



Financial Statements
June 30, 2010 and 2009

College of Western Idaho

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the College of Western Idaho (the College), as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of June 30, 2009 were audited by other auditors whose report dated March 11, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College of Western Idaho, as of June 30, 2010, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2010, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Boise, Idaho
November 16, 2010



MISSION

The College of Western Idaho is a public, open-access, and comprehensive community college committed to providing affordable access to quality teaching and learning opportunities to the residents of its service area in western Idaho.

VISION

The College of Western Idaho provides affordable, quality teaching and learning opportunities for all to excel at learning for life.

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) for the fiscal year 2010 ended June 30, 2010. This discussion has been prepared by management along with the financial statements and related footnote disclosures, and 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 current known facts. The financial statements, footnotes and this discussion are the responsibility of management.

Accreditation Agreement

On July 1, 2008, the College of Western Idaho and the College of Southern Idaho (CSI) entered into an Accreditation Agreement in which the College of Southern Idaho agreed to serve as the partner institution to the College of Western Idaho through the Northwest Commission on Colleges and Universities' accreditation process. This agreement provides the College of Western Idaho's students the ability to earn transferrable credits and to receive financial aid.

Financial Highlights

There was an overall increase of over \$21 million to the current fund surplus. This increase was primarily due to a transfer from Boise State University of all Selland College of Applied Technology equipment valued at over \$18 million, and a \$7.5 million donation from the J.A. and Kathryn Albertson Foundation.

As compared to last year:

- Appropriations from the State of Idaho (the State) for general education decreased from \$4.7 million to \$4.3 million.
- Allocations from the State for Professional Technical Education were \$6.5 million.
- Student Tuition and Fee Revenue increased from \$1.6 million to \$13.6 million.
- Federal, State and Local Grant revenue increased from zero to \$2.1 million.
- Operating Expenses increased from \$8.2 million to \$36.8 million.
- Private gifts increased from \$2.5 million to \$7.5 million.
- The J.A. and Kathryn Albertson Foundation donated \$1.0 million for scholarships.

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2010 and June 30, 2009 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; 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 Assets

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

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

The Statement of Net Assets 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 Assets 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 Assets provides a picture of the net assets and their availability for expenditure by the College. Over time, increases or decreases in net assets are indications of either improvement or erosion of the College's financial well-being when considered along with non-financial factors such as enrollment levels, the College's property tax base, and the condition of the facilities.

Net assets are divided into three major categories. The first category is Invested in Capital Assets, Net of Related Debt, which provides the College's equity in capital assets. The second category is Unrestricted Net Assets, which are net assets available to the College for any lawful purpose of the institution. The third category, Restricted Net Assets, 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.

Summary Statements of Net Assets
Fiscal Years Ended June 30

	2010	2009
Current assets	\$ 20,138,565	\$ 9,322,982
Noncurrent assets	28,681,668	14,393,618
Total assets	\$ 48,820,233	\$ 23,716,600
Current liabilities	\$ 4,872,138	\$ 1,312,631
Noncurrent liabilities	357,075	248,898
Total liabilities	5,229,213	1,561,529
Net assets		
Invested in capital assets, net of related debt	26,592,168	14,378,718
Unrestricted	15,147,814	7,290,302
Restricted - expendable	1,851,038	486,051
Total net assets	43,591,020	22,155,071
Total liabilities and net assets	\$ 48,820,233	\$ 23,716,600

The College's total assets increased during fiscal year 2010 by \$25,103,633, from \$23,716,600 in 2009 to \$48,820,233 in 2010. These changes reflect the College's acquisition of donated land and equipment, emphasizing the importance of facilities infrastructure. Also contributing to the increase was the recognition of receivables due from College of Southern Idaho for student tuition and fee revenues, and receivables due from the State Division of Professional Technical Education for claim revenues. Additionally, investments increased due to an \$8.5 million donation from the J.A. and Kathryn Albertson Foundation. The College's total liabilities also increased during fiscal year 2010 by \$3,667,684 from \$1,561,529 in 2009 to \$5,229,213 in 2010. The increase in the liabilities was largely due to deferred revenue for summer tuition and fees, and increased costs related to payroll.

Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets as presented in the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. All changes in net assets 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 flows in future fiscal years. The purpose of the statement is to present the revenues earned and the expenses incurred during the year.

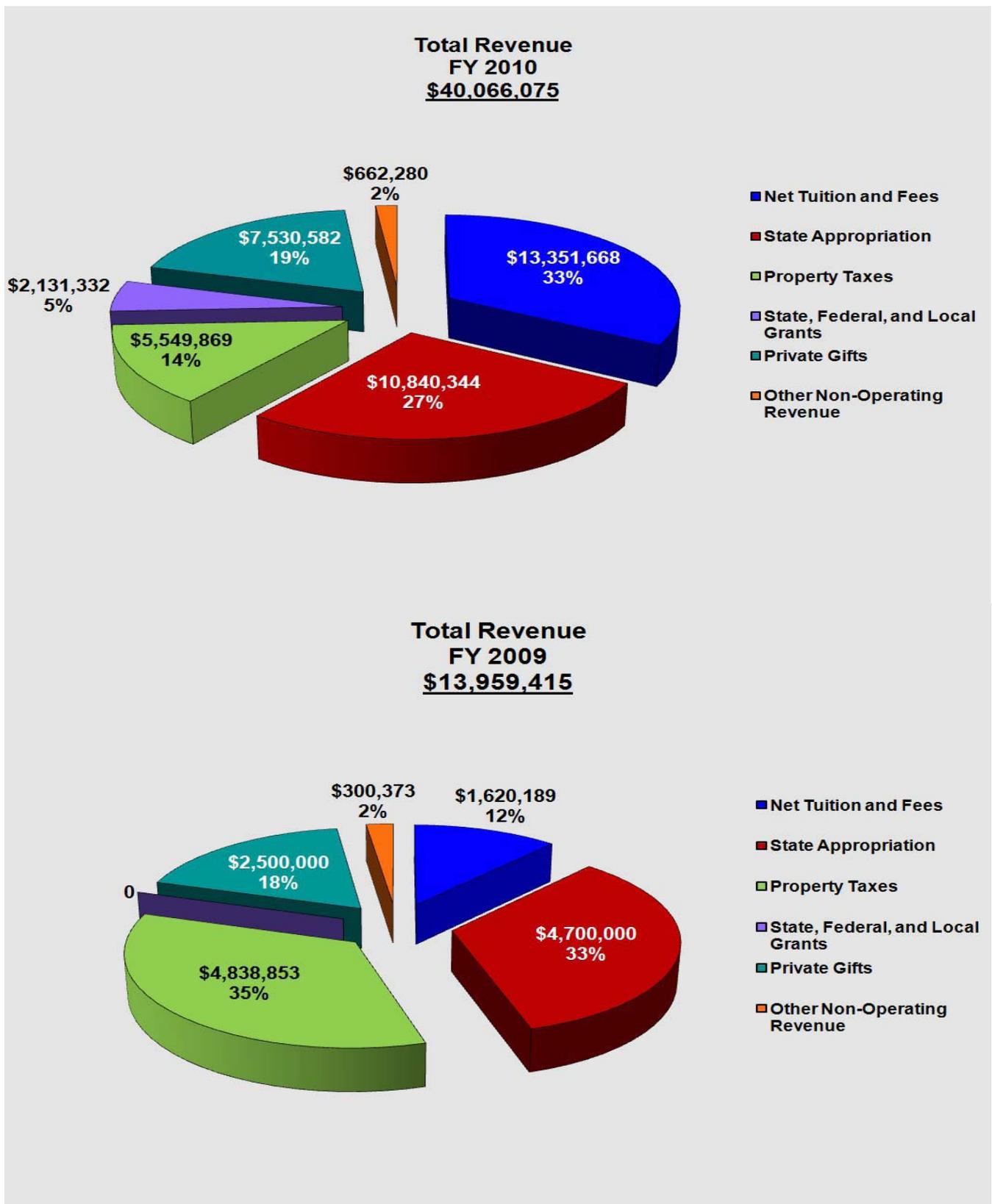
Activities are reported as either operating or nonoperating. *The College will always reflect a net operating loss in this format since state appropriations, property tax and gifts, the revenue streams that the College depends upon most significantly, are classified as Nonoperating Revenues.* The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation which amortizes the cost of an asset over the expected useful life.

