Financial Statements
June 30, 2021 and 2020

North Idaho College

EideBailly®

Introductory Section
June 30, 2021 and 2020

North Idaho College

Founded in 1933, North Idaho College (NIC or the College) is a comprehensive community college located on the beautiful shores of Lake Coeur d'Alene. NIC offers degrees and certificates in a wide spectrum of academic transfer, professional-technical, and general education programs. Approximately 6,600 students are enrolled in credit classes and more than 4,500 participate annually in non-credit courses offered by the Workforce Training Center in Post Falls.

The College serves a five-county region through regional centers in Bonners Ferry, Kellogg, and Sandpoint, as well as through an extensive array of internet and interactive video conferencing courses. NIC also plays a key role in the region's economic development by preparing competent, trained employees for area businesses, industries, and governmental agencies.

NIC's campus is located in Coeur d'Alene, Idaho, a lakeside city with a growing population of 55,000 residents. Metropolitan amenities are close by with Spokane, Washington, a city of over 227,500 just 30 minutes away.

NIC offers Associate of Arts and Associate of Science degrees in various college transfer programs, and Associate of Applied Science degrees and technical certificates in its professional-technical programs. Students obtaining an Associate of Arts or Associate of Science degree can transfer with junior standing to all other Idaho public colleges and universities.

As one of four community colleges in the state (the other three being College of Southern Idaho, College of Western Idaho, and College of Eastern Idaho), North Idaho College works closely with its sister colleges and universities. NIC partners with the University of Idaho, Lewis-Clark State College, and Idaho State University to enhance the higher education opportunities available in northern Idaho.

Financial Section
June 30, 2021 and 2020

North Idaho College

Independent Auditor's Report

The Board of Trustees
North Idaho College
Coeur d'Alene, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of North Idaho College (the College), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Component Unit – North Idaho College Foundation, Inc. (the Foundation). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the discretely presented component unit of the College, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Employer's Share of Net Pension Liability and Schedule of Employer Contributions, Schedule of Employer's Share of Net OPEB Asset and Schedule of Employer Contributions, and Schedule of Changes in the College's Total OPEB – Healthcare Plan Liability, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The introductory section, budget to actual, and debt service schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the financial statements.

The budget to actual – general fund, schedules of debt service, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget to actual – general fund, schedules of debt service, 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.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, 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
November 19, 2021

This discussion and analysis of North Idaho College's (the College or NIC) financial statements provide an overview of the College's financial performance during the years ended June 30, 2021 and 2020. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. The financial statements, footnotes and this discussion are the responsibility of management.

Using the Annual Report

The entity-wide financial statements in this report are modeled after the corporate presentation whereby all College activities are consolidated into one total and are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. The intent of this approach is to summarize and simplify the data for the user's analysis of the cost of various college services to students and the public. The three statements presented here (the statements of net position, the statements of revenues, expenses, and changes in net position and the statements of cash flows) are meant to serve as an overall picture of the financial soundness of the College, provide information about the College's activities, and present both a short-term and long-term view of the College's finances. Notes to the financial statements are integral for a complete analysis of the entity-wide statements.

Financial Highlights

In fiscal year 2021, operating loss was $48.1 million, compared with $49.5 million in 2020. Non-operating revenues increased to $54.4 million in 2021 compared to $52.1 million in 2020, resulting in a change in net position of $6.3 million in 2021 and $10.6 million in 2020. In 2020 the College had $8 million in capital contributions for construction.

During 2021 and 2020, there was downward trend to enrollment. These financial results reflect the College's ability to adjust and react to the changing higher education landscape while responding to the needs of students and the community.

Statements of Net Position

The statements of net position present the assets, deferred outflow of resources, liabilities, deferred inflow of resources, and net position of the College as of the fiscal year end. It is a 'snapshot' of the financial position of the College as of the fiscal year end. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and the expenses and liabilities are recognized when others provide the service.

The statement is presented in five sections: total assets (current and noncurrent), deferred outflow of resources, total liabilities (current and noncurrent), deferred inflow of resources, and net position (assets and deferred outflow of resources-liabilities and deferred inflow of resources).

Current assets and current liabilities can be liquidated, mature or become payable within the normal 12-month accounting cycles while noncurrent assets and liabilities convert to cash, mature or become payable after 12 months. As of June 30, 2021 and 2020, the College's current assets consisted primarily of cash and receivables while noncurrent assets consisted of capital assets including property, plant and equipment maintained by the College.

The majority of the College's liabilities are considered short-term, with the exception of long-term bond obligations, net pension liability, and the OPEB obligation.

Net Position is reported in three categories:

- Net investment in capital assets – the College's equity in capital assets.
- Restricted – must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restriction on the use of the funds.
- Unrestricted – net position available to the College of any lawful purpose of the institution.

Net position, which is the difference between total assets, total deferred outflow of resources less total liabilities, and total deferred inflow of resources is one indicator of the financial condition of the College. To accurately assess the overall financial condition of the College, additional non-financial factors, such as changes in enrollment levels, the College's property tax base and the condition of school buildings and other facilities, should also be considered.

Statements of Net Position
June 30, 2021, 2020, and 2019

	2021	2020	2019
Current and other assets	$ 43,654,791	$ 35,993,244	$ 34,825,076
Capital assets	75,510,443	75,824,795	67,086,021
Total assets	119,165,234	111,818,039	101,911,097
Deferred Outflow of Resources	4,174,411	2,143,010	2,318,936
Current liabilities	5,769,673	5,380,978	5,137,294
Long-term liabilities outstanding	19,486,588	15,302,036	17,011,318
Total liabilities	25,256,261	20,683,014	22,148,612
Deferred Inflow of Resources	1,458,166	2,917,897	2,311,809
Net position			
Net investment in capital assets	67,078,829	66,598,015	57,084,075
Restricted	6,869,936	6,853,843	6,764,903
Unrestricted	22,676,453	16,908,280	15,920,634
Total net position	$ 96,625,218	$ 90,360,138	$ 79,769,612

The College's total assets increased during fiscal year 2021 and 2020 by $7.3 million and $9.9 million, respectively. In 2021, the increase was driven primarily by $3 million increase in cash and cash equivalents as well as $3 million in other receivables for COVID-19 funding. In 2020, the increase was driven primarily by increases in capital assets due to new construction that were put into place during fiscal year 2020. Total liabilities increased during 2021 by $4.6 million, driven by increase of net pension and OPEB liabilities relating to GASB 68 and GASB 75. Total liabilities decreased during 2020 by $1.5 million, driven by a decrease of net pension and OPEB liabilities relating to GASB 68 and GASB 75, as well as pay down of long-term debt.

Statements of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the statements of net position are based on the activity presented in the statements of revenues, expenses, and changes in net position. The purpose is to present the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The College will always reflect a net operating loss in this format since State appropriations and property taxes, the revenue streams the College depends upon most significantly, are classified as non-operating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over the expected useful life.

Generally, operating revenues are generated by providing services to various customers, students and constituencies of the College, including but not limited to student tuition and fees, auxiliary enterprises, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the services provided in turn for operating revenues and to carry out the mission of the College. Non-operating revenues are revenues for which services are not provided.

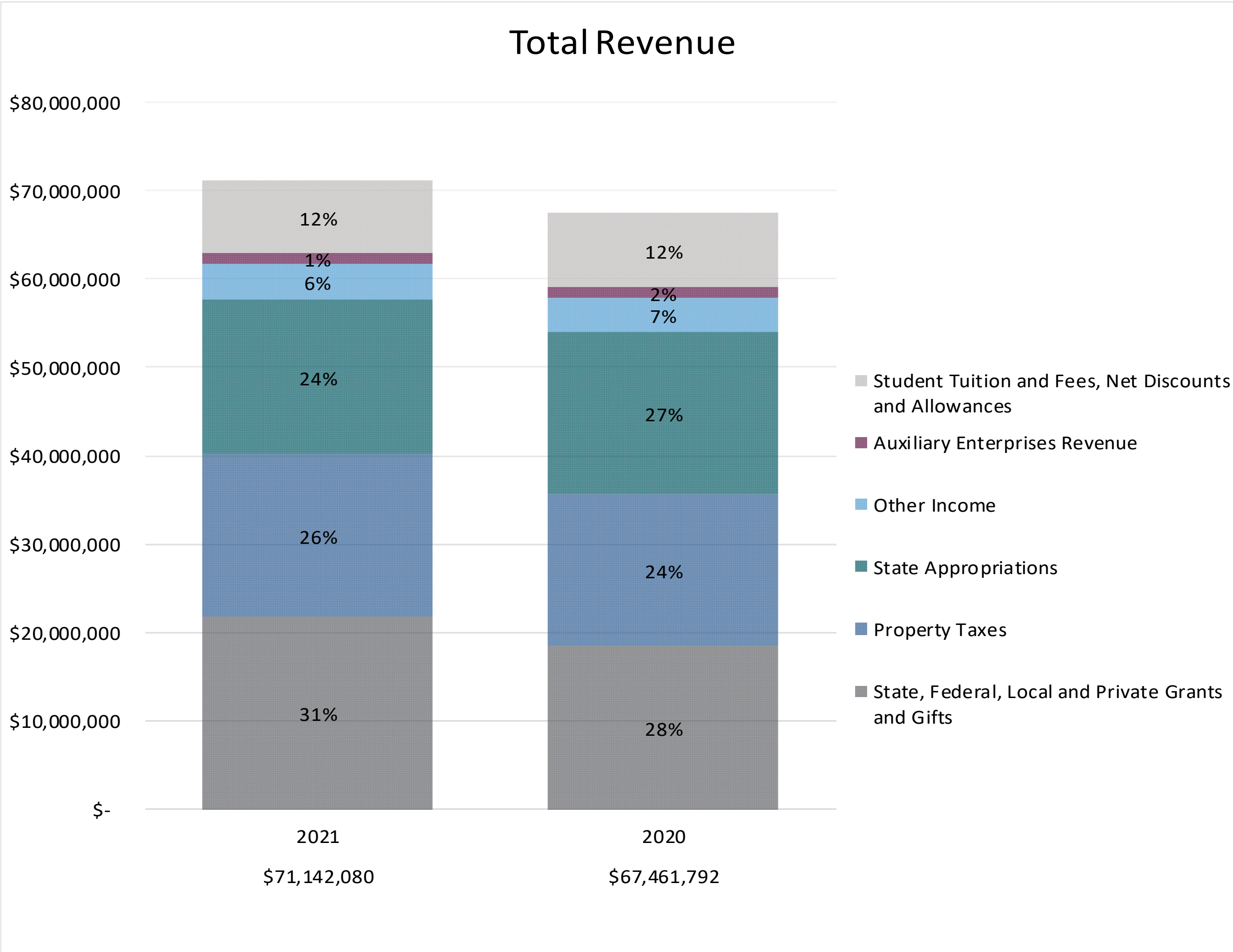
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021, 2020, and 2019

	2021	2020	2019
Operating Revenues			
Student tuition and fees, net	$ 8,281,688	$ 8,411,712	$ 8,090,839
Auxiliary enterprises revenue	1,061,891	1,202,154	1,625,429
State and local grants and contracts	1,485,703	1,255,470	1,600,594
Federal grants and contracts	1,448,579	946,586	1,187,412
Other operating revenues	3,992,868	3,172,722	3,524,850
Total operating revenues	16,270,729	14,988,644	16,029,124
Operating Expenses	64,374,879	64,465,531	63,182,797
Operating Loss	(48,104,150)	(49,476,887)	(47,153,673)
Non-Operating Revenues (Expenses)			
State appropriations	17,464,800	18,399,101	18,746,400
Property taxes	18,373,273	17,139,066	16,442,007
Non-operating state and federal grants	16,309,955	13,751,738	12,155,027
Non-operating other income	418,227	422,234	428,310
Private gifts, grants, and contracts	2,141,999	2,148,063	3,938,113
Investment income	163,097	612,946	618,478
Interest expense	(310,740)	(330,993)	(348,619)
Loss on disposal of capital assets	(191,381)	(23,288)	(28,759)
Total non-operating revenues	54,369,230	52,118,867	51,950,957
Net Income Before Capital Contributions	6,265,080	2,641,980	4,797,284
Capital Contributions	-	7,948,546	-
Change in Net Position	6,265,080	10,590,526	4,797,284
Net Position, Beginning of Year	90,360,138	79,769,612	74,972,328
Net Position, End of Year	$ 96,625,218	$ 90,360,138	$ 79,769,612

The Statements of Revenues, Expenses and Changes in Net Position reflects an overall increase in net position of $6.3 million during fiscal year 2021 compared to 2020. Operating revenues for the period increased by approximately $1.3 million, while operating expenses decreased by $91,000, year over year. The increase in operating revenue was largely related to an increase in federal grants and contracts of approximately $730,000. Non-Operating revenues (expenses) for the same period increased by $2.3 million due to an increase in federal grants and contracts of $2.6 million. There was also an increase in COVID-19 federal funding of $4.1 million in current year over prior year.

