Financial Statements
June 30, 2018 and 2017

College of Western Idaho

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Independent Auditor's Report

To the Board of Trustees
College of Western Idaho
Nampa, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the College of Western Idaho (the College), and its discretely presented component unit as of and for the years ended June 30, 2018 and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. The financial statements of College of Western Idaho Foundation 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 College and its discretely presented component unit, as of June 30, 2018 and 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.

Emphasis of Matter

As discussed in Notes 1 and 17 to the financial statements, the College has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB),* which has resulted in a restatement of the net position as of July 1, 2017. In accordance with GASB Statement No. 75, the 2017 financial statements have not been restated to reflect the change. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of employer's share of net pension liability and employer contributions, the other postemployment benefits – schedule of employer's share of net state OPEB liability and employer contributions, and other postemployment benefits – schedule of employer's share of net PERSI/OPEB asset and employer contributions as noted in the table of contents, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's financial statements. The schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The schedules of operating expenses and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 schedules of operating expenses and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 12, 2018 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
October 12, 2018

This section of College of Western Idaho's annual financial report presents a discussion and analysis of the financial performance of College of Western Idaho (the College or CWI) for the fiscal years 2018 and 2017 which ended June 30, 2018 and 2017. This discussion has been prepared by management along with the financial statements and related footnote disclosures. It should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts. The financial statements, footnotes and this discussion are the responsibility of management.

Accreditation

Effective September 1, 2016, CWI was granted initial accreditation at the associate degree level through the Northwest Commission on Colleges and Universities (NWCCU). The NWCCU is a regional postsecondary accrediting agency recognized by the U.S. Department of Education and the Council for Higher Education Accreditation (CHEA).

Credits, certificates, and degrees earned at CWI are transferable to four-year institutions, subject to the specific policies of those institutions. Due to our previous accreditation partnership with the College of Southern Idaho (CSI), credits, certificates, and degrees earned from January 2009 through August 2014 appear on both CSI and CWI transcripts. Credits, certificates, and degrees earned from August 2014 to present appear on CWI transcripts.

CWI is now in a seven-year accreditation cycle, which includes periodic evaluations and site visits from the NWCCU.

Several of our programs are also accredited by the appropriate accrediting agencies, and graduates are eligible to take the qualifying examinations of the respective state and national licensing or registration bodies and join professional organizations.

Financial Highlights

In fiscal year 2018, there was an overall increase of $6.9 million to the total net position. This increase was primarily due to an increase in Net Tuition and Fee Revenue and an increase in State Appropriations. The increase in Net Tuition and Fee Revenue is attributed to an increase in In-State Tuition and Dual Credit enrollment. Implementation of GASB 75 related to Other Post-Employment Benefits (OPEB) required a prior period restatement resulting in an increase in net position of $1.1 million.

During fiscal year 2018:

- Net Student Tuition and Fee Revenue increased from $20.3 million to $22.2 million.
- Scholarship Allowance increased from $8.3 million to $9.1 million.
- Operating Expenses increased from $61.8 million to $64.6 million.
- State Appropriations increased from $19.7 million to $21.6 million.
- State and Federal Financial Aid expense increased from $14.6 million to $15.3 million.

During fiscal year 2017:

- Net Student Tuition and Fee Revenue increased from $18.2 million to $20.3 million.
- Scholarship Allowance increased from $8.2 million to $8.3 million.
- Operating Expenses increased from $60.2 million to $61.8 million.
- State Appropriations increased from $18.1 million to $19.7 million.
- State and Federal Financial Aid expense decreased from $16.3 million to $14.6 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 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 years ended June 30, 2018 and 2017 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements 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 noncurrent), deferred outflows, liabilities (current and noncurrent), deferred inflows, and net position (assets and deferred outflows minus liabilities and deferred inflows) of the College as of the current fiscal year-end in comparative format with the prior 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. Noncurrent assets are those assets and property which cannot easily be converted into cash. Current liabilities are business obligations that are due to be satisfied within one year. Noncurrent 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 nonfinancial 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 is Restricted- Expendable Net Position, which must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The third category is Unrestricted Net Position, which is net position available to the College for any lawful purpose of the institution.

Summary Financial Statements

Summary Statements of Net Position
Fiscal Years Ended June 30

	2018	2017	2016
Current and other assets	$ 66,688,278	$ 58,050,485	$ 52,685,095
Capital assets	54,215,427	55,903,091	57,813,416
Total assets	120,903,705	113,953,576	110,498,511
Deferred outflows of resources	1,745,011	1,444,633	557,750
Total assets and deferred outflows of resources	$ 122,648,716	$ 115,398,209	$ 111,056,261
Current liabilities	$ 6,324,998	$ 6,021,437	$ 5,243,035
Noncurrent liabilities	6,165,451	6,225,850	5,743,013
Total liabilities	12,490,449	12,247,287	10,986,048
Deferred inflows of resources	432,680	331,158	558,035
Net position			
Net investment in capital assets	51,730,218	52,930,339	54,373,693
Restricted - expendable	541,916	538,118	794,093
Unrestricted	57,453,453	49,351,307	44,344,392
Total net position	109,725,587	102,819,764	99,512,178
Total liabilities, deferred inflows of resources, and net position	$ 122,648,716	$ 115,398,209	$ 111,056,261

The College's total assets and deferred outflows of resources increased during fiscal year 2018 by $7,250,507, from $115,398,209 in 2017 to $122,648,716 in 2018. Contributing to the increase in assets was the addition to short term investments held in the Local Government Investment Pool (LGIP), an increase in value of funds held as long term investments, as well as recording the Net Other Postemployment Benefit (OPEB) asset now required under GASB 75. The College's total liabilities increased during fiscal year 2018 by $243,162 from $12,247,287 in 2017 to $12,490,449 in 2018. This increase was primarily the result of accrued expenses as of June 30, 2018.

The College's total assets and deferred outflows of resources increased during fiscal year 2017 by $4,341,948, from $111,056,261 in 2016 to $115,398,209 in 2017. The increase was primarily due to the purchase of investments. The College's total liabilities increased during fiscal year 2017 by $1,261,239 from $10,986,048 in 2016 to $12,247,287 in 2017. This increase was primarily the result of recording the Net Pension Liability as required under GASB 68. Note 10 contains additional detailed information.

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 fiscal year.

Activities are reported as either operating or nonoperating. 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 nonoperating revenues.

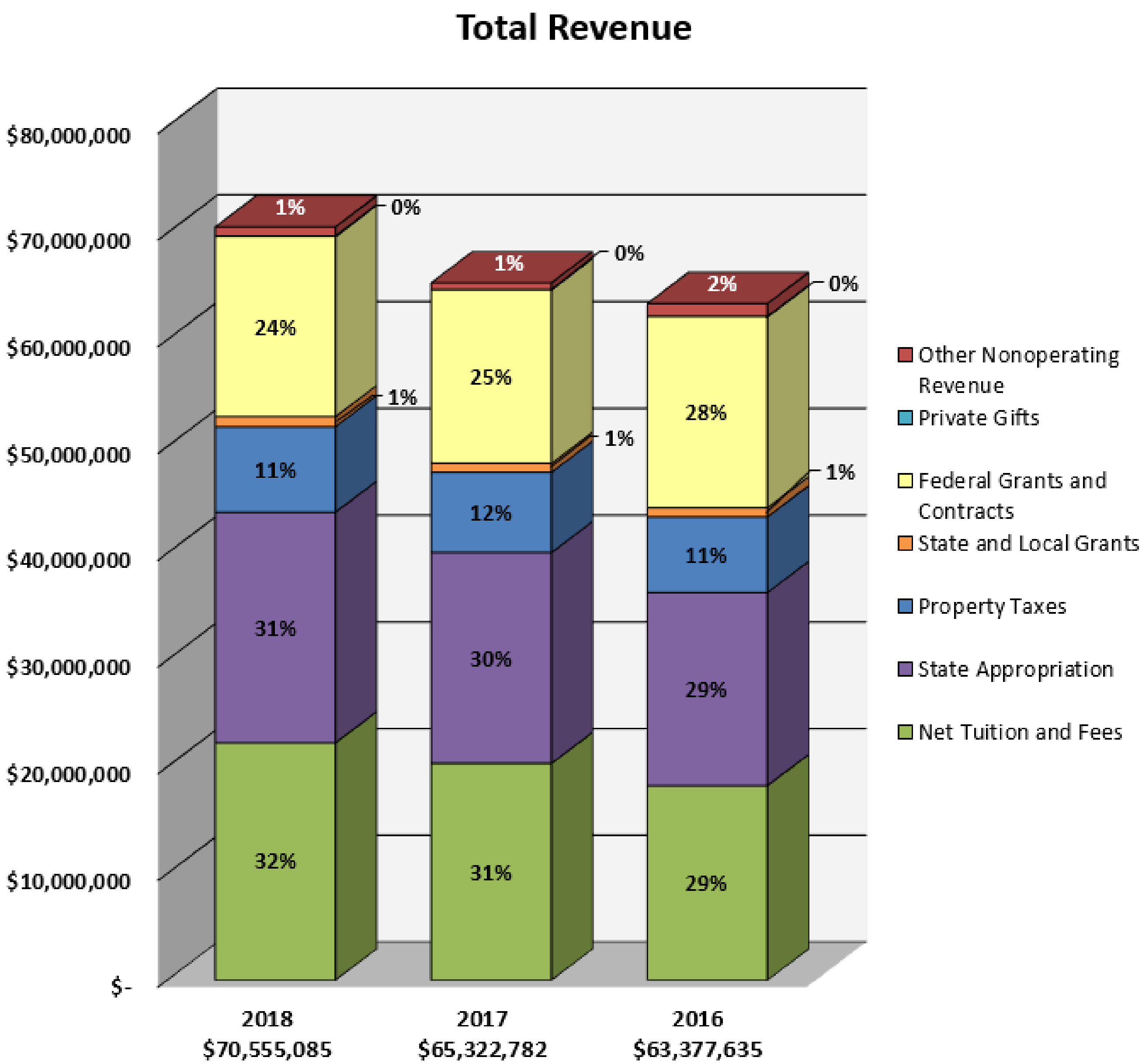
Generally, operating revenues are generated by providing services to various customers, students, and constituencies of the College, including but not limited to student tuition, fees, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the services provided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

