

COLLEGE OF SOUTHERN IDAHO

Twin Falls, Idaho

Audited Financial Statements
And Other Financial Information

June 30, 2017

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October 16, 2017

INDEPENDENT AUDITORS' REPORT

Board of Trustees
College of Southern Idaho
Twin Falls, ID 83301

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the College of Southern Idaho (the "College") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College of Southern Idaho, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents and certain information in Note 5, *Schedule of Employer's Share of Net Pension Liability* and *Schedule of Employer Contributions, PERSI – Base Plan, Last 10 – Fiscal Years*, and Note 6, *Schedule of Funding Progress*, labeled as "Required Supplementary Information", be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2017, 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 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 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.



France, Basterrechea, Wagner & Bunn, Chtd.
Certified Public Accountants

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

This discussion and analysis of the College of Southern Idaho's (the College or CSI) financial statements provide an overview of the College's financial performance during the fiscal years 2016 and 2017. This discussion has been prepared by management. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts and should be read in conjunction with the College's financial statements and accompanying footnotes.

Profile of the College

The College of Southern Idaho is a public institution of higher education offering courses on the main campus in Twin Falls and outreach centers in Burley, Gooding, Hailey, Jerome, and Idaho Falls. The college offers programs leading to degrees in Associates of Arts, Associates of Science, Associates of Applied Science, and various certificates. During fiscal year 2017, the college served 12,091 students taking 118,280 credits. In addition to academic and Career Technical Education offerings, the college has a workforce development division serving 5,761 duplicated students enrolled in 144,151 hours of workforce development coursework. The college is recognized for having a student-centered environment, outstanding faculty, and facilities. CSI has a diverse mix of students and takes great pride in offering innovative programs while maintaining an affordable and personalized experience for students.

Financial Highlights

The College's financial position at June 30, 2017 reflects improvement over the previous fiscal year. The improvements are the result of management's continuing efforts to enhance fiscal performance.

During fiscal year 2017:

- Net Student Tuition and Fee Revenue increased from \$10.2 million to \$10.4 million.
- Scholarship Allowance decreased from \$4.1 million to \$3.8 million.
- Operating Expenses increased from \$71.6 million to \$75.5 million.
- State Appropriations increased from \$18.9 million to \$20.5 million.
- Student Financial Aid expense increased from \$4.7 million to \$5.1 million.

Accounting Treatment of Financial Aid

Public institutions must report all tuition and fee revenues net of any scholarship discounts and allowances. A scholarship allowance is defined as the difference between the stated charge for goods and services provided by the institution and the amount that is paid by the student and/or third parties making payments on behalf of the student. In considering what is or is not revenue, the following rule applies: amounts received to satisfy student tuition and fees will be reported as revenue only once (e.g., tuition and fees, gifts, federal grants and contracts such as Pell Grants, etc.) and only amounts received from students and third-party payers to satisfy tuition and fees will be recognized as tuition and fee revenue. Institutional resources provided to students as financial aid will be recorded as scholarship

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allowances in amounts up to and equal to amounts owed by the students to the institution. In some circumstances, the amount of institutional aid awarded may exceed the tuition and fees owed by the students to the institution, and is refunded to the students. In such circumstances, the excess of aid over tuition and fees should be treated as an institutional expense (e.g., student aid, scholarships, and fellowships, etc.).

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal year ended June 30, 2017 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by most private-sector companies. These financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

Statement of Net Position

The Statement of Net Position presents the assets (current and non-current), deferred outflows, liabilities (current and non-current), deferred inflows, and net position (assets minus liabilities) of the College as of the current fiscal year-end. The purpose of the Statement of Net Position is to present to the reader a point-in-time fiscal snapshot of the College.

Current assets consist of available cash and other assets that could be converted to cash within a year. Non-current assets are those assets and property which cannot easily be converted into cash. Current liabilities are business obligations that are due to be cleared within one year. Non-current liabilities are obligations that are not required to be satisfied within one year.

The Statement of Net Position is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and lending institutions. Finally, the Statement of Net Position provides a picture of the net position and its availability for expenditure by the College. Over time, increases or decreases in net position are indications of either improvement or erosion of the College's financial well-being when considered along with non-financial factors such as enrollment levels, the College's property tax base, and the condition of the facilities.

Net position is divided into three major categories. The first category is Net Investment in Capital Assets, which provides the College's investment in capital assets. The second category, Restricted Net Position, must be spent for purposes as determined by donors and/or external entities that have placed

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time or purpose restrictions on the use of the assets. The third category, Unrestricted Net Position, which is net position available to the College for any lawful purpose of the institution.

Summary of Statements of Net Position
Fiscal Years Ended June 30

	2017	2016
Current and other assets	\$ 40,042,655	\$ 39,123,989
Capital assets	<u>62,457,721</u>	<u>60,534,390</u>
Total assets	<u>102,500,376</u>	<u>99,658,379</u>
Deferred outflows of resources	6,671,946	4,211,662
Total assets and deferred outflows of resources	<u>109,172,322</u>	<u>103,870,041</u>
Current liabilities	4,646,686	5,149,411
Noncurrent liabilities	<u>13,596,596</u>	<u>7,509,673</u>
Total liabilities	<u>18,243,282</u>	<u>12,659,084</u>
Deferred Inflows of Resources	<u>3,238,073</u>	<u>4,466,172</u>
Net Position		
Net investment in capital assets	62,457,721	60,534,390
Restricted-expendable	14,869,469	16,624,617
Unrestricted	<u>10,363,777</u>	<u>9,585,778</u>
Total net position	<u>87,690,967</u>	<u>86,744,785</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 109,172,322</u>	<u>\$ 103,870,041</u>

The College's total assets and deferred outflows of resources increased during fiscal year 2017 by \$5,302,281, from \$103,870,041 in 2016 to \$109,172,322 in 2017. Specifically contributing to the increase in assets was the increase in cash and cash equivalents and the decline in accounts receivable, as well as recording the Net Pension Liability now required under GASB 68. The College's total liabilities increased during fiscal year 2017 by \$5,584,198 from \$12,659,084 in fiscal year 2016 to \$18,243,282 in 2017. A net obligation for other-post employment benefits required under GASB 45 of 2.6 million and an increase in pension payable attributed to the increase. Deferred Inflows of Resources decreased

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from \$4,466,172 in fiscal year 2016 to \$3,238,073 in fiscal year 2017. This was the result of a reduction in Pension Expense.

The increase in assets is a result of senior management's continuing emphasis on sound fiscal management. The College has continued to purchase investments with excess College funds. This was done in accordance with State and College policies. Additionally, College senior management has focused on incurring ongoing expense only when necessary, and makes every effort to ensure that ongoing spending is well within actual revenue. This includes the need to create operating reserves for the College to be able to weather any future downturns in funding

