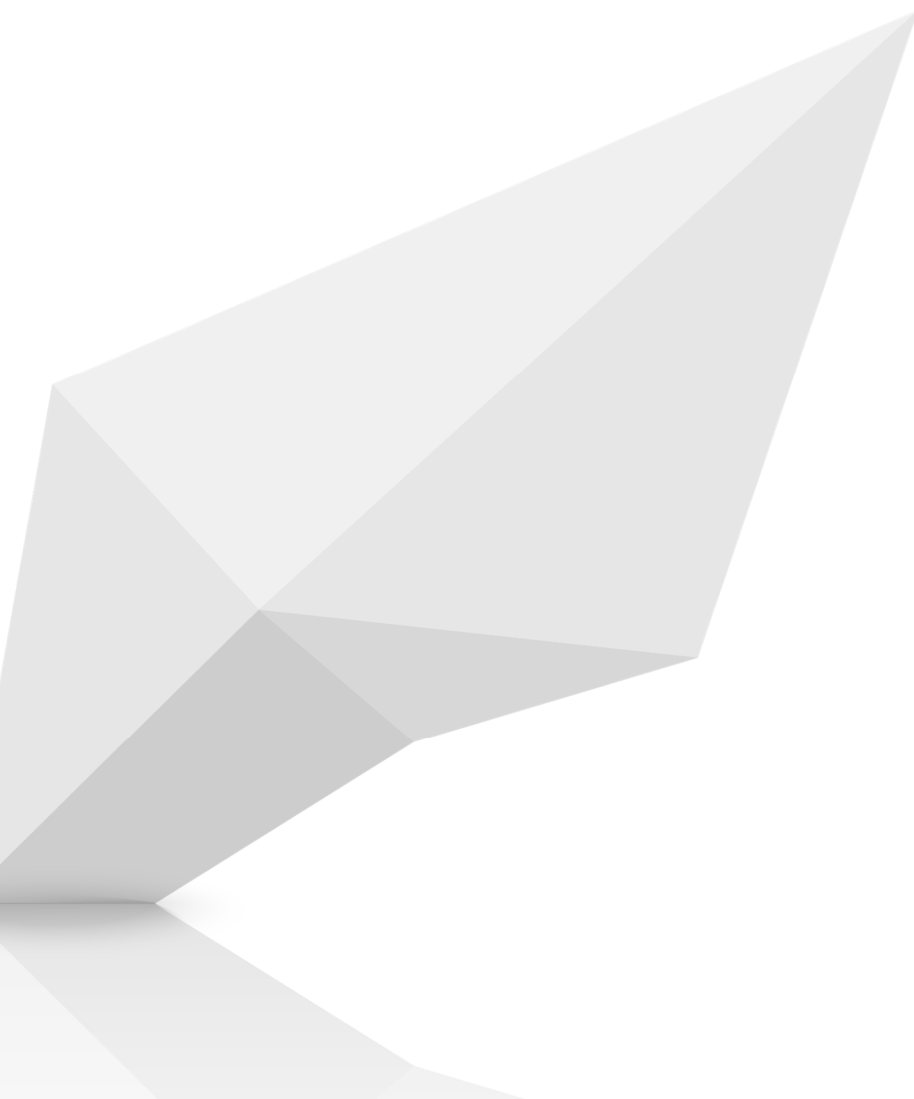


College of Eastern Idaho

Annual Financial Report

Year Ended June 30, 2024 and 2023



College of Eastern Idaho

Financial Statements and

Years Ended June 30, 2024 and 2023

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Independent Auditor's Report

Board of Trustees
College of Eastern Idaho
Idaho Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit the College of Eastern Idaho (the "College"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College of Eastern Idaho as of June 30, 2024 and 2023, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all materiality respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 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 College of Eastern Idaho'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.

Wipfli LLP

Wipfli LLP

Idaho Falls, Idaho
October 21, 2024

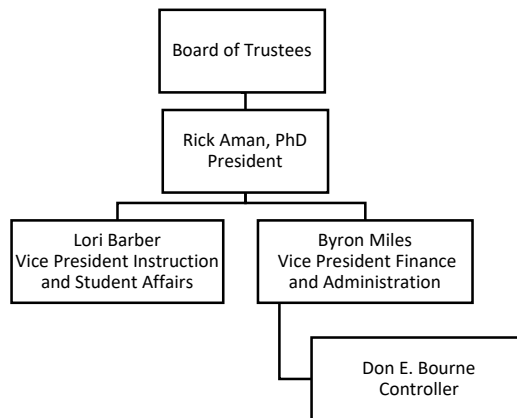
Management's Discussion and Analysis

We are pleased to present the management's discussion and analysis (MD&A) of the financial performance and condition of the College of Eastern Idaho (the College or CEI) for fiscal year ended June 30, 2024. This management's discussion and analysis (MD&A) focuses on the College's primary institutional operations for the fiscal year ended June 30, 2024 as well as looking forward to fiscal year 2025. The MD&A has been prepared by management and should be read in conjunction with the basic financial statements and the notes thereto, which follow this section. Responsibility for the completeness and fairness of this information rests with management. The College's discretely presented component unit, College of Eastern Idaho Foundation, Inc. (the "Foundation"), issues separately audited financial statements, which can be obtained directly from the Foundation's administrative office.

Principal officials of College of Eastern Idaho involved with fiscal controls during the periods ending June 30, 2024 include:

Board of Trustees	Five elected members from Bonneville County in accordance with Idaho Code §33-2107
Rick Aman, Ph.D.	President
Dr. Lori Barber, Ed.D	Vice President, Instruction and Student Affairs
Byron Miles	Vice President for Finance and Administration
Don E. Bourne	Controller

Reporting relationships for those involved with fiscal performance are shown below:



Overview of the Basic Financial Statements

The College follows the financial reporting guidelines established by GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments, and GASB Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34. These statements require the College to report its basic financial statements at an entity-wide level under the business-type, activity-reporting model.

This MD&A serves as an introduction to the College's basic financial statements. The College's basic financial statements include four components: (1) statements of net position; (2) statements of revenue, expenses, and changes in net position; (3) statements of cash flows; and (4) notes to basic financial statements. This report may also contain other supplemental information in addition to the basic financial statements themselves.

The statements of net position represent the entire College's combined assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, presented in the statements of revenue, expenses, and change in net position. The statements of cash flows present detailed information about the cash activities of the College during the year. The purpose of these basic financial statements is to summarize the financial information of the College and to present a long-term view of the College's finances.

Statements of Net Position

The statements of net position present end-of-year data concerning assets (current and noncurrent), deferred outflow of resources, liabilities (current and noncurrent), deferred inflow of resources, and net position as of the end of the fiscal year. The statements of net position is a point-in-time financial statement. The purpose is to present to the readers of the basic financial statements a fiscal snapshot of the College. From the data presented, readers of the statements of net position can determine the assets available to continue the operations of the College. Readers are also able to determine how much the College owes vendors, investors, and lending institutions.

Finally, the statements of net position provide a picture of the net position and its availability for expenditure by the institution. Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned by the institution net of capital related debt and accumulated depreciation. The second category is restricted net position, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final net position category is unrestricted. Unrestricted net position is available to the institution for any lawful purpose of the institution.

Statements of Revenue, Expenses, and Changes in Net Position

Changes in total net position as presented on the statements of net position are based on the activities presented in the statements of revenue, expenses, and changes in net position. The purpose of these statements is to present the revenue received by the College, operating and non-operating, and any other revenue, expenses, gains, and losses received or spent by the College.

Operating revenue is received for providing goods and services to the students and other constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenue and to conduct the mission of the College. Non-operating revenue is revenue received for which goods and services are not provided to the provider of the funding. For example, state appropriations are non-operating because they are provided by the legislature to the institution without the legislature directly receiving commensurate goods and services for the revenue. The College uses the economic resources measurement focus and accrual basis of revenue recognition. See notes to the basic financial statements for further discussion on revenue recognition.

Financial Highlights

The following are some of the financial highlights for the fiscal year ended June 30, 2024 and a look forward into FY 2025.

FY 2024

- The economy continued to be a concern in FY 2024. Inflation effectively created a budget reduction by reducing our buying power. All expense categories will be impacted with software licenses and labor costs impacted the most.
- In spite of the economic conditions, the College continues to experience significant enrollment growth, meeting the needs of students and employers in our region.
- The College entered into a lease on a new building to be used by Workforce Training for a variety of short-term training needs, including a new POST (Peace Officer Standards Training) program to start soon. The building has been remodeled and is ready for training. A ribbon cutting was held for the community.
- AI has become a significant technology factor across the world and for CEI. We see three major areas where the college can take advantage of AI including 1) Instructional tool and aid, 2) A program of study for students to obtain certificates and degrees, and 3) a tool to enhance our operational efficiency across the campus. We have contracted with a major IT corporation to provide high quality up to date AI curriculum for our students. Instructors are learning how to use AI in their classrooms. We are researching various AI enhanced tools to improve efficiency in the Business Office as well as various student service areas.
- College Leadership continue to work with the Governor, state legislators, and other state agencies and officials to deliver the message of the funding needs of the college.

FY2025

As we look ahead to Fiscal Year 2025, CEI continues to demonstrate growth, leadership, and a commitment to delivering exceptional education and workforce training opportunities to the region. The following key developments reflect our progress and exciting future:

1. New Leadership

We welcome two dynamic leaders to our college's administration. Dr. Lori Barber has assumed the role of President, bringing with her a wealth of experience and a forward-thinking vision for the institution. Additionally, Dr. Angela Sackett has been appointed as Vice President of Student Affairs, advancing from her former role as Dean of Health Sciences programs, enhancing our focus on student success and engagement.

2. Expansion of Infrastructure – Future Tech Building

In FY24, we broke ground on the highly anticipated Future Tech building, a cutting-edge facility designed to house innovative programs such as Cybersecurity and Mechatronics. This state-of-the-art building will also feature a Maker's Space, providing students with hands-on opportunities to explore new technologies and create practical applications for their skills. This development underscores our commitment to providing top-tier technical education.

3. Workforce Training – Regional Leadership and Growth

Our Workforce Training program continues to lead the way in offering practical skills and career development. With the acquisition of a new building, we now boast the only dedicated Workforce Training Campus in the region, further solidifying our role as a leader in regional workforce development.

4. Enrollment Growth

Student enrollment continues to grow year-over-year, with a remarkable 20% increase. This surge reflects the strong demand for our educational programs and the value students place on our offerings, including both academic and workforce training pathways.

5. Record Apprenticeship Programs

Our Workforce Training Apprenticeship Programs have had a record year, with more students enrolled than ever before. These programs are crucial in meeting industry demands, providing students with real-world experience, and creating a pipeline of highly skilled professionals for local employers.

6. Healthcare Partnerships – Expansion with ICHI

Building on our strong foundation in healthcare training, our partnerships with the Idaho Center for Health Innovation (ICHI) have expanded, allowing us to offer even more comprehensive training programs to meet the needs of the healthcare industry. This growth enables us to address critical workforce shortages and support the future of healthcare in our community.

7. First P.O.S.T. Program

We are excited to introduce the region's first Peace Officer Standards and Training (P.O.S.T.) program, an essential addition that will prepare law enforcement officers to serve in our communities. This program fills a crucial gap and positions us as a training hub for law enforcement in the region.

These highlights reflect our commitment to driving progress and ensuring our students and community have access to the best educational opportunities possible. As we move into FY25, we are excited to continue building on these successes and positioning our college as a premier institution for both academic and workforce training excellence.

College of Eastern Idaho
Management's Discussion and Analysis
June 30, 2024 and 2023

College of Eastern Idaho			
Statements of Revenues , Expenses and Changes in Net Position			
	2022	2023	2024
OPERATING REVENUES:			
Student Fees	\$ 3,480,939	3,879,745	4,016,043
Federal grants and contracts	2,716,658	3,250,363	3,000,165
State and local grants and contracts	3,488,090	2,609,170	2,053,763
Private grants and contracts	1,185,425	2,263,217	1,795,375
County Tuition	509,475	521,100	591,670
Sales and services of educational activities	54,712	54,162	56,062
Workforce Training Fees	1,504,275	1,676,379	1,500,191
Other	2,992,572	523,080	448,755
Total operating revenues	\$ 15,932,146	\$ 14,777,216	\$ 13,462,024
FUNCTIONAL OPERATING EXPENSES:			
Instruction	9,514,944	11,106,373	12,611,569
Academic Support	1,446,600	2,118,492	1,718,214
Executive Administration	89,935	938,488	949,389
Public Service	19,280	131	-
Libraries	157,387	162,501	163,283
Student Services	3,518,485	3,760,040	3,651,208
Operating & Maintenance of Plant	3,887,782	5,579,184	6,011,260
General Administration	2,806,248	2,824,609	3,311,526
Institutional Support	3,487,940	3,299,107	3,323,092
Auxiliary Enterprises	2,703	19,068	12,433
Scholarships & fellowships	6,328,136	4,570,603	4,826,842
Total Operating Expenses	31,259,440	34,378,596	36,578,816
Operating Income (Loss)	(15,327,294)	(19,601,380)	(23,116,792)
NONOPERATING REVENUES (EXPENSES):			
State CTE appropriations	6,655,400	7,161,800	7,489,620
State Educational appropriation	5,317,600	6,082,400	6,803,700
Liquor Revenue	200,000	200,000	200,000
Property Tax	1,322,174	1,350,026	1,335,223
Other	17,006,488	16,205,000	2,594,986
Federal Grants & Gifts	4,162,884	4,039,694	3,536,732
Other Gifts and Grants	325,276	512,189	515,646
Interests Income	48,241	704,714	1,189,175
Gain (Loss) on disposition of capital assets	(1,862)	(6,950)	(321,376)
Total nonoperating revenues (expenses)	\$ 35,036,201	\$ 36,248,873	\$ 23,343,706
Income before other revenues (expenses)	\$ 19,708,907	\$ 16,647,493	\$ 226,914
OTHER REVENUES (EXPENSES):			
Interest expense	(4,005)	(43,996)	(44,095)
Loss on disposal of operations	(553,077)	-	-
Total other revenues (expenses)	(557,082)	(43,996)	(44,095)
Change in net position	\$ 19,151,825	\$ 16,603,497	\$ 182,819

Narrative Analysis of Statements of Changes in Net Position (2022-2024)

1. Operating Revenues - Positive Growth and Stability: The Student Fees revenue increased steadily over the three-year period, with an 11.46% increase from 2022 to 2023 and a further 3.51% increase from 2023 to 2024. This steady growth indicates stable enrollment and effective pricing strategy.