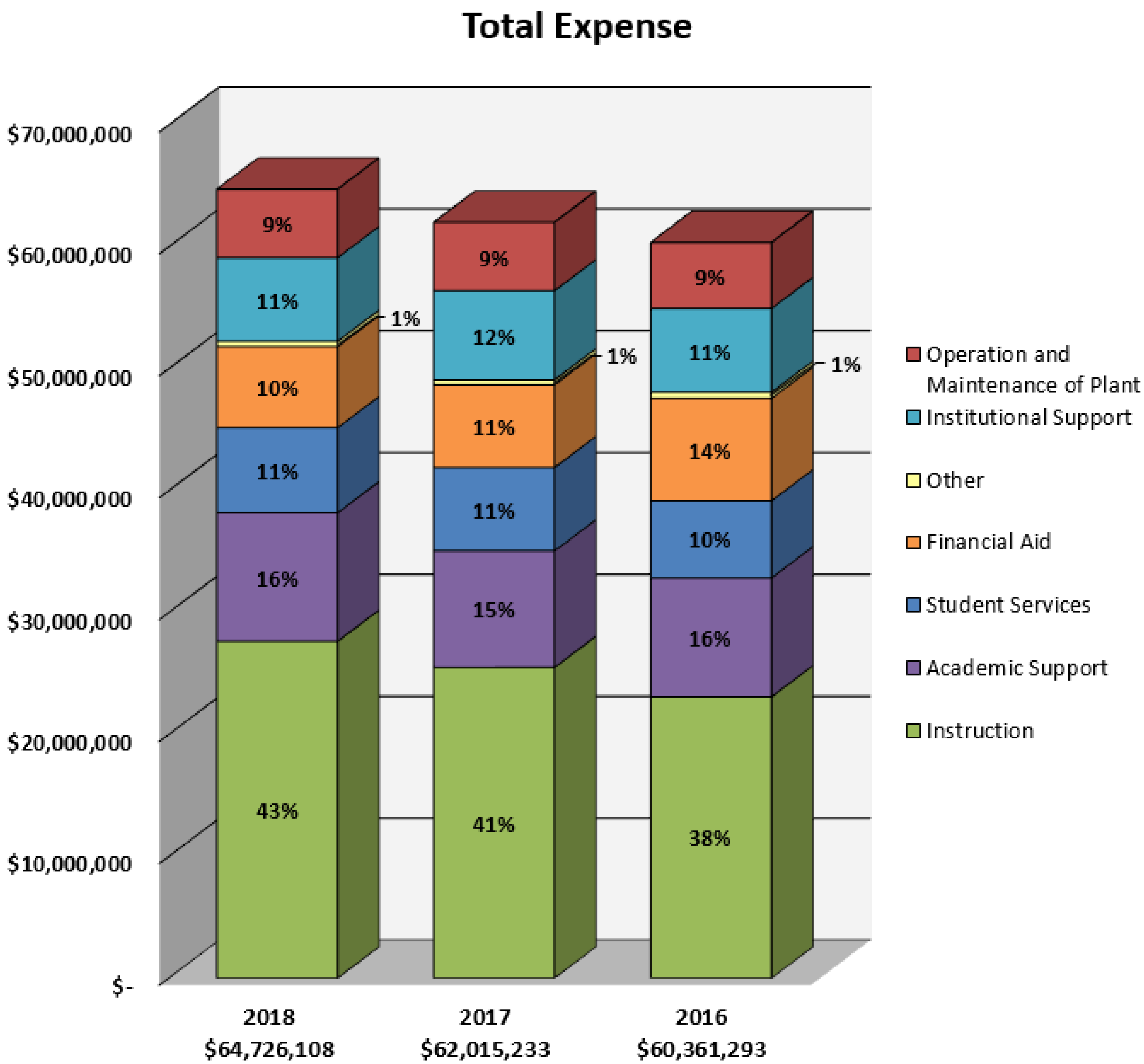
Summary Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years Ended June 30

	2018	2017	2016
Operating revenues	$ 24,782,661	$ 22,661,819	$ 20,707,422
Operating expenses	64,573,963	61,839,641	60,179,775
Operating loss	(39,791,302)	(39,177,822)	(39,472,353)
Nonoperating revenues (expense)			
State appropriation	21,603,411	19,745,394	18,083,877
Private gifts	22,095	8,845	12,198
Investment income	51,376	(38,732)	414,936
Local taxes	8,016,759	7,524,878	7,087,317
Other nonoperating revenue	16,078,783	15,420,578	17,071,885
Interest expense	(152,145)	(175,592)	(181,518)
Nonoperating revenues	45,620,279	42,485,371	42,488,695
Capital gifts	21	37	420,124
Change in net position	5,828,998	3,307,586	3,436,466
Prior period restatement	1,076,825	-	-
Net position - beginning of year	102,819,764	99,512,178	96,075,712
Net position - end of year	$ 109,725,587	$ 102,819,764	$ 99,512,178

The Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in net position during fiscal year 2018. Operating revenues increased by $2,120,842 from $22,661,819 in 2017 to $24,782,661 in 2018. This increase was a result of the increase in Net Tuition and Fee Revenue. Tuition must be reported net of Scholarship Discounts and Allowances, which is the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or other third parties making payments on the students' behalf. The amount of federal aid disbursed to the student account to satisfy tuition and fee charges must be reported as a reduction of the tuition revenue. See further explanation on page 5 under the paragraph titled "Accounting Treatment of Financial Aid." Operating expenses increased by $2,734,322 from $61,839,641 in 2017 to $64,573,963 in 2018. The increase in operating expenses was largely due to an increase in Instruction expense.

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 $1,954,397 from $20,707,422 in 2016 to $22,661,819 in 2017. This increase was a result of the increase in Net Tuition and Fee Revenue. Operating expenses increased by $1,659,866 from $60,179,775 in 2016 to $61,839,641 in 2017. The increase in operating expenses was largely due to an increase in Instruction expense.


Total Revenue
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
1%
0%
24%
1%
11%
31%
32%
1%
0%
25%
1%
12%
30%
31%
2%
0%
28%
1%
11%
29%
29%
Other Nonoperating Revenue
Private Gifts
Federal Grants and Contracts
State and Local Grants
Property Taxes
State Appropriation
Net Tuition and Fees
2018
$70,555,085
2017
$65,322,782
2016
$63,377,635


Total Expense
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
9%
11%
1%
10%
11%
16%
43%
9%
12%
1%
11%
11%
15%
41%
9%
11%
1%
14%
10%
16%
38%
Operation and Maintenance of Plant
Institutional Support
Other
Financial Aid
Student Services
Academic Support
Instruction
2018
$64,726,108
2017
$62,015,233
2016
$60,361,293

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 fiscal year. An important factor to consider when assessing financial viability is the College's ability to meet financial obligations as they mature. The statement is divided into five parts: The first section deals with operating cash flows and shows the net cash used for operating activities of the College. The second section reflects cash flows from noncapital financing activities. This section represents the cash received and spent for nonoperating, noninvesting and noncapital 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 Statements of Cash Flows
Fiscal Years Ended June 30

	2018	2017	2016
Cash and cash equivalents from (used for)			
Operating activities	$ (37,850,036)	$ (35,523,341)	$ (36,188,830)
Noncapital financing activities	45,516,688	42,696,545	42,402,318
Capital and related financing activities	(1,981,797)	(1,826,917)	(11,505,070)
Investing activities	(1,888,148)	(4,272,554)	(18,920,082)
Net change in cash and cash equivalents	3,796,707	1,073,733	(24,211,664)
Cash and cash equivalents, beginning of year	8,691,906	7,618,173	31,829,837
Cash and cash equivalents, end of year	$ 12,488,613	$ 8,691,906	$ 7,618,173
Supplementary disclosure of non-cash activities			
Donation of capital assets	$ 21	$ 37	$ 420,124
Property acquired with accounts payable	$ 51,662	$ 122,571	$ 10,695
Property acquired from capital lease financing	$ 29,199	$ -	$ 312,570
Property acquired through land swap	$ -	$ 200,000	$ -

Cash used in operating activities totaled $37,850,036 in fiscal year 2018 compared to $35,523,341 in fiscal year 2017. Expenses were closely monitored to ensure expenditures did not exceed the fiscal year budget. Cash provided by noncapital financing activities increased to $45,516,688 in fiscal year 2018 compared to $42,696,545 in fiscal year 2017. This increase was primarily attributable to an increase in state appropriations. Cash used in capital and related financing activities increased to $1,981,797 in fiscal year 2018 from $1,826,917 in fiscal year 2017. The increase was a result of purchases of additional capital assets during fiscal year 2018. Cash used in investing activities decreased to $1,888,147 in fiscal year 2018, compared to $4,272,554 in fiscal year 2017. This was due to liquidation of short-term investments into cash during fiscal year 2018.

Cash used in operating activities totaled $35,523,341 in fiscal year 2017 compared to $36,188,830 in fiscal year 2016. Expenses were closely monitored to ensure expenditures did not exceed the fiscal year budget. Cash provided by noncapital financing activities increased to $42,696,545 in fiscal year 2017 compared to $42,402,318 in fiscal year 2016. This slight increase was primarily attributable to an increase in state appropriations that was offset by a decrease in State and Federal Financial Aid. Cash used in capital and related financing activities decreased to $1,826,917 in fiscal year 2017 from $11,505,070 in fiscal year 2016. The decrease was a result of purchases of capital assets and land during fiscal year 2016. Cash used in investing activities decreased to $4,272,554 in fiscal year 2017, compared to $5,232,944 in fiscal year 2016. This was due to reduction of cash held in LGIP as short term investments as of June 30, 2017.

Capital Assets

The College's investment in Capital Assets as of June 30, 2018 equates to $54,215,427 net of accumulated depreciation compared to $55,903,091 as of June 30, 2017. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The decrease was primarily due to depreciation of existing assets and fewer assets being purchased in 2018 compared to 2017. Note 5 contains additional detailed information.

Debt Administration

The College did not finance any of its operations with debt as of fiscal years ending June 30, 2018 and 2017. Note 8 contains additional detailed information.

Economic Outlook

The College of Western Idaho officially received their initial accreditation from the Northwest Commission on Colleges and Universities (NWCCU) in September 2016. This success has led to a refocus on instructional program curriculum and operations based on new CWI standards aimed at efficiencies in terms of delivery and success of our students. The overall strategy of the College is to adopt and refine our methodology towards an Agile principle of continuous improvements as it relates to our overall operation. The reason is that while education often balks at being labeled a business or being asked to be run like a business, the fact is we must employ more solid business principles in order be viable and sustainable in this new economy.

Demographic growth in the Treasure Valley is amongst the strongest in the country according to multiple publications. Locally the shifting landscape is creating new opportunities and challenges for the College. The strategic plan entitled *A Transformational College…Focused on Student Success —FY2018 to FY2022* continues to be a solid base from which planning and operational foci are integrated throughout the College.

The College continues to see robust growth with regards to high school students registered in Dual Credit (high school students taking college credit courses) programs. The State of Idaho's decision in 2014-15 to set aside $4,125 for each incoming high school student to pay for dual credit courses as a way to improve the go-to-college rate as well as the completion rate (currently below the goal of 60%) is fueling the demand. This is creating growth in overall headcount and credit count for the College. In fact, 46% of all dual credit taught by community colleges in Idaho are delivered by CWI.

Noncredit Workforce Development or short-term training remains strong. The demand has largely been driven by historically low unemployment rates. This trend is accounted for in the College's strategic plan and reflecting budget and will continue to be a source contributing to growth as the College believes that all education; credit, noncredit, short-term, degree or certificate based is valued.

The tuition revenue projection is steady as the College Administration and Trustees have kept the rate unchanged for three consecutive years, which CWI is the only public or private institution in Idaho to do so. CWI continues to see a softening in transfer degree enrollment and a slight decline in Career-Technical Education enrollment which is reflected in the FY19 budget. This is attributed to a very strong local and regional economy and robust job market. However, from a budget perspective, the historically strong economy helps deliver in other areas; increased property valuations resulting in property tax revenue and a reduced assessment rate, along with new property being added to the 2-county tax rolls.

There is no anticipation for a major shift in State support for fiscal year 2019. The Idaho State Board of Education (SBOE) is in the process of finalizing an outcome based funding model (OBF) to address demands for more business like principles based on results be incorporated into the public sector operations. While the exact parameters of OBF are still to be determined, the College expects only a minor shift in state support. There is still strong support for Career and Technical Education (CTE) programs. Likewise, the College will continue to advocate for more equitable state funding with the other Idaho community colleges.