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, auxiliary enterprises, 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, investment income and other miscellaneous revenues.

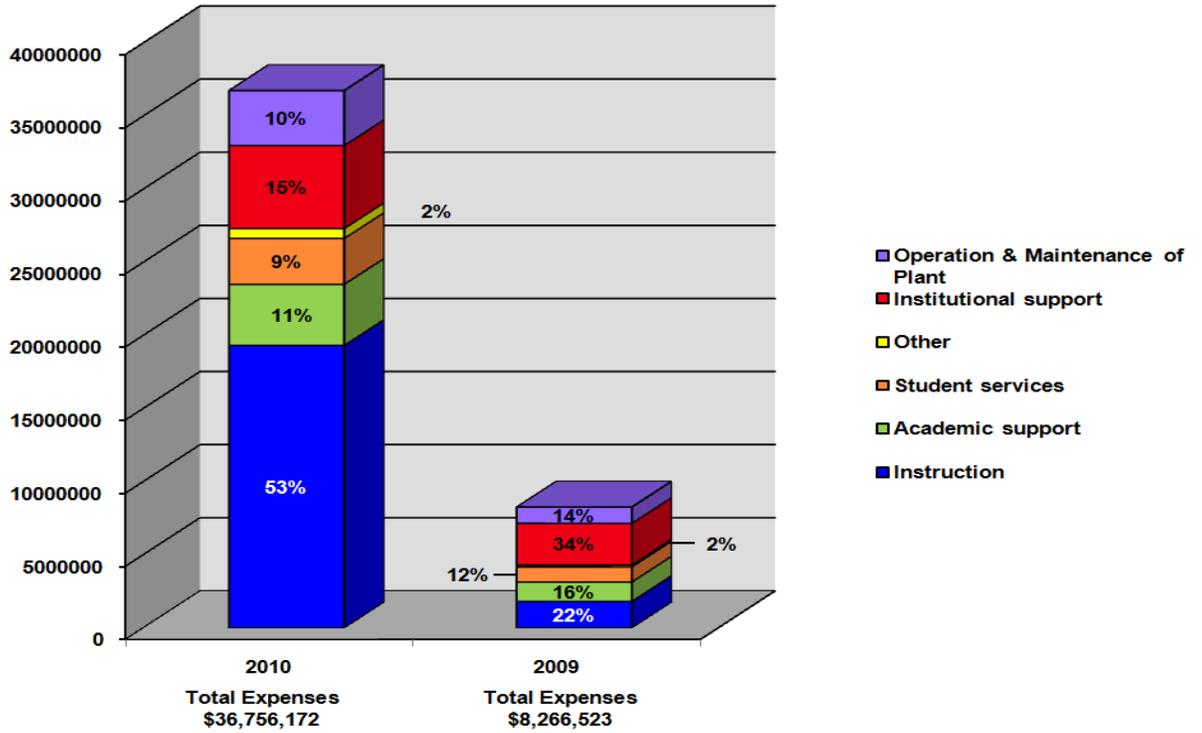
Summary Statements of Revenues, Expenses, and Changes in Net Assets
Fiscal Years Ended June 30

	2010	2009
Operating revenues	\$ 15,662,020	\$ 1,627,177
Operating expenses	36,756,172	8,266,523
Operating loss	(21,094,152)	(6,639,346)
Nonoperating revenues		
State appropriation	10,840,344	4,700,000
Private gifts	7,530,582	2,500,000
Local taxes	5,549,869	4,838,853
Other nonoperating revenue	483,260	293,385
Nonoperating revenues	24,404,055	12,332,238
Capital gifts	18,126,046	13,000,000
Increase in net assets	21,435,949	18,692,892
Net assets - beginning of year	22,155,071	3,462,179
Net assets - end of year	\$ 43,591,020	\$ 22,155,071

The Statement of Revenues, Expenses, and Changes in Net Assets reflects an overall increase in net assets during fiscal year 2010. Operating revenues increased from \$1,627,177 in 2009 to \$15,662,020 in 2010. This increase resulted from increased enrollment. Also, the College received Federal, State and Local grants for the first time. Operating expenses increased by \$28,489,649 from \$8,266,523 in 2009 to \$36,756,172 in 2010. Approximately \$19.9 million of this increase relates to personnel costs, as the College continued to add faculty and staff. An additional \$4.6 million was expended for supplies, and \$2.5 million was expended for facility rent, insurance and utilities.



Expenses



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 a period.

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

Summary Statements of Cash Flows Fiscal Years Ended June 30

	2010	2009
Cash provided (used) by		
Operating activities	\$ (13,829,233)	\$ (5,757,763)
Noncapital financing activities	25,032,399	10,220,245
Capital and related financing activities	(856,843)	(668,676)
Investing activities	(964,077)	86,485
Net change in cash	9,382,246	3,880,291
Cash - beginning of year	6,045,038	2,164,747
Cash - end of year	\$ 15,427,284	\$ 6,045,038
Supplementary disclosure of non-cash activities		
Donation of assets from Boise State University	\$ 18,126,046	\$ 13,000,000

Overall, cash increased by \$9,382,246 during fiscal year 2010 compared to a cash increase of \$3,880,291 during fiscal year 2009. Cash used in operating activities totaled \$13,829,233 in fiscal year 2010 compared to \$5,757,763 in fiscal year 2009. One of the largest areas of change was an increase in Tuition and Fee revenues, which was offset by a nearly equal increase in payments to suppliers. Payments to employees also showed a large increase. Cash provided by noncapital financing activities increased to \$25,032,399 in fiscal year 2010, compared to \$10,220,245 in fiscal year 2009. This was mostly the result of the Allocation from the State Division of Professional Technical Education, and a gift from the J.A. and Kathryn Albertson Foundation in fiscal year 2010. Cash used in capital and related financing activities increased to \$856,843 in fiscal year 2010 compared to \$668,676 in fiscal year 2009. More capital assets were purchased in fiscal year 2010. Cash used by investing activity was \$964,077 in fiscal year 2010 compared to \$86,485 cash provided in fiscal year 2009. During fiscal year 2010, short-term and long-term certificates of deposits were purchased. During fiscal year 2009, interest earnings provided cash.