2. Federal Grants and Contracts - Fluctuating Growth: Federal grants showed an initial strong increase of 19.65% from 2022 to 2023. However, there was a decline of 7.70% from 2023 to 2024. This drop is notable because it indicates a reduction in federal funding or changes in grant allocation.

3. State and Local Grants and Contracts - Decline in Funding: There is a marked decrease in state and local grants and contracts over this three-year period, with a 25.20% drop from 2022 to 2023, followed by a 21.29% decline from 2023 to 2024. This downward trend is significant, reflecting reduced state/local government support. Such a pattern raises concerns regarding the sustainability of certain programs that rely heavily on these funds and may require adjustments to fill budget gaps.

4. Private Grants and Contracts - Sharp Increase Followed by Decline: Private grants and contracts grew substantially by 90.92% from 2022 to 2023, but there was a significant decline of 20.67% in the following year. The sharp increase followed by a decline could reflect one-time awards or fewer new opportunities being secured in 2024. This kind of volatility highlights the importance of ensuring diversified funding sources to mitigate risks associated with inconsistent private contributions.

5. County Tuition - Modest but Steady Growth: County Tuition revenue showed moderate growth over the three-year period, with a 2.28% increase from 2022 to 2023 and a more significant 13.54% rise from 2023 to 2024. This consistent upward trend points towards incremental adjustments in tuition rates or gradual increases in county-level participation in college programs, indicating positive, albeit slow, growth.

Key Areas of Concern:

- **Decreasing State and Local Grants:** The significant and ongoing decrease in state and local grants is the most concerning trend. It suggests a lack of government support, which may impact the college's ability to maintain some programs without alternative funding strategies.
- **Federal Grants Instability:** The fluctuation in federal funding, particularly the recent decline, is a result of the ending of HEERF funding.
- **Private Grant Volatility:** While there was significant growth initially, the decline from 2023 to 2024 indicates that relying on private grants for stability may be risky. Efforts should be focused on securing more sustainable or diversified private funding sources.

Summary:

Overall, the college's revenue streams reflect both positive growth in student fees and some declines in grant funding, primarily as a result of the end of HEERF funding following the COVID pandemic. The increase in Student Fees and County Tuition suggests some resilience in enrollment numbers, which is a good indicator of stability. However, the substantial declines in both state and local grants as well as federal grants signal an overreliance on sources that are subject to external pressures and policy changes. To ensure long-term financial health, the college may need to develop strategies for reducing dependency on declining grants, enhance community and industry partnerships for diversified private funding, and explore new revenue opportunities to mitigate the impact of government funding reductions.

These charts show the distribution of revenues to the College. State appropriations represent the greatest amount.

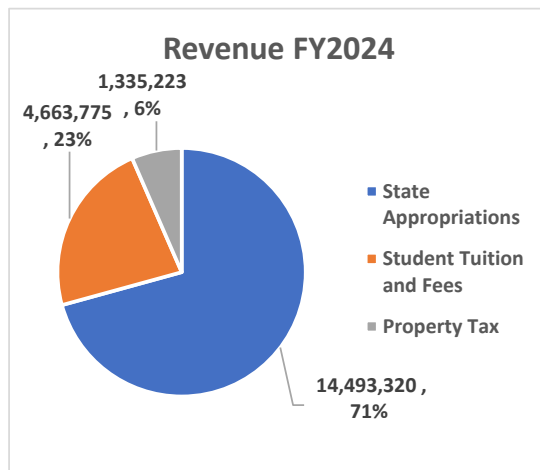


Figure 1 Distribution of **Primary** Revenue Sources

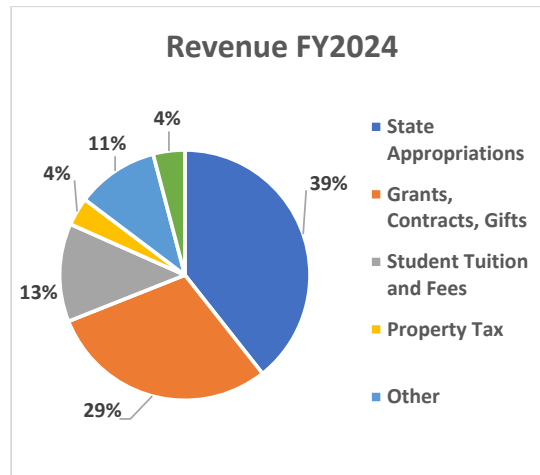


Figure 2 Distribution of **All** Revenue Sources

College of Eastern Idaho
Management's Discussion and Analysis
June 30, 2024 and 2023

College of Eastern Idaho			
Statements of Net Position			
	2022	2023	2024
Assets			
Current assets			
Cash and cash equivalents	499,197	434,163	1,121,758
Cash with State LGIP fund	8,178,196	9,309,545	7,800,000
College Reserves in LGIP fund	8,000,000	8,000,000	9,000,000
Accounts receivable and unbilled charges, net	2,806,879	3,215,076	3,969,756
Prepaid expenses	12,100	12,100	119,708
Total current assets	19,496,372	20,970,884	22,011,222
Non-current assets			
OPEB net assets	1,347,623	1,047,756	1,060,137
Net Pension asset	63,776		
Capital assets - net	27,890,689	45,873,418	47,388,261
Total other assets	29,302,088	46,921,174	48,448,398
Total assets	48,798,460	67,892,058	70,459,620
Deferred outflow of resources			
Deferred outflows for pensions and OPEB	1,824,745	3,027,052	2,426,595
Total deferred outflow of resources	1,824,745	3,027,052	2,426,595
Total assets and deferred outflows of resources	\$ 50,623,205	\$ 70,919,110	\$ 72,886,215
Liabilities and net position			
Current liabilities			
Accounts payable	274,261	346,189	688,079
Accrued salaries and benefits payable	1,494,607	1,482,284	1,490,780
Compensated absences payable	505,247	583,207	661,339
Current lease	105,186	86,222	167,642
Current subscriptions payable		731,125	678,410
Accrued interest	254	3,006	12,058
Unearned revenue	1,814,243	1,943,174	2,389,080
Grants received in advance		120,346	440,083
Total current liabilities	4,193,798	5,295,553	6,527,471
Non-current liabilities			
Total OPEB obligation	1,065,397	718,615	620,267
Long-term lease	81,479	-	1,092,311
Long-term subscriptions payable		1,289,554	866,862
Net pension liability		3,625,887	3,803,041
Total long-term liabilities	1,146,876	5,634,056	6,382,481
Total liabilities	5,340,674	10,929,609	12,909,952
Deferred inflow of resources			
Deferred inflows for pensions and OPEB	3,308,838	1,177,791	981,734
Total deferred inflow of resources	3,308,838	1,177,791	981,734
Total liabilities n& Deferred Inflows of Resources	8,649,512	12,107,400	13,891,686
Net position			
Net investment in capital assets	27,704,024	43,766,517	44,583,036
Unrestricted	14,269,669	15,045,193	14,411,493
Total net position	\$ 41,973,693	\$ 58,811,710	\$ 58,994,529
Total Liabilities and Net Position	\$ 50,623,205	\$ 70,919,110	\$ 72,886,215
see accompanying notes to financial statements			

Key Trends and Observations

1. **Cash and Cash Equivalents:**
 - Cash and cash equivalents saw a decline from \$499,197 in 2022 to \$434,163 in 2023. However, there was a significant increase in 2024, reaching \$1,121,758. This suggests improved liquidity in 2024, which could be a result of better cash management or increased funding.
2. **Cash with State LGIP Fund:**
 - The Cash with the State LGIP Fund increased from \$8,178,196 in 2022 to \$9,309,545 in 2023. However, in 2024, this fund reduced to \$7,800,000, a substantial decrease. This change indicates that funds might have been reallocated or used to cover expenditures.
3. **College Reserves in LGIP Fund:**
 - The College Reserves have remained relatively stable, with \$8,000,000 in both 2022 and 2023. There was an increase to \$9,000,000 in 2024, indicating a strategic effort to enhance the institution's reserves, possibly for future capital projects.
4. **Accounts Receivable and Unbilled Charges:**
 - Accounts receivable and unbilled charges have increased steadily from \$2,806,879 in 2022 to \$3,215,076 in 2023, and further to \$3,969,756 in 2024. This trend could suggest an increase in student enrollments or contracts, but also represents a potential concern regarding the collection efficiency of these receivables.
5. **Prepaid Expenses:**
 - Prepaid expenses remained relatively constant between 2022 and 2023 at \$12,100, but showed a notable rise to \$119,708 in 2024. This suggests increased prepayments for services or goods, potentially linked to forward planning or new initiatives.

Areas of Concern

- **Cash with State LGIP Fund Decrease in 2024:**
 - The significant drop in cash held with the State LGIP Fund between 2023 and 2024 could be a concern. It suggests either substantial spending or reallocation of investments, which could impact liquidity if unexpected costs arise. A detailed analysis of where these funds were diverted would be helpful.
- **Rising Accounts Receivable:**
 - The steady rise in accounts receivable and unbilled charges poses a risk to cash flow. An increase in outstanding receivables can indicate collection delays, which might affect the financial health of the institution if not addressed promptly.

Summary

The "Statement of Net Position" indicates a mixed financial picture. Positive aspects include increased liquidity in cash equivalents and a growing reserve balance, which implies that the college is attempting to strengthen its financial foundation.

Here is the detailed ratio analysis for the years 2022, 2023, and 2024:

1. Liquidity Ratio (Cash and Cash Equivalents / Accounts Receivable)

- **2022: 0.18**
- **2023: 0.14**
- **2024: 0.28**

The liquidity ratio, which indicates the coverage of accounts receivable by available cash, initially decreased from 2022 to 2023. However, there was a substantial improvement in 2024, which reflects better liquidity management. The rise in 2024 indicates that the institution has a stronger ability to cover its receivables, which can be a positive indicator of financial health.

2. LGIP Funds Ratio (Cash with State LGIP Fund / Total Cash and Cash Equivalents)

- **2022: 0.94**
- **2023: 0.96**
- **2024: 0.87**

The LGIP Funds Ratio represents the proportion of cash held with the State LGIP Fund compared to total cash and cash equivalents. In 2022 and 2023, the ratio increased, reaching 96%. However, in 2024, it decreased to 87%, implying a reallocation of funds from the State LGIP Fund to other cash equivalents. While this decrease may raise some concerns regarding how funds are being allocated, the institution still retains a high proportion of funds in a presumably safer LGIP investment.

3. Accounts Receivable Turnover Ratio (Accounts Receivable / Total Cash)

- **2022: 0.32**
- **2023: 0.33**
- **2024: 0.44**

The accounts receivable turnover ratio has been increasing steadily over the three years, reaching 0.44 in 2024. This trend indicates that accounts receivable is growing faster than total cash. This could reflect delays in collecting receivables or increased credit extended to students or other partners. The rising ratio suggests a need to pay close attention to the collection of outstanding amounts, as continued growth without effective collection can negatively impact cash flow and liquidity.

Summary of Ratio Analysis

- **Liquidity Ratio** improved notably in 2024, indicating better cash coverage of receivables, which is a positive sign.
- **LGIP Funds Ratio** showed a decline in 2024, suggesting that less emphasis was placed on maintaining funds in the LGIP. This might be a concern if these funds are being spent without a clear return.
- **Accounts Receivable Turnover Ratio** has been rising each year, highlighting potential collection issues or increasing reliance on receivables.

Recommendations:

- Continue focusing on improving liquidity as observed in 2024. This will help the institution maintain a strong cash position.
- Investigate the decrease in the LGIP Funds Ratio to ensure that any reallocated funds are being used effectively.
- Address the increase in accounts receivable turnover to prevent cash flow issues. Strengthening collection efforts or revising credit policies may be beneficial.

Student Enrollment and Tuition

The following table shows key performance indicators reflecting the growth in enrollment and other indicators. This data reflects a steady growth for all critical indicators for the College.

CEI Performance Indicators

Measure	Actuals					Benchmark
	FY 2022	FY 2023	% Change	FY 2024	% Change2	
Unduplicated Annual Headcount [1]	3,225	3,468	7.5%	3,689	6.4%	3,873
Annual Unduplicated FTE (30) [2]	1,212	1,266	4.5%	1,364	7.8%	1,432
Credit Hours Taught [3]	36,348	37,965	4.4%	40,934	7.8%	42,980
Average Credits per Degree Seeking Student [4]	10.01	10.08	0.7%	10.01	-0.7%	10.2
Workforce Headcount [5]	17,494	19,854	13.5%	14,460	-27.2%	>15,000
Retention Rates [6]	47%	50%	6.4%	64%	28.0%	69%
Early College [7]	7,369/1,31	9,012/1,641	24.5%	10,902/1,801	9.8%	11,447/1,891
TSA% [8]	79%	80%	1.3%	NA	NA	NA
Degree and Certification Awarded	382	395	3.4%	477	20.8%	500
Headcount of Completers	363	368	1.4%	440	19.6%	462
CTE Positive Placement [9]	99%	97%	-2.0%	98%	1.0%	95%
Timely Degree II FT -1st Time 150% [10]	44%	35%	-20.5%	37%	5.7%	42%

[1] Annual Unduplicated Headcount is a count of all students who enrolled for at least one credit during the fiscal year, including early college students.

[2] Annual Unduplicated FTE is all enrolled credits during the fiscal year divided by 30 and truncated to a whole number, including early college students.

[3] Credit Hours Taught sums all credits that were enrolled in by students in the fiscal year.

[4] Average Credits per Degree Seeking Student does not include early college or non-program students. Only looks at the average credit load in the fall term of the FY. E.g., FY 2020 represents data from Fall 2019.

[5] Workforce Headcount is all enrollments done by WTCE and it represents a duplicated headcount.

