



Financial Statements  
June 30, 2023

# College of Western Idaho

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Adoption of New Accounting Standard***

As discussed in Note 1 to the financial statements, the College has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* for the year ended June 30, 2023. Accordingly, a restatement has been made to right-to-use assets and lease liability as of July 1, 2022, to restate beginning balances. There was no impact to net position. Our opinions are not modified with respect to this matter.

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

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

Boise, Idaho  
October 23, 2023

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 2023 and 2022, which ended June 30, 2023 and 2022. 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. The College is preparing for an upcoming onsite visit from NWCCU related to the Year-Seven Comprehensive Evaluation of Institutional Effectiveness in October 2023.

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

### **Financial Highlights**

In fiscal year 2023, there was an overall increase of \$9.2 million to the total net position. This increase was primarily due to the issuance and investment of funds held from the 2022 Certificates of Participation. Additional items of note are listed below.

During fiscal year 2023:

- Net Student Tuition and Fee Revenue increased from \$23.2 million to \$23.9 million.
- Scholarship Allowance decreased from \$7.8 million to \$6.9 million.
- Operating Expenses decreased from \$86 million to \$78 million.
- State Appropriations increased from \$26.7 million to \$29.4 million.
- State and Federal Financial Aid Expense decreased from \$12 million to \$10.9 million.

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

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

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

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

The financial statements for fiscal year ended June 30, 2023, are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by most private-sector companies. These financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

### **Statement of Net Position**

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

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

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



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

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

## Summary Financial Statement

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

	2023	2022**
Current and other assets	\$ 142,246,010	\$ 106,417,505
Capital assets and right-to-use assets	78,819,794	70,522,951
<b>Total assets</b>	<b>221,065,804</b>	<b>176,940,456</b>
Deferred outflows of resources	6,471,946	3,937,940
<b>Total assets and deferred outflows of resources</b>	<b>\$ 227,537,750</b>	<b>\$ 180,878,396</b>
Current liabilities	\$ 11,709,751	\$ 7,244,216
Noncurrent liabilities	54,231,048	15,508,487
<b>Total liabilities</b>	<b>65,940,799</b>	<b>22,752,703</b>
Deferred inflows of resources	1,022,935	6,798,771
Net position		
Net investment in capital assets	60,886,263	54,449,588
Restricted - expendable	1,337,760	477,880
Restricted - PERSI/OPEB sick reserve	3,040,383	2,934,088
Unrestricted	95,309,610	93,465,366
<b>Total net position</b>	<b>160,574,016</b>	<b>151,326,922</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 227,537,750</b>	<b>\$ 180,878,396</b>

\*\* The 2022 column has not been restated to include the implementation of GASB 96 and the impact on right-to-use assets.

The College's total assets and deferred outflows of resources increased during fiscal year 2023 by \$46,659,354 from \$180,878,396 in 2022 to \$227,537,750 in 2023. Contributing to the increase in assets was the issuance of the 2022 Certificates of Participation and implementation of GASB 96 under which the College records right-to-use subscription IT assets. The College's total liabilities increased during fiscal year 2023 by \$43,188,096 from \$22,752,703 in 2022 to \$65,940,799 in 2023. This increase was the result of recording the issuance of the 2022 Certificates of Participation and related liability payable and an increase in the College's proportionate share of the PERSI net pension liability.

### **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.

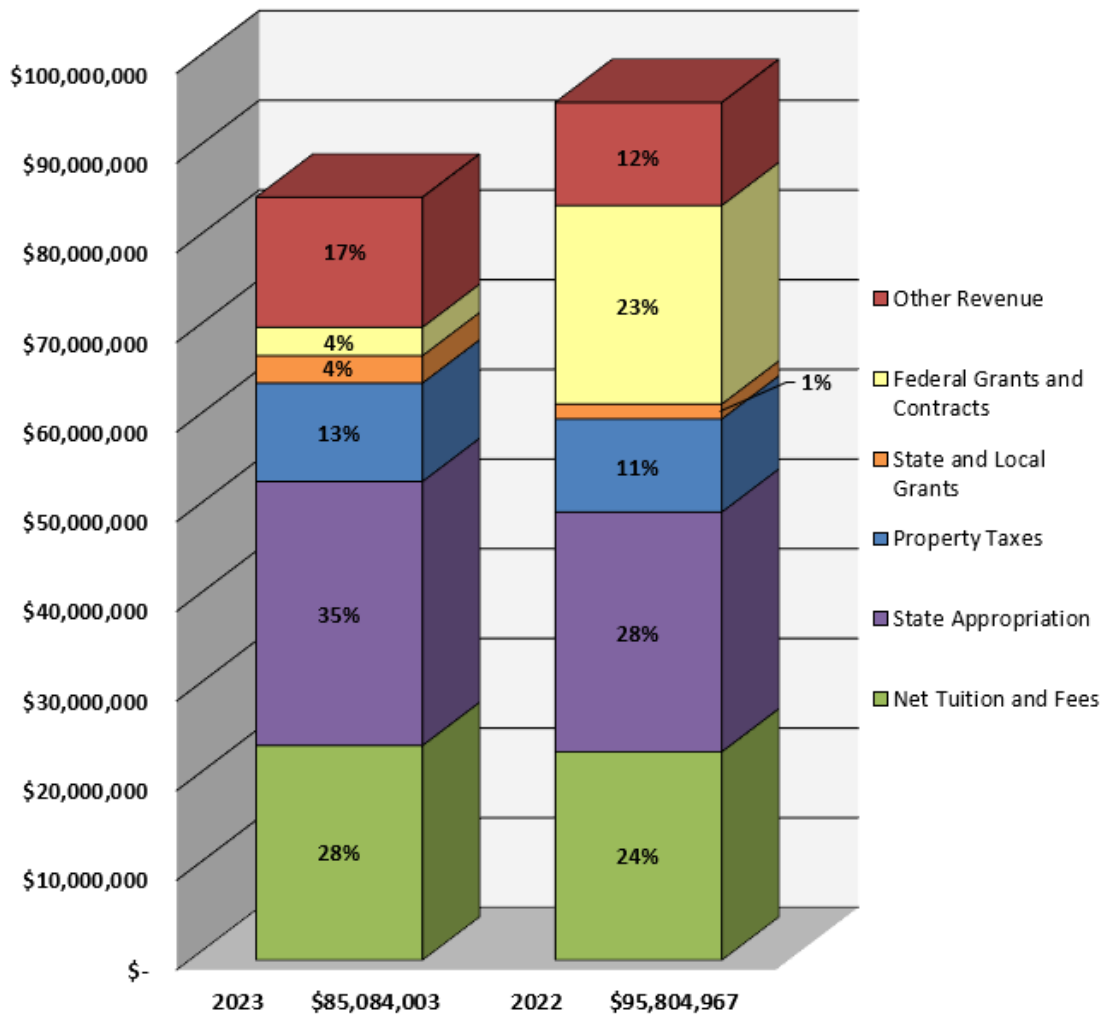
Summary Statements of Revenues, Expenses and Changes in Net Position  
Fiscal Years Ended June 30

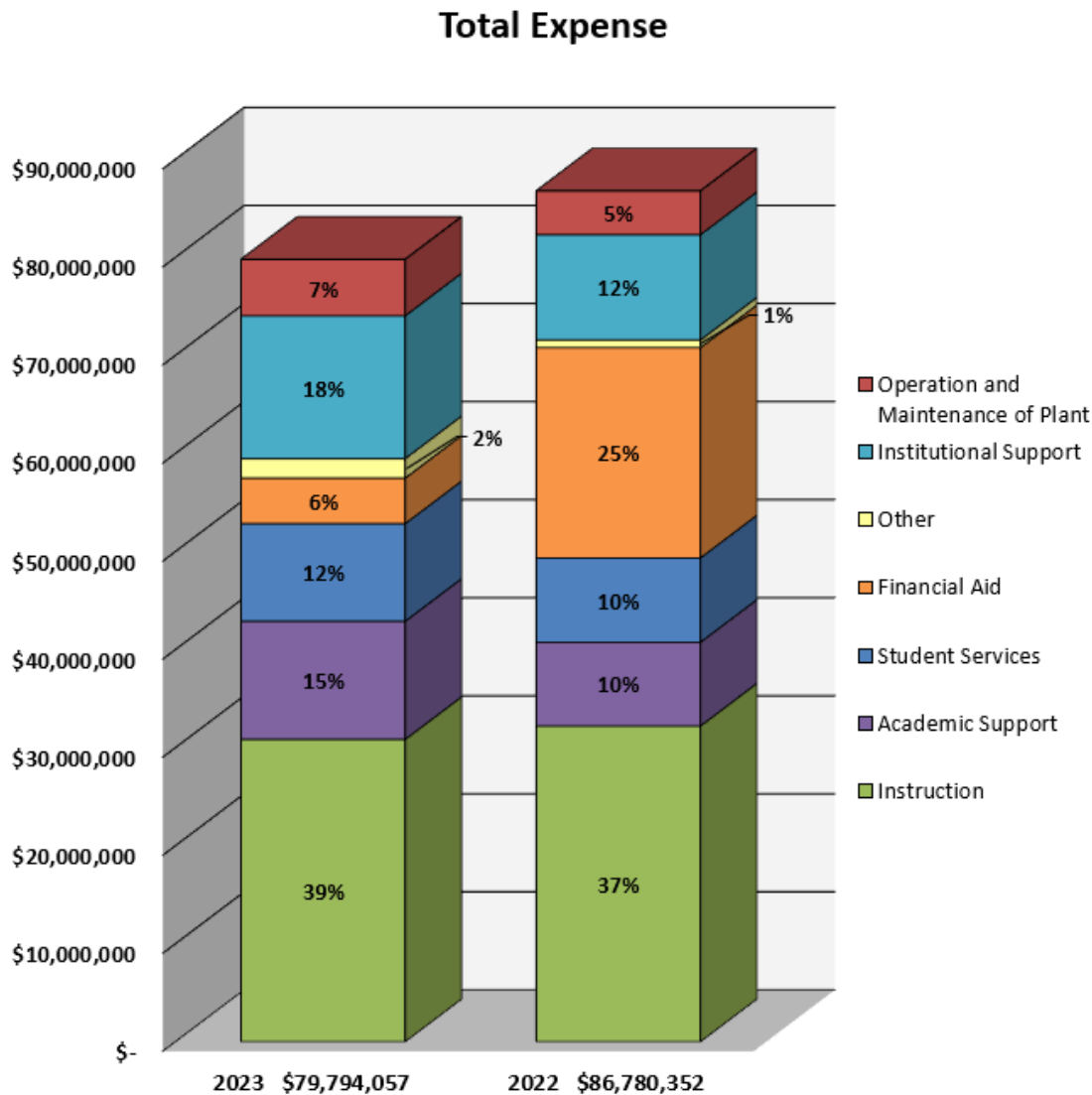
	2023	2022**
Operating revenues	\$ 30,282,209	\$ 47,279,980
Operating expenses	<u>78,050,363</u>	<u>86,312,807</u>
Operating loss	<u>(47,768,154)</u>	<u>(39,032,827)</u>
Nonoperating revenues (expense)		
State appropriation	29,440,000	26,725,400
Private gifts	11,159	160,941
Investment income (loss)	474,237	(1,472,186)
Local taxes	10,982,196	10,386,789
State and federal financial aid	10,915,088	11,982,986
Other nonoperating revenue	2,979,114	741,057
Interest expense	<u>(1,743,694)</u>	<u>(467,545)</u>
Nonoperating revenues	53,058,100	48,057,442
Capital gifts	<u>3,957,148</u>	<u>260,010</u>
Change in net position	9,247,094	9,284,625
Net position - beginning of year	<u>151,326,922</u>	<u>142,042,297</u>
Net position - end of year	<u><u>\$ 160,574,016</u></u>	<u><u>\$ 151,326,922</u></u>

