Financial Statements
June 30, 2022

College of Western Idaho

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of College of Western Idaho (the College) and its discretely presented component unit as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the College of Western Idaho Foundation were not audited in accordance with *Government Auditing Standards*.

Adoption of New Accounting Standard

As discussed in Notes 1 and 18 to the financial statements, the College has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of employer's share of net pension liability/asset and employer contributions, the other postemployment benefits – schedule of employer's share of the total state OPEB liability and covered payroll, and other postemployment benefits – schedule of employer's share of net PERSI/OPEB asset and employer contributions PERSI/OPEB sick leave insurance reserve fund as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
October 13, 2022

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 2022 and 2021, which ended June 30, 2022 and 2021. 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 currently 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 CWI's 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 2022, there was an overall increase of $9.3 million to the total net position. This increase was primarily due to an increase in Federal Grants and Contracts which included funding from the Higher Education Emergency Relief Fund (HEERF). Additional items of note are listed below.

During fiscal year 2022:

- Net Student Tuition and Fee Revenue decreased from $23.7 million to $23.2 million.
- Scholarship Allowance decreased from $8.4 million to $7.8 million.
- Operating Expenses increased from $74 million to $86 million.
- State Appropriations increased from $24.1 million to $26.7 million.
- State and Federal Financial Aid Expense decreased from $13.6 million to $12 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 year ended June 30, 2022, are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by most private-sector companies. These financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

Statement of Net Position

The Statement of Net Position presents the assets (current and 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. 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 levy, and the condition of the facilities.

Net position is divided into four major categories. The first category is Net Investment in Capital Assets, which provides the College's investment in capital assets and right-to-use assets net of the related debt. The second category is Restricted- Expendable, 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 related to the Public Employee Retirement System of Idaho (PERSI) and Other Post Employment Benefits (OPEB), is the Restricted- PERSI/OPEB sick leave reserve fund, which represents the net OPEB asset for the defined benefit OPEB plan that allows retirees who have a sick leave account to use their balance as a credit towards premiums. The fourth category is Unrestricted Net Position, which is net position available to the College for any lawful purpose of the institution.

Summary Financial Statement

Summary Statements of Net Position
As of June 30

	2022	2021**
Current and other assets	$106,417,505	$ 98,706,824
Capital assets and right-to-use assets	70,522,951	65,117,536
Total assets	176,940,456	163,824,360
Deferred outflows of resources	3,937,940	3,073,220
Total assets and deferred outflows of resources	$180,878,396	$166,897,580
Current liabilities	$ 7,244,216	$ 5,965,029
Noncurrent liabilities	15,508,487	17,784,991
Total liabilities	22,752,703	23,750,020
Deferred inflows of resources	6,798,771	1,105,263
Net position		
Net investment in capital assets	54,449,588	53,134,919
Restricted - expendable	477,880	224,711
Restricted - PERSI/OPEB sick reserve	2,934,088	2,618,510
Unrestricted	93,465,366	86,064,157
Total net position	151,326,922	142,042,297
Total liabilities, deferred inflows of resources, and net position	$ 180,878,396	$ 166,897,580

** The 2021 column has not been restated to include the implementation of GASB 87 and the impact on the operating leases and leases as lessor.

The College's total assets and deferred outflows of resources increased during fiscal year 2022 by $13,980,816, from $166,897,580 in 2021 to $180,878,396 in 2022. Contributing to the increase in assets was the additions to short-term investments held in the Local Government Investment Pool (LGIP) and an increase in Prepaid Expense. The College's total liabilities decreased during fiscal year 2022 by $997,317, from $23,750,020 in 2021 to $22,752,703 in 2022. This decrease was the result of an increase in the College's lease liabilities due to the implementation of GASB 87 and a decrease in the College's proportionate share of the PERSI net pension liability where it is now a net pension asset.

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.

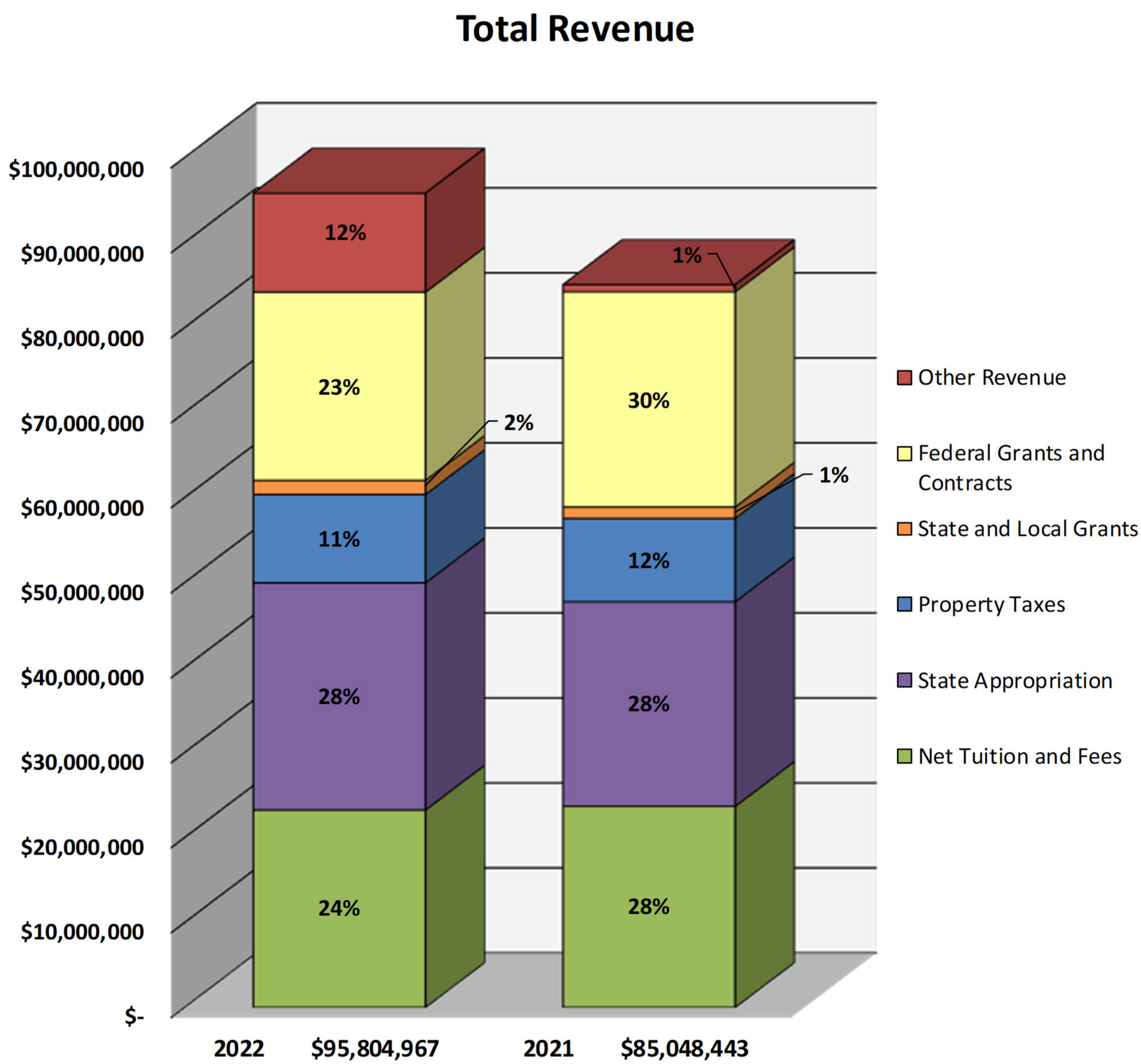
Generally, operating revenues are generated by providing services to various customers, students, and constituencies of the College, including but not limited to student tuition, fees, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the services provided 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.