Capital Assets

The College's investment in capital assets as of June 30, 2010 equates to \$26,592,168, net of accumulated depreciation. Investment in capital assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The College of Western Idaho received a donation of five acres of land, as well as buildings, equipment, and supplies on July 1, 2009, and 100 acres on June 30, 2009 from Boise State University. See additional information on capital assets in Notes 1 and 5 to the financial statements.

Debt Administration

The College of Western Idaho had five operating lease obligations for instructional and administrative office space at fiscal year ended June 30, 2010. The College had no outstanding debt at fiscal year ended June 30, 2010.

Economic Outlook

The College continues to be impacted by the economic downturn. Support from the State was decreased midyear as a permanent decrease in the state appropriation and in the State Division of Professional Technical Education Allocation. The original appropriation from the State to the College was \$5 million. The permanent holdbacks for fiscal year 2009 and 2010 decreased that support to \$4,211,200. The Professional Technical Education budget was also reduced \$500,000 mid-year as a permanent budget cut. These reductions, coupled with the increase in enrollment are challenging, especially for a new community college.

For fiscal year 2011, the state budget is balanced on paper, but the overall revenue picture is uncertain. If state revenues decline, the potential for mid-year holdbacks would be high. The College requested a mid-year Supplemental Appropriation for fiscal year 2011 from the State of Idaho to pay for enrollment growth, totaling approximately \$2.7 million.

Because the fiscal year 2011 appropriated state budget was balanced using approximately \$300 million of one-time revenue, fiscal year 2012 could be even more challenging for legislative budget writers. If the State experiences 5% growth in overall revenue, approximately \$90 million would be realized. To maintain current services, the State will need from \$350 to \$400 million in new revenue. The legislature may be faced with options that include: reducing budgets further, raising taxes or fees, using remaining reserves, delaying vendor payments into fiscal year 2013, or a combination of all.

The College completed its Comprehensive Strategic Plan 2010 – 2015 last December. The strategic plan encompasses seven distinct plans including an Educational Master Plan; Facilities Utilization Plan; Organization Plan; Unit /Staffing Plan; Campus Master Plan – Phase One Infrastructure Plan; Decision Making Plan; and a Communication Plan. As part of the planning process the College developed a five year financial projection model that encompasses all seven plans. After the financial model was completed goals relating to class size, staffing plans and reserves were established to ensure financial stability.

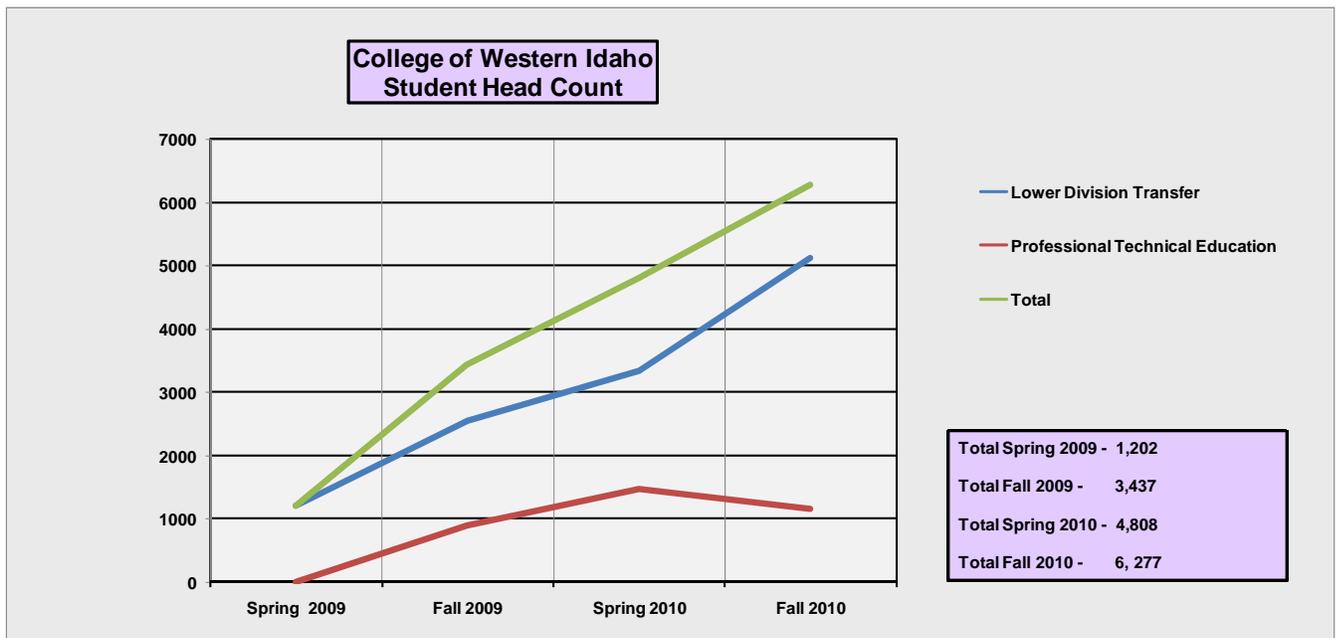
Growth and Expansion

The College has experienced tremendous growth during fiscal year 2010. This is evident by reviewing the financial statements which follow. Beyond the financial results, other areas of growth deserve mention.

Since its first offering of credit courses in January 2009, College of Western Idaho has grown in enrollment by over five times, doubled the program offerings, employed more than 600 faculty and support staff, and participated in countless community support events and initiatives. In less than two years, the College has quickly emerged as a comprehensive resource for the Treasure Valley providing quality education that is easily accessible. The College currently operates on seven campus locations: Nampa Campus, Professional Truck Driving Center, Canyon County Center, Ada County Campus, Oak Park Center, CWI at Boise State University, and Horticulture Center. College of Western Idaho also operates at over seven off-site locations, including various high schools, businesses, and clinics.

Future expansion will focus on the development of four sites: Nampa Campus, a Meridian Campus, an East Boise campus, and Horticulture. This long term plan was based on providing convenient access to all residents of the Treasure Valley while increasing efficiency and reducing costs of operations of the College.

Student Enrollment	Spring 2009	Fall 2009	Spring 2010	Fall 2010
Lower division transfer	1,202	2,546	3,342	5,127
PTE	-	891	1,466	1,150
Total	<u>1,202</u>	<u>3,437</u>	<u>4,808</u>	<u>6,277</u>



College of Western Idaho offers non-credit programs in three areas of education: Adult Basic Education, Center for Workforce Development, and Community Education.

Adult Basic Education includes:

- Basic Skills Improvement
 - Reading
 - Writing
 - Math
- GED Preparation
- English as a Second Language (ESL)

Center for Workforce Development (CWD) provides fast-track career training and customized business solutions. Public, open-enrollment access to classroom and online training is available in healthcare, construction, apprenticeships, manufacturing, business and professional, computers, emergency services, and more.

