



Financial Statements  
June 30, 2021 and 2020

## College of Western Idaho

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	4
Financial Statements	
Statements of Net Position.....	16
Statements of Revenues, Expenses and Changes in Net Position.....	18
Statements of Cash Flows.....	20
Statements of Financial Position - Component Unit.....	22
Statements of Activities - Component Unit.....	23
Statements of Cash Flows - Component Unit.....	25
Notes to Financial Statements.....	26
Required Supplementary Information	
Schedule of Employer's Share of Net Pension Liability.....	76
Schedule of Employer's Contributions.....	77
Other Postemployment Benefits – Schedule of Changes in the Employer's Share of State OPEB Liability and Schedule of State OPEB Liability as Related to Covered Payroll.....	78
Other Postemployment Benefits – Schedule of Employer's Share of Net PERSI/OPEB Asset and Schedule of Employer Contributions PERSI/OPEB Sick Leave Insurance Reserve Fund.....	79
Other Information	
Schedules of Operating Expenses.....	80
Single Audit Information	
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 <i>Government Auditing Standards</i> .....	82
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance.....	84
Schedule of Expenditures of Federal Awards.....	86
Notes to Schedule of Expenditures of Federal Awards.....	88
Schedule of Findings and Questioned Costs.....	89



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the College of Western Idaho (the College), and its discretely presented component unit as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the College of Western Idaho Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of employer's share of net pension liability and employer contributions, the other postemployment benefits – schedule of employer's share of the total state OPEB liability and covered payroll, and other postemployment benefits – schedule of employer's share of net PERSI/OPEB asset and employer contributions PERSI/OPEB sick leave insurance reserve fund as noted in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's financial statements. The schedule of operating expenses is presented for the purpose of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The schedules of operating expenses and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating expenses and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 14, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

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

Boise, Idaho

October 14, 2021

This section of College of Western Idaho's annual financial report presents a discussion and analysis of the financial performance of College of Western Idaho (the College or CWI) for the fiscal years 2021 and 2020, which ended June 30, 2021 and 2020. This discussion has been prepared by management along with the financial statements and related footnote disclosures. It should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts. The financial statements, footnotes and this discussion are the responsibility of management.

### **Accreditation**

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

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

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

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

### **Financial Highlights**

In fiscal year 2021, there was an overall increase of \$10.3 million to the total net position. This increase was primarily due to an increase in Federal Grants and Contracts which included funding from the Higher Education Emergency Relief Fund (HEERF).

During fiscal year 2021:

- Net Student Tuition and Fee Revenue decreased from \$24.2 million to \$23.6 million.
- Scholarship Allowance decreased from \$8.9 million to \$8.4 million.
- Operating Expenses increased from \$68.6 million to \$74.3 million.
- State Appropriations decreased from \$24.3 million to \$24.1 million.
- State and Federal Financial Aid Expense decreased from \$15.4 million to \$13.6 million.

In fiscal year 2020, there was an overall increase of \$12.3 million to the total net position. This increase was due to multiple factors including a slight increase in enrollment, a slight increase of State Appropriations along with a positive change in the fair value of investments.

During fiscal year 2020:

- Net Student Tuition and Fee Revenue increased from \$22.3 million to \$24.2 million.
- Scholarship Allowance increased from \$8.5 million to \$8.9 million.
- Operating Expenses increased from \$64.2 million to \$68.6 million.
- State Appropriations increased from \$23.2 million to \$24.3 million.
- State and Federal Financial Aid Expense increased from \$14 million to \$15.4 million.

### **Accounting Treatment of Financial Aid**

Public institutions must report all tuition and fee revenues net of any scholarship discounts and allowances. A scholarship allowance is defined as the difference between the stated charge for goods and services provided by the institution and the amount that is paid by the student and/or third parties making payments on behalf of the student. In considering what is or is not revenue, the following rule applies: amounts received to satisfy student tuition and fees will be reported as revenue only once (e.g., tuition and fees, gifts, federal grants, and contracts such as Pell Grants, etc.) and only amounts received from students and third-party payers to satisfy tuition and fees will be recognized as tuition and fee revenue.

Institutional resources provided to students as financial aid will be recorded as scholarship allowances in amounts up to and equal to amounts owed by the students to the institution. In some circumstances, the amount of institutional aid awarded may exceed the tuition and fees owed by the students to the institution and is refunded to the students. In such circumstances, the excess of aid over tuition and fees should be treated as an institutional expense (e.g., student aid, scholarships, and fellowships, etc.).

### **Overview of the Financial Statements and Financial Analysis**

The financial statements for fiscal years ended June 30, 2021 and 2020, are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows. These statements present financial information in a form similar to that used by most private-sector companies. These financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

### **Statement of Net Position**

The Statement of Net Position presents the assets (current and noncurrent), deferred outflows, liabilities (current and noncurrent), deferred inflows, and net position (assets and deferred outflows minus liabilities and deferred inflows) of the College as of the current fiscal year-end in comparative format with the prior fiscal year-end. The purpose of the Statement of Net Position is to present to the reader a point-in-time fiscal snapshot of the College.

Current assets consist of available cash and other assets that could be converted to cash within a year. Noncurrent assets are those assets and property which cannot easily be converted into cash. Current liabilities are business obligations that are due to be satisfied within one year. Noncurrent liabilities are obligations that are not required to be satisfied within one year.

The Statement of Net Position is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and lending institutions. Finally, the Statement of Net Position provides a picture of the net position and its availability for expenditure by the College. Over time, increases or decreases in net position are indications of either improvement or erosion of the College's financial well-being when considered along with nonfinancial factors such as enrollment levels, the College's property tax base, and the condition of the facilities.

Net position is divided into four major categories. The first category is Net Investment in Capital Assets, which provides the College's investment in capital assets net of the related debt. The second category is Restricted-Expendable, which must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The third category is the Restricted- PERSI/OPEB sick leave reserve fund, which represents the net OPEB asset for the defined benefit OPEB plan that allows retirees who have a sick leave account to use their balance as a credit towards premiums. The fourth category is Unrestricted Net Position, which is net position available to the College for any lawful purpose of the institution.



## Summary Financial Statement

### Summary Statements of Net Position As of June 30

	2021	2020	2019
Current and other assets	\$ 98,706,824	\$ 86,435,907	\$ 75,632,380
Capital assets	<u>65,117,536</u>	<u>66,766,017</u>	<u>66,929,042</u>
Total assets	<u>163,824,360</u>	<u>153,201,924</u>	<u>142,561,422</u>
Deferred outflows of resources	<u>3,073,220</u>	<u>2,458,537</u>	<u>2,209,503</u>
Total assets and deferred outflows of resources	<u>\$ 166,897,580</u>	<u>\$ 155,660,461</u>	<u>\$ 144,770,925</u>
Current liabilities	\$ 5,965,029	\$ 5,879,108	\$ 7,150,311
Noncurrent liabilities	<u>17,784,991</u>	<u>16,395,349</u>	<u>17,164,233</u>
Total liabilities	<u>23,750,020</u>	<u>22,274,457</u>	<u>24,314,544</u>
Deferred inflows of resources	<u>1,105,263</u>	<u>1,650,097</u>	<u>1,015,526</u>
Net position			
Net investment in capital assets	53,134,919	53,940,935	52,702,938
Restricted - expendable	224,711	238,924	917,638
Restricted - PERSI/OPEB sick reserve	2,618,510	2,471,493	-
Unrestricted	<u>86,064,157</u>	<u>75,084,555</u>	<u>65,820,279</u>
Total net position	<u>142,042,297</u>	<u>131,735,907</u>	<u>119,440,855</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 166,897,580</u>	<u>\$ 155,660,461</u>	<u>\$ 144,770,925</u>

The College's total assets and deferred outflows of resources increased during fiscal year 2021 by \$11,237,119, from \$155,660,461 in 2020 to \$166,897,580 in 2021. Contributing to the increase in assets was the additions to short-term investments held in the Local Government Investment Pool (LGIP). The College's total liabilities increased during fiscal year 2021 by \$1,475,563, from \$22,274,457 in 2020 to \$23,750,020 in 2021. This increase was the result of an increase in the College's proportionate share of the PERSI net pension liability.

The College's total assets and deferred outflows of resources increased during fiscal year 2020 by \$10,889,536, from \$144,770,925 in 2019 to \$155,660,461 in 2020. Contributing to the increase in assets was the additions to short-term investments held in the Local Government Investment Pool (LGIP). The College's total liabilities decreased during fiscal year 2020 by \$2,040,087, from \$24,314,544 in 2019 to \$22,274,457 in 2020. This decrease was the result of payments toward the Series 2018 Certificates of Participation payable and a reduction of accrued expenses.

### **Statement of Revenues, Expenses and Changes in Net Position**

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when cash is received or disbursed. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flow in future fiscal years. The purpose of the statement is to present the revenues earned and the expenses incurred during the fiscal year.

Activities are reported as either operating or nonoperating. The College will always reflect a net operating loss in this format since state appropriations and property tax, the revenue streams that the College depends upon most significantly, are classified as nonoperating revenues.

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

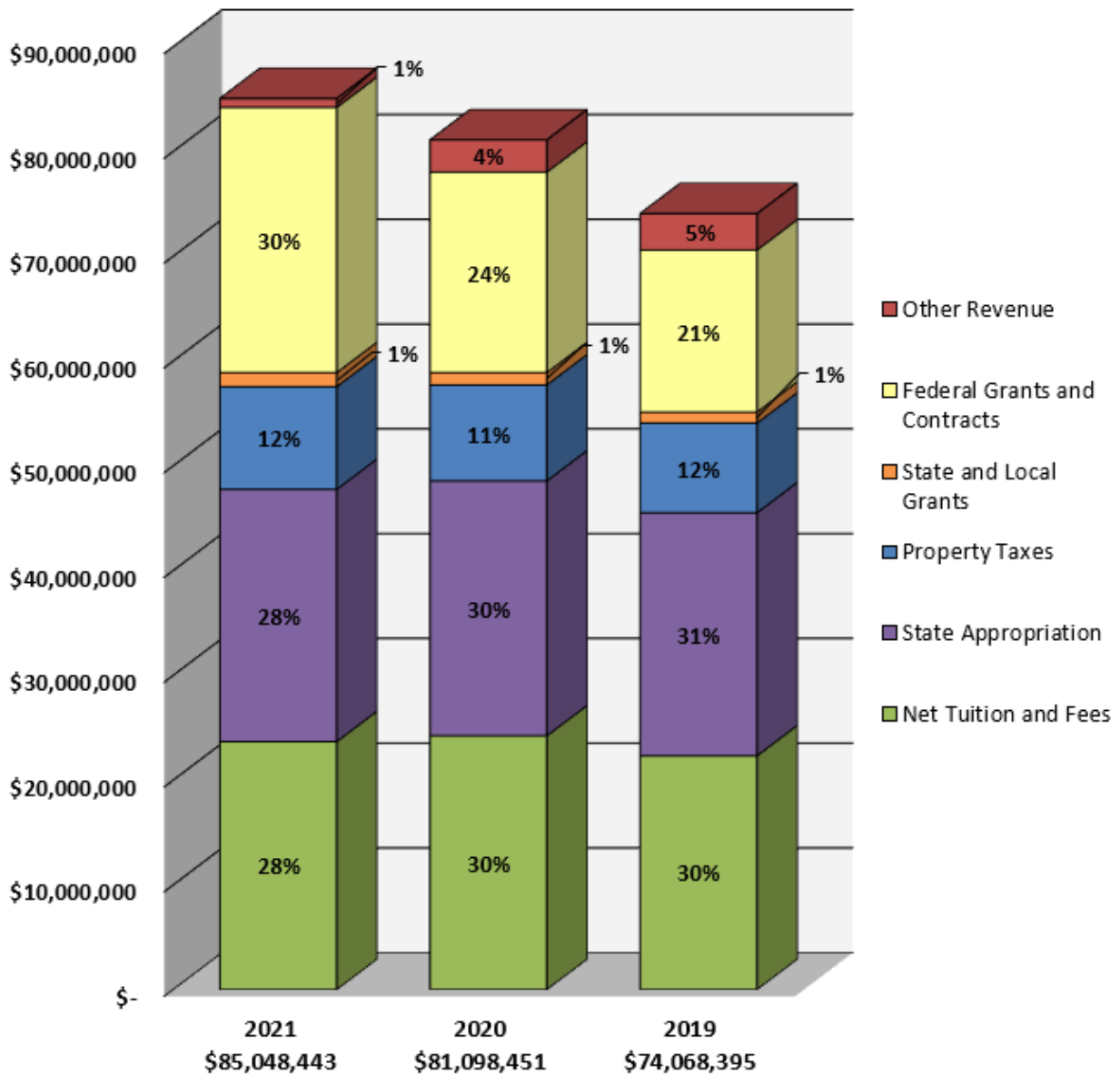
Summary Statements of Revenues, Expenses, and Changes in Net Position  
Fiscal Years Ended June 30

