Financial Statements
June 30, 2015 and 2014

College of Western Idaho

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of College of Western Idaho (the College), and its discretely presented component unit as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of College of Western Idaho Foundation were not audited in accordance with *Government Auditing Standards*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

877 W. Main St., Ste. 800 | Boise, ID 83702-5858 | T 208.344.7150 | F 208.344.7435 | EOE

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2015 and 2014, and the respective changes in their financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle
As discussed in Notes 1 and 10 and 16 to the financial statements, the College has adopted the provisions of GASB Statement No.68, *Accounting and Financial Reporting for Pensions* (GASB 68) and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71), which has resulted in a restatement of the net position as of July 1, 2014. In accordance with GASB Statement No. 68, the 2014 financial statements have not been restated to reflect this change. Our opinion is not modified with respect to this matter.

Restatement and Reissuance

As discussed in Note 17, subsequent to the issuance of the College's 2015 financial statements and our report thereon dated October 9, 2015, we became aware that those financial statements had an error in the calculation of the net pension liability and related expense as a result of clarified guidance related to the implementation of GASB 68 and GASB 71. In our original report we expressed an unmodified opinion on the 2015 financial statements, and our opinion on the revised statements, as expressed herein, remains unmodified.

Other Matters

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

Other Information
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's financial statements. The President's letter and the schedule of operating expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The 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 financial statements.

The schedules of operating expenses and expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records

used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The President's letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 09, 2015 on our consideration of College of Western Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering College of Western Idaho's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
October 09, 2015, except for Note 17, which is dated November16, 2015

Financial Report – Letter from the President

August 31, 2015

Dr. Bert Glandon
CWI President

It is my great pleasure to share College of Western Idaho's (CWI) Financial Report for Fiscal Year (FY) 2015. CWI is celebrating another year full of successes in support of students and our community.

CWI is proud to be western Idaho's resource for affordable, open-access higher education. With the implementation of new initiatives, during FY2015, CWI continued to develop community relations and employee support structures, maintain fiscal stability, and positioned the College for long-term sustainability.

Last year, **CWI served 20,697 students** who decided to further their education[1]. This includes degree-seeking students, industry professionals, individuals seeking basic education, and community members looking to update specific skills. CWI awarded a record-high **1,260 degrees and certificates**.

Based on Fall 2014 credit enrollment and Fiscal Year 2015 noncredit enrollment.

STUDENT SUCCESS

CWI's top priority continues to be fostering student success. The College displayed this commitment to supporting students in FY2015 through a number of new initiatives:

- **Improving Persistence, Retention and Completion: CWI implemented several new key initiatives to increase opportunities for student success**. These include:
  - Successful Start: Additional support and deadlines for new student admissions and enrollment to ensure that students are adequately prepared from the very first day of class.
  - Required Orientation, Advising, and Registration sessions: Prepare students for beginning their college path.
  - Additional workshops: Added to help students with everything from time management to career exploration to computer and systems navigation.
  - College Writing Center: The College's Writing Center served the most students in one semester to date, providing **2,400 writing consultations** with students in fall 2014.
- **Expanded Transfer Opportunities for Students:** CWI has worked closely with Boise State University, Lewis-Clark State College, and the University of Idaho to ensure our students are guaranteed admissions and have an even smoother process for becoming a university student upon graduation from CWI.
- **Expanded Dual Credit Opportunities for Students:** Through collaboration and promoting relationships with high schools, CWI has become one of the largest serving dual credit institution in the state with 3,378 students attaining 20,196 college credits through dual credit at CWI. This is a 28 percent increase over the previous year.
- **Reducing Student Borrowing:** CWI disbursed $32.8 million in financial aid and through active advising in financial aid, CWI student loan **borrowing decreased by 28.4 percent**.

EMPLOYEE SUCCESS

Understanding that students will only be successful if the people tasked with supporting them are properly equipped, CWI continues to allow all faculty and staff an opportunity to flourish.

- **Employee Survey:** This year, 73 percent of faculty and 53 percent of staff participated in CWI's employee survey, which is a 5 percent increase from 2014. Survey highlights included:
    - **75 percent employee satisfaction** reported.
    - A Human Resources Advisory Committee was formed to develop recommendations to address challenges identified in the employee survey.
- **Instructional Support:** CWI added a new position for a Dean of Instructional Support, who oversees faculty development opportunities at the College.

FISCAL STABILITY

Since its inception, CWI has understood the importance of maintaining fiscal stability to ensure the long-term success of the College. In FY2015, CWI demonstrated fiscal stability by:

- **Maintaining Affordable Access:** To help provide students affordable access, CWI kept **tuition and fees at the same level for the fourth straight year**.
- **Management Control Assessment:** The College has conducted a Management Control Assessment, which provided recommendations to the College regarding areas for improvement in operational processes. This assessment has been presented to both the Finance Committee and the CWI Board of Trustees. Management is reviewing the recommendations and implementing process improvements as needed.
- **Improved Grant Management:** CWI's Advancement Department has worked extensively to streamline the College's grant management process. Last year, CWI increased its grant support and formed a grant committee to help identify the best opportunities and support for funding.

COMMUNITY CONNECTIONS

The College is also proud of its dedication to developing community connections, not only to benefit the educational experience for our students, but also to ensure CWI is a leading resource for the public. In FY2015, CWI strengthened its community reach by:

- **Increase in Partnerships:** CWI continues to demonstrate a successful focus on partnerships with public organizations and local business and industry. Highlights in the year include: the Western States CAT customized technician program as well as a Physical Therapy Assistant program, developed in collaboration with leaders in the health industry and peer colleges.
- **Industry Driven Programs:** CWI continued its engagement with local industry as **more than 30 Technical Advisory Committees,** comprised of **over 380 representatives from business and industry,** supported CWI's professional-technical and workforce development programs.
- **Students-to-Community:** Students in CWI's Academic Transfer programs completed **21,354 student-to-community hours** in the 2014-15 Academic Year; **a 155 percent increase** from the previous year. Other students received real-world education through internships and externships throughout the community.
- **Community Utilizing CWI Facilities:** CWI has shown its commitment to keeping its doors open to the public by inviting the community to use its facilities for training, meetings, and conferences. In FY2015, **non-CWI organizations used the College's facilities** for a total of **3,236 hours,** including **1,084 hours** at CWI's Micron Center for Professional Technical Education.

INSTITUTIONAL SUSTAINABILITY

Long-term sustainability is a driving force for CWI. The College took a number of important steps this past year to ensure it is positioned for a strong future.

- **Accreditation:** CWI has continued work towards achieving independent accreditation through the Northwest Commission on Colleges and Universities (NWCCU). During the year the College hosted two representatives for the Year Three Site Visit and Mid Cycle Review. The accreditation process is on track and CWI anticipates full accreditation in **January 2017**.
- **Campus Development for Long-Term Sustainability:** Subsequent to fiscal year end, the College acquired additional land on the Nampa Campus and identified a potential property in Ada County to provide a permanent campus location in Boise. With **more than 50 percent of CWI students residing in Ada County**, the College is continuing to focus on accessibility in both Ada and Canyon Counties while shifting away from leased facilities. Currently, CWI spends over $2M a year for leased facilities that are located in business complexes that are not ideal for sustainability and quality of services for students.
- **Master Plan Update:** CWI took a visionary step forward in its **update to the Nampa Campus Master Plan.** The updated master plan reflects a more current and comprehensive view of this campus and its future growth and development in support of the community, based on growth estimates through 2040.

From student and employee success, community connections, fiscal stability, and institutional sustainability, CWI continues on its mission to be a leading resource for lifelong learning throughout the Treasure Valley and beyond.

This section of College of Western Idaho's annual financial report presents a discussion and analysis of the financial performance of College of Western Idaho (the College or CWI) for the fiscal years 2015 and 2014 which ended June 30, 2015 and 2014. This discussion has been prepared by management along with the financial statements and related footnote disclosures. It should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts. The financial statements, footnotes and this discussion are the responsibility of management.

Accreditation Agreement

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

Financial Highlights

In fiscal year 2015, there was an overall increase of $4.8 million to the current fund surplus. This increase was primarily due to an increase in the facilities and strategic reserves.