Community Education classes have grown its offering to more than a hundred options for Treasure Valley residents seeking personal enrichment and fun workshops. Last year the program added several new classes to help with personal finances, teen workshops, and i-Dream, a program for people with developmental disabilities, just to name a few.

Student Enrollment	2010
Center for Workforce Development	9,623
Adult Basic Education	3,134
Community Education	314
Total	13,071

Many new credit classes were started in fiscal year 2010 including:

- Anthropology
- Education, Physical K–12
- Education, Physical, Athletic Training
- Education, Physical, Exercise Science
- Education, Physical, Recreation
- Education, Physical, Sport Management
- Geography
- Medical Administrative Support
- Pre-Law

New Non-credit courses offered by Center for Workforce Development included:

- Pharmacy Technician
- Nurse Assistant written testing
- IEN (Idaho Educational Network) proctor and originator courses
- LP Gas Specialty License
- Department of Homeland Security TSA training
- Plumbing Journeyman Practical Exam
- Insurance class
- Home Performance Specialist (Energy Auditor)
- Disney Institute – Business Excellence
- Law Enforcement Phlebotomy

Continued support and contributions are vital to the success of the College. Thus, the creation of the College of Western Idaho Foundation (the Foundation) was developed to partner with the community to raise funds from individuals, companies, foundations, and organizations to support the mission of the College. The Foundation received its 501(c)(3) nonprofit status during July 2010.

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 Cheryl Wright, Vice President of Finance and Administration, College of Western Idaho, 6056 Birch Lane, Suite 200, Nampa, Idaho 83687.

College of Western Idaho
Statements of Net Assets
June 30, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,602,684	\$ 6,045,038
Short-term investments	750,000	-
Student fees receivable (net of allowance - FY10 - \$179,427, FY09 \$97,000)	406,021	118,534
Other accounts receivable	2,729,313	837,010
Property tax receivable	2,356,215	1,975,508
Prepaid expenses	294,332	346,892
Total current assets	20,138,565	9,322,982
Noncurrent Assets		
Long-term investments	250,000	-
Restricted cash	1,824,600	-
Deposits	14,900	14,900
Capital assets, not depreciated	13,756,020	13,051,459
Capital assets, net	12,836,148	1,327,259
Total noncurrent assets	28,681,668	14,393,618
Total assets	\$ 48,820,233	\$ 23,716,600
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 417,391	\$ 116,991
Accrued payroll and related costs	1,579,358	395,495
Deferred revenue	1,117,242	407,971
Other liabilities	1,758,147	392,174
Total current liabilities	4,872,138	1,312,631
Noncurrent Liabilities		
Compensated absences	357,075	248,898
Total noncurrent liabilities	357,075	248,898
Total liabilities	5,229,213	1,561,529
Net Assets		
Invested in capital assets, net of related debt	26,592,168	14,378,718
Unrestricted	15,147,814	7,290,302
Restricted - expendable	1,851,038	486,051
Total net assets	43,591,020	22,155,071
	\$ 48,820,233	\$ 23,716,600

College of Western Idaho
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended June 30, 2010 and 2009

	2010	2009
Operating Revenues		
Tuition and fees	\$ 13,598,712	\$ 1,652,514
Less: Scholarship allowance	(247,044)	(32,325)
Net tuition and fees	13,351,668	1,620,189
Federal grants and contracts	1,234,277	-
State and local grants	897,055	-
Sales and services of educational activities	179,020	6,988
Total operating revenue	15,662,020	1,627,177
Expenses		
Operating Expenses		
Instruction	19,324,734	1,815,860
Academic support	4,181,077	1,329,757
Student services	3,137,657	1,032,123
Public service	409,027	1,138
Scholarships	96,131	8,595
Auxiliary expenses	168,922	119,545
Institutional support	5,670,401	2,845,274
Operations and maintenance	3,768,223	1,114,231
Total operating expenses	36,756,172	8,266,523
Operating loss	(21,094,152)	(6,639,346)
Nonoperating Revenues		
State appropriations	10,840,344	4,700,000
Private gifts	7,530,582	2,500,000
Local taxes	5,549,869	4,838,853
State and federal financial aid	95,378	6,900
Liquor tax revenue	197,500	200,000
Other revenue	190,382	86,485
Total nonoperating revenue	24,404,055	12,332,238
Income before other revenues and expenses	3,309,903	5,692,892
Capital gifts	18,126,046	13,000,000
Increase in Net Assets	21,435,949	18,692,892
Net Assets,		
Beginning of year	22,155,071	3,462,179
End of year	\$ 43,591,020	\$ 22,155,071

College of Western Idaho
Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Tuition and fees	\$ 11,881,149	\$ 1,033,767
Grants and contracts	2,131,332	-
Payments to suppliers	(9,401,965)	(3,505,347)
Payments to employees	(18,618,769)	(3,475,618)
Sales and service education	179,020	189,435
	(13,829,233)	(5,757,763)
Cash Flows from Noncapital Financing Activities		
State appropriations	10,840,344	4,700,000
Gifts and grants for other than capital purposes	7,530,582	2,506,900
Local property tax	5,366,662	3,013,345
Deposits held for others	1,044,971	-
Other revenue/expense	249,840	-
	25,032,399	10,220,245
Cash Flows from Financing Activities		
Purchases of capital assets	(856,843)	(668,676)
	(856,843)	(668,676)
Cash Flows from Investing Activities		
Purchase of investments	(1,000,000)	-
Interest on investments	35,923	86,485
	(964,077)	86,485
Net Cash From (Used for) Investing Activities		
	9,382,246	3,880,291
Net Increase in Cash, Restricted Cash, and Cash Equivalents		
Cash, Restricted Cash, and Cash Equivalents,		
Beginning of year	6,045,038	2,164,747
End of year	\$ 15,427,284	\$ 6,045,038

College of Western Idaho
Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	2010	2009
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (21,094,152)	\$ (6,639,346)
Adjustments to reconcile operating loss to net cash provided (used) in operating activities		
Depreciation	1,735,459	546,379
Donated assets under capitalization threshold	5,033,977	-
Change in assets and liabilities		
Accounts receivable, net	(2,179,790)	(844,271)
Other assets	52,560	8,641
Accounts payable	300,400	207,320
Deferred revenue	709,271	407,971
Other liabilities	321,002	(88,850)
Accrued payroll and payroll costs	1,183,863	395,495
Compensated absences	108,177	248,898
Net Cash Used by Operating Activities	\$ (13,829,233)	\$ (5,757,763)
Supplemental Disclosure of Noncash Activity		
Donation of capital assets from Boise State University	\$ 18,126,046	\$ 13,000,000
Reconciliation of Cash, Restricted Cash, and Cash Equivalents		
Cash and cash equivalents	\$ 13,602,684	\$ 6,045,038
Restricted cash - noncurrent portion	1,824,600	-
Total cash, restricted cash, and cash equivalents	\$ 15,427,284	\$ 6,045,038

Note 1 - Significant Accounting Policies

General Statement

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

Reporting Entity

The financial statements included in this report are for the College of Western Idaho only. There are no component units for which the College is financially accountable, nor do any special financial relationships exist between the College and any other entity. The College's financial statements are prepared in accordance with pronouncements of the Governmental Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP).