\*\* The 2022 column has not been restated to include the implementation of GASB 96 and the impact on right-to-use assets.

The Statement of Revenues, Expenses and Changes in Net Position reflects an overall increase in net position during fiscal year 2023. Operating revenues decreased by \$16,997,771 from \$47,279,980 in 2022 to \$30,282,209 in 2023. This decrease was a result of a decrease in Federal grants and contracts as the funding from the Higher Education Emergency Relief Fund (HEERF) was mostly expended in prior fiscal years. Operating expenses decreased by \$8,262,444 from \$86,312,807 in 2022 to \$78,050,363 in 2023. The decrease in operating expenses was due primarily to a decrease in financial aid due to the HEERF funding for student aid being fully expended in prior fiscal years.

### Total Revenue





## Statement of Cash Flows

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

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

	2023	2022**
Cash and cash equivalents from (used for)		
Operating activities	\$ (41,348,967)	\$ (37,860,659)
Noncapital financing activities	51,297,774	49,267,325
Capital and related financing activities	21,686,145	(4,441,256)
Investing activities	<u>(30,770,114)</u>	<u>(11,939,021)</u>
Net change in cash and cash equivalents	864,838	(4,973,611)
Cash and cash equivalents, beginning of year	<u>2,855,582</u>	<u>7,829,193</u>
Cash and cash equivalents, end of year	<u>\$ 3,720,420</u>	<u>\$ 2,855,582</u>

\*\* The 2022 column has not been restated to include the implementation of GASB 96 and the impact on right-to-use assets.

Cash used in operating activities totaled \$41,348,967 in fiscal year 2023 compared to \$37,860,659 in fiscal year 2022. This increase was due to a 4 percent change in employee compensation and a decrease in grant funding. Cash provided by noncapital financing activities increased to \$51,297,774 in fiscal year 2023 compared to \$49,267,325 in fiscal year 2022. This increase was primarily due to a decrease in grant funding. Cash used in capital and related financing activities increased to \$21,686,145 in fiscal year 2023 compared to a decrease of \$4,441,256 in fiscal year 2022. The increase was a result of the issuance of the 2022 Certificates of Participation. Cash used in investing activities increased to \$30,770,114 in fiscal year 2023, compared to \$11,939,021 in fiscal year 2022. This increase was due to the investment of the proceeds from the 2022 Certificates of Participation which was invested in a construction fund until needed for the campus expansion.

### **Capital Assets and Right-to-use**

The College's investment in Capital Assets as of June 30, 2023, equates to \$78,819,794 net of accumulated depreciation and amortization compared to \$71,964,011 (as restated) as of June 30, 2022. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The increase was primarily a result of the implementation of GASB 96 and capitalization of subscription-based information technology arrangements (SBITA) along with the capitalization of land transferred from Boise State University during fiscal year 2023. Additional information can be found in Note 5.

### **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.

During fiscal year 2023, the College issued 2022 Series Certificates of Participation in the amount of \$29,930,000. Proceeds of these bonds will be used for expansion of the Nampa Campus including a Health and Science building and Horticulture expansion.

Note 8 provides additional information on the Certificates of Participation.

The College has several leasing arrangements for Buildings, Equipment and SBITA's. Additional information can be found in note 7.

### **Economic Outlook**

The July 2023 Idaho Economic Forecast published by the Idaho Division of Financial Management reflected an outlook, relative to the local economy, that continues to show strength despite rising interest rates. While current models indicate slower growth than previous years, projections do not include a recession in the coming year. Key indicators in the forecast include:

1. The forecast continues to see Idaho population growing more quickly than the US population, anticipating about 25,000 to 30,000 net people moving to the state per year over the next 4-5 years. In addition, Idaho has seen an increasingly high adjusted gross income per tax filer for in-migration compared to non-movers.
2. Idaho continues to experience unemployment around 2.8 percent, below the national average of 3.5 percent. This unemployment rate has remained consistent over the past year.
3. Idaho real GDP is expected to continue to outpace national GDP figures with a 2023 projection of 3.21 compared to national projections ranging from 1.45 to 1.73.

The overall economic climate in Idaho and the Treasure Valley remains relatively strong. The Idaho Governor and Legislature continue to adopt balanced budgets for the State of Idaho. The strength of personal income growth will continue to contribute to higher-than-expected tax revenues for the state. For fiscal year 2024, the Idaho



Legislature adopted a budget to reflect the strength of the Idaho economy. The College received a total appropriation of \$31.7M in state funds for fiscal year 2024, which is an increase of approximately \$2.05M over the fiscal year 2023 appropriation. Additionally, the College budgeted for a 3% increase in property tax when combined with the new construction tax rolls will result in approximately \$905K in additional revenue. The College was also awarded \$15.7M in state funding for a new student learning hub and phase 2 of the Horticulture program facilities and grounds.

Because of the uncertainty of the current economic situation and the possible looming recession, the College administration continues to be conservative in its approach to managing the College's finances and assets. For example, the College maintains a financial sustainability reserve fund which requires Board of Trustees approval to access. This reserve fund has been established to provide the College with stability in the face of extreme unanticipated financial challenges. Collectively, ongoing conservative budgeting decisions will continue to increase the financial stability of the College.

Enrollment in fiscal year 2023 was up 1.0% relative to fiscal year 2022, primarily the result of increases in high-school dual credit students. Excluding dual credit students, enrollment declined 4.5% from the prior year. However, the College has focused on reversing this trend and expects to realize a small increase in enrollment in fiscal year 2023, excluding dual credit students. The College remains focused on taking steps to increase and maintain student enrollment to include improvement in persistence and retention rates.

In addition, the College is focused on creating a campus environment at its main Nampa campus. The College's Board of Trustees has approved the construction of three new facilities: a Health and Sciences building, a center for Horticulture, and a Student Learning Hub. When complete, these facilities will consolidate numerous programs that are currently located in several areas throughout the Treasure Valley. Additionally, the College is in negotiations with a developer for a mixed-use project to be located on the College's property in downtown Boise, known as the Whitewater parcel.

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

This financial report is designed to provide the College's citizens, taxpayers, customers, investors, and potential creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives.

Questions about this report, or the need for additional financial information should be directed to Ken Kline, Vice President of Finance & Administration, College of Western Idaho, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

## Assets

## Current Assets

Cash and cash equivalents	\$ 2,889,484
2018 COP restricted cash - debt service	30,413
2022 COP restricted cash - debt service	691
2022 COP restricted cash - construction fund	799,832
Short-term investments	69,280,282
2022 COP restricted construction fund	430,530
Student fees receivable (net of allowance - FY23 \$1,315,804)	460,410
Accounts receivable	2,916,091
Accrued interest income	391,073
Property tax receivable	4,012,825
Lease receivable, current	7,497
Prepaid expenses and other assets	2,014,674

Total current assets	<u>83,233,802</u>
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## Noncurrent Assets

Long-term investments	27,070,598
2022 COP restricted construction fund	29,118,055
Lease receivable, noncurrent	7,861
Capital assets, not depreciated	32,963,782
Capital assets and right-to-use assets, net	45,856,012
Net PERSI/OPEB sick leave reserve fund asset	2,815,694

Total noncurrent assets	<u>137,832,002</u>
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Total assets	<u>221,065,804</u>
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## Deferred Outflows of Resources

Deferred net pension	5,497,662
Deferred State OPEB	311,576
Deferred PERSI/OPEB sick leave reserve fund	662,708

Total deferred outflows of resources	<u>6,471,946</u>
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Total Assets and Deferred Outflows of Resources	<u>\$ 227,537,750</u>
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## Liabilities and Net Position