During fiscal year 2015:

- Net Student Tuition and Fee Revenue decreased from $18.7 million to $17.2 million.
- Scholarship Allowance decreased from $10.6 million to $9.5 million.
- Operating Expenses decreased from $61.4 million to $59.6 million.
- State Appropriations increased from $14.9 million to $17.6 million.
- State and Federal Financial Aid expense decreased from $21.7 million to $18.7 million.

During fiscal year 2014:

- Net Student Tuition and Fee Revenue decreased from $20.2 million to $18.7 million.
- Scholarship Allowance increased from $8.4 million to $10.6 million.
- Operating Expenses increased from $58.9 million to $61.4 million.
- State Appropriations increased from $13.1 million to $14.9 million.
- State and Federal Financial Aid expense decreased from $22.4 million to $21.7 million.

Accounting Treatment of Financial Aid

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

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

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2015 and 2014 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by most private-sector companies. These financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

Statement of Net Position

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

Current assets consist of available cash and other assets that could be converted to cash within a year. 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. Non-current liabilities are obligations that are not required to be satisfied within one year.

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

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

Net position is divided into three major categories. The first category is Net Investment in Capital Assets, which provides the College's investment in capital assets. The second category is Restricted Net Position, which is net position available to the College for any lawful purpose of the institution. The third category, Unrestricted Net Position, 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 Financial Statements

The following tables on pages 11 through 16 presented for the years June 30, 2014 and 2013 have not been restated for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Summary Statements of Net Position
Fiscal Years Ended June 30

	2015	2014	2013
Current and other assets	$ 57,838,606	$ 54,339,788	$ 49,887,433
Capital assets	49,036,482	49,775,521	31,901,431
Total assets	106,875,088	104,115,309	81,788,864
Deferred outflows of resources	561,510	-	-
Total assets and deferred outflows of resources	$ 107,436,598	$ 104,115,309	$ 81,788,864
Current liabilities	$ 4,939,775	$ 5,866,372	$ 5,258,876
Noncurrent liabilities	4,904,997	4,131,134	4,503,979
Total liabilities	9,844,772	9,997,506	9,762,855
Deferred inflows of resources	1,516,114	-	-
Net position			
Net investment in capital assets	45,533,463	45,931,906	27,750,053
Restricted - expendable	942,838	1,061,815	1,268,651
Unrestricted	49,599,411	47,124,082	43,007,305
Total net position	96,075,712	94,117,803	72,026,009
Total liabilities, deferred inflows of resources, and net position	$ 107,436,598	$ 104,115,309	$ 81,788,864

The College's total assets and deferred outflows of resources increased during fiscal year 2015 by $3,321,289, from $104,115,309 in 2014 to $107,436,598 in 2015. Specifically contributing to the increase in assets was the increased value of funds held as long term investments, as well as recording the Net Pension Liability now required under GASB 68. The College's total liabilities decreased during fiscal year 2015 by $152,734 from $9,997,506 in fiscal year 2014 to $9,844,772 in 2015. This was primarily the result of a reduction in accounts payable. Deferred Inflows of Resources increased from zero in fiscal year 2014 to $1,516,114 in fiscal year 2015. This was the result of recording the Net Pension Liability, which is now required under GASB 68. Footnote 10 contains additional detailed information.

The increase in assets is a result of senior management's continuing emphasis on sound fiscal management. During fiscal year 2015, The Board of Trustees approved purchasing investments with excess College funds. This was done in accordance with State and College policies. This has resulted in a higher return than was previously experienced by holding cash in a collateralized account. Additionally, College senior management has focused on incurring ongoing expense only when necessary, and makes every effort to ensure that ongoing spending is well within actual revenue. This includes the need to create operating reserves for the College to be able to weather any future downturns in funding. Because of this conservative fiscal approach, CWI has been able to establish cash reserves sufficient enough to facilitate disbursing financial aid.

The College's total assets increased during fiscal year 2014 by $22,326,445, from $81,788,864 in 2013 to $104,115,309 in 2014. Specifically contributing to the increase in Capital assets was the donation of the Micron Center for Professional Technical Education from the CWI Foundation. Additionally, administration actively managed the 2014 budgets to set aside funds as carry forward for several facilities remodel and tenant improvement projects which began in 2014 and expect to be completed in the next fiscal year. The College's total liabilities increased slightly during fiscal year 2014 by $234,651 from $9,762,855 in fiscal year 2013 to $9,997,506 in 2014. An increase in accounts payable attributed to the majority of the increase.

Statement of Revenues, Expenses, and Changes in Net Position

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

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

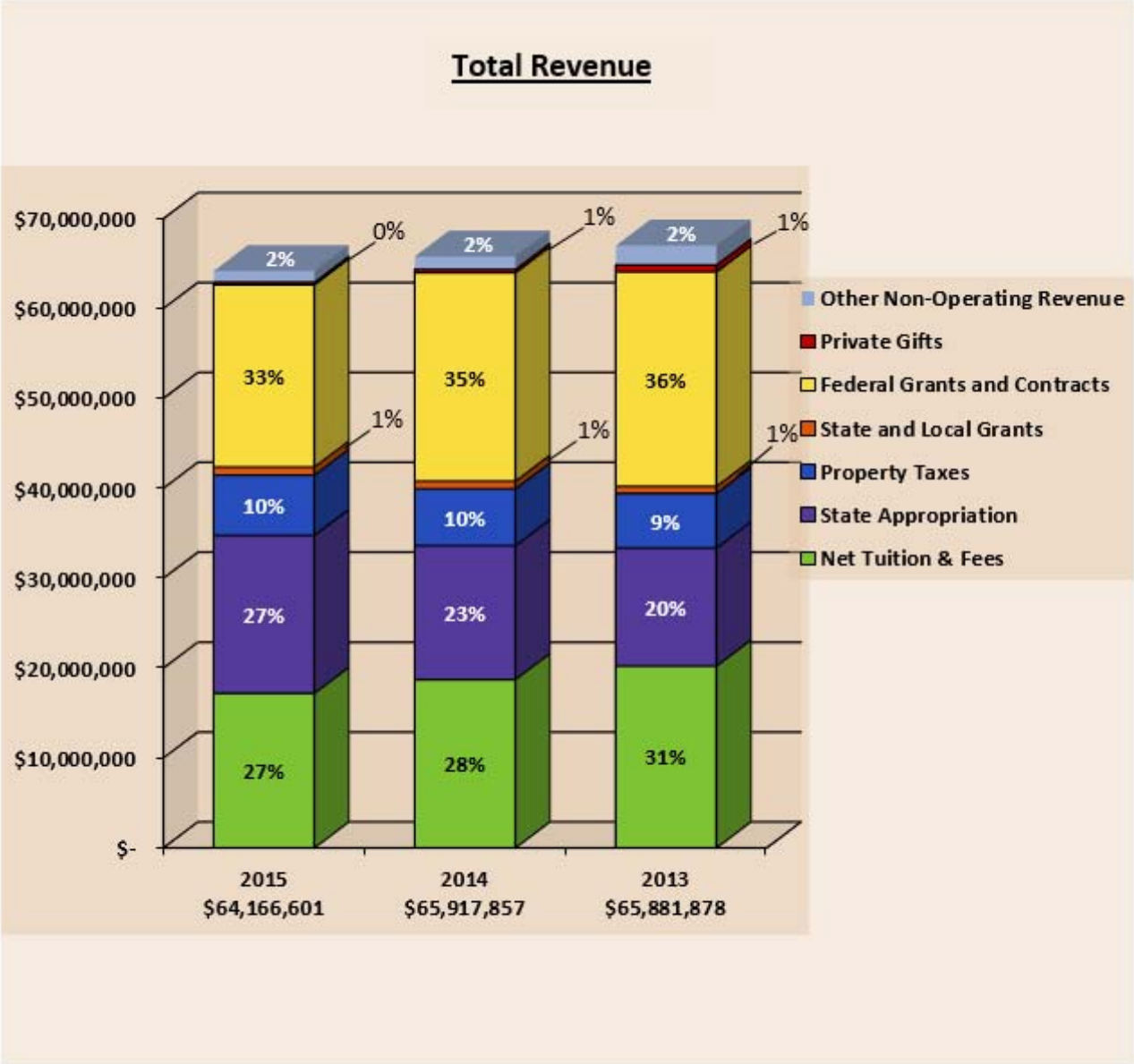
Generally, operating revenues are generated by providing services to various customers, students, and constituencies of the College, including but not limited to student tuition, fees, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the services provided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