[6] Retention Rates only looks at first time full time students who returned or graduated in the year following their start. Per IPEDS Fall Enrollment Report.

[7] Early College Credits Earned contains two measures: the number of credits earned by early college students and a count of early college students in the fiscal year.

[8] We no longer track data from CTE Technical Skills Assessments

[9] CTE Positive Placement is the number of students who responded that they are employed in an area related to their training. Revised 2023.

[10] Timely Degree corresponds with the IPEDS reporting which looks at a given fall first time full time (FTFT) freshmen cohort who graduated within 150% or less of normal time to degree or certificate completion. Example if a typical degree takes two years, then the report looks up to three years after they began to see if they completed. Data is reported as of the year the data becomes available.

[11] This file is kept in IR O Drive: Internal/Business Office folder

Basic Financial Statements

College of Eastern Idaho

Statements of Net Position

June 30, 2024 and 2023	College of Eastern Idaho		Component Unit	
	2024	2023	2024	2023
Assets				
Current assets				
Cash and cash equivalents	\$ 1,121,758	\$ 434,163	\$ 4,867,388	\$ 3,644,965
Cash with State LGIP fund	7,800,000	9,309,545	-	-
College Reserves in LGIP fund	9,000,000	8,000,000	-	-
Accounts receivable and unbilled charges, net	3,969,756	3,215,076	-	-
Pledges receivable, current	-	-	345,700	721,533
Prepaid expenses	119,708	12,100	-	-
Investments	-	-	4,791,614	3,635,551
Total current assets	22,011,222	20,970,884	10,004,702	8,002,049
Non-current assets				
Investments	-	-	2,493,625	2,942,922
Pledges receivable, long-term	-	-	555,100	745,317
OPEB net assets	1,060,137	1,047,756	-	-
Capital assets - net	47,388,261	45,873,418	-	-
Total other assets	48,448,398	46,921,174	3,048,725	3,688,239
Total assets	70,459,620	67,892,058	13,053,427	11,690,288
Deferred outflow of resources				
Deferred outflows for pensions and OPEB	2,426,595	3,027,052	-	-
Total deferred outflow of resources	2,426,595	3,027,052	-	-
Total assets and deferred outflows of resources	\$ 72,886,215	\$ 70,919,110	\$ 13,053,427	\$ 11,690,288
Liabilities, deferred inflows of resources, and net position				
Current liabilities				
Accounts payable	688,079	346,189	-	-
Accrued salaries and benefits payable	1,490,780	1,482,284	-	-
Compensated absences payable	661,339	583,207	-	-
Current lease	167,642	86,222	-	-
Current subscriptions payable	678,410	731,125	-	-
Accrued interest	12,058	3,006	-	-
Unearned revenue	2,389,080	1,943,174	-	-
Grants received in advance	440,083	120,346	-	-
Total current liabilities	6,527,471	5,295,553	-	-
Non-current liabilities				
Total OPEB obligation	620,267	718,615	-	-
Long-term lease	1,092,311	-	-	-
Long-term subscriptions payable	866,862	1,289,554	-	-
Net pension liability	3,803,041	3,625,887	-	-
Total long-term liabilities	6,382,481	5,634,056	-	-
Total liabilities	12,909,952	10,929,609	-	-
Deferred inflow of resources				
Deferred inflows for pensions and OPEB	981,734	1,177,791	-	-
Total deferred inflow of resources	981,734	1,177,791	-	-
Net position				
Net investment in capital assets	44,583,036	43,766,517	-	-
Restricted for:				
Nonexpendable	-	-	2,493,625	2,942,922
Expendable	-	-	9,389,841	7,632,716
Unrestricted	\$ 14,411,493	\$ 15,045,193	\$ 1,169,961	\$ 1,114,650
Total net position	58,994,529	58,811,710	13,053,427	11,690,288
Total liabilities, deferred inflows of resources, and net position	\$ 72,886,215	\$ 70,919,110	\$ 13,053,427	\$ 11,690,288

See accompanying notes to financial statements.

College of Eastern Idaho

Statements of Revenues, Expenses and Changes In Net Position

Years Ended June 30, 2024 and 2023	College of Eastern Idaho		Component Unit	
	2024	2023	2024	2023
Operating revenues				
Student fees (net of scholarship discounts and allowances of \$2,023,860 and \$1,724,775)	\$ 4,016,043	\$ 3,879,745	\$ -	\$ -
Federal Grants & Contracts	3,000,165	3,250,363	-	-
State & Local Grants & Contracts	2,053,763	2,609,170	-	-
Private grants & contracts	1,795,375	2,263,217	-	-
County Tuition	591,670	521,100	-	-
Sales and services of educational activities	56,062	54,162	-	-
Workforce Training Fees	1,500,191	1,676,379	-	-
Other	448,755	523,080	-	-
Foundation public support	-	-	1,366,866	2,223,749
Investment income, net	-	-	393,082	242,036
Total operating revenues	13,462,024	14,777,216	1,759,948	2,465,785
Functional operating expenses				
Instruction	12,611,569	11,106,373	-	-
Academic Support	1,718,214	2,118,492	-	-
Executive Administration	949,389	938,488	-	-
Public Service	-	131	-	-
Libraries	163,283	162,501	-	-
Student Services	3,651,208	3,760,040	-	-
Operations & Maintenance of Plant	6,011,260	5,579,184	-	-
General Administration	3,311,526	2,824,609	217,532	214,424
General Institutional Support	3,323,092	3,299,107	-	-
Auxiliary Enterprises	12,433	19,068	-	-
Scholarships & Fellowships	4,826,842	4,570,603	935,796	759,250
Total operating expenses	36,578,816	34,378,596	1,153,328	973,674
Operating income (loss)	(23,116,792)	(19,601,380)	606,620	1,492,111
Non-operating revenues (expenses)				
State CTE appropriations	7,489,620	7,161,800	-	-
State Educational appropriations	6,803,700	6,082,400	-	-
Liquor Revenue	200,000	200,000	-	-
Property Tax	1,335,223	1,350,026	-	-
Other	2,594,986	16,205,000	-	-
Federal gifts & grants	3,536,732	4,039,694	-	-
Other gifts & grants	515,646	512,189	-	-
Interest incomes	1,189,175	704,714	-	-
Unrealized gain (loss) on investments	-	-	555,738	434,744
Gain (loss) on sale of investments	-	-	(62,873)	(15,737)
Gain (loss) on disposal of capital assets	(321,376)	(6,950)	-	-
Donated services	-	-	263,654	242,301
Total non-operating revenues (expenses)	23,343,706	36,248,873	756,519	661,308
Income before other revenues (expenses)	226,914	16,647,493	1,363,139	2,153,419
Other revenues (expenses)				
Interest expense	(44,095)	(43,996)	-	-
Total other revenues (expenses)	(44,095)	(43,996)	-	-
Increase in net position	182,819	16,603,497	1,363,139	2,153,419
Net position, beginning of year	58,811,710	41,973,693	11,690,288	9,536,869
Prior period adjustment	-	234,520	-	-
Net position, beginning of year, as restated	58,811,710	42,208,213	11,690,288	9,536,869
Net position, end of year	\$ 58,994,529	\$ 58,811,710	\$ 13,053,427	\$ 11,690,288

See accompanying notes to financial statements.

College of Eastern Idaho

Statements of Cash Flows

<i>Years Ended June 30, 2024 and 2023</i>	College of Eastern Idaho	
	2024	2023
Cash flows from operating activities:		
Student fees	\$ 7,085,398	\$ 3,992,997
Grants and contracts	6,849,303	8,122,750
Payments to suppliers	(5,708,408)	(6,412,779)
Payments to employees	(22,086,545)	(20,106,385)
Payments for scholarships and fellowships	(7,150,553)	(4,421,843)
Payments for Workforce training fees	1,500,191	1,607,155
Other receipts	1,499,871	1,044,182
Net cash used in operating activities	(18,010,743)	(16,173,923)
Cash flows from non-capital financing activities:		
State appropriations	14,613,057	13,244,200
State liquor revenue and property tax revenue	1,243,516	1,597,285
Grants and contracts	3,463,657	2,679,886
Non capital gifts and grants	588,721	1,675,950
Student lending receipts	2,510,553	2,616,322
Student lending payments	(2,510,553)	(2,616,322)
Net cash provided by non-capital financing activities	19,908,951	19,197,321
Cash flows from capital and related financing activities:		
Purchases of capital assets	(5,181,284)	(2,318,313)
Capital grants and contracts	1,599,932	205,000
Change in contracts payable	(793,897)	(740,195)
Change in lease liability	(129,960)	(100,443)
Payments on long-term leases	1,622,181	348,113
Proceeds from the sale of capital assets	8,738	(11,966)
Net cash used in capital and related financing activities	(2,874,290)	(2,617,804)
Cash flows from investing activities:		
Interest income	1,189,175	704,714
Interest expense	(35,043)	(43,993)
Net cash provided by investing activities	1,154,132	660,721
Net increase (decrease) in cash and cash equivalents	178,050	1,066,315
Cash and cash equivalents, beginning of year	17,743,708	16,677,393
Cash and cash equivalents, end of year	\$ 17,921,758	\$ 17,743,708
Reconciliation of cash to Statement of Net Position:		
Cash and cash equivalents	\$ 1,121,758	\$ 434,163
Cash with State LGIP Fund	7,800,000	9,309,545
College Reserves in LGIP Fund	9,000,000	8,000,000
Totals	\$ 17,921,758	\$ 17,743,708

College of Eastern Idaho

Statements of Cash Flows (Continued)

Years Ended June 30, 2024 and 2023	College of Eastern Idaho	
	2024	2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (23,116,792)	\$ (19,601,380)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation and amortization expense	3,336,327	2,989,263
Other nonoperating revenues	995,054	-
Change in assets and liabilities:		
Receivables	(462,974)	(259,411)
Prepaid expenses	(107,608)	-
Deferred outflows	588,076	(1,202,307)
Change in sick leave asset	-	299,867
Accounts payable	341,891	71,928
Accrued liabilities	8,496	(12,323)
Accrued compensated absences	78,132	77,960
Total OPEB obligation	(98,348)	(346,782)
Accrued interest	-	1,369
Net pension liability	177,154	3,689,663
Deferred inflows	(196,057)	(2,131,047)
Unearned revenue	445,906	249,277
Totals	\$ (18,010,743)	\$ (16,173,923)
Noncash investing, capital, and financial:		
Acquisition of capital assets with capital contributions	\$ 1,599,932	\$ 16,000,000
Lease acquisition	\$ 1,303,691	\$ -
Subscription acquisition	\$ 318,490	\$ 348,113

See accompanying notes to financial statements.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

College of Eastern Idaho (CEI or the College) strives to provide open-access to affordable, quality education that meets the needs of student, regional employers, and community. As a comprehensive community college, CEI's mission provides purpose and direction through the execution of the core themes of Work and Life, Student-Centered, and Community Engagement.

College 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. College's enrollment in academic transfer students continues to grow since the change to a community college with 3,468 in FY 2023 to 3,689 in FY 2024. College is also committed to Workforce Training/Continuing Education (WTCE) with 14,460 enrolled in the 2023-2024 fiscal year.

The NWCCU accreditation process is continual, and CEI maintains a seven-year reporting cycle. CEI submits an annual report to the NWCCU every August, and it has an ad hoc report due in March 2025 that will not require a site visit. The college will have a mid-cycle comprehensive report and site visit in 2026. Multiple programs have earned external accreditation. For example, registered and practical nursing is accredited by the National League for Nursing Accrediting Commission. College's career technical education meets all the standards required by the Idaho State Division of Career Technical Education.

The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Reporting Entity

The accompanying basic financial statements include the accounts of the College and the College's related organization, College of Eastern Idaho Foundation, Inc. (the "Foundation").

Governmental Accounting Standards Board ("GASB") has issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. Statement No. 39 requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Consequently, the Foundation is presented in the accompanying basic financial statements as a discrete component unit due to the nature and significance of its relationship with the College as defined by GASB Statement No. 39. This relationship is such that its exclusion from the reporting entity could cause the College's financial statements to be misleading or incomplete.

GASB Statement No. 39 does not require component unit cash flow statements to be displayed in the College's financial statements.

Selected financial information related to the component unit Foundation is presented in Note 19.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"). 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.

Cash and Cash Equivalents

The College considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Balances classified as cash with the LGIP account include amounts that have been remitted to the State of Idaho as a result of the student fee collection process and, once remitted these balances are under the control of the LGIP account.

Accounts Receivable

Accounts receivable consist of fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Idaho. Accounts receivable also include amounts due from the Federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts, if necessary.

Deposit and Investment Risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires comprehensive disclosure of common risks associated with deposits and investments of state and local governments. The application of these requirements is presented in Note 2.

Any funds deposited with the LGIP account for investment purposes can be subject to securities lending transactions initiated by the LGIP account.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40-50 years for buildings, 20-25 years for land improvements, and 5-13 years for vehicles and equipment.

Compensated Absences

Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. Compensated absences payable is included in current liabilities in the statement of net position, and as a component of personnel costs in the Statement of Revenues, Expenses and Changes in Net Position is \$661,339 and \$583,207 for the years ended June 30, 2024 and 2023, respectively.

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.

Unearned Revenues

Unearned revenues include amounts received for certain student fees prior to the end of the fiscal year which are related to the subsequent accounting period.

Other Post-Employment Benefits

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.

The financial statements of the OPEB plans are reported using the accrual basis of accounting. Contributions are recorded when earned and expenses, including benefits and refunds paid, are recorded when a liability is incurred, in accordance with the benefit terms. These benefits are funded on a pay-as-you-go basis.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts would not be included as a component of invested in capital assets, net of related debt.

Unrestricted – Unrestricted net assets represent resources derived from student fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the College and may be used to meet current expenses for any lawful purpose, in compliance SBOE policy.

When an expense is incurred that can be paid using either restricted or unrestricted resources, restricted resources will be used first, if permitted by the terms of the restrictions.

Income Taxes

The College, as a political subdivision of the State of Idaho, is excluded from Federal income taxes under section 115(1) of the Internal Revenue Code, as amended. The College is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose of function. The College did not incur unrelated business income tax expense in the fiscal year ended June 30, 2024 and 2023.