## Current Liabilities

Accounts payable and accrued expenses	\$ 1,312,081
Accrued payroll and related costs	3,610,993
Unearned tuition revenue	1,597,779
2018 COP payable	798,864
2022 COP payable	436,451
Lease obligation	2,679,529
Other liabilities	1,274,054

Total current liabilities	<u>11,709,751</u>
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## Noncurrent Liabilities

Compensated absences	1,292,863
2018 COP payable, net of current portion	9,553,001
2022 COP payable, net of current portion	29,921,180
Lease obligation, net of current portion	4,924,027
Net pension liability	8,302,267
Net State OPEB liability	186,457
Other liabilities	51,253

Total noncurrent liabilities	<u>54,231,048</u>
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Total liabilities	<u>65,940,799</u>
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## Deferred Inflows of Resources

Deferred lease resources	7,861
Deferred net pension	221,394
Deferred State OPEB	355,661
Deferred OPEB sick reserve	438,019

Total deferred inflows of resources	<u>1,022,935</u>
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## Net Position

Net investment in capital assets	60,886,263
Restricted - expendable	1,337,760
Restricted - PERSI/OPEB sick leave reserve fund	3,040,383
Unrestricted	95,309,610

Total net position	<u>160,574,016</u>
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Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 227,537,750</u>
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College of Western Idaho  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2023

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Operating Revenues	
Tuition and fees	\$ 30,850,020
Less: Scholarship allowance	<u>(6,910,518)</u>
Net tuition and fees	23,939,502
Federal grants and contracts	3,169,615
State and local grants	3,042,177
Sales and services of educational activities	118,870
Other operating revenue	<u>12,045</u>
Total operating revenues	<u>30,282,209</u>
Expenses	
Operating Expenses	
Instruction	30,834,362
Academic support	12,048,701
Student services	9,957,766
Public service	248,706
Financial aid	4,638,831
Institutional support	14,563,174
Operations and maintenance	<u>5,758,823</u>
Total operating expenses	<u>78,050,363</u>
Operating Loss	<u>(47,768,154)</u>

College of Western Idaho  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2023

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Nonoperating Revenues (Expenses)	
State appropriations	29,440,000
Private gifts	11,159
Net investment income	1,022,225
Change in fair value of investments	(547,988)
Local taxes	10,982,196
State and federal financial aid	10,915,088
Liquor tax revenue	200,000
Other revenue	352,721
Interest income	2,426,393
Interest expense	<u>(1,743,694)</u>
Total nonoperating revenues	<u>53,058,100</u>
Income before Capital gifts	5,289,946
Capital gifts	<u>3,957,148</u>
Change in Net Position	9,247,094
Net Position, Beginning of Year	<u>151,326,922</u>
Net Position, End of Year	<u><u>\$160,574,016</u></u>

College of Western Idaho

Statement of Cash Flows

Year Ended June 30, 2023

Operating Activities	
Tuition and fees	\$ 24,369,830
Grants and contracts	5,089,744
Payments to suppliers	(20,153,486)
Payments to employees	(50,785,970)
Sales and service education	118,870
Other revenue	12,045
	<u>                    </u>
Net Cash used for Operating Activities	<u>(41,348,967)</u>
Noncapital Financing Activities	
State appropriations	29,440,000
Gifts and grants for other than capital purposes	11,159
Local tax	10,827,867
State and federal financial aid	10,915,088
Other revenue/expense	103,660
	<u>                    </u>
Net Cash from Noncapital Financing Activities	<u>51,297,774</u>
Capital Financing Activities	
Interest paid	(1,743,694)
Payments on lease	(2,973,114)
Payments on COP lease	(777,338)
Proceeds from Certificates of Participation	30,361,512
Proceeds from sale of fixed assets	11,166
Purchases of capital assets	(3,192,387)
	<u>                    </u>
Net Cash from Capital Financing Activities	<u>21,686,145</u>
Investing Activities	
Purchase of investments	(28,649,170)
(Purchase)Redemption of money market funds	831,192
Reinvestment of earnings	(2,952,136)
	<u>                    </u>
Net Cash used for Investing Activities	<u>(30,770,114)</u>
Net Change in Cash, Restricted Cash, and Cash Equivalents	864,838
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	<u>2,855,582</u>
Cash, Restricted Cash, and Cash Equivalents, End of Year	<u>\$ 3,720,420</u>

Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities	
Operating loss	\$ (47,768,154)
Adjustments to reconcile operating loss to net cash	
used for operating activities	
Depreciation	4,476,936
GASB 68 - Actuarial pension expense	1,065,389
GASB 75 - State OPEB (revenue) expense	(292,124)
GASB 75 - PERSI/OPEB sick leave reserve fund revenue	(106,295)
(Gain)Loss on disposal of asset	(6,346)
Change in assets and liabilities	
Student receivable, net	(154,169)
Grants receivable	(1,122,048)
Prepays and other assets	(387,757)
Accounts payable	690,661
Unearned tuition revenue	584,497
Other liabilities	898,852
Accrued payroll and payroll costs	445,431
Compensated absences	326,160
Net Cash used for Operating Activities	<u>\$ (41,348,967)</u>
Reconciliation of Cash, Restricted Cash, and Cash Equivalents	
Cash and cash equivalents	\$ 2,889,484
Restricted cash	<u>830,936</u>
Total cash, restricted cash, and cash equivalents	<u>\$ 3,720,420</u>
Supplemental Disclosure of Noncash Activity	
Donation of capital assets	\$ 3,957,148
Property acquired with accounts payable	\$ 435
Right-to-use assets acquired with lease	\$ 120,944
Right-to-use IT assets acquired with lease	\$ 3,952,605

College of Western Idaho Foundation

Component Unit

Statement of Financial Position

June 30, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 2,062,767
Investments - nonendowment	1,911,046
Interest receivable	7,313
Prepaid expenses	9,268

Total current assets	<u>3,990,394</u>
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Noncurrent Assets

Investments - endowment	<u>2,720,555</u>
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Total noncurrent assets	<u>2,720,555</u>
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Total assets	<u><u>\$ 6,710,949</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	<u>\$ 48,598</u>
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Total liabilities	<u>48,598</u>
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Net Assets

Without donor restrictions

Undesignated	<u>1,331,131</u>
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Total net assets without donor restrictions	<u>1,331,131</u>
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With donor restrictions

Purpose restrictions	3,241,726
Perpetual in nature	2,092,333
Underwater endowments	<u>(2,839)</u>

Total net assets with donor restrictions	<u>5,331,220</u>
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Total net assets	<u>6,662,351</u>
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Total liabilities and net assets	<u><u>\$ 6,710,949</u></u>
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College of Western Idaho Foundation

Component Unit

Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions and gifts	\$ 15,239	\$ 976,105	\$ 991,344
In-kind gift revenue			
Contributed services	408,117	-	408,117
Net investment return	162,412	288,652	451,064
Special events revenue (net of cost of direct benefit to donors \$38,763)	99,805	69,296	169,101
Other revenue	-	25,000	25,000
Net assets released from restriction	760,131	(760,131)	-
Total revenues	1,445,704	598,922	2,044,626
Expenses			
Program support to College of Western Idaho			
Scholarships	669,537	-	669,537
Department support	86,587	-	86,587
Support services			
General operations	449,396	-	449,396
Total expenses	1,205,520	-	1,205,520
Change in Net Assets	240,183	598,922	839,105
Net Assets, Beginning of Year	1,090,948	4,732,298	5,823,246
Net Assets, End of Year	\$ 1,331,131	\$ 5,331,220	\$ 6,662,351

## College of Western Idaho Foundation

Component Unit

Statement of Cash Flows

Year Ended June 30, 2023

	<u>2023</u>
Operating Activities	
Change in net assets	\$ 839,105
Adjustments to reconcile change in net assets to net cash used for operating activities	
Contributions restricted to endowment	(210,414)
Endowment net investment return	(288,652)
Realized and unrealized gains/losses	(123,850)
Changes in operating assets and liabilities	
Other receivable	2,141
Interest receivable	(994)
Prepays	(9,268)
Accounts payable	<u>45,660</u>
Net Cash from (used for) Operating Activities	<u>253,728</u>
Investing Activities	
Purchase of investments	(951,144)
Net change in endowment investments	(107,338)
Proceeds from sale of investments	<u>1,035,533</u>
Net Cash from Investing Activities	<u>(22,949)</u>
Financing Activities	
Collection of contributions restricted to endowments	<u>210,414</u>
Net Cash from Financing Activities	<u>210,414</u>
Net Change in Cash and Cash Equivalents	441,193
Cash and Cash Equivalents, Beginning of Year	<u>1,621,574</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,062,767</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. The College 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. The NWCCU made this decision following CWI's year seven self-evaluation report and site visit during October 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.

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

**Reporting Entity**

The College's financial statements for fiscal year ended June 30, 2023, 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. A memorandum of understanding between the Foundation and the College defines the relationship between the two entities in accordance with the State Board of Education's rules.

The Foundation's financial statements for fiscal year ended June 30, 2023, 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 receivables are recorded net of estimated uncollectible amounts.

**Property Tax Receivable**

Property taxes that are levied for 2008 through 2022 and have not been collected as of June 30 are carried as receivables. Assessed values are established by the County Assessor in Ada and Canyon County (the District). Property tax payments are due in one-half installments in December and June. The District's property tax is levied each November on the assessed value listed as of the prior September for all taxable property located in the District.

**Lease Receivable**

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

**Prepaid Expenses**

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

**Restricted Cash**

Restricted cash includes the amount held in the debt service fund for the 2018 and 2022 Certificates of Participation.

**Capital Assets**

Capital assets are stated at cost when purchased, or if acquired by gift, at the acquisition value at the date of the gift. The College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations and improvements to buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 10 years for library books, 3 to 10 years for equipment, and 20 to 40 years for buildings.