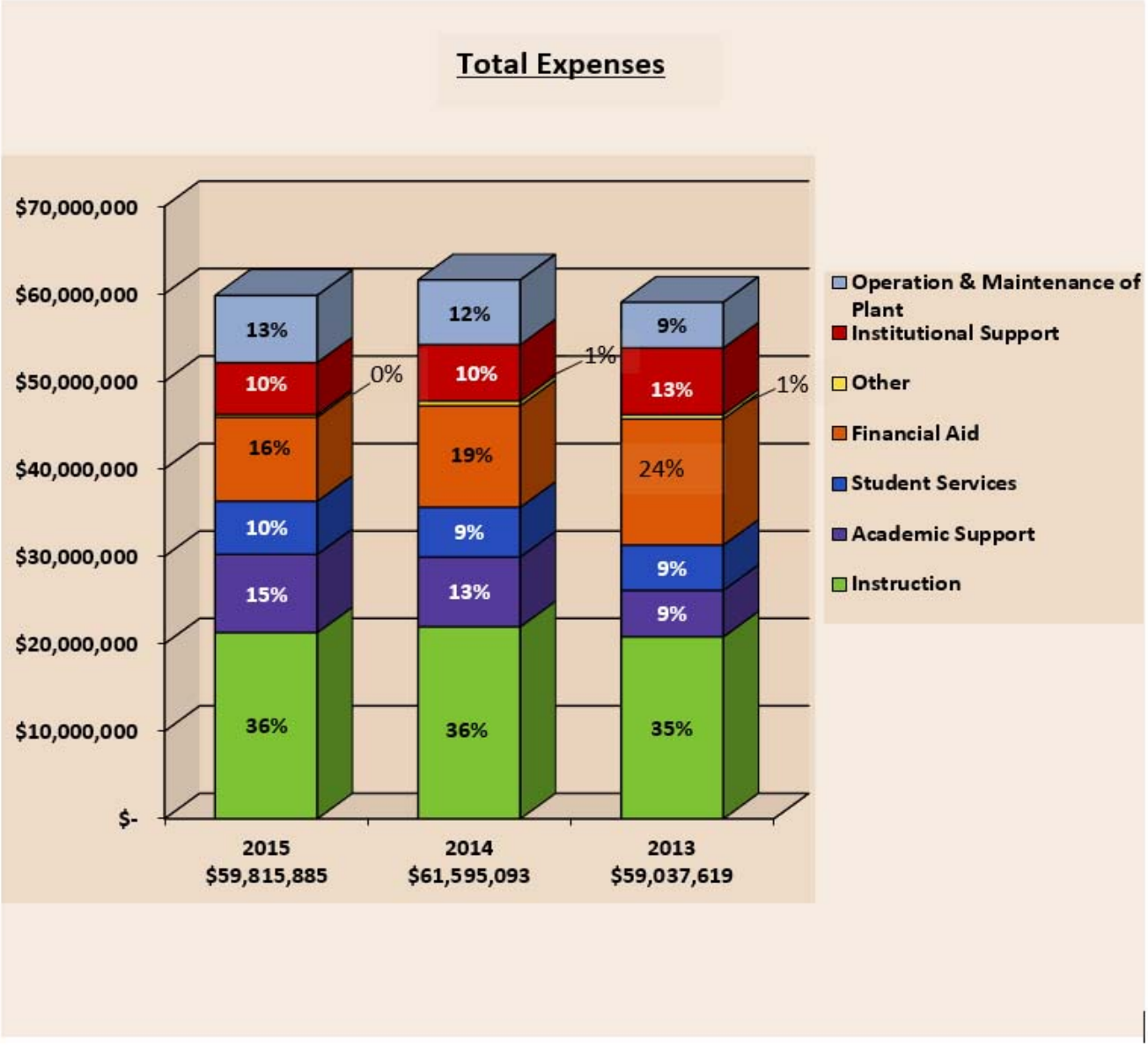
Summary Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years Ended June 30

	2015	2014	2013
Operating revenues	$ 19,852,959	$ 21,253,288	$ 22,697,811
Operating expenses	59,617,601	61,379,598	58,912,337
Operating loss	(39,764,642)	(40,126,310)	(36,214,526)
Nonoperating revenues (expense)			
State appropriation	17,561,419	14,884,814	13,125,014
Private gifts	284,504	509,706	386,232
Investment Income	87,084	-	-
Local taxes	6,705,653	6,339,677	6,074,279
Other nonoperating revenue	19,674,982	22,930,372	23,598,542
Interest expense	(198,284)	(215,495)	(125,282)
Nonoperating revenues	44,115,358	44,449,074	43,058,785
Capital gifts	10,455	17,769,030	292,104
Change in net position	4,361,171	22,091,794	7,136,363
Prior Period Restatement	(2,403,262)	-	-
Net position - beginning of year	94,117,803	72,026,009	64,889,646
Net position - end of year	$ 96,075,712	$ 94,117,803	$ 72,026,009

The Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in net position during fiscal year 2015. Operating revenues decreased by $1,400,329 from $21,253,288 in 2014 to $19,852,959 in 2015. This decrease was a result of the decrease in Net Tuition and Fee Revenue. Tuition must be reported net of Scholarship Discounts and Allowances, which is 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. The amount of federal aid disbursed to the student account to satisfy tuition and fee charges must be reported as a reduction of the tuition revenue. Please see further explanation on page 9 under the paragraph titled "Accounting Treatment of Financial Aid." Operating expenses decreased by $1,761,997 from $61,379,598 in 2014 to $59,617,601 in 2015. The decrease in operating expenses was largely due to a reduction in Financial Aid expense.

The Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in net position during fiscal year 2014. Operating revenues decreased by $1,444,523 from $22,697,811 in 2013 to $21,253,288 in 2014. This decrease was a result of the decrease in Net Tuition and Fee Revenue. Tuition must be reported net of Scholarship Discounts and Allowances, which is 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. The amount of federal aid disbursed to the student account to satisfy tuition and fee charges must be reported as a reduction of the tuition revenue. Please see further explanation on page 9 under the paragraph titled "Accounting Treatment of Financial Aid." Operating expenses increased by $2,467,261 from $58,912,337 in 2013 to $61,379,598 in 2014. The increase in operating expenses was largely due to an increase in Wages and Salaries.


Total Revenue
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
2%
0%
33%
1%
10%
27%
27%
2%
1%
35%
1%
10%
23%
28%
2%
1%
36%
1%
9%
20%
31%
2015
$64,166,601
2014
$65,917,857
2013
$65,881,878
Other Non-Operating Revenue
Private Gifts
Federal Grants and Contracts
State and Local Grants
Property Taxes
State Appropriation
Net Tuition & Fees


Total Expenses
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
13%
10%
16%
10%
15%
36%
0%
12%
10%
19%
9%
13%
36%
1%
9%
13%
24%
9%
9%
35%
1%
2015
$59,815,885
2014
$61,595,093
2013
$59,037,619
Operation & Maintenance of Plant
Institutional Support
Other
Financial Aid
Student Services
Academic Support
Instruction

Statement of Cash Flows

The final Statement presented by the College is the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during the year.
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 non-capital financing activities. This section represents the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Summary Statements of Cash Flows
Fiscal Years Ended June 30

	2015	2014	2013
Cash and cash equivalents from (used for)			
Operating activities	$ (38,354,472)	$ (36,821,556)	$ (34,879,324)
Noncapital financing activities	46,171,114	43,844,130	43,476,660
Capital and related financing activities	(2,552,624)	(3,069,023)	(2,475,149)
Investing activities	(19,247,046)	49,028	27,993
Net change in cash and cash equivalents	(13,983,028)	4,002,579	6,150,180
Cash and cash equivalents, beginning of year	45,812,865	41,810,286	35,660,106
Cash and cash equivalents, end of year	$ 31,829,837	$ 45,812,865	$ 41,810,286
Supplementary disclosure of non-cash activities			
Property acquired with accounts payable	$ 63,918	$ 364,650	$ 197,624
Donation of capital assets	$ 10,455	$ 17,769,030	$ 10,623
Fixed assets acquired from capital lease financing	$ -	$ -	$ 2,622,514

Cash decreased $13,983,028 during fiscal year 2015 compared to a cash increase of $4,002,579 during fiscal year 2014. This was the result of using excess idle cash to purchase investments.