Classification of Revenues

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

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student fees, net of scholarship discounts and allowances, (2) sales and services of educational departments and auxiliary enterprises, and (3) most Federal, state and local grants 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 by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB Statement No. 34, such as state appropriations and investment income.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Scholarship Discounts and Allowances

Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a scholarship discount or allowance.

Use of Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and revenues and expenses during the year. Actual results could differ from those estimates.

Lease Accounting

The College is a lessee in multiple noncancelable operating and financing leases. If the contract provides the College the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the College's incremental borrowing rate. The implicit rates of the College's leases are not readily determinable and accordingly, the College has elected to use the State's Diversified Bond Fund (DBF) portfolio rate. This rate is used to calculate the present value of future lease payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the College might incur from an external lender.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting (Continued)

For all underlying classes of assets, the College has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the College is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The College recognizes short-term lease cost on a straight-line basis over the lease term.

In addition, under the new standard, the College has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the College will not recognize the lease liability and ROU, and will instead expense these costs as incurred. Copier leases is one such group.

Subscription Based Information Technology Arrangements

The College has entered into multiple Subscription Based Information Technology Accounting (SBITA) subscriptions. If the contract provides the College the right to substantially all the economic benefits and the right to direct the use of the IT software asset, it is considered to be subject to the GASB No. 96 – SBITA guidelines. Right-of-use (ROU) assets and subscription liabilities are recognized at the subscription commencement date based on the present value of the future subscription payments over the expected term. The ROU asset is also adjusted for any subscription prepayments made, subscription incentives received, and initial direct costs incurred.

The subscription liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the subscription. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred/ Increases (decreases) to variable subscription payments due to subsequent changes in an index or rate are recorded as variable subscription expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the subscription contract, if it is readily determinable, or the College's incremental borrowing rate (IBR). The College has elected to use the State's Diversified Bond Fund (DBF) portfolio rate as their IBR. This rate is used to calculate the present value of the future subscription payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the College might incur from an external lender.

The ROU asset for SBITA subscriptions is subsequently measured throughout the subscription term at the amount of the remeasured subscription liability (i.e., present value of the remaining subscription payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) subscription payments, less the unamortized balance of subscription incentives received, and any impairment recognized. The ROU asset for finance subscriptions is amortized on a straight-line basis over the subscription term.

College of Eastern Idaho

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subscription Based Information Technology Arrangements (Continued)

For all underlying classes of assets, the College has elected to not recognize ROU assets and subscription liabilities for short-term leases that have a subscription term of 12 months or less at subscription commencement. Subscriptions containing termination clauses in which either party may terminate the contract without cause and the notice period is less than 12 months are deemed short-term subscriptions with subscription costs included in short-term subscription expense. The College recognizes short-term subscription cost on a straight-line basis over the subscription term.

In addition, under the new standard, the College has adopted a policy which evaluates the material nature of long-term subscriptions as a group. For group calculations which fall below the policy threshold for recording, the College will not recognize the subscription liability and ROU, and will instead expense these costs as incurred.

Recently Adopted Accounting Pronouncement

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB No. 96, Subscription Based Information Technology Arrangement (SBITA). The statement enhances the relevance and consistency of reporting for the College's subscription activities by establishing requirements for subscription accounting based on the principle that subscriptions are financings of underlying right-to-use assets. A College is required to recognize subscription liability and intangible right-to-use subscription asset, and the vendor is required to recognize a subscription receivable and deferred inflow of resources. The College adopted this guidance retroactively for the year ended June 30, 2023. The adoption of this guidance required an adjustment to the beginning net position as outlined in Note 18.

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Effective for the fiscal year ending June 30, 2024.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents are recorded at fair value, which approximates cost and are held by the College, deposited with various financial institutions or are deposited with the LGIP account. Cash and deposit bank balances consist of:

	2024	2023
Deposits with financial institutions	\$ 1,283,581	\$ 756,829
Cash with LGIP account	16,800,000	17,309,545
Totals	\$ 18,083,581	\$ 18,066,374

College of Eastern Idaho

Notes to Financial Statements

Note 2: Cash and Cash Equivalents (Continued)

At June 30, 2024 and 2023, the College had \$700 of cash on hand in various change funds.

The carrying amount of the College's cash and cash equivalents at June 30, 2024 and 2023, respectively, was \$17,921,758 and \$17,743,708. The net difference between deposits and the carrying amount of cash and cash equivalents is a reflection of deposits in transit and outstanding checks.

Custodial Credit Risk

The risk that in the event of a financial institution's failure, the College's deposits may not be returned. The College does not have a policy for managing such risk.

Any one of the following circumstances exposes a deposit to custodial credit risk:

- Deposits are uninsured and uncollateralized.
- Deposits are uninsured and collateralized with securities held by the pledging financial institution.
- Deposits are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but are not held in the College's name.

For the period ending June 30, 2024 and 2023, respectively, of the total deposits with financial institutions, \$1,015,696 and \$488,644 was uninsured and uncollateralized and \$267,885 and \$268,185 was collateralized with securities held by the pledging financial institution. Cash deposits of \$16,800,000 and \$17,309,545 with the LGIP account may be exposed to custodial credit risk for the period ending June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, the College was not able to determine the extent of that exposure, if any.

Investments – Idaho Code, Section 67-1210, limits credit risk by restricting the investment activities of the Local Government Investment Pool ("LGIP") and state agencies with investment authority. Idaho Code further gives SBOE the authority to establish investment policies for Colleges and Universities. Section V Subsection D of the Governing Policies and Procedures of SBOE authorizes funds within the control of the College to be invested in FDIC passbook saving accounts, certificates of deposit, U. S. securities, federal funds repurchase agreements, reverse repurchase agreements, federal agency securities, large money market funds, bankers acceptances, corporate bonds of AA grade or better, mortgage backed securities of AA grade or better and commercial paper of prime or equivalent grade all without prior board approval. Authority to make investments in any other form requires prior SBOE approval. The College does not have policies that further limit its deposit or investment alternatives beyond those allowed by SBOE.

College of Eastern Idaho

Notes to Financial Statements

Note 3: Subscription Based Information Technology Arrangements Obligations

The College entered into various multi-year contracts for information technology and support services (SBITAs). These SBITA agreements have been recorded with imputed interest between 1.4% and 2.98%. These agreements have annual payments ranging from \$1,800 to \$475,451. Maturities on these contracts range from September 2023 through January 2028.

Changes in contracts payable consisted of the following at June 30, 2024:

2024	Balance 7/1/2023	Additions	Reductions	Balance 06/30/24	Due Within One Year
Softdocs - Doc e Serve Maintenance	-	308,351	(59,446)	248,905	56,128
IRON (IT + Equipment) - Fiber Optic Network	\$ 2,974	\$ -	\$ (2,974)	\$ -	\$ -
Ellucian - CRM Recruit	55,473	-	(55,473)	-	-
Touchnet Software - Application Sub Program	14,577	-	(14,577)	-	-
Rave Wireless - Emergency Notification System	7,925	-	(3,930)	3,995	3,995
Maxient - Student Conduct	9,827	-	(4,874)	4,953	4,953
Ellucian (Big Contract) - ODS	53,119	-	(17,420)	35,699	17,705
Ellucian (Big Contract) - Cloud Software	1,531,613	-	(486,951)	1,044,662	510,257
Digital Architecture - Acalog and Curriculog	29,776	-	(29,776)	-	-
Intellidema - Concourse Syllabus Management	3,590	-	(3,590)	-	-
Stryder Corp / Handshake - Career Services	-	10,139	(3,326)	6,813	3,351
Compunet - Firepower	1,805	-	(1,805)	-	-
Touchnet Software - Marketplace	58,329	-	(19,129)	39,200	19,441
Ameresco Inc. - Asset/Maintenance Planner	21,646	-	(6,882)	14,764	7,211
Ellucian - Recruit Web Front End	28,701	-	(9,032)	19,669	9,559
Compunet - Cisco Flex for Education	18,529	-	(9,186)	9,343	9,343
Vector Solutions / Scenario Learning - Student Training	12,714	-	(12,714)	-	-
Watermark Insights - Planning & Self Study for Students	17,858	-	(17,858)	-	-
Compunet - Exagrid EX18-sec / Disk Support and Maintenance	61,223	-	(14,677)	46,546	15,088
Ellucian - Cloud-Workflow Enterprise	64,629	-	(14,698)	49,931	15,642
Watchfire Signs, LLC	26,371	-	(5,579)	20,792	5,737
SBITAs payable	\$ 2,020,679	\$ 318,490	\$ (793,897)	\$ 1,545,272	\$ 678,410

College of Eastern Idaho

Notes to Financial Statements

Note 3: Subscription Based Information Technology Arrangements Obligations

(Continued)

Future minimum subscription payments as of June 30, 2024:

	Principal	Interest	Total
2025	\$ 678,410	\$ 21,999	\$ 700,409
2026	691,380	9,299	700,679
2027	103,861	4,888	108,749
2028	71,621	1,834	73,455
Totals	\$ 1,545,272	\$ 38,020	\$ 1,583,292

Note 4: Accounts Receivable and Unbilled Charges

Accounts receivable and unbilled charges are all current and consist of the following at June 30, 2024 and 2023:

Current	2024	2023
Student fees	\$ 2,221,624	\$ 1,780,733
Sponsorships	67,138	88,044
Property tax	753,732	525,980
INL Grants	328,484	449,271
Misc. (Grants, WFT)	639,054	387,025
Subtotal	4,010,032	\$ 3,231,053
Uncollectible student fees	(40,276)	(15,977)
Accounts receivable and unbilled charges - net	\$ 3,969,756	\$ 3,215,076

CEI evaluates the collectability of tuition receivables based upon a combination of factors and has established an allowance for doubtful accounts based on past performance. Generally, all accounts over six months past due are deemed uncollectible. Uncollectible accounts receivable are specifically identified and charged to the allowance account. Recovered bad debts are credited to income when collected. Accounts receivable are recorded net of \$40,276 and \$15,977 allowance for doubtful accounts for the years ended June 30, 2024 and 2023.

College of Eastern Idaho

Notes to Financial Statements

Note 5: Construction Commitments

During the year ended June 30, 2024, the College had one project in progress that is included in the Construction in Progress category. The following construction contract was in progress at June 30, 2024:

Project	Original Bid Plus Charges	Average % Complete	Expenditures Recorded Currently	Remaining Construction Obligation
Future Tech	\$ 2,400,000	51.00 %	\$ 1,224,000	\$ 1,176,000
Totals	\$ 2,400,000	51.00 %	\$ 1,224,000	\$ 1,176,000

During the year ended June 30, 2023, the College had one project in progress that is included in the Construction in Progress category. The following construction contract was in progress at June 30, 2023:

Project	Original Bid Plus Charges	Average % Complete	Expenditures Recorded Currently	Remaining Construction Obligation
Future Tech	\$ 2,400,000	25.29 %	\$ 943,774	\$ 1,456,226
Totals	\$ 2,400,000	25.29 %	\$ 943,774	\$ 1,456,226

College of Eastern Idaho

Notes to Financial Statements

Note 6: Capital Assets

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	Balance 7/1/2023	Increases	Decreases	Balance 06/30/2024
Capital assets, not being depreciated:				
Land	\$ 1,355,988	\$ -	\$ -	\$ 1,355,988
Construction in progress	943,774	1,880,158	-	2,823,932
Total capital assets, not being depreciated	2,299,762	1,880,158	-	4,179,920
Capital assets, being depreciated:				
Buildings and improvements	55,185,025	933,509	(428,354)	55,690,180
Furniture, fixtures and equipment	6,763,522	727,698	(230,996)	7,260,224
Library materials	504,400	9,000	(17,475)	495,925
Total capital assets, being depreciated	62,452,947	1,670,207	(676,825)	63,446,329
Accumulated depreciation:				
Buildings and improvements	(16,856,140)	(1,778,087)	194,004	(18,440,223)
Furniture, fixtures and equipment	(3,818,692)	(607,761)	152,707	(4,273,746)
Library materials	(513,520)	-	-	(513,520)
Total accumulated depreciation	(21,188,352)	(2,385,848)	346,711	(23,227,489)
Total capital assets, being depreciated, net	41,264,595	(715,641)	(330,114)	40,218,840
Lease right-of-use assets:				
Right-of-use assets	392,279	1,303,691	-	1,695,970
Accumulated amortization:				
Right-of-use assets	(308,860)	(114,272)	-	(423,132)
Total lease right-of-use assets, being amortized, net	83,419	1,189,419	-	1,272,838
SBITA right-of-use:				
Right-of-use assets	2,995,394	318,490	-	3,313,884
Accumulated amortization:				
Right-of-use assets	(769,752)	(827,469)	-	(1,597,221)
Total SBITA right-of-use assets being amortized, net	2,225,642	(508,979)	-	1,716,663
Total capital assets, net	\$ 45,873,418	\$ 1,844,957	\$ (330,114)	\$ 47,388,261

The depreciation and amortization expense is included in the Statement of Revenues, Expenses and Changes in Net Position under the heading Operating Expenses: Operation and Maintenance of Plant.