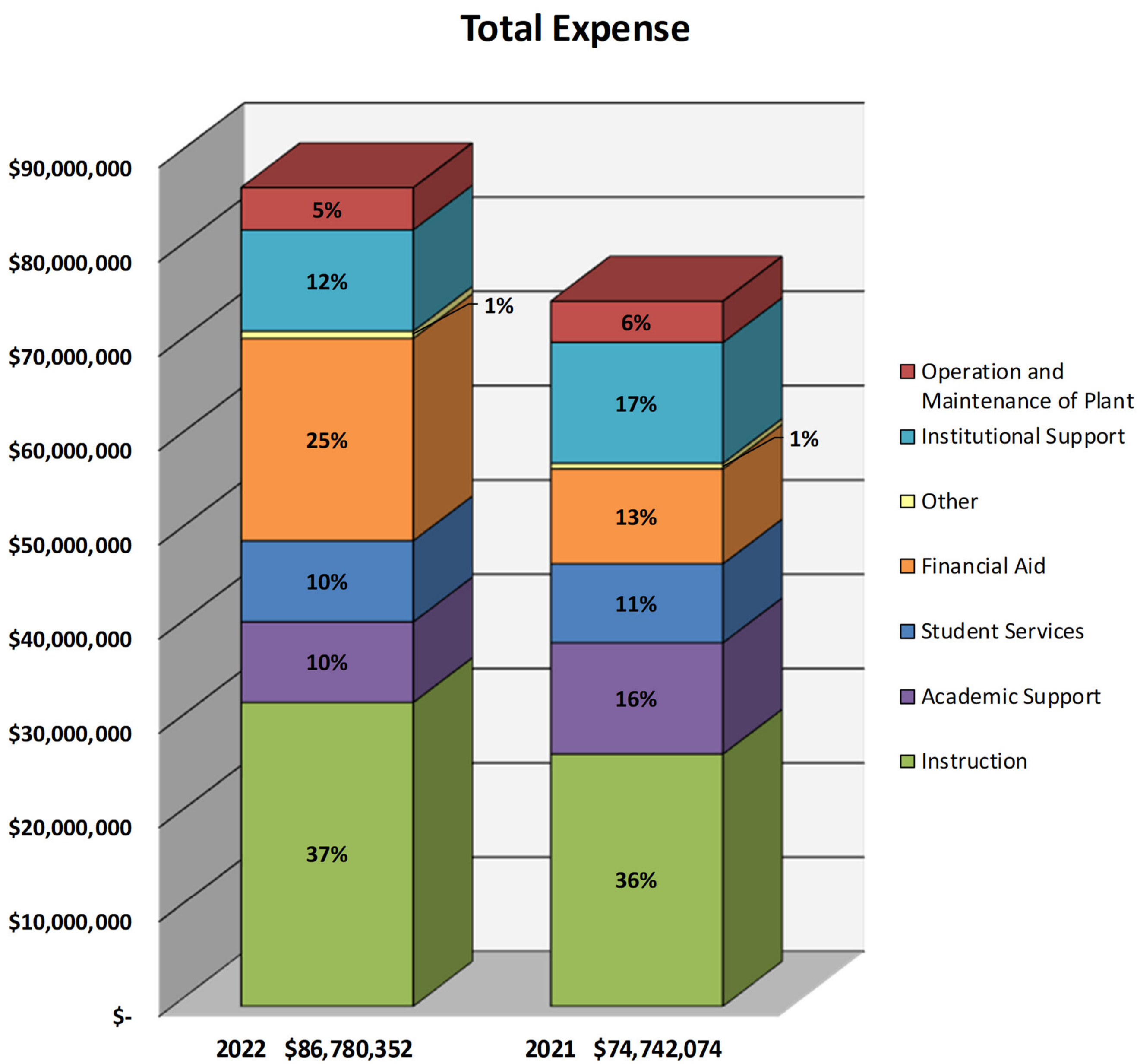
Summary Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years Ended June 30

	2022	2021**
Operating revenues	$ 47,279,980	$ 36,605,655
Operating expenses	86,312,807	74,357,870
Operating loss	(39,032,827)	(37,752,215)
Nonoperating revenues (expense)		
State appropriation	26,725,400	24,074,600
Private gifts	160,941	208,266
Investment income (loss)	(1,472,186)	(40,974)
Local taxes	10,386,789	9,804,546
State and federal financial aid	11,982,986	13,612,865
Other nonoperating revenue	741,057	783,485
Interest expense	(467,545)	(384,204)
Nonoperating revenues	48,057,442	48,058,584
Capital gifts	260,010	21
Change in net position	9,284,625	10,306,390
Net position - beginning of year	142,042,297	131,735,907
Net position - end of year	$151,326,922	$142,042,297

** The 2021 column has not been restated to include the implementation of GASB 87 and the impact on the operating leases and leases as lessor.

The Statement of Revenues, Expenses and Changes in Net Position reflects an overall increase in net position during fiscal year 2022. Operating revenues increased by $10,674,325 from $36,605,655 in 2021 to $47,279,980 in 2022. This increase was a result of an increase in Federal grants and contracts which included funding from the Higher Education Emergency Relief Fund (HEERF). Operating expenses increased by $11,954,937 from $74,357,870 in 2021 to $86,312,807 in 2022. The increase in operating expenses was due to multiple factors including an increase in financial aid due to the distribution of HEERF funding to students, classroom upgrades, and an increase in expenses related to the College rebranding.


Total Revenue
$100,000,000
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
12%
23%
2%
11%
28%
24%
1%
30%
1%
12%
28%
28%
2022 $95,804,967
2021 $85,048,443
Other Revenue
Federal Grants and Contracts
State and Local Grants
Property Taxes
State Appropriation
Net Tuition and Fees


Total Expense
$90,000,000
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
5%
12%
1%
25%
10%
10%
37%
6%
17%
1%
13%
11%
16%
36%
2022 $86,780,352
2021 $74,742,074
Operation and Maintenance of Plant
Institutional Support
Other
Financial Aid
Student Services
Academic Support
Instruction

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 in the 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

	2022	2021**
Cash and cash equivalents from (used for)		
Operating activities	$ (37,860,659)	$ (33,723,730)
Noncapital financing activities	49,267,325	48,176,076
Capital and related financing activities	(4,441,256)	(2,290,335)
Investing activities	(11,939,021)	(9,157,814)
Net change in cash and cash equivalents	(4,973,611)	3,004,197
Cash and cash equivalents, beginning of year	7,829,193	4,824,996
Cash and cash equivalents, end of year	$ 2,855,582	$ 7,829,193

** The 2021 column has not been restated to include the implementation of GASB 87 and the impact on the operating leases and leases as lessor.

Cash used in operating activities totaled $37,860,659 in fiscal year 2022 compared to $33,723,730 in fiscal year 2021. This increase was due to a 4 percent change in employee compensation and an increase is technology services related to remote learning. Cash provided by noncapital financing activities increased to $49,267,325 in fiscal year 2022 compared to $48,176,076 in fiscal year 2021. This increase was primarily attributable to an increase of state appropriations. Cash used in capital and related financing activities increased to $4,441,256 in fiscal year 2022 compared to $2,290,335 in fiscal year 2021. The increase was a result of implementing GASB 87 which converted operating leases to capital leases; as a result, the associated payments are now reflected in capital and related financing activities instead of operating activities. Cash used in investing activities increased to $11,939,021 in fiscal year 2022, compared to $9,157,814 in fiscal year 2021. This increase was due to the reinvestment of funds from investments that had matured in fiscal year 2022.

Capital Assets and Right-to-use

The College's investment in Capital Assets as of June 30, 2022, equates to $70,522,951 net of accumulated depreciation and amortization compared to $71,181,484 as of June 30, 2021. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The decrease was a result of more depreciation than additions to fixed assets during fiscal year 2022.

Debt Administration

During fiscal year 2019, the College issued 2018 Series Certificates of Participation in the amount of $13,270,000. Proceeds from these bonds were used to purchase the Nampa Aspen Creek Complex consisting of three buildings and the parking that surrounds the buildings. Note 8 provides additional information.

Economic Outlook

The July 2022 Idaho Economic Forecast published by the Idaho Division of Financial Management reflected an outlook, relative to the local economy, that was not as robust as the previous year. The increase in inflation from both pre- and post-COVID levels is starting to have a negative impact on both the national and local economies, although it seems to be less impactful in Idaho for the time being. Key indicators in the forecast include:

1. Overnight Interest rates, which started the year at about 0.25% have risen to over 3% (home mortgage rates are over 5%), thus negatively impacting the housing market in the Treasure Valley. Despite this, housing starts are expected to remain strong due to the influx of population from other states.
2. The forecast continues to see Idaho population growing more quickly than the US population, anticipating about 30,000 net people moving to the state per year over the next 4-5 years.
3. The BLS survey called Job Openings and Labor Turnover Survey (JOLTS) has consistently indicated that there are more job openings than unemployed people within the state.
4. Idaho continues to experience unemployment around 2.5%, below the national average of 3.6% (March). This unemployment rate has remained consistent over the last few months.
5. First quarter data from the Bureau of Economic Analysis showed 2022Q1 personal income in Idaho increased by 6.2% (on an annual basis) compared to 4.5% nationally.

The overall economic climate in Idaho and the Treasure Valley remains relatively strong. The Idaho Governor and legislature continue to adopt balanced budgets for the State of Idaho. The strength of personal income growth will continue to contribute to higher-than-expected tax revenues for the state. For fiscal year 2023, the Idaho legislature adopted a budget to reflect the strength of the Idaho economy. The College received a total appropriation of $29.4M in state funds for fiscal year 2023, which is an increase of approximately $2.7M over the fiscal year 2022 appropriation. This amount includes the following adjustments: (a) $700K for additional positions in our Cybersecurity program, IT support, and Student Counselling and advising; (b) $2.0M to support increases in compensation for College employees. Additionally, the College budgeted for a 3% increase in property tax when combined with the new construction tax rolls will result in approximately $567K additional revenue. The College was also awarded $15M in state funding to move ahead with campus expansion by building a Medical and Sciences building and moving the Horticulture program from east Boise to the Nampa campus.