Cash used in operating activities totaled $38,354,472 in fiscal year 2015 compared to $36,821,556 in fiscal year 2014. Expenses were closely monitored, therefore there was little change year over year. Cash provided by noncapital financing activities increased slightly to $46,171,114 in fiscal year 2015 compared to $43,844,130 in fiscal year 2014. This increase was primarily attributable to the increase in State Appropriations and Local Property Tax. Cash used in capital and related financing activities decreased to $2,552,624 in fiscal year 2015, compared to $3,069,023 in fiscal year 2014. The slight decrease was due to a reduction in purchases of capital assets during fiscal year 2015. Cash used in investing activities increased to $19,247,046 in fiscal year 2015, compared to $49,028 in fiscal year 2014. This increase was due to the purchase of investments.

Cash increased $4,002,579 during fiscal year 2014 compared to a cash increase of $6,150,180 during fiscal year 2013. The major contributor to the increase in cash was a result of administration identifying one time costs associated to the tenant improvements in the new lease space that would cross fiscal years. The funds were set aside in fiscal year 2014 and identified as carry forward in the 2015 budget. The other major contributor was the increase from the strategic reserve fees.

Cash used in operating activities totaled $36,821,556 in fiscal year 2014 compared to $34,879,324 in fiscal year 2013. This is attributable to an overall increase in Wages and Salaries. Cash provided by noncapital financing activities increased slightly to $43,844,130 in fiscal year 2014 compared to $43,476,660 in fiscal year 2013. This increase was primarily attributable to the increase in State Appropriations and Local Property Tax. Cash used in capital and related financing activities increased to $3,069,023 in fiscal year 2014, compared to $2,475,149 in fiscal year 2013. The slight increase was due to regular interest payments on capital leases during fiscal year 2014.

Capital Assets

The College's investment in Capital Assets as of June 30, 2015 equates to $49,036,482 net of accumulated depreciation. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The slight decrease was due to the retirement of obsolete computer equipment.

The College's investment in Capital Assets as of June 30, 2014 equates to $49,775,521 net of accumulated depreciation. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The increase was due primarily to the donation of the Micron Center for Professional Technical Education.

Debt Administration

College of Western Idaho had fifteen operating lease obligations for instructional and administrative office space and office equipment at fiscal year end June 30, 2015. The College is not financing any of its operations with debt as of fiscal year end June 30, 2015.

College of Western Idaho had fourteen operating lease obligations for instructional and administrative office space and office equipment at fiscal year end June 30, 2014. The College is not financing any of its operations with debt as of fiscal year end June 30, 2014.

Economic Outlook

The July 2015 Idaho Economic Forecast published by the Idaho Division of Financial Management predicts that Idaho will continue to experience economic expansion over the next several years. Improvements in the economy have both a positive and a negative effect on enrollments in community colleges.

Enrollment in academic transfer classes traditionally is negatively impacted as the overall health of the economy improves. The College has started to normalize and experience enrollment changes more closely aligned with mature community colleges across the country. There was a small 3% decline in enrollment from fiscal year 2013 to 2014 and a larger 9% decline from 2014 to 2015. The decrease was anticipated in the College's budgeting process and appropriate steps were taken early on to ensure fiscal stability and sustainability for the College. Conversely, Dual Credit enrollment (high school students taking college credit courses) continued to increase, partly due to the State funding scholarships for Idaho high school juniors and seniors. The College's Workforce Development Division saw increases in the non-credit courses for apprenticeships and health programs. The increases in both Dual Credit and Workforce Development courses were also anticipated based on enrollment projections for mature community colleges. In fiscal year 2016, management is anticipating another decline in enrollment in academic transfer programs, no change in enrollment in the professional technical programs, and continued increase in dual credit and non-credit workforce development enrollments. The College continues to actively implement improvements and new programs to increase retention by implementing new electronic tools to assist students and their advisors in planning schedules and coursework through certificate and/or degree completion.

State support for fiscal year 2016 was increased by $500,000. The College will continue to advocate for equitable state funding with the other Idaho community colleges. There continues to be an increase in grant applications and research on other alternative funding sources. Management continues to look for cost cutting opportunities. A Director position was realigned, to develop a procurement department, in order to centralize purchasing and control costs.

Net position for the College is adequate to meet known obligations, including federal financial aid to students and to fund new one-time costs. Management continues to actively plan for future funding needs.

The College is in a due-diligence phase for the potential purchase of property in Boise. The purchase would provide space for an owned Ada County Campus, which would facilitate moving out of leased property. The discussions of potential construction of a student success center and health science building on the Nampa Campus continue. No decisions have been made regarding the land purchase or approval to construct new buildings.

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, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	$ 30,935,656	$ 44,735,271
Short-term investments	4,521,580	751,875
Student fees receivable (net of allowance - FY15 - $2,447,109, FY14 - $2,666,557)	189,999	272,798
Accounts receivable	1,671,794	3,754,686
Property tax receivable	2,699,356	2,626,373
Prepaid expenses and other assets	882,746	699,084
Total current assets	40,901,131	52,840,087
Noncurrent Assets		
Long-term investments	15,912,894	283,117
Restricted cash	894,181	1,077,594
Deposits	130,400	138,990
Capital assets, not depreciated	18,068,986	18,729,713
Capital assets, net	30,967,496	31,045,808
Total noncurrent assets	65,973,957	51,275,222
Total assets	106,875,088	104,115,309
Deferred Outflows of Resources		
Deferred net pension	561,510	-
Total deferred outflows of resources	561,510	-
	$ 107,436,598	$ 104,115,309

	2015	2014
Current Liabilities		
Accounts payable and accrued expenses	$ 360,557	$ 1,071,242
Accrued payroll and related costs	2,673,185	2,662,521
Unbilled revenue (unearned tuition)	947,057	1,016,754
Capital lease obligation - current	375,866	340,596
Other liabilities	583,110	775,259
Total current liabilities	4,939,775	5,866,372
Noncurrent Liabilities		
Compensated absences	627,228	602,946
Capital lease obligation - noncurrent	3,127,153	3,503,019
Net pension liability	1,101,332	-
Other liabilities- noncurrent	49,284	25,169
Total noncurrent liabilities	4,904,997	4,131,134
Total liabilities	9,844,772	9,997,506
Deferred Inflows of Resources		
Deferred net pension	1,516,114	-
Total deferred inflows of resources	1,516,114	-
Net Position		
Net investment in capital assets	45,533,463	45,931,906
Restricted - expendable		
Grants	942,838	1,061,815
Unrestricted	49,599,411	47,124,082
Total net position	96,075,712	94,117,803
	$ 107,436,598	$ 104,115,309

College of Western Idaho Foundation

Component Unit
Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	$ 1,773,166	$ 1,902,882
Cash and cash equivalents- restricted	75,133	255,154
Investments - nonendowment	1,449,140	1,391,176
Contributions receivable - current, net	61,401	181,125
Other receivables	377	-
Total current assets	3,359,217	3,730,337
Noncurrent Assets		
Contributions receivable - noncurrent, net	8,673	91,258
Investments - endowment	1,228,391	1,238,442
Total noncurrent assets	1,237,064	1,329,700
	$ 4,596,281	$ 5,060,037
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 76,804	$ 106,421
Total current liabilities	76,804	106,421
Net Assets		
Unrestricted	511,260	495,539
Temporarily restricted	2,897,553	3,378,332
Permanently restricted	1,110,664	1,079,745
Total net assets	4,519,477	4,953,616
	$ 4,596,281	$ 5,060,037

	2015	2014
Operating Revenues		
Tuition and fees	$ 26,691,415	$ 29,298,425
Less: Scholarship allowance	(9,491,267)	(10,574,520)
Net tuition and fees	17,200,148	18,723,905
Federal grants and contracts	1,545,635	1,485,038
State and local grants	896,428	836,959
Sales and services of educational activities	221,764	172,766
Auxiliary sales and services	-	41,820
Other operating expense	(11,016)	(7,200)
Total operating revenues	19,852,959	21,253,288
Expenses		
Operating Expenses		
Instruction	21,277,573	21,944,959
Academic support	8,948,074	7,974,156
Student services	6,070,238	5,695,216
Public service	258,352	264,350
Financial aid	9,619,469	11,595,402
Auxiliary expenses	(153,838)	64,729
Institutional support	5,933,244	6,444,677
Operations and maintenance	7,664,489	7,396,109
Total operating expenses	59,617,601	61,379,598
Operating Loss	(39,764,642)	(40,126,310)
Nonoperating Revenues (Expenses)		
State appropriations	17,561,419	14,884,814
Private gifts	284,504	509,706
Net investment income	87,035	-
Change in fair value of investments	49	-
Local taxes	6,705,653	6,339,677
State and federal financial aid	18,721,176	21,695,881
Liquor tax revenue	200,000	205,700
Other revenue	753,806	1,028,791
Interest expense	(198,284)	(215,495)
Total nonoperating revenues	44,115,358	44,449,074
Income before capital contributions	4,350,716	4,322,764
Capital gifts	10,455	17,769,030
Change in Net Position	4,361,171	22,091,794
Prior Period Restatement	(2,403,262)	-
Net Position, Beginning of Year	94,117,803	72,026,009
Net Position, End of Year	$ 96,075,712	$ 94,117,803