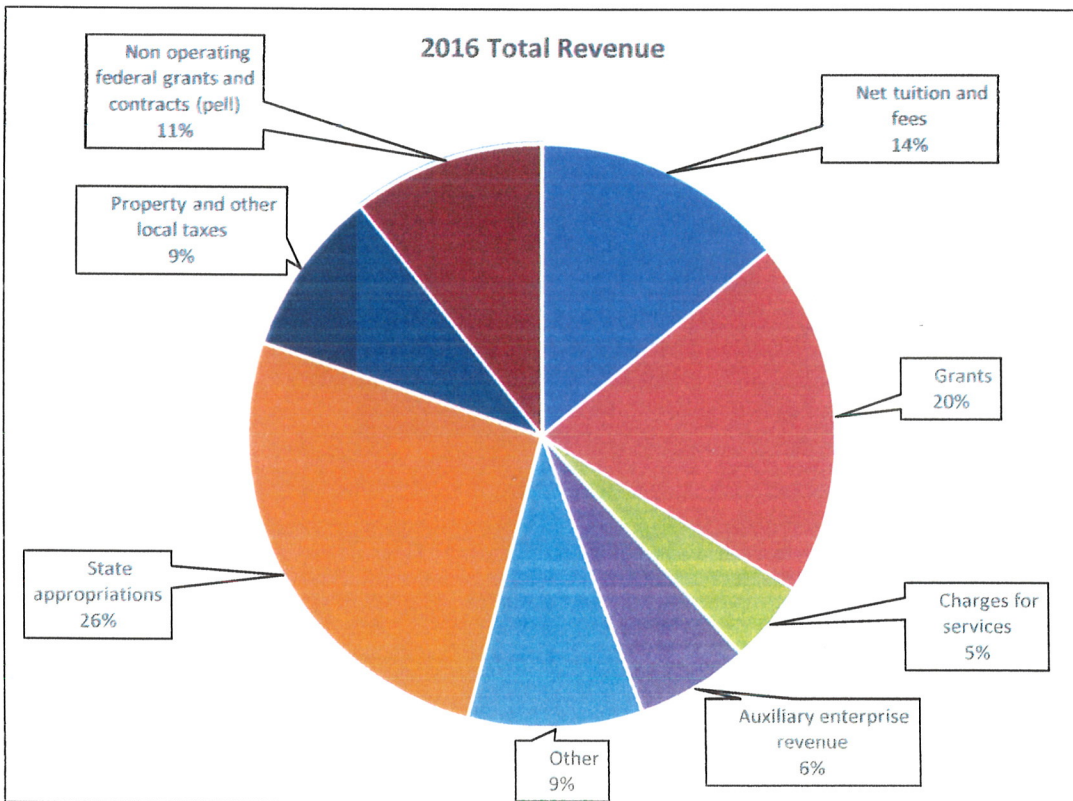
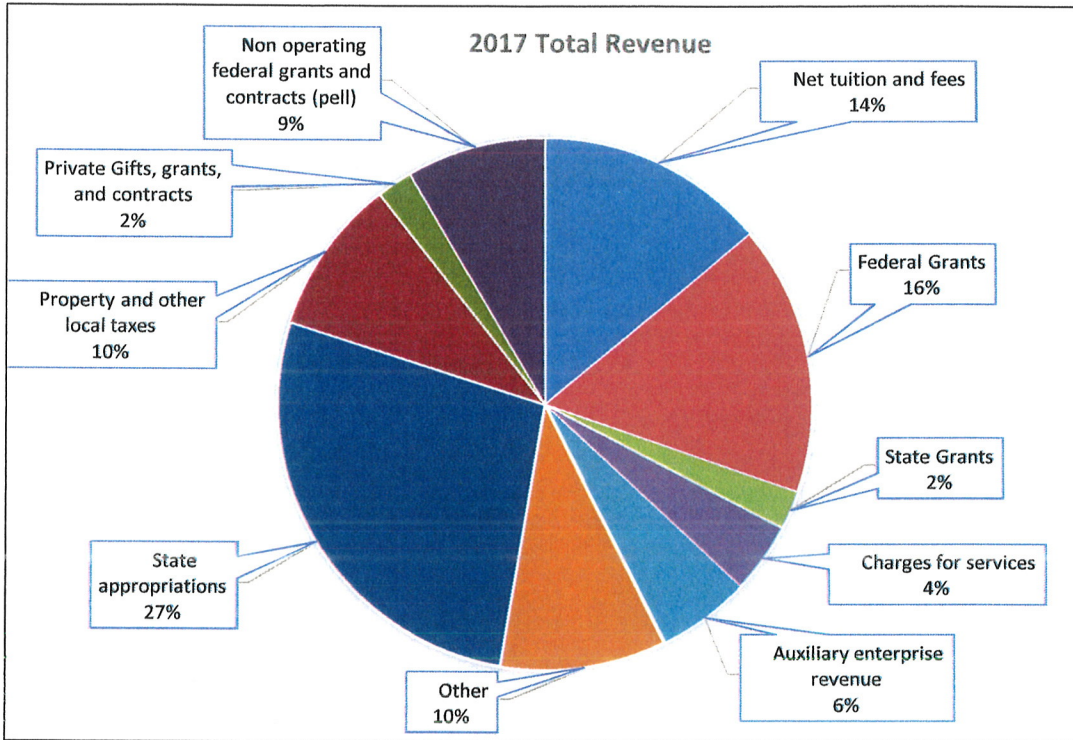
Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when cash is received or disbursed. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flow in future fiscal years. The purpose of the statement is to present the revenues earned and the expenses incurred during the year.

Activities are reported as either operating or non-operating. The College will always reflect a net operating loss in this format since state appropriations and property tax, the revenue streams that the College depends upon most significantly, are classified as non-operating revenues.

Generally, operating revenues are generated by providing services to various customers, students, and constituencies of the College, including but not limited to student tuition, fees, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues, and to carry out the functions of the College. Non-operating revenues are revenues received for which services are not provided. Examples of non-operating revenues include but are not limited to: state appropriations, property tax revenue, state and federal financial aid, investment income and other miscellaneous revenues.

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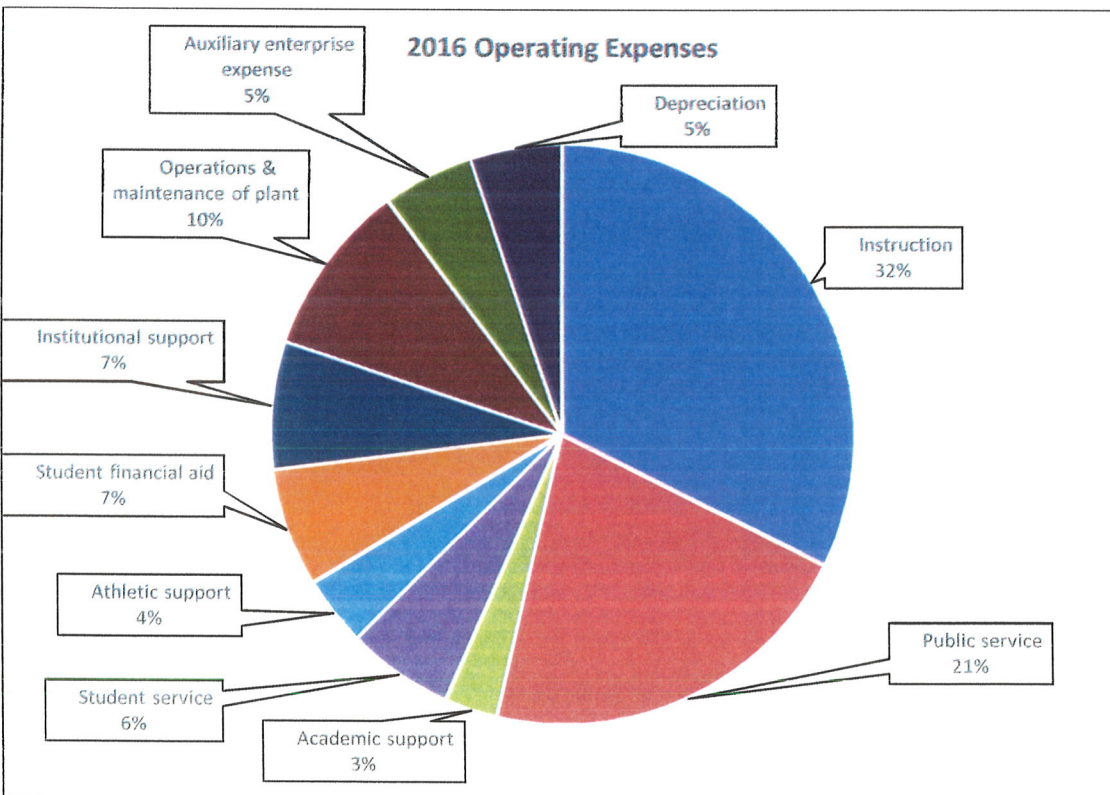
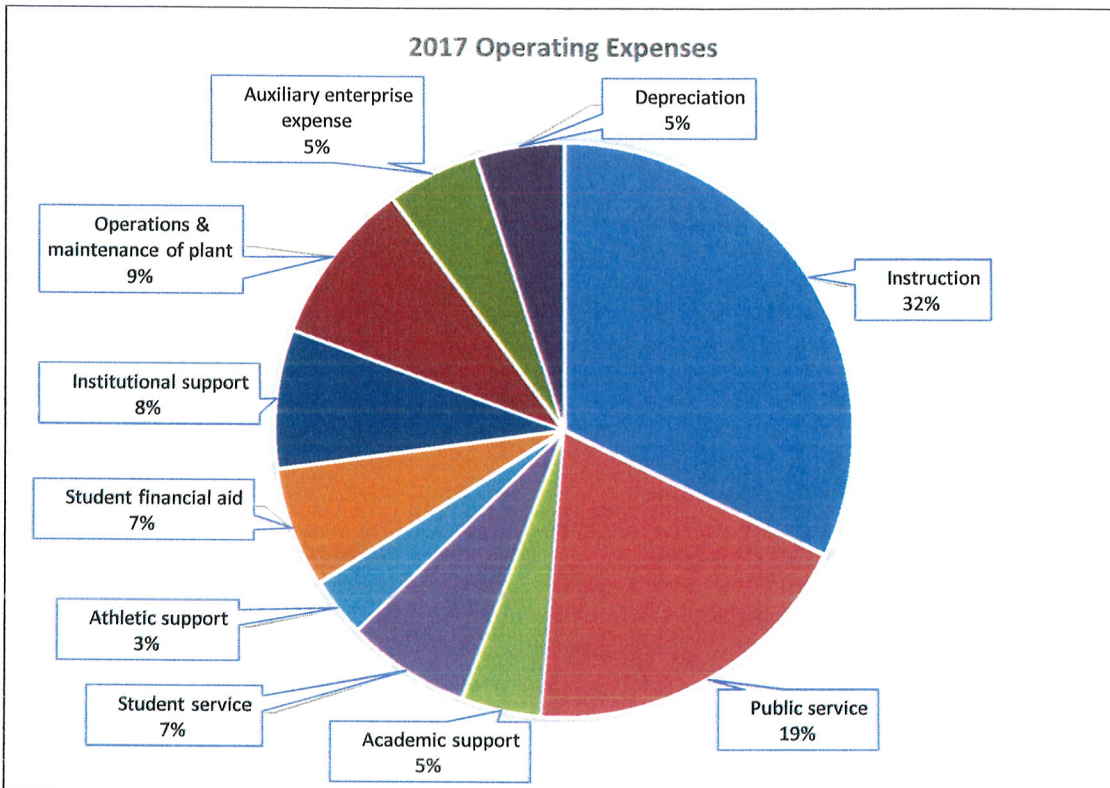
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Summary of Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years Ended June 30