Because of the uncertainty of the current economic situation and the possible looming recession, the College administration continues to be conservative in its approach to managing the College's finances and assets. For example, the College budgeted for fiscal year 2023 tuition and fee revenue to be down 7% relative to fiscal year 2022 (decrease of $1.7M) due to a projected decline in student credit enrollment. The College had conservative earmarks in its fiscal year 2022 budget: (a) $2.5M for increasing long-term campus reserves; (b) $2.3M for contingencies associated with needs that may arise related to COVID; (c) $450K for potential supplemental needs; and (d) $500K for contingencies associated with small construction projects on campus. The College also ensured that funds were budgeted to meet the obligations associated with its Certificates of Participation (COP). Finally, the College invested one-time funds in initiatives to shore up its physical plant assets and mostly finished the implementation of the new CWI branding. Collectively, ongoing conservative budgeting decisions will continue to increase the financial stability of the College and will provide future flexibility in the event that enrollment declines beyond fiscal year 2023.

Enrollment in fiscal year 2022 was down 3.5% relative to fiscal year 2021. The College attributes this to the ongoing impact of the COVID pandemic and the strong economic recovery after the decline at the onset of the pandemic; it is not uncommon for community colleges to experience enrollment declines during periods when lucrative employment is easily obtained as demonstrated by the numerous help wanted signs throughout the Treasure Valley. The President's Cabinet remains focused on taking steps to increase and maintain student enrollment to include improvement in persistence and retention rates.

Along with other public higher education institutions in the State of Idaho, the College of Western Idaho in 2022 did experience continued effects from the COVID 19 pandemic. Federal funding awarded in 2021 was largely received and spent in 2022. These federal grants provided funds the College used to help offset increased costs due to COVID 19. In total, the College of Western Idaho was awarded approximately $32M in grant funds from March 2020 through June 2021. The College rolled forward approximately $26.9M of these funds to be used in fiscal year 2022. Expenditures in 2022 were in many of the same areas as 2021, including: (a) direct support to students; (b) increasing the level of technology required by online, hybrid, and asynchronous classes; (c) providing free rapid test kits on demand to students and employees; (d) providing the highest level of sanitized facilities; (e) the backfill of lost revenue attributable to COVID; and (f) for various other COVID-related expenditures.

Fiscal year 2022 saw the arrival of a new President with a vision for the future. Under his guidance we began a modest restructuring and reorganization to bolster the fundraising capabilities of the College. At the end of April 2022, the Vice President of Finance the College had hired only the year previously, departed for opportunities elsewhere. The vacancy is currently filled by an interim VP while a search is undertaken for a replacement.

Even with the leadership changes, the strong economic outlook has enabled the College to forge ahead with long held plans for the future. In April, the College's Board of Trustees approved the commencement of construction of two new facilities on the Nampa campus: a Medical and Sciences building and a center for Horticulture. When complete, both facilities will consolidate programs that are currently located in several areas throughout the Treasure Valley. Additionally, the Board of Trustees approved commencement of planning on a mixed-use project to be located on the College's property in downtown Boise, known as the Whitewater parcel.

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 William Reuter, Interim Vice President of Finance, College of Western Idaho, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

Assets	
Current Assets	
Cash and cash equivalents	$ 2,832,771
Short-term investments	65,219,387
2018 COP restricted debt service	22,811
Student fees receivable (net of allowance - $1,299,784)	306,241
Accounts receivable	1,794,043
Accrued interest income	142,363
Property tax receivable	3,658,496
Lease receivable, current	7,146
Prepaid expenses and other assets	1,626,917
Total current assets	75,610,175
Noncurrent Assets	
Long-term investments	27,009,333
Lease receivable, noncurrent	15,359
Capital assets, not depreciated	30,429,070
Capital assets and right-to-use asset, net	40,093,881
Net pension asset	161,095
Net PERSI/OPEB sick leave reserve fund asset	3,621,543
Total noncurrent assets	101,330,281
Total assets	176,940,456
Deferred Outflows of Resources	
Deferred net pension	3,287,033
Deferred State OPEB	385,587
Deferred PERSI/OPEB sick leave reserve fund	265,320
Total deferred outflows of resources	3,937,940
Total Assets and Deferred Outflows of Resources	$ 180,878,396

Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued expenses	$ 620,985
Accrued payroll and related costs	3,165,562
Unearned tuition revenue	1,013,282
2018 COP payable	773,456
Lease obligation	1,293,118
Other liabilities	377,813
Total current liabilities	7,244,216
Noncurrent Liabilities	
Compensated absences	966,703
2018 COP payable, net of current portion	10,351,866
Lease obligation, net of current portion	3,654,923
Net State OPEB liability	486,353
Other liabilities	48,642
Total noncurrent liabilities	15,508,487
Total liabilities	22,752,703
Deferred Inflows of Resources	
Deferred lease resources	15,359
Deferred net pension	5,408,737
Deferred State OPEB	421,900
Deferred OPEB sick reserve	952,775
Total deferred inflows of resources	6,798,771
Net Position	
Net investment in capital assets	54,449,588
Restricted - expendable	477,880
Restricted - PERSI/OPEB sick leave reserve fund	2,934,088
Unrestricted	93,465,366
Total net position	151,326,922
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 180,878,396

Operating Revenues	
Tuition and fees	$ 30,999,135
Less: Scholarship allowance	(7,754,844)
Net tuition and fees	23,244,291
Federal grants and contracts	22,141,858
State and local grants	1,662,232
Sales and services of educational activities	158,925
Other operating revenue	72,674
Total operating revenues	47,279,980
Expenses	
Operating Expenses	
Instruction	32,203,647
Academic support	8,537,324
Student services	8,605,454
Public service	313,604
Financial aid	21,438,774
Institutional support	10,741,032
Operations and maintenance	4,472,972
Total operating expenses	86,312,807
Operating Loss	(39,032,827)

Nonoperating Revenues (Expenses)	
State appropriations	26,725,400
Private gifts	160,941
Net investment income	416,449
Change in fair value of investments	(1,888,635)
Local taxes	10,386,789
State and federal financial aid	11,982,986
Liquor tax revenue	200,000
Other revenue	541,057
Interest expense	(467,545)
Total nonoperating revenues	48,057,442
Income before Capital gifts	9,024,615
Capital gifts	260,010
Change in Net Position	9,284,625
Net Position, Beginning of Year, as restated	142,042,297
Net Position, End of Year	$151,326,922

Operating Activities	
Tuition and fees	$ 22,940,837
Grants and contracts	23,804,090
Payments to suppliers	(37,720,127)
Payments to employees	(47,112,700)
Sales and service education	158,925
Other revenue	68,316
Net Cash used for Operating Activities	(37,860,659)
Noncapital Financing Activities	
State appropriations	26,725,400
Gifts and grants for other than capital purposes	(453,423)
Local tax	10,629,315
State and federal financial aid	11,982,986
Other revenue	383,047
Net Cash from Noncapital Financing Activities	49,267,325
Capital Financing Activities	
Interest paid	(467,552)
Payments on lease	(1,216,122)
Payments on COP lease	(747,856)
Proceeds from sale of fixed assets	82,472
Purchases of capital assets	(2,092,198)
Net Cash used for Capital Financing Activities	(4,441,256)
Investing Activities	
Purchase of investments	(11,012,293)
(Purchase) of money market funds	(310,996)
Reinvestment of earnings	(615,732)
Net Cash used for Investing Activities	(11,939,021)
Net Change in Cash, Restricted Cash, and Cash Equivalents	(4,973,611)
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	7,829,193
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 2,855,582

Reconciliation of Operating Loss to Net Cash		
Used for Operating Activities		
Operating loss	$	(39,032,827)
Adjustments to reconcile operating loss to net cash		
used for operating activities		
Depreciation		2,990,449
GASB 68 - Actuarial pension expense		(874,243)
GASB 75 - State OPEB (revenue) expense		(29,743)
GASB 75 - PERSI/OPEB sick leave reserve fund revenue		(315,578)
(Gain) on disposal of asset		(48,937)
Change in assets and liabilities		
Student receivable, net		(7,572)
Prepaids and other assets		(486,140)
Accounts payable		214,599
Unearned tuition revenue		(295,882)
Other liabilities		46,281
Accrued payroll and payroll costs		4,770
Compensated absences		(25,836)
Net Cash used for Operating Activities	$	(37,860,659)
Reconciliation of Cash, Restricted Cash, and Cash Equivalents		
Cash and cash equivalents	$	2,832,771
Restricted cash		22,811
Total cash, restricted cash, and cash equivalents	$	2,855,582
Supplemental Disclosure of Noncash Activity		
Donation of capital assets	$	260,010
Property acquired with accounts payable	$	27,809