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.

Non-exchange 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.

The College has the option to apply all Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 30, 1989, for business type activities, unless FASB conflicts with GASB. The College has elected to not apply FASB pronouncements issued after the applicable date.

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 fiscal year are classified as noncurrent assets. The College has some funds on deposit with the Idaho State Local Government Investment Pool (LGIP) and considers all such funds with the LGIP as cash and cash equivalents.

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.

Accounts Receivable

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

Property Tax Receivable

Property taxes levied for 2008 and 2009 are recorded as receivables. The District's property tax is levied each November on the assessed value listed as of the prior September for all property located in the District. Assessed values are established by the County Assessors in Ada and Canyon counties. Property tax payments are due in one-half installments in December and June.

Prepaid Expenses

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

Restricted Cash

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

Capital Assets

Capital assets are stated at cost when purchased, or if acquired by gift, at the estimated fair market 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, 20 to 40 years for buildings.

Deferred Revenue

Deferred revenue includes amounts received from student fees prior to the end of the fiscal year relating to Summer and Fall terms. These revenues are earned in the subsequent year.

Noncurrent Liabilities

Noncurrent liabilities are other liabilities that will not be paid within the next fiscal year.

Net Assets

The College's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Unrestricted Net Assets – Unrestricted net assets 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.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's practice is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Classification of Revenues

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

Operating revenues 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, and federal appropriations.

Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 34, such as state appropriations, property taxes and investment income.

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 Statements of Revenues, Expenses, and Changes in Net Assets. 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.

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. The College did not incur unrelated business income tax expense in the fiscal years ended June 30, 2010 or 2009.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the actuarial assumptions made in the other post employment liability and in the appraisals and valuation of donated land and equipment. It is at least reasonably possible that the significant estimates used will change within the next year.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation.

Allocation of Depreciation, Interest, and Operating and Maintenance Expenses

Management has followed the National Association of College and University Business Officers (NACUBO) guidance in Advisory Report (AR) 2010-1 which called for standardized presentation of expenses. The Integrated Postsecondary Education Data System (IPEDS) Finance Survey will require allocation of depreciation, operation and maintenance of plant, and interest expenses to all other functional expense categories for fiscal year 2010 reporting. The guidance offered by NACUBO was solely for the purpose of completing the IPEDS Finance Survey. At this time there is no requirement for footnote disclosure. However, management considered the many users of the external audited financial statements and evaluated the benefit of having the Part C IPEDS survey allocation results be consistent with the external audited financial statements. Therefore, depreciation, interest, and operation and maintenance of plant have been allocated to other functional expenses.

New Accounting Standards

In June 2004, the GASB issued Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*" This statement generally requires that the College account for and report the cost and obligations related to postemployment healthcare and other nonpension benefits (OPEB) and include disclosures regarding its OPEB plans. OPEB costs are based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of GASB Statement No. 45 may be applied prospectively and do not require the College to fund its OPEB plans. The College may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded liability is required to be amortized over future periods. The requirements of this Statement for the College were effective for the fiscal year ended June 30, 2008. The College did not have employees until fiscal year 2009. Management determined that the information was immaterial during fiscal year 2009, therefore no disclosure was made. Full disclosure is now made in fiscal year 2010.

In June 2008, the GASB issued Statement No. 53, “*Accounting and Financial Reporting for Derivative Instruments*.” This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The College has no derivative instruments at this time.

In February 2009, the GASB issued Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*.” The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. New fund balance definitions include *restricted*, *committed*, and *assigned*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The College has not completed the process of evaluating the impact that will result from adopting this Statement, and is therefore unable to disclose the impact that adopting the Statement will have on its financial statements.

Note 2 - Cash and Cash Equivalents

Operating cash is deposited locally and is carried at cost. Cash and cash equivalents are also held in the State managed Local Government Investment Pool (LGIP). 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. Investments are held in certificates of deposit at various local banks.

At June 30, the College’s cash, cash equivalents, and investments consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank Deposit	\$ 2,243,353	\$ 1,449,195
Change Funds	-	3,689
State Treasurer's Local Government Pool (LGIP)	12,149,800	12,149,800
Restricted Cash		
Bank Deposit	\$ 1,830,187	\$ 1,824,600
Investments		Fair Value
Short term Certificate of Deposit		\$ 250,000
Short term Certificate of Deposit		250,000
Short term Certificate of Deposit		250,000
Long term Certificate of Deposit		250,000

At June 30, 2009, the College's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash		
Bank Deposit	\$ 1,149,745	\$ 22,703
Change Funds	-	1,850
State Treasurer's Local Government Pool (LGIP)	6,020,485	6,020,485

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. The College does not have a deposit policy for custodial credit risk. At June 30, 2010 and 2009, \$14,146,843 and \$6,922,080, respectively, of the College's deposits were uninsured and uncollateralized. As a result, subsequent to June 30, 2010, actions were taken to reduce the amount of uninsured and uncollateralized cash, reducing the custodial credit risk to the College. A collateralized sweep account was established for the operating account. A collateralized money market account was also established and \$11.5 million was transferred from the State Treasurer's Local Government Pool (LGIP) to the collateralized money market account.

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 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.

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. The College does not have a policy addressing credit risk.

Three short term Certificates of Deposit with maturity of one year or less were established at separate financial institutions. Each certificate is covered by FDIC for \$250,000. One long term Certificate of Deposit with maturity of 5 years or less was established at an additional financial institution and is covered by FDIC for \$250,000.

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 College does not have a policy addressing interest rate risk.

Note 3 - Accounts Receivable

Accounts receivable refer to the portion due to the College, as of June 30, by various customers and constituencies of the College as a result of providing services to said groups. Accounts receivable at June 30, 2010 and 2009 consisted of the following:

	2010	2009
Revenue receivable from CSI	\$ 1,699,041	\$ 672,880
Federal, state, and private grants	1,030,272	-
Unbilled charges	-	164,130
Accounts receivable and unbilled charges	\$ 2,729,313	\$ 837,010

Note 4 - Property Taxes

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

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

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

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

Taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 20. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a three year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated penalties, interest and costs before sale.