The College, under the direction of the Board of Trustees, continues to operate on a balanced budget and review monthly financial statements to ensure fiscal sustainability of the College. The overall budget of $65 million which funds the operations and offerings to over 32,000 students is lowest in the state on a per student basis, a fact that both the Board and the Administration take great pride in continuing.

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 Tony Meatte, Vice President of Finance and Administration, College of Western Idaho, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 12,215,378	$ 8,199,185
Short-term investments	19,155,683	18,403,424
Student fees receivable (net of allowance - FY18 - $1,107,994; FY17 - $1,375,483)	403,380	303,159
Accounts receivable	892,396	1,075,332
Property tax receivable	3,177,271	2,932,542
Prepaid expenses and other assets	1,463,262	694,445
Total current assets	37,307,370	31,608,087
Noncurrent Assets		
Long-term investments	27,149,107	25,819,277
Restricted cash	273,235	492,721
Deposits	129,900	130,400
Capital assets, not depreciated	27,587,490	27,642,103
Capital assets, net	26,627,937	28,260,988
Net PERSI/OPEB sick leave reserve fund asset	1,828,666	-
Total noncurrent assets	83,596,335	82,345,489
Total assets	120,903,705	113,953,576
Deferred Outflows of Resources		
Deferred net pension	1,498,557	1,444,633
Deferred State OPEB	101,790	-
Deferred PERSI/OPEB sick leave reserve fund	144,664	-
Total deferred outflows of resources	1,745,011	1,444,633
Total Assets and Deferred Outflows of Resources	$ 122,648,716	$ 115,398,209

	2018	2017
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,083,388	$ 364,810
Accrued payroll and related costs	3,035,433	2,911,410
Unearned tuition revenue	1,114,362	1,186,537
Capital lease obligation - current	564,149	512,869
Other liabilities	527,666	1,045,811
Total current liabilities	6,324,998	6,021,437
Noncurrent Liabilities		
Compensated absences	680,408	688,452
Capital lease obligation - noncurrent	1,921,060	2,459,883
Net pension liability	2,714,461	2,974,201
Total State OPEB liability	819,057	83,000
Other liabilities- noncurrent	30,465	20,314
Total noncurrent liabilities	6,165,451	6,225,850
Total liabilities	12,490,449	12,247,287
Deferred Inflows of Resources		
Deferred net pension	432,680	331,158
Total deferred inflows of resources	432,680	331,158
Net Position		
Net investment in capital assets	51,730,218	52,930,339
Restricted - expendable	541,916	538,118
Unrestricted	57,453,453	49,351,307
Total net position	109,725,587	102,819,764
Total Liabilites, Deferred Inflows of Resources and Net Position	$ 122,648,716	$ 115,398,209

	2018	2017
Operating Revenues		
Tuition and fees	$ 31,297,988	$ 28,642,662
Less: Scholarship allowance	(9,067,313)	(8,333,411)
Net tuition and fees	22,230,675	20,309,251
Federal grants and contracts	1,445,790	1,452,530
State and local grants	941,579	838,839
Sales and services of educational activities	131,632	147,994
Other operating revenue/(expense)	32,985	(86,795)
Total operating revenues	24,782,661	22,661,819
Expenses		
Operating Expenses		
Instruction	27,640,899	25,493,515
Academic support	10,541,124	9,561,582
Student services	6,981,083	6,840,911
Public service	286,788	239,640
Financial aid	6,654,396	6,782,504
Institutional support	6,846,399	7,303,686
Operations and maintenance	5,623,274	5,617,803
Total operating expenses	64,573,963	61,839,641
Operating Loss	(39,791,302)	(39,177,822)
Nonoperating Revenues (Expenses)		
State appropriations	21,603,411	19,745,394
Private gifts	22,095	8,845
Net investment income	613,123	433,834
Change in fair value of investments	(561,747)	(472,566)
Local taxes	8,016,759	7,524,878
State and federal financial aid	15,258,363	14,608,189
Liquor tax revenue	200,000	200,000
Other revenue	620,420	612,389
Interest expense	(152,145)	(175,592)
Total nonoperating revenues	45,620,279	42,485,371
Income before capital gifts	5,828,977	3,307,549
Capital gifts	21	37
Change in Net Position	5,828,998	3,307,586
Prior Period Restatement		
State OPEB	(712,534)	-
PERSI/OPEB sick leave reserve fund	1,789,359	-
Net Position, Beginning of Year	102,819,764	99,512,178
Net Position, End of Year	$ 109,725,587	$ 102,819,764

	2018	2017
Operating Activities		
Tuition and fees	$ 22,058,279	$ 20,310,925
Grants and contracts	2,387,369	2,291,369
Payments to suppliers	(23,963,095)	(22,197,671)
Payments to employees	(38,497,206)	(35,989,163)
Sales and service education	131,632	147,994
Other revenue	32,985	(86,795)
Net Cash used for Operating Activities	(37,850,036)	(35,523,341)
Noncapital Financing Activities		
State appropriations	21,603,411	19,745,394
Gifts and grants for other than capital purposes	205,031	165,448
Local tax	7,972,030	7,691,419
State and Federal Financial Aid	15,258,363	14,608,189
Other revenue/expense	477,853	486,095
Net Cash from Noncapital Financing Activities	45,516,688	42,696,545
Capital Financing Activities		
Interest paid on capital lease	(152,145)	(175,592)
Payments on capital lease	(516,742)	(466,971)
Proceeds from sale of fixed assets	32,980	-
Purchases of capital assets	(1,345,890)	(1,184,354)
Net Cash used for Capital Financing Activities	(1,981,797)	(1,826,917)
Investing Activities		
Purchase of investments	(5,122,785)	(4,378,411)
Maturity of certificates of deposit	501,125	-
Redemption of money market funds	2,590,946	(20,437)
Interest on investments	142,566	126,294
Net Cash used for Investing Activities	(1,888,148)	(4,272,554)
Net Change in Cash, Restricted Cash, and Cash Equivalents	3,796,707	1,073,733
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	8,691,906	7,618,173
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 12,488,613	$ 8,691,906

See Notes to Financial Statements

	2018	2017
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating loss	$ (39,791,302)	$ (39,177,822)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	3,114,437	3,130,492
GASB 68 - Actuarial pension revenue	(212,143)	(93,620)
GASB 75 - State OPEB revenue	(39,267)	-
GASB 75 - PERSI/OPEB sick leave reserve fund revenue	(183,971)	-
Change in assets and liabilities		
(Gain)Loss on disposal of asset	(32,980)	86,795
Accounts receivable, net	(100,220)	(28,869)
Prepaids and other assets	(724,817)	(25,816)
Accounts payable	666,917	(247,432)
Unearned tuition revenue	(72,175)	30,543
Other liabilities	(590,994)	635,808
Advances and deposits	500	-
Accrued payroll and payroll costs	75,413	200,042
Compensated absences	40,566	(33,462)
Net Cash used for Operating Activities	$ (37,850,036)	$ (35,523,341)
Reconciliation of Cash, Restricted Cash, and Cash Equivalents		
Cash and cash equivalents	$ 12,215,378	$ 8,199,185
Restricted cash - noncurrent portion	273,235	492,721
Total cash, restricted cash, and cash equivalents	$ 12,488,613	$ 8,691,906
Supplemental Disclosure of Noncash Activity		
Donation of capital assets	$ 21	$ 37
Property acquired with accounts payable	$ 51,662	$ 122,571
Property acquired with capital lease	$ 29,199	$ -
Property acquired through land swap	$ -	$ 200,000

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 1,465,299	$ 1,535,341
Cash and cash equivalents - restricted	-	12,151
Investments - nonendowment	1,732,592	1,724,611
Contributions receivable - current, net	1,500	7,000
Other receivables	558	12,494
Interest receivable	5,920	6,494
Total current assets	3,205,869	3,298,091
Noncurrent Assets		
Contributions receivable - noncurrent, net	-	1,930
Investments - endowment	1,458,767	1,349,458
Total noncurrent assets	1,458,767	1,351,388
Total assets	$ 4,664,636	$ 4,649,479
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 33,191	$ 112,765
Total current liabilities	33,191	112,765
Net Assets		
Unrestricted	709,033	612,146
Temporarily restricted	2,688,582	2,754,862
Permanently restricted	1,233,830	1,169,706
Total net assets	4,631,445	4,536,714
Total liabilities and net assets	$ 4,664,636	$ 4,649,479

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions and gifts	$ 31,263	$ 225,131	$ 64,124	$ 320,518
Contributed services	304,433	-	-	304,433
Interest and dividends	28,591	28,625	-	57,216
Net realized and unrealized gain on investments	57,266	66,649	-	123,915
Special events revenue (net of cost of direct benefit to donors $10,203)	18,811	32,800	-	51,611
Net assets released from restriction	419,485	(419,485)	-	-
Total revenues	859,849	(66,280)	64,124	857,693
Expenses				
Program support to College of Western Idaho				
Scholarships	314,459	-	-	314,459
Department support	118,579	-	-	118,579
Support services				
General operations	329,924	-	-	329,924
Total expenses	762,962	-	-	762,962
Change in Net Assets	96,887	(66,280)	64,124	94,731
Net Assets, Beginning of Year	612,146	2,754,862	1,169,706	4,536,714
Net Assets, End of Year	$ 709,033	$ 2,688,582	$ 1,233,830	$ 4,631,445

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions and gifts	$ 13,410	$ 350,766	$ 38,418	$ 402,594
Contributed services	280,516	-	-	280,516
Interest and dividends	23,606	23,245	-	46,851
Net realized and unrealized loss on investments	114,552	126,379	-	240,931
Special events revenue (net of cost of direct benefit to donors $12,044)	24,227	51,550	-	75,777
Net assets released from restriction	440,913	(440,913)	-	-
Total revenues	897,224	111,027	38,418	1,046,669
Expenses				
Program support to College of Western Idaho				
Scholarships	240,966	-	-	240,966
Department support	211,999	-	-	211,999
Support services				
General operations	304,195	-	-	304,195
Total expenses	757,160	-	-	757,160
Change in Net Assets	140,064	111,027	38,418	289,509
Net Assets, Beginning of Year	472,082	2,643,835	1,131,288	4,247,205
Net Assets, End of Year	$ 612,146	$ 2,754,862	$ 1,169,706	$ 4,536,714

	2018	2017
Operating Activities		
Change in net assets	$ 94,731	$ 289,509
Adjustments to reconcile change in net assets to net cash used for operating activities		
Non-cash contributions	(74,976)	(74,464)
Contributions restricted to endowment	(64,124)	(38,418)
Net realized and unrealized (gain) on investments	(123,915)	(240,931)
Changes in operating assets and liabilities		
Contributions receivable	7,430	863
Other receivable	11,936	(12,025)
Interest receivable	574	(309)
Accounts payable	(79,574)	74,675
Net Cash used for Operating Activities	(227,918)	(1,100)
Investing Activities		
Purchase of investments	(999,596)	(1,236,384)
Withdrawal from endowment	50,085	40,951
Proceeds from sale of investments	1,031,112	988,808
Net Cash from (used for) Investing Activities	81,601	(206,625)
Financing Activities		
Collection of contributions restricted to endowments	64,124	38,418
Net Cash from Financing Activities	64,124	38,418
Net Change in Cash and Cash Equivalents	(82,193)	(169,307)
Cash and Cash Equivalents, Beginning of Year	1,547,492	1,716,799
Cash and Cash Equivalents, End of Year	$ 1,465,299	$ 1,547,492
Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	$ 1,465,299	$ 1,535,341
Cash and cash equivalents - restricted	-	12,151
Total Cash and Cash Equivalents	$ 1,465,299	$ 1,547,492

Note 1 - Significant Accounting Policies

General Statement

The College of Western Idaho (the College or CWI) was established after a supermajority of Ada and Canyon County voters passed a referendum in 2007 to establish a community college district. The College is governed by a separately elected Board of Trustees. College of Western Idaho is a public, open-access, and comprehensive community college committed to providing affordable access to quality teaching and learning opportunities to the residents of its service area in western Idaho. The College serves its students and communities through the use of a variety of innovative delivery systems and offers a dynamic array of programs, courses and services.