	2017	2016
Operating revenues	\$ 39,699,475	\$ 39,487,654
Operating expenses	75,501,377	71,644,892
Operating (loss)	(35,801,902)	(32,157,238)
Non-operating revenues (expenses)		
State appropriation	20,596,285	18,903,759
Property and other local taxes	7,117,744	6,742,170
Investment Income	133,705	100,495
Private gifts, grants, and contracts	1,637,112	-
Non-operating federal grants and contracts (Pell)	6,374,523	7,753,216
Other non-operating revenues (donations, rent)	368,785	8,246
Non-operating revenues	36,228,154	33,507,886
Capital Contributions	519,930	-
Gain or (loss) on disposal of fixed assets	-	47,729
Change in net position	946,182	1,398,377
Net Position-beginning	86,744,785	85,346,408
Net position-end of year	<u>\$ 87,690,967</u>	<u>\$ 86,744,785</u>

The Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in net position during fiscal year 2017. Operating revenues increased by \$211,821 from \$39,487,654 in 2016 to \$39,699,475 in 2017. This change was a result of an increase in net tuition and fees of which a decrease in the scholarship allowance is the main driver. Operating expenses increased by \$3,856,485 from \$71,644,892 in 2016 to \$75,501,377 in 2017. The increase in operating expenses was largely due to the \$2.6 million allocation of the other post-employment benefit expense and some large software purchases.

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Statement of Cash Flows

The final Statement presented by the College is the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during the year. An important factor to consider when assessing financial viability is the College's ability to meet financial obligations as they mature. The Statement of Cash Flows presents information about the cash activity of the College during the year. The Statement is divided into five parts: The first section deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from non-capital financing activities. This section represents the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Summary of Statements of Cash Flows
Fiscal Years Ended June 30

	2017	2016
Cash and cash equivalents from (used for)		
Operating activities	\$(29,402,061)	\$(28,599,362)
Noncapital financing activities	35,936,100	33,350,588
Capital and related financing activities	(5,129,434)	(1,683,372)
Investing activities	<u>643,186</u>	<u>(5,462,827)</u>
Net change in cash and cash equivalents	2,047,791	(2,394,973)
Cash and cash equivalents, beginning of year	<u>2,644,966</u>	<u>5,039,939</u>
Cash and cash equivalents, end of year	<u>\$ 4,692,757</u>	<u>\$ 2,644,966</u>

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Cash increased \$2,047,791 during fiscal year 2017. This was the result of increases in State appropriations and gifts and grants received for other than capital purposes.

Cash used in operating activities totaled \$29,402,061 in fiscal year 2017 compared to \$28,599,362 in fiscal year 2016. Tuition and fee revenue and research grants and contracts both increased and the difference in timing of payments to suppliers, led to the change year over year. Cash provided by noncapital financing activities increased to \$35,936,100 in fiscal year 2017 compared to \$33,350,588 in fiscal year 2016. This increase was primarily attributable to the increase in State Appropriations and Gifts and grants received for other than capital purchases. Cash used in capital and related financing activities increased to \$5,129,434 in fiscal year 2017, compared to \$1,683,372 in fiscal year 2016. The increase was due to several building remodels, the purchase of Pristine Springs and various equipment purchases throughout the year. Cash provided by investing activities was \$643,186 in fiscal year 2017, compared to \$5,462,827 used in fiscal year 2016. The College did not to transfer excess cash to investments this last fiscal year, choosing to utilize the cash for other purchases.

Capital Assets

The College's investment in Capital Assets as of June 30, 2017 equates to \$62,457,721 net of accumulated depreciation. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The primary driver of the increase in capital assets is attributed to the remodel of several buildings on campus and the purchase of Pristine Springs net of accumulated depreciation.

Debt Administration

The College of Southern Idaho has three operating lease obligations for instructional and administrative office space at fiscal year end June 30, 2017. The College is not financing any of its operations with debt as of fiscal year end June 30, 2017.

Economic Outlook

According to the March 2017 Idaho Economic Forecast, published by the Division of Financial Management, the next few years are expected to be years of expansion, with the housing and job markets holding strong. Improvements in the economy have both a positive and a negative effect on enrollments in community colleges.

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Enrollment in academic transfer classes traditionally is negatively impacted as the overall health of the economy improves. The College experienced flat enrollment in fiscal year 2017 and is anticipating the same in the coming year. The static enrollment was anticipated in the College's budgeting process and appropriate steps were taken early on to ensure fiscal stability and sustainability for the College. Conversely, Dual Credit enrollment (high school students taking college credit courses) continued to thrive, partly due to the State funding for Idaho high school juniors and seniors. The College continues to actively implement improvements and new programs to increase retention.

The College has implemented a mandatory student orientation program for all new students to ensure proper advising and registration for classes. We are hoping this will allow for a seamless transition into College life. The College has also begun a wireless project, which will deliver a secure "5-bar" connection for EagleWiFi with expanded coverage areas, increased capacity, and increased signal strength. Our IT department continues to make progress on the Enterprise Web Initiative with the Public Website, Student Portal, and Employee Portal all in progress.

State support for fiscal year 2017 increased by \$1,692,526; however, \$1,200,000 was a one-time payment earmarked for the purchase of Pristine Springs. Management continues to look for cost cutting opportunities. Net position for the College is adequate to meet known obligations, including federal financial aid to students and to fund new one-time costs. Management continues to actively plan for future funding needs.

Contacting the College's Financial Management

This financial report is designed to provide the College's citizens, taxpayers, customers, investors, and potential creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. Questions about this report, or the need for additional financial information should be directed to Jeffrey Harmon, Vice President of Finance and Administration, College of Southern Idaho, 315 Falls Avenue, PO Box 1238, Twin Falls, ID 83303.

College of Southern Idaho
Statement of Net Position
For the year ended June 30, 2017

	2017
	<u>College of Southern Idaho</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,692,757
Investments	29,945,157
Accounts receivable, net of allowance for uncollectible amount of \$296,153 in 2017	2,112,435
Inventory	388,142
Property tax receivable	2,805,206
Prepays	98,958
Total current assets	<u>40,042,655</u>
Noncurrent assets:	
Property and equipment	62,457,721
Total noncurrent assets	<u>62,457,721</u>
Total assets	<u>102,500,376</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred net pension	6,671,946
Total deferred outflows of resources	<u>6,671,946</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 109,172,322</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 855,968
Deposits payable	58,483
Accrued salaries	1,411,164
Accrued benefits	759,312
Due to student groups	251,550
Deferred revenue	1,310,209
Total current liabilities	<u>4,646,686</u>
Non current liabilities:	
Accrued vacation	1,160,466
Net pension liability	9,769,123
Net obligation for other post-employment benefits	2,667,007
Total noncurrent liabilities	<u>13,596,596</u>
Total liabilities	<u>18,243,282</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred net pension	3,238,073
Total deferred inflows of resources	<u>3,238,073</u>
NET POSITION	
Net investment in capital assets	62,457,721
Restricted for, expendable:	
Capital projects	10,473,133
State, federal, and local programs	4,396,336
Unrestricted	10,363,777
Total net position	<u>87,690,967</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 109,172,322</u>