The statement reflects an overall increase in net position of $10.6 million during fiscal year 2020 compared to 2019. Operating revenues for the period increased by approximately $596,000, while operating expenses increased by $1.3 million, year over year. The increase in operating revenue was largely related to an increase in federal grants and contracts of $1.4 million. The increase in operating expenses was primarily related to an increase in financial aid expenses of $1.1 million. Non- Operating revenues (expenses) for the same period decreased by $1.4 million due to a decrease in private grants and gifts of $1.8 million.

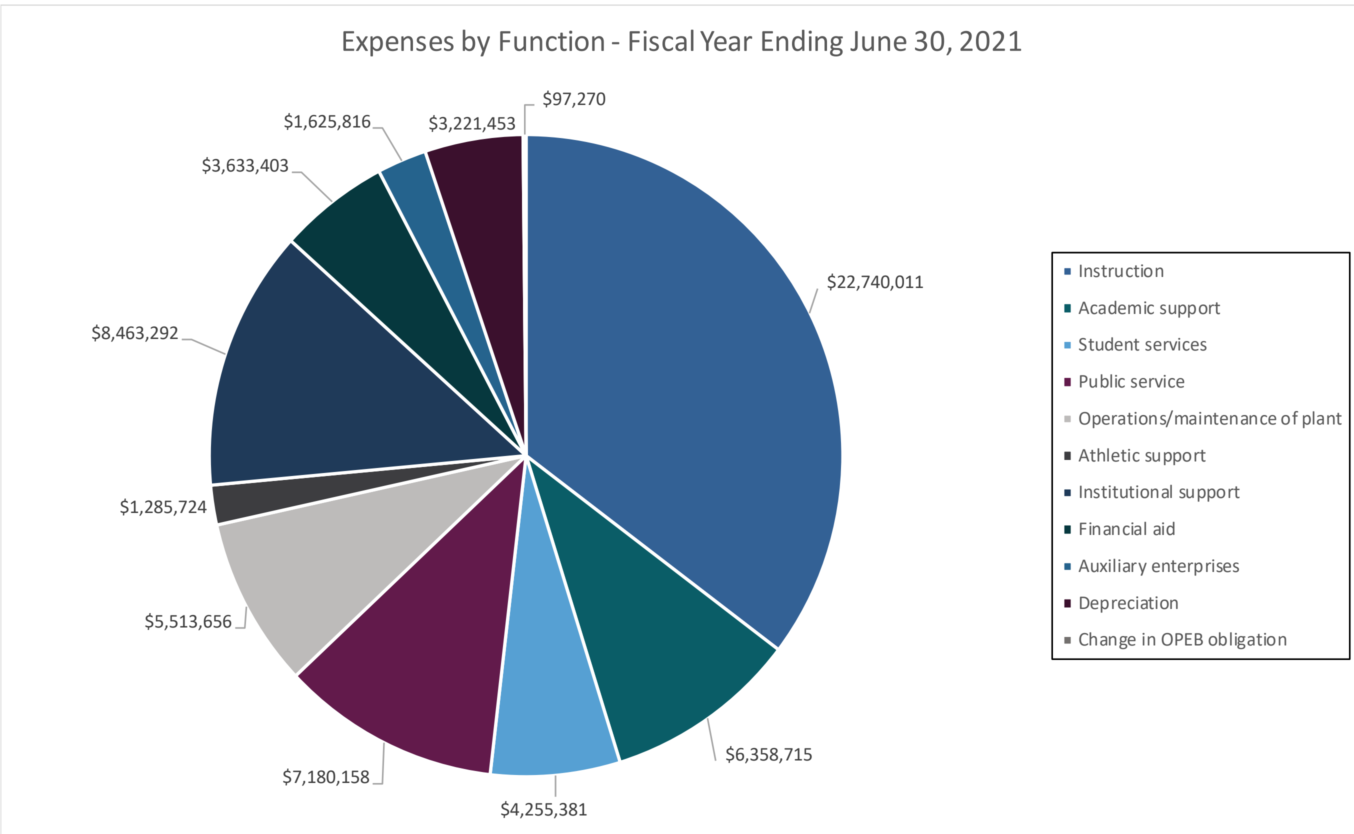
Comparative data for the prior year have been presented in order to provide an understanding of changes in the entity's financial position and operations.



This chart shows the allocation of both operating and non-operating revenue between the major categories from the statements of revenues, expenses and changes in net position. The allocation between categories remains relatively stable from year to year.

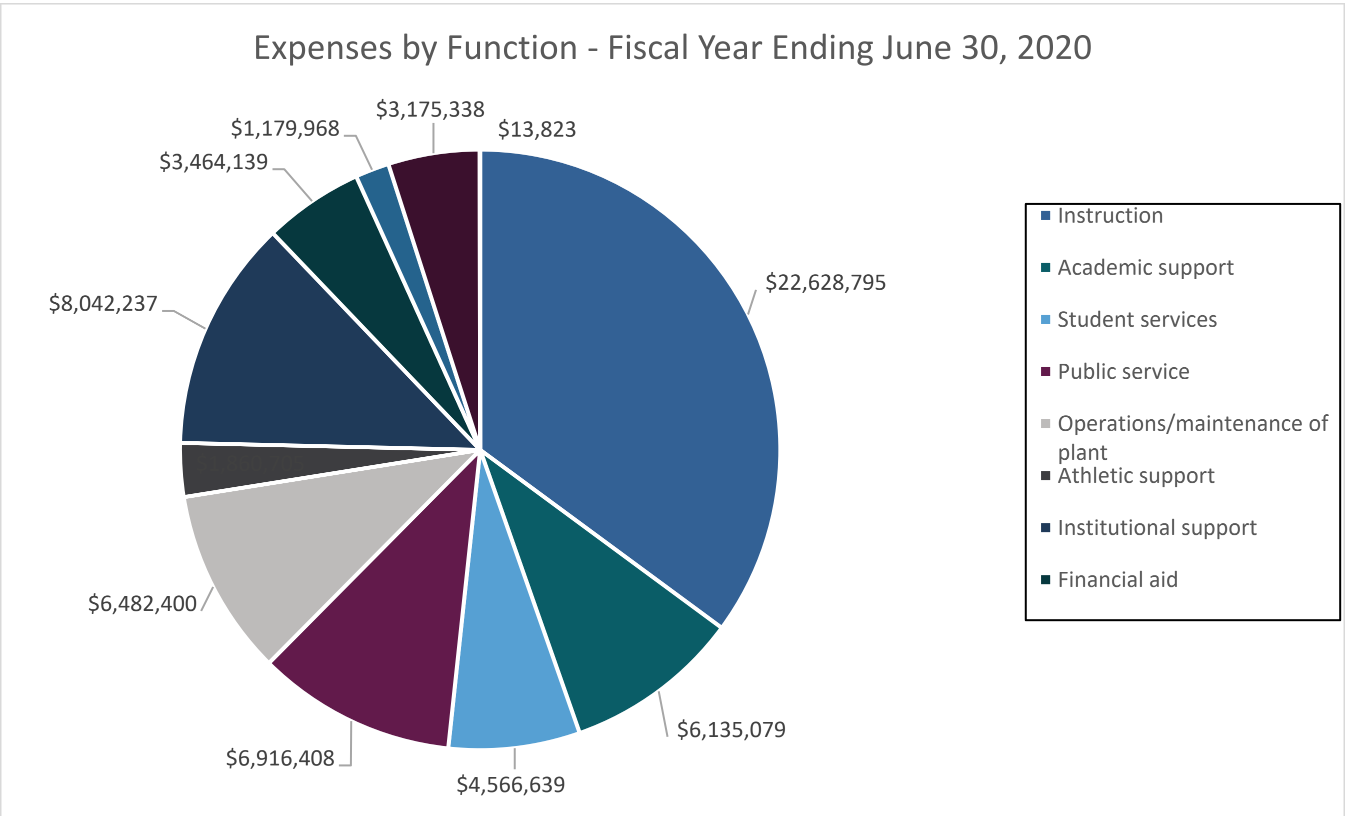
GASB 35 requires tuition and fee revenues from students to be reported net of scholarship discounts and allowances. Scholarship discounts and allowances are the difference between the College's stated charges for tuition and fees and the amount paid by students or third parties on behalf of the students. Total tuition and fees for 2021, 2020, and 2019 were $13.7 million, $14.5 million and $14.5 million, and allowances against those tuition and fees were $5.4 million, $6.1 million, and $6.4 million, respectively. The scholarship allowance in 2021, 2020, and 2019 was 40%, 42%, and 44% of gross tuition and fees, respectively. This indicates that approximately half of the College's students received federal or some other form of financial assistance.

A summary of the College's expenses by function for the year ended June 30, 2021 is as follows:



Instruction and academic support account for 45% of the total operating expense of the College.

A summary of the College's expenses by function for the year ended June 30, 2020 is as follows:



Instruction and academic support account for 45% of the total operating expense of the College.

Net Capital Assets

	2021	2020	Change
Capital Assets			
Land and construction in progress	$ 18,381,295	$ 17,214,501	$ 1,166,794
Ground improvements	6,198,087	6,198,087	-
Buildings	85,803,637	85,326,487	477,150
Furniture and equipment	15,648,287	14,659,401	988,886
Infrastructure	7,472,694	7,472,694	-
Total capital assets	133,504,000	130,871,170	2,632,830
Less accumulated depreciation	57,993,557	55,046,375	2,947,182
Net Capital Assets	$ 75,510,443	$ 75,824,795	$ (314,352)

	2020	2019	Change
Capital Assets			
Land and construction in progress	$ 17,214,501	$ 18,042,519	$ (828,018)
Ground improvements	6,198,087	5,393,946	804,141
Buildings	85,326,487	73,859,870	11,466,617
Furniture and equipment	14,659,401	14,347,932	311,469
Infrastructure	7,472,694	7,472,694	-
Total capital assets	130,871,170	119,116,961	11,754,209
Less accumulated depreciation	55,046,375	52,030,940	3,015,435
Net Capital Assets	$ 75,824,795	$ 67,086,021	$ 8,738,774

At the end of 2021 and 2020, the College had $75.5 million and $75.8 million, respectively, invested in a broad range of capital assets, including land, buildings, computer and office equipment, exterior lighting and telecommunications infrastructure, net of accumulated depreciation. The College constructed or acquired $2.6 million and $11.8 million in capital assets during 2021 and 2020, respectively. More detailed information about the College's capital assets is presented in Note 3 to the basic financial statements.

Debt Administration

As of June 30, 2021, the College had $300,000 in debt outstanding from the construction of the dormitory in 2001, and $7,880,000 in debt outstanding from the construction of a Student Wellness and Recreation Center. Those figures were $1,085,000 and $7,880,000, respectively, as of June 30, 2020. See Note 6 for additional information on debt.

Economic Outlook

The College has weathered the impacts and uncertainty presented by COVID-19 well. For fall 2020, the College returned to in-person instruction and has since maintained a focus on providing safe, full-campus operations, including in-person instruction. Enrollment continues to be a challenge, driven in large part by a low unemployment rate and robust economic recovery in the Inland Northwest. The top areas of focus for the College continue to be the retention and recruitment of students and meeting the needs of industry in North Idaho. During fiscal year 2021, the College began construction of an $8 million, 20,000 square foot addition to the Meyer Health and Sciences building to expand capacity for lab classes and support increasing demand for health professions and nursing programs.

The primary challenges affecting the short-term economic outlook of the College are related to significant changes in leadership, both within the governing board and within the President's Cabinet.

In April 2021, the College received a notice of inquiry from the Northwest Commission on Colleges and Universities (NWCCU) concerning a complaint filed with the Commission alleging noncompliance with Eligibility Requirement 7, *Non-Discrimination*, Eligibility Requirement 9, *Governing Board*, and Eligibility Requirement 16, *Academic Freedom*. The College responded to the Commission inquiry in June 2021 addressing the complaint and clearing the College of any non-compliance with all eligibility requirements with the exception of Eligibility Requirement 9, *Governing Board.* NWCCU has requested that the College submit an Ad-Hoc Report no later than August 1, 2022 for evaluation and possible follow-up monitoring. The Ad-Hoc Report will be focused on Eligibility Requirement 9, *Governing Board*, which requires that the Board has "… *clearly defined authority, roles, and responsibilities for all entities in a written contract(s)*" as well as providing the College "*sufficient autonomy to fulfill its mission*."

In addition, the College is also in a search process for a new President/CEO and Vice President for Instruction. The College expects an appointment of a permanent President/CEO in the fourth quarter of fiscal year 2022 and appointment of a new Vice President for Instruction in the first quarter of fiscal year 2023.

While the College remains fiscally strong, as evidenced by its strong net position, cash balance and bond rating, the enduring focus on the College's accreditation is a significant concern. With almost half of NIC students receiving some form of Federal Student Aid to attend and tuition and fees making up the overwhelming majority of the operating revenue for the College, the issues with accreditation could have a significant fiscal impact on the College. The focus on accreditation has also had an impact on recruiting and retaining both students, as well as qualified faculty and staff. Management continues to maintain a close watch over resources and expenses to ensure that the College's finances are sustainable while also working with the Board to address accreditation requirements and ensure continued focus on the core business activity of the College, the education of students.