The College has been granted initial accreditation by the Northwest Commission on Colleges and Universities (NWCCU) effective September 1, 2016. While pursuing independent accreditation, CWI has delivered college credit instruction, certificates, and degrees through a memorandum of understanding with the College of Southern Idaho. The NWCCU made the decision following CWI's year seven self-evaluation report and site visit during October 2016. CWI has been recognized by the NWCCU as a candidate for accreditation since January 2012.

Independent accreditation will allow CWI more flexibility to modify curriculum and add new degree programs to best meet the needs of the local community and students. Accreditation is also required for CWI and its enrolled students to continue accessing federal funds to support teaching, research, and student financial aid. Finally, regional accreditation provides a way for post-secondary institutions to ensure quality instruction and service, as well as institutional improvement, by voluntarily submitting to a regulatory process. CWI will now enter the Commission's seven-year accreditation cycle, which includes periodic evaluations and site visits.

Reporting Entity

The College's financial statements for fiscal years ended June 30, 2018 and 2017 are prepared in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America.

As defined by GAAP established under GASB, the financial reporting entity consists of the primary government, as well as its component unit, the College of Western Idaho Foundation (the Foundation).

The Foundation was established in July 2010 to provide support for the private fundraising efforts of the College and to manage privately donated funds. The Foundation is a legally separate, not-for-profit organization incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of, and cannot be controlled by, the College. A memorandum of understanding between the Foundation and the College defines the relationship between the two entities in accordance with the State Board of Education's rules.

The Foundation's financial statements for fiscal years ended June 30, 2018 and 2017 are discretely presented because of the difference in its reporting model, as further described below.

The Foundation's financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the College. No modifications have been made to the Foundation's financial information included in the College's financial report.

Questions about the financial statements of the Foundation should be directed to Laura von Boecklin Mulkey, Executive Director, CWI Foundation, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

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 financial statements of the College have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

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

Cash and Cash Equivalents

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. Cash balances that are restricted and not expected to be expended within the subsequent year are classified as noncurrent assets.

Investments

State Statute authorizes the College to invest in obligations of the U.S. Treasury, the State of Idaho, or county, city or other taxing district of the State of Idaho, commercial paper, corporate bonds and repurchase agreements. The degree of risk depends upon the underlying portfolio. The College also has funds on deposit with the Idaho State Treasurer's Local Government Investment Pool (LGIP) and considers all such funds with the LGIP as short-term investments.

Student Accounts and Other Receivables

Accounts receivable consists of tuition and fees charged to students. Accounts receivable also includes amounts due from federal, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Estimated uncollectable amounts are determined using a percentage of the aged receivable balance based on historical collection activity for each receivable category.

Property Tax Receivable

Property taxes that are levied for 2008 through 2017 and have not been collected as of June 30 are carried as receivables. Assessed values are established by the County Assessor in Ada and Canyon County (the District). Property tax payments are due in one-half installments in December and June. The District's property tax is levied each November on the assessed value listed as of the prior September for all taxable property located in the District.

Prepaid Expenses

Prepaid items include payments made in the current fiscal year for expenditures attributable to future periods.

Restricted Cash

In accordance with a lease agreement for one of the facility leases, the College is obligated to separately hold cash amounts sufficient to satisfy the tenant improvements paid for by the lessor. These amounts are reduced by monthly payments on the lease.

Capital Assets

Capital assets are stated at cost when purchased, or if acquired by gift, at the acquisition value at the date of the gift. 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. Renovations and improvements to buildings that significantly increase the value or extend the useful life of the structure are capitalized. 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 lives of the assets, generally 10 years for library books, 3 to 10 years for equipment, and 20 to 40 years for buildings.

Unearned Tuition Revenue

Unbilled revenue includes amounts received from student tuition and fees prior to the end of the fiscal year relating to summer and other future terms. These revenues are earned subsequent to the fiscal year end.

Noncurrent Liabilities

Noncurrent liabilities are other liabilities that will not be paid within the next fiscal year. These include long-term capital lease obligations, other post-employment benefit obligations, and compensated absences.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net positon that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The College has three items that qualify for reporting in this category: the deferred net pension obligation, deferred net other postemployment benefits (OPEB) obligation and deferred net PERSI/OPEB sick leave reserve obligation reported on the government-wide Statement of Net Position. The deferred net pension, OPEB and PERSI/OPEB sick leave reserve obligations result from changes in assumptions or other inputs in the actuarial calculation of the College's net pension, OPEB and PERSI/OPEB sick leave reserve liabilities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The College has one item that qualifies for reporting in this category: the deferred net pension assumption. The deferred net pension assumption results from the differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the College's net pension liability.

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.

State OPEB

For purposes of measuring the State OPEB liability, deferred outflows of resources and deferred inflows of resources related to the State OPEB and plan expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined based on the same basis as they are reported by the State OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

PERSI/OPEB Sick Leave Reserve

For purposes of measuring the net PERSI/OPEB sick leave reserve asset, deferred outflows of resources and deferred inflows of resources related to PERSI/OPEB sick leave reserve, and PERSI/OPEB sick leave expense; (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Reserve Fund and additions to/deductions from Sick Leave Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

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

Unrestricted Net Position – Unrestricted net position represent resources derived from student fees, state appropriations, and sales and services of educational departments. 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 governing board to meet current expenses for any lawful purpose.

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

Classification of Revenues and Expenses

The College has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

> **Operating Revenues and Expenses** – Include activities that have the characteristics of exchange transactions that generally result from providing services and delivering goods in connection with the College's principal ongoing operations. Operating revenues include student tuition and fees, net of scholarship discounts and allowances, most federal, state, and local grants and contracts, and federal appropriations, and gain or loss on the disposal of capital assets.

> **Nonoperating Revenues and Expenses –** Include activities that have the characteristics of nonexchange transactions, such as state appropriations, gifts and contributions, Pell Grants, property taxes, investment income, and interest expense.

Scholarship Discounts and Allowances

Student tuition and fee revenues and certain other revenues from students are reported net of Scholarship Discounts and Allowances in the 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 that is paid by students and/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 nonoperating revenues. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a Scholarship Discount or Allowance.

Income Taxes

As a public 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. However, the College is subject to federal income tax on any unrelated business taxable 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 organization of its exempt purpose or function. The College does not expect to have unrelated business income to report during fiscal year ended June 30, 2018 and did not incur any unrelated business income during fiscal year ended June 30, 2017.

Use of Estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications were from cash and cash equivalents to short-term investments related to reporting of funds held in the State Treasurer's Local Government Investment Pool (LGIP) as required by GASB 79. The reclassification had no impact on total current assets or note disclosures.

New Accounting Standards

As of July 1, 2017, the College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (OPEB). The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the costs and obligations associated with other postemployment benefits other than pensions in their basic financial statements. Governments are required to recognize OPEB amounts for all benefits provided through the plan which include the net OPEB liability (trusted plan), total OPEB liability (non-trusted plan) or asset, deferred outflows of resources, deferred inflows of resources and OPEB expense (expense offset). The impact of the implementation of the standards on the beginning net position is disclosed in Note 17 and the additional disclosures required by the standard are included in Note 11 and 12.

Note 2 - Cash, Cash Equivalents, and Investments

Operating cash is deposited locally and is carried at cost. Cash that is restricted in purpose and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a noncurrent asset.

At June 30, 2018, the College's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank deposit	$ 10,306,792	$ 9,588,255
Change funds	-	4,850
Money market	2,622,273	2,622,273
Total cash and cash equivalents	12,929,065	12,215,378
Restricted Cash		
Bank deposit	273,235	273,235
Total cash	$ 13,202,300	$ 12,488,613

At June 30, 2017, the College's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank deposit	$ 8,764,843	$ 8,187,986
Change funds	-	3,800
Money market	7,399	7,399
Total cash and cash equivalents	8,772,242	8,199,185
Restricted Cash		
Bank deposit	492,721	492,721
Total cash	$ 9,264,963	$ 8,691,906

At June 30, 2018, the College's investments consisted of the following:

			Maturity		
	Cost	Fair Value	Less than 1 year	1-5 years	Percentage
Investments					
Short-term certificate of deposit	$ 250,000	$ 254,012	$ 254,012	$ -	0.55%
Long-term certificate of deposit	250,000	262,719	-	262,719	0.57%
State Treasurer's Local Government Pool (LGIP)	7,923,818	7,923,818	7,923,818	-	17.11%
U.S. Government Issues	38,450,182	37,864,241	10,977,853	26,886,388	81.77%
Total certificates of deposits and U.S treasuries	46,874,000	46,304,790	19,155,683	27,149,107	100.00%
Accrued investment interest receivable	169,576	169,576	-	-	
Total investments and accrued interest receivable	$ 47,043,576	$ 46,474,366	$ 19,155,683	$ 27,149,107	

At June 30, 2017, the College's investments consisted of the following:

	Cost	Fair Value	Maturity Less than 1 year	Maturity 1-5 years	Percentage
Investments					
Short-term certificate of deposit	$ 250,000	$ 250,625	$ 250,625	$ -	0.57%
Short-term certificate of deposit	250,000	251,909	251,909	-	0.57%
Short-term certificate of deposit	250,000	250,500	250,500	-	0.57%
Long-term certificate of deposit	250,000	258,428	-	258,428	0.58%
State Treasurer's Local Government Pool (LGIP)	7,806,545	7,806,545	7,806,545	-	17.65%
U.S. Government Issues	35,350,000	35,404,694	9,843,845	25,560,849	80.06%
Total certificates of deposits and U.S treasuries	44,156,545	44,222,701	18,403,424	25,819,277	100.00%
Accrued investment interest receivable	128,454	128,454	29,414	99,040	
Total Investments and accrued interest receivable	$ 44,284,999	$ 44,351,155	$ 18,432,838	$ 25,918,317	

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At June 30, 2018 and 2017, $175,015 and $161,354, respectively, of the College's deposits were uninsured and uncollateralized. The College's policy and procedures follow the applicable State Codes.

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool (LGIP) is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. Government securities. The certificates of deposit are federally insured. The U.S. Government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. The LGIP is required to report its investments at fair value (NAV as a practical expedient) because the weighted averages maturity of the underlying investments is greater than 90 days and thus, the College is required to report its deposits at fair value. However, the College has reported these deposits as cost plus accrued interest which approximates fair value.

Credit Risk – Investments

Credit risk is the risk that the counterparty to an investment will not fulfill its obligation. It is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. Ratings provided by Moody's unless otherwise indicated. The College's policy and procedures follow the applicable State Codes.