	2022
Assets	
Current Assets	
Cash and cash equivalents	$ 1,621,574
Investments - nonendowment	1,871,585
Other receivables	2,141
Interest receivable	6,319
Total current assets	3,501,619
Noncurrent Assets	
Investments - endowment	2,324,565
Total noncurrent assets	2,324,565
Total assets	$ 5,826,184
Liabilities and Net Assets	
Current Liabilities	
Accounts payable and accrued expenses	$ 2,938
Total liabilities	2,938
Net Assets	
Without donor restrictions	
Undesignated	1,090,948
Total net assets without donor restrictions	1,090,948
With donor restrictions	
Purpose restrictions	2,859,256
Perpetual in nature	1,881,919
Underwater endowments	(8,877)
Total net assets with donor restrictions	4,732,298
Total net assets	5,823,246
Total liabilities and net assets	$ 5,826,184

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions and gifts	$ 18,155	$ 598,764	$ 616,919
Contributed services	376,800	-	376,800
Net investment return	(184,780)	(322,079)	(506,859)
Special events revenue (net of cost of direct benefit to donors $10,275)	41,806	11,550	53,356
Net assets released from restriction	679,128	(679,128)	-
Total revenues	931,109	(390,893)	540,216
Expenses			
Program support to College of Western Idaho			
Scholarships	499,492	-	499,492
Department support	180,017	-	180,017
Support services			
General operations	408,079	-	408,079
Total expenses	1,087,588	-	1,087,588
Change in Net Assets	(156,479)	(390,893)	(547,372)
Net Assets, Beginning of Year	1,247,427	5,123,191	6,370,618
Net Assets, End of Year	$ 1,090,948	$ 4,732,298	$ 5,823,246

Operating Activities	
Change in net assets	$ (547,372)
Adjustments to reconcile change in net assets to net cash used for operating activities	
Contributions restricted to endowment	(42,551)
Endowment net investment return	295,640
Realized and unrealized gains/losses	168,101
Changes in operating assets and liabilities	
Other receivable	(2,141)
Interest receivable	(894)
Accounts payable	(35,500)
Net Cash used for Operating Activities	(164,717)
Investing Activities	
Purchase of investments	(1,050,886)
Withdrawal from endowment	101,475
Proceeds from sale of investments	1,072,535
Net Cash (used for) from Investing Activities	123,124
Financing Activities	
Collection of contributions restricted to endowments	42,551
Net Cash from Financing Activities	42,551
Net Change in Cash and Cash Equivalents	958
Cash and Cash Equivalents, Beginning of Year	1,620,616
Cash and Cash Equivalents, End of Year	$ 1,621,574

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 allows 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 year ended June 30, 2022 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 year ended June 30, 2022, 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.

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 on deposit with the LGIP as short-term investments.

Accounts Receivable

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.

Property Tax Receivable

Property taxes that are levied for 2008 through 2021 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.

Lease Receivable

Lease receivables are a result of an agreement where the College leases property to another entity. Lease receivable is recorded at the amount listed in the agreement.

Prepaid Expenses

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

Restricted Cash

Restricted cash includes the amount held in the debt service fund for the 2018 Certificates of Participation.

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

Unearned tuition 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 lease obligations, certificates of participation, other post-employment benefit obligations, and compensated absences.

Material bond premiums are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized in the period that the bonds are issued.

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 position 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 OPEB sick leave reserve obligation reported on the Statement of Net Position. The deferred net pension, OPEB and 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 OPEB sick leave reserve liabilities.

In addition to liabilities, the Statement of Net Position includes 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 four items that qualifies for reporting in this category: the deferred net pension assumption, deferred State OPEB, deferred OPEB sick reserve and deferred lease resources. The deferred net pension assumption, deferred State OPEB, and deferred OPEB sick reserve results from the differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments or other inputs derived from the actuarial calculation of the College's net pension, State OPEB and OPEB sick reserve liability. The deferred lease resources results from leasing building resources to another entity in the form of a lease agreement with the assumption of future revenue received from this transaction.

Pensions

For purposes of measuring the net pension asset/liability and pension expense, information about the fiduciary net position of the PERSI Base Plan (Base Plan) and additions to/deductions from the 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 asset, deferred outflows of resources and deferred inflows of resources related to PERSI/OPEB, and PERSI/OPEB expense (expense offset), information about the fiduciary net position of the PERSI Sick Leave Reserve Fund and additions to/deductions from the 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 including leased assets, net of outstanding debt and lease 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.

Restricted Net Position, PERSI/OPEB sick leave reserve fund – This includes resources which the College is required to reserve for the PERSI/OPEB sick leave reserve fund obligation.

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, 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.

Federal Student Loan Program

The College receives proceeds from the Federal Direct Student Loan Program. The College transmits these grantor supplied moneys without having administrative or direct financial involvement in the program. Federal student loans received by the College’s students but not reported in operations for the year ended in June 30, 2022 was $7,325,405.

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, 2022.

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.

Implementation of GASB Statement No. 87

As of July 1, 2021, the College adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 18 and the additional disclosure required by this standard is included in Note 7.

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, 2022, the College's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank deposit	$ 4,593,130	$ 2,759,760
Change funds	-	5,870
Money market	67,141	67,141
Total cash and cash equivalents	4,660,271	2,832,771
Restricted Cash		
2018 COP - Money market	22,811	22,811
Total cash	$ 4,683,082	$ 2,855,582

At June 30, 2022, the College's investments consisted of the following:

			Maturity		
	Cost	Fair Value	Less than 1 year	1-5 years	Percentage
Investments					
State Treasurer's Local Government Pool (LGIP)	$54,728,047	$54,728,047	$ 54,728,047	$ -	58.38%
U.S. Government Issues	39,024,176	37,500,673	10,491,340	27,009,333	41.62%
Total external investment pool and U.S treasuries	$93,752,223	$92,228,720	$ 65,219,387	$27,009,333	100.00%

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, 2022, none 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 average 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 at 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 are 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, 2022, are as follows:

Investment	Rating	Face Value	Market
US Government Issues	Aaa	$ 38,125,000	$ 36,649,768
US Government Issues	N/A*	900,000	850,905
		$ 39,025,000	$ 37,500,673

*Not Rated

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 Issues have been structured to mature at regular intervals, $10,491,340 maturing within one year and $27,009,333 maturing in 1-5 years, 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, 2022:

		Fair Value Measurements Using		
Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
U.S. Treasuries	$ 37,500,673	$ 24,619,608	$ 12,881,065	$ -
Money Market	67,141	67,141	-	-
Total investments	$ 37,567,814	$ 24,686,749	$ 12,881,065	$ -

Note 3 - Accounts Receivable

Accounts receivable refers to the portion due to the College by various customers and constituencies of the College as a result of providing services to said groups. Grants receivable are invoiced monthly and represents revenue recorded when related expenses are incurred for which payment has not yet been received from the granting entity.

Accounts receivable at June 30, 2022, consisted of the following:

	2022
Accounts Receivable	$ 156,687
Federal, State, and Private Grants	1,637,356
	$ 1,794,043

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

Taxes on real property are a lien on the property and attach on January 1 of the year for which the taxes are levied. Taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 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.

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

Note 5 - Capital Assets

The following are the changes in capital and right-to-use assets for the year ended June 30, 2022:

