PROCESS

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

We generally discuss a variety of matters with management each year, including the application of accounting principles and auditing standards and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

SHARED RESPONSIBILITIES: AICPA INDEPENDENCE

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a **joint responsibility** and managed most effectively when management, boards of directors, and audit firms work together in considering compliance with AICPA independence rules. For MHP to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and MHP each play an important role.

MHP's Responsibilities

- AICPA rules require independence, both of mind and in appearance, when providing audit and other attestation services. MHP is to ensure that the AICPA's general requirements for performing non-audit services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The Foundation's Responsibilities

- Timely inform MHP, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, officers, or people in financial reporting oversight roles.
 - Changes in the reporting entity impacting affiliate determinations, such as subsidiaries, partnerships, related entities, investments, joint ventures, etc.
- Provide necessary affiliate information, such as new or updated structure charts, as well as financial information required to perform materiality calculations.
- Understand and conclude on the permissibility prior to the Foundation and its affiliates, officers, directors, or people in a decision-making capacity engaging in business relationships with MHP.
- Not entering into relationships resulting in MHP, MHP-covered people or their close family members temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Foundation.
- Not entering into arrangements of non-audit services resulting in MHP being involved in making management decisions on behalf of the Foundation.

INTERNAL CONTROL MATTERS

We have separately communicated the significant deficiencies in internal control over financial reporting identified during our audit of the financial statements. This communication is attached as Appendix A.

SIGNIFICANT WRITTEN COMMUNICATIONS BETWEEN MANAGEMENT AND OUR FIRM

A copy of significant written communications between our firm and the management of the Foundation, specifically the representation letter provided to us by management, is attached as Appendix B.

_____, 2025

MHP Assurance Services, LLP
P.O. Box 1088
Cheyenne, Wyoming 82003

This representation letter is provided in connection with your audit of the financial statements of the Northwest College Foundation (the Foundation), which comprise the Statement of Financial Position as of June 30, 2025, the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit Engagement Letter dated August 4, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve the recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have reviewed long-lived assets to be held and used for impairment whenever events or changes in circumstances have indicated that there are no indications of impairment that require adjustment.
9. The allocation of functional expenses reported in the financial statements is reasonable.
10. Contributions are appropriately classified as net assets without donor restrictions or net assets with donor restrictions.
11. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Board-designated net assets without donor restrictions.
 - b. Amounts held for others under agency and/or split-interest agreements.
12. The Foundation accounts for certain revenues in accordance with the five-step model under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue From Contracts With Customers*. Accordingly, revenues during the year ended June 30, 2025 comply with the requirements of this standard. In addition:
 - a. All sales terms comply with the Foundation's normal policies and contracts.
 - b. We have made available to you complete copies of customer contracts and other correspondence and have fully disclosed to you all sales terms, including rights of return or price adjustments. No sales were made that did not use the Foundation's standard license or service agreement, or an agreement negotiated between the Foundation and the customer that was approved by the appropriate level of management in accordance with our revenue recognition policy, and there are no side agreements or other concessions, written or oral, for any sales.
 - c. Signed contracts or customer acceptance were obtained prior to the close of business on June 30, 2025.
 - d. As of June 30, 2025, none of our contracts contained significant financing components.
13. We have received a determination from the Internal Revenue Service (IRS) that the Foundation is exempt from Federal income taxes as a Section 501(c)(3) not-for-profit corporation and the Foundation has complied with IRS regulations regarding this exemption.
14. In the Engagement Letter dated August 4, 2025, we requested that you perform the following non-audit service in connection with your audit:
 - a. Drafting the Foundation's financial statements and related notes in conformity with U.S. GAAP, based on information provided by us

With respect to this service:

- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the service;
 - c. We evaluated the adequacy and results of the service performed, and made an informed judgment on the results of the service performed;
 - d. We have accepted responsibility for the results of the service; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
15. We have no knowledge of any uncorrected misstatements in the financial statements.

16. If we request an unsecured electronic copy of the Independent Auditor's Report and financial statements (Financial Report), we agree that the Financial Report will not be modified in any manner.

Information Provided

17. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
- b. Additional information that you have requested from us for the purpose of the audit;
- c. Unrestricted access to people within the Foundation from whom you determined it necessary to obtain audit evidence; and
- d. Minutes of the meetings of the directors and committees of directors, the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

18. All transactions have been recorded in the accounting records and are reflected in the financial statements.

19. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes the identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

20. We have no knowledge of allegations of fraud or suspected fraud affecting the Foundation's financial statements involving:

- a. Management.
- b. Employees who have significant roles in internal control.
- c. Others where the fraud could have a material effect on the financial statements.

21. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.

22. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended, or otherwise been the beneficiary of the required amount of Federal awards during the period of this audit.

23. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with FASB ASC Topic 450, *Contingencies*; violations or possible violations of laws and regulations; and other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements. Neither we nor the College, or others acting on behalf of the Foundation, have consulted a lawyer concerning litigation, claims, assessments or other matters affecting the Foundation.