College of Southern Idaho
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2017

	2017 College of Southern Idaho
OPERATING REVENUES	
Tuition and fees	\$ 14,306,723
Less: Scholarship allowance	(3,817,536)
Net tuition and fees	<u>10,489,187</u>
Federal grants	12,364,337
State grants	1,768,316
Charges for services	3,255,886
Auxiliary enterprise revenue	4,287,492
Other	7,534,257
Total operating revenues	<u>39,699,475</u>
OPERATING EXPENSES	
Instruction	24,244,605
Public service	14,438,233
Academic support	3,370,437
Student service	5,251,262
Athletic support	2,542,940
Student financial aid	5,106,418
Institutional support	5,913,705
Operations & maintenance of plant	7,016,775
Auxiliary enterprise expense	3,890,969
Depreciation	3,726,033
Total operating expenses	<u>75,501,377</u>
Operating income(loss)	<u>(35,801,902)</u>
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	20,596,285
Property and other local taxes	7,117,744
Investment income	133,705
Private gifts, grants, and contracts	1,637,112
Gain or (loss) on disposal of fixed assets	-
Non operating federal grants and contracts (Pell)	6,374,523
Other non-operating revenues (donations, rent)	368,785
Total non-operating revenues	<u>36,228,154</u>
Increase/(decrease) in net position	
Before capital contributions	426,252
Capital Contributions	<u>519,930</u>
Change in net position	946,182
NET POSITION	
Net position - beginning	<u>86,744,785</u>
Net position - ending	<u>\$ 87,690,967</u>

College of Southern Idaho
Statement of Cash Flows
For the year ended June 30, 2017

	2017 College of Southern Idaho
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition, fees and services	\$ 13,766,183
Research grants and contracts	14,544,811
Payments to suppliers	(25,904,717)
Payments to and on behalf of employees	(43,630,087)
Auxiliary enterprise revenue:	
Bookstore and residence halls	4,287,492
Other receipts	7,534,257
Net cash provided (used) by operating activities	<u>(29,402,061)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	20,596,285
Property and other local taxes	6,959,395
Grants and contracts	6,374,523
Gifts and grants received for other than capital purposes	2,005,897
Net cash flows provided by noncapital financing activities	<u>35,936,100</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	-
Purchases of capital assets	(5,129,434)
Net cash used by capital and related financing activities	<u>(5,129,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment net of income and expenses	133,705
Net transfers (from cash to investments) to cash from investments	509,481
Net cash provided (used) by investing activities	<u>643,186</u>
Net (decrease) increase in cash	2,047,791
Cash - beginning of year	2,644,966
Cash - end of year	<u>\$ 4,692,757</u>

See Accompanying Notes to Financial Statements

Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (35,801,902)
Adjustments to reconcile net operating revenues (expenses) to net cash provided (used) by operating activities:	
Depreciation expense	3,726,033
GASB 68 - actuarial pension revenue	(376,565)
Change in OPEB obligation	2,667,007
Change in assets and liabilities:	
Receivables, net	695,655
Inventories	37,235
Other assets	45,103
Accrued vacation	108,098
Accounts payable	(785,845)
Deferred revenue	(283,497)
Deposits held for others	21,110
Accrued compensation	545,507
Net cash provided (used) by operating activities	<u>\$ (29,402,061)</u>

COLLEGE OF SOUTHERN IDAHO COMPONENT UNIT

COLLEGE OF SOUTHERN IDAHO FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017

ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total June 30, 2017</u>
Assets				
Cash	\$ 22,006	\$ 774,290	\$ 935	\$ 797,231
Receivables	10,093	1,600,000	352,205	1,962,298
Due from restricted assets	7,716	-	-	7,716
Investments	11,565,944	15,199,548	9,353,545	36,119,037
Donated property	324,837	-	995,250	1,320,087
Total Assets	<u>\$ 11,930,596</u>	<u>\$ 17,573,838</u>	<u>\$ 10,701,935</u>	<u>\$ 40,206,369</u>

LIABILITIES AND NET ASSETS

Liabilities

Annuities payable	\$ -	\$ 30,852	\$ -	\$ 30,852
Accounts payable	49,695	31,418	-	81,113
Due to unrestricted assets	-	7,716	-	7,716
Total Liabilities	<u>49,695</u>	<u>69,986</u>	<u>-</u>	<u>119,681</u>

Net Assets

Unrestricted				
Undesignated	-	-	-	-
Board designated	11,880,901	-	-	11,880,901
Total unrestricted	<u>11,880,901</u>	<u>-</u>	<u>-</u>	<u>11,880,901</u>
Temporarily restricted	-	17,503,852	-	17,503,852
Permanently restricted	-	-	10,701,935	10,701,935
Total Net Assets	<u>11,880,901</u>	<u>17,503,852</u>	<u>10,701,935</u>	<u>40,086,688</u>
Total Liabilities and Net Assets	<u>\$ 11,930,596</u>	<u>\$ 17,573,838</u>	<u>\$ 10,701,935</u>	<u>\$ 40,206,369</u>

See Accompanying Notes to Financial Statements

COLLEGE OF SOUTHERN IDAHO COMPONENT UNIT

COLLEGE OF SOUTHERN IDAHO FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total June 30, 2017</u>
<u>Revenue, Gain and Support</u>				
Contributions	\$ 116,681	\$ 2,396,146	\$ 860,842	\$ 3,373,669
Investment income	152,467	550,949	-	703,416
Realized gain (loss)	63,271	348,272	-	411,543
Unrealized gain (loss)	1,144,385	1,255,430	-	2,399,815
Salaries and occupancy	276,665	-	-	276,665
Net assets released from restrictions	2,141,246	(2,141,246)	-	-
Total Revenue, Gain and Support	3,894,715	2,409,551	860,842	7,165,108
<u>Expenses</u>				
Supporting Services:				
Operating expenses	118,894	-	-	118,894
Fundraising expenses	22,413	-	-	22,413
Investment fees	135,267	-	-	135,267
Bad debt expense	6,665	-	-	6,665
Salaries and occupancy	276,665	-	-	276,665
Total Support Services	559,904	-	-	559,904
Program Services:				
Scholarships and grants	1,691,089	-	-	1,691,089
Other program payments	349,490	-	-	349,490
Total Program Services	2,040,579	-	-	2,040,579
Total Expenses	2,600,483	-	-	2,600,483
Increase (Decrease) in Net Assets	1,294,232	2,409,551	860,842	4,564,625
Interfund Transfers	-	-	-	-
Net Assets - Beginning	10,586,669	15,094,301	9,841,093	35,522,063
Net Assets - Ending	\$ 11,880,901	\$ 17,503,852	\$ 10,701,935	\$ 40,086,688

See Accompanying Notes to Financial Statements

COLLEGE OF SOUTHERN IDAHO COMPONENT UNIT

COLLEGE OF SOUTHERN IDAHO FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

June 30, 2017

Cash Flows From Operating Activities

Increase (decrease) in net assets	\$ 4,564,625
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
(Gain) loss on sale of investments	(411,543)
Unrealized (gain) loss on investments	(2,399,815)
Reinvested investment income	(920,926)
Depreciation	-
(Increase) decrease in:	
Accrued income receivable	(1,945,652)
Increase (decrease) in:	
Other accrued liabilities	<u>12,516</u>
Net Cash Provided By (Used In) Operating Activities	<u>(1,100,795)</u>

Cash Flows From Investing Activities

Net transfers to cash from investments (investments from cash)	<u>1,125,331</u>
Net Cash Provided By (Used In) Investing Activities	<u>1,125,331</u>

Cash Flows From Financing Activities

Payments of annuity obligations	<u>(1,876)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(1,876)</u>
Net Increase (Decrease) in Cash	22,660
Cash at Beginning of Year	<u>774,571</u>
Cash at End of Year	<u><u>\$ 797,231</u></u>

Supplemental Disclosures:

Interest paid	None - N/A
Income taxes paid	None - N/A

See Accompanying Notes to Financial Statements

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

College of Southern Idaho (the “College”) is part of the public system of higher education in the State of Idaho. The College is a regional undergraduate institution located in Twin Falls, Idaho. The significant accounting policies followed by the College are described below to enhance the usefulness of the financial statements to the reader:

Reporting Entity

The College of Southern Idaho Foundation, Inc. (the “Foundation”) is considered a component unit of the College as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – and amendment of GASB Statements No. 14 and No. 34*. As such, the Foundation is discretely presented for fiscal year ended June 30, 2017. The Foundation is a legally separate, tax-exempt component unit of the College. 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 or income thereon the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) 985-205 Not-For-Profit Entities – Presentation of Financial Statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and 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 at Note 10.