	Balance June 30, 2021 as restated	Additions	Retirements	Transfers	Balance June 30, 2022
Capital assets not being depreciated					
Land	$ 29,023,610	$ -	$ (30,602)	$ -	$ 28,993,008
Construction in progress	522,371	1,093,060	-	(179,369)	1,436,062
Total capital assets not being depreciated	29,545,981	1,093,060	(30,602)	(179,369)	30,429,070
Right-to-use assets					
Buildings - lease	5,682,446	-	-	-	5,682,446
Equipment - lease	907,331	-	(341,769)	-	565,562
Total right-to-use assets	6,589,777	-	(341,769)	-	6,248,008
Less accumulated amortization					
Buildings - lease	-	189,415	-	-	189,415
Equipment - lease	426,013	113,513	(336,903)	-	202,623
Total accumulated amortization	426,013	302,928	(336,903)	-	392,038
Right-to-use assets, net	6,163,764	(302,928)	(4,866)	-	5,855,970
Other capital assets					
Land improvements	1,347,514	-	-	-	1,347,514
Buildings	39,604,270	-	-	-	39,604,270
Building improvements	2,344,413	664,434	-	179,369	3,188,216
Leasehold improvements	3,585,524	-	-	-	3,585,524
Equipment	7,355,118	178,437	(104,506)	-	7,429,049
Computer equipment	1,949,265	252,741	(20,699)	-	2,181,307
Books	1,805,600	147,737	-	-	1,953,337
Vehicles	1,251,107	33,400	(19,411)	-	1,265,096
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	61,128,677	1,276,749	(144,616)	179,369	62,440,179
Less accumulated depreciation					
Land improvements	551,279	102,521	-	-	653,800
Buildings	10,343,366	1,292,168	-	-	11,635,534
Building improvements	633,772	183,871	-	-	817,643
Leasehold improvements	3,078,059	106,005	-	-	3,184,064
Equipment	5,320,243	634,269	(102,081)	-	5,852,431
Computer equipment	1,772,760	131,458	(20,699)	-	1,883,519
Books	948,008	172,739	-	-	1,120,747
Vehicles	1,123,585	64,490	(19,411)	-	1,168,664
Intangibles	1,885,866	-	-	-	1,885,866
Total accumulated depreciation	25,656,938	2,687,521	(142,191)	-	28,202,268
Other capital assets, net	35,471,739	(1,410,772)	(2,425)	179,369	34,237,911
Capital assets and right-to-use assets, net	41,635,503	(1,713,700)	(7,291)	179,369	40,093,881
Total capital assets and right-to-use assets, net	$ 71,181,484	$ (620,640)	$ (37,893)	$ -	$ 70,522,951

Note 6 - Unearned Revenue

Unearned 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 revenue consists of the following at June 30:

Student fees	$ 1,013,282
Total	$ 1,013,282

Note 7 - Lease Obligations

The College has several leasing arrangements, summarized below:

Lessee:

The College entered a lease agreement for a pay-for-print copier system for 63 months, beginning January 1, 2019. The lease terminates March 31, 2024. Under the terms of the lease, the College pays a monthly base fee of $3,185. The College has an option to terminate the lease after the initial lease term which the College believes it will exercise with reasonable certainty. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $184,060, accumulated amortization of $128,742 and a lease liability of $64,849 related to this agreement. During the fiscal year, the College recorded $36,812 in amortization expense and $2,860 in interest expense for the right-to-use the pay-for-print system. The College used a discount rate of 3.4%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for copiers for 66 months, beginning January 1, 2021, with payments beginning October 1, 2021. The lease terminates December 31, 2026. Under the terms of the lease, the College pays a monthly base fee of $6,800. The College has an option to terminate the lease after the initial lease term which the College believes it will exercise with reasonable certainty. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $381,502, accumulated amortization of $73,781 and a lease liability of $331,189 related to this agreement. During the fiscal year, the College recorded $73,781 in amortization expense and $10,887 in interest expense for the right-to-use the copiers. The College used a discount rate of 4.59%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for land for 60 months, beginning July 1, 2021. The lease terminates June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of $40,975, increasing 3.0% annually on the anniversary of the agreement. The College has an option to terminate the lease after the June 30, 2026, which the College believes it will exercise with reasonable certainty. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $204,532, accumulated amortization of $6,818 and a lease liability of $167,750 related to this agreement. During the fiscal year, the College recorded $6,818 in amortization expense and $4,193 in interest expense for the right-to-use the land. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for library shelf space for 36 months, beginning July 1, 2021. The lease terminates June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of $7,677, increasing approximately 2.5% annually on the anniversary of the agreement. The College has an option to terminate the lease after the June 30, 2026, which the College believes it will exercise with reasonable certainty. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $38,049, accumulated amortization of $1,268 and a lease liability of $31,152 related to this agreement. During the fiscal year, the College recorded $1,268 in amortization expense and $780 in interest expense for the right-to-use the shelf space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Mallard building for 35 months, beginning July 1, 2021. The lease terminates May 31, 2024. Under the terms of the lease, the College pays a monthly base fee of $21,518, increasing 3.0% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid $90,620 during the year towards those variable costs. The College has an option to terminate the lease after the May 31, 2024, which the College believes it will not exercise with reasonable certainty. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $721,184, accumulated amortization of $24,039 and a lease liability of $485,088 related to this agreement. During the fiscal year, the College recorded $24,039 in amortization expense and $10,738 in interest expense for the right-to-use the space. The College used a discount rate of 1.75%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Lynx Building for 60 months, beginning July 1, 2021. The lease has been recorded through June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of $6,673.72, increasing 3% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid $28,791 during the year towards those variable costs. The College has an option to terminate the lease after the July 31, 2024, with a 5-year option to renew of which the College is reasonably certain to exercise 2 years. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $402,312, accumulated amortization of $13,410 and a lease liability of $329,994 related to this agreement. During the fiscal year, the College recorded $13,410 in amortization expense and $7,572 in interest expense for the right-to-use the space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Quail Building for 60 months, beginning July 1, 2021. The lease has been recorded through June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of $14,018, increasing 2.5% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid $50,438 during the year towards those variable costs. The College has an option to terminate the lease after the July 31, 2024, with a 5-year option to renew of which the College is reasonably certain to exercise 2 years. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $833,121, accumulated amortization of $27,771 and a lease liability of $680,559 related to this agreement. During the fiscal year, the College recorded $27,771 in amortization expense and $15,651 in interest expense for the right-to-use the space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Pintail Building for 60 months, beginning July 1, 2021. The lease has been recorded through June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of $56,071, increasing 3% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid $98,073 during the year towards those variable costs. The College has an option to terminate the lease after the July 31, 2024, with a 5-year option to renew of which the College is reasonably certain to exercise 2 years. At June 30, 2022, the College has recognized a right-to-use asset with a cost basis of $3,483,247, accumulated amortization of $116,108 and a lease liability of $2,857,460 related to this agreement. During the fiscal year, the College recorded $116,108 in amortization expense and $65,564 in interest expense for the right-to-use the space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

Remaining obligations associated with these leases are as follows:

Fiscal Year Ended	Principal	Interest
2023	$ 1,293,118	$ 96,950
2024	1,326,102	68,383
2025	1,114,992	41,831
2026	1,173,570	16,505
2027	40,259	540
	$ 4,948,041	$ 224,209

Lessor:

The College entered a lease agreement to lease a portion of its facilities for administrative space for 36 months. The lease terminates on June 30, 2024. Under the terms of the lease, the College receives an annual base fee of $7,540, increasing 3% annually on the anniversary of the agreement. During the fiscal year, the College recognized $7,146 in lease revenue and $394 in interest income related to this agreement. At June 30, 2022, the College recorded $22,505 in lease receivables and $15,359 deferred inflows of resources for this agreement. The College used an interest rate of 1.75%, based on the incremental interest rate at the initial date of the lease.

Remaining lease receipts associated with this lease are as follows:

Fiscal Year Ended	Lease Revenue	Interest
2023	$ 7,497	$ 269
2024	7,862	138
	$ 15,359	$ 407

The College amortized deferred inflow of resources as follows during the fiscal year:

Leases Receivable	Balance at June 30, 2021 as restated	Additions	Deletions	Balance at June 30, 2022
Facility Use Agreement	$ 22,505	$ -	$ 7,146	$ 15,359
Total Receivable	$ 22,505	$ -	$ 7,146	$ 15,359

Note 8 - Long-Term Liabilities

Certificates of Participation, Series 2018

During fiscal year 2019, the College issued $13,270,000 in Annual Appropriation Certificates of Participation (Certificates), Series 2018 in the original principal amount of $13,270,000 maturing through October 1, 2033. Principal payments are due annually on October 1 starting in 2019, and interest is payable semi-annually on April 1, and October 1 of each year. Interest rates on the bonds range from 3% to 4% on the outstanding bonds. Proceeds from these certificates were used to finance the cost of acquisition of the Nampa Aspen Creek Complex which includes three parcels with building improvements which were under existing leases by the College along with four surrounding parcels developed for parking which were also under existing leases by the College.

Subsequent to the acquisition of the property, the College entered into a primary lease with US Bank (the Bank) for the Nampa Aspen Complex under the terms of which CWI will lease the property to the Bank. The terms of the lease include an agreement that the Bank will then sublease the property back to CWI and CWI will pay lease payments in an amount sufficient to pay the principal, premium and if any, interest on the Certificates according to the payment schedule. The annual lease renewal is subject to approval by the Board of Trustees. CWI may pay the lease payments from any lawful source of funds.

Debt Service Fund for Certificates of Participation, 2018 Series

The College deposits an annual payment to the debt service fund and payments are distributed by the bond trustee, US Bank, to bond holders semi-annually. The funds held in the debt service fund are invested in government obligations until payment is due to bond holders. The annual payment from the College to the debt service fund is contingent upon appropriation by the Board of Trustees each year. At June 30, 2022, $22,811 was on deposit. Final payments to the debt service fund and bond holders will be made in 2033 and 2034, respectively.