The credit ratings for the investments as of June 30, 2018, are as follows:

Investment	Rating	Shares	Market
US Government Issues	Aaa	24,075,000	$ 23,596,238
US Government Issues**	AA+	14,470,000	14,268,003
		38,545,000	$ 37,864,241

The credit ratings for the investments as of June 30, 2017, are as follows:

Investment	Rating	Shares	Market
US Government Issues	Aaa	32,100,000	$ 32,156,124
US Government Issues**	AA+	3,250,000	3,248,570
		35,350,000	$ 35,404,694

**Ratings provided by Standard & Poor's

One short-term Certificate of Deposit with maturity of one year or less was established at a separate financial institution. The certificate is covered by FDIC for $250,000. One long-term Certificate of Deposit with maturity of 5 years or less was established at an additional financial institution and is covered by FDIC for $250,000. The Certificates of Deposit are not rated by rating organizations.

Interest Rate Risk

Interest rate risk is the risk of loss in fair value should market interest rates change in the future. Investments with long-term, fixed interest rates are the most volatile. The funds within the Idaho State Treasurer's Local Government Investment Pool have an average maturity of one year or less, thereby minimizing interest rate risk. The funds within the College's investments in U.S. Government Treasuries have been structured to mature at regular intervals to minimize interest rate risk. The College's policy and procedures follow the applicable State Codes.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when five percent of the total entity's investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. Government, mutual funds, and other pooled investments are exempt from disclosure. The College's policy and procedures follow the applicable State Codes.

Investment Valuation

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the College can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the College develops inputs using the best information available in the circumstances.

Investments' fair value measurements are as follows at June 30, 2018:

		Fair Value Measurements Using		
Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
U.S. Treasuries	$ 37,864,241	$ 23,596,238	$ 14,268,003	$ -
Total investments	$ 37,864,241	$ 23,596,238	$ 14,268,003	$ -

Investments' fair value measurements are as follows at June 30, 2017:

		Fair Value Measurements Using		
Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
U.S. Treasuries	$ 35,404,695	$ 28,380,837	$ 7,023,858	$ -
Total investments	$ 35,404,695	$ 28,380,837	$ 7,023,858	$ -

Note 3 - Accounts Receivable

Accounts receivable refer to the portion due to the College, as of June 30th, by various customers and constituencies of the College as a result of providing services to said groups. Accounts receivable at June 30, 2018 and 2017 consisted of the following:

	2018	2017
Federal, state, and private grants	$ 662,612	$ 810,719
Other	229,784	264,613
	$ 892,396	$ 1,075,332

Note 4 - Property Taxes

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

The assessed valuation of the property and its improvements are 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 20th. A penalty of 2% is assessed if taxes are not paid by the due date. Interest is applied to past due amounts at 1% per month beginning on January 1st. 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.

Currently, taxes on personal property are collected. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation. Canyon and Ada counties collect property taxes for the College.

Note 5 - Capital Assets

The following are the changes in capital assets for the years ended June 30, 2018 and 2017:

	Balance July 1, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Capital assets not being depreciated					
Land	$ 26,890,940	$ -	$ -	$ -	$ 26,890,940
Construction in progress	751,163	120,089	-	(174,702)	696,550
Total capital assets not being depreciated	27,642,103	120,089	-	(174,702)	27,587,490
Other capital assets					
Land improvements	881,832	105,968	-	41,781	1,029,581
Buildings	25,275,663	-	-	-	25,275,663
Buildings - capital lease	4,430,589	-	-	-	4,430,589
Building improvements	1,136,321	171,494	-	87,906	1,395,721
Leasehold improvements	3,099,712	101,781	-	45,015	3,246,508
Equipment	4,942,861	483,968	(30,827)	-	5,396,002
Equipment - capital leases	312,570	29,199	-	-	341,769
Computer equipment	1,744,009	169,478	(127,131)	-	1,786,356
Books	1,248,626	149,148	-	-	1,397,774
Vehicles	1,142,554	95,648	-	-	1,238,202
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	46,100,603	1,306,684	(157,958)	174,702	47,424,031
Total capital assets	73,742,706	1,426,773	(157,958)	-	75,011,521
Less accumulated depreciation					
Land improvements	151,366	62,032	-	-	213,398
Buildings	5,836,858	913,878	-	-	6,750,736
Buildings - capital lease	2,221,268	443,059	-	-	2,664,327
Building improvements	160,719	75,339	-	-	236,058
Leasehold improvements	1,823,326	574,786	-	-	2,398,112
Equipment	3,103,794	522,290	(30,827)	-	3,595,257
Equipment - capital leases	72,933	66,407	-	-	139,340
Computer equipment	1,449,043	168,468	(127,131)	-	1,490,380
Books	370,969	126,106	-	-	497,075
Vehicles	773,352	152,193	-	-	925,545
Intangibles	1,875,987	9,879	-	-	1,885,866
Total accumulated depreciation	17,839,615	3,114,437	(157,958)	-	20,796,094
Capital assets, net	$ 55,903,091	$ (1,687,664)	$ -	$ -	$ 54,215,427

	Balance July 1, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Capital assets not being depreciated					
Land	$ 26,929,687	$ 206,654	$ (276,992)	$ 31,591	$ 26,890,940
Construction in progress	593,588	199,701	-	(42,126)	751,163
Total capital assets not being depreciated	27,523,275	406,355	(276,992)	(10,535)	27,642,103
Other capital assets					
Land improvements	881,832	-	-	-	881,832
Buildings	25,275,663	-	-	-	25,275,663
Buildings - capital lease	4,430,589	-	-	-	4,430,589
Building improvements	862,986	273,335	-	-	1,136,321
Leasehold improvements	3,088,146	27,664	(18,798)	2,700	3,099,712
Equipment	4,675,969	337,227	(78,170)	7,835	4,942,861
Equipment - capital leases	312,570	-	-	-	312,570
Computer equipment	1,769,212	194,718	(219,921)	-	1,744,009
Books	1,080,023	168,603	-	-	1,248,626
Vehicles	1,041,549	101,005	-	-	1,142,554
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	45,304,405	1,102,552	(316,889)	10,535	46,100,603
Total capital assets	72,827,680	1,508,907	(593,881)	-	73,742,706
Less accumulated depreciation					
Land improvements	90,469	60,897	-	-	151,366
Buildings	4,922,980	913,878	-	-	5,836,858
Buildings - capital lease	1,778,209	443,059	-	-	2,221,268
Building improvements	105,691	55,028	-	-	160,719
Leasehold improvements	1,245,677	596,447	(18,798)	-	1,823,326
Equipment	2,609,394	562,617	(68,217)	-	3,103,794
Equipment - capital leases	10,419	62,514	-	-	72,933
Computer equipment	1,498,411	168,758	(218,126)	-	1,449,043
Books	261,562	109,407	-	-	370,969
Vehicles	630,242	143,110	-	-	773,352
Intangibles	1,861,210	14,777	-	-	1,875,987
Total accumulated depreciation	15,014,264	3,130,492	(305,141)	-	17,839,615
Capital assets, net	$ 57,813,416	$ (1,621,585)	$ (288,740)	$ -	$ 55,903,091

Note 6 - Unearned Tuition Revenue

Unearned tuition revenue includes amounts recorded for student tuition and fees, and other amounts received prior to the end of the fiscal year but related to the following accounting period(s). Student fees represent 50% of summer semester revenues and 100% of other future term revenues earned subsequent to the fiscal year end. Unearned tuition revenue consists of the following at June 30:

	2018	2017
Student fees	$ 1,114,362	$ 1,186,537
	$ 1,114,362	$ 1,186,537

Note 7 - Lease Obligations

Operating Lease Obligations

The College is committed under various operating leases, primarily for buildings and maintenance agreements. The lease terms range from one to five years. The expense for operating leases was $1,851,908 and $1,840,447 for fiscal years 2018 and 2017, respectively. As of June 30, 2018, future minimum operating lease commitments are as follows:

Fiscal Year	Amount
2019	$ 1,823,859
2020	884,240
2021	730,911
2022	412,880
Totals	$ 3,851,890

Capital Lease Obligations

The College entered into a capital lease agreement for the Aspen Classroom Building July 1, 2011, and the Aspen Multipurpose Building March 15, 2013. The College pays a monthly payment of $20,446 for the Aspen Classroom Building and $29,204 for the Aspen Multipurpose Building, both of which increase every year by 3% until 2021 and 2023, respectively. The College entered into a capital lease agreement for twenty-eight copiers as of May 2016 and pays a monthly payment of $6,083 until 2021. The College entered into a separate capital lease agreement for the three additional copiers as of July 2017 and pays a monthly payment of $627 until 2022.

At June 30, 2018, the assets under capital lease equaled $4,772,358 with accumulated depreciation of $2,803,667. At June 30, 2017, the assets under capital lease equaled $4,743,159 with accumulated depreciation of $2,294,201. Amortization of assets under capital lease is included in depreciation expense. As of June 30, 2018, future minimum capital lease commitments are as follows:

Fiscal Year Ended	Amount
2019	$ 687,159
2020	705,287
2021	724,081
2022	394,293
2023	276,838
Total minimum obligation	2,787,658
Less interest	(302,449)
Totals	$ 2,485,209

Note 8 - Long-Term Liabilities

Changes in long-term liabilities for the years ended June 30, 2018 and 2017, were:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due within one year
Capital lease obligation	$ 2,972,752	$ 29,199	$ (516,742)	$ 2,485,209	$ 564,149
Compensated absences	809,944	1,236,203	(1,195,637)	850,510	170,102
	$ 3,782,696	$ 1,265,402	$ (1,712,379)	$ 3,335,719	$ 734,251

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within one year
Capital lease obligation	$ 3,439,723	$ -	$ (466,971)	$ 2,972,752	$ 512,869
Compensated absences	843,406	1,076,716	(1,110,178)	809,944	121,492
	$ 4,283,129	$ 1,076,716	$ (1,577,149)	$ 3,782,696	$ 634,361

Note 9 - Retirement

Public Employee Retirement System of Idaho

The Public Employee Retirement System of Idaho (PERSI), a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the members and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, the benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

Nonexempt employees and new hires previously vested in PERSI are eligible for enrollment. After five years of credited service, members become fully vested in retirement benefits earned to date. 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 allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

The contribution requirements of the College of Western Idaho and its employees are established and may be amended by the PERSI Board of Trustees.

Contributions for the two years ended June 30, are as follows:

	2018	2017
PERSI		
College required contribution rate	11.32%	11.32%
Percentage of covered payroll for employees	6.79%	6.79%
College contributions required and paid	$ 729,437	$ 607,304

Optional Retirement Plan

Effective July 1, 1997, the Idaho State Legislature authorized the Idaho State Board of Education 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 automatically enroll in the ORP and select their vendor option. Vendor options include Teachers Insurance and Annuity Associations – College Retirement Equities Fund (TIAA-CREF) and Variable Annuity Life Insurance Company (VALIC).

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.

Contributions for the two years ended June 30, were as follows:

	2018	2017
ORP		
College contribution rate	11.24%	11.24%
Employee contribution rate	6.97%	6.97%
College contribution	$ 1,776,257	$ 1,749,270

Note 10 - Pension Plan

Plan Description

The College of Western Idaho 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.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits to 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% 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. As of June 30, 2017 it was 6.79%. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32%. The College's contributions were $729,437 and $607,304 for the years ended June 30, 2018 and 2017, respectively.

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

At June 30, 2018 and 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, 2017 and 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 contributions of all participating PERSI Base Plan employers. At June 30, 2017 and June 30, 2016, the College's proportion was .001726945 and .001467181, respectively.