College of Eastern Idaho

Notes to Financial Statements

Note 6: Capital Assets (Continued)

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023
Capital assets, not being depreciated:				
Land	\$ 1,355,988	\$ -	\$ -	\$ 1,355,988
Construction in progress	629,652	336,862	(22,740)	943,774
Total capital assets, not being depreciated	1,985,640	336,862	(22,740)	2,299,762
Capital assets, being depreciated:				
Buildings and improvements	38,721,761	16,440,524	22,740	55,185,025
Furniture, fixtures and equipment	5,597,385	1,198,938	(32,801)	6,763,522
Library materials	511,075	7,225	(13,900)	504,400
Total capital assets, being depreciated	44,830,221	17,646,687	(46,701)	62,452,947
Accumulated depreciation:				
Buildings and improvements	(15,287,291)	(1,568,849)	-	(16,856,140)
Furniture, fixtures and equipment	(3,308,150)	(543,343)	32,801	(3,818,692)
Library materials	(513,520)	(6,950)	6,950	(513,520)
Total accumulated depreciation	(19,108,961)	(2,119,142)	39,751	(21,188,352)
Total capital assets, being depreciated, net	25,721,260	15,527,545	(6,950)	41,241,855
Lease right-of-use assets:				
Right of use assets	392,279	-	-	392,279
Accumulated amortization:				
Right-of-use assets	(208,490)	(100,370)	-	(308,860)
Total lease right-of-use assets, being amortized, net	183,789	(100,370)	-	83,419
SBITA right-of-use assets:				
Right-of-use assets	2,647,281	348,113	-	2,995,394
Accumulated amortization:				
Right-of-use assets	-	(769,752)	-	(769,752)
Total SBITA right-of-use assets, being amortized, net	2,647,281	(421,639)	-	2,225,642
Total capital assets, net	\$ 30,537,970	\$ 15,342,398	\$ (6,950)	\$ 45,873,418

College of Eastern Idaho

Notes to Financial Statements

Note 7: Property Taxes

In accordance with Idaho State Law, ad valorem property tax is levied in dollars in September for each calendar year. Taxes are recorded by CEI using the accrual basis of accounting. Levies are made on the second Monday of September. Taxes become due on December 20 but may be paid in installments on December 20 and June 20. Payment is made to the treasurer of the county and transmitted monthly.

Property taxes attach as an enforceable lien on property as of January 1st of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year. Bonneville County acts as an agent for CEI in both the assessment and collection areas. The County remits tax revenues to CEI with the majority of the collections being remitted in January and July.

Note 8: Lease Obligations

Changes in leases payable consisted of the following for the years ended June 30:

<u>2024</u>	Balance 7/1/2023	Additions	Reductions	Balance 06/30/2024	Amounts due Within One Year
Yellowstone Building (1001_Yellowstone-3950)	\$ 65,546	\$ -	\$ (65,546)	\$ -	-
Yellowstone Data Center Building (1002_Yellowstone- 3910)	6,555	-	(6,555)	-	-
Creative Services Printer (1003_Ricoh ProC7210X)	14,121	-	(14,121)	-	-
Allied Xerox VR280	-	154,553	(18,528)	136,025	27,915
Buffalo Bill Properties - 240 Technology Dr. Idaho Falls	-	1,149,138	(25,209)	1,123,929	139,728
Leases payable	\$ 86,222	\$ 1,303,691	\$ (129,959)	\$ 1,259,954	\$ 167,643

<u>2023</u>	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Amounts due Within One Year
Yellowstone Building (1001_Yellowstone-3950)	\$ 136,113	\$ -	\$ (70,567)	\$ 65,546	\$ 65,546
Yellowstone Data Center Building (1002_Yellowstone- 3910)	13,612	-	(7,057)	6,555	6,555
Creative Services Printer (1003_Ricoh ProC7210X)	42,073	-	(27,952)	14,121	14,121
Leases payable	\$ 191,798	\$ -	\$ (105,576)	\$ 86,222	\$ 86,222

College of Eastern Idaho

Notes to Financial Statements

Note 8: Lease Obligations (Continued)

Yellowstone Building – lease agreement dated June 2019 in the original amount of \$360,000, due in monthly installments of \$6,000, including interest at 1.71%, through May 2024, collateralized by building improvements.

Yellowstone Data Center Building - lease agreement dated September 2019 in the original amount of \$34,200, due in monthly installments of \$600, including interest at 1.71%, through May 2024, collateralized by building improvements.

The Creative Services Printer (Ricoh ProC7210X)- lease agreement dated September 2018 in the original amount of \$148,869, due in monthly installments of \$2,363, including interest at 1.71%, through December 2023, collateralized by leased equipment.

Allied Xerox VR280 - lease agreement dated November 2023 in the original amount of \$154,553, due in monthly in monthly installments of \$2,673, including interest at 3.37%, through February 2029.

Buffalo Bill Properties 240 Technology Dr. Idaho Falls - lease agreement dated May 2024 in the original amount of \$1,149,138, due in monthly in monthly installments of \$14,250, including interest at 3.48%, through April 2031.

The College has also entered into rental agreements that do not meet the criteria for capitalization, with related rentals charged to operations as incurred. Rental expense for these agreements amounted to \$129,960 and \$84,670 for the year ended June 30, 2024 and June 30, 2023.

Future minimum lease payments as of June 30, 2024 are:

	Principal	Interest	Total
2025	\$ 167,643	\$ 41,136	\$ 208,779
2026	203,642	34,695	238,337
2027	217,006	27,429	244,435
2028	231,027	19,689	250,716
2029	232,296	11,526	243,822
2030 - 2034	208,340	3,651	211,991
Totals	\$ 1,259,954	\$ 138,126	\$ 1,398,080

Note 9: Retirement Plans

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (“PERSI”), a cost-sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members’ years of service, age and compensation. In addition, benefits are provided for disability, death and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. The benefits and obligations to contribute to the plan were established and may be amended by the Idaho State Legislature. Obligations to contribute to the plan are established by the PERSI Board as defined by Idaho Law. Financial reports for the plan are available from PERSI’s website.

College of Eastern Idaho

Notes to Financial Statements

Note 9: Retirement Plans (Continued)

The required contribution rates for general employers through June 30, 2023 was 11.94% and the required contribution for general members was 7.16%. The College's contribution required and paid for FY2024 and FY2023 was \$481,048 and \$482,231, respectively.

PERSI issues a publicly available financial report that includes program elements financial statements and required supplementary information. That report may be obtained by writing to Public Employee Retirement System of Idaho, PO Box 83720, Boise, ID 83720-0078.

Optional Retirement Plan – Effective July 1, 1990, the Idaho State Legislature authorized SBOE to establish and to provide for the administration of an Optional Retirement Plan (“ORP”), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by and may be amended by the State of Idaho.

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

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. As of June 30, 2024, the required contribution rates for general employers' is 11.107% and the required contribution rate for general members is 6.97%. As of June 30, 2020, the required contribution rates for general employers' was 11.57% and the required contribution rate for general members was 6.97%. The College's contribution requirement (and amount paid) for the year ended June 30, 2024 and 2023, was \$1,078,516 and \$1,060,276, respectively. The general members contribution requirement (and amount paid) for the same time period were \$674,902 and \$622,746, totaling \$1,753,418 and \$1,683,022, respectively.

Note 10: Pension Plan

Plan Description

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

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

College of Eastern Idaho

Notes to Financial Statements

Note 10: Pension Plan (Continued)

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for police and firefighters. The College's contributions were \$481,048 for the year ended June 30, 2024 and \$482,231 for the year ended June 30, 2023.

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

At June 30, 2024 and 2023, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College 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, 2023, the College's proportion was 0.0009529831%. At June 30, 2022 the College's proportion was 0.0009205661%.

College of Eastern Idaho

Notes to Financial Statements

Note 10: Pension Plan (Continued)

For the years ended June 30, 2024 and 2023, the College recognized pension expenses of \$1,111,462 and \$1,023,763. The College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>June 30, 2024</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 651,870	\$ -
Changes in assumptions	376,581	-
Change in Proportion	146,847	18,196
Net difference in projected and actual earnings on pension plan investments	356,972	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
The College's contributions subsequent to the measurement date	481,048	-
Totals	\$ 2,013,318	\$ 18,196

<i>June 30, 2023</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 398,715	\$ 16,184
Changes in assumptions	591,128	-
Change in Proportion	186,208	29,569
Net difference in projected and actual earnings on pension plan investments	834,275	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
The College's contributions subsequent to the measurement date	483,809	-
Totals	\$ 2,494,135	\$ 45,753

\$481,048 and \$483,809 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/OPEB Liability or collective net pension/OPEB liability in the subsequent fiscal year.

College of Eastern Idaho

Notes to Financial Statements

Note 10: Pension Plan (Continued)

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, 2023 is 4.6 and 4.4 for the measurement period June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:

2025	\$	537,223
2026		274,265
2027		755,800
2028	\$	(53,214)

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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Salary inflation	3.75%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1.00%

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Salary inflation	3.75%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1.00%

College of Eastern Idaho

Notes to Financial Statements

Note 10: Pension Plan (Continued)

Assumptions used to calculate the enclosed figures are described in our 2021 Experience Study. The Total Pension Liability as of June 30, 2024, is based on the results of an actuarial valuation date July 1, 2023.

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.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Broad U.S. Equity	39.30 %	8.53 %
Developed EX U.S. Equity	10.70 %	9.09 %
Fixed Income	50.00 %	2.80 %
Cash Equivalents	0.00 %	2.25 %

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

College of Eastern Idaho

Notes to Financial Statements

Note 10: Pension Plan (Continued)

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate applicable to the financial statement year, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
	(5.35%)	Discount Rate (6.35%)	(7.35%)
<i>June 30, 2024</i>			

Employer's proportionate share of the net pension liability (asset)	\$ 6,839,927	\$ 3,803,041	\$ 1,320,957
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	1% Decrease	Current	1% Increase
	(5.35%)	Discount Rate (6.35%)	(7.35%)
<i>June 30, 2023</i>			

Employer's proportionate share of the net pension liability (asset)	\$ 6,399,335	\$ 3,625,887	\$ 1,355,891
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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the Pension Plan

At June 30, 2024, the College reported no payables to the defined benefit pension plan for legally required employer contributions and no payables for legally required employee contributions, which had been withheld from employee wages but not yet remitted to PERSI.

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions

Summary of Plans - The College participates in other postemployment benefit plans relating to health and disability administered by the State of Idaho as an agent multiple-employer defined benefit plans. The Life Insurance benefit is a single-employer defined benefit plan. Idaho Code Sections 67-5760 to 67-5768 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the College to retired or disabled employees. The most recent actuarial valuation is as of July 1, 2022. The College has not set aside any assets to pay future benefits; the College funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the following location: <http://www.sco.idaho.gov>

Plan Descriptions and Funding Policy

Retiree Healthcare Plan

A retired employee of the College who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themselves and eligible dependents. Employees must enroll within 60 days of the date that the active employee policy ends. Additionally, the employee must be receiving PERSI monthly benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from State service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan per Idaho Code 67-5761. The College contributed \$8.06 and \$8.06 per active employee per month towards the retiree premium cost as of June 30, 2024 and 2023.

Long-Term Disability Plan

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

For up to 30 months following the date of disability, an employee may continue healthcare coverage under the State plan. The College pays 100 percent of the College's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The College was charged \$9.60 per active employee per month in fiscal year 2024 and 2023.

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60 percent of monthly pre-disability salary or \$6,000, whichever is less. The benefit does not increase with inflation and may be offset by other sources of income such as Social Security, Workers' Compensation, unemployment benefits, employment rehabilitation earnings, and certain retirement benefits. The State has changed from self-insured to insured for employees who became disabled prior to July 1, 2003; the State pays 100 percent of the cost of this benefit. The amount of the contribution is based on active claims and the number of insured individuals.

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

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

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

Retiree Life Insurance Plan

This plan provides basic life insurance for certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100 percent of their annual salary at retirement. The College pays 100% of the cost of basic life insurance for eligible retirees. The College contribution for the period as a percentage of payroll was 1.284% for retirees under age 65, 0.975% for retirees between the ages of 65 and 69, and 0.654% for retirees over age 70.

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2022, and rolled forward to June 30, 2023, for the Retiree Healthcare, Long-Term Disability and Retiree Life Insurance plans. There have been no significant changes between the valuation date and the fiscal year end.

The total OPEB liability as of June 30, 2024, was based on the 2023 PERSI Experience study for demographic assumptions and the July 1, 2023, OPEB Valuation for the economic and OPEB specific assumptions.

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the June 30, 2023 measurement:

	Retiree Healthcare Plan	Long-Term Disability Plan	Retiree Life Insurance Plan
Inflation	2.30%	2.30%	2.30%
Salary increases	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increase due to promotions and longevity	3.05% general wage growth plus increase due to promotions and longevity
Discount rate	3.65%	3.65%	3.65%
Healthcare cost trend rates	N/A	5.7% claims from year ending June 30, 2023 to year ending June 30, 2024, grading to an ultimate rate of 3.7% for 2073	N/A
Retiree' share of benefit-related cost	81.9% of projected health insurance premiums for retirees	N/A	N/A

The total OPEB liability as of June 30, 2023, was based on the 2022 PERSI Experience study for demographic assumptions and the July 1, 2022, OPEB Valuation for the economic and OPEB specific assumptions.

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the June 30, 2022 measurement:

	Retiree Healthcare Plan	Long-Term Disability Plan	Retiree Life Insurance Plan
Inflation	2.30%	2.30%	2.30%
Salary increases	3.05% general wage growth plus increase due to promotions and longevity	3.05% general wage growth plus increase due to promotions and longevity	3.05% general wage growth plus increase due to promotions and longevity
Discount rate	3.54%	3.54%	3.54%
Healthcare cost trend rates	N/A	5.7% claims from year ending June 30, 2023 to year ending June 30, 2024, grading to an ultimate rate of 3.7% for 2073	N/A
Retiree' share of benefit-related cost	69.4% of projected health insurance premiums for retirees	N/A	N/A

Significant Changes

There have been significant changes between the Valuation Date and Measurement Date. The retiree healthcare claims were higher than expected. This caused a liability increase for retiree healthcare and LTD healthcare and is reflected as an economic/demographic change.

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

Effective July 1, 2022, the LTD Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the LTD income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured. Since they are now insured as allocated insurance contracts whereby irrevocable payments to Principal are used to purchase LTD Life and LTD Income benefits for individual employees, LTD Life and LTD Income sections are not included in this report.

Effective July 1, 2021, the Department of Labor Life benefit will no longer be offered to participants who retire after July 1, 2021. Department of Labor members who have been terminated but previously could have been eligible for life benefits upon retirement, will no longer be eligible for life benefits if they retire after July 1, 2021.

Mortality Rates

Mortality Rates for the plans were based on the RP-2000 Mortality for Employees, healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments. Mortality rates for the Long-term Disability Income plan were based on the Group Long-Term Disability Valuation Table included with the actuarial report.

Discount Rate

The actuary used a discount rate of 3.65% and 2.16% to measure the total OPEB liability as of June 30, 2024 and 2023, respectively. The discount rate was based on 20-year Bond Buyer Go Index.