Request for Information

These financial statements and discussions are designed to provide a general overview of the College's finances for all those with an interest in the College's finances. Questions concerning any information provided in this report should be addressed to Chris A. Martin, Vice President for Finance and Business Affairs, North Idaho College, 1000 W. Garden Avenue, Coeur d'Alene, ID 83814.

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 26,345,618	$ 22,258,688
Tuition and fees receivable, net of allowance for uncollectible amounts of $538,173 in 2021 and $500,518 in 2020	310,703	422,645
Property tax receivable	5,871,488	5,826,165
Other accounts receivable	6,349,395	3,538,986
Prepaid supplies and expenses	203,954	-
Total current assets	39,081,158	32,046,484
Non-Current Assets		
Restricted cash and cash equivalents	809,102	219,839
Restricted deposits held by bond trustee	633,544	666,430
PERSI Sick Leave	3,130,987	3,060,491
Non-depreciable capital assets	18,381,295	17,214,501
Depreciable capital assets less accumulated depreciation	57,129,148	58,610,294
Total non-current assets	80,084,076	79,771,555
Total assets	119,165,234	111,818,039
Deferred Outflow of Resources		
Pension obligation	2,638,764	1,767,950
PERSI Sick Leave	365,515	208,417
OPEB obligation	1,170,132	166,643
Total deferred outflow of resources	4,174,411	2,143,010

	2021	2020
Liabilities		
Current Liabilities		
Accounts payable	1,519,480	953,813
Accrued salaries and benefits	3,072,744	2,771,133
Other accrued liabilities	111,743	104,788
Unearned tuition and fees revenue	316,340	352,263
Deposits held in custody for others	207,452	156,720
Interest payable	48,193	52,510
Long-term liabilities-current portion	493,721	989,751
Total current liabilities	5,769,673	5,380,978
Non-Current Liabilities		
Revenue bonds, less current portion	8,121,448	8,431,614
Compensated absences, less current portion	1,040,143	1,102,649
Net pension liability	6,742,796	3,437,484
Total obligation for other post-employment benefits	3,582,201	2,330,289
Total non-current liabilities	19,486,588	15,302,036
Total liabilities	25,256,261	20,683,014
Deferred Inflow of Resources		
Pension obligation	656,933	2,086,727
PERSI Sick Leave	302,421	181,206
OPEB obligation	498,812	649,964
Total deferred inflow of resources	1,458,166	2,917,897
Net Position		
Net investment in capital assets	67,078,829	66,598,015
Restricted for:		
Capital projects and debt service	3,675,855	3,766,141
PERSI Sick Leave	3,194,081	3,087,702
Unrestricted	22,676,453	16,908,280
Total net position	$ 96,625,218	$ 90,360,138

	2021	2020
Revenues		
Operating revenues		
Student tuition and fees, net of scholarship allowances of $5,447,968 in 2021 and $6,067,662 in 2020	$ 8,281,688	$ 8,411,712
Auxiliary enterprises revenue	1,061,891	1,202,154
State and local grants and contracts	1,485,703	1,255,470
Federal grants and contracts	1,448,579	946,586
Other operating revenues	3,992,868	3,172,722
Total operating revenues	16,270,729	14,988,644
Expenses		
Operating expenses		
Instruction	22,740,011	22,628,795
Academic support	6,358,715	6,135,079
Student services	4,255,381	4,566,639
Public service	7,180,158	6,916,408
Operations and maintenance of plant	5,513,656	6,482,400
Athletic support	1,285,724	1,860,705
Institutional support	8,463,292	8,042,237
Financial aid	3,633,403	3,464,139
Auxiliary enterprises	1,625,816	1,179,968
Depreciation	3,221,453	3,175,338
Change in OPEB obligation	97,270	13,823
Total operating expenses	64,374,879	64,465,531
Operating Loss	(48,104,150)	(49,476,887)
Non-Operating Revenues (Expenses)		
State appropriations	17,464,800	18,399,101
Property taxes	18,373,273	17,139,066
State grants and contracts	781,366	1,466,271
Federal grants and contracts	15,528,589	12,285,467
Other income	418,227	422,234
Private gifts, grants, and contracts	2,141,999	2,148,063
Interest income	163,097	612,946
Interest expense	(310,740)	(330,993)
Loss on disposal of capital assets	(191,381)	(23,288)
Total non-operating revenues	54,369,230	52,118,867
Net Income Before Capital Contributions	6,265,080	2,641,980
Capital Contributions	-	7,948,546
Change in Net Position	6,265,080	10,590,526
Net Position, Beginning of Year	90,360,138	79,769,612
Net Position, End of Year	$ 96,625,218	$ 90,360,138

	2021	2020
Operating Activities		
Tuition and fees	$ 8,357,707	$ 8,211,555
Payments to suppliers	(16,573,899)	(13,496,549)
Payments to employees	(39,877,801)	(44,444,024)
Payments for financial aid	(3,633,403)	(3,464,139)
Auxiliary enterprise charges	1,061,891	1,202,154
Federal, state, and local grants and contracts	2,934,282	2,202,056
Other revenue	1,182,459	3,403,437
Net Cash used for Operating Activities	(46,548,764)	(46,385,510)
Noncapital Financing Activities		
Local property taxes	18,327,950	16,819,842
State appropriations	17,464,800	18,399,101
Grants and contracts	18,870,181	16,322,035
Net Cash from Noncapital Financing Activities	54,662,931	51,540,978
Capital and Related Financing Activities		
Purchase of capital assets	(2,523,734)	(3,882,758)
Principal paid on capital debt	(785,000)	(765,000)
Interest paid on capital debt	(325,223)	(344,346)
Net Cash used for Capital and Related Financing Activities	(3,633,957)	(4,992,104)
Investing Activities		
Interest on cash deposits	163,097	612,946
Net Cash from Investing Activities	163,097	612,946
Net Change in Cash and Cash Equivalents	4,643,307	776,310
Cash and Cash Equivalents, Beginning of Year	23,144,957	22,368,647
Cash and Cash Equivalents, End of Year	$ 27,788,264	$ 23,144,957

	2021	2020
Reconciliation of Operating Loss to Net Cash used for Operating Activities		
Operating loss	$ (48,104,150)	$ (49,476,887)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	3,221,453	3,175,338
GASB 68 - Actuarial pension revenue	1,004,704	(319,397)
Change in PERSI Sick Leave	(106,379)	(218,952)
Change in OPEB obligation	97,270	13,823
Changes in assets and liabilities		
Receivables (net)	(2,698,467)	39,195
Prepaid supplies and expenses	(203,954)	104,398
Inventory	-	81
Accounts payable	(9,080)	(34,298)
Accrued salaries and benefits	301,611	126,480
Other accrued liabilities	6,955	(19,879)
Unearned tuition and fees revenue	(35,923)	(8,637)
Deposits held in custody for others	50,732	14,070
Compensated absences	(73,536)	219,155
Net Cash used for Operating Activities	$ (46,548,764)	$ (46,385,510)
Supplemental Disclosure of Noncash Activity		
Amortization of premium of refunding	$ 10,166	$ 10,166
Capital assets acquired from accounts payable	574,747	106,096
Capital contributions	-	7,948,546
Reconciliation of Cash, Restricted Cash and Cash Equivalents		
Cash and cash equivalents	$ 26,345,618	$ 22,258,688
Restricted cash and cash equivalents	809,102	219,839
Restricted deposits held by bond trustee	633,544	666,430
Total cash, restricted cash and cash equivalents	$ 27,788,264	$ 23,144,957

	Employee Benefit Plan Trust	
	2021	2020
Assets		
Cash and cash equivalents	$ -	$ 433,725
Total Assets	$ -	$ 433,725
Liabilities		
Health Claims incurred but not reported	$ -	$ 284,000
Payable to employees	-	149,725
Total liabilities	-	433,725
Net Position	-	-
Total Liabilities and Net Position	$ -	$ 433,725

	Employee Benefit Plan Trust	
	2021	2020
Contributions		
Employees	$ -	$ 5,556,283
Deductions		
Insurance claims	-	4,638,308
Change in IBNR	-	(247,000)
Administrative expenses	-	1,025,734
Return of excess employee premium	-	149,725
Total deductions	-	5,566,767
Change in Net Position	-	(10,484)
Net Position, Beginning of Year	-	10,484
Net Position, End of Year	$ -	$ -

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 2,672,024	$ 3,990,909
Contributions receivable, net	290,645	440,466
Cash surrender value of life insurance	64,400	62,700
Other assets	323,243	371,478
Total current assets	3,350,312	4,865,553
Property and Equipment, net	-	-
Noncurrent Assets		
Noncurrent contributions receivable, net	7,157	282,147
Investments	39,666,745	29,052,676
	$ 43,024,214	$ 34,200,376
Liabilities and Net Assets		
Current Liabilities		
Accounts and other payables	$ 448,755	$ 736,511
Deferred revenue	550,000	550,000
Total current liabilities	998,755	1,286,511
Net Assets		
Without donor restrictions		
Designated by the Board for endowment purposes	7,236,166	4,213,998
Undesignated revenue from raffle fund-raiser	132,569	155,408
Undesignated	2,634,386	1,954,584
Total without donor restrictions	10,003,121	6,323,990
With donor restrictions		
Unappropriated endowment earnings	12,976,007	7,431,771
Nonendowment, with donor restrictions	4,521,503	5,338,361
Perpetuity	14,524,828	13,819,743
Total with donor restrictions	32,022,338	26,589,875
Total net assets	42,025,459	32,913,865
	$ 43,024,214	$ 34,200,376

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Support			
Raffle ticket sales	$ 550,000	$ -	$ 550,000
Contributions	285,459	1,167,427	1,452,886
Investment income	30,983	123,432	154,415
Net gain on investments	1,899,487	7,567,492	9,466,979
Net assets released from restrictions			
Satisfaction of program restrictions	1,679,622	(1,679,622)	-
Net transfers	1,746,266	(1,746,266)	-
Total revenues, gains, and support	6,191,817	5,432,463	11,624,280
Expenses			
Program services	1,745,255	-	1,745,255
Supporting services			
General and administrative	174,125	-	174,125
Fund-raising	593,306	-	593,306
Total expenses	2,512,686	-	2,512,686
Change in Net Assets	3,679,131	5,432,463	9,111,594
Net Assets, Beginning of Year	6,323,990	26,589,875	32,913,865
Net Assets, End of Year	$ 10,003,121	$ 32,022,338	$ 42,025,459

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Support			
Raffle ticket sales	$ 550,000	$ -	$ 550,000
Contributions	233,058	995,391	1,228,449
Investment income	44,097	172,693	216,790
Net gain on investments	510,241	-	510,241
Other	49,466	193,726	243,192
Net assets released from restrictions			
Satisfaction of program restrictions	1,785,772	(1,785,772)	-
Net transfers	120,817	(120,817)	-
Total revenues, gains, and support	3,293,451	(544,779)	2,748,672
Expenses			
Program services	1,856,550	-	1,856,550
Supporting services			
General and administrative	178,490	-	178,490
Fund-raising	538,806	-	538,806
Total expenses	2,573,846	-	2,573,846
Change in Net Assets	719,605	(544,779)	174,826
Net Assets, Beginning of Year	5,604,385	27,134,654	32,739,039
Net Assets, End of Year	$ 6,323,990	$ 26,589,875	$ 32,913,865

Note 1 - Principal Business Activity and Significant Accounting Policies

Description of Entity

North Idaho College (NIC or the College) meets the diverse educational needs of students, employers, and the northern Idaho communities it serves through a commitment to student success, educational excellence, community engagement and life-long learning. As a comprehensive community college, North Idaho College strives to provide accessible, affordable, and quality learning opportunities. North Idaho College endeavors to be an innovative, flexible leader recognized as a center of educational, cultural, economic, and civic activities by the communities it serves.

The College was first known as Coeur d'Alene Junior College, a private school that was started in 1933 and operated for six years. In January 1939, the state legislature passed the Junior College Act, which permitted qualified areas to establish junior college districts by a vote of eligible electors. Coeur d'Alene Junior College became North Idaho Junior College in June of 1939. On July 31, 1971, the College changed its name to North Idaho College. NIC's service area is the Idaho panhandle, which includes Kootenai, Benewah, Bonner, Shoshone and Boundary counties.

NIC offers Associate of Arts and Associate of Science degrees in various college transfer programs, and Associate of Applied Science degrees and technical certificates in its career-technical programs. Many credit courses are offered evenings and during the summer on the NIC campus and at outreach sites. NIC's enrollment in credit courses is approximately 6,600 students annually. NIC also includes a contemporary Workforce Training/Community Education Center, which is located in the Riverbend Commerce Park in nearby Post Falls. Noncredit classes and workforce training programs serve another 4,500 students each year.