College of Western Idaho Foundation

Component Unit
Statement of Activities
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions and gifts	$ 11,311	$ 326,910	$ 30,919	$ 369,140
Contributed services	320,496	-	-	320,496
Interest and dividends	11,415	8,560	-	19,975
Net realized and unrealized loss on investments	(2,193)	(2,174)	-	(4,367)
Net special events revenue	25,624	31,700	-	57,324
Net assets released from restriction	845,775	(845,775)	-	-
Total revenues	1,212,428	(480,779)	30,919	762,568
Expenses				
Program support to				
College of Western Idaho				
Scholarships	368,781	-	-	368,781
Department support	484,115	-	-	484,115
Support services				
General operations	343,811	-	-	343,811
Total expenses	1,196,707	-	-	1,196,707
Change in Net Assets	15,721	(480,779)	30,919	(434,139)
Net Assets, Beginning of Year	495,539	3,378,332	1,079,745	4,953,616
Net Assets, End of Year	$ 511,260	$ 2,897,553	$ 1,110,664	$ 4,519,477

College of Western Idaho Foundation

Component Unit
Statement of Activities
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions and gifts	$ 31,267	$ 654,316	$ 53,336	$ 738,919
Contributed services	284,077	-	-	284,077
Interest and dividends, net	10,928	9,886	-	20,814
Net realized and unrealized gain on investments	166,681	155,374	-	322,055
Other revenue	1,600	-	-	1,600
Net assets released from restriction	1,095,201	(1,095,201)	-	-
Total revenues	1,589,754	(275,625)	53,336	1,367,465
Operating Expenses				
Program support to				
College of Western Idaho				
Scholarships	332,659	-	-	332,659
Department support	749,221	-	-	749,221
Support services				
General operations	308,472	-	-	308,472
Contribution expense	17,500,000	-	-	17,500,000
Total operating expenses	18,890,352	-	-	18,890,352
Nonoperating Revenue (Expenses)				
Gain on donation of property	1,985,649	-	-	1,985,649
Depreciation	(81,895)	-	-	(81,895)
Total nonoperating revenue	1,903,754	-	-	1,903,754
Change in Net Assets	(15,396,844)	(275,625)	53,336	(15,619,133)
Net Assets, Beginning of Year	15,892,383	3,653,957	1,026,409	20,572,749
Net Assets, End of Year	$ 495,539	$ 3,378,332	$ 1,079,745	$ 4,953,616

	2015	2014
Operating Activities		
Tuition and fees	$ 17,213,250	$ 18,618,191
Grants and contracts	2,442,063	2,321,997
Payments to suppliers	(26,078,584)	(26,430,411)
Payments to employees	(32,141,949)	(31,538,719)
Sales and service education	221,764	172,766
Other revenue	(11,016)	34,620
Net Cash used for Operating Activities	(38,354,472)	(36,821,556)
Noncapital Financing Activities		
State appropriations	19,644,311	14,176,718
Gifts and grants for other than capital purposes	284,504	509,706
Local property tax	6,832,670	6,492,600
Other revenue/expense	19,409,629	22,665,106
Net Cash from Noncapital Financing Activities	46,171,114	43,844,130
Financing Activities		
Interest paid on capital lease	(198,284)	(215,495)
Payments on capital lease	(340,596)	(307,763)
Proceeds from sale of fixed assets	4,488	-
Purchases of capital assets	(2,018,232)	(2,545,765)
Net Cash used for Financing Activities	(2,552,624)	(3,069,023)
Investing Activities		
Net investment income	87,035	-
Change in fair value of investments	49	-
Purchase of investments	(19,399,482)	(10,538)
Interest on investments	65,352	59,566
Net Cash from (used for) Investing Activities	(19,247,046)	49,028
Net Change in Cash, Restricted Cash, and Cash Equivalents	(13,983,028)	4,002,579
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	45,812,865	41,810,286
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 31,829,837	$ 45,812,865

	2015	2014
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating loss	$ (39,764,642)	$ (40,126,310)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	2,752,224	2,433,505
GASB 68 - Actuarial pension revenue	(347,326)	-
Change in assets and liabilities		
Loss on disposal of asset	11,016	7,200
Accounts receivable, net	82,798	182,329
Prepaids and other assets	(183,662)	159,306
Accounts payable	(710,685)	669,456
Unbilled revenue	(69,697)	(288,043)
Other liabilities	(168,034)	(202,924)
Advances and deposits	8,590	(20,000)
Accrued payroll and payroll costs	10,664	377,429
Compensated absences	24,282	(13,504)
Net Cash used for Operating Activities	$ (38,354,472)	$ (36,821,556)
Supplemental Disclosure of Noncash Activity		
Donation of capital assets	$ 10,455	$ 17,769,030
Property acquired with accounts payable	$ 63,918	$ 364,350
Reconciliation of Cash, Restricted Cash, and Cash Equivalents		
Cash and cash equivalents	$ 30,935,656	$ 44,735,271
Restricted cash - noncurrent portion	894,181	1,077,594
Total cash, restricted cash, and cash equivalents	$ 31,829,837	$ 45,812,865

	2015	2014
Operating Activities		
Change in net assets	$ (434,139)	$ (15,619,133)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Non-cash contributions	(75,272)	(74,991)
Contributions restricted to endowment	(30,919)	(53,336)
Endowment net investment return	(6,282)	(164,832)
Gain on donation of property	-	(1,985,649)
Donation of property	-	17,500,000
Net realized and unrealized gains on nonendowment investments	2,298	(177,097)
Depreciation	-	81,895
Changes in operating assets and liabilities		
Contributions receivable	202,307	147,883
Other receivable	(376)	95,784
Accounts payable	(29,617)	57,910
Net Cash used for Operating Activities	(372,000)	(191,566)
Investing Activities		
Purchase of investments	(2,702,957)	(757,310)
Withdrawal from endowment	47,147	51,288
Proceeds from sale of investments	2,687,154	768,981
Net Cash from Investing Activities	31,344	62,959
Financing Activities		
Collection of contributions restricted to endowments	30,919	53,336
Net Cash from Financing Activities	30,919	53,336
Net Change in Cash and Cash Equivalents	(309,737)	(75,271)
Cash and Cash Equivalents, Beginning of Year	2,158,036	2,233,307
Cash and Cash Equivalents, End of Year	$ 1,848,299	$ 2,158,036

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.

The College of Western Idaho delivers college credit instruction, certificates and degrees through its memorandum of understanding (MOU) with the College of Southern Idaho (CSI). CSI is accredited through The Northwest Commission on Colleges and Universities (NWCCU). The NWCCU is a regional postsecondary accrediting agency recognized by the U.S. Department of Education and the Council for Higher Education Accreditation (CHEA). Credits, certificates and degrees earned at the College appear on CSI transcripts and are transferable to four year institutions, subject to the specific policies of those institutions.

On January 11, 2012, the NWCCU granted the College Candidacy for Accreditation status at the associate degree level. Candidacy is not accreditation nor does it ensure eventual accreditation. Candidate for Accreditation is a status of affiliation with the Commission which indicates that the institution has achieved initial recognition and is progressing toward accreditation. Until separate accreditation is granted, the College will continue to deliver college credit instruction, certificates and degrees through its MOU with the CSI.

Reporting Entity

The College's financial statements for fiscal years ended June 30, 2015 and 2014 are prepared in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America.

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

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

The Foundation's financial statements for fiscal years ended June 30, 2015 and 2014, are discretely presented because of the difference in its reporting model, as further described on the next page.