	2021	2020	2019
Operating revenues	\$ 36,605,655	\$ 29,002,962	\$ 25,360,251
Operating expenses	<u>74,357,870</u>	<u>68,652,335</u>	<u>64,162,587</u>
Operating loss	<u>(37,752,215)</u>	<u>(39,649,373)</u>	<u>(38,802,336)</u>
Nonoperating revenues (expense)			
State appropriation	24,074,600	24,332,401	23,194,600
Private gifts	208,266	11,291	6,192
Investment income	(40,974)	1,690,279	1,631,743
Local taxes	9,804,546	9,166,123	8,564,845
State and federal financial aid	13,612,865	15,439,521	13,950,933
Other nonoperating revenue	783,485	1,455,874	1,359,831
Interest expense	<u>(384,204)</u>	<u>(409,894)</u>	<u>(365,308)</u>
Nonoperating revenues	48,058,584	51,685,595	48,342,836
Capital gifts	<u>21</u>	<u>258,830</u>	<u>174,768</u>
Change in net position	10,306,390	12,295,052	9,715,268
Net position - beginning of year	<u>131,735,907</u>	<u>119,440,855</u>	<u>109,725,587</u>
Net position - end of year	<u>\$ 142,042,297</u>	<u>\$ 131,735,907</u>	<u>\$ 119,440,855</u>

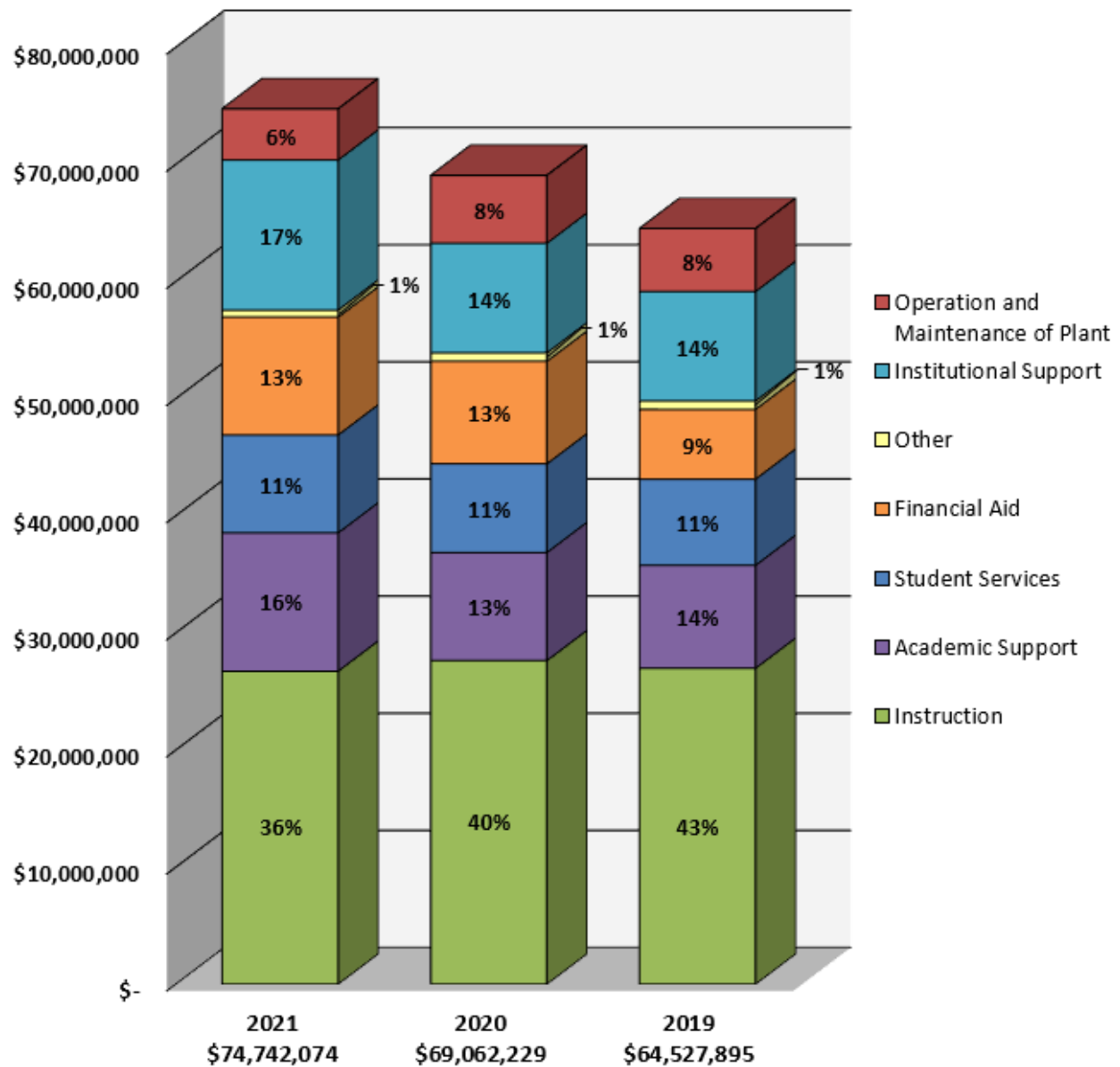
The Statement of Revenues, Expenses and Changes in Net Position reflects an overall increase in net position during fiscal year 2021. Operating revenues increased by \$7,602,693 from \$29,002,962 in 2020 to \$36,605,655 in 2021. This increase was a result of an increase in Federal grants and contracts which included funding from the Higher Education Emergency Relief Fund (HEERF). Operating expenses increased by \$5,705,535 from \$68,652,335 in 2020 to \$74,357,870 in 2021. The increase in operating expenses was due to multiple factors including an increase in Academic support to facilitate a rapid transition to five modalities of instruction because of the COVID-19 pandemic, an increase of student financial aid which included the disbursement of HEERF funding to students and an increase in Institutional support from consulting services for campus planning.

The Statement of Revenues, Expenses and Changes in Net Position reflects an overall increase in net position during fiscal year 2020. Operating revenues increased by \$3,642,711 from \$25,360,251 in 2019 to \$29,002,962 in 2020. This increase was a result of a slight increase in enrollment and an increase in Federal grants and contracts. Operating expenses increased by \$4,489,748 from \$64,162,587 in 2019 to \$68,652,335 in 2020. The increase in operating expenses was largely due to an increase of student financial aid including the disbursement of HEERF funds to students and a slight increase in staffing to expand instructional programs.

## Total Revenue



## Total Expense



## Statement of Cash Flows

The final statement presented by the College is the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during the fiscal year. An important factor to consider when assessing financial viability is the College's ability to meet financial obligations as they mature. The statement is divided into five parts. The first section deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from noncapital financing activities. This section represents the cash received and spent for nonoperating, noninvesting and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

### Summary Statements of Cash Flows Fiscal Years Ended June 30

	2021	2020	2019
Cash and cash equivalents from (used for)			
Operating activities	\$ (33,723,730)	\$ (37,491,113)	\$ (36,670,338)
Noncapital financing activities	48,176,076	48,793,814	46,448,449
Capital and related financing activities	(2,290,335)	(4,022,632)	(3,453,415)
Investing activities	(9,157,814)	(10,028,269)	(11,240,113)
Net change in cash and cash equivalents	3,004,197	(2,748,200)	(4,915,417)
Cash and cash equivalents, beginning of year	4,824,996	7,573,196	12,488,613
Cash and cash equivalents, end of year	<u>\$ 7,829,193</u>	<u>\$ 4,824,996</u>	<u>\$ 7,573,196</u>

Cash used in operating activities totaled \$33,723,730 in fiscal year 2021 compared to \$37,491,113 in fiscal year 2020. A 5% budget reduction in State budget allocation occurred during FY21 and expenses were closely monitored. Cash provided by noncapital financing activities decreased to \$48,176,076 in fiscal year 2021 compared to \$48,793,814 in fiscal year 2020. This slight decrease was primarily attributable to a decrease in Financial Aid revenue relate to PELL grant awards. Cash used in capital and related financing activities decreased to \$2,290,335 in fiscal year 2021 compared to \$4,022,632 in fiscal year 2020. The decrease was a result of fewer assets purchased that met the capitalization threshold during fiscal year 2021. Cash used in investing activities decreased to \$9,157,814 in fiscal year 2021, compared to \$10,028,269 in fiscal year 2020. This was due to a lower return on investment related to interest and dividends during fiscal year 2021.

Cash used in operating activities totaled \$37,491,113 in fiscal year 2020 compared to \$36,670,338 in fiscal year 2019. Expenses were closely monitored, and a 2% budget reduction occurred during fiscal year 20. Cash provided by noncapital financing activities increased to \$48,793,814 in fiscal year 2020 compared to \$46,448,449 in fiscal year 2019. This increase was primarily attributable to an increase in state appropriations and an increase in student financial aid. Cash used in capital and related financing activities increased to \$4,022,632 in fiscal year

2020 compared to \$3,453,415 in fiscal year 2019. The increase was a result of the lease payment applied to the 2019 Certificates of Participation. Cash used in investing activities decreased to \$10,028,269 in fiscal year 2020, compared to \$11,240,113 in fiscal year 2019. This was due to fewer investments in money market funds during fiscal year 2020.

### **Capital Assets**

The College's investment in Capital Assets as of June 30, 2021, equates to \$65,117,536 net of accumulated depreciation compared to \$66,766,017 as of June 30, 2020. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The decrease was primarily due to recording depreciation of capitalized assets including buildings under capital lease. Note 5 provides additional information.

### **Debt Administration**

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

### **Economic Outlook**

The July 2021 Idaho Economic Forecast published by the Idaho Division of Financial Management reflects positive news with respect to the local economy. Despite the negative impacts associated with the COVID-19 pandemic, the Idaho economy remains strong. Key indicators included in the forecast include:

1. Median personal income in Idaho has grown at a rate of 5.6% per year compared with the 4.8% growth at the national level.
2. Median annual employment growth in Idaho has been at 3.3% per year with projections of 2.4% in the planning horizon.
3. The Idaho unemployment rate is 3.0% compared to 3.7% nationally. The lowest national unemployment rate in American history is 3.5%.
4. From 2017 to 2021, annual housing starts in Idaho have ranged from 14,000 housing units per year to 21,000 housing units per year. In the next three years, they are projected to exceed 22,000 units per year.
5. While inflation has risen in recent years (3.4% in 2021), the economic forecast anticipates modest inflation rates not to exceed 2.3% per year in the planning horizon.