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

Note 5 - Capital Assets

The following are the changes in capital assets for the years ended June 30, 2010 and 2009:

	Balance July 1, 2009	Additions	Retirements	Transfers	Balance June 30, 2010
Capital assets not being depreciated					
Land	\$ 13,000,000	\$ 720,000	\$ -	\$ -	\$ 13,720,000
Construction in progress	51,459	36,020	-	(51,459)	36,020
Total capital assets not being depreciated	<u>13,051,459</u>	<u>756,020</u>	<u>-</u>	<u>(51,459)</u>	<u>13,756,020</u>
Other capital assets					
Buildings	-	11,160,662	-	-	11,160,662
Leasehold improvements	-	174,466	-	-	174,466
Equipment	48,045	1,367,735	-	-	1,415,780
Computer equipment	577,261	228,228	-	51,459	856,948
Books	25,615	40,753	-	-	66,368
Vehicles	-	205,700	-	-	205,700
Intangibles	1,467,576	15,345	-	-	1,482,921
Total other capital assets	<u>2,118,497</u>	<u>13,192,889</u>	<u>-</u>	<u>51,459</u>	<u>15,362,845</u>
Total capital assets	<u>15,169,956</u>	<u>13,948,909</u>	<u>-</u>	<u>-</u>	<u>29,118,865</u>
Less accumulated depreciation					
Buildings	-	562,249	-	-	562,249
Leasehold improvements	-	17,662	-	-	17,662
Equipment	1,001	330,815	-	-	331,816
Computer equipment	181,032	271,321	-	-	452,353
Books	213	2,901	-	-	3,114
Vehicles	-	60,467	-	-	60,467
Intangibles	608,992	490,044	-	-	1,099,036
Total accumulated depreciation	<u>791,238</u>	<u>1,735,459</u>	<u>-</u>	<u>-</u>	<u>2,526,697</u>
Capital assets, net	<u>\$ 14,378,718</u>	<u>\$ 12,213,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,592,168</u>

College of Western Idaho
Notes to Financial Statements
June 30, 2010 and 2009

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
Capital assets not being depreciated				
Land	\$ -	\$ 13,000,000	\$ -	\$ 13,000,000
Construction in progress	-	51,459	-	51,459
Total capital assets not being depreciated	-	13,051,459	-	13,051,459
Other capital assets				
Equipment	332,708	292,598	-	625,306
Books	-	25,615	-	25,615
Intangibles	1,168,572	299,004	-	1,467,576
Total other capital assets	1,501,280	617,217	-	2,118,497
Total capital assets	1,501,280	13,668,676	-	15,169,956
Less accumulated depreciation				
Equipment	50,097	131,936	-	182,033
Books	-	213	-	213
Intangibles	194,762	414,230	-	608,992
Total accumulated depreciation	244,859	546,379	-	791,238
Capital assets, net	\$ 1,256,421	\$ 13,122,297	\$ -	\$ 14,378,718

Note 6 - Deferred Revenue

Deferred revenue includes amounts recorded for student tuition and fees, and other amounts received prior to the end of the fiscal year but relate to the following accounting period. Student fees represent 50% of summer semester revenues and 100% of fall semester revenues to be recognized in the subsequent fiscal year. Deferred revenue consists of the following at June 30:

	2010	2009
Student fees	\$ 1,116,748	\$ 407,871
Other deferred revenue	494	100
	\$ 1,117,242	\$ 407,971

Note 7 - Operating Leases

The College is committed under various operating leases, primarily for office buildings and maintenance agreements. As of June 30, 2010, future minimum operating lease commitments are as follows:

Fiscal Year	Amount
2011	\$ 1,788,504
2012	1,793,244
2013	3,008,590
2014	3,688,774
2015	3,713,512
Totals	\$ 13,992,624

Rent expenditure for the years ended June 30, 2010 and 2009 were \$1,927,246 and \$33,504, respectively.

Note 8 - 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.

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. For each month of credited service allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

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

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

	2010	2009
PERSI		
College required contribution rate	10.39%	10.39%
Percentage of covered payroll for employees	6.23%	6.23%
College contributions required and paid	\$ 286,214	\$ 67,995

Optional Retirement Plan

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

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

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

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

	2010	2009
ORP		
College contribution rate	7.81%	7.81%
Employee contribution rate	6.97%	6.97%
College contribution	\$ 629,766	\$ 119,806

Although enrollees in the ORP no longer belong to PERSI, the College is required to contribute to PERSI 3.83% of the annual covered payroll. These annual supplemental payments are required through July 1, 2011. The College of Western Idaho contributions required and paid were \$304,458 and \$58,513 respectively for the years ended June 30, 2010 and 2009. This amount is not included in the regular College PERSI contribution discussed previously.

Termination Benefits

Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value (maximum 600 hours) of their unused sick leave to continue their medical insurance coverage through the College. The College partially funds these obligations by depositing .65% of the employees' gross payroll with PERSI who administers the plan as a cost sharing, multiple-employer plan. The total contributions for the years ended June 30, 2010 and 2009 were \$68,933 and \$14,000, respectively.

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

Note 9 - Postemployment Benefits other than Pensions

Summary of Plans

The College of Western Idaho (CWI) participates in other postemployment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by CWI to eligible retired or disabled employees. The most recent actuarial valuation is as of July 1, 2008. CWI has not set aside any assets to pay future benefits; CWI funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained as follows:

Office of the Idaho State Controller
700 W State Street, 4th Floor
Boise, ID 83702
P.O. Box 83720
Boise, ID 83720-0011
www.sco.idaho.gov

Plan Descriptions and Funding Policy

Retiree Healthcare Plan

A retired employee of CWI who is eligible to retire under the Public Employee Retirement System of Idaho may elect to purchase retiree health insurance coverage for themselves and eligible dependents. CWI employees must enroll within 60 days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have 10 or more years (20,800 or more hours) of credited state administered service. An officer or employee must be an active employee on or before June 30, 2009, and must retire directly from state administered service. 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 maximum benefit is \$1,860 per retiree per year. CWI contributed \$16.44 per active employee per month towards the retiree premium cost.

Beginning January 1, 2010, coverage was not available to Medicare-eligible retirees or their Medicare-eligible dependents.

Long-Term Disability Plan

Disabled employees are defined as being 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.

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 other sources of income such as social security, workers' compensation, unemployment benefits, employment rehabilitation earnings, and certain retirement benefits. The State is self-insured for employees who became disabled prior to July 1, 2003; the State pays 100 percent of the cost of this benefit.

Employees disabled on or after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. CWI pays 100 percent of the cost of the premiums; the contribution rate for the period was 0.324 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.

This plan 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. In addition, a \$2,000 life insurance benefit is provided for spouses, and a \$1,000 life insurance benefit is provided for dependent children. These benefits do not increase with inflation. CWI pays 100 percent of the cost of premiums; the contribution is actuarially determined based on actual claims experience.

For up to 30 months following the date of disability, an employee may continue healthcare coverage under the State administered plan. CWI pays 100 percent of CWI's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. CWI's contribution for the period was \$7.61 per active employee per month.

Annual OPEB Cost

The Annual OPEB Cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer in accordance with GASB Statement Nos. 43 and 45.