The College is fully accredited in all instructional areas by the Northwest Association of Schools and Colleges and the Idaho State Division of Career Technical Education. The Nursing Program is accredited by the National League for Nursing Accrediting Commission.

The College operates a full-year Head Start Program under a federal grant. The Head Start Program provides comprehensive early child development for disadvantaged preschool children and their families.

The College operates an office on Aging and Adult Services. This office has been charged with the responsibility of coordinating a comprehensive program for all senior citizens in the five county area of North Idaho. Funding is primarily received through federal grants under Title III of the Older Americans Act of 1965.

Reporting Entity

The College's financial statements for fiscal years ended June 30, 2021 and 2020, are prepared in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles in the United State of America (GAAP).

As defined by GAAP established under GASB, the financial reporting entity consists of the primary government as well as its component units, the North Idaho College Dormitory Housing Commission (the DHC) and the North Idaho College Foundation, Inc. (the Foundation).

Per Idaho Code 33-2118, the North Idaho College Dormitory Housing Commission is appointed by the governor to oversee operations of dormitory housing projects for North Idaho College. The DHC exists to the benefit of the College by providing dormitory and other auxiliary services to the students. Although the DHC has its own governing body and the College does not control the actions of the DHC, it is presented as a blended component unit because of the nature and significance of its relationship with the College.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The 30-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation's financial statements for fiscal years ended June 30, 2021 and 2020, are discreetly presented because of the nature and significance of its relationship with the College.

The Foundation is a private not-for-profit organization that reports its financial statements in accordance with the pronouncements of Financial Accounting Standard Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Accordingly, those financial statements have been reported on separate pages following the financial statements of the College. No modifications have been made to the Foundation's financial information included in the College's report; however significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Financial statements for the Foundation can be obtained by calling the Foundation at 208-769-5978.

Basis of Accounting

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return include: property taxes, 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.

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

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. The College has some funds on deposit with the Idaho State Local Government Investment Pool (LGIP) and considers all such funds with the LGIP as cash and cash equivalents. Even though the weighted average of the underlying investments of the LGIP is greater than 90 days, the College can liquidate its deposits within a few days.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also includes amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable balances are recorded net of estimated uncollectible amounts.

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

Property Tax Receivable

Property taxes levied for 2014 through 2020 are recorded as receivables. The College's property tax is levied each November on the assessed value listed as of the prior September for all property located in Kootenai County (the County). Assessed values are established by the County Assessor. Property tax payments are due in one-half installments in December and June.

Prepaid Expenses

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

Restricted Cash and Cash Equivalents

In accordance with debt covenant restrictions and agency fund requirements, the College is obligated to separately hold cash amounts sufficient to satisfy the debt covenants and agency fund requirements. These amounts are shown as noncurrent assets.

Capital Assets

Capital assets are stated at cost when purchased or constructed, or if donated, at the estimated acquisition value at the date of the gift. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. 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 40 years for buildings, 20 years for improvements other than buildings, infrastructure 10 years, and 5-20 years for furniture and equipment.

Unearned Revenue

Unearned revenue includes amounts received for tuition and fees prior to the end of the fiscal year but related to the subsequent accounting period.

Compensated Absences

Employees of the College are entitled to paid vacation days depending on job classification, length of service and other factors. Accumulated vacation time in excess of 30 days is forfeited at the end of every fiscal year. Sick days accumulate according to Idaho statute and the PERSI administered sick leave pool guidelines. The College retained the right to revoke this benefit annually. At June 30, 2021 and 2020, no provision for the accumulated sick leave balances has been made.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties. Agency funds generally are used to account for assets that the College holds on behalf of others as their agent, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds account for assets held by the College under the terms of a formal trust agreement. Fiduciary funds are as follows:

> Employee Benefit Plan Trust Funds account for the revenues received, expenses incurred and the net position available for health benefits of the College's employees. The College closed this account and moved to a fully insured plan in 2021. Remaining claims were paid out during 2021. Any remaining premiums received in excess of claims incurred and paid will be remitted back to employees.

Net Position

The College's net position is classified as follows:

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

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

Unrestricted Net Position – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose. Included in the unrestricted net position is $10,100,000 as of June 30, 2021 and 2020, which is designated by the Board of Trustees for future capital expenditures of the College.

Classification of Revenues

The College has classified its revenues as either operating or non-operating according to the following criteria:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as: student tuition and fees, net of scholarship discounts and allowances; sales and services of auxiliary enterprises, and contracts and federal appropriations.

Non-Operating Revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB codification section P80, such as state appropriations, property taxes and most federal, state and local grants, and investment income.

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 third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Income Taxes

As a public institution of higher education, the income of the College is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the College is subject to federal income tax on any unrelated business taxable income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The College does not have unrelated business income tax to report during the fiscal years ended June 30, 2021 and 2020.

Deferred Outflows and Inflows of Resources

In addition to assets, the statements 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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College has two items that qualify for reporting in this category, deferred net pension and OPEB obligation.

In addition to liabilities, the statements of net position will include 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 so will not be recognized as an inflow of resources (revenue) until that time. The College has two items that qualifies for reporting in this category reported on the statement of net position, deferred net pension, and OPEB obligation.

Use of Estimates

The preparation of financial statements in conformity 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.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB) – PERSI Sick Leave & Healthcare Plan

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

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance 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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net income or net assets.

Note 2 - Cash and Cash Equivalents and Investments

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

At June 30, 2021 and 2020, the College's cash, cash equivalents and investments (including fiduciary funds) consisted of the following:

	2021	
	Bank Balance	Carrying Amount
Cash and cash equivalents		
Bank deposit	$ 5,433,974	$ 4,980,737
Local Government Investment Pool	21,104,954	21,099,541
Money market	265,340	265,340
Restricted cash		
Bank deposit	809,155	809,102
Bond account - money market	657,711	633,544

	2020	
	Bank Balance	Carrying Amount
Cash and cash equivalents		
Bank deposit	$ 2,899,656	$ 2,782,916
Local Government Investment Pool	19,659,497	19,659,497
Money market	265,292	250,000
Restricted cash		
Bank deposit	219,828	219,839
Bond account - money market	657,670	666,430

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a financial institution, the College's deposits and investments may not be returned to it. At June 30, 2021, $6,172,035 of the College's deposits were uninsured and uncollateralized. The College does not have a deposit policy for custodial credit risk.

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 or deposit purposes. 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.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The College's investment in the LGIP is not required to be rated, nor has it been rated as of June 30, 2021.

The LGIP is required to report its investments at fair value because the weighted average maturity of the 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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the College manages its exposure to interest rate risk is by keeping funds needed for operations in short-term liquid investments. All investments types discussed above have a maturity date of less than one year.

Note 3 - Capital Assets

Capital assets at June 30, 2021 consist of the following:

	Balance 6/30/2020	Additions	Transfers	Retirements	Balance 6/30/2021
Capital assets, not being depreciated					
Land	$ 16,608,212	$ 207,813	$ -	$ -	$ 16,816,025
Construction in progress	606,289	989,786	(30,805)	-	1,565,270
Total capital assets not being depreciated	17,214,501	1,197,599	(30,805)	-	18,381,295
Capital assets, being depreciated					
Grounds improvements	6,198,087	-	-	-	6,198,087
Buildings	85,326,487	600,469	30,805	(154,124)	85,803,637
Furniture and equipment	14,659,401	1,300,414	-	(311,528)	15,648,287
Infrastructure	7,472,694	-	-	-	7,472,694
Total capital assets being depreciated	113,656,669	1,900,883	30,805	(465,652)	115,122,705
Less accumulated depreciation					
Grounds improvements	2,840,341	251,957	-	-	3,092,298
Buildings	35,138,369	1,984,795	-	(6,000)	37,117,164
Furniture and equipment	11,186,570	862,934	-	(268,271)	11,781,233
Infrastructure	5,881,095	121,767	-	-	6,002,862
Total accumulated depreciation	55,046,375	3,221,453	-	(274,271)	57,993,557
Capital assets being depreciated, net	58,610,294	(1,320,570)	30,805	(191,381)	57,129,148
Total capital assets, net	$ 75,824,795	$ (122,971)	$ -	$ (191,381)	$ 75,510,443

Capital assets at June 30, 2020 consist of the following:

	Balance 6/30/2019	Additions	Transfers	Retirements	Balance 6/30/2020
Capital assets, not being depreciated					
Land	$ 15,465,014	$ 1,143,198	$ -	$ -	$ 16,608,212
Construction in progress	2,577,505	606,289	(2,577,505)	-	606,289
Total capital assets not being depreciated	18,042,519	1,749,487	(2,577,505)	-	17,214,501
Capital assets, being depreciated					
Grounds improvements	5,393,946	804,141	-	-	6,198,087
Buildings	73,859,870	8,889,112	2,577,505	-	85,326,487
Furniture and equipment	14,347,932	494,660	-	(183,191)	14,659,401
Infrastructure	7,472,694	-	-	-	7,472,694
Total capital assets being depreciated	101,074,442	10,187,913	2,577,505	(183,191)	113,656,669
Less accumulated depreciation:					
Grounds improvements	2,588,148	252,193	-	-	2,840,341
Buildings	33,197,069	1,941,300	-	-	35,138,369
Furniture and equipment	10,507,147	839,326	-	(159,903)	11,186,570
Infrastructure	5,738,576	142,519	-	-	5,881,095
Total accumulated depreciation	52,030,940	3,175,338	-	(159,903)	55,046,375
Capital assets being depreciated, net	49,043,502	7,012,575	2,577,505	(23,288)	58,610,294
Total capital assets, net	$ 67,086,021	$ 8,762,062	$ -	$ (23,288)	$ 75,824,795

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. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a three-year waiting period, a tax deed is issued conveying the property to Kootenai 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. Kootenai County collects property taxes for the College.

Note 5 - Lease Obligations

Operating Lease Obligations

The College is committed under various operating leases, primarily for buildings and maintenance agreements. The lease terms range from one to seven years. The expenses for operating leases was $434,327 and $476,043 for fiscal years 2021 and 2020, respectively. As of June 30, 2021, future minimum operating lease commitments are as follows:

Years Ended June 30,	
2022	$ 330,407
2023	200,606
2024	147,655
2025	60,000
Total	$ 738,668

Note 6 - Long-Term Debt

Revenue Bonds, Series 2012

The College refinanced the 2001 Certificates of Participation in 2012. The new debt agreement calls for graduated annual payments on May 1 of each year, until May 1, 2022, when the entire bond will be paid off. The new interest rate ranges from 3.00% to 4.00%. The economic gain from refinancing was $2,128,104 and the cash flow gain was $1,252,957.

The 2012 bonds mature in the amounts as follows:

Years Ending June 30,	Principal	Interest	Total	Interest Rate
2022	$ 300,000	$ 30,883	$ 330,883	3.10%
	$ 300,000	$ 30,883	$ 330,883	

The bonds are secured by a pledge of revenue from operation of the Student Union Building and Dormitory and collection of student fees over the term of the bond. The trustee is U.S. Bank, Boise, Idaho.

Revenue Bonds, Series 2016

The College acquired new debt in fiscal year 2016 for construction of the Student Wellness and Recreation Center. The new debt agreement calls for annual payments beginning November 1, 2017 until November 1, 2046, when the entire bond will be paid off. The interest rate ranges from 2.00% to 4.50%, interest only till 2023.

The 2016 bonds mature in the amounts as follows:

Years Ending June 30,	Principal	Interest	Total	Interest Rate
2022	$ -	$ 279,856	$ 279,856	-
2023	220,000	276,923	496,923	2.00%
2024	225,000	272,456	497,456	2.00%
2025	230,000	267,506	497,506	2.25%
2026	235,000	261,865	496,865	2.50%
2027-2031	1,325,000	1,166,208	2,491,208	3.125% - 4.00%
2032-2036	1,575,000	923,283	2,498,283	3.00%
2037-2041	1,835,000	650,975	2,485,975	3.125% - 3.375%
2042-2046	2,235,000	243,676	2,478,676	3.375% - 4.50%
	$ 7,880,000	$ 4,342,748	$ 12,222,748	

Unamortized premium on the Series 2016 Revenue Bonds was $251,614 and $261,780 as of June 30, 2021 and 2020, respectively. The premium is amortized $10,166 per year through 2046.

The bonds are secured by a pledge of revenue from operation of the student union building, dormitory, student wellness and recreation center and collection of student fees over the term of the bond. The trustee is U.S. Bank, Boise, Idaho.

Bond Covenants for Revenue Bonds

The Revenue Bonds for the 2012 series and 2016 series calls for a reserve account to be maintained with a balance of $628,935. At June 30, 2021, $633,544 was on deposit.

The College is also required to generate fee income equal to at least 1.25 times the annual debt service requirement. In fiscal year 2021, the College utilized $353,000 of excess unrestricted net position to cover this requirement.