Basis of Accounting and Presentation

For financial 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. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-mandated nonexchange transactions that are not program specific (such as state appropriations), investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses.

The College first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

Cash and Cash Equivalents

The College considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Investments

The College accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Receivables

Accounts receivable consist of fees charged to students as well as auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Idaho. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

The College estimates an allowance for uncollectible amounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary.

Inventories

Inventories are valued at the lower of first-in, first-out (FIFO) cost or market.

Property, Plant and Equipment

Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair market value at the date of the gift. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. For buildings and improvements, the College's capitalization policy includes all items with a unit cost of \$150,000 or more and an

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

estimated useful life of greater than one year. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the College:

Buildings and improvements	15-30 years
Furniture, fixtures and equipment	7 years
Library materials	10 years

Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net position by the College that is applicable to future reporting periods. Similar to assets, they have a positive effect on net position.

Compensated Absences

Employees of the College are entitled to paid vacation days depending on job classification, length of service and other factors. The accumulated unused vacation amounts have been accrued when incurred.

Deferred Revenue

Deferred revenue represents unearned student fees and advances on grants and contract awards for which the College has not met all of the applicable eligibility requirements.

Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. 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.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is identified as the residual of all elements presented in the Statement of Net Position. The College's net position is classified as follows:

Invested in Capital Assets – This represents the College's total net investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted, Expendable – Restricted expendable includes resources which the College is legally or contractually obligated to use in accordance with restrictions imposed by external third parties.

Unrestricted – Unrestricted represents resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the College, and may be used at the discretion of the institution to meet current expenses for any lawful purpose and in accordance with State Board of Education Policy.

Revenue Recognition

Significant revenues of the College that are susceptible to accrual are recognized as revenue as follows:

- a. State collected and shared taxes such as sales tax, motor vehicle taxes and liquor tax are accrued at the time received and held for allocation by the State of Idaho.
- b. Student fees and tuition are recognized as revenue in the appropriate fiscal year which the student attends.
- c. Sales and charges are recognized when service is performed and not when received.
- d. Investment income is accrued as income when earned and not when received.
- e. Grant revenues are recognized when expenditure is incurred or when received depending on grant.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summer Session Activities

Revenues and related expenditures resulting from summer sessions are reported within the fiscal year in which the total summer sessions program is predominantly conducted. Accordingly, only the revenues and expenditures of the 2016 summer sessions are included in the Statement of Revenues, Expenses, and Changes in Net Position. Receipt and disbursements related to the 2017 summer sessions will be reflected in the 2018 fiscal year end financial statements.

Revenues Allocated from the Division of Professional Technical

Certain State of Idaho appropriated revenues are subject to annual allocation to the College through the State of Idaho Division of Professional Technical. The annual allocation does not provide for carryover of unspent amounts without the authorization of the State Division of Professional Technical. The College includes the current year's total allocation in revenues and records any unspent amounts as due from the State of Idaho, based on the Division's History of approving such carryover spending authority. If approvals are subsequently withheld, such revenues will be reduced in the subsequent year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Income Taxes

As a state institution of higher education, the income of the College is generally exempt from federal and state income taxes under Section 115 (a) of the Internal Revenue Code and a similar provision of state law. The College is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the College of its exempt purpose or function. The College did not incur unrelated business income tax expense in the fiscal year ended June 30, 2017.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Discounts and Allowances

Student fee revenues are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount paid by students or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a scholarship discount and allowance.

NOTE 2: CASH AND INVESTMENTS

General

Idaho code, Title 50, Chapter 10 authorizes the College's investments and deposits. The College is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of the State of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase date an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Cash Deposits

The College's deposits are maintained in commercial checking accounts which, as of June 30, 2017, have insurance coverage up to \$250,000 through the Federal Deposit Insurance Corporation (FDIC). At June 30, 2017, total cash deposits consisted of \$5,772,900.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The deposit amounts subject to custodial credit risk at June 30, 2017, consisted of the following:

Basis of Custodial Credit Risk As of June 30	2017
FDIC Insured	\$ 2,000,000
Uncollateralized	-
Collateralized by LOC held by the pledging financial institution	3,772,900
Total Deposits	\$ 5,772,900

Investments

The following table represents the fair value of investments by type and interest rate risk at June 30, 2017:

College Investments	Fair Value	Investment Maturities		
		<1 year	1-3 years	3-5 years
Publicly Traded Certificates of Deposits	\$ 1,883,457	\$ -	\$ 1,639,312	\$ 244,145
State Treasurer Investment Pool	19,740,158	19,740,158	-	-
Mutual Funds – Fixed Income	8,321,542	90,440	5,676,565	2,554,537
Totals	\$ 29,945,157	\$ 19,830,598	\$ 7,315,877	\$ 2,798,682

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation, causing the College to experience a loss of principal, or that negative perceptions of issuer's ability to make these payments will cause prices to decline. The College does not presently have a formal policy that addresses credit risk.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit quality ratings for pooled investments of fixed income. Fixed income investment ratings as of June 30, 2017, are presented below using credit risk ratings issued upon standards set by Moody's Investors Service. 'Aaa' rated obligations are judged to be of the highest quality, with minimal credit risk. 'Aa' rated obligations are judged to be of high quality and are subject to very low credit risk. 'A' rated obligations are considered upper-medium grade and are subject to low credit risk. Issuers rated 'NP' or 'Not Prime' do not fall within any of the prime rating categories.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

College Investments	Fair Value	Credit Rating					Unrated
		FDIC Insured	Aaa	Aa	A	NP	
Publicly Traded CD's	\$ 1,883,457	\$1,883,457	\$ -	\$ -	\$ -	\$ -	\$ -
State Treasurer Investment Pool	19,740,158	-	-	-	-	-	19,740,158
Mutual Funds – Fixed Income	8,321,542	-	8,231,102	-	90,440	-	-
Totals	\$29,945,157	\$1,883,457	\$8,231,102	\$ -	\$ 90,440	\$ -	\$19,740,158

Concentration of Credit Risk

Concentration of credit risk is defined per GASB Statement No. 40 as the risk of loss attributed to the magnitude of an investment in a single issuer other than the federal government. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. At present, the College does not have a formal policy that addresses concentration of risk. The College did not have any investments at June 30, 2017, that represented a 5 percent or greater concentration in any one issuer.

Custodial Credit Risk

Custodial credit risk for investments is defined as 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 that are in the possession of an outside party. The College does not have a policy that specifically addresses custodial credit risk, however; the College follows Idaho code, Title 50, Chapter 10 discussed above. As of June 30, 2017, all investments were held by the College or its counterparty in the College's name.

Interest Rate Risk

Interest rate risk is the risk that the value of fixed income securities will decline because of a change in interest rates. Currently, the College does not have a formal policy that addresses interest rate risk.

Foreign Currency Risk

GASB Statement No. 40 defines foreign currency risk as the risk that changes in exchange rates will adversely affect the fair value of an investment of deposit. The College does not presently have a policy that addresses foreign currency risk. As of June 30, 2017, all investments held by the College were denominated in U.S. Dollars; therefore, no foreign currency risk needs to be considered at this time.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

Fair values of assets measured on a recurring basis are categorized in three different levels. Those levels are:

- Level 1 Quoted prices in active markets providing reliable evidence of fair value.
- Level 2 Other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 Unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2017, are as follows:

	Fair Value	Level 1	Level 2	Level 3
Investments	<u>\$29,945,157</u>	<u>\$29,945,157</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$29,945,157</u>	<u>\$29,945,157</u>	<u>\$ -</u>	<u>\$ -</u>

The College uses the market approach to measuring the fair value of investments. It relies on the statements from the institutions or advisors charged with investing or managing the funds. These institutions and advisors use market pricing to provide the fair values to the College.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at June 30, 2017, consisted of the following:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Property, plant and equipment not being depreciated:				
Land	\$ 1,362,511	\$ 1,948,248	\$ -	\$ 3,310,759
Construction in progress	288,546	24,311	288,546	24,311
Total property, plant and equipment Not being depreciated	1,651,057	1,972,559	288,546	3,335,070
Other property, plant and equipment:				
Buildings and improvements	100,026,492	2,810,059	-	102,836,551
Equipment	4,312,728	1,155,292	-	5,468,020
Library resources	474,592	-	-	474,592
Total other property, plant and equipment	104,813,812	3,965,351	-	108,779,163
Less accumulated depreciation:				
Buildings and improvements	43,053,443	3,143,458	-	46,196,901
Equipment	2,402,444	582,575	-	2,985,019
Library resources	474,592	-	-	474,592
Total accumulated depreciation	45,930,479	3,726,033	-	49,656,512
Other property, plant and equipment Net of accumulated depreciation	58,883,333	239,318	-	59,122,651
Property, plant and equipment summary:				
Property, plant and equipment not being depreciated	1,651,057	1,972,559	(288,546)	3,335,070
Other property, plant and equipment at cost	104,813,812	3,965,351	-	108,779,163
Total property, plant and equipment	106,464,869	5,937,910	(288,546)	112,114,233
Less accumulated depreciation	(45,930,479)	(3,726,033)	-	(49,656,512)
Property, plant and equipment, net	\$ 60,534,390	\$ 2,211,877	\$(288,546)	\$ 62,457,721

NOTE 4: PROPERTY TAXES

Idaho counties are responsible for collecting property taxes, assessing penalties and if necessary, sale of the property. In addition, the County maintains all the records and is responsible for remitting property tax amounts to the various taxing entities within the County boundaries.

