



Financial Statements  
June 30, 2022 and 2021

## College of Western Idaho Foundation

|                                       |   |
|---------------------------------------|---|
| Independent Auditor's Report .....    | 1 |
| Financial Statements                  |   |
| Statements of Financial Position..... | 3 |
| Statements of Activities .....        | 4 |
| Statements of Cash Flows .....        | 6 |
| Notes to Financial Statements .....   | 7 |



## **Independent Auditor's Report**

To the Board of Directors  
College of Western Idaho Foundation  
Nampa, Idaho

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of College of Western Idaho Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities of 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 opinion. 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 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, 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
October 13, 2022

College of Western Idaho Foundation

Statements of Financial Position

June 30, 2022 and 2021

|                                             | <u>2022</u>         | <u>2021</u>         |
|---------------------------------------------|---------------------|---------------------|
| Assets                                      |                     |                     |
| Current Assets                              |                     |                     |
| Cash and cash equivalents                   | \$ 1,621,574        | \$ 1,620,616        |
| Investments - nonendowment                  | 1,871,585           | 2,087,465           |
| Other receivables                           | 2,141               | -                   |
| Interest receivable                         | 6,319               | 5,425               |
| Total current assets                        | <u>3,501,619</u>    | <u>3,713,506</u>    |
| Noncurrent Assets                           |                     |                     |
| Investments - endowment                     | <u>2,324,565</u>    | <u>2,695,550</u>    |
| Total noncurrent assets                     | <u>2,324,565</u>    | <u>2,695,550</u>    |
| Total assets                                | <u>\$ 5,826,184</u> | <u>\$ 6,409,056</u> |
| Liabilities and Net Assets                  |                     |                     |
| Current Liabilities                         |                     |                     |
| Accounts payable and accrued expenses       | <u>\$ 2,938</u>     | <u>\$ 38,438</u>    |
| Total liabilities                           | <u>2,938</u>        | <u>38,438</u>       |
| Net Assets                                  |                     |                     |
| Without donor restrictions                  |                     |                     |
| Undesignated                                | <u>1,090,948</u>    | <u>1,247,427</u>    |
| Total net assets without donor restrictions | <u>1,090,948</u>    | <u>1,247,427</u>    |
| With donor restrictions                     |                     |                     |
| Purpose restrictions                        | 2,859,256           | 3,293,841           |
| Perpetual in nature                         | 1,881,919           | 1,829,350           |
| Underwater endowments                       | <u>(8,877)</u>      | <u>-</u>            |
| Total net assets with donor restrictions    | <u>4,732,298</u>    | <u>5,123,191</u>    |
| Total net assets                            | <u>5,823,246</u>    | <u>6,370,618</u>    |
| Total liabilities and net assets            | <u>\$ 5,826,184</u> | <u>\$ 6,409,056</u> |

# College of Western Idaho Foundation

Statements of Activities  
Year Ended June 30, 2022

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

College of Western Idaho Foundation

Statement of Activities  
Year Ended June 30, 2021

|                                                                             | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|-----------------------------------------------------------------------------|-------------------------------|----------------------------|--------------|
| Revenues                                                                    |                               |                            |              |
| Contributions and gifts                                                     | \$ 8,374                      | \$ 587,341                 | \$ 595,715   |
| Contributed services                                                        | 380,769                       | -                          | 380,769      |
| Net investment return                                                       | 387,402                       | 636,381                    | 1,023,783    |
| Special events revenue (net of cost of<br>direct benefit to donors \$8,695) | 30,508                        | 31,845                     | 62,353       |
| Net assets released from<br>restriction                                     | 746,407                       | (746,407)                  | -            |
| Total revenues                                                              | 1,553,460                     | 509,160                    | 2,062,620    |
| Expenses                                                                    |                               |                            |              |
| Program support to<br>College of Western Idaho                              |                               |                            |              |
| Scholarships                                                                | 499,341                       | -                          | 499,341      |
| Department support                                                          | 247,566                       | -                          | 247,566      |
| Support services                                                            |                               |                            |              |
| General operations                                                          | 412,200                       | -                          | 412,200      |
| Total expenses                                                              | 1,159,107                     | -                          | 1,159,107    |
| Change in Net Assets                                                        | 394,353                       | 509,160                    | 903,513      |
| Net Assets, Beginning of Year                                               | 853,074                       | 4,614,031                  | 5,467,105    |
| Net Assets, End of Year                                                     | \$ 1,247,427                  | \$ 5,123,191               | \$ 6,370,618 |