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

Questions about the financial statements of the Foundation should be directed to Mitch Minnette, Executive Director, CWI Foundation, MS 1000, P.O. Box 3010, Nampa, Idaho 83653.

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.

Cash and Cash Equivalents

The College considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted and not expected to be expended within the subsequent year are classified as noncurrent assets. 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 federal, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Property Tax Receivable

Property taxes that are levied for 2008 through 2014 and have not been collected as of June 30 are carried as receivables. Assessed values are established by the County Assessor in Ada and Canyon County (the District). Property tax payments are due in one-half installments in December and June. The District's property tax is levied each November on the assessed value listed as of the prior September for all taxable property located in the District.

Prepaid Expenses

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

Restricted Cash

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

Capital Assets

Capital Assets are stated at cost when purchased, or if acquired by gift, at the 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, and 20 to 40 years for buildings.

Unbilled Revenue

Unbilled Revenue includes amounts received from student tuition and fees prior to the end of the fiscal year relating to Summer and Fall term. 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. These include long-term capital lease obligations, other post-employment benefit obligations, net pension liability, and compensated absences.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net positon that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The College has one item that qualifies for reporting in this category: the deferred net pension obligation reported on the government-wide Statement of Net Position. The deferred net pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the College's net pension liability.

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

Pensions

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

Net Position

The College's net position is classified as follows:

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

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

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

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

Classification of Revenues and Expenses

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

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

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

Scholarship Discounts and Allowances

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

Income Taxes

As a public institution of higher education, the income of the College is generally exempt from federal and state income taxes under Section 115 (a) of the Internal Revenue Code and a similar provision of state law. However, the College is subject to federal income tax on any unrelated business taxable income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The College does have unrelated business income tax to report during fiscal years ended June 30, 2015 and 2014.

Use of Estimates

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

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. Depreciation allocation as of June 30, 2014 has been restated using the allocation by functional expense methodology applied as of June 30, 2015. The reclassification was between function while the total depreciation allocation remained unchanged. Student fees receivable and unbilled revenue as of June 30, 2014, have been restated to reflect the methodology applied as of June 30, 2015.

New Accounting Standards

As of July 1, 2014, the College adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 16 and the additional disclosures required by these standards are included in Note 10.

Note 2 - Cash, Cash Equivalents, and Investments

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). Amounts reflected as Money Market activity are bank deposits secured by Federal Home Loan Bank letters of credit that pays interest based on money market rates. Cash that is restricted in purpose and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a noncurrent asset.

At June 30, 2015, the College's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank deposit	$ 10,782,214	$ 9,838,904
Change funds	-	2,980
State Treasurer's Local Government Pool (LGIP)	13,622,314	13,622,314
Money market	7,221,459	7,221,458
Short term treasury bill	250,000	250,000
Total cash and cash equivalents	31,875,987	30,935,656
Restricted Cash		
Bank Deposit	894,181	894,181
Total cash	$ 32,770,168	$ 31,829,837

At June 30, 2014, the College's cash and cash equivalents consisted of the following:

	Bank Balance	Carrying Amount
Cash and Cash Equivalents		
Bank deposit	$ 6,135,686	$ 5,345,596
Change funds	-	4,230
Money market	26,988,387	26,988,387
Total cash and cash equivalents	33,124,073	32,338,213
Restricted Cash		
Bank Deposit	1,077,594	1,077,594
Total cash	$ 34,201,667	$ 33,415,807

At June 30, 2015, the College's investments consisted of the following:

			Maturity		
	Cost	Fair Value	Less than 1 year	1-5 years	Percentage
Investments					
Short-term certificate of deposit	$ 250,000	$ 250,000	$ 250,000	$ -	1.22%
Short-term certificate of deposit	250,000	250,000	250,000	-	1.22%
Long-term certificate of deposit	250,000	250,000	-	250,000	1.22%
U.S. Treasuries	19,684,485	19,684,474	4,021,580	15,662,894	96.34%
Total certificates of deposits and U.S treasuries	20,434,485	20,434,474	4,521,580	15,912,894	100.00%
Accrued investment interest receivable	53,199	53,199	2,011	51,188	
Total investments and accrued interest receivable	$ 20,487,684	$ 20,487,673	$ 4,523,591	$ 15,964,082	

At June 30, 2014, the College's investments consisted of the following:

			Maturity		
	Cost	Fair Value	Less than 1 year	1-5 years	Percentage
Investments					
Short-term certificate of deposit	$ 250,500	$ 250,500	$ 250,500	$ -	24.20%
Short-term certificate of deposit	250,751	250,751	250,751	-	24.23%
Short-term certificate of deposit	250,624	250,624	250,624	-	24.22%
Long-term certificate of deposit	250,000	283,117	-	283,117	27.35%
Total investments	$ 1,001,875	$ 1,034,992	$ 751,875	$ 283,117	100.00%

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At June 30, 2015 and 2014, $1,075 and $27,631, respectively, of the College's deposits were uninsured and uncollateralized. The College's policy and procedures follow the applicable State Codes.

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool 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's policy and procedures follow the applicable State Codes. The credit ratings for the investments as of June 30, 2015 are as follows:

Investment	Rating	Shares	Market	Cost
Money Market	N/A	107,046	$ 107,046	$ 107,046
Short Term Obligations	N/A	250,000	250,000	249,916
US Treasury	AAA	17,550,000	17,685,687	17,692,967
US Treasury	WR*	2,000,000	1,998,788	1,991,602
Accrued Interest	N/A	-	53,199	53,199
		19,907,046	$ 20,094,719	$ 20,094,730

*Rating withdrawn

Two 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. The Certificates of Deposit are not rated by rating organizations.

The investments as of June 30, 2014 were unrated.

The College invested in U.S. Government Treasuries which are held in trust by a safekeeping bank.

Interest Rate Risk

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

Concentration of Credit Risk

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

Note 3 - Accounts Receivable

Accounts receivable refer to the portion due to the College, as of June 30th, by various customers and constituencies of the College as a result of providing services to said groups. Accounts receivable at June 30, 2015 and 2014, consisted of the following:

	2015	2014
Revenue receivable from CSI	$ 16,564	$ 16,977
Federal, state, and private grants	1,392,101	3,562,915
Other	263,129	174,794
Accounts receivable	$ 1,671,794	$ 3,754,686

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 statue. 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 20th. 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, 2015 and 2014:

	Balance July 1, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
Capital assets not being depreciated					
Land	$ 17,280,000	$ -	$ -	$ -	$ 17,280,000
Construction in progress	1,449,713	243,244	-	(903,971)	788,986
Total capital assets not being depreciated	18,729,713	243,244	-	(903,971)	18,068,986
Other capital assets					
Land improvements	247,580	40,140	-	-	287,720
Buildings	25,275,663	-	-	-	25,275,663
Buildings - capital lease	4,430,589	-	-	-	4,430,589
Building improvements	463,832	210,970	-	116,021	790,823
Leasehold improvements	1,472,981	488,999	-	787,950	2,749,930
Equipment	3,694,936	477,634	(17,197)	-	4,155,373
Computer equipment	1,880,458	127,347	(377,657)	-	1,630,148
Books	701,205	255,019	-	-	956,224
Vehicles	819,044	153,005	-	-	972,049
Intangibles	1,853,535	32,331	-	-	1,885,866
Total other capital assets	40,839,823	1,785,445	(394,854)	903,971	43,134,385
Total capital assets	59,569,536	2,028,689	(394,854)	-	61,203,371
Less accumulated depreciation					
Land improvements	48,269	17,610	-	-	65,879
Buildings	3,095,224	913,878	-	-	4,009,102
Buildings - capital lease	892,091	443,059	-	-	1,335,150
Building improvements	35,122	25,599	-	-	60,721
Leasehold improvements	355,606	342,739	-	-	698,345
Equipment	1,729,544	465,057	(8,795)	-	2,185,806
Computer equipment	1,442,609	264,211	(370,555)	-	1,336,265
Books	92,662	72,246	-	-	164,908
Vehicles	383,448	114,173	-	-	497,621
Intangibles	1,719,440	93,652	-	-	1,813,092
Total accumulated depreciation	9,794,015	2,752,224	(379,350)	-	12,166,889
Capital assets, net	$ 49,775,521	$ (723,535)	$ (15,504)	$ -	$ 49,036,482