For the year ended June 30, 2018 and 2017, the College recognized pension expense (revenue) of $517,294 and $513,683, respectively. At June 30, 2018, the College of Western Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 376,038	$ 244,549
Changes in assumptions or other inputs	50,198	
Net difference between projected and actual earnings on pension plan investments	-	162,635
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY16 amortized over 5.5 years	-	9,326
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY17 amortized over 4.9 years	-	16,170
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY18 amortized over 4.9 years	342,884	-
College of Western Idaho contributions subsequent to the measurement date	729,437	-
Total	$ 1,498,557	$ 432,680

June 30, 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 296,357
Changes in assumptions or other inputs	66,114	-
Net difference between projected and actual earnings on pension plan investments	771,215	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY16 amortized over 5.5 years	-	13,056
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY17 amortized over 4.9 years	-	21,745
College of Western Idaho contributions subsequent to the measurement date	607,304	-
Total	$ 1,444,633	$ 331,158

The $729,437 and $607,304 as of June 30, 2018 and 2017, respectively, 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 next fiscal year.

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, 2016, the beginning of the measurement period ended June 30, 2017, is 4.9 years and 4.9 years for the measurement period June 30, 2016.

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:

Years ended June 30:	
2018	$ (68,954)
2019	333,638
2020	153,396
2021	(81,640)

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 July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Acturial Assumptions	
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
- Set back one year for all general employees and all beneficiaries

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Acturial Assumptions	
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
- Set back one year for all general employees and all beneficiaries

An experience 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, 2017, 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.

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 the 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, 2017:

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equity	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%

Total Fund	Expected Return	Expected Inflation	Expected Real Return	Expected Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

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	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	**7.10%**

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:

June 30, 2018	1% Decrease	Current Discount	1% Increase
Employer's proportionate share of the net pension liability (asset)	$ 6,308,966	$ 2,714,461	$ (272,668)

June 30, 2017	1% Decrease	Current Discount	1% Increase
Employer's proportionate share of the net pension liability (asset)	$ 5,834,327	$ 2,974,201	$ 595,691

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.

Note 11 - State OPEB plan

The College participates in other postemployment benefit plans relating to Retiree Healthcare and Retiree Disability administered by the State of Idaho as cost-sharing multiple-employer defined benefit plans. Idaho Code Sections 67-5760 to 67-5768 and 72-1335, establishes the benefits and contribution obligations. The plans do not issue publicly available financial reports. The most recent actuarial valuation is as of July 1, 2016. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis. The cost of administering the plans are financed by a surcharge to employers on all active employees of $0.09 per person per month for fiscal years 2017 and 2018. Additional details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the following location: www.sco.idaho.gov.

Plan Descriptions and Funding Policy

Retiree Healthcare Plan
A retired employee of the College who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themselves and eligible dependents. The employee must be receiving PERSI monthly benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from State service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The benefit is at least $1,860 per retiree per year. The retired plan members contribution percentage to the total premium cost increased from 73.7 in 2017 to 74.0 percent in 2018. The College was charged $16 and $16.14 per active employee per month towards the retiree premium cost during 2018 and 2017, respectively.

Long-Term Disability Plan
Disabled employees are defined as persons unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70 percent of their monthly salary for the first 30 months of disability. If after 30 months the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60 percent of their monthly salary the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the longer of 26 continuous weeks of total disability or exhaustion of accrued sick leave must be met.

For up to 6 months following the date of disability, an employee may continue healthcare coverage under the State plan. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The College was charged $10.53 per active employee per month in fiscal years 2018 and 2017 to fund the reserve.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60 percent of monthly pre-disability salary or $4,000, whichever is less. The benefit does not increase with inflation and may be offset by benefits from Social Security, Workers' Compensation or PERSI. The amount of the contribution is based on active claims and the number of insured individuals.

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The College pays 100 percent of the cost of the premiums. The College's contribution rate for the period was 0.290 percent of payroll in fiscal year 2018 and 2017. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than $20,000. In addition, the plan provides a $2,000 life insurance benefit for spouses and a $1,000 life insurance benefit for dependent children. These benefits do not increase with inflation. The State is self-insured for employees who became disabled prior to July 1, 2012. The employer pays 100 percent of the cost; the contribution is actuarially determined based on actual claims experience.

Principal Life Insurance Company insures employees disabled on or after July 1, 2012, and the obligation for the payment of basic life and dependent life coverage benefits has been effectively transferred. The College pays 100 percent of the premiums. This portion of the basic life insurance and dependent life coverage is not included in the actuarial estimate as this is considered an insured benefit.

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2016, and rolled forward to June 30, 2017 for the Retiree Healthcare and Long-Term Disability plans. There have been no significant changes between the valuation date and the fiscal year end.

The total OPEB liability as of June 30, 2017 was based on the 2016 PERSI Experience study for demographic assumptions and the July 1, 2016 OPEB Valuation for the economic and OPEB specific assumptions.

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

	Retiree Healthcare Plan	Long-Term Disability Plan	
		Healthcare	Life Insurance
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% general wage growth plus increases due to promotions and longevity	3.00% general wage growth plus increases due to promotions and longevity	3.00% general wage growth plus increases due to promotions and longevity
Discount rate	3.58%	3.58%	3.58%
Healthcare cost trend rates	9.9% claims and 3.8% premiums from year ending June 30, 2017 to year ending June 30, 2018, grading to an ultimate rate of 4.2% for 2096 and later years	9.9% claims and 3.8% premiums from year ending June 30, 2017 to year ending June 30, 2018, grading to an ultimate rate of 4.2% for 2096 and later years	N/A
Retiree's share of benefit-related costs	73.7% of projected health insurance premiums for retirees	N/A	N/A

Mortality rates for the Retiree Healthcare and the Long-Term Disability Healthcare plans were based on the RP-2000 Mortality for Employees, healthy Annuitants, and the Disabled Annuitants with generational projection per Scale AA with adjustments. Mortality rates for the Long-term Disability Life Insurance plan was based on the 2005 Group Term Life Waiver Reserve table developed by the Society of Actuaries. Mortality rates for the Long-term Disability Income plan was based on the 2012 Group Long-Term Disability Valuation Table.

Discount Rate

The actuary used a discount rate of 3.58 percent to measure the total OPEB liability. The discount rate was based on 20 year Bond Buyer Go Index.

OPEB Liability, OPEB Expense and Deferrals

Total OPEB Liability
Total OPEB liability components as of the measurement date of June 30, 2017:

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Total
Total OPEB Liability	$ 714,518	$ 47,352	$ 57,187	$ 819,057

OPEB Expenses and Deferrals
The College recognized the following OPEB expense for the year ended June 30, 2018:

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Total
OPEB Expense	$ 53,711	$ 6,624	$ 2,188	$ 62,523

The College recognized the following deferred outflows and no deferred inflows for the year ended June 30, 2018:

	Increase (Decrease)			
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Total
Deferred Outflows				
Difference between expected and actual experience	$ -	$ -	$ -	$ -
Changes of assumptions	-	-	-	-
Benefit payments subsequent to the measurement date	22,474	28,877	50,439	101,790
Total Deferred Outflows	$ 22,474	$ 28,877	$ 50,439	$ 101,790
Deferred Inflows				
Difference between expected and actual experience	$ -	$ -	$ -	$ -
Benefit payments subsequent to the measurement date	-	-	-	-
Benefit payments subsequent to the measurement date	-	-	-	-
Total Deferred Inflows	$ -	$ -	$ -	$ -

The College had no amounts reported as deferred outflows of resources and deferred inflow of resources to be recognized as OPEB expense (revenue) for the year ended June 30, 2018:

	Expense (Revenue)			
Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Total
2019	$ -	$ -	$ -	$ -
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
	$ -	$ -	$ -	$ -

Discount Sensitivity Rate

Sensitivity of the total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the College using the discount rate of 3.58 percent, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (2.58%) or 1 percent higher (4.58%) than the current rate:

	Retiree Healthcare Plan	Long-Term Disability Plan		
		Healthcare	Life Insurance	Total
1% Decrease 2.58%	$ 757,965	$ 48,681	$ 59,967	$ 866,613
Discount Rate 3.58%	$ 714,518	$ 47,352	$ 57,187	$ 819,057
1% Increase 4.58%	$ 673,156	$ 45,983	$ 54,652	$ 773,791

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate
The following presents the total OPEB liability of the College using current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	Retiree Healthcare Plan	Long-Term Disability Plan		
		Healthcare	Life Insurance	Total
1% Decrease	$ 649,664	$ 43,631	$ 57,187	$ 750,482
Current trend rate	$ 714,518	$ 47,352	$ 57,187	$ 819,057
1% Increase	$ 789,431	$ 51,503	$ 57,187	$ 898,121

Note 12 - PERSI/OPEB Sick Leave Insurance Reserve Trust Funds

Plan Descriptions and Funding Policy

The College of Western Idaho contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI 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 the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Sick Leave 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.

OPEB Benefits

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for state members. The College contributions for years ended June 30, 2018 and 2017, were $144,664 and $136,158, respectively.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the College reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2016. The College's proportion of the net OPEB asset was based on the College's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2018 and 2017, the College proportion was 0.019222891 percent.

For the year ended June 30, 2018, the College recognized OPEB expense offset of ($39,307). The $144,664 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2019.

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses

The long-term expected rate of return on OPEB 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 OPEB 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. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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.

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equity	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%

Total Fund	Expected Return	Expected Inflation	Expected Real Return	Expected 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	**8.08%**
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	**7.10%**

Discount Rate

The discount rate used to measure the total OPEB 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 OPEB plan's 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB asset to changes in the discount rate.

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net OPEB asset 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:

June 30, 2018	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net OPEB sick leave fund liability (asset)	$ (1,756,205)	$ (1,828,666)	$ (1,913,343)

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.

Note 13 - Management and Workers' Compensation

The College faces risks of loss from: (a) damage and loss to property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, and (d) environmental damage. The College participates in the Idaho Counties Risk Management Program (ICRMP). Payments are made to the risk management fund based on rates determined by factors including student population, payroll, and physical assets such as buildings and vehicles.

Commercial insurance coverage is purchased for claims arising from worker's compensation due to employee injuries. Payments made to the State Insurance Fund are based on a quarterly gross payroll multiplied by the current rate. Premiums are billed quarterly throughout the fiscal year beginning July 1. Premiums are then adjusted as necessary within the first quarter of the subsequent fiscal year. The College's billed premiums were $124,727 and $139,950 for fiscal years 2018 and 2017, respectively.

Note 14 - Related Party Transactions

The Foundation provides scholarships and various departmental and program support to the College based on the terms of the donations. The Foundation provided scholarship support of $314,459, of which $750 was a receivable from the Foundation at June 30, 2018 and departmental and program support of $118,579, of which $32,441 was a receivable from the Foundation at June 30, 2018. The Foundation provided scholarship support of $240,966, of which $3,130 was a receivable from the Foundation at June 30, 2017 and departmental and program support of $211,999, of which $109,635 was a receivable from the Foundation at June 30, 2017.

Payment of $558 was in transit from the College to the Foundation for employee payroll contributions at June 30, 2018. Payment of $494 was in transit from the College to the Foundation for employee payroll contributions at June 30, 2017.

The College provided professional services and materials to the Foundation which totaled $304,433 and $280,516, for the years ended June 30, 2018 and 2017, respectively.

Note 15 - Contingencies and Legal Matters

In the normal course of business, the College has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. Based on present knowledge, the College's management believes that any current commitments, contingent liabilities, or legal proceedings will not materially affect the financial position of the College.