Right-to-use leased assets are recognized at the lease commencement date and represent CWI's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent CWI's right-to-use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset

into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

**Unearned Tuition Revenue**

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

**Noncurrent Liabilities**

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

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

Lease liabilities represent CWI's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by CWI.

Subscription liabilities represent CWI's obligation to make subscription payments arising from the subscription agreement. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by CWI.

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The College has four items that qualify for reporting in this category: the deferred net pension assumption, deferred State OPEB, deferred OPEB sick reserve and deferred lease resources. The deferred net pension assumption, deferred State OPEB, and deferred OPEB sick reserve results from the differences between the expected and actual experience

and the net difference between projected and actual earnings on pension plan investments or other inputs derived from the actuarial calculation of the College's net pension, State OPEB and OPEB sick reserve liability. The deferred lease resources results from leasing building resources to another entity in the form of a lease agreement with the assumption of future revenue received from this transaction.

### **Pensions**

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

### **State OPEB**

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

### **PERSI/OPEB Sick Leave Reserve**

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

### **Net Position**

The College's net position is classified as follows:

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

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

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

**Unrestricted Net Position** - Unrestricted net position represent resources derived from student fees, state appropriations, and sales and services of educational departments. These resources are used for transactions

related to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any lawful purpose.

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

### **Classification of Revenues and Expenses**

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

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

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

### **Scholarship Discounts and Allowances**

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

### **Federal Student Loan Program**

The College receives proceeds from the Federal Direct Student Loan Program. The College transmits these grantor supplied moneys without having administrative or direct financial involvement in the program. Federal student loans received by the College's students but not reported in operations for the year ended on June 30, 2023, was \$6,075,720.

### **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, 2023.

### Use of Estimates

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

### Implementation of GASB Statement No. 96

As of July 1, 2022, the College adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset, an intangible asset, and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the College recognized a right-to-use subscription asset of \$1,441,060 and subscription liability of \$1,441,060 as of July 1, 2022. As a result of these adjustments there was no effect on beginning net position. Additional disclosures required by this standard are included in Note 7.

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

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

At June 30, 2023, 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	\$ 4,257,863	\$ 2,796,106
Change funds	-	3,170
Money market	<u>90,208</u>	<u>90,208</u>
Total cash and cash equivalents	4,348,071	2,889,484
Restricted Cash		
2018 COP debt service fund - money market	30,413	30,413
2022 COP debt service fund - money market	691	691
2022 COP construction fund - money market	<u>799,832</u>	<u>799,832</u>
Total cash	<u>\$ 5,179,007</u>	<u>\$ 3,720,420</u>

At June 30, 2023, 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)	\$ 58,935,995	\$ 58,935,995	\$ 58,935,995	\$ -	46.10%
U.S. Government Issues	39,366,790	37,641,232	10,344,287	27,296,945	30.79%
U.S. Government Issues - 2022 COP	29,548,585	29,322,238	429,620	28,892,618	23.11%
Total external investment pool and U.S treasuries	<u>\$ 127,851,370</u>	<u>\$ 125,899,465</u>	<u>\$ 69,709,902</u>	<u>\$56,189,563</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, 2023, none of the College's deposits were uninsured and uncollateralized. The College's policy and procedures follow the applicable State Codes.

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

### Credit Risk – Investments

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

The credit ratings for the investments as of June 30, 2023, are as follows:

<u>Investment</u>	<u>Rating</u>	<u>Face Value</u>	<u>Market</u>
US Government Issues	Aaa	\$ 67,044,988	\$ 65,136,671
US Government Issues	N/A*	1,870,387	1,826,799
		<u>\$ 68,915,375</u>	<u>\$ 66,963,470</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, \$10,773,907 maturing within one year and \$56,189,563 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, 2023:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
U.S. Treasuries	\$ 37,641,232	\$ 24,286,534	\$ 13,354,698	\$ -
U.S. Treasuries - 2022 COP	29,322,238	29,322,238	-	-
Money Market	90,208	90,208	-	-
2018 COP debt service fund - money market	30,413	30,413	-	-
2022 COP debt service fund - money market	691	691	-	-
2022 COP construction fund - money market	799,832	799,832	-	-
Total investments	<u>\$ 67,884,614</u>	<u>\$ 54,529,916</u>	<u>\$ 13,354,698</u>	<u>\$ -</u>

### 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 receivables are invoiced monthly and represents revenue recorded when related expenses are incurred for which payment has not yet been received from the granting entity.

Accounts receivable at June 30, 2023, consisted of the following:

Accounts Receivable	\$ 116,685
Federal, State, and Private Grants	<u>2,799,406</u>
	<u>\$ 2,916,091</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 are 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 and right-to-use assets for the year ended June 30, 2023:

	Balance June 30, 2022 as restated	Additions	Retirements	Transfers	Balance June 30, 2023
Capital assets not being depreciated					
Land	\$ 28,993,008	\$ 2,760,000	\$ -	\$ -	\$ 31,753,008
Construction in progress	1,436,062	1,006,422	-	(1,231,710)	1,210,774
Total capital assets not being depreciated	30,429,070	3,766,422	-	(1,231,710)	32,963,782
Right-to-use assets					
Buildings - lease	5,682,446	-	-	-	5,682,446
Equipment - lease	565,562	234,964	-	-	800,526
Software - lease	1,441,060	3,952,605	-	-	5,393,665
Total right-to-use assets	7,689,068	4,187,569	-	-	11,876,637
Less accumulated amortization					
Buildings - lease	189,415	189,415	-	-	378,830
Equipment - lease	202,623	120,944	-	-	323,567
Software - lease	-	1,326,369	-	-	1,326,369
Total accumulated amortization	392,038	1,636,728	-	-	2,028,766
Right-to-use assets, net	7,297,030	2,550,841	-	-	9,847,871
Other capital assets					
Land improvements	1,347,514	678,562	-	56,116	2,082,192
Buildings	39,604,270	-	-	-	39,604,270
Building improvements	3,188,216	684,054	-	1,039,961	4,912,231
Leasehold improvements	3,585,524	46,272	-	125,221	3,757,017
Equipment	7,429,049	1,321,047	(20,385)	-	8,729,711
Computer equipment	2,181,307	182,550	(434,708)	10,412	1,939,561
Books	1,953,337	134,632	-	-	2,087,969
Vehicles	1,265,096	336,431	(51,614)	-	1,549,913
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	62,440,179	3,383,548	(506,707)	1,231,710	66,548,730
Less accumulated depreciation					
Land improvements	653,800	114,214	-	-	768,014
Buildings	11,635,534	1,292,168	-	-	12,927,702
Building improvements	817,643	298,870	-	-	1,116,513
Leasehold improvements	3,184,064	109,876	-	-	3,293,940
Equipment	5,852,431	630,537	(20,385)	-	6,462,583
Computer equipment	1,883,519	163,565	(434,708)	-	1,612,376
Books	1,120,747	170,159	-	-	1,290,906
Vehicles	1,168,664	60,819	(46,794)	-	1,182,689
Intangibles	1,885,866	-	-	-	1,885,866
Total accumulated depreciation	28,202,268	2,840,208	(501,887)	-	30,540,589
Other capital assets, net	34,237,911	543,340	(4,820)	1,231,710	36,008,141
Capital assets and right-to-use assets, net	41,534,941	3,094,181	(4,820)	1,231,710	45,856,012
Total capital assets and right-to-use assets, net	\$ 71,964,011	\$ 6,860,603	\$ (4,820)	\$ -	\$ 78,819,794

**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, 2023:

Student fees	<u>\$ 1,597,779</u>
Total	<u>\$ 1,597,779</u>

**Note 7 - Lease Obligations**

The College has several leasing arrangements, summarized below:

Lessee:

The College entered a lease agreement for a pay-for-print copier system for 63 months, beginning January 1, 2019. The lease terminates March 31, 2024. Under the terms of the lease, the College pays a monthly base fee of \$3,185. The College has an option to terminate the lease after the initial lease term which the College believes it will exercise with reasonable certainty. At June 30, 2023, the College has recognized a right-to-use asset with a cost basis of \$184,060, accumulated amortization of \$165,654 and a lease liability of \$28,265 related to this agreement. During the fiscal year, the College recorded \$36,812 in amortization expense and \$1,638 in interest expense for the right-to-use the pay for print system. The College used a discount rate of 3.4%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for copiers for 66 months, beginning January 1, 2021, with payments beginning October 1, 2021. The lease terminates December 31, 2026. Under the terms of the lease, the College pays a monthly base fee of \$6,800. The College has an option to terminate the lease after the initial lease term which the College believes it will exercise with reasonable certainty. At June 30, 2023, the College has recognized a right-to-use asset of \$381,502, accumulated amortization of \$150,081, and a lease liability of \$263,375 related to this agreement. During the fiscal year, the College recorded \$76,300 in amortization expense and \$13,787 in interest expense for the right-to-use the copiers. The College used a discount rate of 4.59%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for land for 60 months, beginning July 1, 2021. The lease terminates June 30, 2026. Under the terms of the lease, the College pays an annual base fee of \$40,975, increasing 3% annually on the anniversary of the agreement. The College has an option to terminate the lease after June 30, 2026, which the College believes it will exercise with reasonable certainty. At June 30, 2023, the College has recognized a right-to-use asset of \$204,532, accumulated amortization of \$13,635, and a lease liability of \$128,985 related to this agreement. During the fiscal year, the College recorded \$6,818 in amortization expense and \$3,439 in interest expense for the right-to-use the land. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for library shelf space for 64 months, beginning March 1, 2021. The lease terminates June 30, 2026. Under the terms of the lease, the College pays an annual base fee of \$7,677, increasing approximately 2.5% annually on the anniversary of the agreement. The College has an option to terminate the lease after June 30, 2026, which the College believes it will exercise with reasonable certainty. At June 30, 2023, the College has recognized a right-to-use asset of \$38,049 accumulated amortization of \$2,537, and a lease liability of \$23,906 related to this agreement. During the fiscal year, the College recorded \$1,268 in amortization expense and \$639 in interest expense for the right-to-use the shelf space. The College used a discount rate of 2.05 %, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Mallard building for 36 months, beginning June 1, 2021. The lease terminates May 31, 2024. Under the terms of the lease, the College pays a monthly base fee of \$20,518, increasing 3% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid \$88,714 during the year towards those variable costs. The College has an option to terminate the lease after May 31, 2024, which the College believes it will exercise with reasonable certainty. At June 30, 2023, the College has recognized a right-to-use asset of \$721,184, accumulated amortization of \$48,079, and a lease liability of \$237,363 related to this agreement. During the fiscal year, the College recorded \$24,040 in amortization expense and \$6,513 in interest expense for the right-to-use the space. The College used a discount rate of 1.75%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Lynx Building for 60 months, beginning August 1, 2019. The lease terminates June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of \$6,673 increasing 3% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid \$28,998 during the year towards those variable costs. The College has an option to terminate the lease after July 31, 2024, with a 5-year option to renew of which the College is reasonably certain to exercise 2 years. At June 30, 2023, the College has recognized a right-to-use asset of \$402,312, accumulated amortization of \$26,820, and a lease liability of \$253,759 related to this agreement. During the fiscal year, the College recorded \$13,411 in amortization expense and \$6,053 in interest expense for the right-to-use the space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement for the Quail Building for 60 months, beginning July 1, 2019. The lease terminates June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of \$14,018, increasing 2.5% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid \$50,641 during the year towards those variable costs. The College has an option to terminate the lease after July 31, 2024, with a 5-year option to renew of which the College is reasonably certain to exercise 2 years. At June 30, 2023, the College has recognized a right-to-use asset of \$833,121, accumulated amortization of \$55,542, and a lease liability of \$521,481 related to this agreement. During the fiscal year, the College recorded \$27,771 in amortization expense and \$12,462 in interest expense for the right-to-use the space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.