Total Other Post-Employment Benefits (OPEB) Liability, Expense and Deferrals) - The total OPEB liability components of the measurement date of June 30, 2023, (Beginning Balances) and changes in OPEB liability for the fiscal year ended June 30, 2024:

	Retiree		Long-Term Disability Plan			Life Insurance		Total
	Healthcare Plan		Healthcare	Life Insurance	Income	Plan		
Beginning balance, June 30, 2023	\$ 61,897	\$	7,377	\$	-	\$ (10,822)	\$ 660,163	\$ 718,615
Changes for the year								
Service cost	1,350		1,761		-	-	21,401	24,512
Interest on total OPEB liability	1,695		278		-	-	20,086	22,059
Plan changes	-		-		-	-	-	-
Economic/demographic gains (losses)	13,126		-		-	-	-	13,126
Assumption changes	(213)		(37)		-	-	(12,111)	(12,361)
Expected benefit payments	16,472		(946)		-	-	(11,520)	4,006
Change in proportion	(40,231)		(869)		-	-	(108,590)	(149,690)
Net changes	(7,801)		187		-	-	(90,734)	(98,348)
Ending balance, June 30, 2024	\$ 54,096	\$	7,564	\$	-	\$ (10,822)	\$ 569,429	\$ 620,267

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

Total Other Post-Employment Benefits (OPEB) Liability, Expense and Deferrals) - The total OPEB liability components of the measurement date of June 30, 2022, (Beginning Balances) and changes in OPEB liability for the fiscal year ended June 30, 2023:

	Retiree		Long-Term Disability Plan			Life Insurance Plan	Total
	Healthcare Plan	Healthcare	Life Insurance	Income			
Beginning balance, June 30, 2022	\$ 175,083	\$ 9,889	\$ -	\$ (10,822)	\$ 891,247	\$ 1,065,397	
Changes for the year							
Service cost	7,326	1,746	-	-	35,137	44,209	
Interest on total OPEB liability	3,784	232	-	-	17,551	21,567	
Plan changes	(88,257)	-	-	-	-	(88,257)	
Economic/demographic gains (losses)	(2,686)	1,621	-	-	38,570	37,505	
Assumption changes	(17,663)	(4,648)	-	-	(203,115)	(225,426)	
Expected benefit payments	(16,707)	(1,521)	-	-	(10,914)	(29,142)	
Change in proportion	1,017	58	-	-	(108,313)	(107,238)	
Net changes	(113,186)	(2,512)	-	-	(231,084)	(346,782)	
Ending balance, June 30, 2023	\$ 61,897	\$ 7,377	\$ -	\$ (10,822)	\$ 660,163	\$ 718,615	

OPEB expense and deferrals:

	Retiree		Long-Term Disability Plan			Life Insurance Plan	Total
	Healthcare Plan	Healthcare	Life Insurance	Income			
OPEB Expense June 30, 2024	\$ (40,828)	\$ (8,542)	\$ -	\$ -	\$ (1,129,093)	\$ (1,178,463)	
OPEB Expense June 30, 2023	\$ (50,756)	\$ (6,987)	\$ -	\$ -	\$ (1,219,761)	\$ (1,277,504)	

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

	Long-Term Disability Plan				Life Insurance Plan	Total
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income		
Deferred Outflows						
Beginning balance, June 30, 2023	\$ 120,200	\$ 6,676	\$ -	\$ -	\$ 191,641	\$ 318,517
Changes for the year						
Prior year contributions subsequent to the measurement date	(13,642)	(121)	-	-	(5,754)	(19,517)
Difference between expected & actual experience	3,890	(1,457)	-	-	(9,321)	(6,888)
Change in assumptions	(25,009)	(141)	-	-	(43,933)	(69,083)
Changes in proportion	(16,271)	(715)	-	-	(1,168)	(18,154)
Benefit payments subsequent to the measurement date	11,934	206	-	-	7,377	19,517
Ending balance, June 30, 2024	\$ 81,102	\$ 4,448	\$ -	\$ -	\$ 138,842	\$ 224,392
Deferred inflows						
Beginning balance, June 30, 2023	111,729	6,306	-	-	752,373	870,408
Changes for the year						
Difference between expected & actual experience	(32,422)	(237)	-	-	(14,877)	(47,536)
Changes of assumptions	(20,360)	(1,557)	-	-	(42,550)	(64,467)
Change in proportion	7,967	893	-	-	2,994	11,854
Ending balance, June 30, 2024	\$ 66,914	\$ 5,405	\$ -	\$ -	\$ 697,940	\$ 770,259

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

	Retiree		Long-Term Disability Plan			Life Insurance Plan	Total
	Healthcare Plan	Healthcare	Life Insurance	Income			
Deferred outflows							
Beginning balance, June 30, 2022	\$ 162,978	\$ 7,089	\$ -	\$ -		\$ 207,877	\$ 377,944
Changes for the year							
Prior year contributions subsequent to the measurement date	(15,193)	(291)	-	-		(7,484)	(22,968)
Difference between expected & actual experience	(5,070)	519	-	-		34,134	29,583
Change in assumptions	(21,103)	(97)	-	-		(47,472)	(68,672)
Changes in proportion	(15,054)	(665)	-	-		(1,168)	(16,887)
Benefit payments subsequent to the measurement date	13,642	121	-	-		5,754	19,517
Ending balance, June 30, 2023	\$ 120,200	\$ 6,676	\$ -	\$ -		\$ 191,641	\$ 318,517
Deferred inflows							
Beginning balance, June 30, 2022	137,891	2,924	-	-		600,698	741,513
Changes for the year							
Difference between expected & actual experience	(23,444)	(152)	-	-		(16,089)	(39,685)
Changes of assumptions	(1,146)	3,569	-	-		174,946	177,369
Change in proportion	(1,572)	(35)	-	-		(7,182)	(8,789)
Ending balance, June 30, 2023	\$ 111,729	\$ 6,306	\$ -	\$ -		\$ 752,373	\$ 870,408

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense (revenue) as of June 30, 2024 follows:

	Retiree		Long-Term Disability Plan			Life Insurance Plan	Total
	Healthcare Plan	Healthcare	Life Insurance	Income			
2025	\$ 7,806	\$ 327	\$ -	\$ -		\$ (120,714)	\$ (112,581)
2026	(7,146)	248	-	-		(120,714)	(127,612)
2027	3,236	(286)	-	-		(115,162)	(112,212)
2028	(1,794)	(619)	-	-		(74,980)	(77,393)
2029	152	(553)	-	-		(40,255)	(40,656)
2030	-	(284)	-	-		(94,650)	(94,934)
Totals	\$ 2,254	\$ (1,167)	\$ -	\$ -		\$ (566,475)	\$ (565,388)

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense (revenue) as of June 30, 2023 follows:

	Retiree		Long-Term Disability Plan			Life Insurance		Total
	Healthcare Plan	Healthcare	Life Insurance	Income	Plan			
2024	\$ (4,270)	\$ 659	\$ -	\$ -	\$ (106,677)	\$	(110,288)	
2025	7,045	476	-	-	(106,677)		(99,156)	
2026	(8,711)	390	-	-	(106,677)		(114,998)	
2027	3,090	(190)	-	-	(100,789)		(97,889)	
2028	(2,325)	(523)	-	-	(60,679)		(63,527)	
2029	-	(567)	-	-	(84,983)		(85,550)	
Totals	\$ (5,171)	\$ 245	\$ -	\$ -	\$ (566,482)	\$	(571,408)	

Discount Rate Sensitivity

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate as of June 30, 2024

The following represents the total OPEB liability calculated using the discount rate of 3.65%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current rate:

	Retiree		Long-Term Disability Plan			Life Insurance		Total
	Healthcare Plan	Healthcare	Life Insurance	Income	Plan			
1% decrease (2.65%)	\$ 55,938	\$ 7,873	\$ -	\$ -	\$ 693,958	\$	757,769	
Discount rate (3.65%)	54,096	7,565	-	-	558,606		620,267	
1% increase (4.65%)	52,262	7,234	-	-	473,838		533,334	

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate as of June 30, 2023

The following represents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are 1% lower or 1% higher than the current trend rates as of June 30, 2023:

	Retiree		Long-Term Disability Plan			Life Insurance		Total
	Healthcare Plan	Healthcare	Life Insurance	Income	Plan			
1% decrease (2.54%)	\$ 63,692	\$ 7,709	\$ -	\$ -	\$ 805,618	\$	877,019	
Discount rate (3.54%)	61,896	7,377	-	-	649,342		718,615	
1% increase (4.54%)	60,099	7,019	-	-	548,559		615,677	

College of Eastern Idaho

Notes to Financial Statements

Note 11: Postemployment Benefits Other Than Pensions (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following represents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are 1% lower or 1% higher than the current trend rates as of June 30, 2024:

	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% decrease	\$ -	\$ 6,119	\$ N/A	\$ N/A	\$ N/A	6,119
Current trend rate	-	7,565	N/A	N/A	N/A	7,565
1% increase	-	9,083	N/A	N/A	N/A	9,083

The following represents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are 1% lower or 1% higher than the current trend rates as of June 30, 2023:

	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% decrease	\$ -	\$ 5,805	\$ N/A	\$ N/A	\$ N/A	5,805
Current trend rate	-	7,377	N/A	N/A	N/A	7,377
1% increase	-	8,998	N/A	N/A	N/A	8,998

Note 12: PERSI Sick Leave Insurance Reserve

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.

College of Eastern Idaho

Notes to Financial Statements

Note 12: PERSI Sick Leave Insurance Reserve (Continued)

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 for the years ended June 30, 2024 and 2023.

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

At June 30, 2024, the College reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, 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, 2023, the College's proportion was 0.007406383%. At June 30, 2022, the College's proportion was 0.007406383%.

For the year ended June 30, 2024, the College recognized OPEB expense (expense offset) of \$(55,217). \$25,516 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2025.

For the year ended June 30, 2023, the College recognized OPEB expense (expense offset) of \$(74,427). \$154,575 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2024.

The College reported deferred outflows of resources and deferred inflows of resources related to PERSI OPEB sick leave from the following sources:

<i>June 30, 2023</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,402	\$ 20,583
Changes in assumptions or other inputs	67,275	88,784
Net difference between projected and actual earnings on pension plan investments	79,255	-
Changes in the employer's proportion and difference between the employer's contributions and the employer's proportionate contributions	-	83,913
Totals	\$ 188,932	\$ 193,280

College of Eastern Idaho

Notes to Financial Statements

Note 12: PERSI Sick Leave Insurance Reserve (Continued)

<i>June 30, 2022</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,760	\$ 31,956
Changes in assumptions or other inputs	45,290	107,544
Net difference between projected and actual earnings on pension plan investments	142,388	-
Changes in the employer's proportion and difference between the employer's contributions and the employer's proportionate contributions	-	122,130
Totals	\$ 214,438	\$ 261,630

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, 2023 and 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return- net of investment fees	5.45%

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.

College of Eastern Idaho

Notes to Financial Statements

Note 12: PERSI Sick Leave Insurance Reserve (Continued)

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 Rate of Return
Broad US Equity	39.3 %	8.53 %
Developed EX U.S Equity	10.7 %	9.09 %
Fixed Income	50.0 %	2.80 %
Cash Equivalents	0.0 %	2.25 %

Discount Rate

The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

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

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 5.45%, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
<i>June 30, 2024</i>			
College's proportionate share of the net OPEB liability	\$ (983,114)	\$ (1,060,137)	\$ (1,128,788)

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
<i>June 30, 2023</i>			
College's proportionate share of the net OPEB liability	\$ 979,176	\$ (1,047,756)	\$ (1,108,855)

College of Eastern Idaho

Notes to Financial Statements

Note 12: PERSI Sick Leave Insurance Reserve (Continued)

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the OPEB Plan

At June 30, 2024 and 2023, the College reported no payables to the defined benefit OPEB pension plan for legally required employer contributions and no payables for legally required employee contributions, which had been withheld from employee wages but not yet remitted to PERSI.

Note 13: Natural Classifications of Operating Expenses

The natural classifications for the years ended June 30, 2024 and 2023, are as follows:

	2024	2023
Personnel Costs	\$ 22,173,173	\$ 20,481,416
Services	3,639,761	3,595,232
Supplies	2,034,573	2,171,191
Insurance, utilities, and rent	587,594	687,524
Scholarships and fellowships	4,655,800	4,421,843
Depreciation	3,336,327	2,989,263
Miscellaneous	151,588	32,129
Totals operating expenses	<u>\$ 36,578,816</u>	<u>\$ 34,378,598</u>

Note 14: Risk Management

The College obtains workers' compensation coverage from the Idaho State Insurance Fund. The College's workers' compensation premiums are based on its payroll, its own experience, as well as that of the State of Idaho as a whole.

The College is insured through the state of Idaho's Risk Management Program for other risks of loss, including but not limited to employee bonds, all liability insurance, auto physical damage insurance, and all property insurance. During the past three fiscal years, no settled claims have exceeded insurance coverage levels, and there has been no significant reduction in coverage.

The College is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the results of these matters will not have a significant impact on the financial statements.

College of Eastern Idaho

Notes to Financial Statements

Note 15: Related Party Transactions

The College has the following related party transactions for fiscal year ended June 30, 2024:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
College of Eastern Idaho Foundation	Idaho Falls, ID	Scholarships	\$632,156	
College of Eastern Idaho Foundation	Idaho Falls, ID	Contributed nonfinancial assets	(\$208,291)	
College of Eastern Idaho Foundation	Idaho Falls, ID	Institutional support	\$44,487	

The College has the following related party transactions for fiscal year ended June 30, 2023:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
College of Eastern Idaho Foundation	Idaho Falls, ID	Scholarships	\$567,564	
College of Eastern Idaho Foundation	Idaho Falls, ID	Contributed nonfinancial assets	(\$205,307)	
College of Eastern Idaho Foundation	Idaho Falls, ID	Institutional support	\$40,700	

Note 16: Unrestricted Net Position Detail

The detail of the unrestricted net position included in the Statements of Net Position were as follows for June 30:

	2024	2023
Operating Reserve	\$ 2,000,000	\$ 2,000,000
Facility Reserve	675,000	675,000
Future Tech Reserve	6,325,000	5,325,000
Unrestricted	5,411,493	7,045,193
Totals	\$ 14,411,493	\$ 15,045,193

College of Eastern Idaho

Notes to Financial Statements

Note 17: Subsequent Events

The College has evaluated subsequent events through October 21, 2024, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2024, have been incorporated herein. There are no other subsequent events that require disclosure.