The overall economic climate in Idaho and the Treasure Valley is strong. The Idaho Governor and legislature continue to adopt balanced budgets for the State of Idaho. In June 2021, the Division of Financial Management reported that tax revenue was \$670.5M more than prior projections used to build the budget. For fiscal year 2022, the Idaho legislature adopted a budget to reflect the strength of the Idaho economy. The College received a total appropriation of \$26.7M in state funds for fiscal year 2022, which is an increase of approximately \$2.0M over the fiscal year 2021 appropriation. This amount includes the following adjustments: (a) \$758K to restore budget cuts that had been implemented during fiscal year 2021 due to the anticipated economic impacts of the COVID-19

pandemic; (b) \$758K for an adjustment associated with enrollment increases in the past three years; (c) \$255K to support increases in compensation for College employees; and (d) \$200K in base funding adjustments for the College's Nursing program. Additionally, the College budgeted for a 3% increase in property tax (approximately \$290K). The College expects that there will be approximately \$300K in additional property tax revenue for new construction. To be conservative, these revenues were not budgeted.

Because of the Delta variant and the potential uncertainties surrounding future COVID-19 impacts, the College administration continues to be conservative in its approach to managing the College's finances and assets. For example, the College budgeted for fiscal year 2022 tuition and fee revenue to be down 3.8% relative to fiscal year 2021 (minus \$790k). The College had conservative earmarks in its fiscal year 2022 budget: (a) \$2.5M for increasing long-term campus reserves; (b) \$2.3M for contingencies associated with needs that may arise related to COVID-19; (c) \$450K for potential supplemental needs; and (d) \$500K for contingencies associated with small construction projects on campus. The College also ensured that funds were budgeted to meet the obligations associated with its Certificates of Participation (COP). Finally, the College invested one-time funds in initiatives to shore up its physical plant assets and in a new branding initiative. Collectively, these budgeting decisions will make the College stronger and will provide future flexibility in the event that enrollment declines in fiscal year 2022.

Enrollment in fiscal year 2021 was down 5.5% relative to fiscal year 2020. The College attributes this, in large part, to the impact of the COVID-19 pandemic and the strong economy; it is not uncommon for community colleges to have enrollment declines during periods when lucrative employment is easily obtained.

Along with other public higher education institutions in the State of Idaho, the College of Western Idaho has and continues to experience effects from the COVID-19 pandemic. The Federal funding has provided funds to the College to help offset increased costs due to COVID-19. In total, the College of Western Idaho has received approximately \$32M in grant funds from March 2020 through June 2021. These grant funds have been used by the College as follows: (a) to provide direct support to students; (b) to increase the level of technology necessary for the increased demand for online classes, hybrid and asynchronous classes; (c) to provide the cost of the required six foot personal distance for students who choose to attend traditional in person classes; (d) to provide the highest level of sanitized facilities with the necessary personal protective equipment; (e) to increase technology necessary for telecommuting of faculty and staff; (f) to backfill lost revenue attributable to COVID-19; and (g) for various other COVID-19 related expenditures. The College rolled forward approximately \$26.9M in unspent grant funds that can be used in fiscal year 2022.

In fiscal year 2021, the College had numerous leadership changes in key positions. The President retired, the Vice President of Human Resources retired, and Vice President of Communications and Government Relations resigned to accept a college presidency position in another state. The College also hired a new Vice President of Finance. Even with the leadership changes, the strong economic outlook has enabled the College to forge ahead with initiatives. The College embarked on a new Branding initiative, new IT infrastructure projects, and new and expanded academic programs in the medical field and cybersecurity. The President's Council remains focused on taking steps to increase and maintain student enrollment to include improvement in persistence and retention rates.



### **Contacting the College's Financial Management**

This financial report is designed to provide the College's citizens, taxpayers, customers, investors, and potential creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. Questions about this report, or the need for additional financial information should be directed to Karl Spiecker, Vice President of Finance and Administration, College of Western Idaho, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

College of Western Idaho

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,806,405	\$ 4,802,228
Short-term investments	51,660,036	41,726,192
2018 COP restricted debt service	22,788	22,768
Student fees receivable (net of allowance - FY21- \$935,598; FY20- \$1,042,189)	298,669	235,650
Accounts receivable	1,179,679	1,143,283
Accrued interest income	137,384	204,149
Property tax receivable	3,701,022	3,565,324
Prepaid expenses and other assets	1,140,777	1,516,233
Total current assets	65,946,760	53,215,827
Noncurrent Assets		
Long-term investments	29,950,615	30,565,260
Capital assets, not depreciated	29,545,981	32,050,633
Capital assets, net	35,571,555	34,715,384
Net PERSI/OPEB sick leave reserve fund asset	2,809,449	2,654,820
Total noncurrent assets	97,877,600	99,986,097
Total assets	163,824,360	153,201,924
Deferred Outflows of Resources		
Deferred net pension	2,465,452	1,926,447
Deferred State OPEB	410,211	414,099
Deferred PERSI/OPEB sick leave reserve fund	197,557	117,991
Total deferred outflows of resources	3,073,220	2,458,537
Total Assets and Deferred Outflows of Resources	\$166,897,580	\$155,660,461

College of Western Idaho

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	\$ 378,577	\$ 353,121
Accrued payroll and related costs	3,160,792	3,081,269
Unearned tuition revenue	1,309,164	1,202,089
2018 COP payable	747,857	731,578
Capital lease obligation	42,144	110,888
Other liabilities	326,495	400,163
Total current liabilities	5,965,029	5,879,108
Noncurrent Liabilities		
Compensated absences	992,539	991,266
2018 COP payable, net of current portion	11,125,321	11,873,178
Capital lease obligation, net of current portion	67,295	109,439
Net pension liability	5,132,709	2,478,727
Net State OPEB liability	413,448	901,886
Other liabilities	53,679	40,853
Total noncurrent liabilities	17,784,991	16,395,349
Total liabilities	23,750,020	22,274,457
Deferred Inflows of Resources		
Deferred net pension	167,595	1,143,444
Deferred State OPEB	549,172	205,335
Deferred OPEB sick reserve	388,496	301,318
Total deferred inflows of resources	1,105,263	1,650,097
Net Position		
Net investment in capital assets	53,134,919	53,940,935
Restricted - expendable	224,711	238,924
Restricted - PERSI/OPEB sick leave reserve fund	2,618,510	2,471,493
Unrestricted	86,064,157	75,084,555
Total net position	142,042,297	131,735,907
Total Liabilities, Deferred Inflows of Resources and Net Position	\$166,897,580	\$155,660,461

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

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	<u>2021</u>	<u>2020</u>
Operating Revenues		
Tuition and fees	\$ 32,059,434	\$ 33,150,274
Less: Scholarship allowance	<u>(8,386,437)</u>	<u>(8,922,716)</u>
Net tuition and fees	23,672,997	24,227,558
Federal grants and contracts	11,499,223	3,501,077
State and local grants	1,336,452	1,164,870
Sales and services of educational activities	88,908	89,095
Other operating revenue/(expense)	<u>8,075</u>	<u>20,362</u>
Total operating revenues	<u>36,605,655</u>	<u>29,002,962</u>
Expenses		
Operating Expenses		
Instruction	26,733,253	27,633,777
Academic support	11,801,998	9,224,496
Student services	8,361,872	7,571,171
Public service	214,472	304,650
Financial aid	10,060,555	8,756,523
Institutional support	12,813,986	9,363,758
Operations and maintenance	<u>4,371,734</u>	<u>5,797,960</u>
Total operating expenses	<u>74,357,870</u>	<u>68,652,335</u>
Operating Loss	<u>(37,752,215)</u>	<u>(39,649,373)</u>

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

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	<u>2021</u>	<u>2020</u>
Nonoperating Revenues (Expenses)		
State appropriations	24,074,600	24,332,401
Private gifts	208,266	11,291
Net investment income	543,047	695,527
Change in fair value of investments	(584,021)	994,752
Local taxes	9,804,546	9,166,123
State and federal financial aid	13,612,865	15,439,521
Liquor tax revenue	200,000	200,000
Other revenue	583,485	1,255,874
Interest expense	<u>(384,204)</u>	<u>(409,894)</u>
Total nonoperating revenues	<u>48,058,584</u>	<u>51,685,595</u>
Income before capital gifts	10,306,369	12,036,222
Capital gifts	<u>21</u>	<u>258,830</u>
Change in Net Position	10,306,390	12,295,052
Net Position, Beginning of Year	<u>131,735,907</u>	<u>119,440,855</u>
Net Position, End of Year	<u><u>\$142,042,297</u></u>	<u><u>\$131,735,907</u></u>

College of Western Idaho  
Statements of Cash Flows  
Years Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Tuition and fees	\$ 23,717,053.00	\$ 24,299,911
Grants and contracts	12,835,675	4,665,947
Payments to suppliers	(25,309,797)	(23,411,754)
Payments to employees	(45,063,644)	(43,154,674)
Sales and service education	88,908	89,095
Other revenue	8,075	20,362
Net Cash used for Operating Activities	(33,723,730)	(37,491,113)
Noncapital Financing Activities		
State appropriations	24,074,600	24,332,401
Gifts and grants for other than capital purposes	238,635	(508,673)
Local tax	9,868,848	9,037,966
State and federal financial aid	13,612,865	15,439,521
Other revenue/expense	381,128	492,599
Net Cash from Noncapital Financing Activities	48,176,076	48,793,814
Capital Financing Activities		
Interest paid	(384,204)	(409,894)
Payments on capital lease	(110,888)	(104,979)
Payments on COP lease	(731,578)	(1,296,042)
Proceeds from sale of fixed assets	582,962	16,454
Purchases of capital assets	(1,646,627)	(2,228,171)
Net Cash used for Capital Financing Activities	(2,290,335)	(4,022,632)
Investing Activities		
Purchase of investments	(8,544,594)	(8,269,129)
Maturity of certificates of deposit	-	271,526
(Purchase)Redemption of money market funds	244,340	(495,568)
Interest on investments	(857,560)	(1,535,098)
Net Cash used for Investing Activities	(9,157,814)	(10,028,269)
Net Change in Cash, Restricted Cash, and Cash Equivalents	3,004,197	(2,748,200)
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	4,824,996	7,573,196
Cash, Restricted Cash, and Cash Equivalents, End of Year	\$ 7,829,193	\$ 4,824,996