The following schedule lists the outstanding Certificates of Participation of the College on June 30, 2022:

2018 Series Certificates of Participation				
June 30,	Principal	Interest	Total	Interest Rate
2023	$ 710,000	$ 400,794	$ 1,110,794	4.000%
2024	740,000	371,794	1,111,794	4.000%
2025	770,000	341,594	1,111,594	4.000%
2026	800,000	310,194	1,110,194	4.000%
2027	835,000	277,494	1,112,494	4.000%
2028	865,000	243,494	1,108,494	4.000%
2029	905,000	208,093	1,113,093	4.000%
2030	940,000	171,193	1,111,193	4.000%
2031	980,000	132,793	1,112,793	4.000%
2032	1,020,000	92,793	1,112,793	4.000%
2033	1,055,000	54,591	1,109,591	4.000%
2034	1,090,000	18,394	1,108,394	3.375%
	$ 10,710,000	$ 2,623,221	$ 13,333,221	

Changes in long-term liabilities

Changes in long-term liabilities for the year ended June 30, 2022 were:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within one year
2018 Series COP	$11,390,000	$ -	$ (680,000)	$ 10,710,000	$ 710,000
2018 Series COP Premium	483,178	-	(67,857)	415,321	63,456
Compensated absences	1,181,594	1,545,345	(1,534,450)	1,192,489	225,786
	$13,054,772	$ 1,545,345	$ (2,282,307)	$ 12,317,810	$ 999,242

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 June 30, 2022 is as follows:

PERSI		
College required contribution rate		11.94%
Percentage of covered payroll for employees		7.16%
College contributions required and paid	$	992,471

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 June 30, 2022 is as follows:

ORP	
College contribution rate	11.87%
Employee contribution rate	6.97%
College contribution	$ 2,516,626

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, 2021, it was 7.16%. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94%. The College's contributions were $992,471 for the year ended June 30, 2022.

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

At June 30, 2022, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2022 the College's proportion was 0.002039743. At June 2021, the College's proportion was 0.002210343.

For the year ended June 30, 2022, the College recognized pension expense (revenue) of $118,288. At June 30, 2022, the College of Western Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 237,351	$ 93,639
Changes in assumptions or other inputs	1,849,159	-
Net difference between projected and actual earnings on pension plan investments	-	5,059,860
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY19 amortized over 4.9 years.	77,824	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY20 amortized over 4.8 years.	96,877	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY21 amortized over 4.7 years.	33,351	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY22 amortized over 4.6 years.	-	255,238
College of Western Idaho contributions subsequent to the measurement date	992,471	-
Total	$ 3,287,033	$ 5,408,737

The $992,471 as of June 30, 2022, 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 July 1, 2020, the beginning of the measurement period ended June 30, 2021, is 4.6 years.

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

Years Ended June 30:	
2023	$ (648,361)
2024	$ (665,672)
2025	$ (630,438)
2026	$ (1,169,704)
	$ (3,114,175)

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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Acturial Assumptions	
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1.00%

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

Assumptions used to calculate the enclosed figures are described in the 2021 Experience Study. The Total Pension Liability as of June 30, 2021 is based on the results of an actuarial valuation date of July 1, 2021.

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. 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 PERSI'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

The capital market assumptions are as of January 1, 2021:

Capital Market Assumptions from Callen 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	(0.20%)
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2021

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	**6.35%**

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. 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 (Asset) to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

June 30, 2022	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 5,599,995	$ (161,095)	$ (4,883,575)

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

At June 30, 2022, the College reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

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, 2020. 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 $0.05 per person per month for fiscal year 2022. 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 member's contribution percentage to the total premium cost increased from $69.4 in 2021 to $81.9 in 2022. The College was charged $8.16 per active employee per month towards the retiree premium cost during 2022.

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. In fiscal year 2022 the College was not charged to fund the reserve as the premiums were paid from the excess 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. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2003; the State paid 100 percent of the cost of this benefit. Effective July 1, 2020, employees disabled prior to July 1, 2003 who were included in previous valuations will no longer be included due to a change from self-insured to insured. All employees disabled on or after July 1, 2003 have an insured benefit and are not subject to GASB 75, because premium payments are made before a disabled member's separation from employment. 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 fiscal year 2022 was 0.290 percent of payroll. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

The plan also provides basic life insurance and dependent life insurance 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. The amount of life insurance will be reduced to 75% after the date the employee turns age 70, and will be reduced to 50% after the date the employee turns age 75. 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. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2012; the employer paid 100 percent of the cost. Effective July 1, 2020, employees disabled prior to July 1, 2012 who were included in previous valuations will no longer be included due to a change from self-insured to insured. All employees disabled on or after July 1, 2012 have an insured benefit and are not subject to GASB 75 because premium payments are made before a disabled member's separation from employment.

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2020 and rolled forward to June 30, 2022 for the Retiree Healthcare and Long-Term Disability plans. There have been significant changes between the Valuation Date and Measurement Date. Effective July 1, 2020, the LTD Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the LTD Income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured.

The total OPEB liability as of June 30, 2021 was based on the 2018 PERSI Experience study for demographic assumptions and the July 1, 2018 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	2.20%	2.20%	2.20%
Salary increases	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity
Discount rate	2.16%	2.16%	2.16%
Healthcare cost trend rates	7.9% claims and 3.9% premiums from year ending June 30,2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	7.9% claims and 3.9% premiums from year ending June 30,2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	N/A
Retiree's share of benefit-related costs	81.9% 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 2.16 percent in 2021 to measure the total OPEB. The discount rate was based on 20 year Bond Buyer Go Index.

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

Total OPEB liability components for the year ended June 30, 2022 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
Total OPEB Liability	$ 460,353	$ 26,000	$ 486,353

The College recognized the following OPEB expense for the year ended June 30, 2022:

	Retiree Healthcare	Long-Term Disability Healthcare Plan	Total
OPEB Expense	$ (33,232)	$ 3,489	$ (29,743)

The College recognized the following OPEB deferred outflows and inflows for the year ended June 30, 2022:

	Increase (Decrease) Retiree Healthcare Plan	Increase (Decrease) Long-Term Disability Healthcare Plan	Total
Deferred Outflows			
Difference between expected and actual experience	$ 65,414	$ 9,065	$ 74,479
Changes of assumptions	189,958	1,435	191,393
Changes in proportion	73,760	4,276	78,036
Benefit payments subsequent to the measurement date	40,896	783	41,679
Total Deferred Outflows	$ 370,028	$ 15,559	$ 385,587

	Increase (Decrease) Retiree Healthcare Plan	Increase (Decrease) Long-Term Disability Healthcare	Total
Deferred Inflows			
Difference between expected and actual experience	$ 259,612	$ 2,587	$ 262,199
Changes of assumptions	87,240	4,587	91,827
Changes in proportion	65,741	2,133	67,874
Benefit payments subsequent to the measurement date	-	-	-
Total Deferred Inflows	$ 412,593	$ 9,307	$ 421,900

Other amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized as OPEB expense(revenue) as follows:

Year eneded June 30	Expense (Revenue) Retiree Healthcare	Expense (Revenue) Long-Term Disability Healthcare Plan	Total
2023	$ (33,584)	$ 1,589	$ (31,995)
2024	(33,584)	1,588	$ (31,996)
2025	3,228	1,515	$ 4,743
2026	(31,284)	1,331	$ (29,953)
2027	11,763	193	$ 11,956
2028	-	(747)	$ (747)
	$ (83,461)	$ 5,469	$ (77,992)

Discount Sensitivity Rate and Healthcare Cost Trend 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 2.16 percent for June 30, 2021, 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.

Sensitivity of the total OPEB Liability to Changes in the Discount Rate for the year ended June 30, 2022 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
1% Decrease 1.16%	$ 483,766	$ 26,892	$ 510,658
Discount Rate 2.16%	$ 460,353	$ 26,000	$ 486,353
1% Increase 3.16%	$ 437,157	$ 25,087	$ 462,244

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.

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate for the year ended June 30, 2022 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
1% Decrease	$ 420,374	$ 22,413	$ 442,787
Current trend rate	$ 460,353	$ 26,000	$ 486,353
1% Increase	$ 505,853	$ 30,044	$ 535,897

Note 12 – PERSI/OPEB Sick 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. Effective January 1, 2020, the PERSI Retirement Board passed a sick leave rate holiday for state and school employers that has been extended to 24 months from the effective date. The College of Western Idaho's contributions for the year ended June 30, 2022 was $0.

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

At June 30, 2022, the College of Western Idaho reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. 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, 2022, the College of Western Idaho's proportion was 1.99035840%. At June 2021, the College's proportion was 1.99035840%.