The College entered a lease agreement for the Pintail Building for 60 months, beginning August 1, 2019. The lease terminates June 30, 2026. Under the terms of the lease, the College pays a monthly base fee of \$56,071, increasing 3% annually on the anniversary of the agreement. The College also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. The College paid \$103,712 during the year towards those variable costs. The College has an option to terminate the lease after July 31, 2024, with a 5-year option to renew of which the College is reasonably certain to exercise 2 years. At June 30, 2023, the College has recognized a right-to-use asset of \$3,483,247 accumulated amortization of \$232,217, and a lease liability of \$2,197,788 related to this agreement. During the fiscal year, the College recorded \$116,108 in amortization expense and \$52,419 in interest expense for the right-to-use the space. The College used a discount rate of 2.05%, based on the incremental interest rate at the initial date of the lease.

The College entered a lease agreement with Day Wireless for 60 months, beginning May 1, 2023. The lease terminates April 30, 2028. Under the terms of the lease, the College pays a monthly base fee of \$4,466. At June 30, 2023, the College has recognized a right-to-use asset of \$234,964, accumulated amortization of \$7,832 and a lease liability of \$228,091 related to this agreement. During the fiscal year, the College recorded \$7,832 in amortization expense and \$2,060 in interest expense for the right-to-use the equipment. The College used a discount rate of 5.30%, based on the incremental interest rate at the initial date of the lease.

The College has entered into a SBITA contract with Augusoft Inc for student support services software. As of June 30, 2023, the value of the subscription liability is \$66,884. The College is required to make annual payments of principal and interest through December 2023. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Blackboard Inc for digital education software. As of June 30, 2023, the value of the subscription liability is \$452,070. The College is required to make annual payments of principal and interest through September 2025. The interest rate for the contract is 6%.

The College has entered into a SBITA with two underlying contracts with Ellucian CampusLogic Inc for student support services software. As of June 30, 2023, the value of the subscription liability is \$176,699. The College is required to make annual payments of principal and interest through October 2024. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Digital.ai Software Inc for strategic planning software. As of June 30, 2023, the value of the subscription liability is \$149,606. The College is required to make annual payments of principal and interest through July 2024. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with DualEnroll.com for student support software. As of June 30, 2023, the value of the subscription liability is \$129,096. The College is required to make annual payments of principal and interest through January 2025. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Element 451 Inc for consumer relationship management software. As of June 30, 2023, the value of the subscription liability is \$135,317. The College is required to make annual payments of principal and interest through May 2025. The interest rate for the contract is 6%.

The College has entered into a SBITA with three underlying contracts with Ellucian Company LP for accounting and reporting software. As of June 30, 2023, the value of the subscription liability is \$1,547,314. The College is required to make annual payments of principal and interest through July 2027. The interest rate for the contracts is 6%.

The College has entered into a SBITA contract with Honorlock Inc for digital education software. As of June 30, 2023, the value of the subscription liability is \$603,680. The College is required to make annual payments of principal and interest through July 2025. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with LPS Holdings LLC for student support services. As of June 30, 2023, the value of the subscription liability is \$14,364. The College is required to make annual payments of principal and interest through January 2024. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Pantheon Systems Inc for student support services. As of June 30, 2023, the value of the subscription liability is \$12,132. The College is required to make annual payments of principal and interest through July 2023. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Qualtrics LLC for data collection survey services. As of June 30, 2023, the value of the subscription liability is \$20,669. The College is required to make annual payments of principal and interest through August 2023. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Rave Wireless Inc for safety communications. As of June 30, 2023, the value of the subscription liability is \$33,021. The College is required to make annual payments of principal and interest through July 2024. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Squiz Inc for cloud-based software services. As of June 30, 2023, the value of the subscription liability is \$11,868. The College is required to make annual payments of principal and interest through August 2023. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Syntellis Performance Solutions LLC for strategic planning software. As of June 30, 2023, the value of the subscription liability is \$60,278. The College is required to make annual payments of principal and interest through January 2024. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with TeamDynamix Solutions LLC for strategic planning software. As of June 30, 2023, the value of the subscription liability is \$149,799. The College is required to make annual payments of principal and interest through June 2026. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Touchnet Information Systems Inc for financial support software. As of June 30, 2023, the value of the subscription liability is \$165,823. The College is required to make annual payments of principal and interest through April 2027. The interest rate for the contract is 6%.

The College has entered into a SBITA contract with Zoom Video Communications Inc for virtual conferencing software. As of June 30, 2023, the value of the subscription liability is \$23,923. The College is required to make annual payments of principal and interest through July 2023. The interest rate for the contract is 6%.

Additional information related to right-to-use asset balances and accumulated amortization can be found in Note 5.

Remaining obligations associated with these leases are as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,679,529	\$ 309,054
2025	2,247,391	199,603
2026	2,073,973	104,382
2027	559,065	33,223
2028	43,598	1,066
	<u>\$ 7,603,556</u>	<u>\$ 647,328</u>

Changes in lease liabilities for the year ended June 30, 2023, were:

<u>Lease Payable</u>	<u>Balance at 6/30/22, as restated</u>	<u>Additions</u>	<u>Payments/ Disposal</u>	<u>Balance at 6/30/23</u>
Copier Lease Pay for Print	\$ 64,849	\$ -	\$ 36,584	\$ 28,265
Copier Lease US Bank	331,189	-	67,813	263,376
Building Lease Quail	680,559	-	159,078	521,481
Building Lease Pintail	2,857,460	-	659,672	2,197,788
Building Lease Lynx	329,994	-	76,234	253,760
Building Lease Mallard	485,088	-	247,725	237,363
Building Lease Horticulture	167,750	-	38,765	128,985
Building Lease NNU	31,152	-	7,246	23,906
Equipment Lease Day Wireless	-	234,964	6,872	228,092
Subscription IT Leases	1,441,060	3,952,605	1,673,125	3,720,540
Total Lease Payable	<u>\$ 6,389,101</u>	<u>\$ 4,187,569</u>	<u>\$ 2,973,114</u>	<u>\$ 7,603,556</u>

Lessor:

The College entered a lease agreement to lease a portion of its facilities for administrative space for 36 months. The lease terminates on June 30, 2024. Under the terms of the lease, the College receives an annual base fee of \$7,540, increasing 3% annually on the anniversary of the agreement. During the fiscal year, the College recognized \$7,497 in lease revenue and \$269 in interest income related to this agreement. At June 30, 2023, the College recorded \$15,359 in lease receivables and \$7,861 deferred inflows of resources for this agreement. The College used an interest rate of 1.75%, based on the incremental interest rate at the initial date of the lease.

Remaining lease receipts associated with this lease are as follows:

<u>Fiscal Year Ended</u>	<u>Lease Revenue</u>	<u>Interest</u>
2024	\$ 7,861	\$ 138
	<u>\$ 7,861</u>	<u>\$ 138</u>

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

<u>Leases Receivable</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Facility Use Agreement	\$ 15,358	\$ -	\$ 7,497	\$ 7,861
Total Receivable	<u>\$ 15,358</u>	<u>\$ -</u>	<u>\$ 7,497</u>	<u>\$ 7,861</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, 2023, \$30,413 was on deposit. Final payments to the debt service fund and bond holders will be made in 2033 and 2034, respectively.

#### **Certificates of Participation, Series 2022**

During fiscal year 2023, the College issued \$29,930,000 in Annual Appropriation Certificates of Participation (Certificates), Series 2022 in the original principal amount of \$29,930,000 maturing through August 1, 2052. Principal payments are due annually on August 1 starting in 2023, and interest is payable semi-annually on February 1, and August 1 of each year. Interest rates are 5% on the outstanding bonds. Proceeds from these certificates will be used to finance the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new health and science building and related facilities on property currently owned by CWI for use by CWI and the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new horticulture building and related greenhouse and shop facilities on property currently owned by CWI for use by CWI as well as the costs of issuance of the Certificates. The proceeds from the 2022 Certificates have been invested in a construction fund and will be drawn as needed as construction proceeds.