	Balance July 1, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Capital assets not being depreciated					
Land	$ 13,720,000	$ 3,560,000	$ -	$ -	$ 17,280,000
Construction in progress	838,159	1,207,404	-	(595,850)	1,449,713
Total capital assets not being depreciated	14,558,159	4,767,404	-	(595,850)	18,729,713
Other capital assets					
Land improvements	247,580	-	-	-	247,580
Buildings	11,335,662	13,940,001	-	-	25,275,663
Buildings - capital lease	4,430,589	-	-	-	4,430,589
Building improvements	106,509	-	-	357,323	463,832
Leasehold improvements	796,229	465,927	(26,720)	237,545	1,472,981
Equipment	3,171,737	546,308	(23,109)	-	3,694,936
Computer equipment	1,653,726	226,732	-	-	1,880,458
Books	454,200	246,023	-	982	701,205
Vehicles	744,644	74,400	-	-	819,044
Intangibles	1,805,535	48,000	-	-	1,853,535
Total other capital assets	24,746,411	15,547,391	(49,829)	595,850	40,839,823
Total capital assets	39,304,570	20,314,795	(49,829)	-	59,569,536
Less accumulated depreciation					
Land improvements	30,993	17,276	-	-	48,269
Buildings	2,262,850	832,374	-	-	3,095,224
Buildings - capital lease	449,032	443,059	-	-	892,091
Building improvements	14,490	20,632	-	-	35,122
Leasehold improvements	197,579	182,966	(24,939)	-	355,606
Equipment	1,342,052	405,182	(17,690)	-	1,729,544
Computer equipment	1,169,890	272,719	-	-	1,442,609
Books	45,184	47,478	-	-	92,662
Vehicles	278,019	105,429	-	-	383,448
Intangibles	1,613,050	106,390	-	-	1,719,440
Total accumulated depreciation	7,403,139	2,433,505	(42,629)	-	9,794,015
Capital assets, net	$ 31,901,431	$ 17,881,290	$ (7,200)	$ -	$ 49,775,521

Note 6 - Unbilled Revenue

Unbilled 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. Unbilled revenue consists of the following at June 30:

	2015	2014
Student fees	$ 923,728	$ 1,016,754
Other unbilled revenue	23,329	-
	$ 947,057	$ 1,016,754

Note 7 - Lease Obligations

Operating Lease Obligations

The College is committed under various operating leases, primarily for buildings and maintenance agreements. The lease terms range from one to six years. The expense for operating leases was $1,992,162 and $1,963,007 for fiscal years 2015 and 2014 respectively. As of June 30, 2015, future minimum operating lease commitments are as follows:

Fiscal Year	Amount
2016	$ 1,832,192
2017	1,700,588
2018	1,696,831
2019	1,551,132
2020	602,166
Totals	$ 7,382,909

Capital Lease Obligations

The College entered into a capital lease agreement for the Aspen Classroom Building July 1, 2011, and the Aspen Multipurpose Building March 15, 2013. The College pays a monthly payment of $18,700 for the Aspen Classroom Building and $26,726 for the Aspen Multipurpose Building, both of which increase every year by 3% until 2021 and 2023, respectively. At June 30, 2015, the assets under capital lease equaled $4,430,589 with accumulated depreciation of $1,335,150. At June 30, 2014, the assets under the capital lease equaled $4,430,589 with accumulated depreciation of $892,091. Amortization of assets under capital lease is included in depreciation expense. As of June 30, 2015, future minimum capital lease commitments are as follows:

Fiscal Year	Amount
2016	$ 555,124
2017	571,826
2018	588,995
2019	606,639
2020	624,767
2021-2023	1,304,660
Total minimum obligation	4,252,010
Less interest	(748,991)
Totals	$ 3,503,019

Note 8 - Long-Term Liabilities

Changes in long-term liabilities for the years ended June 30, 2015 and 2014, were:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within one year
Capital lease obligation	$ 3,843,615	$ -	$ (340,596)	$ 3,503,019	$ 375,866
Compensated absences	701,100	978,190	(958,338)	720,952	93,724
	$ 4,544,715	$ 978,190	$ (1,298,934)	$ 4,223,971	$ 469,590

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due within one year
Capital lease obligation	$ 4,151,378	$ -	$ (307,763)	$ 3,843,615	$ 340,596
Compensated absences	684,944	980,792	(964,636)	701,100	98,154
	$ 4,836,322	$ 980,792	$ (1,272,399)	$ 4,544,715	$ 438,750

Note 9 - Retirement

Public Employee Retirement System of Idaho

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

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 three years ended June 30, are as follows:

	2014	2013
PERSI		
College required contribution rate	11.32%	10.39%
Percentage of covered payroll for employees	6.79%	6.23%
College contributions required and paid	$ 461,362	$ 393,157

As of July 1, 2014, the College adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. See Note 10 for information related to PERSI as of June 30, 2015.

Optional Retirement Plan

Effective July 1, 1997, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (OPR), 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 three years ended June 30, were as follows:

	2015	2014	2013
ORP			
College contribution rate	11.23%	11.23%	10.31%
Employee contribution rate	6.97%	6.97%	6.97%
College contribution	$ 1,627,965	$ 1,576,379	$ 1,331,319

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, 2015 and 2014, were $121,265 and $117,786 respectively.

Note 10 - Pension Plan

Plan Description

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

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	40,776
Terminated employees entitled to but not yet receiving benefits	11,504
Active plan members	66,223
	118,503

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2014 it was 6.79%. The employer contribution rate is set by the Retirement Board and was 11.32% of covered compensation. The College of Western Idaho's contributions were $469,834 for the year ended June 30, 2015.

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

At June 30, 2015, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2014, the College's proportion was 0.001496057.

For the year ended June 30, 2015, the College of Western Idaho recognized pension expense of $122,507. At June 30, 2015, the College of Western Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 136,713
Changes in assumptions or other inputs	91,676	-
Net difference between projected and actual earnings on pension plan investments	-	1,379,401
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
College of Western Idaho contributions subsequent to the measurement date	469,834	-
Total	$ 561,510	$ 1,516,114

The $469,834 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement will be recognized as net pension revenue or expense in the next fiscal year.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2013, the beginning of the measurement period ended June 30, 2014, is 5.6 years.

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

Year ended June 30:	
2016	$ (354,641)
2017	(354,641)
2018	(354,641)
2019	(354,641)
2020	(5,874)

Actuarial Assumptions

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

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	
Inflation	3.25%
Salary increases	4.5 - 10.25%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

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

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

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011, which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of July 1, 2014.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000 / Russel3 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			0.40%
Long - Term Expected Rate of Return, Net of Investment Expenses			7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	$ 3,824,604	$ 1,101,332	$ (1,162,502)

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

At June 30, 2015, the College of Western Idaho reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 11 - Postemployment Benefits other than Pensions

Summary of Plans

The College participates in other postemployment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. The Life Insurance benefit is a single-employer defined benefit plan. Idaho Code Sections 67-5760 to 67-5768 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the College to eligible retired or disabled employees. The most recent actuarial valuation is as of July 1, 2014. The College has not set aside any assets to pay future benefits; the College 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 from the following location: www.sco.idaho.gov

Plan Descriptions and Funding Policy

Retiree Healthcare Plan

A retired employee of the College who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. Employees must enroll within 60 days of the date of their retirement. Additionally, the employee must be receiving PERSI monthly benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from state administered service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The maximum benefit is $1,860 per retiree per year. The College contributed $9.54 and $14.04 per active employee per month towards the retiree premium cost during 2015 and 2014, respectively.

Long-Term Disability Plan

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

For up to 30 months following the date of disability, an employee may continue healthcare coverage under the State plan. The College pays 100 percent of the College'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. The College was charged $9.00 and $8.48 per active employee per month in fiscal year 2015 and 2014, respectively.

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. The amount of the contribution is based on active claims and the number of insured individuals.

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The College pays 100 percent of the cost of the premiums. The College's contribution rate for the period was 0.264 percent of payroll in fiscal year 2015 and 2014. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than $20,000. In addition, the plan provides a $2,000 life insurance benefit for spouses and a $1,000 life insurance benefit for dependent children. These benefits do not increase with inflation. CWI pays 100 percent of the premiums; the contribution is actuarially determined based on actual claims experience.

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

Annual OPEB Cost

The Annual OPEB Cost (AOC) is actuarially determined based on the Annual Required Contribution (ARC) of the employer. 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.