All real property is assigned a parcel number in accordance with State law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4: PROPERTY TAXES (CONTINUED)

The assessed valuation of the property and its improvements is being assessed at one percent of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located.

Taxes on real property are a lien on the property and attach on January 1 of the year for which the taxes are levied.

Taxes on property are due on the 20th of December, however, they may be paid in two installments with the second installment due June 20. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a three year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated penalties, interest and costs before sale.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation. Twin Falls and Jerome counties collect property taxes for the College.

NOTE 5: PENSION PLAN

Plan Description

The College contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2017 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% general employees and 11.66% for police and firefighters. The College's contributions were \$1,699,955 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions in the Base Plan pension plan relative to the total

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

contributions of all participating PERSI Base Plan employees. At June 30, 2016 the College's proportion was .4819133 percent.

For the year ended June 30, 2017, the College recognized pension expense (revenue) of \$(376,565). At June 30, 2017, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,754,830	\$ 973,421
Changes in assumptions or other inputs	\$ 217,161	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,221,679
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ -	\$ 42,973
College contributions subsequent to the measurement date	<u>\$ 1,699,955</u>	<u>\$ -</u>
Total	<u>\$ 6,671,946</u>	<u>\$ 3,238,073</u>

\$1,699,955 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:	
2018	\$ 9,928
2019	\$ 9,928
2020	\$ 1,133,383
2021	\$ 623,652

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experienced study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The total pension liability as of June 30, 2016 is based on the results of an actuarial valuation date of July 1, 2016.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equities	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
			Expected Real	Expected
Total Fund	Expected Return	Expected Inflation	Return	Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%
Actuarial Assumptions				
Assumed Inflation – Mean				3.25%
Assumed Inflation – Standard Deviation				2.00%
Portfolio Arithmetic Mean Return				8.42%
Portfolio Long-Term Expected Geometric Rate of Return				7.50%
Assumed Investment Expenses				<u>0.40%</u>
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				7.10%

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. 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. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 19,163,552	\$ 9,769,123	\$ 1,956,618

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the Pension Plan

At June 30, 2017, the College reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

Optional Retirement Plan

Effective July 1, 1997, the Idaho State Legislature authorized the Idaho State Board of Education's to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho.

New faculty and exempt employees hired July 1, 1997 or thereafter automatically enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1997 had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options include Teachers Insurance and Annuity Associations – College Retirement Equities Fund and Variable Annuity Life Insurance Company.

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 62 years of age. The College of Southern Idaho contributions required and paid were \$1,290,062, \$1,277,072, \$1,287,941 for three years ended June 30, 2017, 2016 and 2015 respectively.

Postretirement Benefits Other Than Pensions

Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value (maximum 600 hours) of their unused sick leave to continue their medical insurance coverage through the college for employees hired prior to June 30, 2010. The College funds these obligations by depositing 0.65% of the employee's gross payroll to PERSI who administers the plan as a cost-sharing, multiple-employer plan.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: PENSION PLAN (CONTINUED)

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
PERSI – Base Plan
Last 10 – Fiscal Years *

	2017	2016	2015
Employer's portion of the net pension liability	0.4819133%	0.4903647%	0.5121639%
Employer's proportionate share of the net pension liability	\$ 9,769,123	\$ 6,457,305	\$ 3,770,368
Employer's covered-employee payroll	\$ 15,017,270	\$ 14,134,541	\$ 13,730,671
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	65.05%	45.68%	27.46%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	91.38%	94.95%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the College will present information for those years for which information is available.

Data reported is measured as of June 30, 2016.

Schedule of Employer Contributions
PERSI – Base Plan
Last 10 – Fiscal Years *

	2017	2016	2015
Statutorily required contribution	\$ 1,699,955	\$ 1,600,030	\$ 1,554,312
Contributions in relation to the statutorily required contribution	(\$ 1,699,955)	(\$ 1,600,030)	(\$ 1,554,312)
Contribution (deficiency) excess	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$15,017,270	\$14,134,541	\$13,730,671
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.32%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the College will present information for those years for which information is available.

Data is reported and measured as of June 30, 2017.

NOTE 6 - POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description

The College operates a single-employer retiree benefit plan that provides post-employment medical, dental, and vision plans upon retirement from active service. To be eligible for the College's retiree group medical, dental, and vision plans, a retiree must satisfy the PERSI retirement eligibility requirements of 55 years of age (or disability) and 10 years of service.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

If the active employee is in optional retirement plan (ORP), the retiree must be age 59.5. Retiree medical, dental, and vision coverage ends for the retiree, spouse, and child(ren) once the retiree is eligible for Medicare, typically at the age of 65. Surviving spouses of deceased retirees and disabled members are not eligible for medical, dental, or vision coverage.

Funding Policy

The College has not established a fund to supplement the costs for the net OPEB obligation. Contributions are made on a pay-as-you-go basis. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2017, the College contributed an estimated \$130,852 to the plan for current premiums of approximately 41 percent of estimated total retiree costs. Plan members receiving benefits contributed an estimated \$185,143 or approximately 59 percent of the total estimated retiree costs. Retirees are required to pay 100 percent of the premiums based on the combined active and retiree pool for both the retiree and the dependent coverage. Monthly rates in effect for retirees under age 65 during fiscal year 2017 were as follows:

Pre-65 rates	Select Health PPO	Delta Dental	LifeMap Choice Vision
Retiree Only	\$ 536.46	\$ 34.02	\$ 7.83
Retiree + Spouse	\$1,054.66	\$ 68.05	\$15.69
Retiree + Child	\$ 648.16	\$ 54.11	\$16.78
Retiree + Children	\$1,006.56	\$ 74.85	\$16.78
Family	\$1,476.86	\$102.07	\$26.81

Annual OPEB Cost and Net OPEB Obligation

The College's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation:

Annual required contribution	\$ 324,912
Interest on net OPEB obligation	-
Adjustment to annual required contributions	-
Annual OPEB cost	<u>324,912</u>
Estimated contributions made	<u>(130,852)</u>
Increase in net OPEB obligation	194,060
Net OPEB obligation – beginning of year	<u>2,472,947</u>
Net OPEB obligation – end of year	<u>\$ 2,667,007</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Estimated Contribution</u>	<u>Net OPEB Obligation</u>
6/30/15	Unknown	Unknown	Unknown
6/30/16	Unknown	Unknown	\$ 2,472,947
6/30/17	\$ 324,912	40%	\$ 2,667,007

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$2.473 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.473 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.577 million, and the ratio of the UAAL to the covered payroll was 10 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. See the schedule of funding progress below:

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
July 1, 2012	\$ -	Unknown	Unknown	0%	Unknown	Unknown
July 1, 2014	\$ -	Unknown	Unknown	0%	Unknown	Unknown
July 1, 2016	\$ -	\$2,472,947	\$2,472,947	0%	\$25,576,519	10%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2016 actuarial valuation, the Individual Entry Age Normal (EAN) Level Percent of Pay cost method was used. The actuarial assumptions included a 3.45 percent investment rate of return (net of investment expenses), calculated based on the expected long-term rate of return on the College's general funds at the valuation date, and a 2.50 percent implied inflation rate (CPI). Annual medical cost trend rates are 8.6 percent initially for fiscal year 2017, 7.6 percent for fiscal year 2018, and an ultimate rate of 4.3 percent by 2102. Annual dental/vision cost trend rates are 11.0 percent for fiscal year 2017, 3.5 percent for fiscal year 2018, with an ultimate rate of 3.5 percent by 2102. The valuation assumes that 100 percent of eligible retirees will actually participate in the retiree medical plan and 40 percent in the retiree dental plan. The valuation also assumes 15 percent of the retirees enrolled in the plan will have dependents who participate in the medical plan and the dental plan. The amortization of the UAAL is determined as a level percentage of payroll. Payroll is assumed to increase with a general wage increase of 3.00% per annum in addition to individual annual increases from promotion and longevity. The promotion and longevity increases are combined with the general wage increase on a compound basis, and are used for the Entry Age Normal Level Percent of Pay cost method.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7: CONTINGENCIES

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

The College is a party to a number of legal actions arising in the ordinary course of its business. In management's opinion, the College has adequate legal defenses and/or insurance coverage respecting each of these actions and does not believe that they will materially affect the College's operations or financial position.