Subsequent to the issuance of the 2022 Certificates, the College entered into a primary lease with US Bank (the Bank) for the property together with the improvement to be constructed 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, 2022 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, 2023, \$690 was on deposit. Final payments to the debt service fund and bond holders will be made in 2052 and 2053, respectively.

The following schedules lists the outstanding Certificates of Participation of the College on June 30, 2023:

2018 Series Certificates of Participation

June 30,	Principal	Interest	Total	Interest Rate
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%
<hr/>				
\$	10,000,000	\$ 2,222,427	\$ 12,222,427	

## 2022 Series Certificates of Participation

June 30,	Principal	Interest	Total	Interest Rate
2024 \$	425,000	\$ 1,531,550	\$ 1,956,550	5.00%
2025	450,000	1,509,675	1,959,675	5.00%
2026	470,000	1,486,675	1,956,675	5.00%
2027	495,000	1,462,550	1,957,550	5.00%
2028	520,000	1,437,175	1,957,175	5.00%
2029	545,000	1,410,550	1,955,550	5.00%
2030	575,000	1,382,550	1,957,550	5.00%
2031	605,000	1,353,050	1,958,050	5.00%
2032	635,000	1,322,050	1,957,050	5.00%
2033	670,000	1,289,425	1,959,425	5.00%
2034	705,000	1,253,288	1,958,288	5.00%
2035	745,000	1,213,413	1,958,413	5.00%
2036	785,000	1,171,338	1,956,338	5.00%
2037	830,000	1,126,925	1,956,925	5.00%
2038	880,000	1,079,900	1,959,900	5.00%
2039	925,000	1,030,263	1,955,263	5.00%
2040	980,000	977,875	1,957,875	5.00%
2041	1,035,000	922,463	1,957,463	5.00%
2042	1,095,000	863,888	1,958,888	5.00%
2043	1,155,000	802,013	1,957,013	5.00%
2044	1,215,000	739,875	1,954,875	5.00%
2045	1,280,000	677,500	1,957,500	5.00%
2046	1,345,000	611,875	1,956,875	5.00%
2047	1,415,000	542,875	1,957,875	5.00%
2048	1,485,000	470,375	1,955,375	5.00%
2049	1,565,000	394,125	1,959,125	5.00%
2050	1,645,000	313,875	1,958,875	5.00%
2051	1,730,000	229,500	1,959,500	5.00%
2052	1,815,000	140,875	1,955,875	5.00%
2053	1,910,000	47,747	1,957,747	5.00%
<hr/>				
\$	29,930,000	\$ 28,795,238	\$ 58,725,238	

**Changes in long-term liabilities**

Changes in long-term liabilities for the year ended June 30, 2023, were:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due within one year
2018 Series COP	\$ 10,710,000	\$ -	\$ (710,000)	\$ 10,000,000	\$ 740,000
2018 Series COP Premium	415,321	-	(63,455)	351,866	58,864
2022 Series COP	-	29,930,000	-	29,930,000	425,000
2022 Series COP Premium	-	431,513	(3,881)	427,632	11,451
Compensated absences	1,192,489	1,733,376	(1,540,129)	1,385,736	92,873
	<u>\$ 12,317,810</u>	<u>\$ 32,094,889</u>	<u>\$ (2,317,465)</u>	<u>\$ 42,095,234</u>	<u>\$ 1,328,188</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 June 30, 2023, is as follows:

<b>PERSI</b>		
College required contribution rate		11.94%
Percentage of covered payroll for employees		7.16%
College contributions required and paid	\$	1,180,969



**Optional Retirement Plan**

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

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

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

Contributions for June 30, 2023, is as follows:

<b>ORP</b>	
College contribution rate	11.870%
Employee contribution rate	6.97%
College contribution	\$ 2,562,508

**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, 2023, 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 \$1,180,969 for the year ended June 30, 2023.

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

At June 30, 2023, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2023, the College's proportion was 0.002107839. At June 30, 2022 the College's proportion was .002039743.

For the year ended June 30, 2023, the College recognized pension expense (expense offset) of \$1,065,389. At June 30, 2023, the College of Western Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 912,946	\$ 37,056
Changes in assumptions or other inputs	1,353,518	-
Net difference between projected and actual earnings on pension plan investments	1,910,253	-
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.	-	-
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.	43,056	-
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.	20,998	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY22 amortized over 4.6 years.	-	184,338
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions FY23 amortized over 4.6 years.	75,922	-
College of Western Idaho contributions subsequent to the measurement date	1,180,969	-
Total	\$ 5,497,662	\$ 221,394

The \$1,180,969 as of June 30, 2023, 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, 2021, the beginning of the measurement period ended June 30, 2021, is 4.6 and 4.6 for the measurement period June 30, 2022.

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

Years Ended June 30:	
2024	\$ 995,544
2025	1,033,516
2026	475,588
2027	1,590,651
	<u>\$ 4,095,299</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 June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

#### Actuarial Assumptions

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

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

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

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

**Capital Market Assumptions**

The capital market assumptions are as of January 1, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%
Assumed Inflation		2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses		6.35%

**Discount Rate**

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

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

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

June 30, 2023	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 14,652,688	\$ 8,302,267	\$ 3,104,612

**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, 2023, 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, 2022. 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 \$0.06 per person per month for fiscal year 2023. 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 81.9 percent in 2022 to 74.7 percent in 2023. The College was charged \$8.06 per active employee per month towards the retiree premium cost during 2023.

**Long-Term Disability Plan**

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

For up to 6 months following the date of disability, an employee may continue healthcare coverage under the State plan. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. In fiscal year 2023 the College was not charged to fund the reserve as the premiums were paid from the excess reserve.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60 percent of monthly pre-disability salary or \$4,000, whichever is less. The benefit does not increase with inflation and may be offset by benefits from Social Security, Workers' Compensation or PERSI. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2003; the State paid 100 percent of the cost of this benefit. Effective July 1, 2020, employees disabled prior to July 1, 2003, who were included in previous valuations will no longer be included due to a change from self-insured to insured. All employees disabled on or after July 1, 2003, have an insured benefit and are not subject to GASB 75, because premium payments are made before a disabled member's separation from employment. The amount of the contribution is based on active claims and the number of insured individuals.

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The College pays 100 percent of the cost of the premiums; the College's contribution rate for fiscal year 2023 was 0.290 percent of payroll. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

The plan also provides basic life insurance and dependent life insurance to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. The amount of life insurance will be reduced to 75 percent after the date the employee turns age 70 and will be reduced to 50 percent after the date the employee turns age 75. In addition, the plan provides a \$2,000 life insurance benefit for spouses and a \$1,000 life insurance benefit for dependent children. These benefits do not increase with inflation. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2012; the employer paid 100 percent of the cost. Effective July 1, 2020, employees disabled prior to July 1, 2012, who were included in previous valuations will no longer be included due to a change from self-insured to insured. All employees disabled on or after July 1, 2012, have an insured benefit and are not subject to GASB 75 because premium payments are made before a disabled member's separation from employment.

### Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2022, and rolled forward to June 30, 2023, 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, 2022, was based on the 2021 PERSI Experience study for demographic assumptions and the July 1, 2022 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
Inflation	2.30%	2.30%
Salary increases	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increases due to promotions and longevity
Discount rate	3.54%	3.54%
Healthcare cost trend rates	N/A	5.7% claims from year ending June 30, 2023 to year ending June 30, 2024, grading to an ultimate rate of 3.7% after fiscal year ending June 30, 2073
Retiree's share of benefit-related costs	74.7% of projected health insurance premiums for retirees	N/A

Mortality rates for the Retiree Healthcare and the Long-Term Disability Healthcare plans were based on the Pub-2010 Mortality for Employees, Healthy Annuitants, and the Disabled Annuitants with generational projection per Scale AA with adjustments.

### Discount Rate

The actuary used a discount rate of 3.54 percent in 2022 to measure the total OPEB. The discount rate was based on 20-year Bond Buyer Go Index.



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

Total OPEB liability components for the year ended June 30, 2023, are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
Total OPEB Liability	\$ 166,603	\$ 19,854	\$ 186,457

The College recognized the following OPEB expense for the year ended June 30, 2023:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
OPEB Expense (Expense Offset)	\$ (294,366)	\$ 2,242	\$ (292,124)

The College recognized the following OPEB deferred outflows and inflows for the year ended June 30, 2023:

	Increase (Decrease)		
	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
Deferred Outflows			
Difference between expected and actual experience	\$ 53,318	\$ 10,677	\$ 63,995
Changes of assumptions	137,660	1,209	138,869
Changes in proportion	63,292	3,952	67,244
Benefit payments subsequent to the measurement date	41,104	364	41,468
Total Deferred Outflows	\$ 295,374	\$ 16,202	\$ 311,576

	Increase (Decrease)		
	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	
		Plan	Total
Deferred Inflows			
Difference between expected and actual experience	\$ 202,663	\$ 2,238	\$ 204,901
Changes of assumptions	86,222	14,303	100,525
Changes in proportion	48,440	1,795	50,235
Benefit payments subsequent to the measurement date	-	-	-
Total Deferred Inflows	<u>\$ 337,325</u>	<u>\$ 18,336</u>	<u>\$ 355,661</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:

#### OPEB Expense (Expense Offset)

Year ended June 30	Expense (Expense Offset)		
	Retiree Healthcare	Long-Term Disability Healthcare Plan	
		Plan	Total
2024	\$ (41,531)	\$ 591	\$ (40,940)
2025	(3,594)	517	(3,077)
2026	(38,635)	328	(38,307)
2027	5,346	(840)	4,506
2028	(4,641)	(1,588)	(6,229)
2029	-	(1,506)	(1,506)
	<u>\$ (83,055)</u>	<u>\$ (2,498)</u>	<u>\$ (85,553)</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 3.54 percent for June 30, 2022, as well as what the College's total OPEB liability would be if it were calculated using a healthcare trend 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, 2023 are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
1% Decrease 2.54%	\$ 171,437	\$ 20,750	\$ 192,187
Discount Rate 3.54%	\$ 166,602	\$ 19,855	\$ 186,457
1% Increase 4.54%	\$ 161,767	\$ 18,892	\$ 180,659

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, 2023, are as follows:

	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Total
1% Decrease	\$ -	\$ 15,624	\$ 15,624
Current trend rate	\$ -	\$ 19,854	\$ 19,854
1% Increase	\$ -	\$ 24,219	\$ 24,219

Healthcare cost trend sensitivity is not applicable to the retiree healthcare plan because healthcare trends are not used for this benefit.