Note 18: Prior Year Restatement

The College had a change in accounting principle for the year ended June 30, 2023 as a result of the implementation of GASB Statement No. 96. The business-type activities beginning net position was restated as follows:

	College of Eastern Idaho
Beginning balance as originally state - June 30, 2022	\$ 41,973,693
Prepayments of multi-year SBITA contracts	234,520
Beginning balance as adjusted - July 1, 2022	<u>\$ 42,208,213</u>

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit

The College of Eastern Idaho Foundation, Inc. (the Foundation) was established in 1992 as the Eastern Idaho Technical College Foundation, Inc. to solicit gifts, devises, monies, or properties to be held and managed for the exclusive benefit as a component unit of the College of Eastern Idaho - formerly known as Eastern Idaho Technical College (the College). The Foundation's name was changed in 2017 in anticipation of the change in the name of the College. The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and a publicly supported charitable organization as described in sections 509(a)(1) and 170(b)(A)(vi).

The financial statements presented are only for the Foundation, and do not include the assets, liabilities, and fund balances, or the revenues, expenditures, and capital additions of the College of Eastern Idaho as a whole. Accordingly, the financial statements are not intended to present the financial position of College of Eastern Idaho or its results of operations in conformity with accounting principles generally accepted in the United States. The Foundation is a component unit of the College of Eastern Idaho and therefore, the financials are included in the financial statements that are issued by the College.

The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles for Not-for-Profit Organizations.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

The Foundation maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per banking institution. The Foundation uses a combination of interest bearing and non-interest bearing accounts at their banks, and their banks collateralize through re-investing in short-term CD's with other banks. At certain times during the year, cash balances may be in excess of FDIC coverage. The Foundation has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash. The Foundation's cash balance in excess of coverage limits at June 30, 2024 and 2023 was \$3,393,510 and \$1,181,460.

Investments

The Foundation carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statements of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

Investments and related returns for the years ended at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Equities	\$ 34,097	\$ -
Mutual funds	6,651,374	6,578,473
Certificates of deposit	599,768	-
Totals	\$ 7,285,239	\$ 6,578,473
<hr/>		
<i>Years Ended June 30,</i>	2024	2023
Net unrealized and realized gains (losses)	\$ 492,865	\$ 419,007
Investment income	393,082	242,036
Totals	\$ 885,947	\$ 661,043

Investments are held through Edward Jones and are insured by the Securities Investor Protection Corporation.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

Revenues Recognition and Support

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation reports contributed property and equipment at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions when placed in service.

Revenue from special events contains an exchange element based on the value or benefits provided and a contribution element for the difference between the total amount paid and the exchange element. The Foundation has determined that there is no material difference between recording the full balance as received, and separating these elements to be recognized at the time of the event, and therefore records both exchange and contribution portions at the time of receipt.

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets. Unrestricted promises to give to be collected in future periods are also recorded as an increase to temporarily restricted net assets and reclassified to unrestricted net assets when received, unless the donor's intention is to support current-period activities.

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. If balances are estimated to be uncollectible, the carrying amounts of pledges receivable are reduced by those allowances. The allowance amount for years ended June 30, 2024 and 2023 were \$0.

Pledges receivable are due as follows:

<i>Years Ended June 30,</i>	2024	2023
Future Tech	\$ 900,800	\$ 1,466,850
Total Pledges Receivable	900,800	1,466,850
Less amounts due in one year	(345,700)	(721,533)
Pledges due in less than five years	\$ 555,100	\$ 745,317

Donated Property and Equipment

The Foundation has recorded donations of property and equipment as support at their estimated fair value at the date of donation. Such donations are reported as support increasing net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose or period of time. Assets with explicit restrictions regarding their use are reported as restricted support. The donated property and equipment was passed through to the College.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs donated by the College are allocated between program and management and general. Program costs include distributions for charitable purposes, which are scholarships and college support, and direct program services that are expenses incurred to operate the program.

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense were \$8,111 and \$9,691 for the years ended June 30, 2024 and 2023, respectively.

Estimates

Preparing the Foundation's financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") require management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation is organized as a nonprofit and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in these statements. The Foundation is subject to examination of its federal income tax filing in the United States generally for the three preceding tax years. There were no uncertain tax positions taken by the Foundation. In the event that the Foundation is assessed penalties and/or interest, penalties will be charged to other operating expense and interest will be charged to interest expense.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The total amount of donor restricted net assets temporary in nature as of June 30, 2024 and 2023, was available for the following purposes:

<i>Years Ended June 30,</i>	2024	2023
Medical equipment	\$ 7,776	\$ 7,776
GOALS/Library expansion	1,500	1,500
Future Tech	4,986,352	3,632,578
Scholarships and college support	4,394,213	3,990,862
Total	\$ 9,389,841	\$ 7,632,716

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

Donor restricted net assets permanent in nature at June 30, 2024 and 2023, are restricted to investment in perpetuity, the income from which is expendable to support:

<i>Years Ended June 30,</i>	2024	2023
Scholarships to Idaho Steel employees and related individuals	\$ 50,000	\$ 50,000
Health related program scholarships	148,100	148,100
Activities of the Foundation	10,000	10,000
Other scholarships	2,231,525	2,680,822
Mechanical trade program scholarships	54,000	54,000
Total	\$ 2,493,625	\$ 2,942,922

Net assets at June 30, 2024 and 2023, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

<i>Years Ended June 30,</i>	2024	2023
Scholarships and college support	\$ 759,116	\$ 609,531
Total	\$ 759,116	\$ 609,531

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value:

- Mutual funds and equities are valued based on quoted market prices on the active market on which they are traded.
- Certificates of deposit are valued at fair market value of deposits held at year end as provided by the broker.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value.

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

The following tables present the balances of assets at fair value on a recurring basis by level within the fair value hierarchy at June 30:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Equities	\$ 34,097	\$ -	\$ -	\$ 34,097
Mutual Funds	6,651,374	-	-	6,651,374
Certificates of deposit	-	599,768	-	599,768
Total investment assets at fair value	\$ 6,685,471	\$ 599,768	\$ -	\$ 7,285,239

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 6,578,473	\$ -	\$ -	\$ 6,578,473
Total investment assets at fair value	\$ 6,578,473	\$ -	\$ -	\$ 6,578,473

There were no assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2024 and 2023.

The College donated 100% of the total Director of Operation's and the Scholarship Coordinator's salary and benefits, which has been recorded in these financial statements as a donation and expenditure at June 30, 2024 and 2023, of \$208,291 and \$205,307, respectively. The College also provides office space and other services to the Foundation. The value of the office space and other services is not reflected in these statements.

A substantial number of unpaid volunteers have made significant contributions of their time to the operations of the Foundation. The value of these donated services and time is not recognized in the accompanying financial statements because they do not meet the criteria for recognition.

Donor Restricted Assets

At June 30, 2024 and 2023, the Foundation had donor-restricted endowments for the purposes of supporting the College and providing student scholarships. The Board of Directors has interpreted the Idaho Uniform Prudent Management of Institution Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors when deciding to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Foundation
- Investment policies of the Foundation

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

The primary long-term financial objective for the Foundation's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending and costs of portfolio management. The endowments are held at the Foundation and subject to the Foundation's approved investment policy statements.

The amount permanently restricted by donors was \$2,493,625 and \$2,942,922 respectively. The Foundation determines the amount to be paid out as scholarships and college support on an annual basis.

The endowment funds consist of donor-restricted endowments and funds by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Liquidity and Availability of Financial Resources

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

<i>Years Ended June 30,</i>	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,867,388	\$ 3,644,965
Investment securities	7,285,239	6,578,473
Pledges receivable, current portion	555,100	721,533
Total liquid financial assets available	12,707,727	10,944,971
Less amounts not available to be used within one year		
Net assets with donor restrictions	11,537,766	9,830,321
Financial assets available (unavailable) to meet general expenditures within 12 months	\$ 1,169,961	\$ 1,114,650

The Foundation strives to maintain liquid financial assets sufficient to cover 180 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments.

Endowment Funds

In July 1999, the Rogers and Hazel Rose Fund for the College of Eastern Idaho Foundation, Inc. was set up with the Idaho Community Foundation (ICF), an Idaho nonprofit corporation, in the amount of \$100,000. The assets of the fund are held by ICF as a permanent endowment. The purpose of the fund is to make charitable distributions to the College of Eastern Idaho Foundation, Inc. and/or maintenance needs and student scholarships. The maximum distribution from the fund is restricted to 50% of the prior year's net earnings. The Foundation received \$5,170 during the current year and \$5,214 during the prior year and had no receivable at June 30, 2024 and 2023. These assets are not reflected on these financial statements, as they are the assets of ICF.

College of Eastern Idaho

Notes to Financial Statements

Note 19: Component Unit (Continued)

Funds Held by Idaho Community Foundation

The Daugherty Foundation – EITC Scholarship Fund was established in 1991 with the Idaho Community Foundation (ICF), an Idaho nonprofit corporation. The purpose of the fund is to make charitable distributions to the College of Eastern Idaho in the form of student scholarships and college improvements. The ICF has discretionary authority to distribute principal, any additions thereto, and income earned in making the donations. The Foundation received \$17,973 during the current year and \$5,510 during the prior year and had no receivable at June 30, 2024 and 2023. These assets are not reflected on these financial statements, as they are the assets of ICF.

Related Parties

The Foundation expends funds either directly to or for the indirect benefit of the College of Eastern Idaho, a related party. These expenses are for scholarships and other miscellaneous expenses. During the year ended June 30, 2024, \$632,156 was expended for scholarships and \$44,487 was expended for institutional support. During the year ended June 30, 2023, \$567,564 was expended for scholarships and \$40,700 was expended for institutional support.

As mentioned in Note 5, the College pays the salaries and benefits of the Foundation's employees. The Foundation has implemented "Not-for-Profit Entities: Services Received from Employees of an Affiliate" that includes \$208,291 and \$205,307 on the June 30, 2024 and 2023 financial statements, respectively, as donation and the related in-kind expenses for the personnel costs incurred by the College on the Foundation's behalf.

Concentration of Contribution or Grants

The Foundation relies primarily on contributions. Contributions generally come from donors in southeast Idaho for the years ending June 30, 2024 and 2023.

Subsequent Events

The Foundation has evaluated events and transaction for potential recognition or disclosure in the financial statements through October 21, 2024, which is the date the financial statements were available to be issued. There were no subsequent type events, identified by management of the Foundation, that are required to be disclosed.

Required Supplementary Information

College of Eastern Idaho

Schedule of Employer's Proportionate Share of Net Liability (Asset)

PERSI - Base Plan

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's portion of net pension liability (asset)	0.0009529831%	0.0009205661%	0.08075166%	0.0806376%	0.0806376%	0.0626478%	0.0644959%	0.0630526%	0.0696700%	0.0665150%
Employer's proportionate share of the net pension liability (asset)	\$ 3,803,041	\$ 3,625,887	\$ (63,776)	\$ 1,938,727	\$ 920,456	\$ 924,066	\$ 1,013,765	\$ 1,278,173	\$ 917,449	\$ 489,654
Employer's covered employee payroll	4,290,311	3,856,289	3,013,621	2,972,948	2,738,781	2,015,605	2,123,790	1,837,826	1,813,891	1,951,457
Employer's proportional share of the net pension liability (asset) as a percentage of its covered payroll	88.64 %	94.03 %	(2.12)%	65.21 %	33.61 %	45.85 %	47.73 %	69.55 %	50.58 %	25.09 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.83 %	83.09 %	100.36 %	88.22 %	93.79 %	91.69 %	90.68 %	87.26 %	91.38 %	94.95 %

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Bannock County will present information for those years for which information is available. Data reported is measured as of June 30, 2023 (reporting date).

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 481,048	\$ 482,231	\$ 433,447	\$ 359,817	\$ 354,970	\$ 310,030	\$ 228,167	\$ 226,762	\$ 208,752	\$ 216,201
Contributions in relation to the statutorily required contribution	481,048	482,231	433,447	359,817	354,970	310,030	228,167	226,762	208,752	206,852
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,349
Employer's covered payroll	\$ 4,293,269	\$ 4,290,311	\$ 3,856,289	\$ 3,013,621	\$ 2,972,948	\$ 2,738,781	\$ 2,015,605	\$ 2,123,790	\$ 1,837,826	\$ 1,813,891
Contribution as a percentage of covered payroll	11.20 %	11.24 %	11.94 %	11.94 %	11.94 %	11.32 %	11.32 %	10.68 %	11.36 %	11.40 %

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Bannock County will present information for those years for which information is available. Data reported is measured as of June 30, 2024 (measurement date).

College of Eastern Idaho

Schedule of Employer's Proportionate Share of Net OPEB Asset

PERSI - OPEB Plan-Sick Leave

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
Employer's portion of net OPEB asset	0.007406383%	0.007406383%	0.7406393%	0.7406383%	0.7169534%	0.5396796%	0.4726574%
Employer's proportionate share of the net OPEB asset	\$ 1,060,137	\$ 1,047,756	\$ 1,347,624	\$ 1,045,432	\$ 903,161	\$ 619,390	\$ 449,637
Employer's covered employee payroll	12,986,671	11,476,063	10,582,898	10,237,538	8,268,615	5,945,846	5,189,539
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	8.16 %	9.13 %	12.73 %	10.21 %	10.92 %	10.42 %	8.66 %
Plan fiduciary net position as a percentage of the total OPEB asset	223.73 %	237.30 %	274.55 %	251.00 %	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, Bannock County will present information for those years for which information is available. Data reported is measured as of June 30, 2023 (measurement date).