College of Western Idaho  
Statements of Cash Flows  
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash		
Used for Operating Activities		
Operating loss	\$ (37,752,215)	\$ (39,649,373)
Adjustments to reconcile operating loss to net cash		
used for operating activities		
Depreciation	2,746,455	2,671,077
GASB 68 - Actuarial pension expense	1,139,126	124,204
GASB 75 - State OPEB (revenue) expense	(140,713)	34,209
GASB 75 - PERSI/OPEB sick leave reserve fund revenue	(147,017)	(227,556)
(Gain)Loss on disposal of asset	4,216	(16,454)
Change in assets and liabilities		
Student receivable, net	(63,019)	13,216
Prepays and other assets	375,456	100,080
Accounts payable	(13,048)	(624,059)
Unearned tuition revenue	107,075	59,137
Other liabilities	(60,842)	(56,209)
Advances and deposits	-	-
Accrued payroll and payroll costs	79,523	(110,562)
Compensated absences	1,273	191,177
Net Cash used for Operating Activities	<u>\$ (33,723,730)</u>	<u>\$ (37,491,113)</u>
Reconciliation of Cash, Restricted Cash, and Cash Equivalents		
Cash and cash equivalents	\$ 7,806,405	\$ 4,802,228
Restricted cash	<u>22,788</u>	<u>22,768</u>
Total cash, restricted cash, and cash equivalents	<u>\$ 7,829,193</u>	<u>\$ 4,824,996</u>
Supplemental Disclosure of Noncash Activity		
Donation of capital assets	\$ 21	\$ 258,830
Property acquired with accounts payable	\$ 38,504	\$ 21,050

College of Western Idaho Foundation

Component Unit

Statements of Financial Position

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,620,616	\$ 1,999,220
Investments - nonendowment	2,087,465	1,390,571
Interest receivable	5,425	4,930
Prepaid expenses	<u>-</u>	<u>2,190</u>
Total current assets	<u>3,713,506</u>	<u>3,396,911</u>
Noncurrent Assets		
Investments - endowment	<u>2,695,550</u>	<u>2,079,705</u>
Total noncurrent assets	<u>2,695,550</u>	<u>2,079,705</u>
Total assets	<u><u>\$ 6,409,056</u></u>	<u><u>\$ 5,476,616</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 38,438</u>	<u>\$ 9,511</u>
Total liabilities	<u>38,438</u>	<u>9,511</u>
Net Assets		
Without donor restrictions		
Undesignated	<u>1,247,427</u>	<u>853,074</u>
	<u>1,247,427</u>	<u>853,074</u>
With donor restrictions		
Purpose restrictions	3,293,841	2,828,392
Perpetual in nature	<u>1,829,350</u>	<u>1,785,639</u>
	<u>5,123,191</u>	<u>4,614,031</u>
Total net assets	<u>6,370,618</u>	<u>5,467,105</u>
Total liabilities and net assets	<u><u>\$ 6,409,056</u></u>	<u><u>\$ 5,476,616</u></u>



College of Western Idaho Foundation

Component Unit

Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor 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 direct benefit to donors \$8,695)	30,508	31,845	62,353
Net assets released from restriction	746,407	(746,407)	-
Total revenues	1,553,460	509,160	2,062,620
Expenses			
Program support to 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

Component Unit

Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions and gifts	\$ 4,621	\$ 846,049	\$ 850,670
Contributed services	332,639	-	332,639
Net investment return	88,208	89,364	177,572
Special events revenue (net of cost of direct benefit to donors \$13,400)	26,351	15,675	42,026
Net assets released from restriction	468,449	(468,449)	-
Total revenues	920,268	482,639	1,402,907
Expenses			
Program support to College of Western Idaho			
Scholarships	436,858	-	436,858
Department support	51,784	-	51,784
Support services			
General operations	365,830	-	365,830
Total expenses	854,472	-	854,472
Change in Net Assets	65,796	482,639	548,435
Net Assets, Beginning of Year	787,278	4,131,392	4,918,670
Net Assets, End of Year	\$ 853,074	\$ 4,614,031	\$ 5,467,105

College of Western Idaho Foundation

Component Unit

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 903,513	\$ 548,435
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Contributions restricted to endowment	(43,711)	(509,925)
Endowment net investment return	(636,381)	(89,364)
Net investment return	(418,162)	(88,208)
Changes in operating assets and liabilities		
Interest receivable	(495)	448
Prepays	2,190	(840)
Accounts payable	<u>28,927</u>	<u>4,902</u>
Net Cash used For Operating Activities	<u>(164,119)</u>	<u>(134,552)</u>
Investing Activities		
Redemption of CD	-	246,985
Purchase of investments	(1,688,119)	(1,355,032)
Withdrawal from endowment	64,247	59,284
Proceeds from sale of investments	<u>1,365,676</u>	<u>1,093,474</u>
Net Cash (used for) from Investing Activities	<u>(258,196)</u>	<u>44,711</u>
Financing Activities		
Collection of contributions restricted to endowments	<u>43,711</u>	<u>509,925</u>
Net Cash from Financing Activities	<u>43,711</u>	<u>509,925</u>
Net Change in Cash and Cash Equivalents	(378,604)	420,084
Cash and Cash Equivalents, Beginning of Year	<u>1,999,220</u>	<u>1,579,136</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,620,616</u></u>	<u><u>\$ 1,999,220</u></u>

**Note 1 - Significant Accounting Policies****General Statement**

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

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

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

**Reporting Entity**

The College's financial statements for fiscal years ended June 30, 2021 and 2020, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

The Foundation's financial statements for fiscal years ended June 30, 2021 and 2020, are discretely presented because of the difference in its reporting model, as further described below.

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

### **Basis of Accounting and Presentation**

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the College have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

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

### **Cash and Cash Equivalents**

The College considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted and not expected to be expended within the subsequent year are classified as noncurrent assets.

### **Investments**

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

### **Accounts Receivable**

Accounts receivable consists of tuition and fees charged to students. Accounts receivable also includes amounts due from federal, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

#### Property Tax Receivable

Property taxes that are levied for 2008 through 2020 and have not been collected as of June 30 are carried as receivables. Assessed values are established by the County Assessor in Ada and Canyon County (the District). Property tax payments are due in one-half installments in December and June. The District's property tax is levied each November on the assessed value listed as of the prior September for all taxable property located in the District.

#### Prepaid Expenses

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

#### Restricted Cash

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

#### Capital Assets

Capital assets are stated at cost when purchased, or if acquired by gift, at the acquisition value at the date of the gift. The College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations and improvements to buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 10 years for library books, 3 to 10 years for equipment, and 20 to 40 years for buildings.

#### Unearned Tuition Revenue

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

#### Noncurrent Liabilities

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

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

**Deferred Outflows/Inflows of Resources**

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

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

**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 the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**State OPEB**

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

**PERSI/OPEB Sick Leave Reserve**

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

## **Net Position**

The College's net position is classified as follows:

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

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

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

**Unrestricted Net Position** - Unrestricted net position represent resources derived from student fees, state appropriations, and sales and services of educational departments. These resources are used for transactions related to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any lawful purpose.

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

## **Classification of Revenues and Expenses**

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

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

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

## **Scholarship Discounts and Allowances**

Student tuition and fee revenues and certain other revenues from students are reported net of Scholarship Discounts and Allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship Discounts and Allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a Scholarship Discount or Allowance.



### **Federal Student Loan Program**

The College receives proceeds from the Federal Direct Student Loan Program. The College transmits these grantor supplied moneys without having administrative or direct financial involvement in the program. Federal student loans received by the College's students but not reported in operations for the years ended in June 30, 2021 and 2020 was \$9,018,964 and \$9,472,049, respectively.

### **Income Taxes**

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

### **Use of Estimates**

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

### **Reclassification**

Some of the 2020 amounts have been reclassified to conform to the 2021 presentation.

**Note 2 - Cash, Cash Equivalents, and Investments**

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

At June 30, 2021, the College's cash and cash equivalents consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and Cash Equivalents		
Bank deposit	\$ 8,455,151	\$ 7,422,698
Change funds	-	5,570
Money market	<u>378,137</u>	<u>378,137</u>
Total cash and cash equivalents	8,833,288	7,806,405
Restricted Cash		
2018 COP - Money market	<u>22,788</u>	<u>22,788</u>
Total cash	<u>\$ 8,856,076</u>	<u>\$ 7,829,203</u>

At June 30, 2020, the College's cash and cash equivalents consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and Cash Equivalents		
Bank deposit	\$ 5,611,101	\$ 4,662,991
Change funds	-	5,420
Money market	<u>133,817</u>	<u>133,817</u>
Total cash and cash equivalents	5,744,918	4,802,228
Restricted Cash		
2018 COP - Money market	<u>22,768</u>	<u>22,768</u>
Total cash	<u>\$ 5,767,686</u>	<u>\$ 4,824,996</u>

At June 30, 2021, the College's investments consisted of the following:

	Cost	Fair Value	Maturity		Percentage
			Less than 1 year	1-5 years	
Investments					
State Treasurer's Local Government Pool (LGIP)	\$43,031,389	\$43,031,389	\$ 43,031,389	\$ -	52.97%
U.S. Government Issues	38,209,655	38,579,262	8,628,647	29,950,615	47.03%
Total external investment pool and U.S treasuries	<u>\$81,241,044</u>	<u>\$81,610,651</u>	<u>\$ 51,660,036</u>	<u>\$29,950,615</u>	<u>100.00%</u>

At June 30, 2020, the College's investments consisted of the following:

	Cost	Fair Value	Maturity		Percentage
			Less than 1 year	1-5 years	
Investments					
State Treasurer's Local Government Pool (LGIP)	\$33,514,202	\$33,514,202	\$ 33,514,202	\$ -	46.36%
U.S. Government Issues	37,661,780	38,777,250	8,211,990	30,565,260	53.64%
Total external investment pool and U.S treasuries	<u>\$71,175,982</u>	<u>\$72,291,452</u>	<u>\$ 41,726,192</u>	<u>\$30,565,260</u>	<u>100.00%</u>

#### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At June 30, 2021 and 2020, \$3,205,151, and \$361,136, respectively, of the College's deposits were uninsured and uncollateralized. The College's policy and procedures follow the applicable State Codes.

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

#### Credit Risk – Investments

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

The credit ratings for the investments as of June 30, 2021, are as follows:

<u>Investment</u>	<u>Rating</u>	<u>Face Value</u>	<u>Market</u>
US Government Issues	Aaa	\$ 37,520,000	\$ 38,110,978
US Government Issues	N/A*	450,000	468,284
		<u>37,970,000</u>	<u>\$ 38,579,262</u>

\*Not Rated

The credit ratings for the investments as of June 30, 2020, are as follows:

<u>Investment</u>	<u>Rating</u>	<u>Face Value</u>	<u>Market</u>
US Government Issues	Aaa	\$ 37,130,000	\$ 38,372,436
US Government Issues	N/A*	405,000	404,814
		<u>37,535,000</u>	<u>\$ 38,777,250</u>

\*Not Rated

### Interest Rate Risk

Interest rate risk is the risk of loss in fair value should market interest rates change in the future. Investments with long-term, fixed interest rates are the most volatile. The funds within the Idaho State Treasurer's Local Government Investment Pool have an average maturity of one year or less, thereby minimizing interest rate risk. The funds within the College's investments in U.S. Government Issues have been structured to mature at regular intervals, \$8,628,647 maturing within one year and \$29,950,615 maturing in 1-5 years, to minimize interest rate risk. The College's policy and procedures follow the applicable State Codes.

### Concentration of Credit Risk

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

**Investment Valuation**

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

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

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

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

Investments' fair value measurements are as follows at June 30, 2021:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
U.S. Treasuries	\$ 38,579,262	\$ 22,042,486	\$ 16,536,776	\$ -
Money Market	378,137	378,137	-	-
<b>Total investments</b>	<b>\$ 38,957,399</b>	<b>\$ 22,420,623</b>	<b>\$ 16,536,776</b>	<b>\$ -</b>

Investments' fair value measurements are as follows at June 30, 2020:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
U.S. Government Issues	\$ 38,777,250	\$ 21,425,161	\$ 17,352,089	\$ -
Money Market	156,585	156,585	-	-
<b>Total investments</b>	<b>\$ 38,933,835</b>	<b>\$ 21,581,746</b>	<b>\$ 17,352,089</b>	<b>\$ -</b>

**Note 3 - Accounts Receivable**

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

Accounts receivable at June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Accounts Receivable	\$ 160,358	\$ 87,462
Federal, State, and Private Grants	<u>1,019,321</u>	<u>1,055,821</u>
	<u>\$ 1,179,679</u>	<u>\$ 1,143,283</u>

**Note 4 - Property Taxes**

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

All real property is assigned a parcel number in accordance with State law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals.

