



Financial Statements
June 30, 2021 and 2020

College of Western Idaho Foundation

College of Western Idaho Foundation

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June 30, 2021 and 2020

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of College of Western Idaho Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College of Western Idaho Foundation as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Boise, Idaho

October 13, 2021

College of Western Idaho Foundation
Statements of Financial Position
June 30, 2021 and 2020

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

College of Western Idaho Foundation
Statement of Activities
Year Ended June 30, 2021

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

College of Western Idaho Foundation

Statement of Activities
Year Ended June 30, 2020

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

College of Western Idaho Foundation

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

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

Note 1 - Foundation Operations and Significant Accounting Policies

Foundation Operations

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

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

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

Scholarships

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

Department Support

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

Net Assets

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, whereby revenue is recorded when earned and expenses are recorded when materials or services are received. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor-imposed restrictions.

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

received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates in the Preparation of Financial Statements

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

Cash and Cash Equivalents

The Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash deposits exceeded FDIC insured limits at times during the years ended June 30, 2021 and 2020.

Investments

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

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

Contributions Receivable and Promises to Give

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

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

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

Contributions

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

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

Donated Materials and Services

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

Concentrations

At June 30, 2021, six donors accounted for 77% of total contributions. At June 30, 2020, six donors accounted for 82% of total contributions.

Functional Allocation of Expense

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

Income Taxes

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

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

Financial Instruments and Credit Risk

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

Subsequent Events

The Foundation has evaluated subsequent events through October 13, 2021, the date which the financial statements were available to be issued.

Change in Accounting Policy

The Foundation has adopted the provisions of Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605). Management has adopted this standard because it assists the Foundation in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2020, the Foundation has implemented the provisions of ASU 2018-08 applicable to contributions made on a modified prospective basis to agreements that were not completed as of the date of the adoption or were entered after the date of the adoption. Management has determined that the adoption of this standard did not have a significant impact on the Foundation's financial statements.

Note 2 - Liquidity and Availability

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

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

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

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

Note 3 - Fair Value Measurements and Disclosures of Investments

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

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

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

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

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

Investments in marketable securities are recorded at fair value as determined by quoted market prices in active markets.

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

Additionally, one certificate of deposit matured and was liquidated as of June 30, 2020.

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

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

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

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	\$ 1,706,819	\$ -	\$ -	\$ 1,706,819
Small cap	130,106	-	-	130,106
International equities	472,390	-	-	472,390
International emerging	190,231	-	-	190,231
Bond Funds				
US fixed income	514,517	316,572	-	831,089
Real Estate Mutual Funds	139,641	-	-	139,641
Total investments	<u>\$ 3,153,704</u>	<u>\$ 316,572</u>	<u>\$ -</u>	<u>\$ 3,470,276</u>

Changes in Fair Value Levels

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

The significance of transfers between levels has been evaluated based upon the nature of the financial instruments and size of the transfer relative to the total net assets available for benefits. For the years ended June 30, 2021 and 2020, there were no significant transfers in or out of Levels 1, 2, or 3.

Note 4 - Donated Professional Services and Materials

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

	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
June 30, 2021			
Salaries and benefits	\$ 235,946	\$ 121,625	\$ 357,571
Materials and supplies	5,918	-	5,918
Office space	17,280	-	17,280
	<u>17,280</u>	<u>-</u>	<u>17,280</u>
Total donated materials and services	<u>\$ 259,144</u>	<u>\$ 121,625</u>	<u>\$ 380,769</u>
	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
June 30, 2020			
Salaries and benefits	\$ 203,463	\$ 95,309	\$ 298,772
Materials and supplies	16,587	-	16,587
Office space	17,280	-	17,280
	<u>17,280</u>	<u>-</u>	<u>17,280</u>
Total donated materials and services	<u>\$ 237,330</u>	<u>\$ 95,309</u>	<u>\$ 332,639</u>

All donated materials and services were provided by the College.