NOTE 8: RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 9: DONATED OR CONTRIBUTED SERVICES

Donated or contributed services received by the Head Start and other programs vary and range from limited participation of many individuals in various activities to activate participation in the organization's service programs. Because it is difficult to place a monetary value on such services, their values are estimated at fair market value and recorded in these financial statements as "in-kind match" or "Non-federal Share".

Non-federal Share and In-kind Match is that portion of the total cost of the program provided by the grantee agency (CSI) in the form of in-kind donations or cash match received from third parties or contributed by the agency (CSI) to satisfy the matching requirements of the federal programs.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9: DONATED OR CONTRIBUTED SERVICES (CONTINUED)

A summary of the College's Non-federal Share for the fiscal year ended June 30, 2017 follows:

<u>Head Start</u>			<u>Early Head Start</u>		
Fund 71	Dept 7108	\$ 674,267	Fund 73	Dept 7308	\$ 265,422
		<u>\$ 674,267</u>			<u>\$ 265,422</u>
<u>Refugee and Entrant Assistance</u>			<u>Foster Grandparent/Senior Companion Cluster</u>		
Fund 72	Dept 7231	\$ 72,467	Fund 76	Dept 7651	\$35,264
Fund 72	Dept 7281	132,959	Fund 76	Dept 7669	12,638
		<u>\$ 205,426</u>			<u>\$47,902</u>

The total amount of in-kind matches for June 30, 2017 is \$1,193,017.

NOTE 10: COMPONENT UNIT DISCLOSURE

The information disclosed hereafter is related to Foundation items that are determined to be significant to the reporting entity as a whole, but is not wholly inclusive. Separate, audited financial statements are prepared for the Foundation and may be obtained in their entirety by contacting the College of Southern Idaho Foundation, Inc., P.O. Box 1238, Twin Falls, Idaho 83303-1238.

Organization & Income Tax Status

The Foundation was established March 1, 1984, to solicit donations, and to hold and manage them for the exclusive benefit of the College of Southern Idaho. The Foundation is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, whereby revenue is recorded when earned and expenses are recorded when materials or services are received.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10: COMPONENT UNIT DISCLOSURE (CONTINUED)

Financial Statement Presentation

Under FASB ASC 958 "Financial Statements of Not-for-Profit Organizations," the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Definitions of these three categories follow:

Unrestricted Net Assets

The part of net assets of a not-for-profit organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets

The part of the net assets of a not-for-profit organization resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Foundation pursuant to those stipulations. The nature of the restriction on the temporarily restricted net assets is related mainly to capital improvements and scholarships.

Permanently Restricted Net Assets

The part of the net assets of a not-for-profit organization resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and (c) from reclassifications from (or to) other classes of net assets as a consequence of donor-imposed stipulations. The nature of the restriction on permanently restricted net assets is related mainly to capital improvements and scholarships.

Investments

Investments are carried at market or appraised value, and realized and unrealized gains and losses are reflected in the Statement of Activities. Market values were obtained from brokers believed to be reliable in market pricing.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10: COMPONENT UNIT DISCLOSURE (CONTINUED)

The Foundation's aggregate carrying amounts of its investments by major types are as follows:

Cash and money markets	\$ 2,132,006
Certificates of deposit	6,700,199
Equities	20,567,102
Bonds	6,719,730
Total	<u>\$ 36,119,037</u>

Fair Value Measurements

Fair values of assets measured on a recurring basis are categorized in three different levels. Those levels are:

- Level 1 Quoted prices in active markets providing reliable evidence of fair value.
- Level 2 Other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 Unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2017, are as follows:

	Fair Value	Level 1	Level 2	Level 3
Investments	<u>\$36,119,037</u>	<u>\$36,119,037</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$36,119,037</u>	<u>\$36,119,037</u>	<u>\$ -</u>	<u>\$ -</u>

The Foundation uses the market approach to measuring the fair value of investments. It relies on the statements from the institutions or advisors charged with investing or managing the funds. These institutions and advisors use market pricing to provide the fair values to the Foundation.

Endowments

The Foundation's endowment consists of approximately 132 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The corpus balance of the endowment was \$10,701,935 as of June 30, 2017.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10: COMPONENT UNIT DISCLOSURE (CONTINUED)

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or the Idaho Prudent Management of Institutional Funds Act (IPMIFA) requires the Foundation to maintain as a fund of perpetual duration. The deficiencies of this nature are reported in unrestricted net assets and were \$63,785 as of June 30, 2017.

NOTE 11: SUBSEQUENT EVENTS

No reportable subsequent events.

NOTE 12: NATURAL CLASSIFICATIONS

Salaries & Wages	\$30,486,979
Benefits	16,087,155
Services	8,549,062
Supplies	2,927,930
Capital Outlay	-
Other	13,724,218
Depreciation	3,726,033
Total Operating Expenses	<u>\$75,501,377</u>

Note 13: OPERATING LEASES

Effective September 15, 2014, the College entered into a lease agreement for \$3,652 per month with STAR Program to rent a building in Garden City, Idaho. Additional rent may be required if the estimate on the charges for common area maintenance and building insurance increase over the term of the lease. The lease term is for five years with the option to renew the lease at the end of five years. The College has the option to cancel the lease early if the State funding is discontinued. The College is responsible for all utilities and maintenance except the Landlord's obligation to warranty the HVAC system.

Effective October 22, 2014, the College entered into a lease agreement for \$7,820 per month with Broken Bow Properties, LLC to rent a building in Idaho Falls, Idaho. The monthly payment increased by 2% on December 1, 2015 and will increase annually each December 1st thereafter. The College is also required to pay "plus net charges" which shall be \$1.80 per square foot annually (6,800 square feet). The property tax portion of this charge will be adjusted by an amount equal to the property tax deferral amount. The lease term is for three years with an option to renew the lease at least 60 days prior to the termination of the initial lease. The College is also responsible to pay all utility charges and insurance during the lease agreement.

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 13: OPERATING LEASES (CONTINUED)

Effective July 1, 2015, the College entered into a lease agreement for \$1 per year with the Blaine County School College to rent 18,106 square feet of office space in Hailey, Idaho. The term of the lease is for ten consecutive years. The College is responsible for 26.256% of expenses including additional rent, maintenance of the premises and common areas, insurance and operating maintenance and capital expenses.

Annual operating leases are as follows:

For the Periods Ending June 30:	Amount
2018	\$ 92,641
2019	43,825
2020	14,609
2021	1
2022	1
Thereafter	3
Total	<hr/> \$151,080



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October 16, 2017

INDEPENDENT AUDITORS' 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*

Board of Trustees
College of Southern Idaho
Twin Falls, ID 83301

We have audited the financial statements of the business-type activities of the College of Southern Idaho (the "College"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 16, 2017. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the College of Southern Idaho Foundation, Inc., were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the College of Southern Idaho Foundation, Inc.

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) to determine the 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 entity'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 material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

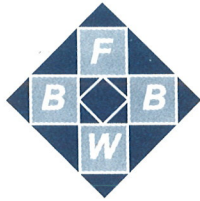
As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "France Basterrechea Wagner & Bunn". The signature is written in a cursive, flowing style.

France, Basterrechea, Wagner, & Bunn, Chtd.
Certified Public Accountants



France, Basterrechea, Wagner & Bunn, Chtd.

Certified Public Accountants and Consultants

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Audra Wagner, C.P.A.
Dale A. Bunn, C.P.A.