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

Taxes on real property are a lien on the property and attach on January 1 of the year for which the taxes are levied.

Taxes on property are due on the 20<sup>th</sup> of December; however, they may be paid in two installments with the second installment due June 20<sup>th</sup>. A penalty of 2% is assessed if taxes are not paid by the due date. Interest is applied to past due amounts at 1% per month beginning on January 1<sup>st</sup>. After a three year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated penalties, interest and costs before sale.

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

**Note 5 - Capital Assets**

The following are the changes in capital assets for the years ended June 30, 2021 and 2020:

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital assets not being depreciated					
Land	\$ 29,023,610	\$ -	\$ -	\$ -	\$ 29,023,610
Construction in progress	3,027,023	455,211	-	(2,959,863)	522,371
Total capital assets not being depreciated	32,050,633	455,211	-	(2,959,863)	29,545,981
Other capital assets					
Land improvements	1,320,440	-	-	27,074	1,347,514
Buildings	37,195,268	76,955	(576,462)	2,908,509	39,604,270
Building improvements	2,094,388	240,950	-	9,075	2,344,413
Leasehold improvements	3,453,111	129,101	-	3,312	3,585,524
Equipment	6,825,916	543,670	(26,361)	11,893	7,355,118
Equipment - capital leases	525,829	-	-	-	525,829
Computer equipment	1,982,437	90,761	(123,933)	-	1,949,265
Books	1,657,096	148,504	-	-	1,805,600
Vehicles	1,265,107	-	(14,000)	-	1,251,107
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	58,205,458	1,229,941	(740,756)	2,959,863	61,654,506
Total capital assets	90,256,091	1,685,152	(740,756)	-	91,200,487
Less accumulated depreciation					
Land improvements	430,037	121,242	-	-	551,279
Buildings	9,124,807	1,218,559	-	-	10,343,366
Building improvements	485,521	148,251	-	-	633,772
Leasehold improvements	2,960,672	117,387	-	-	3,078,059
Equipment	4,661,829	674,059	(15,645)	-	5,320,243
Equipment - capital leases	331,265	94,748	-	-	426,013
Computer equipment	1,762,652	134,041	(123,933)	-	1,772,760
Books	787,782	160,226	-	-	948,008
Vehicles	1,059,643	77,942	(14,000)	-	1,123,585
Intangibles	1,885,866	-	-	-	1,885,866
Total accumulated depreciation	23,490,074	2,746,455	(153,578)	-	26,082,951
Capital assets, net	\$ 66,766,017	\$ (1,061,303)	\$ (587,178)	\$ -	\$ 65,117,536

College of Western Idaho

Notes to Financial Statements

June 30, 2021 and 2020

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 29,023,610	\$ -	\$ -	\$ -	\$ 29,023,610
Construction in progress	1,916,858	1,139,313	-	(29,148)	3,027,023
Total capital assets not being depreciated	30,940,468	1,139,313	-	(29,148)	32,050,633
Other capital assets					
Land improvements	1,303,043	-	-	17,397	1,320,440
Buildings	37,195,268	-	-	-	37,195,268
Building improvements	1,812,378	270,259	-	11,751	2,094,388
Leasehold improvements	3,448,563	4,548	-	-	3,453,111
Equipment	6,079,932	756,967	(10,983)	-	6,825,916
Equipment - capital leases	525,829	-	-	-	525,829
Computer equipment	1,821,172	161,265	-	-	1,982,437
Books	1,518,834	138,262	-	-	1,657,096
Vehicles	1,241,669	37,438	(14,000)	-	1,265,107
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	56,832,554	1,368,739	(24,983)	29,148	58,205,458
Total capital assets	87,773,022	2,508,052	(24,983)	-	90,256,091
Less accumulated depreciation					
Land improvements	312,228	117,809	-	-	430,037
Buildings	7,912,939	1,211,868	-	-	9,124,807
Building improvements	344,359	141,162	-	-	485,521
Leasehold improvements	2,837,586	123,086	-	-	2,960,672
Equipment	4,084,356	588,456	(10,983)	-	4,661,829
Equipment - capital leases	226,100	105,165	-	-	331,265
Computer equipment	1,614,538	148,114	-	-	1,762,652
Books	637,648	150,134	-	-	787,782
Vehicles	988,360	85,283	(14,000)	-	1,059,643
Intangibles	1,885,866	-	-	-	1,885,866
Total accumulated depreciation	20,843,980	2,671,077	(24,983)	-	23,490,074
Capital assets, net	\$ 66,929,042	\$ (163,025)	\$ -	\$ -	\$ 66,766,017



**Note 6 - Unearned Revenue**

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

	2021	2020
Student fees	\$ 1,305,991	\$ 1,202,089
Grant Revenue	3,173	-
Total	<u>\$ 1,309,164</u>	<u>\$ 1,202,089</u>

**Note 7 - Lease Obligations****Operating Lease Obligations**

The College is committed under various operating leases, primarily for buildings and maintenance agreements. The lease terms range from one to five years. The expense for operating leases was \$1,262,872 and \$1,255,499 for fiscal years 2021 and 2020, respectively. As of June 30, 2021, future minimum operating lease commitments are as follows:

Fiscal Year	Amount
2022	\$ 1,251,582
2023	1,286,889
2024	1,300,860
2025	129,102
2026	<u>54,626</u>
Totals	<u>\$ 4,023,059</u>

**Capital Lease Obligations**

The College entered into a capital lease agreement for twenty-eight copiers as of May 1, 2016 and pays a monthly payment of \$6,083 until June 2021. The College entered into a separate capital lease agreement for the three additional copiers as of July 2017 and pays a monthly payment of \$627 until 2022. The College entered into an additional capital lease agreement for three copiers and a pay-for-print system that includes five kiosks and twenty-eight release stations as of January 2019 and pays a monthly payment of \$3,185 until March 2024.

At June 30, 2021, the assets under capital lease equaled \$525,829 with accumulated depreciation of \$426,013. At June 30, 2020, the assets under capital lease equaled \$525,829 with accumulated depreciation of \$331,265. Amortization of assets under capital lease is included in depreciation expense. As of June 30, 2021, future minimum capital lease commitments are as follows:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2022	\$ 45,745
2023	40,731
2024	28,667
2025	-
2026	-
Total minimum obligation	115,143
Less interest	(5,704)
Totals	<u>\$ 109,439</u>

## **Note 8 - Long-Term Liabilities**

### **Certificates of Participation, Series 2018**

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

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

**Debt Service Fund for Certificates of Participation, 2018 Series**

The College deposits an annual payment to the debt service fund and payments are distributed by the bond trustee, US Bank, to bond holders semi-annually. The funds held in the debt service fund are invested in government obligations until payment is due to bond holders. The annual payment from the College to the debt service fund is contingent upon appropriation by the Board of Trustees each year. At June 30, 2021 and 2020, \$22,788 and \$22,768, respectively, was on deposit. Final payments to the debt service fund and bond holders will be made in 2033 and 2034, respectively.

The following schedule lists the outstanding Certificates of Participation of the College on June 30, 2021:

2018 Series Certificates of Participation					
June 30,	Principal	Interest	Total	Interest Rate	
2022	\$ 680,000	\$ 428,594	\$ 1,108,594	4.000%	
2023	710,000	400,794	1,110,794	4.000%	
2024	740,000	371,794	1,111,794	4.000%	
2025	770,000	341,594	1,111,594	4.000%	
2026	800,000	310,194	1,110,194	4.000%	
2027	835,000	277,494	1,112,494	4.000%	
2028	865,000	243,494	1,108,494	4.000%	
2029	905,000	208,093	1,113,093	4.000%	
2030	940,000	171,193	1,111,193	4.000%	
2031	980,000	132,793	1,112,793	4.000%	
2032	1,020,000	92,793	1,112,793	4.000%	
2033	1,055,000	54,591	1,109,591	4.000%	
2034	1,090,000	18,394	1,108,394	3.375%	
	<u>\$ 11,390,000</u>	<u>\$ 3,051,815</u>	<u>\$ 14,441,815</u>		

**Changes in long-term liabilities**

Changes in long-term liabilities for the year ended June 30, 2021 were:

	Balance	Additions	Reductions	Balance	Due within
2018 Series COP	\$12,050,000	\$ -	\$ (660,000)	\$ 11,390,000	\$ 680,000
2018 Series COP Premium	554,756	-	(71,578)	483,178	67,857
Compensated absences	1,101,406	1,381,701	(1,301,513)	1,181,594	189,055
	<u>\$13,706,162</u>	<u>\$ 1,381,701</u>	<u>\$ (2,033,091)</u>	<u>\$ 13,054,772</u>	<u>\$ 936,912</u>

Changes in long-term liabilities for the year ended June 30, 2020 were:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within one year
2018 Series COP	\$ 13,270,000	\$ -	\$ (1,220,000)	\$ 12,050,000	\$ 660,000
2018 Series COP Premium	630,798	-	(76,042)	554,756	71,578
Compensated absences	952,487	1,252,933	(1,104,014)	1,101,406	110,140
	<u>\$ 14,853,285</u>	<u>\$ 1,252,933</u>	<u>\$ (2,400,056)</u>	<u>\$ 13,706,162</u>	<u>\$ 841,718</u>

## Note 9 - Retirement

### Public Employee Retirement System of Idaho

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

Nonexempt employees and new hires previously vested in PERSI are eligible for enrollment. After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

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

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

	2021	2020
<b>PERSI</b>		
College required contribution rate	11.94%	11.94%
Percentage of covered payroll for employees	7.16%	7.16%
College contributions required and paid	\$ 949,495	\$ 935,874

**Optional Retirement Plan**

Effective July 1, 1997, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho.

New faculty and exempt employees automatically enroll in the ORP and select their vendor option. Vendor options include Teachers Insurance and Annuity Associations – College Retirement Equities Fund (TIAA-CREF) and Variable Annuity Life Insurance Company (VALIC).

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 62 years of age.

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

	2021	2020
<b>ORP</b>		
College contribution rate	11.87%	11.24%
Employee contribution rate	6.97%	6.97%
College contribution	\$ 2,288,526	\$ 2,124,008

**Note 10 - Pension Plan****Plan Description**

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

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

**Pension Benefits**

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

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

**Member and Employer Contributions**

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

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2020, it was 7.16%. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94%. The College's contributions were \$949,495 and \$935,874 for the years ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021 and 2020, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021 and June 30, 2020 the College's proportion was 0.002210343 and 0.002171518, respectively. At June 2019, the College's proportion was 0.001998415.