College of Western Idaho Foundation

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

|                                                                                         | <u>2022</u>                | <u>2021</u>                |
|-----------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Operating Activities                                                                    |                            |                            |
| Change in net assets                                                                    | \$ (547,372)               | \$ 903,513                 |
| Adjustments to reconcile change in net assets to net cash used for operating activities |                            |                            |
| Contributions restricted to endowment                                                   | (42,551)                   | (43,711)                   |
| Endowment net investment return                                                         | 295,640                    | (636,381)                  |
| Realized and unrealized gains/losses                                                    | 168,101                    | (418,162)                  |
| Changes in operating assets and liabilities                                             |                            |                            |
| Other receivable                                                                        | (2,141)                    | -                          |
| Interest receivable                                                                     | (894)                      | (495)                      |
| Prepays                                                                                 | -                          | 2,190                      |
| Accounts payable                                                                        | <u>(35,500)</u>            | <u>28,927</u>              |
| Net Cash used for Operating Activities                                                  | <u>(164,717)</u>           | <u>(164,119)</u>           |
| Investing Activities                                                                    |                            |                            |
| Purchase of investments                                                                 | (1,050,886)                | (1,688,119)                |
| Withdrawal from endowment                                                               | 101,475                    | 64,247                     |
| Proceeds from sale of investments                                                       | <u>1,072,535</u>           | <u>1,365,676</u>           |
| Net Cash (used for) from Investing Activities                                           | <u>123,124</u>             | <u>(258,196)</u>           |
| Financing Activities                                                                    |                            |                            |
| Collection of contributions restricted to endowments                                    | <u>42,551</u>              | <u>43,711</u>              |
| Net Cash from Financing Activities                                                      | <u>42,551</u>              | <u>43,711</u>              |
| Net Change in Cash and Cash Equivalents                                                 | 958                        | (378,604)                  |
| Cash and Cash Equivalents, Beginning of Year                                            | <u>1,620,616</u>           | <u>1,999,220</u>           |
| Cash and Cash Equivalents, End of Year                                                  | <u><u>\$ 1,621,574</u></u> | <u><u>\$ 1,620,616</u></u> |

## **Note 1 - Foundation Operations and Significant Accounting Policies**

### **Foundation Operations**

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

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

The Foundation receives donations, manages, distributes, and stewards private resources to support the various missions of the College.

### **Scholarships**

Donations and grants are received to provide scholarship opportunities to College of Western Idaho students. Scholarship awarding is administered according to established criteria related to each scholarship fund.

### **Department Support**

Department Support provides instructional and program support to various departments and programs within the College of Western Idaho.

### **Net Assets**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, whereby revenue is recorded when earned and expenses are recorded when materials or services are received. 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 that are available for use in general operations and not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity and neither expire by the passage of time nor be fulfilled or otherwise removed by action of the Foundation. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions 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.

### **Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### **Cash and Cash Equivalents**

The Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash deposits exceeded FDIC insured limits at times during the years ended June 30, 2022 and 2021.

### **Investments**

Investment purchases are recorded at cost or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statement of financial position. Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports. Net realized and unrealized capital gains and losses are reported in the statement of activities. Interest and dividends are reported net of investment management and custodial fees.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect account balances and the amounts reported in the accompanying financial statements.

**Promises to Give**

Unconditional promises to give to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value and recognized as an asset and promise to give revenue in the period the promise to give is received. Promises to give to be received after one year are discounted at rates commensurate with risks involved at the time the promise to give is received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

The Foundation reports promises to give made by donors that are measurable, verifiable, unconditional, and probable of collection. Conditional promises to give are only payable upon the occurrence of an uncertain future event and therefore are not recorded in the accompanying financial statements.

The allowance for doubtful accounts for all promises to give represents the Foundation's best estimate of the amount of probable credit losses in the Foundation's existing promises to give. The Foundation determines the allowance by performing on-going evaluations of its donors and their ability to make payments. The Foundation determines the adequacy of the allowance based upon length of time past due, historical experience and judgment of economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and potential recovery is considered.