Note 5 - Net Assets with Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Program Support	\$ 122,289	\$ 113,403
Scholarships	1,564,321	904,434
Operation of Micron Center	<u>1,607,231</u>	<u>1,810,555</u>
	<u>3,293,841</u>	<u>2,828,392</u>
Endowment:		
Funds of perpetual duration, subject to spending policy and appropriation, the distributions from which are restricted by donors as follows:		
Program Support	50,000	50,000
Scholarships	1,772,116	1,728,477
College Growth & Development	<u>7,234</u>	<u>7,162</u>
	<u>1,829,350</u>	<u>1,785,639</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 5,123,191</u></u>	<u><u>\$ 4,614,031</u></u>

Note 6 - Release from Restriction

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

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

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

Note 7 - Endowment Funds

The Foundation's endowment consists of 38 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held \$1,829,350 and \$1,785,639, in true endowment funds at June 30, 2021 and 2020, respectively. As required by generally accepted accounting principles, net assets with donor restrictions associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The investment income earned on these net assets retained in perpetuity is generally restricted as to purpose and is recorded as net assets with donor restrictions.

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

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

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

College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2021 and 2020

The endowment fund net asset composition is as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
At June 30, 2021			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,829,350	\$ 1,829,350
Accumulated investment gains	<u>-</u>	<u>866,200</u>	<u>866,200</u>
	<u>\$ -</u>	<u>\$ 2,695,550</u>	<u>\$ 2,695,550</u>
	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
At June 30, 2020			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,785,639	\$ 1,785,639
Accumulated investment gains	<u>-</u>	<u>294,066</u>	<u>294,066</u>
	<u>\$ -</u>	<u>\$ 2,079,705</u>	<u>\$ 2,079,705</u>

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to maintain as a fund of perpetual duration. As of June 30, 2021 and 2020, no endowments were underwater.

Investment and Spending Policies

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

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

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

College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2021 and 2020

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

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets			
End of year June 30, 2020	\$ -	\$ 2,079,705	\$ 2,079,705
Investment return			
Net investment return	-	636,381	636,381
Contributions	-	43,711	43,711
Appropriation of endowment assets for expenditures	<u>-</u>	<u>(64,247)</u>	<u>(64,247)</u>
Endowment net assets			
End of year June 30, 2021	<u>\$ -</u>	<u>\$ 2,695,550</u>	<u>\$ 2,695,550</u>
	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets			
End of year June 30, 2019	\$ -	\$ 1,539,700	\$ 1,539,700
Investment return			
Net investment return	-	89,364	89,364
Contributions	-	509,925	509,925
Appropriation of endowment assets for expenditures	<u>-</u>	<u>(59,284)</u>	<u>(59,284)</u>
Endowment net assets			
End of year June 30, 2020	<u>\$ -</u>	<u>\$ 2,079,705</u>	<u>\$ 2,079,705</u>

Note 8 - Functionalized Expenses

The following schedule presents the natural classification of expenses by function for the years ended June 30, 2021 and June 30, 2020, respectively:

At June 30, 2021	Program Support to College of Western Idaho			General Operations	Total
	Department Support	Scholarships	Total		
Operating Expenses					
Office expenses	\$ -	\$ -	\$ -	\$ 18,936	\$ 18,936
Travel	-	-	-	490	490
Professional services	-	-	-	357,570	357,570
Accounting fees/services	-	-	-	17,240	17,240
Insurance and taxes	-	-	-	10,562	10,562
Program support	247,566	-	247,566	-	247,566
Scholarships	-	499,341	499,341	-	499,341
Other	-	-	-	7,402	7,402
Total operating expenses	<u>\$ 247,566</u>	<u>\$ 499,341</u>	<u>\$ 746,907</u>	<u>\$ 412,200</u>	<u>\$ 1,159,107</u>
At June 30, 2020	Program Support to College of Western Idaho			General Operations	Total
	Department Support	Scholarships	Total		
Operating Expenses					
Office expenses	\$ -	\$ -	\$ -	\$ 19,305	\$ 19,305
Travel	-	-	-	4,402	4,402
Professional services	-	-	-	298,772	298,772
Accounting fees/services	-	-	-	16,730	16,730
Insurance and taxes	-	-	-	10,516	10,516
Program support	51,784	-	51,784	-	51,784
Scholarships	-	436,858	436,858	-	436,858
Other	-	-	-	16,105	16,105
Total operating expenses	<u>\$ 51,784</u>	<u>\$ 436,858</u>	<u>\$ 488,642</u>	<u>\$ 365,830</u>	<u>\$ 854,472</u>

Note 9 - Related Party Transactions

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

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