The following table illustrates the annual OPEB cost, the amount of contributions made, the increase (decrease) in the net OPEB obligation (NOO), and the NOO (funding excess) for the current year:

2010 Annual OPEB cost and Net OPEB Obligation

	Retiree Healthcare Plan	Long-term Disability Plan	
		Life Insurance	Healthcare
Annual OPEB Cost			
Annual required contribution	\$ 38,882	\$ 8,838	\$ 20,481
Interest on net OPEB obligation	14,091	(12)	414
Adjustment to annual required contribution	(18,872)	12	(552)
Total Annual OPEB cost	<u>34,101</u>	<u>8,838</u>	<u>20,343</u>
Contributions Made	<u>(19,975)</u>	<u>(9,505)</u>	<u>(11,321)</u>
Increase (decrease) in net OPEB obligation	14,126	(667)	9,022
Net OPEB obligation (funding excess) - beginning of year	<u>(682)</u>	<u>(718)</u>	<u>134</u>
Net OPEB obligation (funding excess) - end of year	<u>\$ 13,444</u>	<u>\$ (1,385)</u>	<u>\$ 9,156</u>
Percentage of AOC contributed	58.58%	107.55%	55.65%

2009 Annual OPEB Cost and Net OPEB Obligation

	Retiree Healthcare Plan	Long-term Disability Plan	
		Life Insurance	Healthcare
Annual OPEB Cost			
Annual required contribution	\$ 7,102	\$ 1,527	\$ 3,415
Interest on net OPEB obligation	2,474	30	66
Adjustment to annual required contribution	(3,387)	(42)	(90)
Total Annual OPEB cost	<u>6,189</u>	<u>1,515</u>	<u>3,391</u>
Contributions Made	<u>(6,871)</u>	<u>(2,233)</u>	<u>(3,257)</u>
Increase (decrease) in net OPEB obligation	(682)	(718)	134
Net OPEB obligation (funding excess) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB obligation (funding excess) - end of year	<u>\$ (682)</u>	<u>\$ (718)</u>	<u>\$ 134</u>
Percentage of AOC contributed	111.02%	147.39%	96.05%

Annual OPEB Cost Comparison

The following table compares the annual OPEB cost, the percentage of annual OPEB cost contributed and the Net OPEB Obligation (funding excess) for the current and prior year.

Annual OPEB Cost and Net OPEB Obligation Comparison

		Retiree Healthcare Plan	Long-term Disability Plan	
			Life Insurance	Healthcare
Annual OPEB Cost	2010	\$ 34,101	\$ 8,838	\$ 20,343
	2009	6,189	1,515	3,391
Percentage of AOC contributed	2010	58.58%	107.55%	55.65%
	2009	111.02%	147.39%	96.05%
Net OPEB Obligation (Funding Excess) - end of year	2010	\$ 13,444	\$ (1,385)	\$ 9,156
	2009	(682)	(718)	134

Funded Status and Funding Progress

The following table illustrates the funded status and the funding progress for CWI:

	Actuarial Valuation Date	Retiree Healthcare Plan	Long-term Disability Plan	
			Life Insurance	Healthcare
	7/1/2008		7/1/2008	7/1/2008
(1) Actuarial Value of Assets		-	-	-
(2) Accrued Liability (AAL)		\$ 46,892	\$ 18,112	\$ 21,652
(3) Unfunded AAL (UAAL) (2)-(1)		\$ 46,892	\$ 18,112	\$ 21,652
(4) Funded Ratios (1) : (2)		0.00%	0.00%	0.00%
(5) Annual Covered Payroll		\$ 2,188,438	\$ 2,188,438	\$ 2,188,438
(6) UAAL as a Percentage of Covered Payroll (3) : (5)		2.14%	0.83%	0.99%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Required supplementary information immediately follows the notes to the financial statements; in subsequent years this required supplementary information will contain multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. Any variations in future experience from that expected based on these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The following table presents the significant methods and assumptions for all plans:

	Significant Methods and Actuarial Assumptions		
	Retiree <u>Healthcare Plan</u>	<u>Long-term Disability Plan</u>	
	<u>Life Insurance</u>	<u>Healthcare</u>	
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	11 years, Closed	30 years, Open	30 years, Open
Assumptions:			
Inflation rate	3.0%	3.0%	3.0%
Investment return	4.50%	5.25%	4.50%
OPEB increases	N/A	N/A	N/A
Projected salary increases	3.75%	3.75%	3.75%
Healthcare cost initial trend rate	13.60%	N/A	13.60%
Healthcare cost ultimate trend rate	5.00%	N/A	5.00%

Note 10 - 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 years. The College billed premiums were \$74,109 and \$12,539 for fiscal years 2010 and 2009, respectively.

Note 11 - Related Party Transactions

The College has not yet met the requirement for independent accreditation. Thus, the College currently delivers college credit instruction, certificates and degrees through its memorandum of understanding with the College of Southern Idaho (CSI). CSI is accredited through The Northwest Commission on Colleges and Universities. The Northwest Commission on Colleges and Universities is a regional postsecondary accrediting agency recognized by the U.S. Department of Education and the Council for Higher Education Accreditation. Credits, certificates and degrees earned at the College appear on CSI transcripts and are transferable to four-year institutions, subject to the specific policies of those institutions. Federal financial aid for CWI students is awarded by the U.S. Department of Education through College of Southern Idaho. As of June 30, 2010 and 2009, CWI had a receivable from CSI of \$1,699,041 and \$672,880, respectively, and a payable to CSI of \$135,513 and \$5,141, respectively.

Through a separate memorandum of understanding, CSI operates the CWI Bookstore. CSI provides all inventories, manages the book ordering and buy-backs, establishes the sales and return policy, as well as the point of sale system. CWI provides the facilities, and funds the Bookstore Manager and Assistant Retail Manager position. Currently, 100% of the Bookstore profits belong to CSI.

CWI acts as the fiscal agent for seven State Division of Professional Technical Education student organizations. The College holds operating funds on their behalf in the amount of \$183,017. All expenses and revenue run through the College, and are reflected on Statement of Net Assets as Current Other Liabilities.

Note 12 - 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. The College is not a defendant in litigation arising from the normal course of operations. 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 13 - Subsequent Events

In July 2010, the College of Western Idaho Foundation was established and granted tax exempt 501(c)(3) status. The organization is a legally separate private non-profit organization. The Foundation was established for the purpose of soliciting donations and to hold and manage invested donations for the exclusive benefit of the College.

GASB Statement 39, “*Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*” requires that organizations that are legally separate, tax-exempt entities and that meet certain criteria should be discretely presented as component units. The CWI Foundation received 501(c)(3) tax exempt status from the IRS in July 2010, and will be reported as a component unit of the College in fiscal year 2011.

The College held \$1,050,618 that was subsequently transferred to the CWI Foundation in fiscal year 2011. This money included \$975,418 in Albertson Foundation Scholarship funds, as well as \$74,200 in various private donations and scholarships. The College held these funds until the Foundation was awarded its 501(c)(3) status.