For the years ended June 30, 2021 and 2020, the College recognized pension expense (revenue) of \$2,088,622 and \$1,060,078, respectively. At June 30, 2021, the College of Western Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2021		
Differences between expected and actual experience	\$ 401,022	\$ 167,595
Changes in assumptions or other inputs	86,804	-
Net difference between projected and actual earnings on pension plan investments	588,307	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY18 amortized over 4.9 years	79,127	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY19 amortized over 4.9 years.	164,296	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY20 amortized over 4.8 years.	150,698	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY21 amortized over 4.7 years.	45,703	-
College of Western Idaho contributions subsequent to the measurement date	949,495	-
Total	\$ 2,465,452	\$ 167,595

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2020		
Differences between expected and actual experience	\$ 230,360	\$ 292,130
Changes in assumptions or other inputs	137,881	-
Net difference between projected and actual earnings on pension plan investments	-	844,431
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY16 amortized over 5.5 years	-	1,865
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY17 amortized over 4.9 years	-	5,018
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY18 amortized over 4.9 years	167,046	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY19 amortized over 4.8 years.	250,767	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY20 amortized over 4.8 years.	204,519	-
College of Western Idaho contributions subsequent to the measurement date	935,874	-
Total	\$ 1,926,447	\$ 1,143,444

The \$949,495 and \$935,874 as of June 30, 2021 and 2020, respectively, reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

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



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

Years ended June 30:	
2022	\$ 248,347
2023	\$ 360,207
2024	\$ 348,857
2025	\$ 390,951
	<u>\$ 1,348,362</u>

### Actuarial Assumptions

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

The total pension liability in the July 1, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

#### Actuarial Assumptions

Inflation	3.00%
Salary increases**	3.75%
Salary Inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1.00%

\*3.75 percent of 1.00 percent depending on whether the member was hired on or before July 1, 2012.

\*\*There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- Set back one year for all general employees and all beneficiaries

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

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

## Capital Market Assumptions

The capital market assumptions are as of January 1, 2020:

Capital Market Assumptions from Callen 2020			
Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
<b>Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses</b>		<b>5.85%</b>	<b>3.49%</b>

Investment Policy Assumptions from PERSI November 2019	
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2018	
Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.05%

## Discount Rate

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

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
June 30, 2021			
Employer's proportionate share of the net pension liability (asset)	\$ 10,525,779	\$ 5,132,709	\$ 673,518

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
June 30, 2020			
Employer's proportionate share of the net pension liability (asset)	\$ 7,486,712	\$ 2,478,727	\$ (1,662,716)

**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](http://www.persi.idaho.gov).

**Payables to the Pension Plan**

At June 30, 2021 and 2020, the College reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**Note 11 - State OPEB Plan**

The College participates in other postemployment benefit plans relating to Retiree Healthcare and Retiree Disability administered by the State of Idaho as cost-sharing multiple-employer defined benefit plans. Idaho Code Sections 67-5760 to 67-5768 and 72-1335, establishes the benefits and contribution obligations. The plans do not issue publicly available financial reports. The most recent actuarial valuation is as of July 1, 2020. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis. The cost of administering the plans are financed by a surcharge to employers on all active employees of \$0.14 per person per month for fiscal year 2021 and \$.07 per person per month for fiscal year 2020. Additional details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the following location: [www.sco.idaho.gov](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. The employee must be receiving PERSI monthly benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009 and must retire directly from State service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The benefit is at least \$1,860 per retiree per year. The retired plan member's contribution percentage to the total premium cost decreased from \$70.6 in 2019 to \$69.4 in 2020. The College was charged \$11.04 and \$11.60 per active employee per month towards the retiree premium cost during 2021 and 2020, respectively.

**Long-Term Disability Plan**

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

For up to 6 months following the date of disability, an employee may continue healthcare coverage under the State plan. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The College was charged \$4.58 per active employee per month in fiscal year 2020 to fund the reserve. In fiscal year 2021 the College was not charged to fund the reserve as the premiums were paid from the excess reserve.

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

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The College pays 100 percent of the cost of the premiums. The College's contribution rate for the period was 0.290 percent of payroll in fiscal year 2021 and 2020. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. In addition, the plan provides a \$2,000 life insurance benefit for spouses and a \$1,000 life insurance

benefit for dependent children. These benefits do not increase with inflation. The State is self-insured for employees who became disabled prior to July 1, 2012. The employer pays 100 percent of the cost; the contribution is actuarially determined based on actual claims experience.

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

### **Actuarial Assumptions**

The last actuarial valuation was performed as of July 1, 2020 and rolled forward to June 30, 2021 for the Retiree Healthcare and Long-Term Disability plans. There have been significant changes between the Valuation Date and Measurement Date. Effective July 1, 2020, the LTD Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the LTD Income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured.

The total OPEB liability as of June 30, 2020 was based on the 2018 PERSI Experience study for demographic assumptions and the July 1, 2018 OPEB Valuation for the economic and OPEB specific assumptions. The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

	Retiree Healthcare Plan	Long-Term Disability Plan		
		Healthcare	Life Insurance	LTD Income
Inflation	2.20%	2.20%	2.20%	2.20%
Salary increases	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity
Discount rate	2.21%	2.21%	2.21%	2.21%
Healthcare cost trend rates	7.9% claims and 3.9% premiums from year ending June 30, 2011 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	7.9% claims and 3.9% premiums from year ending June 30, 2011 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	N/A	N/A
Retiree's share of benefit-related costs	69.4% of projected health insurance premiums for retirees	N/A	N/A	N/A

The total OPEB liability as of June 30, 2019 was based on the 2016 PERSI Experience study for the demographic assumptions on the July 1, 2016 OPEB Valuation for the economic and OPEB specific assumptions.

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

	Retiree Healthcare Plan	Long-Term Disability Plan		
		Healthcare	Life Insurance	LTD Income
Inflation	2.50%	2.50%	2.50%	2.50%
Salary increases	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity
Discount rate	3.50%	3.50%	3.50%	3.50%
Healthcare cost trend rates	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020, grading to an ultimate rate of 4.2% for 2074 and later years	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020, grading to an ultimate rate of 4.2% for 2074 and later years	N/A	N/A
Retiree's share of benefit-related costs	83.9% of projected health insurance premiums for retirees	N/A	N/A	N/A

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



**Discount Rate**

The actuary used a discount rate of 2.21 percent in 2020 and 3.50 percent in 2019 to measure the total OPEB liability. The discount rate was based on 20 year Bond Buyer Go Index.

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

Total OPEB liability components for the year ended June 30, 2021 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
Total OPEB Liability	\$ 389,577	\$ 23,871	\$ -	\$ -	\$ 413,448

Total OPEB liability components for the year ended June 30, 2020 are as follows:

	Retiree Healthcare	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
Total OPEB Liability	\$ 783,411	\$ 29,774	\$ 50,426	\$ 38,275	\$ 901,886

The College recognized the following OPEB expense for the year ended June 30, 2021:

	Retiree Healthcare	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
OPEB Expense	\$ 15,135	\$ (3,749)	\$ 41,954	\$ 31,985	\$ 85,325

The College recognized the following OPEB expense for the year ended June 30, 2020:

	Retiree Healthcare	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
OPEB Expense	\$ 56,692	\$ 8,455	\$ 12,831	\$ 9,536	\$ 87,514

The College recognized the following OPEB deferred outflows and inflows for the year ended June 30, 2021:

	Increase (Decrease)				
	Retiree Healthcare Plan	Long-Term Disability Plan Life			Total
		Healthcare	Insurance	Income	
Deferred Outflows					
Difference between expected and actual experience	\$ -	\$ 11,298	\$ -	\$ -	\$ 11,298
Changes of assumptions	241,805	1,623	-	-	243,428
Changes in proportion	95,006	5,092	-	-	100,098
Benefit payments subsequent to the measurement date	54,595	792	-	-	55,387
Total Deferred Outflows	<u>\$ 391,406</u>	<u>\$ 18,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,211</u>
	Increase (Decrease)				
	Retiree Healthcare Plan	Long-Term Disability Plan Life			Total
		Healthcare	Insurance	Income	
Deferred Inflows					
Difference between expected and actual experience	\$ 326,708	\$ 2,987	\$ -	\$ -	\$ 329,695
Changes of assumptions	128,229	5,735	-	-	\$ 133,964
Changes in proportion	83,042	2,471	-	-	\$ 85,513
Benefit payments subsequent to the measurement date	-	-	-	-	-
Total Deferred Inflows	<u>\$ 537,979</u>	<u>\$ 11,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,172</u>

The College recognized the following OPEB deferred outflows and inflows for the year ended June 30, 2020:

	Increase (Decrease)				
	Retiree Healthcare Plan	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
Deferred Outflows					
Difference between expected and actual experience	\$ -	\$ 15,632	\$ -	\$ -	\$ 15,632
Changes of assumptions	204,141	323	-	-	204,464
Changes in proportion	118,495	5,967	-	-	124,462
Benefit payments subsequent to the measurement date	52,304	2,476	8,473	6,288	69,541
Total Deferred Outflows	<u>\$ 374,940</u>	<u>\$ 24,398</u>	<u>\$ 8,473</u>	<u>\$ 6,288</u>	<u>\$ 414,099</u>

	Increase (Decrease)				
	Retiree Healthcare Plan	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
Deferred Inflows					
Difference between expected and actual experience	\$ 2,635	\$ -	\$ -	\$ -	\$ 2,635
Changes of assumptions	194,772	7,928	-	-	202,700
Changes in proportion	-	-	-	-	-
Benefit payments subsequent to the measurement date	-	-	-	-	-
Total Deferred Inflows	<u>\$ 197,407</u>	<u>\$ 7,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,335</u>

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

Year ended June 30	Expense (Revenue)				
	Retiree Healthcare	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
2022	\$ (48,003)	\$ 1,511	\$ -	\$ -	\$ (46,492)
2023	(48,003)	1,511	-	-	(46,492)
2024	(48,003)	1,511	-	-	(46,492)
2025	(11,362)	1,511	-	-	(9,851)
2026	(45,797)	1,328	-	-	(44,469)
2027	-	(552)	-	-	(552)
	<u>\$ (201,168)</u>	<u>\$ 6,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (194,348)</u>

**Discount Sensitivity Rate and Healthcare Cost Trend Sensitivity Rate**

## Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the College using the discount rate of 2.21 and 3.5 percent for June 30, 2021 and 2020, respectively, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate.

Sensitivity of the total OPEB Liability to Changes in the Discount Rate for the year ended June 30, 2021 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
1% Decrease 1.21%	\$ 409,855	\$ 24,737	\$ -	\$ -	\$ 434,592
Discount Rate 2.21%	\$ 389,577	\$ 23,871	\$ -	\$ -	\$ 413,448
1% Increase 3.21%	\$ 369,580	\$ 22,962	\$ -	\$ -	\$ 392,542

Sensitivity of the total OPEB Liability to Changes in the Discount Rate for the year ended June 30, 2020 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Plan			Total
		Healthcare	Life Insurance	Income	
1% Decrease 2.5%	\$ 826,058	\$ 30,892	\$ 52,862	\$ 39,963	\$ 949,775
Discount Rate 3.5%	\$ 783,411	\$ 29,774	\$ 50,426	\$ 38,275	\$ 901,886
1% Increase 4.5%	\$ 742,180	\$ 28,705	\$ 48,239	\$ 36,708	\$ 855,832

## Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the College using current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate.