October 16, 2017

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

Board of Trustees
College of Southern Idaho
Twin Falls, ID 83301

Report on Compliance for Each Major Federal Program

We have audited the College of Southern Idaho's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the College of Southern Idaho, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



France, Basterrechea, Wagner, & Bunn, Chtd.
Certified Public Accountants

**COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(ies) identified? _____ Yes x None Reported

Noncompliance material to financial statements noted? _____ Yes x No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(ies) identified? _____ Yes x None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes x No

IDENTIFICATION OF MAJOR PROGRAMS

CFDA Number(s)	Name of Federal Program or Cluster
Various 20.509	Student Financial Assistance Cluster Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs: **\$ 750,000**
 Auditee qualified as low-risk auditee? _____ x Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS RELATING TO FEDERAL AWARDS

None reported.

College of Southern Idaho
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grant or Pass-Through Grantor	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	
Corporation for National and Community Service				
<u>Foster Grandparent/Senior Companion Cluster</u>				
Foster Grandparent Program	94.011		\$ 44,308	
Senior Companion Program	94.016		190,733	
<u>Total Foster Grandparent/Senior Companion Cluster</u>			<u>235,041</u>	
Retired and Senior Volunteer Program	94.002		151,038	
Total Corporation for National and Community Service			<u>\$ 386,079</u>	
Department of Agriculture				
Pass-Through Payments				
Idaho State Department of Education				
Child and Adult Care Food Program	10.558		217,163	
University of Washington				
Grants for Agricultural Research, Special Research Grants	10.200	748602	62	
Total Department of Agriculture			<u>\$ 217,225</u>	
Department of Education				
<u>Student Financial Assistance Cluster</u>				
Federal Supplemental Educational Opportunity Grants	84.007		148,403	
Federal Work-Study Program	84.033		122,517	
Federal Pell Grant Program	84.063		6,355,733	
Federal Direct Student Loans	84.268		3,977,119	
<u>Total Student Financial Assistance Cluster</u>			<u>10,603,772</u>	
Title III Part A Programs - Strengthening Institutions	84.031A		162,127	
Pass-Through Payments				
Boise State University				
Mathematics and Science Partnerships	84.366	5821-B, 7913-B	26,893	
Harrison Elementary School				
21st Century Community Learning Center	84.287		1,873	
Idaho Division of Professional-Technical Education				
Adult Education - Basic Grants to States	84.002A	Various	436,195	
Career and Technical Education - Basic Grants to States	84.048A	Various	382,015	
Idaho State Board of Education				
Gaining Early Awareness & Readiness for Undergraduate Programs - Gear-Up	84.334		38,566	
Total Department of Education			<u>\$ 11,651,441</u>	
Department of Health and Human Services				
Early Head Start	93.600		1,131,777	
Head Start	93.600		4,583,014	
Pass-Through Payments				
American Medical Responders - Access2Care				
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778		75,259	
<u>Total Medicaid Cluster</u>			<u>75,259</u>	
Idaho Commission on Aging				
<u>Aging Cluster</u>				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044		224,339	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045		414,278	
Nutrition Services Incentive Program	93.053		139,270	
<u>Total Aging Cluster</u>			<u>777,887</u>	
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042		7,581	
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.043		1,388	
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043		12,608	
Senior Medicare Patrol	93.048		24,723	
National Family Caregiver Support, Title III, Part E	93.052		91,938	
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.052		24,371	
Medicare Enrollment Assistance Program	93.071	MIPPA Year 2/3	14,169	
Idaho Department of Health & Welfare				
Refugee and Entrant Assistance Discretionary Grants	93.566	HC936400	5,351	
Refugee and Entrant Assistance Discretionary Grants	93.576	HC886300	30,526	
<u>TANF Cluster</u>				
Idaho Head Start Association				
Temporary Assistance for Needy Families	93.558	19-201803	206,967	
Idaho Office for Refugees - Mountain States Group, Inc.				
Temporary Assistance for Needy Families	93.558	IOR-1712, WC080500	31,073	
<u>Total TANF Cluster</u>			<u>238,040</u>	
Idaho Office for Refugees - Mountain States Group, Inc.				
Refugee and Entrant Assistance	93.566	IOR-1722, IOR-1602	255,928	
Refugee and Entrant Assistance	93.576	IOR-1502, IOR-1732	56,084	
Refugee and Entrant Assistance	93.584	IOR-1722, IOR-1602	180,809	
University of Idaho				
National Center for Research Resources 16-17	93.859	IAK300-SB-014	58,054	R&D
National Center for Research Resources 17-18	93.859	IAK400-SB-007	29,975	R&D
U.S. Committee for Refugees and Immigrants				
U.S. Refugee Admissions Program	93.567	90RV0067-03-00, 90RV0067	183,259	
Total Department of Health and Human Services			<u>\$ 7,782,741</u>	

<u>Department of Housing and Urban Development</u>			
Pass-Through Payments			
Idaho Housing & Finance Association			
Housing Counseling Assistance Program	14.169		<u>3,780</u>
Total Department of Housing and Urban Development			<u>\$ 3,780</u>
<u>Department of Labor</u>			
Trade Adjustment Assistance Community College & Career Training	17.282		336,044
Pass-Through Payments			
Idaho Department of Labor			
Apprenticeship USA State Expansion Grants	17.285	CSI-AGE-4610	<u>\$ 20,247</u>
Total Department of Labor			<u>\$ 356,291</u>
<u>Department of State</u>			
US Refugee Admissions Program	19.510		<u>634,348</u>
Total Department of State			<u>\$ 634,348</u>
<u>Department of Transportation</u>			
Pass-Through Payments			
Idaho Department of Transportation			
Formula Grants for Rural Areas	20.509		429,295
<u>Federal Transit Cluster</u>			
Bus and Bus Facilities Formula Program	20.526	ID18X051	<u>84,432</u>
Total Federal Transit Cluster			84,432
<u>Highway Safety Cluster</u>			
STAR Communications & Training Grant	20.600	SMC1701/SMC1702	<u>4,836</u>
Total Highway Safety Cluster			<u>4,836</u>
Total Department of Transportation			<u>\$ 518,563</u>
<u>National Aeronautics and Space Administration</u>			
Pass-Through Payments			
University of Idaho			
NASA Idaho Space Grant Consortium Opportunity for Partnerships with Community Colleges & Technical Schools	43.008	FPK053-SB-001, FPK900-SB-042	<u>79,926</u>
Total National Aeronautics and Space Administration			<u>\$ 79,926</u>
<u>National Endowment for the Arts</u>			
Promotion of the Arts Partnership Agreements	45.025		4,250
Pass-Through Payments			
Idaho Commission on the Arts			
Promotion of the Arts Partnership Agreements	45.025	3206ET-17, 3206AE-17	<u>10,935</u>
Total National Endowment for the Arts			<u>\$ 15,185</u>
<u>National Science Foundation</u>			
Pass-Through Payments			
Florence-Darlington Technical College			
Mentor-Connect: Leadership Development and Outreach Initiative for ATE	47.076	B0009238	<u>2,338</u>
Total National Science Foundation			<u>\$ 2,338</u>
<u>Small Business Administration</u>			
Pass-Through Payments			
Boise State University - Idaho Small Business Development Center			
Small Business Development Centers	59.037	6923-A, 7448-C	<u>61,045</u>
Total Small Business Administration			<u>\$ 61,045</u>
Total Federal Expenditures			<u>\$ 21,708,962</u>

COLLEGE OF SOUTHERN IDAHO
TWIN FALLS, IDAHO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the College of Southern Idaho and is presented in the basic financial statements on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at June 30, 2017.

NOTE C – DONATED OR CONTRIBUTED SERVICES

The grantee agency (CSI) must provide in-kind matches or a non-federal share to satisfy the matching requirements of some federal programs.

A summary of the College's Non-federal Share for the fiscal year ended June 30, 2017 follows:

Head Start			Early Head Start		
Fund 71	Dept 7108	\$674,267	Fund 73	Dept 7308	\$ 265,422
		\$674,267			\$ 265,422
Refugee and Entrant Assistance			Foster Grandparent/Senior Companion Cluster		
Fund 72	Dept 7231	\$ 72,467	Fund 76	Dept 7651	\$35,264
Fund 72	Dept 7281	132,959	Fund 76	Dept 7669	12,638
		\$205,426			\$47,902

NOTE D – FEDERAL WORK STUDY

The College of Southern Idaho participates in the Federal Work Study (FWS) program. The federal government has waived the 25% matching requirement for this program, due to the College being designated as an eligible school under Title III or Title V of the Higher Education Act of 1965. Under this waiver, the federal government will pay up to 100% of the FWS earned compensation paid to students.

NOTE E – DE MINIMIS INDIRECT COST RATE

The College of Southern Idaho has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.