For the year ended June 30, 2022, the College of Western Idaho recognized OPEB expense (expense offset) of $307,432. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2022	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 17,332	$ 116,442
Changes in assumptions or other inputs	143,588	148,898
Net difference between projected and actual earnings on pension plan investments	-	597,301
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY19 amortized over 6.2 years	-	33,391
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY20 amortized over 7.8 years	-	56,743
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY21 amortized over 7.8 years	104,387	-
College of Western Idaho contributions subsequent to the measurement date	13	-
Total	$ 265,320	$ 952,775

The $13 as of June 30, 2022, reported as deferred outflows of resources related to an adjustment to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability (asset) in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

Year Ended June 30:		
2023	$	(197,623)
2024		(181,745)
2025		(149,510)
2026		(168,005)
2027		(5,045)
Thereafter		14,460
	$	(687,468)

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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions

Inflation	2.30%
Salary increases	3.05%
Investment rate of return	5.45%
Health care trend rate	N/A*

*Health care trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement, and is calculated as a fixed dollar amount that can be applied to premiums.

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 from Callen 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	50.00%	1.80%	(.20)%
Broad US Equities	39.30%	8.00%	6.00%
Developed Foreign Equities	10.70%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2021

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	3.15%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	5.45%

Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 5.45%. 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 5.45% for 2022, 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 (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

June 30, 2022	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer's proportionate share of the net OPEB sick leave fund liability (asset)	$ (3,472,341)	$ (3,621,543)	$ (3,758,206)

OPEB plan fiduciary net position

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

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

Payables to the OPEB plan

At June 30, 2022, the College of Western Idaho reported payables to the defined benefit OPEB plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 13 - Risk 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 billed premiums were $142,724 for fiscal year 2022.

Note 14 - Related Party Transactions

The Foundation provides scholarships to the College based on the terms of the donations. The Foundation provided scholarship support of $499,492 during the year ended June 30, 2022, of which $65 was payable to the College at June 30, 2022, and departmental and program support of $180,017 during the year ended June 30 2022, of which $1,768 was a payable to the College at June 30, 2022.

The College owed the Foundation $2,097, for event ticket sales payable to the Foundation at June 30, 2022.

The College provided professional services and materials to the Foundation which totaled $376,800 for the year ended June 30, 2022.

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, 2022, the College had several significant commitments that will be completed during fiscal year 2023. Significant commitments are listed below:

Capital Projects	
Facility improvements	$ 58,662
Total capital projects	$ 58,662
Non Capital Projects	
Consulting services and temporary staffing	$ 223,637
Total noncapital projects	223,637
Total Projects	$ 282,299

Note 17- Component Unit

Foundation Operations and Significant Accounting Policies

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.

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ 258,417
Investment earnings and earnings for operations	842,336
	$ 1,100,753

Cash and cash equivalents available for general expenditure represent the portion of total cash and cash equivalents without donor restriction.

Earnings above principal from investment of donor restricted funds without donor directive are available for use in the Foundation's general operations.

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, 2022:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	$ 2,092,598	$ -	$ -	$ 2,092,598
Small cap	144,064	-	-	144,064
International equities	453,205	-	-	453,205
International emerging	154,888	-	-	154,888
Bond Funds				
US fixed income	582,922	369,837	-	952,759
Real Estate Mutual Funds	398,636	-	-	398,636
Total investments	$ 3,826,313	$ 369,837	$ -	$ 4,196,150

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 year ended June 30, 2022, 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 year ended June 30, 2022:

	Management and General	Fundraising and Development	Total
June 30, 2022			
Salaries and benefits	$ 223,562	$ 116,981	$ 340,543
Materials and supplies	18,977	-	18,977
Office space	17,280	-	17,280
Total donated materials and services	$ 259,819	$ 116,981	$ 376,800

All donated materials and services were provided by the College.

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

	2022
Subject to expenditure for specified purpose:	
Program Support	$ 134,751
Scholarships	1,262,310
Operation of Micron Center	1,462,195
Underwater Endowments	(8,877)
	2,850,379
Endowment:	
Funds of perpetual duration, subject to spending policy and appropriation, the distributions from which are restricted by donors as follows:	
Program Support	50,000
Scholarships	1,824,616
College Growth & Development	7,303
	1,881,919
Total Net Assets with Donor Restrictions	$ 4,732,298

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 year ended June 30, 2022, were as follows:

	2022
Satisfaction of purpose restrictions	
Scholarships	$ 499,111
Department support	180,017
	$ 679,128

Endowment Funds

The Foundation's endowment consists of 38 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held $1,881,919 in true endowment funds at June 30, 2022. 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 Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 UPMIFA.

In accordance with UPMIFA, 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:

At June 30, 2022	Without Donor Restriction	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 1,881,919	$ 1,881,919
Accumulated investment gains	-	442,646	442,646
	$ -	$ 2,324,565	$ 2,324,565

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to maintain as a fund of perpetual duration. As of June 30, 2022 the scholarship endowment is underwater by $8,877.

Investment and Spending Policies

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 principal 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 year ending June 30, 2022, are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets			
End of year June 30, 2021	$ -	$ 2,695,550	$ 2,695,550
Investment return			
Net investment return	-	(322,079)	(322,079)
Contributions	-	52,569	52,569
Appropriation of endowment assets for expenditures	-	(101,475)	(101,475)
Endowment net assets			
End of year June 30, 2022	$ -	$ 2,324,565	$ 2,324,565

Functionalized Expenses

The following schedule presents the natural classification of expenses by function for the year ended June 30, 2022:

At June 30, 2022

	Program Support to College of Western Idaho				
	Department Support	Scholarships	Total	General Operations	Total
Operating Expenses					
Office expenses	$ -	$ -	$ -	$ 21,066	$ 21,066
Travel	-	-	-	1,333	1,333
Professional Services	-	-	-	342,035	342,035
Accounting fees/services	-	-	-	17,700	17,700
Insurance and taxes	-	-	-	11,042	11,042
Program support	180,017	-	180,017	-	180,017
Scholarships	-	499,492	499,492	-	499,492
Other	-	-	-	14,903	14,903
Total operating expenses	$ 180,017	$ 499,492	$ 679,509	$ 408,079	$ 1,087,588

Related Party Transactions

The Foundation provides scholarships to the College based on the terms of the donations. The Foundation provided scholarship support of $499,492 during the year ended June 30, 2022, of which $65 was payable to the College at June 30, 2022, and departmental and program support of $180,017 during the year ended June 30, 2022, of which $1,768 was payable to the College at June 30, 2022.

The College owed the Foundation $2,097, for event ticket sales payable to the Foundation at June 30, 2022.

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received $7,457 in contribution revenue from Board members during the year ended June 30, 2022.

Note 18– Adoption of New Standard

As of July 1, 2021, the College adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use of an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning fiscal year 2022 net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

Net position at June 30, 2021	$	142,042,297
Add lease receivable under GASB Statement No. 87 at June 30, 2021		22,505
Add right-to-use asset, net of amortization, under GASB Statement No. 87 at June 30, 2021		6,063,947
Less lease liability under GASB Statement No. 87 at June 30, 2021		(6,063,947)
Less deferred inflows of resources under GASB Statement No. 87 at June 30, 2021		(22,505)
Net position at July 1, 2021, as restated	$	142,042,297

In addition to the restatement disclosed above, $525,829 of capital leases were reclassified from "Other capital assets" to "Right-to-use assets" under GASB Statement No. 87 at June 30, 2021.

Required Supplementary Information
June 30, 2022

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	2018	2019	2020	2021
Employer's portion of net the pension liability/ (asset)	0.001496057	0.00148391	0.001467181	0.001726945	0.001998415	0.002171518	0.002210343	0.002039743
Employer's proportionate share of the net pension liability	$ 1,101,332	$ 1,954,061	$ 2,974,201	$ 2,714,461	$ 2,947,697	$ 2,478,727	$ 5,132,709	$ (161,095)
Employer's covered payroll	$ 4,075,632	$ 4,150,474	$ 4,298,714	$ 5,364,004	$ 6,427,942	$ 7,393,126	$ 7,852,931	$ 7,952,841
Employer's proportional share of the net pension liability as a percentage of its covered payroll	27.02%	47.08%	69.19%	50.61%	45.86%	33.53%	65.36%	-2.03%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%

* 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	2019	2020	2021	2022
Statutorily required contribution	$ 486,281	$ 486,614	$ 607,205	$ 727,643	$ 836,902	$ 937,640	$ 949,569	$ 1,035,585
Contributions in relation to the statutorily required contribution	$ (465,253)	$ (486,586)	$ (607,304)	$ (729,437)	$ (834,913)	$ (935,874)	$ (949,495)	$ (992,471)
Contribution (deficiency) excess	$ (21,028)	$ (28)	$ 98	$ 1,794	$ (1,989)	$ (1,766)	$ (74)	$ (43,115)
Employer’s covered payroll	$ 4,150,474	$ 4,298,714	$ 5,364,004	$ 6,427,942	$ 7,393,126	$ 7,852,931	$ 7,952,841	$ 8,312,144
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%	11.32%	11.94%	11.94%	11.94%