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate for the year ended June 30, 2021 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
1% Decrease	\$ 325,672	\$ 20,668	\$ 346,340
Current trend rate	\$ 389,577	\$ 23,871	\$ 413,448
1% Increase	\$ 424,745	\$ 27,442	\$ 452,187

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rate for the year ended June 30, 2020 are as follows:

	Retiree Healthcare Plan	Long Term Disability Healthcare Plan	Total
1% Decrease	\$ 715,339	\$ 25,971	\$ 741,310
Current trend rate	\$ 783,411	\$ 29,774	\$ 813,185
1% Increase	\$ 861,126	\$ 34,073	\$ 895,199

## Note 12 – PERSI/OPEB Sick Reserve Trust Funds

### Plan Descriptions and Funding Policy

The College of Western Idaho contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

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

**OPEB Benefits**

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

**Employer Contributions**

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Effective January 1, 2020, the PERSI Retirement Board passed a sick leave rate holiday for state and school employers that has been extended to 24 months from the effective date. The College of Western Idaho's contributions for years ended June 30, 2021 and 2020 were \$0 and \$89,323, respectively.

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

At June 30, 2021 and 2020, the College of Western Idaho reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB asset was based on the College's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2021 and 2020, the College of Western Idaho's proportion was 1.99035840% and 2.10746620%, respectively. At June 2019, the College's proportion was 2.02120760%.

For the years ended June 30, 2021 and 2020, the College of Western Idaho recognized OPEB expense (expense offset) of \$137,033 and \$115,534, respectively. At June 30, 2021 and 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,943	\$ 96,794
Changes in assumptions or other inputs	1,921	174,570
Net difference between projected and actual earnings on pension plan investments	51,454	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY19 amortized over 6.2 years	-	48,568
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY20 amortized over 7.8 years	-	68,564
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY21 amortized over 7.8 years	122,384	-
College of Western Idaho contributions subsequent to the measurement date	855	-
Total	\$ 197,557	\$ 388,496

June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,999	\$ 82,395
Changes in assumptions or other inputs	2,669	-
Net difference between projected and actual earnings on pension plan investments	-	74,792
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY19 amortized over 6.2 years	-	63,746
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY20 amortized over 7.8 years	-	80,385
College of Western Idaho contributions subsequent to the measurement date	89,323	-
Total	\$ 117,991	\$ 301,318

The \$855 and \$89,323 as of June 30, 2021 and 2020, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

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

Year ended June 30:

2022	\$ (51,019)
2023	(51,019)
2024	(35,140)
2025	(2,906)
2026	(21,400)
Thereafter	<u>(30,310)</u>
	<u>\$ (191,794)</u>



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

**Actuarial Assumptions**

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75% (net of investment expense)
Investment rate of return**	7.05%
Health care trend rate	N/A*

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

\*\*Net of OPEB plan investment expenses

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**Capital Market Assumptions from Callen 2020**

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
<b>Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses</b>		<b>5.85%</b>	<b>3.49%</b>

**Investment Policy Assumptions from PERSI November 2019**

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

**Economic/Demographic Assumptions from Milliman 2018**

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.05%

**Discount Rate**

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

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

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.05% and 7.05% for 2021 and 2020, respectively, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

June 30, 2021	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB sick leave fund liability (asset)	\$ (267,672)	\$ (2,809,499)	\$ (2,930,205)

June 30, 2020	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB sick leave fund liability (asset)	\$ (2,565,800)	\$ (2,654,820)	\$ (2,738,069)

**OPEB plan fiduciary net position**

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

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

**Payables to the OPEB plan**

At June 30, 2021 and 2020, the College of Western Idaho reported payables to the defined benefit OPEB plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**Note 13 - Risk Management and Workers' Compensation**

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

Commercial Insurance coverage is purchased for claims arising from worker's compensation due to employee injuries. Payments made to the State Insurance Fund are based on a quarterly gross payroll multiplied by the current rate. Premiums are billed quarterly throughout the fiscal year beginning July 1. Premiums are then adjusted as necessary within the first quarter of the subsequent fiscal year. The College billed premiums were \$156,339 and \$142,599 for fiscal years 2021 and 2020, respectively.

#### **Note 14 - Related Party Transactions**

The Foundation provides scholarships to the College based on the terms of the donations. The Foundation provided scholarship support of \$499,341 during the year ended June 30, 2021, departmental and program support of \$247,566 during the year ended June 30, 2021, of which \$38,438 was a receivable from the Foundation at June 30, 2021. The Foundation provided scholarship support of \$436,858 during the year ended June 30, 2020, of which \$4,000 was a receivable from the Foundation to the College at June 30, 2020, and departmental and program support of \$51,784 during the year ended June 30, 2020, of which \$5,511 was a receivable from the Foundation at June 30, 2020.

The College provided professional services and materials to the Foundation which totaled \$380,769 and \$332,639, for the years ended June 30, 2021 and 2020, respectively.

#### **Note 15 - Contingencies and Legal Matters**

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

#### **Note 16 - Significant Commitments**

At June 30, 2021, the College had several significant commitments that will be completed during fiscal year 2022. Significant commitments are listed below:

Capital Projects	
Facility improvements	\$ 421,733
	<u>          </u>
Total capital projects	\$ 421,733
	<u>          </u>

**Note 17 - Component Unit****Foundation Operations and Significant Accounting Policies**

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

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

**Liquidity and Availability**

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 235,460	\$ 229,279
Investment earnings and earnings for operations	<u>1,024,940</u>	<u>642,359</u>
	<u>\$ 1,260,400</u>	<u>\$ 871,638</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.

**Investments**

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

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	\$ 2,461,025	\$ -	\$ -	\$ 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
Inflation-protected fund		-	-	-
Commodities				-
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>

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2020:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	\$ 1,706,819	\$ -	\$ -	\$ 1,706,819
Small cap	130,106	-	-	130,106
International equities	472,390	-	-	472,390
International emerging	190,231	-	-	190,231
Bond Funds				
US fixed income	514,517	316,572	-	831,089
Real Estate Mutual Funds	139,641	-	-	139,641
Total investments	<u>\$ 3,153,704</u>	<u>\$ 316,572</u>	<u>\$ -</u>	<u>\$ 3,470,276</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, 2021 and 2020, there were no significant transfers in or out of levels 1, 2, or 3.

**Donated Professional Services and Materials**

The Foundation received donated professional services and materials as follows during the years ended June 30, 2021 and 2020:

	Management and General	Fundraising and Development	Total
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>
June 30, 2020			
Salaries and benefits	\$ 203,463	\$ 95,309	\$ 298,772
Materials and supplies	16,587	-	16,587
Office space	17,280	-	17,280
Total donated materials and services	<u>\$ 237,330</u>	<u>\$ 95,309</u>	<u>\$ 332,639</u>

All donated materials and services were provided by the College.

**Net Assets with Donor Restrictions**

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Program Support	\$ 122,289	\$ 113,403
Scholarships	1,564,321	904,434
Operation of Micron Center	<u>1,607,231</u>	<u>1,810,555</u>
	<u>3,293,841</u>	<u>2,828,392</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	1,772,116	1,728,477
College Growth & Development	<u>7,234</u>	<u>7,162</u>
	<u>1,829,350</u>	<u>1,785,639</u>
 Total Net Assets with Donor Restrictions	 <u><u>\$ 5,123,191</u></u>	 <u><u>\$ 4,614,031</u></u>

**Release from Restriction**

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

The amounts released during the years ended June 30, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions		
Scholarships	\$ 498,841	\$ 418,858
Department support	<u>247,566</u>	<u>49,591</u>
	<u><u>\$ 746,407</u></u>	<u><u>\$ 468,449</u></u>



**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 \$1,829,350 and \$1,785,639 in true endowment funds at June 30, 2021 and 2020, respectively. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The investment income earned on these permanently restricted net assets is generally restricted as to purpose and is recorded as temporarily restricted net assets.

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

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

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

The endowment fund net asset composition is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
At June 30, 2021			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained 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>
	Without Donor Restriction	With Donor Restrictions	Total
At June 30, 2020			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,785,639	\$ 1,785,639
Accumulated Investment gains	-	294,066	294,066
	<u>\$ -</u>	<u>\$ 2,079,705</u>	<u>\$ 2,079,705</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, 2021 and 2020 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 principal appreciation that exceeds inflation. The Foundation expects its endowment funds, over time, to provide an average minimum rate of return equal to or greater than the Foundation's spending rate percentage and management fee.

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

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

Changes in endowment net assets for the years ending June 30, 2021 and 2020, respectively, are as follows:

	Without Donor Restriction	With Donor 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 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>

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets			
End of year June 30, 2019	\$ -	\$ 1,539,700	\$ 1,539,700
Investment return			
Net investment return	-	89,364	89,364
Contributions	-	509,925	509,925
Appropriation of endowment assets for expenditures	-	(59,284)	(59,284)
Endowment net assets			
End of year June 30, 2020	<u>\$ -</u>	<u>\$ 2,079,705</u>	<u>\$ 2,079,705</u>

### Functionalized Expenses

The following schedule presents the natural classification of expenses by function for the year ended June 30, 2021:

At June 30, 2021	Program Support to College of Western Idaho			General	
	Department Support	Scholarships	Total	Operations	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>

The following schedule presents the natural classification of expenses by function for the year ended June 30, 2020:

At June 30, 2020	Program Support to College of Western Idaho			General Operations	Total
	Department Support	Scholarships	Total		
Operating Expenses					
Office expenses	\$ -	\$ -	\$ -	\$ 19,305	\$ 19,305
Travel	-	-	-	4,402	4,402
Professional services	-	-	-	298,772	298,772
Accounting fees/services	-	-	-	16,730	16,730
Insurance and taxes	-	-	-	10,516	10,516
Program support	51,784	-	51,784	-	51,784
Scholarships	-	436,858	436,858	-	436,858
Other	-	-	-	16,105	16,105
Total operating expenses	<u>\$ 51,784</u>	<u>\$ 436,858</u>	<u>\$ 488,642</u>	<u>\$ 365,830</u>	<u>\$ 854,472</u>

### Related Party Transactions

The Foundation provides scholarships to the College based on the terms of the donations. 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 Foundation provided scholarship support of \$436,858 during the year ended June 30, 2020, of which \$4,000 was payable to the College at June 30, 2020, and departmental and program support of \$51,784 during the year ended June 30 2020, of which \$5,511 was payable to the College at June 30, 2020.

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received \$7,130 and \$11,475 in contribution revenue from Board members during the years ended June 30, 2021 and 2020, respectively.