As of June 30, 2022 and 2021 there were \$0 contributions receivable, promises to give or allowances to report.

**Contributions**

Contributions of property and securities are recorded at their fair market value on the date received. The Foundation reports gifts of cash and other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, net assets with donor restrictions are reclassified to without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributed services revenue consists of development services and materials instrumental to the Foundation that are paid by the College.

The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received.

**Donated Materials and Services**

Donated materials and services are reflected as contributions and are recorded at their fair market value at date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. The Foundation's office resides in the College's Administrative Building. The space is donated by the College as are the employees' services that are used to run the Foundation. These items represent in-kind donations that are recognized as revenues with a corresponding expense.

### **Concentrations**

At June 30, 2022, twelve donors accounted for 79% of total contributions. At June 30, 2021, six donors accounted for 77% of total contributions.

### **Functional Allocation of Expense**

The costs of program and supporting services activities have been summarized in the statement of activities. The financial statements report categories of expenses that are attributed to program service activities or supporting service activities occurring. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring. Note 8 presents the natural classification detail of expenses by function.

### **Income Taxes**

The Foundation is organized as an Idaho nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction and has been determined not to be a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Financial Instruments and Credit Risk**

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

**Subsequent Events**

The Foundation has evaluated subsequent events through October 11, 2022, the date which the financial statements were available to be issued.

**Note 2 - Liquidity and Availability**

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

|                                                 | <u>2022</u>         | <u>2021</u>         |
|-------------------------------------------------|---------------------|---------------------|
| Cash and cash equivalents                       | \$ 258,417          | \$ 235,460          |
| Investment earnings and earnings for operations | <u>842,336</u>      | <u>1,024,940</u>    |
|                                                 | <u>\$ 1,100,753</u> | <u>\$ 1,260,400</u> |

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

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

**Note 3 - Fair Value Measurements and Disclosures of Investments**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

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

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

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

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk or liquidity profile of the asset or liability.

Investments in equities, bond funds and mutual funds are recorded at fair value as determined by quoted market prices in active markets and are classified in level 1.

Corporate bonds are classified within Level 2 and are valued by the custodians of the securities based on their use of a third-party pricing service.

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2022:

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2021:

|                          | Quoted Prices in<br>Active Markets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total               |
|--------------------------|-------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|---------------------|
| Investment securities    |                                                 |                                                        |                                                    |                     |
| Equities                 |                                                 |                                                        |                                                    |                     |
| Large cap                | \$ 2,461,025                                    | \$ -                                                   | \$ -                                               | \$ 2,461,025        |
| Small cap                | 183,080                                         | -                                                      | -                                                  | 183,080             |
| International equities   | 560,551                                         | -                                                      | -                                                  | 560,551             |
| International emerging   | 237,411                                         | -                                                      | -                                                  | 237,411             |
| Bond Funds               |                                                 |                                                        |                                                    |                     |
| US fixed income          | 562,461                                         | 378,839                                                | -                                                  | 941,300             |
| Real Estate Mutual Funds | 374,631                                         | -                                                      | -                                                  | 374,631             |
| Total investments        | <u>\$ 4,379,159</u>                             | <u>\$ 378,839</u>                                      | <u>\$ -</u>                                        | <u>\$ 4,757,998</u> |

**Changes in Fair Value Levels**

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

The significance of transfers between levels has been evaluated based upon the nature of the financial instruments and size of the transfer relative to the total net assets available for benefits. For the years ended June 30, 2022 and 2021, there were no significant transfers in or out of levels 1, 2, or 3.

**Note 4 - Donated Professional Services and Materials**

Donated professional services are provided for management and general operations of the Foundation and are recognized at actual cost of salary and benefit expense when paid by the College. Donated materials and supplies for Foundation operations are recorded at cost when purchased by the College and provided to the Foundation in the current period. Donated office space is provided within the College Administrative Office and recorded at fair value based on the lease rates for similar space in the surrounding location. All donated materials and services were provided by the College.