## 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 is 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 through June 30, 2023. The College of Western Idaho's contributions for the year ended June 30, 2023, was \$0.

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

At June 30, 2023, 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, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB asset was based on the College's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2023 and 2022, the College of Western Idaho's proportion was 1.99035840%.

For the year ended June 30, 2023, the College of Western Idaho recognized OPEB expense offset of \$106,295. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,914	\$ 85,878
Changes in assumptions or other inputs	121,754	289,007
Net difference between projected and actual earnings on pension plan investments	382,648	-
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	-	18,213
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	-	44,921
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	86,389	-
College of Western Idaho contributions subsequent to the measurement date	3	-
Total	\$ 662,708	\$ 438,019

The \$3 as of June 30, 2023, reported as deferred outflows of resources related to an adjustment to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability (asset) in the next fiscal year.

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

Year Ended June 30:	
2024	\$ 7,727
2025	39,962
2026	21,467
2027	198,825
2028	(26,295)
Thereafter	(17,000)
	<u>\$ 224,686</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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

### Actuarial Assumptions

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

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

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

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

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

### Capital Market Assumptions

Asset Class	Target Allocation	Expected Rate of Return (Arithmetic)
Broad U.S. Equity	39.3%	8.53%
Global EX U.S. Equity	10.7%	9.09%
Fixed Income	50.0%	2.80%
Cash Equivalents	0.0%	2.25%

**Discount Rate**

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

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

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 5.45% for 2022, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

June 30, 2023	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer's proportionate share of the net OPEB sick leave fund liability (asset)	\$ (2,631,395)	\$ (2,815,694)	\$ (2,979,888)

**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, 2023, 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 \$161,459 for fiscal year 2023.

**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 \$669,537 during the year ended June 30, 2023, and departmental and program support of \$86,587 during the year ended June 30, 2023, of which \$47,961 was a payable to the College at June 30, 2023.

The College provided professional services and materials to the Foundation which totaled \$408,117 for the year ended June 30, 2023.

**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, 2023, the College had several significant commitments that will be completed during fiscal year 2024. Significant commitments are listed below:

Capital Projects	
Facility improvements	<u>\$ 913,392</u>
Total capital projects	<u>\$ 913,392</u>
Non Capital Projects	
Consulting services and temporary staffing	\$ 1,145,543
Repair and maintenance	<u>60,669</u>
Total noncapital projects	<u>1,206,212</u>
Total Projects	<u>\$ 2,119,604</u>

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

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 not-for-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. A memorandum of understanding between the Foundation and the College defines the relationship between the two entities in accordance with the State Board of Education's rules.

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

**Liquidity and Availability**

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

Cash and cash equivalents	\$ 509,752
Investment earnings and earnings for operations	<u>993,598</u>
	<u>\$ 1,503,350</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, 2023:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	\$ 2,431,060	\$ -	\$ -	\$ 2,431,060
Small cap	162,686	-	-	162,686
International equities	584,982	-	-	584,982
International emerging	98,708	-	-	98,708
Bond Funds				
US fixed income	641,951	383,280	-	1,025,231
Real Estate Mutual Funds	328,934	-	-	328,934
Total investments	<u>\$ 4,248,321</u>	<u>\$ 383,280</u>	<u>\$ -</u>	<u>\$ 4,631,601</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 year ended June 30, 2023, there were no significant transfers in or out of levels 1, 2, or 3.

**Donated Professional Services and Materials**

The Foundation received donated professional services and materials as follows during the year ended June 30, 2023:

	Management and General	Fundraising and Development	Total
June 30, 2023			
Salaries and benefits	\$ 250,984	\$ 113,029	\$ 364,013
Materials and supplies	\$ 26,824	\$ -	\$ 26,824
Office space	\$ 17,280	\$ -	\$ 17,280
Total donated materials and services	<u>\$ 295,088</u>	<u>\$ 113,029</u>	<u>\$ 408,117</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.

Subject to expenditure for specified purpose:

Program Support	\$ 248,654
Scholarships	1,529,842
Operation of Micron Center	1,463,230
Underwater Endowments	<u>(2,839)</u>
	<u>3,238,887</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
Scholarships	2,034,955
College Growth & Development	<u>7,378</u>
	<u>2,092,333</u>

Total Net Assets with Donor Restrictions	<u>\$ 5,331,220</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 year ended June 30, 2023, were as follows:

Satisfaction of purpose restrictions	
Scholarships	\$ 669,537
Department support	86,587
General operations	<u>4,007</u>
	<u>\$ 760,131</u>

### Endowment Funds

The Foundation's endowment consists of 45 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held \$2,092,333 in true endowment funds at June 30, 2023. 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, 2023			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,092,333	\$ 2,092,333
Accumulated investment gains	-	628,222	628,222
	<u>\$ -</u>	<u>\$ 2,720,555</u>	<u>\$ 2,720,555</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, 2023, three 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 year ending June 30, 2023, are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets			
End of year June 30, 2022	\$ -	\$ 2,324,565	\$ 2,324,565
Investment return			
Net investment return	-	288,652	288,652
Contributions	-	210,414	210,414
Appropriation of endowment assets for expenditures	-	(103,076)	(103,076)
Endowment net assets			
End of year June 30, 2023	<u>\$ -</u>	<u>\$ 2,720,555</u>	<u>\$ 2,720,555</u>

### Functionalized Expenses

The following schedule presents the natural classification of expenses by function for the year ended June 30, 2023:

	Program Support to College of Western Idaho			General	
	Department Support	Scholarships	Total	Operations	Total
Operating Expenses					
Office expenses	\$ -	\$ -	\$ -	\$ 21,054	\$ 21,054
Travel	-	-	-	3,535	3,535
Professional Services	-	-	-	364,012	364,012
Accounting fees/services	-	-	-	22,408	22,408
Insurance and taxes	-	-	-	11,227	11,227
Program support	86,587	-	86,587	-	86,587
Scholarships	-	669,537	669,537	-	669,537
Other	-	-	-	27,160	27,160
Total operating expenses	<u>\$ 86,587</u>	<u>\$ 669,537</u>	<u>\$ 756,124</u>	<u>\$ 449,396</u>	<u>\$ 1,205,520</u>

### **Related Party Transactions**

The Foundation provides scholarships to the College based on the terms of the donations. The Foundation provided scholarship support of \$669,537 during the year ended June 30, 2023, and departmental and program support of \$86,587 during the year ended June 30, 2023, of which \$47,961 was payable to the College at June 30, 2023.

The College provided professional services and materials to the Foundation which totaled \$408,117 for the year ended June 30, 2023.

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received \$19,418 in contribution revenue from Board members during the year ended June 30, 2023.



Required Supplementary Information  
June 30, 2022

College of Western Idaho



**Schedule of Employer's Share of Net Pension Liability**

**PERSI - Base Plan**

**Reported as of the measurement date of June 30**

**Last 10 - Fiscal Years \***

	2014	2015	2016	2017	2018
Employer's portion of net the pension liability	0.001496057	0.001483905	0.001467181	0.001726945	0.001998415
Employer's proportionate share of the net pension liability	\$ 1,101,332	\$ 1,954,061	\$ 2,974,201	\$ 2,714,461	\$ 2,947,697
Employer's covered payroll	\$ 4,075,632	\$ 4,150,474	\$ 4,298,714	\$ 5,364,004	\$ 6,427,942
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%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%	90.68%	91.69%
	2019	2020	2021	2022	
Employer's portion of net the pension liability	0.002171518	0.002210343	0.002039743	0.002107839	
Employer's proportionate share of the net pension liability	\$ 2,478,727	\$ 5,132,709	\$ (161,095)	\$ 8,302,267	
Employer's covered payroll	\$ 7,393,126	\$ 7,852,931	\$ 7,952,841	\$ 8,312,143	
Employer's proportional share of the net pension liability as a percentage of its covered payroll	33.53%	65.36%	-2.03%	99.88%	
Plan fiduciary net position as a percentage of the total pension liability	93.79%	88.22%	100.36%	83.09%	

\* 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
Statutorily required contribution	\$ 486,281	\$ 486,614	\$ 607,205	\$ 727,643	\$ 836,902
Contributions in relation to the statutorily required contribution	\$ (465,253)	\$ (486,586)	\$ (607,304)	\$ (729,437)	\$ (834,913)
Contribution (deficiency) excess	\$ (21,028)	\$ (28)	\$ 98	\$ 1,794	\$ (1,989)
Employer's covered payroll	\$ 4,150,474	\$ 4,298,714	\$ 5,364,004	\$ 6,427,942	\$ 7,393,126
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%	11.32%
	2020	2021	2022	2023	
Statutorily required contribution	\$ 937,640	\$ 949,569	\$ 992,470	\$ 1,183,091	
Contributions in relation to the statutorily required contribution	\$ (935,874)	\$ (949,495)	\$ (992,471)	\$ (1,180,969)	
Contribution (deficiency) excess	\$ (1,766)	\$ (74)	\$ 1	\$ (2,122)	
Employer's covered payroll	\$ 7,852,931	\$ 7,952,841	\$ 8,312,144	\$ 9,908,633	
Contributions as a percentage of covered payroll	11.94%	11.94%	11.94%	11.94%	