There was $980,690 in pledged revenue generated from the operations of the Student Union Building and the Dormitory to cover the debt service costs for the year ended June 30, 2021. The total debt service during the year ended June 30, 2021, was $1,070,971.

Changes in Long-Term Debt

Long-term liability activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Revenue bonds	$ 1,085,000	$ -	$ 785,000	$ 300,000	$ 300,000
2016 Revenue bonds	7,880,000	-	-	7,880,000	-
Premium on bond issues	261,780	-	10,166	251,614	10,166
Compensated absences	1,297,234	191,747	265,283	1,223,698	183,555
Total long-term liabilities	$ 10,524,014	$ 191,747	$ 1,060,449	$ 9,655,312	$ 493,721

Long-term liability activity for the year ended June 30, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Revenue bonds	$ 1,850,000	$ -	$ 765,000	$ 1,085,000	$ 785,000
2016 Revenue bonds	7,880,000	-	-	7,880,000	-
Premium on bond issues	271,946	-	10,166	261,780	10,166
Compensated absences	1,078,079	378,219	159,064	1,297,234	194,585
Total long-term liabilities	$ 11,080,025	$ 378,219	$ 934,230	$ 10,524,014	$ 989,751

Note 7 - Pension Plan

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. For the measurement period ended June 30, 2020 and 2019 it was 7.16% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees. The College's contributions were $1,225,058 and $1,257,277 for the years ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021 and 2020, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, 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, 2021, 2020, and 2019, the College's proportion was .2903709%, .3011448%, and .3222206%, respectively.

For the years ended June 30, 2021 and 2020, the College recognized pension expense of $2,441,939 and $1,166,504, respectively. At June 30, 2021 and 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 526,819	$ 220,168	$ 319,461	$ 405,125
Differences between expected and actual investment earnings	772,854	-	-	1,171,050
Changes in actuarial assumptions	114,033	-	191,212	-
Net pension liability change in proportion	-	436,765	-	510,552
College's contributions subsequent to the measurement date	1,225,058	-	1,257,277	-
Total	$ 2,638,764	$ 656,933	$ 1,767,950	$ 2,086,727

The $1,225,058 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 for the year ending June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2020, is 4.7 and 4.8 years for the measurement period ended June 30, 2019.

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:	
2022	$ (150,910)
2023	130,646
2024	298,802
2025	478,235

Actuarial Assumptions

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

The total pension liability in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of pension plan 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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date July 1, 2020.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Asset Class		**Target Allocation**	**Long-Term Expected Nominal Rate of Return (Arithmetic)**	**Long-Term Expected Real Rate of Return (Arithmetic)**
Core Fixed Income	Barclays Aggregate	30.00%	2.80%	55.00%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.55%	6.30%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.70%	6.45%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.85%	4.60%
Portfolio Standard Deviation			12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.25%	3.89%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return Net of Investment Expenses			5.85%	3.49%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.14%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				**7.05%**

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the College's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.05%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05%) or 1-percentage-point higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's net pension liability (asset)	$ 13,827,628	$ 6,742,796	$ 884,795

The following presents the College's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.05%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05%) or 1-percentage-point higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's net pension liability (asset)	$ 10,382,526	$ 3,437,484	$ (1,163,169)

Pension plan fiduciary net position

Detailed information about the pension's plan 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, 2021, the College reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 8 - Other Post-Employment Benefits (OPEB) - PERSI Sick Leave

Plan Description

The College 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. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The College's contributions were $0 and $99,644 for the years ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021 and 2020, the College reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020 and 2019, 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, 2020 and 2019, the College's proportion was 2.2181530% and 2.4294989%, respectively.

For the years ended June 30, 2021 and 2020, the College recognized OPEB expense offset of $152,761 and $133,188, respectively. At June 30, 2021 and 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 23,340	$ 107,872	$ 29,971	$ 94,985
Differences between expected and actual investment earnings	57,343	-	-	86,221
Changes in actuarial assumptions	2,141	194,549	3,077	-
Net OPEB asset change in proportion	282,691	-	75,725	-
College's contributions subsequent to the measurement date	-	-	99,644	-
Total	$ 365,515	$ 302,421	$ 208,417	$ 181,206

The average of the expected remaining service lives of all employees that are provided with OPEB through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2020, is 7.8 years.

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

Years Ended June 30:	
2022	$ (444)
2023	(444)
2024	17,252
2025	33,857
2026	72,216
Thereafter	(59,343)

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 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Asset Class		Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	2.80%	55.00%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.55%	6.30%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.70%	6.45%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.85%	4.60%
Portfolio Standard Deviation			12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.25%	3.89%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return Net of Investment Expenses			5.85%	3.49%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.14%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				**7.05%**

Discount Rate

The discount rate used to measure the total OPEB asset was 7.05%. 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 asset. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Payables to the pension plan

At June 30, 2021, the College reported no payables to the plan.

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

The following presents the College's proportionate share of the net OPEB asset calculated as of June 30, 2021, using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's net OPEB liability (asset)	$ (2,983,071)	$ (3,130,987)	$ (3,265,564)

The following presents the College's proportionate share of the net OPEB asset calculated as of June 30, 2020, using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's net OPEB liability (asset)	$ (2,957,868)	$ (3,060,491)	$ (3,156,461)

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.

Note 9 - Other Post-Employment Benefit (OPEB) - Healthcare Plan

Plan Description

North Idaho College operates a single–employer retiree benefit plan that provides post-employment medical, dental, and life plans upon retirement from active service. To be eligible for the College's retiree group medical, dental, and life plans, a retiree must satisfy the PERSI retirement eligibility requirements of 55 years of age (or disability) and 5 years of service. If the active employee is in optional retirement plan (ORP), the retiree must be age 55. Once a retiree becomes eligible for Medicare, the spouse can continue medical and dental coverage until the spouse is eligible for Medicare. Disabled members and their dependents do not receive medical, dental, or life benefits. Surviving spouses are not eligible for medical, dental, or life benefits. After December 31, 2010, new retirees became ineligible to enroll themselves or their dependents in retiree life insurance.

Funding Policy

The College has not established a fund to supplement the costs for the total OPEB obligation. The required contribution is based on projected pay-as-you-go financing requirements. Retirees are required to pay 100% of the premiums based on the combined active and retiree pool for both the retiree and the dependent coverage. If a retiree has at least 25 years of service, North Idaho College will contribute 71% of the retiree medical and dental plan premiums. The membership as of July 1, 2018 includes 499 active participants, 72 retirees and surviving spouses, and 32 spouses of current retirees.

Significant Changes

The College pays a portion of the retiree premium for members with 25 or more years of service. Previously the retiree had to exhaust their sick leave balance which we assumed would take three years. Effective July 1, 2021, North Idaho College no longer requires members with 25 or more years of service to exhaust their sick leave. This change is reflected as a plan change.

Total OPEB Liability

The total OPEB liability at June 30, 2021 and 2020, was determined by an actuarial valuation as of July 1, 2020, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date of June 30, 2020 and 2019. There have been no significant changes between the valuation date and the fiscal year end.

The assumptions used to determine the OPEB liability at June 30, 2021 are as follows:

Inflation	2.20%
Salary increases	2.95%
Discount rate	2.21%
Medical price index trend	3.7%-8.90%
Dental price index trend	.00%-4.00%

The assumptions used to determine the OPEB liability at June 30, 2020 are as follows:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.50%
Medical price index trend	4.20%-6.90%
Dental price index trend	.50%-4.00%

The discount rate was based on Bond Buyer 20-Bond GO Index. Mortality rates were based on the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection. The total OPEB liability was based on the 2016 PERSI Experience study for demographic assumptions and the July 1, 2016 OPEB Valuation for the economic and OPEB specific assumptions.

Changes in the Total OPEB Liability

Balance at June 30, 2018 (Measurement Date)	$ 2,105,195
Changes for the year:	
Service cost	181,094
Interest on total OPEB liability	86,437
Effect of assumptions changes or inputs	64,089
Expected benefit payments	(106,526)
Balance at June 30, 2019 (Measurement Date)	2,330,289
Changes for the year:	
Service cost	195,813
Interest on total OPEB liability	86,458
Effect of economic/demographic (gains) or losses	411,229
Effect of assumptions changes or inputs	671,139
Expected benefit payments	(112,727)
Balance at June 30, 2020 (Measurement Date)	$ 3,582,201

OPEB expense was $300,462 and $126,550 for the years ended June 30, 2021 and 2020, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021 and 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 350,755	$ 275,346	$ -	$ 358,781
Changes in actuarial assumptions	616,185	223,466	53,916	291,183
College's contributions subsequent to the measurement date	203,192	-	112,727	-
Total	$ 1,170,132	$ 498,812	$ 166,643	$ 649,964

The $203,192 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as an addition to the total OPEB liability for the year ending June 30, 2022.

Deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense (revenue) as follows:

Years Ended June 30:	
2022	$ 18,191
2023	18,191
2024	18,191
2025	123,997
2026	162,223
Thereafter	127,335

Sensitivity Analysis

The following presents the total OPEB liability of the College as of June 30, 2021, calculated using the discount rate of 2.21%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	$ 3,836,520	$ 3,582,201	$ 3,343,919

The following presents the total OPEB liability of the College June 30, 2021, calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 3,243,661	$ 3,582,201	$ 3,981,534

The following presents the total OPEB liability of the College as of June 30, 2020, calculated using the discount rate of 3.50%, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	$ 2,513,578	$ 2,330,289	$ 2,161,596

The following presents the total OPEB liability of the College June 30, 2020, calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 2,095,097	$ 2,330,289	$ 2,608,733

Note 10 - Contingencies

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

Note 11 - Related Party Transactions

Significant transactions occurring between the Foundation and the College include: the Foundation made scholarship and other support payments to the College in the amounts of $1,745,255 and $1,856,550 for the years ended June 30, 2021 and 2020, respectively. The College also provided funding for the Foundation's staff salary and benefits in the amounts of $263,478 and $249,270 for the years ended June 30, 2021 and 2020, respectively. Amounts receivable from the Foundation as of June 30, 2021 and 2020, were $414,104 and $691,850, respectively.

Note 12 - Component Unit – North Idaho College Dormitory Housing Commission

The North Idaho College Dormitory Housing Commission is presented as a blended component unit. Condensed statements of financial position for the years June 30, 2021 and 2020 are as follows:

	2021	2020
Current Assets	$ 1,296,730	$ 2,126,790
Capital Assets	20,556,026	20,545,860
Total Assets	$ 21,852,756	$ 22,672,650
Current Liabilities	$ 66,905	$ 94,003
Due to Other Funds	6,495,924	6,526,854
Noncurrent Liabilities	8,228,193	9,017,509
Total Liabilities	14,791,022	15,638,366
Net Position	7,061,636	7,034,284
Total Liabilities and Net Position	$ 21,852,658	$ 22,672,650

Condensed statements of activities for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Operating Revenues		
Sales and rentals	$ 1,742,829	$ 1,202,153
Interest income	915	4,023
Fee revenue	859,260	922,980
Total operating revenue	2,603,004	2,129,156
Building Expenses	1,504,682	1,186,898
Income from Operations	1,098,322	942,258
Non-Operating Revenue and Expenses		
Debt service	(1,070,970)	(1,061,962)
Change in Net Position	27,352	(119,704)
Net Position, Beginning of Year	7,034,284	7,153,988
Net Position, End of Year	$ 7,061,636	$ 7,034,284

Note 13 - Component Unit – North Idaho College Foundation, Inc.

Nature of Activities and Summary of Significant Accounting Policies

Foundation Operations

The North Idaho College Foundation, Inc. (the Foundation) is discretely presented within the financial statements as a component unit. The Foundation was incorporated on October 12, 1977, as an Idaho non-profit corporation with a perpetual existence for the purpose of providing scholarships and other sources of aid to the college community. The exclusive beneficiaries of the Foundation are North Idaho College (NIC or the College) and its students. The Foundation operates from offices provided by North Idaho College. The Foundation receives revenues and support primarily through contributions and fund-raising activities.

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 are prepared in accordance with the standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted, temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing in-kind donations and the presentation of information.

Investments

The Foundation primarily invests with the Commonfund for Nonprofit Organizations (Commonfund), which holds a diversified portfolio of marketable common stocks and other marketable equity-type investments including, but not limited to, convertible bonds, convertible preferred stocks, and warrants. The Commonfund investments may also hold cash, short-term obligations, and U.S. government, corporate, and other bonds. The Foundation also uses four investment managers to manage portfolios of equity securities. Investments are carried at market or net asset value (NAV) per share or its equivalent, as provided by fund management, and realized and unrealized gains and losses are reflected in the statements of activities. The market value of the investments is as follows at June 30, 2021 and 2020:

	2021	2020
Commonfund investments	$ 30,643,704	$ 22,681,276
Domestic securities	6,999,708	4,713,579
Foreign securities	2,023,333	1,657,821
	$ 39,666,745	$ 29,052,676

The following investment earnings, investment fees, and unrealized gains and losses have been allocated among all net assets based on average balances for the years ended June 30, 2021 and 2020 unless otherwise stipulated:

	2021	2020
Net unrealized and realized gain on investments held at market	$ 9,466,979	$ 243,192
Investment income	227,840	281,495
Investment fees	(73,425)	(64,705)
	$ 9,621,394	$ 459,982

Endowment Accounts

The Foundation's endowment consists of approximately 369 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of North Idaho College Foundation, Inc. has interpreted the Uniform Prudent Management for 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, North Idaho College Foundation, Inc. classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 consistent with the standard of prudence prescribed by UPMIFA.