Required Supplementary Information  
June 30, 2021

College of Western Idaho

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

**Last 10 - Fiscal Years \***

	2014	2015	2016	2017	2018	2019	2020
Employer's portion of net the pension liability	0.001496057	0.00148391	0.001467181	0.001726945	0.001998415	0.002171518	0.002210343
Employer's proportionate share of the net pension liability	\$ 1,101,332	\$ 1,954,061	\$ 2,974,201	\$ 2,714,461	\$ 2,947,697	\$ 2,478,727	\$ 5,132,709
Employer's covered payroll	\$ 4,075,632	\$ 4,150,474	\$ 4,298,714	\$ 5,364,004	\$ 6,427,942	\$ 7,393,126	\$ 7,852,931
Employer's proportional share of the net pension liability as a percentage of its covered payroll	27.02%	47.08%	69.19%	50.61%	45.86%	33.53%	65.36%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%

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

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

	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	\$ 486,281	\$ 486,614	\$ 607,205	\$ 727,643	\$ 836,902	\$ 937,640	\$ 949,569
Contributions in relation to the statutorily required contribution	\$ (465,253)	\$ (486,586)	\$ (607,304)	\$ (729,437)	\$ (834,913)	\$ (935,874)	\$ (949,495)
Contribution (deficiency) excess	\$ (21,028)	\$ (28)	\$ 98	\$ 1,794	\$ (1,989)	\$ (1,766)	\$ (74)
Employer's covered payroll	\$ 4,150,474	\$ 4,298,714	\$ 5,364,004	\$ 6,427,942	\$ 7,393,126	\$ 7,852,931	\$ 7,952,841
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%	11.32%	11.94%	11.94%

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



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

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

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

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

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

	2017	2018	2019	2020
Total State OPEB liability	\$ 819,057	\$ 552,516	\$ 901,886	\$ 413,448
Covered payroll	\$ 5,364,004	\$ 6,427,942	\$ 7,393,126	\$ 7,852,931
Total OPEB liability as a percentage of covered payroll	15.27%	8.60%	12.20%	5.26%

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

	2017	2018	2019	2020
Employer's portion of net the OPEB asset	1.9222891%	2.02120760%	2.10746620%	1.99035840%
Employer's proportionate share of the net OPEB asset	\$ 1,828,666	\$ 2,319,741	\$ 2,654,820	\$ 2,809,499
Employer's covered payroll	\$ 20,942,432	\$ 22,254,615	\$ 24,347,357	\$ 25,918,398
Employer's proportionate share of the net OPEB asset as a percentage	8.73%	10.42%	10.90%	10.29%
Plan fiduciary net position as a percentage of the total OPEB asset	204.12%	225.45%	226.97%	251.29%

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

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

	2018	2019	2020	2021
Statutorily required contribution	\$ 144,655	\$ 158,258	\$ 89,323	\$ -
Contributions in relation to the statutorily required contributions	\$ 144,664	\$ 158,258	\$ 89,323	\$ -
Contribution (deficiency) excess	\$ (9)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 22,254,615	\$ 24,347,357	\$ 25,918,398	\$ 27,297,240
Contributions as a percentatge of the covered payroll	0.65%	0.65%	0.34%	0.00%

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

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



Other Information  
June 30, 2021 and 2020

College of Western Idaho

College of Western Idaho  
Schedule of Operating Expenses  
Year Ended June 30, 2021

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Institutional Support	Operations and Maintenance	Total
Operating Expenses								
Wages and salaries	\$ 16,462,196	\$ 5,301,271	\$ 4,637,288	\$ 143,217	\$ 39,471	\$ 5,757,590	\$ 1,060,060	\$ 33,401,093
Taxes and benefits	4,767,811	2,021,301	2,165,437	53,432	467	2,192,949	541,950	11,743,347
Supplies	3,412,319	1,188,924	100,601	165	-	107,714	504,266	5,313,989
Repairs and maintenance	96,162	74,095	412	-	-	6,165	944,356	1,121,190
Travel	(7,820)	7,618	5,243	524	-	14,258	-	19,823
Vehicles	6,017	501	114	-	-	3,585	6,878	17,095
Services	1,012,905	1,840,920	259,040	9,050	-	801,921	1,221,900	5,145,736
Miscellaneous	88,956	410,347	307,328	-	-	688,735	147,076	1,642,442
Insurance, rent, utilities	136,563	146,551	37,865	640	-	284,709	1,728,359	2,334,687
Financial aid	-	-	-	-	10,020,617	-	-	10,020,617
Depreciation	1,119,581	579,511	508,261	8,926	-	393,454	136,722	2,746,455
Fund transfer	(397,325)	-	(15,808)	-	-	2,413,133	(2,000,000)	-
Pension contributions - GASB 68	(126,105)	(234,975)	(336,738)	-	-	(175,623)	(76,055)	(949,496)
Plan pension expense - GASB 68	277,395	516,878	740,729	-	-	386,321	167,299	2,088,622
State OPEB contributions -GASB 75	(56,437)	(24,914)	(23,425)	(725)	-	(29,795)	(5,417)	(140,713)
State OPEB expense -GASB 75	-	-	-	-	-	-	-	-
PERSI/OPEB sick leave contributions - GASB 75	(58,965)	(26,030)	(24,475)	(757)	-	(31,130)	(5,660)	(147,017)
PERSI/OPEB sick leave revenue - GASB 75	-							
Total operating expenses	\$ 26,733,253	\$ 11,801,998	\$ 8,361,872	\$ 214,472	\$ 10,060,555	\$12,813,986	\$ 4,371,734	\$ 74,357,870

College of Western Idaho  
Schedule of Operating Expenses  
Year Ended June 30, 2020

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Institutional Support	Operations and Maintenance	Total
Operating Expenses								
Wages and salaries	\$ 16,149,870	\$ 4,569,454	\$ 4,459,076	\$ 148,814	\$ 45,800	\$ 5,452,478	\$ 1,035,766	\$ 31,861,258
Taxes and benefits	4,727,044	1,842,604	2,113,436	53,724	-	2,115,557	521,666	11,374,031
Supplies	3,046,236	986,204	81,924	255	-	71,176	815,784	5,001,579
Repairs and maintenance	53,054	41,274	168	-	-	2,835	578,338	675,669
Travel	57,134	99,538	62,862	3,158	-	73,727	1,536	297,955
Vehicles	4,557	691	347	-	-	4,383	9,223	19,201
Services	784,846	1,729,982	175,892	92,702	-	362,059	899,702	4,045,183
Miscellaneous	61,171	555,552	307,644	445	-	692,380	141,023	1,758,215
Insurance, rent, utilities	144,741	145,965	43,921	741	-	285,878	1,685,341	2,306,587
Financial aid	-	-	-	-	8,710,723	-	-	8,710,723
Depreciation	1,435,373	488,066	357,783	6,170	-	276,863	106,822	2,671,077
Fund transfer	1,230,761	(1,230,761)	(41,397)	-	-	41,397	-	-
Pension contributions - GASB 68	(132,944)	(209,919)	(321,918)	-	-	(189,176)	(81,917)	(935,874)
Plan pension expense - GASB 68	150,588	237,778	364,641	-	-	214,282	92,789	1,060,078
State OPEB contributions -GASB 75	(42,011)	(17,595)	(18,576)	(854)	-	(21,465)	(4,666)	(105,167)
State OPEB expense -GASB 75	57,079	22,877	23,635	891	-	29,199	5,695	139,376
PERSI/OPEB sick leave contributions - GASB 75	(36,789)	(14,608)	(15,021)	(548)	-	(18,769)	(3,588)	(89,323)
PERSI/OPEB sick leave revenue - GASB 75	(56,933)	(22,606)	(23,246)	(848)	-	(29,046)	(5,554)	(138,233)
Total operating expenses	<u>\$ 27,633,777</u>	<u>\$ 9,224,496</u>	<u>\$ 7,571,171</u>	<u>\$ 304,650</u>	<u>\$ 8,756,523</u>	<u>\$ 9,363,758</u>	<u>\$ 5,797,960</u>	<u>\$ 68,652,335</u>



Single Audit Information  
June 30, 2021

College of Western Idaho



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the College of Western Idaho (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2021. The financial statements of the discretely presented component unit, College of Western Idaho Foundation, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the College of Western Idaho Foundation.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Boise, Idaho  
October 14, 2021





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

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

### **Report on Compliance for Each Major Federal Program**

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

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

### **Report on Internal Control over Compliance**

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

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

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

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.

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

Boise, Idaho  
October 14, 2021

College of Western Idaho  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Pass Through Payments from State Division of Career and Technical Education			
Adult Education - Basic Grants to States			
Federal Direct Services	84.002	AD 9660 L1	520,017
WIOA Admin Fees	84.002	RG 3660 M1	30,717
Leadership Training	84.002	AL 9660 B1	52,677
IELCE	84.002	AE 9660 P1	131,353
Pass Through Payments from Idaho Department of Corrections			
IDOC Service Agreement	84.002	PCA06078	43,748
Total Adult Basic Education			778,512
Pass Through Payments from State Division of Career and Technical Education			
Career and Technical Education - Basic Grants to States			
Perkins - Academic Skills Development	84.048	RG 3660-11	61,951
Perkins - Program Improvement	84.048	RG 3660-E1	23,506
Perkins - OTA Curriculum Development	84.048	RG3660-12	4,950
Perkins - Cyber Consultant	84.048	RG3660-51	77,500
Perkins - Powersport Light Speed	84.048	RG3660-52	25,201
Perkins - Automotive Diesel and Hybrid	84.048	RG3660-53	98,895
Perkins - Welding VR Training	84.048	RG3660-54	18,275
Perkins - Automotive Virtual Reality Training	84.048	RG3660-55	45,177
Perkins - Grad Cast Reporting	84.048	RG3660-61	2,967
Perkins - Professional Development	84.048	RG 3660 31	21,713
Perkins - Administrative	84.048	RG 3660 01	28,799
Perkins - Nontraditional Training & Employment Project	84.048	21001	1,321
Perkins - CTE Mentoring Project	84.048	RG 3660 71	386
Total Career Technical Education - Basic Grants to States			410,641
Pass Through Payments from Idaho Department of Corrections			
IDOC Service Agreement	84.013	PCA06108	3,362
Special Education Cluster (IDEA)			
Pass Through Payments from Idaho State Board of Education			
COVID-19 Governor Emergency Education Relief	84.425C	S425C00043	151,414
Total Idaho State Board of Education			151,414
Direct Programs			
Education Stabilization Fund Cluster			
COVID-19 Higher Education Emergency Relief Fund (HEERF I - CARES) Student	84.425E		221,224
COVID-19 Higher Education Emergency Relief Fund (HEERF I - CARES) Institutional	84.425F		1,716,394
COVID-19 Higher Education Emergency Relief Fund (HEERF II - CRRSA) Student	84.425E		2,015,324
COVID-19 Higher Education Emergency Relief Fund (HEERF II - CRRSA) Institutional	84.425F		4,780,950
Total Education Stabilization Fund			8,733,892

College of Western Idaho  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		519,577
Federal College Work-Study	84.033		41,108
Federal Pell Grant	84.063		12,024,753
Federal Direct Student Loans	84.268		9,018,964
Total Student Financial Assistance Cluster			<u>21,604,402</u>
Total U.S. Department of Education			<u>31,728,797</u>
<b>DEPARTMENT OF TREASURY</b>			
Pass Through Payments State of Idaho			
COVID-19 Coronavirus Rebound Idaho	21.019	749479	492,620
COVID-19 Career Coronavirus and Technical Education CFAC	21.019	749479	222,769
COVID-19 Coronavirus State Board of Education CFAC	21.019	749479	<u>568,994</u>
Total Department of Treasury			<u>1,284,383</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Pass Through Payments from University of Idaho			
INBRE	93.859	IAK400-SB-003	79,001
Pass Through Payments from Boise State University			
Bridges to Baccalaureate Program	93.859	7465-A	<u>9,355</u>
Total Department of Health and Human Services			<u>88,356</u>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>			
Pass Through Payments from Idaho Humanities Council			
Promotion of the Arts Partnership Agreements	45.025	828863667	<u>2,090</u>
Total National Endowment for the Arts			<u>2,090</u>
Total Federal Expenditures			<u>33,103,625</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the College under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes net position, or cash flows of the College.

**Note 2 - Summary of Significant Accounting Policies**

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

**Note 3 - Indirect Cost Rate**

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

Section I – Summary of Auditor’s Results

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 - Coronavirus Relief Funds	21.019
Education Stabalization Fund	
COVID-19 - Governor's Emergency Education Relief Fund	84.425C
COVID-19 - Higher Education Emergency Relief Fund - Student Aid Portion	84.425E
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F
Dollar threshold used to distinguish between type A and type B programs:	\$ 993,109
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

None Reported

**Section III – Federal Award Findings and Questioned Costs**

None reported