Note 16 - Significant Commitments

At June 30, 2018, the College had several significant commitments that will be completed during fiscal year 2018. Significant commitments are listed below:

Capital Projects	
Facility improvements	$ 67,714
Total capital projects	67,714
Non Capital Projects	
Facility improvements	42,375
Marketing campaigns	30,000
Total noncapital projects	72,375
Total projects	$ 140,089

Note 17 - Adoption of New Standard

As of June 30, 2018, the College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively remove the prior OPEB liability reported under GASB Statement No. 45 and adopt the provisions of GASB Statement No. 75 to report the total OPEB liability, OPEB/PERSI asset and deferred outflows of resources related to contributions made after the measurement date as follows:

Net position at June 30, 2017	$ 102,819,764
Remove prior State OPEB plan liability at June 30, 2017	44,000
Record share of total State OPEB plan liability at June 30, 2017	(865,265)
Deferred outflow of resource related to State OPEB plan contribution made during the year ended June 30, 2017	108,731
Record share of net PERSI/OPEB sick leave reserve asset at June 30, 2017	1,653,290
Deferred outflow of resource related to PERSI/OPEB sick leave reserve contribution made during the year ended June 30, 2017	136,069
Net position at July 1, 2017, as restated	$ 103,896,589

Disclosures in Note 11 relating to the State OPEB plan have been updated to reflect the changes under GASB 75. Previous disclosures related to the State OPEB liability reported in 2017 were not included.

Note 18 - Subsequent Events

In November 2018, the College will be asking voters to approve a $39 million dollar plant facility levy. Support for this bond by the general public would fund the construction of a health science building on the Nampa campus. An approval rate of 55% is needed. The Idaho Legislature along with Governor Otter appropriated $10 million dollars as part of the FY19 State budget contingent upon the College raising the remaining funds. This plant facility effort will serve to fulfill the remaining funding needs.

A Certificate of Participation (COP) was approved by the College of Western Idaho Board of Trustees for a $14 million dollar bond sale for the College to purchase what is known as the Aspen Complex in Nampa. This will include three buildings and the parking that surrounds the buildings. This will be the College's first experience in the bond market. COP financing is in progress and closing will occur on September 25, 2018.

Note 19 - Component Unit

Foundation Operations and Significant Accounting Policies

Foundation Operations

The College of Western Idaho Foundation (the Foundation) was established in July 2010 to provide support for the private fundraising efforts of College of Western Idaho (the College) and to manage privately donated funds. The Foundation is a not-for-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors (the Board). Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of, and cannot be controlled by, the College. A memorandum of understanding between the Foundation and the College defines the relationship between the two entities in accordance with the State Board of Education's rules.

The Foundation is presented as a component unit in the College's financial statements, as required by the Governmental Accounting Standards Board.

Investments

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2018:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	$ 1,378,196	$ -	$ -	$ 1,378,196
Small cap	74,959	-	-	74,959
International equities	367,818	-	-	367,818
International emerging	148,621	-	-	148,621
Bond Funds				
US fixed income	829,595	-	-	829,595
Real Estate Investment Trusts	146,171	-	-	146,171
Total assets at fair value	2,945,360	-	-	2,945,360
Certificate of deposit at cost	-	-	-	245,999
Total investments	$ 2,945,360	$ -	$ -	$ 3,191,359

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2017:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	$ 1,282,317	$ -	$ -	$ 1,282,317
Small cap	158,854	-	-	158,854
International equities	421,402	-	-	421,402
Bond Funds				
US fixed income	837,567	-	-	837,567
Real Estate Investment Trusts	128,688	-	-	128,688
Total assets at fair value	2,828,828	-	-	2,828,828
Certificate of deposit at cost	-	-	-	245,241
Total investments	$ 2,828,828	$ -	$ -	$ 3,074,069

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classifications of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The significance of transfers between levels has been evaluated based upon the nature of the financial instruments and size of the transfer relative to the total net assets available for benefits. For the years ended June 30, 2018 and 2017, there were no significant transfers in or out of levels 1, 2, or 3.

Donated Professional Services and Materials

The Foundation received donated professional services and materials as follows during the years ended June 30, 2018 and 2017:

	Management and General	Fundraising and Development	Total
June 30, 2018			
Salaries and benefits	$ 146,873	$ 125,434	$ 272,307
Materials and supplies	14,846	-	14,846
Office space	17,280	-	17,280
Total donated materials and services	$ 178,999	$ 125,434	$ 304,433

	Management and General	Fundraising and Development	Total
June 30, 2017			
Salaries and benefits	$ 126,498	$ 123,988	$ 250,486
Materials and supplies	12,750	-	12,750
Office space	17,280	-	17,280
Total donated materials and services	$ 156,528	$ 123,988	$ 280,516

All donated materials and services were provided by the College.

Contributions Receivables

Contributions receivable represents unconditional promises to give to the Foundation and is measured at the present value of estimated future cash flows using the discount rate of 1.41%. An allowance for doubtful accounts for potentially uncollectible contributions of $0 was estimated and recorded as of June 30, 2018 and 2017.

Contributions receivable for the years ended June 30, 2018 and 2017, are as follows:

	2018	2017
Contributions receivable		
Due in one year or less	$ 1,500	$ 7,000
Due in one to five years	-	2,000
Over five years	-	-
Total contributions receivable	1,500	9,000
Less discount to present value	-	(70)
Net contributions receivable	$ 1,500	$ 8,930

Temporarily Restricted Net Assets

Temporarily restricted net assets arise from donor imposed restrictions limiting the use of funds for scholarships and program support.

Temporarily restricted net assets consist of the following as of June 30, 2018 and 2017:

	2018	2017
Restricted for use		
Department support	$ 1,910,103	$ 1,981,566
Scholarships	778,479	773,296
Total restricted net assets	$ 2,688,582	$ 2,754,862

Release from Restriction

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

The amounts released during the years ended June 30, 2018 and 2017, were as follows:

	2018	2017
Satisfaction of purpose restrictions		
Scholarships	$ 306,059	$ 234,766
Department support	113,426	206,147
	$ 419,485	$ 440,913

Endowment Funds

The Foundation's endowment consists of 35 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held $1,233,830 and $1,169,706 in true endowment funds at June 30, 2018 and 2017, respectively. 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 investment income earned on these permanently restricted net assets is generally restricted as to purpose and is recorded as temporarily restricted net assets.

The Board has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time that accumulation is added. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the Foundation in a manner that is consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund or endowment
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

The endowment fund net asset composition is as follows:

	Temporarily Restricted	Permanently Restricted	Total
At June 30, 2018			
Donor restricted endowment funds	$ 224,937	$ 1,233,830	$ 1,458,767
	$ 224,937	$ 1,233,830	$ 1,458,767
At June 30, 2017			
Donor restricted endowment funds	$ 179,752	$ 1,169,706	$ 1,349,458
	$ 179,752	$ 1,169,706	$ 1,349,458

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to maintain as a fund of perpetual duration.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and scholarships supported by its endowment while seeking to maintain the fair value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide both a reasonably predicted income stream and principle appreciation that exceeds inflation. The Foundation expects its endowment funds, over time, to provide an average minimum rate of return equal to or greater than the Foundation’s spending rate percentage and management fee.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within the prudent risk constraints.

The Foundation has a policy of appropriating for annual distribution 4.5% of its endowment fund’s average fair value as determined on December 31 over each of the three preceding years. The Foundation will not approve appropriations for expenditure of an amount that would cause the value of the institution’s endowments funds to fall below the aggregate historical dollar value (corpus) of the Foundation’s endowment fund. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at the rate of inflation. This is consistent with objectives to maintain the principal of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ending June 30, 2018 and 2017, respectively, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets			
End of year June 30, 2017	$ 179,752	$ 1,169,706	$ 1,349,458
Investment return			
Investment income, net of fees	28,621	-	28,621
Net realized and unrealized gain	66,649	-	66,649
Contributions	-	64,124	64,124
Appropriation of endowment assets for expenditures	(50,085)	-	(50,085)
Endowment assets			
End of year June 30, 2018	$ 224,937	$ 1,233,830	$ 1,458,767

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets			
End of year June 30, 2016	$ 70,991	$ 1,131,288	$ 1,202,279
Investment return			
Investment income, net of fees	23,333	-	23,333
Net realized and unrealized loss	126,379	-	126,379
Contributions	-	38,418	38,418
Appropriation of endowment assets for expenditures	(40,951)	-	(40,951)
Endowment assets			
End of year June 30, 2017	$ 179,752	$ 1,169,706	$ 1,349,458

The components of endowment funds classified as temporarily restricted net assets and permanently restricted net assets as of June 30, 2018 and 2017, are as follows:

	2018	2017
Temporarily restricted net assets		
The portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	$ 224,937	$ 179,752
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	$ 1,233,830	$ 1,169,706

Related Party Transactions

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received $14,358 and $31,334, in contribution revenue from Board members, during the years ended June 30, 2018 and 2017, respectively. Additionally, contributions receivable includes $1,000 receivable from Board members at June 30, 2018.

Required Supplementary Information
June 30, 2018

College of Western Idaho

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Reported as of the measurement date of June 30
Last 10 - Fiscal Years *

	2014	2015	2016	2017
Employer’s portion of net the pension liability	0.001496057	0.001483905	0.001467181	0.001726945
Employer’s proportionate share of the net pension liability	$ 1,101,332	$ 1,954,061	$ 2,974,201	$ 2,714,461
Employer’s covered payroll	$ 4,075,632	$ 4,150,474	$ 4,298,714	$ 5,364,004
Employer’s proportional share of the net pension liability as a percentage of its covered payroll	27.02%	47.08%	69.19%	50.61%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%	90.68%

* 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 of Western Idaho will present information for those years for which information is available.

Schedule of Employer Contributions
PERSI - Base Plan
Reported as of the year end date of June 30
Last 10 - Fiscal Years *

	2015	2016	2017	2018
Statutorily required contribution	$ 486,281	$ 486,614	$ 607,205	$ 727,643
Contributions in relation to the statutorily required contribution	$ (465,253)	$ (486,586)	$ (607,304)	$ (729,437)
Contribution (deficiency) excess	$ (21,028)	$ (28)	$ 98	$ 1,794
Employer’s covered payroll	$ 4,150,474	$ 4,298,714	$ 5,364,004	$ 6,427,942
Contributions as a percentage of covered payroll	11.32%	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 of Western Idaho will present information for those years for which information is available.

Schedule of Changes in the Employer's Share of State OPEB Liability
State of Idaho - OPEB Plan
Reported as of the year end date of June 30
Last 10 - Fiscal Years *

	2017
Beginning OPEB Liability	$ 865,265
Interest cost	30,198
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	-
Difference between projected and actual earnings	-
Service cost	32,325
Benefit payments	(108,731)
Net change in employer's share of OPEB liability	(46,208)
Ending OPEB Liability	$ 819,057

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis.

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the College of Western Idaho will present information for those years for which information is available.

Schedule of State OPEB Liability as Related to Covered Payroll
State of Idaho - OPEB Plan
Reported as of the year end date of June 30

	2017
Total State OPEB liability	$ 819,057
Covered payroll	$ 5,364,004
Net OPEB liability as a percentage of covered payroll	15.27%

Schedule of Employer's Share of Net PERSI/OPEB Asset
Reported as of the measurement date of June 30
PERSI/OPEB Sick Leave Insurance Reserve Fund
Last 10 - Fiscal Years *

	2017
Employer's portion of net the OPEB asset	1.9222891%
Employer's proportionate share of the net OPEB asset	$ 1,828,666
Employer's covered payroll	$ 20,942,432
Employer's proportionate share of the net OPEB asset as a percentage	8.73%
Plan fiduciary net position as a percentage of the total OPEB asset	204.12%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the College of Western Idaho will present information for those years for which information is available.