The Foundation received donated professional services and materials as follows during the years ended June 30, 2022 and 2021:

|                                      | Management<br>and General | Fundraising<br>and Development | Total             |
|--------------------------------------|---------------------------|--------------------------------|-------------------|
| June 30, 2022                        |                           |                                |                   |
| Salaries and benefits                | \$ 223,562                | \$ 116,981                     | \$ 340,543        |
| Materials and supplies               | 18,977                    | -                              | 18,977            |
| Office space                         | 17,280                    | -                              | 17,280            |
| Total donated materials and services | <u>\$ 259,819</u>         | <u>\$ 116,981</u>              | <u>\$ 376,800</u> |
| June 30, 2021                        |                           |                                |                   |
| Salaries and benefits                | \$ 235,946                | \$ 121,625                     | \$ 357,571        |
| Materials and supplies               | 5,918                     | -                              | 5,918             |
| Office space                         | 17,280                    | -                              | 17,280            |
| Total donated materials and services | <u>\$ 259,144</u>         | <u>\$ 121,625</u>              | <u>\$ 380,769</u> |

**Note 5 - Net Assets with Donor Restrictions**

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

|                                                                                                                                              | <u>2022</u>                | <u>2021</u>                |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Subject to expenditure for specified purpose:                                                                                                |                            |                            |
| Program Support                                                                                                                              | \$ 134,751                 | \$ 122,289                 |
| Scholarships                                                                                                                                 | 1,262,310                  | 1,564,321                  |
| Operation of Micron Center                                                                                                                   | 1,462,195                  | 1,607,231                  |
| Underwater Endowments                                                                                                                        | <u>(8,877)</u>             | <u>-</u>                   |
|                                                                                                                                              | <u>2,850,379</u>           | <u>3,293,841</u>           |
| Endowment:                                                                                                                                   |                            |                            |
| Funds of perpetual duration, subject to spending policy and appropriation, the distributions from which are restricted by donors as follows: |                            |                            |
| Program Support                                                                                                                              | 50,000                     | 50,000                     |
| Scholarships                                                                                                                                 | 1,824,616                  | 1,772,116                  |
| College Growth & Development                                                                                                                 | <u>7,303</u>               | <u>7,234</u>               |
|                                                                                                                                              | <u>1,881,919</u>           | <u>1,829,350</u>           |
| Total Net Assets with Donor Restrictions                                                                                                     | <u><u>\$ 4,732,298</u></u> | <u><u>\$ 5,123,191</u></u> |

**Note 6 - Release from Restriction**

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

The amounts released during the years ended June 30, 2022 and 2021 were as follows:

|                                      | <u>2022</u>              | <u>2021</u>              |
|--------------------------------------|--------------------------|--------------------------|
| Satisfaction of purpose restrictions |                          |                          |
| Scholarships                         | \$ 499,111               | \$ 498,841               |
| Department support                   | <u>180,017</u>           | <u>247,566</u>           |
|                                      | <u><u>\$ 679,128</u></u> | <u><u>\$ 746,407</u></u> |

**Note 7 - Endowment Funds**

The Foundation's endowment consists of 38 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held \$1,881,919 and \$1,829,350, in true endowment funds at June 30, 2022 and 2021, respectively. As required by generally accepted accounting principles, net assets with donor restrictions associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The investment income earned on these net assets retained in perpetuity is generally restricted as to purpose and is recorded as net assets with donor restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gifts amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time that accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

# College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2022 and 2021

The endowment fund net asset composition is as follows:

|                                                                                                          | Without Donor<br>Restriction | With Donor<br>Restrictions | Total               |
|----------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|---------------------|
| At June 30, 2022                                                                                         |                              |                            |                     |
| Donor-restricted endowment funds                                                                         |                              |                            |                     |
| Original donor-restricted gift amount<br>and amounts required to be maintained<br>in perpetuity by donor | \$ -                         | \$ 1,881,919               | \$ 1,881,919        |
| Accumulated investment gains                                                                             | -                            | 442,646                    | 442,646             |
|                                                                                                          | <u>\$ -</u>                  | <u>\$ 2,324,565</u>        | <u>\$ 2,324,565</u> |
|                                                                                                          | Without Donor<br>Restriction | With Donor<br>Restrictions | Total               |
| At June 30, 2021                                                                                         |                              |                            |                     |
| Donor-restricted endowment funds                                                                         |                              |                            |                     |
| Original donor-restricted gift amount<br>and amounts required to be maintained<br>in perpetuity by donor | \$ -                         | \$ 1,829,350               | \$ 1,829,350        |
| Accumulated investment gains                                                                             | -                            | 866,200                    | 866,200             |
|                                                                                                          | <u>\$ -</u>                  | <u>\$ 2,695,550</u>        | <u>\$ 2,695,550</u> |

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to maintain as a fund of perpetual duration. As of June 30, 2022, three endowments were underwater and June 30, 2021, no endowments were underwater.