24. We have disclosed to you the identity of all of the Foundation's related parties and all of the related-party relationships and transactions of which we are aware.
25. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses in the design or operation of internal controls, that could adversely affect the Foundation's ability to record, process, summarize, and report financial data.
26. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
27. We have:
 - a. No knowledge of any current or potential affiliates
 - b. No knowledge of:
 - i. Changes in control of the Foundation or an investor obtaining a 20% or greater ownership in the Foundation or representation on the Foundation's Board of Directors or
 - ii. Investments of 20% or greater in, or acquisitions of, other entities by the Foundation, sufficiently in advance of the effective dates, to enable the Foundation and MHP Assurance Services, LLP (MHP) to identify and eliminate potential impermissible services and relationships between MHP and those potential subsidiaries prior to the effective dates.
 - c. Made you aware, to the best of our knowledge and belief, of any non-audit services that the Foundation has engaged MHP or any of its associated entities to perform.
28. We are in agreement with the adjusting and reclassification journal entries that you have identified through your audit procedures, and the adjusting journal entries have been posted to the Foundation's accounts. The adjustments and reclassifications to the original trial balance presented for audit are included in the *Summaries of Recorded Adjustments and Reclassifications*. These adjustments and reclassifications are attached as Appendices A and B, respectively.
29. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

30. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no significant assumptions or interpretations regarding the measurement or presentation of such information.

- e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

NORTHWEST COLLEGE FOUNDATION

Dillon Jeffs, Foundation Accountant

Shelby Wetzel, Executive Director

Draft 10/27/2025

APPENDIX A

NORTHWEST COLLEGE FOUNDATION

Summary of Recorded Adjustments June 30, 2025

Number	Name	Account Number	Debit	Credit
1	Morgan Stanley - Securities	10-1101	\$ 69	
	Unrealized Gains (Losses) on Investments - General	10-4540		69
	Morgan Stanley - Securities	20-1101	7,730	
	Unrealized Gains (Losses) on Investments - Endowme	20-4540		7,730
	Morgan Stanley - Securities	99-1101	149	
	Investment Income - Agency Accts. - Youth Club Fun	99-2020		149
	To adjust alternative investments to confirmed balances.		\$ 7,948	\$ 7,948
2	Net Assets - General Fund	10-3000		\$ 28
	Unrealized Gains (Losses) on Investments - General	10-4540	28	
	Net Assets - Endowment Fund	20-3000		4,726
	Unrealized Gains (Losses) on Investments - Endowme	20-4540	4,726	
	To post prior-year entry in order to make equity roll.		\$ 4,754	\$ 4,754
3	Real Estate, Land - Endowment Fund	20-1820	\$ 229,451	
	Contributions - Non Cash	20-4030		229,451
	To adjust non-cash contribution to be recorded at fair market value at the time of donation.		\$ 229,451	\$ 229,451
4	NWC/State Matching Funds	10-2035		\$ 18,170
	Contributions - Restricted Scholarships/Funds	10-4300	18,170	
	Unrealized G/L for State Matched Funds/College Hel	20-2034		193,308
	NWC/State Matched Funds - Endowment Challenge Prog	20-2035		481,830
	Contributions - Endowed Funds - Endowment Fund	20-4400	481,830	
	Change In Liability Associated with NWC State Fund	20-7760	193,308	
	To move State match from contributions to accrued liability for the College.		\$ 693,308	\$ 693,308

APPENDIX B

NORTHWEST COLLEGE FOUNDATION

Summary of Recorded Reclassifications June 30, 2025

Number	Name	Account Number	Debit	Credit
1	Unrestricted - General Fund - Reclass	3010	\$ 267,860	
	Unrestricted - Gift Annuity - Reclass	3030	31,187	
	Temp Restricted Reclass	3110		267,860
	Temp Restricted - Endow Scholarship - Reclass	3120	1,098,037	
	Temp Restricted - Gift Annuity - Reclass	3130		31,187
	Unrestricted Assets	20-3010		1,098,037
	MHP Only: To reclass between net assets with donor restrictions and net assets without donor restrictions to tie group balance to prior-year report.		\$ 1,397,084	\$ 1,397,084
2	Concession Fund	10-1100		\$ 147,543
	Investments - Concessions	10-9999	147,543	
	To reclassify Morgan Stanley vending commissions cash to investments.		\$ 147,543	\$ 147,543
3	Change In Liability Associated with NWC State Fund	20-7760		\$ 41,508
	Change in Liability Associated with Funds Held for	20-7765	41,508	
	To reclass change in liabilities to align with accrued accounts.		\$ 41,508	\$ 41,508



To Management and the Board of Directors
Northwest College Foundation
Cheyenne, Wyoming

In planning and performing our audit of the financial statements of the Northwest College Foundation (the Foundation) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A *deficiency in operation* exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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 Foundation'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. We consider the following deficiencies in the Foundation's internal control to be significant deficiencies:

1. During the audit, we made necessary adjustments to ensure compliance with accounting principles generally accepted in the United States of America (U.S. GAAP). These entries were related to the following situations:
 - a. In the 2024 Budget Session, the State of Wyoming appropriated money to Wyoming community colleges to provide matching funds. Like previous match programs, these funds are revenues to the respective community college but held within the related foundation. In fiscal year 2025, the Foundation received \$500,000 on behalf of Northwest Community College District. However, the Foundation recorded this as contributions, rather than an increase to the Assets held for the College. We proposed an adjusting journal entry to decrease contribution revenue and increase the liability for assets held for others.

- b. The Foundation received a non-cash donation of an estate (property), which was recorded at the tax-deductible gift amount. However, Accounting Standards Codification Topic 958, *Not-For-Profit Entities*, requires that contributions of long-lived assets should be recorded at fair value at the date of the gift. We proposed an adjusting journal entry to increase contribution revenue by \$229,451.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Cheyenne, Wyoming

 , 2025

Draft 10/27/2025