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

(1) The duration and preservation of the fund
(2) The purpose 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

Endowment net asset composition by type of fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 27,500,835	$ 27,500,835
Board-designated endowment funds	7,236,166	-	7,236,166
	$ 7,236,166	$ 27,500,835	$ 34,737,001

Changes in Endowment net assets for the fiscal year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,213,998	$ 21,251,514	$ 25,465,512
Investment return			
Investment income	20,620	103,811	124,431
Net appreciation (realized and unrealized)	1,264,123	6,364,425	7,628,548
Total investment returns	1,284,743	6,468,236	7,752,979
Contributions	-	658,381	658,381
Appropriation of endowment assets for expenditure	(8,841)	(924,000)	(932,841)
Other changes			
Board designated funds	1,746,266	-	1,746,266
Transfers at donor request from			
Endowed funds to nonendowed funds	-	(126,611)	(126,611)
Nonendowed funds to endowed funds	-	173,315	173,315
Endowment net assets, end of year	$ 7,236,166	$ 27,500,835	$ 34,737,001

Endowment net asset composition by type of fund as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 21,251,514	$ 21,251,514
Board-designated endowment funds	4,213,998	-	4,213,998
	$ 4,213,998	$ 21,251,514	$ 25,465,512

Changes in Endowment net assets for the fiscal year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 3,519,912	$ 21,048,626	$ 24,568,538
Investment return			
Investment income	29,323	150,069	179,392
Net appreciation (realized and unrealized)	32,893	168,350	201,243
Total investment returns	62,216	318,419	380,635
Contributions	-	688,675	688,675
Appropriation of endowment assets for expenditure	(8,371)	(849,248)	(857,619)
Other changes:			
Board designated funds	640,241	-	640,241
Transfers at donor request from Nonendowed funds to endowed funds	-	45,042	45,042
Endowment net assets, end of year	$ 4,213,998	$ 21,251,514	$ 25,465,512

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies reported in unrestricted net assets as of June 30, 2021 and 2020.

Absent donor stipulations to the contrary, the Foundation will not appropriate for expenditure from a permanent endowment fund if such expenditure will result in the fair value of the fund falling below the perpetual value of the fund, measured as of June 30 of the fiscal year of appropriation.

Return Objectives and Risk Parameters

The object of the investment and spending policies for endowment assets adopted by the Foundation is to preserve and, over time, increase the inflation adjusted value of the investable assets of the Foundation. Second, the objective is to maximize, over the long run, the total rate of return on investable assets, assuming a level of risk consistent with prudent investment practices for such funds. Endowment assets, for purposes of this disclosure, include those assets of donor-restricted funds the Foundation must hold in perpetuity or for a donor-specified period as well as Board-designated (quasi-endowment) funds. All endowment and quasi-endowment funds shall be subject to the same high level of prudent investment policy.

Strategies Employed for Achieving Objectives

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 that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund's average dollars available for the prior three years through the fiscal year end preceding the fiscal year in which the distribution is planned. 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 an average of 6% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

Fair Value and Financial Instrument

The Foundation has determined the fair value of certain assets and liabilities in accordance with the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America.

FASB ASC 820-10-20 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs are developed based on independent market data obtained from sources independent of the Foundation. Unobservable inputs reflect the Foundation's own assumptions about market inputs based on its own data.

A fair value hierarchy has also been established by the *Fair Value Measurements and Disclosures Topic* of FASB ASC, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted market prices in active markets for identical assets or liabilities the Foundation has the ability to access at the measurement date. Level 2 inputs consist of valuations other than quoted prices included in Level 1 that are observable by the Foundation for the related asset or liability. Level 3 inputs consist of unobservable valuations related to the asset or liability.

Investments in corporate bonds and equity securities are valued based on quoted market prices, and are therefore, typically classified within Level 1.

Investments with the Common Fund are valued using NAV per share or its equivalent as reported by the investment manager that are audited under AICPA guidelines and that have activity and the ability to redeem at NAV on or near the reporting date are evaluated outside of the fair value hierarchy in accordance with ASU 2015-07.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. In addition, while the Foundation believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The Foundation has not changed their valuation methods during the current year or prior year.

The following table summarizes the valuation of the Foundation's investments by the above FASB ASC 820 fair value hierarchy levels as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Domestic securities	$ 6,999,708	$ -	$ -	$ 6,999,708
Foreign securities	2,023,333	-	-	2,023,333
Total assets in the fair value heirarchy	$ 9,023,041	$ -	$ -	9,023,041
Investments measured at NAV practical expedient				30,643,704
Investments at fair value				$ 39,666,745

The following table summarizes the valuation of the Foundation's investments by the above FASB ASC 820 fair value hierarchy levels as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Domestic securities	$ 4,713,579	$ -	$ -	$ 4,713,579
Foreign securities	1,657,821	-	-	1,657,821
Total assets in the fair value heirarchy	$ 6,371,400	$ -	$ -	6,371,400
Investments measured at NAV practical expedient				22,681,276
Investments at fair value				$ 29,052,676

The Foundation recognizes transfers into and out of levels at the end of the reporting period. There were no transfers between levels in the year ended June 30, 2021 and 2020.

The following table presents information regarding funds with fair value that is determined using the NAV (or its equivalent) provided by the fund as of June 30, 2021.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Available)	Redemption Notice Period
Common Fund for Nonprofit Organizations				
Multi-Strategy Equity Fund (a)	$ 24,009,854	-	Monthly	5 Business Days
Multi-Strategy Bond Fund (b)	6,633,850	-	Monthly	5 Business Days
	$ 30,643,704			

(a) The Multi-Strategy Equity program allocates assets across a broad spectrum of public equity strategies in proportions considered optimal for a fully diversified equity portfolio. The majority of the program's assets generally will be invested directly or indirectly in a portfolio of common stocks, and securities convertible into common stocks, of U.S. companies. The program's allocation to the U.S. equity market will include exposure to companies in the S&P 500 Composite Index, the benchmark for the program, as well as companies not included in the Index. The program will seek to diversify its portfolio by allocating assets to common stocks and other equity securities of foreign companies in both developed and emerging markets. In addition, the program expects to invest in marketable alternative strategies that seek opportunities in domestic and foreign markets for equity-type returns with low correlation to the equity markets.

(b) The Multi-Strategy Bond program allocates assets across a broad spectrum of fixed income sectors in proportions considered optimal for a fully diversified fixed income portfolio. The majority of the program's assets generally will be invested directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market. The program will seek to diversify its portfolio by allocating assets to other fixed income securities and strategies, including but not limited to global bonds, inflation indexed bonds, high yield bonds, emerging markets debt, and opportunistic credit strategies. Under normal circumstances, at least 80 percent of the net assets of the program will be invested directly or indirectly in fixed income securities or cash. The benchmark for the program is Barclays Capital U. S. Aggregate Bond Index.

Required Supplementary Information
June 30, 2021

North Idaho College

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

	Reported as of the measurement date of June 30,					
	2020	2019	2018	2017	2016	2015
Employer's proportion share of the net pension liability	0.2903709%	0.3011448%	0.3222206%	0.3428184%	0.3447564%	0.3573277%
Employer's proportionate share of the net pension liability	$ 6,742,796	$ 3,437,484	$ 4,752,810	$ 5,388,516	$ 6,988,742	$ 4,705,425
Employer's covered payroll	$ 10,548,212	$ 10,228,095	$ 10,367,000	$ 10,297,312	$ 10,080,885	$ 10,455,717
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	63.92%	33.61%	45.85%	52.33%	69.33%	45.00%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%	84.26%	94.95%

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

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

	Reported as of the fiscal year-end date of June 30,					
	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 1,225,058	$ 1,257,277	$ 1,157,820	$ 1,173,544	$ 1,165,656	$ 1,141,156
Contributions in relation to the statutorily required contribution	$ (1,225,058)	$ (1,257,277)	$ (1,157,820)	$ (1,173,544)	$ (1,165,656)	$ (1,141,156)
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 10,260,129	$ 10,548,212	$ 10,228,095	$ 10,367,000	$ 10,297,312	$ 10,080,885
Contributions as a percentage of the covered payroll	11.94%	11.92%	11.32%	11.32%	11.32%	11.32%

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

Schedule of Employer's Share of Net OPEB Asset
PERSI - OPEB Plan - Sick Leave
Last 10 - Fiscal Years *

	Reported as of the measurement date of June 30,			
	2020	2019	2018	2017
Employer's proportion share of the net OPEB asset	2.2181530%	2.4294989%	2.4781575%	2.5252992%
Employer's proportionate share of the net OPEB asset	$ 3,130,987	$ 3,265,564	$ 3,156,461	$ 2,402,308
Employer's covered payroll	$ 28,964,188	$ 28,015,911	$ 27,277,189	$ 26,565,168
Employer's proportionate share of the net OPEB asset as a percentage of its covered payroll	10.81%	11.66%	11.57%	9.04%
Plan fiduciary net position as a percentage of the total OPEB asset	226.97%	226.97%	225.45%	204.12%

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

Schedule of Employer Contributions
PERSI - OPEB Plan - Sick Leave
Last 10 - Fiscal Years *

	Reported as of the fiscal year end date of June 30,			
	2021	2020	2019	2018
Statutorily required contribution	$ -	$ 99,644	$ 182,103	$ 177,303
Contributions in relation to the statutorily required contribution	$ -	$ (99,644)	$ (182,103)	$ (177,303)
Contribution (deficiency) excess	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 27,412,652	$ 28,964,188	$ 28,015,911	$ 27,277,189
Contributions as a percentage of the covered payroll	0.00%	0.34%	0.65%	0.65%

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

Schedule of Changes in the College's Total OPEB Liability
OPEB - Healthcare Plan
Last 10 - Fiscal Years *

	Reported as of the measurement date of June 30,			
	2020	2019	2018	2017
Service cost	$ 195,813	$ 181,094	$ 204,395	$ 198,442
Interest on total OPEB liability	86,458	86,437	108,276	101,548
Effect of economic/demographic gains or (losses)	411,229	-	(525,655)	-
Effect of assumptions changes or inputs	671,139	64,089	(426,617)	-
Expected benefit payments	(112,727)	(106,526)	(149,259)	(87,259)
Net change in total OPEB liability	1,251,912	225,094	(788,860)	212,731
Total OPEB liability - beginning of year	2,330,289	2,105,195	2,894,055	2,681,324
Total OPEB liability - end of year	$ 3,582,201	$ 2,330,289	$ 2,105,195	$ 2,894,055

*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 will present information for those years for which information is available.