Schedule of Employers Contributions

PERSI - OPEB Plan-Sick Plan

Last 10 Fiscal Years*

County Fiscal Year	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,272	\$ 53,746	\$ 38,648
Contributions in relation to the statutorily required contribution	0	0	0	0	(33,272)	(53,746)	(38,648)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Employer's covered payroll	13,987,768	12,986,671	11,476,061	10,582,898	10,237,538	8,268,615	5,945,846
Contribution as a percentage of covered payroll	-	-	-	%	0.33 %	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, Bannock County will present information for those years for which information is available. Data reported is measured as of June 30, 2024 (reporting date).

College of Eastern Idaho

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Service cost	24,512	44,209	45,625	38,558	30,789	55,842	55,514
Interest on total OPEB liability	22,059	21,567	22,664	37,253	34,616	55,581	55,451
Plan changes	0	(88,199)	0	(23,561)	0		
Economic/demographic gains (losses)	13,126	37,505	30,087	(226,480)	0	(17,752)	
Assumption changes	(12,361)	(225,426)	11,118	263,049	131,044	(134,709)	
Expected benefit payments	4,006	(29,142)	(26,624)	(48,521)	(45,844)	(56,406)	(56,804)
Change in proportion	(149,690)	(107,296)	(96,814)	449	(538,952)	(51,578)	
Net changes	(98,348)	(346,782)	(13,944)	40,747	(388,347)	(149,022)	54,161
Total OPEB liability, beginning balance	718,615	1,065,397	1,079,341	1,038,594	1,426,941	1,575,963	\$ 1,521,802
Total OPEB liability, ending balance	\$ 620,267	\$ 718,615	\$ 1,065,397	\$ 1,079,341	\$ 1,038,594	\$ 1,426,941	\$ 1,575,963

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Bannock County will present information for those years for which information is available. Data reported is measured as of June 30, 2024 (reporting date).

Federal Compliance

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*

Board of Trustees
College of Eastern Idaho
Idaho Falls, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit College of Eastern Idaho, as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College of Eastern Idaho's basic financial statements, and have issued our report thereon dated October 21, 2024. The financial statements of College of Eastern Idaho Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with [name of portion of entity]. The financial statements of the discretely presented component unit, the College of Eastern Idaho Foundation, Inc., were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the College of Eastern Idaho Foundation, Inc.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Idaho Falls, Idaho
October 21, 2024

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

Board of Trustees
College of Eastern Idaho
Idaho Falls, Idaho

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited College of Eastern Idaho's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2024. College of Eastern Idaho's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, College of Eastern Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding College of Eastern Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of College of Eastern Idaho's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of College of Eastern Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other 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.

Wipfli LLP

Wipfli LLP

Idaho Falls, Idaho
October 21, 2024

College of Eastern Idaho
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Commerce:				
Direct award:				
Investments for Public Works and Economic Development	11.300		\$ 18,818	\$ -
U.S. Department of Labor:				
Pass-through State of Idaho Department of Labor:				
H-1B Job Training Grants:				
Closing the Skills Gap	17.268	RG6615 DOLETA-21	\$ 50,510	\$ -
Pass-through State of Idaho Department of Labor:				
Community Project Funding/Congressionally Directed Spending:				
Simpson Committee Project Grant	17.289	23A60CP000019-01-00	3,967	-
Total U.S. Department of Health and Human Services			\$ 54,477	\$ -
U.S. Department of Treasury:				
Pass-through State of Idaho Department of Labor:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
	21.027	CEIISG24	\$ 41,596	\$ -
U.S. Department of Education:				
Pass-through State of Idaho Division of Career & Technical Education:				
Adult Education - Basic Grants to States:				
CCR Federal Direct Services	84.002	51300	\$ 359,776	\$ -
CCR IELCE (Integrated English Literacy & Civics Ed)	84.002	51700	19,575	-
CCR Federal Admin	84.002	51305	17,682	-
CCR Leadership Training	84.002	51200	21,897	-
Subtotal			418,930	-
Direct award:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007		60,000	- (m)
Federal Work Study Program	84.033		50,000	- (m)
Federal Pell Grant Program	84.063		3,463,657	- (m)
Federal Direct Loan Program	84.268		2,493,522	- (m)
Federal Direct Plus Loans	84.268		17,031	- (m)
Subtotal student financial assistance cluster			6,084,210	-
Pass-through State of Idaho Division of Career & Technical Education:				
Career and Technical Education Programs:				
Academic Support Project	84.048	503FP2342 P3	134,929	-
Retention	84.048	503FP2342 P1	94,198	-
Non-traditional Fields Recruitment Project	84.048	503FP223	7,027	-
Special Population Enrollment	84.048	503FP2342 P2	63,332	-
CTE Advanced Opportunities	84.048	503FP23452	112,191	-
Perkins Dental	84.048	503FP2342 P6	39,500	-
Perkins Healthcare	84.048	503FP2342 P7	17,364	-
Perkins Library Database	84.048	503FP2342 P4	6,288	-
Perkins Library Resources	84.048	503FP2342 P5	10,269	-
Subtotal			485,098	-
Pass-through State of Idaho Division of Career & Technical Education:				
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)				
	84.334	<i>not provided</i>	1,688	-

College of Eastern Idaho
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
Pass-through State of Idaho Division of Career & Technical Education:				
Child Care Access Means Parents in School Programs	84.335A	P335A200017-23	39,574	-
COVID-19 - Education Stabilization Fund:				
Direct award:				
COVID-19 - Higher Education Emergency Relief Fund - (ARPA) Institutional Portion	84.425F		67,322	-
Pass-through Idaho State Board of Education:				
COVID-19 - Governors Emergency Education Relief Funds	84.425C	<i>not provided</i>	60,055	-
Subtotal			127,377	-
Total U.S. Department of Education			\$ 7,156,877	\$ -
U.S. Department of Health and Human Services:				
Direct award:				
Every Student Succeeds Act/Preschool Development Grants	93.434		\$ 97,044	\$ -
Direct award:				
Biomedical Research and Research Training	93.859		15,050	-
Total U.S. Department of Health and Human Services			\$ 112,094	\$ -
Total federal awards expended			\$ 7,383,862	\$ -

(m) Denotes major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

College of Eastern Idaho

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the College of Eastern Idaho under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the College of Eastern Idaho, it is not intended to and does not present the financial position, changes in net position or cash flows of the College of Eastern Idaho.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

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

Note 4: Federal Student Loan Program

The federal student loan program listed on the Schedule is not administered directly by the College of Eastern Idaho, therefore the basis used to determine loans expended is the amount of new loans made during the fiscal year.

Note 5: College Administered Loan Programs

During the fiscal year ended June 30, 2024, the College administered the following loan programs:

Loan Program	Federal AL Number	2024 Amount
Direct Subsidized	84.268	\$ 1,182,118
Direct Unsubsidized	84.268	1,311,404
Direct Plus	84.268	17,031
Totals		\$ 2,510,553

Note 6: Sub-Recipients

The College does not have any subrecipients or subrecipient expenditures.

College of Eastern Idaho

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
84.007/84.033/84.063/ 84.268	Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

College of Eastern Idaho
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

Section II - Audit Findings in Relation to Financial Statements

No findings related to the financial statements.

Section III - Audit Findings and Questioned Costs in Relation to Federal Awards

2024-001 Special Tests and Provisions - Enrollment Reporting - Incorrect NSLDS Reporting
Federal Program Information:

Funding agency:	US Department of Education
Title:	Student Financial Assistance Cluster
AL number:	84.007, 84.033, 84.063, 84.268
Award year:	2024

Criteria or Specific Requirement: The status in NSLDS must accurately reflect the student's status as the institution.

Condition: The examination disclosed 7 students, out of 40 student files tested, in which NSLDS was not updated correctly.

- Student A: According to the NSLDS Program Enrollment Detail the student's status is "Z-No Record Found". The student is active and full time according to the education records.
- Student B: According to the NSLDS Program Enrollment Detail the student's status is "Z-No Record Found". The student is active and full time according to the education records.
- Student C: According to the NSLDS Program Enrollment Detail the student's status is "Z-No Record Found". The student is active and full time according to the education records.
- Student D: The student withdrew on 12/18/23 but was not reported as withdrawn. The status according to the NSLDS Program Enrollment Detail is "Z-No Record Found".
- Student E: The student withdrew on 11/18/23 but was not reported as withdrawn. The status according to the NSLDS Program Enrollment Detail is "Z-No Record Found".
- Student F: The student's start date reported to NSLDS was not reported accurately
- Student G: The student status is shown as "Z-No Record Found", no other status is reported for the student.

Questioned Costs: \$0

Effect: The inaccurate status may effect the student's future Title IV funding.

Cause: There was an oversight by the College.

Repeat: No

Auditor's Recommendation: The institution should implement better oversight to see that student statuses are accurately reflected in NSLDS.

View of Responsible Officials: Management acknowledges the finding and has prepared a corrective action plan.

College of Eastern Idaho

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

2024-002 Special Tests and Provisions - Disbursements to or on Behalf of Students - Notification of Disbursement and Right to Cancel

Federal Program Information:

Funding agency: US Department of Education
Title: Student Financial Assistance Cluster
CFDA number: 84.007, 84.033, 84.063, 84.268
Award year and number: 2024

Criteria or Specific Requirement: The College is required to make appropriate and timely disbursement notifications to the student.

Condition: The examination disclosed that the institution was not providing notification to the student of (1) the date and amount of the disbursement; (2) the student/parent's right to cancel; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel.

Questioned Costs: \$0

Effect: The student was not made aware per a notification of their disbursement and their right to cancel.

Cause: There was an oversight by the College.

Repeat: No

Auditor's Recommendation: The College should implement procedures and processes to include the required notifications when disbursing direct loan funds.

View of Responsible Officials: Management acknowledges the finding and has prepared a corrective action plan.

Corrective Action Plan for Current Year 2023-2024 Findings

Finding 2024-001

Incorrect NSLDS Reporting: The examination disclosed 7 students, out of 40 student files tested, in which NSLDS was not updated correctly.

Corrective Action Plan

Audit examination revealed that some students' records were not updated correctly in the National Student Loan Data System (NSLDS). Specifically, these records were either incomplete or inaccurate in reflecting student enrollment statuses. After reviewing the issue, the primary reasons identified is a known error code within the NSLDS system, referred to error code 75. Students are flagged with a status error, Z (No Record Found). We know more students have this error flag than were selected for audit. We have determined batches of records that need updated.

Steps Already Taken to Correct Issue

- Action was taken with Student Clearinghouse (NSC), July 23, 2024, our Registrar reached out for assistance to resolve. Guidance was the specific error codes, such as NSLDS Error Code 75, flagged, consult the NSLDS and NSC for guidance on correcting these errors (NSLDS SSCR Error Code 75).
- Financial Aid Director reached out to NSLDS, August 7, 2024 for resolution. Guidance was given as follows: "CSR advised that the resolution for Error code 75 is to make sure they aren't trying to report program level enrollment data in the batch when they have already report X or Z. CSR advised they should be reporting N for the program indicator. CSR advised they can report this in a batch to resolve all the issues. CSR advised if they continue to have issue then they can call us back so we can do further research".
- Manual corrections have been implemented in NSLDS for all 7 students selected for audit with error codes, NSLDS now to reflects an accurate status for these students.

Next Steps to Correct Issue

- Resubmit the corrected enrollment data to NSLDS, if batch submission is possible. Include cross-verification with internal records to ensure accurate reporting.
- If batch correction is not possible or successful, manual corrections to records will be executed until all records are resolved.
- Review and verification of student records for the affected students to ensure accurate enrollment data is reflected. Correct the discrepancies in the NSLDS system manually.

Preventative Actions:

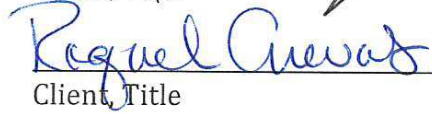
- Provide additional training to the staff for reporting to ensure the requirements for accurate and timely updates of student enrollment data.
- Conduct monthly internal audits to verify that student enrollment statuses are correctly updated in NSLDS. Review of random student records in NSLDS to confirm that updates are made in compliance with federal guidelines.

See Attached Documentation

Timing for Implementation: Resolution expected to be complete by end Spring 2025 term.

Person(s) Responsible: Tiffany Cleverly, Raquel Cuevas

 Financial Aid Director
Client, Title

 Registrar
Client, Title

Corrective Action Plan for Current Year 2023-2024 Findings

Finding 2024-002

Notification of Disbursement and Right to Cancel: The examination disclosed that the institution was not providing notification to the student of (1) the date and amount of the disbursement; (2) the student/parent's right to cancel; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel.

Corrective Action Plan

Corrective action was taken and implemented July 10, 2024. We implemented our financial aid disbursement procedure to ensure that all students and parents (for PLUS loans) receive a formal notification that includes:

- The date and amount of each disbursement.
- A clear statement outlining the student's or parent's right to cancel all or part of the direct loan disbursement.
- Detailed instructions on the procedure and the timeline (14 days) for requesting cancellation.

We developed standardized communication templates for disbursement notifications, which will automatically generate upon each loan disbursement. These templates will include all required information and will be distributed via email communication.

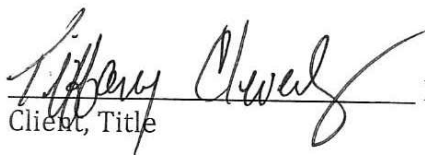
Our financial aid management system will automatically send out notifications to students and parents within 30 days of the disbursement, ensuring compliance with federal regulations. Notifications will be sent electronically and stored in the system for record-keeping and audit purposes.

We provided training for the Financial Aid staff on the updated procedures and federal regulations related to disbursement notifications and the right to cancel. A procedure manual and training was provided including how to document and handle cancellation requests promptly.

A regular internal review process will be implemented to monitor compliance with disbursement notification requirements. A Financial Aid manager will review a random sample of notifications each semester to ensure that all required information is being communicated and documented appropriately.

Timing for Implementation: Implemented July 10, 2024, and an ongoing process. Documentation was provided to auditors July 10, 2024, including Procedure Manual, Notification Sample, Batch of Notifications to students with loan disbursements.

Person(s) Responsible: Tiffany Cleverly



Financial Aid Director

Client, Title

College of Eastern Idaho

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

Prior Year Findings:

June 30, 2023

Section II - Findings - Financial Statement Findings

None.

Section III - Federal Awards Findings and Questioned Costs

None.