* 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 June 30
Last 10 Fiscal Years *

	2017	2018	2019	2020	2021
Beginning OPEB Liability	$ 865,265	$ 819,057	$ 552,516	$ 901,886	$ 413,448
Effects of adjustment for LTD plan	-	-	155,417	-	-
Effects of change in proportion	-	9,086	-	(116,518)	1,861
Adjusted beginning balances	-	828,143	707,933	785,368	415,309
Changes for the year					
Service cost	32,325	33,655	24,778	31,944	19,675
Interest on total OPEB liability	30,198	29,045	26,371	27,052	9,174
Plan changes	-	-	-	(66,030)	-
Gains/losses	-	14,140	-	(396,070)	79,109
Changes in assumption	-	(250,717)	246,191	121,065	3,391
Expected benefit payments	(108,731)	(101,750)	(103,387)	(89,881)	(40,305)
Net change in employer's share of OPEB liability	(46,208)	(275,627)	193,953	(371,920)	71,044
Ending OPEB Liability	$ 819,057	$ 552,516	$ 901,886	$ 413,448	$ 486,353

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
Last 10 Fiscal Years *

	2017	2018	2019	2020	2021
Total State OPEB liability	$819,057	$552,516	$552,516	$413,448	$486,353
Covered payroll	$ 5,364,004	$ 6,427,942	$ 6,427,942	$ 7,852,931	$ 7,952,841
Net OPEB liability as a percentage of covered payroll	15.27%	8.60%	8.60%	5.26%	5.26%

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	2018	2019	2020	2021
Employer's portion of net the OPEB asset	1.9222891%	2.02120760%	2.10746620%	1.99035840%	1.99035840%
Employer's proportionate share of the net OPEB asset	$ 1,828,666	$ 2,319,741	$ 2,654,820	$ 2,809,449	$ 3,621,543
Employer's covered payroll	$20,942,432	$22,254,615	$ 24,347,357	$25,918,398	$ 27,297,240
Employer's proportionate share of the net OPEB asset as a percentage	8.73%	10.42%	10.90%	10.29%	12.27%
Plan fiduciary net position as a percentage of the total OPEB asset	204.12%	225.45%	226.97%	251.29%	274.55%

* 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	2019	2020	2021	2022
Statutorily required contribution	$ 144,655	$ 158,258	$ 89,323	$ -	$ -
Contributions in relation to the statutorily required contributions	144,664	158,258	89,323	-	-
Contribution (deficiency) excess	(9)	-	-	-	-
Employer's covered payroll	$22,254,615	$24,347,357	$ 25,918,398	$27,297,240	$ 29,517,844
Contributions as a percentatge of the covered payroll	0.65%	0.65%	0.34%	0.00%	0.00%

Effective January 1, 2020, the PERSI Retirement Board passed a sick leave rate holiday for state and school employers. There were no statutorily required contributions during fiscal year 2021 and 2022 due to the contribution holiday.

* 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, 2022

College of Western Idaho

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Institutional Support	Operations and Maintenance	Total
Operating Expenses								
Wages and salaries	$ 17,428,780	$ 5,700,182	$ 4,959,649	$ 154,298	$ 12,663	$ 5,734,579	$ 1,160,335	$ 35,150,486
Taxes and benefits	4,998,179	2,063,920	2,223,275	48,955	7	2,062,070	544,742	11,941,148
Supplies	3,254,311	1,117,769	124,983	81,371	-	217,950	341,010	5,137,394
Repairs and maintenance	65,309	44,639	1,389	-	-	6,666	661,848	779,851
Travel	43,927	52,399	64,477	1,692	-	32,616	2,355	197,466
Vehicles	10,335	2,697	1,368	-	-	4,947	12,723	32,070
Services	1,046,376	2,443,631	747,951	16,756	-	1,013,538	1,010,174	6,278,426
Miscellaneous	101,122	606,482	444,403	1,294	-	1,110,442	146,873	2,410,616
Insurance, rent, utilities	128,203	151,600	88,503	675	-	298,289	521,091	1,188,361
Financial aid	-	-	-	-	21,426,104	-	-	21,426,104
Depreciation	1,165,647	698,072	539,761	10,364	-	421,917	154,688	2,990,449
Fund transfer	4,217,586	(4,057,617)	(224,260)	-	-	64,291	-	-
Pension contributions - GASB 68	(128,900)	(255,413)	(348,983)	-	-	(180,705)	(78,468)	(992,469)
Plan pension expense - GASB 68	15,355	30,426	41,572	-	-	21,526	9,347	118,226
State OPEB contributions -GASB 75	(17,209)	(7,418)	(7,077)	(217)	-	(8,098)	(1,659)	(41,678)
State OPEB expense -GASB 75	4,928	2,124	2,026	63	-	2,319	475	11,935
PERSI/OPEB sick leave contributions - GASB 75	(130,302)	(56,169)	(53,583)	(1,647)	-	(61,315)	(12,562)	(315,578)
Total operating expenses	$ 32,203,647	$ 8,537,324	$ 8,605,454	$ 313,604	$ 21,438,774	$10,741,032	$ 4,472,972	$ 86,312,807

Single Audit Information
June 30, 2022

College of Western Idaho

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 (the College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 13, 2022. 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.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 13, 2022

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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited College of Western Idaho's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 13, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ 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 Education - Basic Grants to States			
Federal Direct Services	84.002	AD 9660 L1	$ 871,967
WIOA Admin Fees	84.002	RG 3660 M1	60,535
Leadership Training	84.002	AL 9660 B1	48,521
IELCE	84.002	AE 9660 P1	98,741
Total Adult Basic Education			1,079,764
Pass Through Payments from State Division of Career and Technical Education			
Career and Technical Education - Basic Grants to States			
Perkins - Academic Skills Development	84.048	RG 3660-11	116,058
Perkins - OTA Curriculum Development	84.048	RG3660-12	5,630
Perkins - Cyber Consultant	84.048	RG3660-51	85,250
Perkins - Fire Services	84.048	RG3660-52	9,156
Perkins - Welding VR Training	84.048	RG3660-53	10,503
Perkins - Automotive Virtual Reality Training	84.048	RG3660-54	17,534
Perkins - Grad Cast Reporting	84.048	RG3660-55	9,000
Perkins - Professional Development	84.048	RG3660-61	64,174
Perkins - Administrative	84.048	RG 3660-31	28,892
Perkins - Needs Assessment	84.048	RG3660-62	9,300
Perkins- Transition Coordination	84.048	RG 3660-01	12,580
Perkins - Nontraditional Training & Employment Project	84.048	21001	675
Perkins - CTE Mentoring Project	84.048	RG 3660-71	265
Total Career Technical Education - Basic Grants to States			369,017
Pass Through Payments from Idaho State Board of Education			
COVID-19 Governor Emergency Education Relief	84.425C	S425C00043	269,424
Direct Programs			
Education Stabilization Fund			
COVID-19 Higher Education Emergency Relief Fund (HEERF II - CRRSA) Institutional	84.425F		3,523,230
COVID-19 Higher Education Emergency Relief Fund (HEERF III - ARP) Student	84.425E		9,658,978
COVID-19 Higher Education Emergency Relief Fund (HEERF III - ARP) Institutional	84.425F		7,165,016
Total Education Stabilization Fund			20,616,648

Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		573,571
Federal College Work-Study	84.033		105,152
Federal Pell Grant	84.063		10,375,894
Federal Direct Student Loans	84.268		7,325,405
Total Student Financial Assistance Cluster			18,380,022
Total U.S. Department of Education			40,445,451
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass Through Payments from University of Idaho			
INBRE	93.859	IAK400-SB-003	70,053
Pass Through Payments from Boise State University			
Bridges to Baccalaureate Program	93.859	7465-A	3,203
Total Department of Health and Human Services			73,256
NATIONAL ENDOWMENT FOR THE ARTS			
Pass Through Payments from Idaho Humanities Council			
Promotion of the Arts Partnership Agreements	45.025	828863667	3,173
Total National Endowment for the Arts			3,173
Total Federal Expenditures			$ 40,521,880

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, 2022. 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 net position, 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 minimis 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 program:	
Material weaknesses identified	No
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	Federal Financial Assistance Listing
Student Financial Assistance Cluster	
Federal Supplemental Educational Opportunity Grant	84.007
Federal College Work-Study	84.033
Federal Pell Grant	84.063
Federal Direct Student Loans	84.268
Education Stabilization Fund	
COVID-19 - Governor's Emergency Education Relief Fund	84.425C
COVID-19 - Higher Education Emergency Relief Fund - Student Aid Portion	84.425E
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F

Dollar threshold used to distinguish between type A and type B programs:	$ 1,215,656
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

None reported