**Investment and Spending Policies**

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

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

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

College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2022 and 2021

Changes in endowment net assets for the years ending June 30, 2022 and 2021, respectively, are as follows:

|                                                       | Without<br>Donor<br>Restriction | With Donor<br>Restrictions | Total               |
|-------------------------------------------------------|---------------------------------|----------------------------|---------------------|
| Endowment net assets                                  |                                 |                            |                     |
| End of year June 30, 2021                             | \$ -                            | \$ 2,695,550               | \$ 2,695,550        |
| Investment return                                     |                                 |                            |                     |
| Net investment return                                 | -                               | (322,079)                  | (322,079)           |
| Contributions                                         | -                               | 52,569                     | 52,569              |
| Appropriation of endowment assets<br>for expenditures | -                               | (101,475)                  | (101,475)           |
| Endowment net assets                                  |                                 |                            |                     |
| End of year June 30, 2022                             | <u>\$ -</u>                     | <u>\$ 2,324,565</u>        | <u>\$ 2,324,565</u> |
|                                                       |                                 |                            |                     |
|                                                       | Without<br>Donor<br>Restriction | With Donor<br>Restrictions | Total               |
| Endowment net assets                                  |                                 |                            |                     |
| End of year June 30, 2020                             | \$ -                            | \$ 2,079,705               | \$ 2,079,705        |
| Investment return                                     |                                 |                            |                     |
| Net investment return                                 | -                               | 636,381                    | 636,381             |
| Contributions                                         | -                               | 43,711                     | 43,711              |
| Appropriation of endowment assets<br>for expenditures | -                               | (64,247)                   | (64,247)            |
| Endowment net assets                                  |                                 |                            |                     |
| End of year June 30, 2021                             | <u>\$ -</u>                     | <u>\$ 2,695,550</u>        | <u>\$ 2,695,550</u> |

**Note 8 - Functionalized Expenses**

The following schedule presents the natural classification of expenses by function for the years ended June 30, 2022 and 2021, respectively:

At June 30, 2022

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

At June 30, 2021

|                          | Program Support to College of Western Idaho |                   |                   | General<br>Operations | Total               |
|--------------------------|---------------------------------------------|-------------------|-------------------|-----------------------|---------------------|
|                          | Department<br>Support                       | Scholarships      | Total             |                       |                     |
| Operating Expenses       |                                             |                   |                   |                       |                     |
| Office expenses          | \$ -                                        | \$ -              | \$ -              | \$ 18,936             | \$ 18,936           |
| Travel                   | -                                           | -                 | -                 | 490                   | 490                 |
| Professional Services    | -                                           | -                 | -                 | 357,570               | 357,570             |
| Accounting fees/services | -                                           | -                 | -                 | 17,240                | 17,240              |
| Insurance and taxes      | -                                           | -                 | -                 | 10,562                | 10,562              |
| Program support          | 247,566                                     | -                 | 247,566           | -                     | 247,566             |
| Scholarships             | -                                           | 499,341           | 499,341           | -                     | 499,341             |
| Other                    | -                                           | -                 | -                 | 7,402                 | 7,402               |
| Total operating expenses | <u>\$ 247,566</u>                           | <u>\$ 499,341</u> | <u>\$ 746,907</u> | <u>\$ 412,200</u>     | <u>\$ 1,159,107</u> |

**Note 9 - Related Party Transactions**

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

The Foundation provided scholarship support of \$499,341 during the year ended June 30, 2021, and departmental and program support of \$247,566 during the year ended June 30, 2021, of which \$38,438 was payable to the College at June 30, 2021.

The College owed the Foundation \$2,097 and \$0, for event ticket sales payable to the Foundation at June 30, 2022 and 2021, respectively.

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received \$7,457 and \$7,130 in contribution revenue from Board members during the years ended June 30, 2022 and 2021, respectively.