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. Contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Supplementary Information
June 30, 2021

North Idaho College

	Original Budget*	Actual	Variance with Final Budget
Revenues			
State allocations	$ 17,464,800	$ 17,464,800	$ -
Property taxes	16,894,145	16,894,145	-
Tuition and fees	10,115,522	10,990,990	875,468
Other revenues	3,124,600	6,280,967	3,156,367
Total revenues	47,599,067	51,630,902	4,031,835
Expenditures			
Direct Instruction	17,852,529	16,759,167	1,093,362
Academic Support	5,951,915	5,098,098	853,817
Student Services	3,767,367	3,456,727	310,640
Institutional Support	8,238,867	7,750,081	488,786
Plant Operations and Maintenance	4,463,207	4,125,632	337,575
Public Service	49,000	45,477	3,523
Student Aid	959,533	3,711,471	(2,751,938)
Transfers	6,316,649	6,066,967	249,682
Total expenditures	47,599,067	47,013,620	585,447
Revenues Over Expenditures	$ -	$ 4,617,282	$ 4,617,282

** Budget was not amended during the year.*

DORMITORY HOUSING COMMISSION OF NORTH IDAHO COLLEGE
HISTORIC AND PROJECTED DEBT SERVICE COVERAGE FROM PLEDGED REVENUES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Forecast	FY 2024 Forecast
Building Revenues										
Revenues from Sales and Rentals [1]	$ 4,343,981	$ 4,096,824	$ 2,958,820	$ 2,225,985	$ 1,619,429	$ 1,201,916	$ 1,742,829	$ 1,207,374	$ 1,231,521	$ 1,256,152
Interest Income	607	871	1,418	2,504	4,909	3,881	880	3,000	3,000	3,000
Total Building Revenues	**$ 4,344,588**	**$ 4,097,695**	**$ 2,960,238**	**$ 2,228,490**	**$ 1,624,338**	**$ 1,205,797**	**$ 1,743,709**	**$ 1,210,374**	**$ 1,234,521**	**$ 1,259,152**
Operations and Maintenance Expense										
Cost of Merchandise Sold [2]	$ 2,202,816	$ 2,085,332	$ 1,318,971	$ 490,662	$ 235,135	$ 2,044	$ 3,095	$ 1,207	$ 1,232	$ 1,256
Salaries and Benefits [3]	1,141,814	1,075,008	977,072	1,122,083	960,507	841,192	774,730	845,162	862,065	879,306
Repairs, Maintenance, and Supplies [4]	91,126	70,347	78,532	150,124	110,273	144,219	89,467	120,737	123,152	125,615
Utilities and Garbage [5]	127,409	134,893	123,736	114,530	82,492	72,589	77,268	60,369	61,576	62,808
Other Operating Expenses [6]	275,374	430,742	152,766	202,364	324,908	136,781	677,719	181,106	184,728	188,423
Total Building Expenses	**$ 3,838,539**	**$ 3,796,322**	**$ 2,651,076**	**$ 2,079,763**	**$ 1,713,315**	**$ 1,196,826**	**$ 1,622,279**	**$ 1,208,581**	**$ 1,232,753**	**$ 1,257,408**
Net Revenue of Buildings	**$ 506,049**	**$ 301,373**	**$ 309,162**	**$ 148,727**	**$ (88,977)**	**$ 8,971**	**$ 121,430**	**$ 1,793**	**$ 1,768**	**$ 1,744**
Student Union Fee + Other Income	$ 671,614	$ 598,873	$ 580,305	$ 527,488	$ 504,596	$ 476,873	$ 443,951	$ 438,294	$ 447,060	$ 456,001
Student Wellness & Recreation Center Fee + Other	-	238,243	542,866	493,457	472,042	446,107	415,309	410,017	418,217	426,582
Student Union Fee Revenue [7]	**$ 671,614**	**$ 837,116**	**$ 1,123,171**	**$ 1,020,945**	**$ 976,638**	**$ 922,980**	**$ 859,260**	**$ 848,311**	**$ 865,277**	**$ 882,583**
Total Pledged Revenues	**$ 1,177,663**	**$ 1,138,489**	**$ 1,432,333**	**$ 1,169,672**	**$ 887,661**	**$ 931,951**	**$ 980,690**	**$ 850,104**	**$ 867,045**	**$ 884,327**
Debt Service on Parity Obligations										
Series 2008 Bonds	$ 416,155	$ 409,650	$ 353,850	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Series 2012 Bonds [8]	403,747	413,989	413,738	817,534	822,589	816,296	817,918	309,300	-	-
Series 2016 Bonds [9]	-	-	301,551	287,537	258,866	245,666	253,053	279,856	497,656	498,206
Total Debt-Service	**$ 819,902**	**$ 823,639**	**$ 1,069,139**	**$ 1,105,071**	**$ 1,081,456**	**$ 1,061,962**	**$ 1,070,971**	**$ 589,156**	**$ 497,656**	**$ 498,206**
Fund Balance Support	**$ -**	**$ -**	**$ -**	**$ 207,000**	**$ 459,000**	**$ 396,000**	**$ 353,000**	**$ -**	**$ -**	**$ -**
Debt Service Coverage	**1.44**	**1.38**	**1.34**	**1.25**	**1.25**	**1.25**	**1.25**	**1.44**	**1.74**	**1.78**
Available for CapEx or Increase in Fund Balance	**$ 357,761**	**$ 314,850**	**$ 363,194**	**$ 64,601**	**$ (193,795)**	**$ (130,011)**	**$ (90,281)**	**$ 260,948**	**$ 369,389**	**$ 386,121**

Footnotes

(1) FY 2021 Building Revenues reflect COVID-19 related enrollment decline and $680,936 in CARES federal funding. FY 2022 - FY 2024 reflects stabilizing enrollment and modest increases in rental fees.

(2) FY 2021 - FY 2024 reflects Student Wellness & Recreation Outdoor Program activity.

(3) FY 2021 Salaries and Benefits reflect mid-year salary / wages increase for existing positions. FY 2022 - FY 2024 reflects post COVID-19 staffing and average annual increase = 6.80%.

(4) FY 2021 Repair, Maintenance, and Supplies reflect Residence Hall and Student Union projects. FY 2022 - FY 2024 reflects deferred maintenance projects.

(5) FY 2022 - FY 2024 reflects annual average = 7.36% of Revenues from Sales and Rentals.

(6) FY 2021 reflects transition Cost-Plus contract arrangement with Sodexo America, LL. FY 2022 reflects Student Union chair replacement = $150,000. FY 2023 - FY 2024 reflects annual average = 22.81% of Revenues from Sales and Rentals.

(7) FY 2021 Student Union Fee and Other Income reflects COVID-19 related enrollment decline. FY 2022 reflects (1%) decline from FY 2021. FY 2023 reflects a 2% increase from FY 2022. FY 2024 reflects 2% increase from FY 2023.

(8) Series 2012 Bonds (Dormitory) reflect maturity in FY 2022.

(9) Series 2016 Bonds (Student Wellness & Recreation Center) reflect interest only through FY 2022. FY 2023 - FY 2024 reflect principal and interest obligation.

Source: The Dormitory Housing Commission.

DHC Auxiliary Enterprise Funds - Revenues, Expenses and Changes in Fund Balance

	Schedule of Funds Provided for Required Debt Service	Auxiliary Enterprise Funds Summary from Audited Financial Statements					
Fiscal Year	2021 Based on Audit (1)	2020 Audited	2019 Audited	2018 Audited	2017 Audited	2016 Audited	2015 Audited
Funds Pledged for Debt service							
Income from DHC Building operations							
Revenues for sales & rentals	$ 924,911 (2)	$ 385,620	$ 796,840	$ 1,408,451	$ 2,545,082	$ 3,687,174	$ 3,940,234
Dormitory Revenues	817,918 (3)	816,296	822,589	817,534	413,738	409,650	403,747
Subtotal	$ 1,742,829	$ 1,201,916	$ 1,619,429	$ 2,225,985	$ 2,958,820	$ 4,096,824	$ 4,343,981
Cost of sales and operating expenses	(1,622,279)	(1,196,826)	(1,713,315)	(2,079,763)	(2,651,076)	(3,796,322)	(3,838,539)
Net Revenues of DHC Buildings	$ 120,550	$ 5,090	$ (93,886)	$ 146,222	$ 307,744	$ 300,502	$ 505,442
Income from Other Sources							
Student Union Fee	$ 443,951 (4)	$ 476,873	$ 504,596	$ 527,488	$ 580,305	$ 598,873	$ 671,614
Student Wellness & Recreation Center Fee	415,309	446,107	472,042	493,457	542,866	238,243	-
Interest Income	880	3,881	4,909	2,504	1,418	871	607
Total Funds Pledged for Debt Service	$ 980,690	$ 931,951	$ 887,661	$ 1,169,671	$ 1,432,333	$ 1,138,489	$ 1,177,663
Transfer to pay Parity Debt Service (5)	(1,070,971)	(1,061,962)	(1,081,456)	(1,105,071)	(1,069,139)	(823,639)	(819,902)
Excess Revenue	$ (90,281)	$ (130,011)	$ (193,795)	$ 64,600	$ 363,194	$ 314,850	$ 357,761
Capital Expenditures	-	-	-	(260,373)	(19,990)	(615,107)	(316,703)
Net Change in DHC Fund Balances	$ (90,281)	$ (130,011)	$ (193,795)	$ (195,773)	$ 343,204	$ (300,257)	$ 41,058
DHC Fund Balances Beginning of Year (6)	4,215,207	4,345,218	4,539,013	4,734,786	4,391,582	4,691,839	4,650,781
DHC Fund Balances End of Year (6)	**$ 4,124,926**	**$ 4,215,207**	**$ 4,345,218**	**$ 4,539,013**	**$ 4,734,786**	**$ 4,391,582**	**$ 4,691,839**

Footnotes

(1) The College's Audited Financial Statements for FY 2021 include a Schedule of Funds Provided and Required for Debt Service. The Commission has included additional detail in this table to enable comparison to prior years.

(2) Revenue for Sales & Rentals match amount shown in the FY 2021 Schedule of Funds Provided and Required for Debt Service and include revenues of the Student Union Building.

(3) Dormitory revenues shown for FY 2021 are the amount transferred for debt service on the Series 2012 Bonds.

(4) Actual Student Union Fee revenue for FY 2021. The FY 2021 Schedule of Funds Provided and Required for Debt Service shows $859,260 and included transfers from the Student Services Fund and the Dormitory revenue from the Auxiliary Enterprise Fund.

(5) Amount shown is the combined transfers from the Auxiliary Enterprise Fund and the Student Services Fund to pay Parity Debt Service on outstanding Bonds and may not match actual Parity Debt Service with any difference being funded by balances available in the Debt Service Fund.

(6) DHC Fund Balances include balances in the Auxiliary Enterprise Fund and the Student Services Fund. Balances in the Debt Service Fund are not included.

Source: Audited Financial Reports and the Dormitory Housing Commission

North Idaho College - Historical Student Stats
(Fiscal Years)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
HEADCOUNT										
Fall Headcount	4,741	5,078	5,275	5,391	5,346	5,546	5,779	6,049	6,574	6,751
Fall FTE Students	2,863	3,026	3,188	3,252	3,345	3,510	3,779	4,093	4,618	4,554
Academic	2,825	2,997	3,195	3,369	3,623	3,857	4,225	4,470	5,073	5,160
Technical	612	602	664	695	789	831	810	884	823	945
Other (Dual Enrollment -- High School Students)	1,304	1,479	1,416	1,327	934	858	744	695	678	646
Average Class Size	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17	18
Average Age	24	24	24	24	n/a	n/a	n/a	n/a	27	27
STUDENT DEMOGRAPHICS										
Residency										
Idaho:	4,189	4,529	4,725	4,814	4,754	4,920	5,100	5,350	5,877	6,046
Kootenai County	3,182	3,408	3,542	3,568	3,453	3,578	3,750	3,966	4,448	4,480
Benewah County	118	116	148	124	126	141	157	169	157	147
Bonner County	385	412	433	458	521	548	566	616	637	654
Boundary County	126	151	163	184	170	185	175	182	185	238
Shoshone County	130	170	164	162	199	212	204	201	211	234
All Other Idaho Counties	248	272	275	318	285	256	248	216	239	293
Montana	40	40	48	45	49	62	65	81	94	100
Washington	274	269	269	275	285	312	350	363	358	370
All Other States	278	240	233	257	189	252	264	255	245	235
Age Group										
19 Years or Younger	2,345	2,581	2,669	2,575	2,215	2,171	2,090	2,016	2,080	2,165
20-24 Years	1,057	1,134	1,057	1,179	1,286	1,384	1,425	1,489	1,697	1,618
25-39 Years	999	976	1,085	1,139	1,288	1,324	1,533	1,701	1,903	1,961
40-49 Years	175	192	232	259	289	357	384	473	547	550
50-59 Years	71	76	104	116	131	171	211	242	223	269
60 Years and Older	94	119	128	123	137	139	136	128	124	188
Gender										
Male	1,754	1,930	2,057	2,156	2,138	2,107	2,312	2,420	2,641	2,632
Female	2,987	3,148	3,218	3,235	3,208	3,439	3,467	3,629	3,933	4,119
Financial Aid										
Students Receiving Aid	2,867	2,885	3,012	3,182	3,468	3,925	4,414	5,067	5,490	5,192
Total Money Disbursed ($ millions)	14.3	14.4	14.9	16.4	18.4	22.3	25.6	37.4	39.3	37.6
Degrees Conferred										
Associate of Arts Degrees	740	681	687	690	746	676	689	66	78	79
Associate of Science Degrees								560	468	388
Associate of Applied Science Degrees								117	86	78
Certificates of Completion	657	678	655	504	335	289	309	340	407	337
GED Graduates	231	226	239	247	145	188	608	456	493	527
NIC Foundation and Development										
Scholarship Endowments, beginning of year	$ 21,429,561	$ 21,232,341	$ 20,012,980	$ 18,213,486	$ 16,152,484	$ 16,711,867	$ 16,515,870	$ 12,195,023	$ 10,724,427	$ 10,553,231
General Scholarship and Designated Funds, beginning of year	5,338,361	6,086,028	5,811,853	4,586,510	4,099,394	1,494,721	1,586,230	4,495,188	4,143,409	4,231,898
Unrestricted Funds, beginning of year	6,145,943	5,420,670	4,973,243	4,520,600	3,912,038	3,977,150	3,768,527	2,286,547	1,840,634	1,562,865
Land, Buildings, Other Assets, beginning of year	1,286,511	765,130	583,550	632,378	684,530	547,245	540,395	517,567	469,143	1,289,777
Total Assets, beginning of year (audited)	$ 34,200,376	$ 33,504,169	$ 31,381,626	$ 27,952,974	$ 24,848,446	$ 22,730,983	$ 22,411,022	$ 19,494,325	$ 17,177,613	$ 17,637,771
Scholarships Disbursed:										
Number of Scholarships	993	992	974	943	871	1,104	969	822	791	640
Amount of Scholarships	$ 1,137,418	$ 986,280	$ 934,009	$ 887,872	$ 903,024	$ 944,857	$ 896,658	$ 870,851	$ 704,237	$ 547,073
Alumni Association:										
Number of Members	3,610	3,517	3,443	3,359	3,341	3,307	3,056	2,987	2,800	2,745
Number of Scholarships Funded					n/a	n/a	n/a	n/a	6	7
Amount of Scholarships Funded					n/a	n/a	n/a	n/a	$ 4,000	$ 4,500
External Grants Received by NIC, excluding professional- technical workforce training, ABE, GED, PELL or financial aid, grants or appropriations	$ 678,856	$ 1,200,055	$ 635,355	$ 2,018,466	$ 515,886	$ 6,781,143	$ 3,796,594	$ 4,041,081	$ 1,761,654	$ 8,145,484