Supplementary Information
June 30, 2010 and 2009

College of Western Idaho

College of Western Idaho
Other Postemployment Benefits – Schedule of Funding Progress
June 30, 2010

	(1)	(2)	(3)	(4)	(5)	(6)	
OPEB Plan	Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) : (1)	Funded Ratios (1) : (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree Healthcare	7/1/2008	\$ -	\$ 46,892	\$ 46,892	0.0%	\$ 2,188,438	2.1%
Long-Term Disability							
Life Insurance	7/1/2008	\$ -	\$ 18,112	\$ 18,112	0.0%	\$ 2,188,438	0.8%
Healthcare	7/1/2008	\$ -	\$ 21,652	\$ 21,652	0.0%	\$ 2,188,438	1.0%

	<u>Instruction</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Public Service</u>
Operating Expenses				
Wages and salaries	\$ 8,956,667	\$ 1,864,298	\$ 1,569,360	\$ 183,359
Taxes and benefits	2,525,244	747,636	726,448	87,554
Supplies	2,870,350	616,395	340,989	36,467
Repairs and maintenance	581,571	121,052	101,901	11,906
Travel	55,344	51,688	45,663	9,657
Vehicles	63,901	954	106	-
Services	122,954	227,831	207,061	12,609
Miscellaneous	169,900	206,962	99,793	55,043
Insurance, rent, utilities	38,324	170,297	8,851	12,432
Financial aid	-	-	-	-
Non-capital equipment	3,450,576	11,905	1,487	-
Depreciation	280,680	372,682	35,998	-
Fund transfer	209,223	(210,623)	-	-
Total operating expenses	<u>\$ 19,324,734</u>	<u>\$ 4,181,077</u>	<u>\$ 3,137,657</u>	<u>\$ 409,027</u>

College of Western Idaho
Schedules of Operating Expenses
Year Ended June 30, 2010

<u>Scholarships</u>	<u>Auxiliary Expenses</u>	<u>Institutional Support</u>	<u>Operations and Maintenance</u>	<u>Total</u>
\$ 69,684	\$ 101,005	\$ 1,724,042	\$ 398,274	\$ 14,866,689
425	43,557	688,736	224,522	5,044,122
-	428	177,640	567,439	4,609,708
4,525	6,559	111,945	25,861	965,320
-	1,737	68,373	5,197	237,659
-	-	33	3,366	68,360
-	4,829	1,202,661	160,808	1,938,753
423	613	662,253	54,125	1,249,112
-	-	106,543	2,219,500	2,555,947
21,074	-	-	-	21,074
-	-	-	-	3,463,968
-	10,194	926,775	109,131	1,735,460
-	-	1,400	-	-
<u>\$ 96,131</u>	<u>\$ 168,922</u>	<u>\$ 5,670,401</u>	<u>\$ 3,768,223</u>	<u>\$ 36,756,172</u>

	<u>Instruction</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Public Service</u>
Operating Expenses				
Wages and salaries	\$ 672,376	\$ 425,739	\$ 591,338	\$ -
Taxes and benefits	178,071	245,827	259,212	1,138
Supplies	880,753	219,580	66,320	-
Repairs and maintenance	158	207,872	176	-
Travel	524	19,714	18,980	-
Vehicles	-	-	-	-
Services	2,938	67,944	49,960	-
Miscellaneous	80,990	74,971	45,178	-
Insurance, rent, utilities	-	68,110	959	-
Financial aid	50	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>\$ 1,815,860</u>	<u>\$ 1,329,757</u>	<u>\$ 1,032,123</u>	<u>\$ 1,138</u>

College of Western Idaho
Schedules of Operating Expenses
Year Ended June 30, 2009

<u>Scholarships</u>	<u>Auxiliary Expenses</u>	<u>Institutional Support</u>	<u>Operations and Maintenance</u>	<u>Total</u>
\$ 8,556	\$ 49,608	\$ 1,109,449	\$ 79,705	\$ 2,936,771
39	21,498	462,160	68,898	1,236,843
-	44,510	91,647	189,610	1,492,420
-	359	2,269	57,815	268,649
-	1,722	36,493	374	77,807
-	-	12	697	709
-	1,848	739,065	66,394	928,149
-	-	343,961	929	546,029
-	-	60,218	103,428	232,715
-	-	-	-	50
-	-	-	546,381	546,381
<u>\$ 8,595</u>	<u>\$ 119,545</u>	<u>\$ 2,845,274</u>	<u>\$ 1,114,231</u>	<u>\$ 8,266,523</u>

Federal Reports
June 30, 2010 and 2009

College of Western Idaho

College of Western Idaho
Schedule of Expenditures of Federal Awards
June 30, 2010

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-through Number	Expenditures
U.S. DEPARTMENT OF EDUCATION PASS-THROUGH STATE OF IDAHO			
Adult Basic Education-Administered Basic Grant Program			
Federal Direct Services	84.002A*	F ABE D01 10B 660	\$ 357,628
Teacher Training and Program Improvement	84.002A*	F ABE L01 10A 660	30,159
Federal Incarcerated	84.002A*	F ABE D03 10D 660	8,190
EL Civics	84.002A*	F ABE E01 10A 660	83,504
Federal Administration (5%)	84.002A*	F ABE D02 10A 660	14,243
ESL State Trainer	84.002A*	F ABE L01 10B 660	2,082
IMAS Contract	84.002A*	F ABE L05 10C 660	5,000
Academy of Excellence	84.002A*	F ABE L02 10D 660	778
Skills Tutor Contract	84.002A*	F ABE D01 10C 660	12,649
Career Technical Education-Basic Grants to States			
Student Organizations-PTSO Prof Dvlpmt Accounting Srvcs	84.048A*	F CPL MPTA AD 10A 660	39,711
Perkins - Academic Skills Development	84.048A*	PFF B01 10A 660	85,881
Perkins - Program Improvement (Equipment)	84.048A*	PFF B06 10C 660	71,093
Perkins - Professional Development	84.048A*	PFF B04 10B 660	24,894
Fundamentals of IS Tech Curr Proj	84.048A*	PFF B16 10G 660	4,100
Perkins - ALP Region III FY 2010	84.048A*	F ALP L010 TP 10A 660	12,367
Perkins - Advanced Learning Partnership Contribution	84.048A*	F ALP L010 TP 10A 660	66,702
Perkins - Adv. Learning Partnership Revenue from Schools FY 2010	84.048A*	F ALP L010 TP 10A 660	79,452
Technical Math Curriculum	84.048A*	F CDP CTMC CP 10A 660	5,622
Perkins - Technical Skills Assessments	84.048A*	PFF B07 10D 660	4,188
Perkins - PACE	84.048A*	PFF B08 10F 660	16,567
Perkins - Secondary to Postsecondary Links	84.048A*	PFF B08 10E 660	29,820
State Fire Training Systems Grants	97.043	F FST NFA ET 10 660	2,147
Education State Fiscal Stabilization – American Recovery and Reinvestment Act (ARRA-stimulus)	84.394A	828863667	<u>277,500</u>
Total Department of Education			<u>1,234,277</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 1,234,277</u></u>

*Denotes a major program cluster

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards presents the activity of all federal grant activity of College of Western Idaho. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The reporting entity is defined in Note 1 to the financial statements.

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

Note 2 - Major Programs

The following programs have been identified as major programs for the year ended June 30, 2010.

<u>Program</u>	<u>CFDA Number</u>
Adult Basic Education	84.002A
Career Technical Education	84.048A



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 the financial statements of the College of Western Idaho (the College), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 16, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of the College of Western Idaho, in a separate letter dated November 16, 2010.

This report is intended solely for the information and use of the Board of Trustees, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Boise, Idaho
November 16, 2010



Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the College of Western Idaho (the College), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College of Western Idaho, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

This report is intended solely for the information and use of the Board of Trustees, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Boise, Idaho
November 16, 2010

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
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 programs:	
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:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.002A	Department of Education – Adult Basic Education
84.048A	Department of Education – Career Technical Education

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

SECTION II - Financial Statement Findings None

SECTION III - Federal Award Findings and Questioned Costs None