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

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

	2017	2018	2019	2020	2021	2022
<b>Beginning OPEB Liability</b>	\$ 865,265	\$ 819,057	\$ 552,516	\$ 901,886	\$ 413,448	\$ 486,353
Effects of adjustment for LTD plan	-	-	155,417	-	-	-
Effects of change in proportion	-	9,086	-	(116,518)	1,861	14,417
Adjusted beginning balances	-	828,143	707,933	785,368	415,309	500,770
Changes for the year						
Service cost	32,325	33,655	24,778	31,944	19,675	24,421
Interest on total OPEB liability	30,198	29,045	26,371	27,052	9,174	10,812
Plan changes	-	-	-	(66,030)	-	(237,559)
Gains/losses	-	14,140	-	(396,070)	79,109	(2,865)
Changes in assumption	-	(250,717)	246,191	121,065	3,391	(60,056)
Expected benefit payments	(108,731)	(101,750)	(103,387)	(89,881)	(40,305)	(49,066)
Net change in employer's share of OPEB liability	(46,208)	(275,627)	193,953	(371,920)	71,044	(314,313)
<b>Ending OPEB Liability</b>	<u>\$ 819,057</u>	<u>\$ 552,516</u>	<u>\$ 901,886</u>	<u>\$ 413,448</u>	<u>\$ 486,353</u>	<u>\$ 186,457</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 measurement date of June 30**  
**Last 10 Fiscal Years \***

	2017	2018	2019	2020	2021	2022
Total State OPEB liability	\$819,057	\$552,516	\$552,516	\$413,448	\$486,353	\$186,457
Covered payroll	\$ 5,364,004	\$ 6,427,942	\$ 6,427,942	\$ 7,852,931	\$ 7,952,841	\$ 8,312,143
Net OPEB liability as a percentage of covered payroll	15.27%	8.60%	8.60%	5.26%	5.26%	2.24%

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

	2017	2018	2019	2020	2021	2022
Employer's portion of net the OPEB asset	1.9222891%	2.02120760%	2.10746620%	1.99035840%	1.99035840%	1.99035840%
Employer's proportionate share of the net OPEB asset	\$ 1,828,666	\$ 2,319,741	\$ 2,654,820	\$ 2,809,449	\$ 3,621,543	\$ 2,815,694
Employer's covered payroll	\$ 20,942,432	\$ 22,254,615	\$ 24,347,357	\$ 25,918,398	\$ 27,297,240	\$ 29,517,844
Employer's proportionate share of the net OPEB asset as a percentage	8.73%	10.42%	10.90%	10.84%	12.27%	9.54%
Plan fiduciary net position as a percentage of the total OPEB asset	204.12%	225.45%	226.97%	251.29%	274.55%	237.30%

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

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

	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 144,655	\$ 158,258	\$ 89,323	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contributions	144,664	158,258	89,323	-	-	-
Contribution (deficiency) excess	(9)	-	-	-	-	-
Employer's covered payroll	\$ 22,254,615	\$ 24,347,357	\$ 25,918,398	\$ 27,297,240	\$ 29,517,844	\$ 31,495,143
Contributions as a percentage of the covered payroll	0.65%	0.65%	0.34%	0.00%	0.00%	0.00%

Effective January 1, 2020, the PERSI Retirement Board passed a sick leave rate holiday for state and school employers. There were no statutorily required contributions during fiscal year 2023 due to the contribution holiday.

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



Other Information  
June 30, 2022

College of Western Idaho

College of Western Idaho  
Schedule of Operating Expenses  
Year Ended June 30, 2023

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Institutional Support	Operations and Maintenance	Total
Operating Expenses								
Wages and salaries	\$ 18,155,720	\$ 6,224,883	\$ 5,395,346	\$ 151,944	\$ 60,568	\$ 6,723,378	\$ 1,378,350	\$ 38,090,189
Taxes and benefits	5,363,873	2,413,692	2,404,924	51,971	4,088	2,576,922	651,902	13,467,372
Supplies	2,716,742	988,383	90,506	13,944	-	129,242	467,778	4,406,595
Repairs and maintenance	121,339	147,246	2,133	-	-	8,203	911,513	1,190,434
Travel	97,641	94,237	137,143	1,801	-	52,457	4,115	387,394
Vehicles	11,808	1,004	2,605	-	-	6,679	14,814	36,910
Services	958,933	1,326,767	546,175	8,703	-	2,023,948	1,199,405	6,063,931
Miscellaneous	113,181	726,028	437,043	246	-	1,799,350	219,852	3,295,700
Insurance, rent, utilities	143,578	145,742	93,329	486	-	372,654	637,968	1,393,757
Financial aid	-	-	-	-	4,574,175	-	-	4,574,175
Depreciation	1,575,988	1,132,667	872,237	19,647	-	673,694	202,703	4,476,936
Fund transfer	1,585,770	(1,362,145)	(320,070)	-	-	96,445	-	-
Pension contributions - GASB 68	(160,143)	(313,457)	(402,015)	(2,112)	-	(206,114)	(97,128)	(1,180,969)
Plan pension expense - GASB 68	304,612	596,236	764,686	4,017	-	392,056	184,751	2,246,358
State OPEB contributions - GASB 75	(113,413)	(53,218)	(48,594)	(1,423)	-	(62,865)	(12,611)	(292,124)
PERSI/OPEB sick leave contributions - GASB 75	(41,267)	(19,364)	(17,682)	(518)	-	(22,875)	(4,589)	(106,295)
Total operating expenses	\$ 30,834,362	\$ 12,048,701	\$ 9,957,766	\$ 248,706	\$ 4,638,831	\$ 14,563,174	\$ 5,758,823	\$ 78,050,363



Single Audit Information  
June 30, 2022

College of Western Idaho



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the College of Western Idaho (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 23, 2023. The financial statements of the discretely presented component unit, College of Western Idaho Foundation, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the College of Western Idaho Foundation.

**Report on Internal Control over Financial Reporting**

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

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



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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Boise, Idaho  
October 23, 2023



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

The Board of Trustees  
College of Western Idaho  
Nampa, Idaho

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

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

We have audited College of Western Idaho's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

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



Boise, Idaho  
October 23, 2023

College of Western Idaho  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	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	\$ 686,181
WIOA Admin Fees	84.002	RG 3660 M1	35,556
Leadership Training	84.002	AL 9660 B1	38,883
IELCE	84.002	AE 9660 P1	<u>100,135</u>
Total Adult Basic Education			<u>860,755</u>
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-A1	198,025
Perkins - Training Simulator	84.048	RG3660-E2	83,043
Perkins - More CNC Capacity	84.048	RG3660-E3	81,111
Perkins - Automotive Virtual Reality Training	84.048	RG3660-E4	63,716
Perkins - Welding VR	84.048	RG3660-E6	10,824
Perkins - Grad Cast Reporting	84.048	RG3660-F1	6,033
Perkins - Professional Development	84.048	RG 3660 31	56,319
Perkins - Administrative	84.048	RG 3660 01	32,413
Perkins - LAWE Program	84.048	RG 3660 E1	65,200
Perkins - Program Recruitment	84.048	RG 3660 E5	38,982
Perkins - Cybersecurity Training & Camp	84.048	21095	1,680
Perkins - Transition Coordination	84.048	PP 9660 G2	18,592
Perkins - Nontraditional Training & Employment Project	84.048	21001	2,387
Perkins - CND Mentoring	84.048	RG3660-71	<u>4,817</u>
Total Career Technical Education - Basic Grants to States			<u>663,142</u>
Pass Through Payments from Idaho State Board of Education			
COVID-19 Governor Emergency Education Relief	84.425C	S425C00043	<u>2,138</u>
Direct Programs			
Education Stabilization Fund			
COVID-19 Higher Education Emergency Relief Fund (HEERF II - CRRSA) Institutional	84.425F		183,575
COVID-19 Higher Education Emergency Relief Fund (HEERF III - ARP) Institutional	84.425F		<u>1,339,738</u>
Total Education Stabilization Fund			<u>1,523,313</u>
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		466,508
Federal College Work-Study	84.033		113,193
Federal Pell Grant	84.063		9,424,678
Federal Direct Student Loans	84.268		<u>6,075,720</u>
Total Student Financial Assistance Cluster			<u>16,080,099</u>
Total U.S. Department of Education			<u>19,129,447</u>

College of Western Idaho  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Pass Through Payments from University of Idaho INBRE	93.859	IAK400-SB-003	68,894
Pass Through Payments from Boise State University Bridges to Baccalaureate Program	93.859	7465-A	<u>31,739</u>
Total Department of Health and Human Services			<u>100,633</u>

**NATIONAL SCIENCE FOUNDATION**

Pass Through Payments from Boise State University NSF S-STEM	47.076	1093-PO140682	<u>19,634</u>
Total National Science Foundation			<u>19,634</u>

Total Federal Expenditures			<u>\$ 19,249,714</u>
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**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, 2023. 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>
Student Financial Assistance Cluster	
Federal Supplemental Educational Opportunity Grant	84.007
Federal College Work-Study	84.033
Federal Pell Grant	84.063
Federal Direct Student Loans	84.268
Education Stabilization Fund	
COVID-19 - Governor's Emergency Education Relief Fund	84.425C
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F
Adult Education - State Grant Program	84.002
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes



**Section II – Financial Statement Findings**

None Reported

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

None reported