Schedule of Employer Contributions
PERSI/OPEB Sick Leave Insurance Reserve Fund
Reported as of the year end date of June 30
Last 10 - Fiscal Years *

	2018
Statutorily required contribution	$ 144,655
Contributions in relation to the statutorily required contributions	$ 144,664
Contribution (deficiency) excess	$ (9)
Employer's covered payroll	$ 22,254,615
Contributions as a percentatge of the covered payroll	0.65%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the College of Western Idaho will present information for those years for which information is available.

Other Information
June 30, 2018 and 2017

College of Western Idaho

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Institutional Support	Operations and Maintenance	Total
Operating Expenses								
Wages and salaries	$ 15,270,150	$ 4,056,670	$ 3,745,521	$ 168,882	$ 31,737	$ 3,444,370	$ 938,742	$ 27,656,072
Taxes and benefits	4,984,418	1,778,173	1,974,738	92,029	2,161	1,542,242	583,353	10,957,114
Supplies	3,143,606	738,414	153,827	4,526	-	61,083	268,688	4,370,144
Repairs and maintenance	242,453	1,040,897	40,002	378	-	85,461	556,221	1,965,412
Travel	38,558	130,566	91,738	8,816	-	70,246	8,783	348,707
Vehicles	57,752	433	686	-	-	6,000	10,773	75,644
Services	625,193	2,390,263	199,368	2,352	-	812,528	759,604	4,789,308
Miscellaneous	120,676	572,084	491,874	2,901	-	840,540	134,872	2,162,947
Insurance, rent, utilities	61,217	330,995	35,733	50	-	223,498	2,297,568	2,949,061
Financial aid	-	-	-	-	6,620,498	-	-	6,620,498
Depreciation	1,708,502	518,004	450,218	18,078	-	263,535	156,100	3,114,437
Fund transfer	1,467,731	(920,670)	(72,530)	-	-	(427,470)	(47,061)	-
Pension contributions - GASB 68	(132,955)	(158,674)	(217,956)	(18,803)	-	(126,716)	(74,333)	(729,437)
Plan pension expense - GASB 68	94,288	112,528	154,568	13,333	-	89,863	52,714	517,294
State OPEB contributions -GASB 75	(18,553)	(22,142)	(30,415)	(2,624)	-	(17,683)	(10,373)	(101,790)
State OPEB expense -GASB 75	11,396	13,601	18,682	1,612	-	10,861	6,371	62,523
PERSI/OPEB sick leave contributions - GAS	(26,368)	(31,468)	(43,226)	(3,729)	-	(25,131)	(14,742)	(144,664)
PERSI/OPEB sick leave revenue - GASB 75	(7,165)	(8,550)	(11,745)	(1,013)	-	(6,828)	(4,006)	(39,307)
Total operating expenses	$ 27,640,899	$ 10,541,124	$ 6,981,083	$ 286,788	$ 6,654,396	$ 6,846,399	$ 5,623,274	$ 64,573,963

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Institutional Support	Operations and Maintenance	Total
Operating Expenses								
Wages and salaries	$ 14,693,570	$ 3,758,230	$ 3,427,157	$ 134,697	$ 33,722	$ 3,050,428	$ 956,854	$ 26,054,658
Taxes and benefits	4,715,459	1,677,422	1,753,461	68,147	2,002	1,315,727	568,868	10,101,086
Supplies	2,104,860	578,763	163,858	2,047	-	98,672	181,811	3,130,011
Repairs and maintenance	354,453	921,619	18,277	-	-	68,229	577,329	1,939,907
Travel	89,397	109,945	86,063	6,819	-	80,449	3,978	376,651
Vehicles	65,418	854	188	48	-	5,267	10,981	82,756
Services	490,908	2,325,363	447,574	2,199	-	1,041,354	756,063	5,063,461
Miscellaneous	162,388	499,442	496,650	5,482	-	1,038,576	131,106	2,333,644
Insurance, rent, utilities	202,346	85,002	116,711	3,888	-	282,124	2,281,745	2,971,816
Financial aid	-	-	-	-	6,748,780	-	-	6,748,780
Depreciation	1,763,286	492,059	443,857	18,518	-	251,792	160,980	3,130,492
Fund transfer	869,564	(866,374)	(86,726)	(237)	(2,000)	85,773	-	-
Pension contributions - GASB 68	(117,623)	(134,551)	(169,695)	(12,764)	-	(95,398)	(77,273)	(607,304)
Plan pension expense - GASB 68	99,489	113,808	143,536	10,796	-	80,693	65,361	513,683
Total operating expenses	$ 25,493,515	$ 9,561,582	$ 6,840,911	$ 239,640	$ 6,782,504	$ 7,303,686	$ 5,617,803	$ 61,839,641

Single Audit Information
June 30, 2018

College of Western Idaho

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
College of Western Idaho
Nampa, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the College of Western Idaho, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 12, 2018. The financial statements of the discretely presented component unit, College of Western Idaho Foundation, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the College of Western Idaho Foundation.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered College of Western Idaho'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 College of Western Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of College of Western Idaho'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 over financial reporting 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 financial reporting 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 College of Western Idaho'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.

Eide Bailly LLP

Boise, Idaho
October 12, 2018

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
College of Western Idaho
Nampa, Idaho

Report on Compliance for the Major Federal Program

We have audited the College of Western 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 the College's major federal program for the year ended June 30, 2018. The College's major federal program is 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 the compliance for each of the College's major federal program 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 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 the Major Federal Program
In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance
Management of the College is responsible for establishing and maintaining effective internal control over compliance with the 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 its 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance described in the accompanying schedule of findings and questioned cost as item 2018- 001 that we consider to be a material weakness.

The College's response to the internal control over compliance finding identified in our audit is described in management's corrective action plan. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Boise, Idaho
October 12, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF EDUCATION			
Pass Through Payments from State Division of Career and Technical Education			
Adult Basic Education-Administered Basic Grant Program			
Federal Direct Services	84.002	AD 8660 L1	540,636
Required Leadership Training	84.002	AL 8660 B1	54,820
IELCE	84.002	AE 8660 P1	38,487
Pass Through Payments from State Division of Career and Technical Education			
IDOC Service Agreement	84.002	PCA06088	45,808
Total Adult Basic Education			679,751
Pass Through Payments from State Division of Career and Technical Education			
Career Technical Education - Basis Grants to States			
Perkins - CWI Summer Bridge Program	84.048	PR 8660 K2	14,189
Perkins - Academic Skills Development	84.048	PP 8660 A1	42,641
Perkins - Program Improvement	84.048	PP 8660 E1	5,702
Perkins - Professional Development	84.048	PP 8660 C1	40,744
Perkins - Strengthening Learning Communities	84.048	PP 8660 E2	106,062
Perkins - CWI CTE Advanced Opportunities	84.048	PR 8660 K1	100,854
Perkins - Transition Coordination	84.048	PP 8660 G2	32,501
Perkins - Perkins IV Nontraditional	84.048	PN 8660 H1	12,950
Perkins - CND Learning Community Coordinator	84.048	PP 8660 G1	40,303
Total Career Technical Education - Basic Grants to States			395,946
Pass Through Payments from Idaho Department of Corrections			
IDOC Service Agreement	84.013	PCA06108	99,657
Special Education Cluster (IDEA)			
IDOC Service Agreement	84.027	PCA06188	45,900
Total Idaho Department of Corrections			145,557
Pass Through Payments from Boise State University			
Title II, Part B - Mathematics and Science Partnerships	84.366	7913-F	7,986
Total Mathematics and Science Paternerships			7,986
Direct Programs			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		379,938
Federal College Work-Study	84.033		264,660
Federal Pell Grant	84.063		14,117,576
Iraq/Afghanistan Service Grant	84.408		5,512
Federal Direct Student Loans	84.268		9,890,923
Total Student Financial Assistance Cluster			24,658,609
Total U.S. Department of Education			25,887,849

See Notes to Schedule of Expenditures of Federal Awards

DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass Through Payments from University of Idaho			
INBRE	93.859	IAK400-SB-003	62,927
Pass Through Payments from Boise State University			
Bridges to Baccalaureate Program	93.859	7465-A	31,007
Total Department of Health and Human Serives			93,934
NATIONAL ENDOWMENT FOR THE ARTS			
Pass Through Payments from Idaho Humanities Council			
Promotion of Arts Partnership Agreements	45.025	5287ET-18	263
Total National Endowment for the Arts			263
APPRENTICESHIP USA GRANTS			
Pass Through Payments from Idaho Department of Labor			
Apprenticeship Idaho	17.285	CWI-AGE-3610	61,710
Total Apprenticeship USA Grants			61,710
NATIONAL SCIENCE FOUNDATION			
Pass Through Payments from University of Texas El Paso			
I-USE	47.076	226100975B	2,364
Pass Through Payments from University of Washington			
Pacific Northwest LSAMP	47.076	76184	12,932
Total Education and Human Resources			15,296
Pass Through Payments from University of Idaho			
EPSCoR RII Track 1	47.080	KBK990-SB-003	45,347
Total National Science Foundation Grants			60,643
Total Federal Expenditures			26,104,399

See Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the College under programs of the federal government for the year ended June 30, 2018. The information 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). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets (or net position or fund balance), or cash flows of the College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The College has elected to use the 10% de minimus cost rate unless otherwise specified within the grant.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	CFDA Number
Student Financial Assistance Programs Cluster	
Pell Grant	84.063
Direct Loans	84.268
Supplemental Education Opportunity Grant	84.007
College Work Study	84.033
Iraq/Afghanistan Service Grant	84.408

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings
None reported

Section III – Federal Award Findings and Questioned Costs

2018-001
Direct Programs – Department of Education CFDA # 84.063, 84.268, 84.007, 84.033, 84.408
Student Financial Aid Cluster – Special Tests and Provisions – Verification
Material Weakness in Internal Controls Over Compliance

Criteria:
34 CFR section 668.59(a) states that if a student is flagged for verification and if a student's FAFSA information changes as a result of verification, the institution must submit any changes and must recalculate aid awarded to the student, as necessary.

Condition:
During our review of the verification process, there were 5 instances out of 60 in which student information that was required to be updated as a result of verification was not accurately updated. In some instances, the review required by internal controls was conducted, but the error was not caught by that control.

Cause:
The College's existing control procedures for updating student FAFSA information as a result of the verification process was not operating as designed.

Effect:
Verification was conducted, but changes to student information as a result of verification was not accurately updated for these students. For one student, this resulted in a change in the amount of aid that should have been awarded.

Questioned Costs:
None reported

Sampling:
A non-statistical sample of 60 students who received federal financial assistance during the year. Of these students, we determined that 37 students required verification.

Repeat Finding from Prior Years:
No

Recommendation:
The College should implement a control process that regularly reviews the changes to be made to the student's FAFSA information as a result of verification and ensures that these changes have been appropriately submitted and updated and, if necessary, aid has been recalculated.

Views of Responsible Officials:
The CWI Financial Aid office has implemented mandatory double-checks on all verification work papers, indicated by a second set of initials. At the time these documents are scanned by individuals other than those that review verifications, there is a check to ensure two sets of initials are on each document. In addition, a random sampling of 20% of all verifications processed will be reviewed by a financial aid officer.