		Amount
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances	$	8,281,688
Auxiliary enterprises revenue		1,061,891
State and local grants and contracts		1,485,703
Federal grants and contracts		1,448,579
Other operating revenues		3,992,868
Total operating revenues		16,270,729
NON-OPERATING REVENUES		
State appropriations		17,464,800
Property taxes		18,373,273
Non operating state and federal grants		16,309,955
Non operating other income		418,227
Private gifts, grants and contracts		2,141,999
Investment income		163,097
Interest expense		(310,740)
Loss on disposal of fixed assets		(191,381)
Total non-operating revenues		54,369,230
Change in net position		6,265,080
Net position, beginning of year		90,360,138
TOTAL RESOURCES	$	96,625,218

Fiscal year 2021 Full-Time Student Fee (12 Credit Hours per Semester)
Tuition and Fees 2020-2021

12-18 Credits Per Semester	Per Credit	12 Credit FTE
Kootenai County Residents	$ 142	$ 1,698
Other Idaho Residents	207	2,480
Washington Residents	246	2,952
Western Undergraduate Exchange	287	3,444
Out-of-State/Out-of-Country	364	4,368

Fiscal year 2021 Full-Time Student Fee (12 Credit Hours per Semester)

Associated Student Body	$ 28
Athletics	36
Commencement	4
Health Services	31
Instructional Technology	123
Learning Assistance	40
Student Activities and Recreation	38
Student union Fee (1)	180
Total Resident Fee	$ 480
Resident Tuition	1,218
Total Resident Fee and Tuition	$ 1,698
Total Non-District	$ 2,480
Total Washington Residents	2,952
Total Western Undergraduate Exchange	3,444
Total Non-Resident Fee and Tuition	4,368

(1) The Student Union Fee is included in the Pledged Revenues.

Source: North Idaho College, Tuition and Fees for 2020-2021.

Tax Year	Taxable Assessed Value (TAV)	Tax Levy (per $100 TAV)	Total Assessed Property Taxes
2020	$ 22,628,319,580	0.00074659	$ 16,894,145
2019	20,062,998,765	0.00079707	15,991,614
2018	17,280,370,464	0.00088538	15,299,694
2017	15,296,356,440	0.00098160	15,014,827
2016	14,014,269,046	0.00103959	14,569,136
2015	13,094,316,945	0.00109893	14,389,777
2014	12,359,983,215	0.00112385	13,890,817
2013	11,472,122,065	0.00120145	13,783,193
2012	11,200,581,030	0.00122031	13,668,147
2011	12,057,168,912	0.00110841	13,364,250
2010	12,927,862,542	0.00099817	12,904,243

Single Audit Section
June 30, 2021

North Idaho College

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
North Idaho College
Coeur d'Alene, 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 North Idaho College (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2021. Our report includes a reference to other auditors who audited the financial statements of the North Idaho College Foundation, Inc., as described in our report on the College's financial statements. The audits of the financial statements of North Idaho College Foundation, Inc. were not performed 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 North Idaho College Foundation, Inc.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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
November 19, 2021

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

To the Board of Trustees
North Idaho College
Coeur d'Alene, Idaho

Report on Compliance for Each Major Federal Program
We have audited North Idaho College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Each Major Federal Program
In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be significant deficiencies.

North Idaho College's response to the internal control over compliance findings identified in our audit is described in the accompanying *schedule of findings and questioned costs* and *corrective action plan*. North Idaho College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Eide Bailly LLP

Boise, Idaho
November 19, 2021

Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Direct Programs			
Head Start Cluster:			
Head Start	93.600		$ 3,109,674
COVID-19 Head Start	93.600		249,425
Total Head Start Cluster			3,359,099
TANF Cluster:			
Temporary Assistance for Needy Families	93.558		197,144
Subtotal Department of Health and Human Services Direct Programs			3,556,243
Pass-Through Programs			
State of Idaho Commission on Aging:			
Aging Cluster:			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	826000936 13	312,707
COVID-19 Title III-B	93.044	826000936 13	210,478
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	826000936 13	569,015
COVID-19 Title III-C	93.045	826000936 13	51,782
COVID-19 Families First Coronavirus Response Act, Title III-C	93.045	826000936 13	18,191
COVID-19 COAA, Title III-C	93.045	826000936 13	148,635
Nutrition Services Incentive Program	93.053	826000936 13	109,725
Total Aging Cluster			1,420,533
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	826000936 13	18,466
COVID-19 Title VII Ombudsman	93.042	826000936 13	13,990
			32,456
Special Programs for the Aging Title III Part F Disease Prevention Health Promotion Services	93.043	826000936 13	63,030
National Family Caregiver Support, Title III, Part E	93.052	826000936 13	130,799
COVID-19 Aging III-E	93.052	826000936 13	72,643
			203,442
Medicare Enrollment Assistance Program	93.071	826000936 13	9,665
Lifespan Respite	93.072	826000936 13	9,624
State Medicaid Fraud Control Units	93.048	826000936 13	59,875
Alzheimer's Disease Demonstration Grants - Options Counseling	93.051	826000936 13	1,027
Idaho Department of Health & Welfare:			
Preventive Health and Health Services Block Grant	93.991	HC1101100	1,644
University of Idaho:			
Research and Development Cluster			
Idaho INBRE-4 Network with NIC	93.859	SI3394-SB-825964	69,762
Idaho INBRE-4 Network - TWDD	93.859	SI3394-SB-825926	29,949
Idaho INBRE-4 Network - TWDD	93.859	SI3394-SB-825963	91,089
Idaho INBRE-4 Pilot Project - Foster	93.859	SI3394-SB-825935	26,146
Total Idaho INBRE			216,946
Subtotal Department of Health and Human Services Pass-Through Programs			2,018,242
Total Department of Health and Human Services			5,574,485

Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Commerce Economic Development Administration			
Direct Programs:			
Economic Development Cluster:			
Investment for Public Works and Economic Development Facilities	11.300		$ 440,901
Office of Innovation and Entrepreneurship Regional Innovation Strategies Program	11.020		118,272
Total Department of Commmerce and Economic Development Administration			559,173
Department of Education:			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007		159,114
Federal Work-Study Program	84.033		53,054
Federal Pell Grant Program	84.063		4,816,722
Federal Direct Student Loans	84.268		4,150,997
Total Student Financial Assistance Cluster			9,179,887
TRIO Cluster			
TRIO - Student Support Services	84.042A		257,552
COVID-19 Higher Education Emergency Relief Fund - Student Share	84.425e	162300	1,374,066
COVID-19 Higher Education Emergency Relief Fund - Institutional Share	84.425f	162300	3,022,931
COVID-19 Governor's Emergency Education Relief	84.425c	162300	278,152
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425m	162300	67,801
			4,742,950
Subtotal Department of Education Direct Programs			14,180,389
Pass-Through Programs:			
State of Idaho Professional-Technical Education			
Adult Education - Basic Grants to States	84.002A	RG1614L1	301,252
Adult Education - Basic Grants to States	84.002A	RG1614M1	20,897
Total Adult Education - Basic Grants to States			322,149
Career and Technical Education - Basic Grants to States	84.048A	RG1614-E1	142,276
Career and Technical Education - Basic Grants to States	84.048A	RG1614-E3	59,192
Career and Technical Education - Basic Grants to States	84.048A	RG1614-E2	39,855
Career and Technical Education - Basic Grants to States	84.048A	RG1614W0	9,740
Career and Technical Education - Basic Grants to States	84.048A	20V048-90	39,765
Total Career and Technical Education - Basic Grants to States			290,828
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	826000936 01	23,061
Subtotal Department of Education Pass-Through Programs			636,038
Total Department of Education			14,816,427

Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Labor Employment Training Administration:			
Pass-Though Programs:			
State of Idaho Department of Labor:			
WIOA Cluster			
WIA Adult Program	17.258	826000936 19	66,534
Apprenticeship: Closing the Skills Gap	17.268	None	4,827
Job Corps Program	17.287	None	186,486
Direct Programs:			
Department of Labor Mine Safety and Helath Administration:			
Mine Health and Safety Grants	17.600	None	143,992
Total Department of Labor Employment Training Administration			401,839
Department of Agriculture Food and Nutrition Service:			
Pass-Through Programs			
State of Idaho Superintendent of Public Instruction:			
Child and Adult Care Food Program	10.558	826000936 06	144,476
SNAP Cluster			
Supplemental Nutrition Assistance	10.551	WC089400	76,300
Total Department of Agriculture Food and Nutrition Service			220,776
Department of Defense:			
Pass-Through Programs			
Boise State University:			
Procurement Technical Assistance Center (PTAC) 2020	12.002	8580-PO134957	19,379
Total Department of Defense			19,379
Department of Treasury:			
Pass-Through Programs			
State of Idaho:			
COVID-19 Coronavirus Relief Funds	21.019	162300	197,500
Total Department of Treasury			197,500
Small Business Administration			
Pass-Through Programs			
Boise State University:			
Small Business Development Centers	59.037	7982-E	115,157
Small Business Development Centers COVID-19	59.037	9405-PO137295	72,988
Total Small Business Administration			188,145
Total expenditures of federal awards			$ 21,977,724

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the North Idaho College (the College) under programs of the federal government for the year ended June 30, 2021. 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 North Idaho College, it is not intended to and does not present the financial position, changes in net position, or cash flows of North Idaho College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, 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 not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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:	Yes

Identification of major programs:

Name of Federal Program	CFDA Number
Head Start Cluster	93.600
Education Stabilization Fund	84.425e, 84.425f, 84.425c, 84.425m
Coronavirus Relief Fund	21.019

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

Section II – Findings – Financial Statement Audit

There were no findings relating to the financial statement audit.

Section III -Findings and Questioned Costs – Major Federal Award Programs Audit

2021-001
Direct Programs – Department of Education
CFDA# 84.425e, 84.425f, 84.425c, 84.425m
Education Stabilization Fund
Procurement, Suspension, and Debarment
Significant Deficiency in Internal Controls over Compliance

<u>Criteria:</u>
Under the Uniform Guidance, non-federal entities are prohibited from contracting with or making subawards of covered transactions to parties that are suspended or debarred.

<u>Condition:</u>
During our testing over procurement and subrecipients, we noted that there was no process in place to verify that entities with which the College contracts, whether through a vendor relationship or a subrecipient relationship, were not suspended or debarred.

<u>Cause:</u>
The current process over vendor contracts does not include a step for verifying that the entity had not been suspended or debarred.

<u>Effect:</u>
The College could contract with vendors or subrecipients that had been suspended or debarred.

<u>Questioned Costs:</u>
None

<u>Context/Sampling:</u>
A non-statistical sample of 7 contracts out of 38 total contracts were selected for testing.

<u>Repeat Finding from Prior Year(s):</u>
None

<u>Recommendation:</u>
We recommend that the College implement a process where contracts and subrecipients are verified to ensure that they are not suspended or debarred and retain documentation of the verification.

<u>Views of Responsible Officials:</u>
Management agrees with this finding.

2021-002
Direct Programs – Department of Education
CFDA# 84.425e, 84.425f, 84.425c, 84.425m
Education Stabilization Fund
Reporting
Significant Deficiency in Internal Controls over Compliance

Criteria:
HEERF 18004(a)(1) states that an Institution shall ensure that all information reported is within the required time frames.

Condition:
During our testing of reporting there were five instances of reporting being made outside of the required time frame.

Cause:
The College did not have controls and processes in place to ensure the information was filed in a timely manner.

Effect:
The reports were not made readily available at the proper reporting date.

Questioned Costs:
None

Context/Sampling:
All reporting dates within testing period were tested.

Repeat Finding from Prior Year(s):
None

Recommendation:
We recommend that the College implement a control process in which reports are filed within allotted time frame. The College should also periodically monitor this process to ensure that it is working effectively.

Views of Responsible Officials
Management agrees with this finding.