2015 Annual OPEB Cost and Net OPEB Obligation

		Long-term Disability Plan	
	Retiree Healthcare Plan	Healthcare	Life Insurance
Annual OPEB Cost			
Annual required contribution	$ 78,000	$ 24,000	$ 21,000
Interest on net OPEB obligation	21,000	1,000	-
Adjustment to annual required contribution	(39,000)	(2,000)	-
Total Annual OPEB cost	60,000	23,000	21,000
Contributions made	(44,000)	(33,000)	(17,000)
Increase (Decrease) in net OPEB obligation	16,000	(10,000)	4,000
Net OPEB obligation (funding excess) - beginning of year	22,000	(1,000)	(1,000)
Net OPEB obligation (funding excess) - end of year	$ 38,000	$ (11,000)	$ 3,000
Percentage of AOC contributed	73.33%	143.48%	80.95%

2014 Annual OPEB Cost and Net OPEB Obligation

		Long-term Disability Plan	
	Retiree Healthcare Plan	Healthcare	Life Insurance
Annual OPEB Cost			
Annual required contribution	$ 44,000	$ 23,000	$ 31,000
Interest on net OPEB obligation	22,000	1,000	-
Adjustment to annual required contribution	(41,000)	(2,000)	1,000
Total Annual OPEB cost	25,000	22,000	32,000
Contributions made	(38,000)	(30,000)	(23,000)
Increase (Decrease) in net OPEB obligation	(13,000)	(8,000)	9,000
Net OPEB obligation (funding excess) - beginning of year	35,000	7,000	(9,000)
Net OPEB obligation (funding excess) - end of year	$ 22,000	$ (1,000)	$ -
Percentage of AOC contributed	152.00%	136.36%	71.88%

Annual OPEB Cost Comparison

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

Annual OPEB Cost and Net OPEB Obligation Comparison

			Long-term Disability Plan	
		Retiree Healthcare Plan	Healthcare	Life Insurance
Annual OPEB Cost	2015	$ 60,000	$ 23,000	$ 21,000
	2014	25,000	22,000	32,000
	2013	29,000	19,000	32,000
Percentage of AOC contributed	2015	73.33%	143.48%	80.95%
	2014	152.00%	136.36%	71.88%
	2013	137.93%	136.84%	103.13%
Net OPEB Obligation (Funding Excess) - end of year	2015	$ 38,000	$ (11,000)	$ 3,000
	2014	22,000	(1,000)	-
	2013	35,000	7,000	(9,000)

Funded Status and Funding Progress

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

Funded Status and Funding Progress

		Long-term Disability Plan	
	Retiree Healthcare Plan	Healthcare	Life Insurance
Actuarial Valuation Date	July 1, 2014	July 1, 2014	July 1, 2014
(1) Actuarial Value of Assets	$ -	$ -	$ -
(2) Accrued Liability (AAL)	487,000	167,000	92,000
(3) Unfunded AAL (UAAL) (2)-(1)	487,000	167,000	92,000
(4) Funded Ratios (1) : (2)	0.00%	0.00%	0.00%
(5) Annual Covered Payroll	$ 18,125,000	$ 18,125,000	$ 18,125,000
(6) UAAL as a Percentage of Covered Payroll (3) : (5)	2.69%	0.92%	0.51%

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. The Schedule of Funding Progress, presented as required supplementary information immediately following the notes to the financial statements contains 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. 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

		Long-term Disability Plan	
	Retiree Healthcare Plan	Healthcare	Life Insurance
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Dollar Amount
Amortization Period	10 years, Open	30 years, Open	5 years,Open
Assumptions			
Inflation rate	2.75%	2.75%	2.75%
Investment return	3.60%	3.60%	3.60%
OPEB increases	N/A	N/A	N/A
Projected salary increases	3.25%	3.25%	3.25%
Healthcare cost initial trend rate	6.70%	6.70%	N/A
Healthcare cost ultimate trend rate	4.70%	4.70%	N/A

Note 12 - Risk Management and Workers' Compensation

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

Commercial Insurance coverage is purchased for claims arising from worker's compensation due to employee injuries. Payments made to the State Insurance Fund are based on a quarterly gross payroll multiplied by the current rate. Premiums are billed quarterly throughout the fiscal year beginning July 1. Premiums are then adjusted as necessary within the first quarter of the subsequent fiscal year. The College billed premiums were $144,429 and $109,014 for fiscal years 2015 and 2014, respectively.

Note 13 - Related Party Transactions

The Foundation provides scholarships and various departmental and program support to the College based on the terms of the donations. For the year ended June 30, 2015, the Foundation provided scholarship support of $368,781 and departmental and program support of $484,115, of which $76,804 was a receivable from the Foundation as of the end of the year. For the year ended June 30, 2014, the Foundation provided scholarship support of $332,659 and departmental and program support of $749,221, of which $50,739 was a receivable from the Foundation as of the end of the year.

For the year ended June 30, 2015 and 2014, the College provided professional services and materials to the Foundation which totaled $320,496 and $284,077, respectively.

The College accepted transfer of ownership of the Micron Center for Professional Technical Education from the Foundation as of September 25, 2013. An appraisal of the land and building was obtained August 2013 and the transfer was recorded at the fair market value of $17,500,000. For the year ended June 30, 2014, the Foundation reimbursed the College $487,167 for non-construction related costs incurred by the College related to the Micron Center for Professional Technical Education, of which $55,682 was a receivable from the Foundation as of the end of the year.

Although the College has not yet met the requirement for independent accreditation, it has received Candidacy status. 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. As of June 30, 2015 and 2014, CWI had a receivable from CSI of $16,564 and $16,977 respectively, and a payable to CSI of $12,000 and $6,250 respectively.

The College 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 $138,666 and $159,370 for 2015 and 2014, respectively. All expenses and revenue run though the College, and are reflected on the Statement of Net Position as Current Other Liabilities.

Note 14 - 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 15 - Significant Commitments

At June 30, 2015, the College had several significant commitments that will be completed during fiscal year 2016. Significant commitments are listed below:

Capital Projects	
32.5 Acres Can-Ada & Cherry	$ 718,553
APIN Corridor/Commons Carpet	42,392
Canyon County Parking Lot Rep	175,000
Law Enforcement	4,260
Math Solutions Center APIN	63,363
Math Solutions Center NCAB	73,047
Micron Center HVAC III	30,723
Pintail Classroom	33,516
10 Acres Boise Property - due diligence	116,825
Wayfinding	6,714
Total Capital Projects	1,264,393
Non Capital Projects	
Math Solutions Center APIN	59,384
Math Solutions Center NCAB	116,270
Pintail Classroom	13,500
Wayfinding	50,331
Total Non-Capital Projects	239,485
Total Commitments	$ 1,503,878

Note 16 - Adoption of New Standard

As of July 1, 2014, the College adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

Net position at June 30, 2014, as previously reported	$ 94,117,803
Net pension liability at June 30, 2014	(2,862,064)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	458,802
Net position at July 1, 2014, as restated	$ 91,714,541

Note 17 - Restatement and Reissuance of Report

Subsequent to the issuance of the College's 2015 financial statements, an error in the calculation of the net pension liability and related expense was discovered resulting in an understatement of the liability and the expense in the amount of $458,802 as a result of clarified guidance related to the implementation of GASB 68 and GASB 71. The net pension liability and expense have been increased to correct this error.

Note 18 - Subsequent Events

In August 2015, the College completed the purchase 32.5 acres of land in Canyon County, adjacent to the existing Nampa Campus location in the vicinity of Can-Ada and Cherry Lane, for $815,000 cash. The property will be held for future expansion of the existing Nampa Campus.

The College entered into an $8.8 million purchase agreement related to the potential purchase of 10.33 acres of land in Ada County. A period of due diligence is underway and will be completed Fall 2015 prior to determining if the purchase will be finalized.

Note 19 - Component Unit

College of Western Idaho Foundation

Foundation Operations and Significant Accounting Policies

Foundation Operations

The Foundation is discretely presented within the financial statements as a component unit. 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. 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 to the State Board of Education's rules.

The Foundation's financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted, temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing in-kind donations, and the presentation of information.

Investments

Investments at June 30, 2015 and 2014, consisted of the following:

	2015	2014
Investments securities		
Equities	$ 1,761,589	$ 1,620,654
Bond funds	718,321	706,012
Commodities	83,954	135,634
Real estate investment trusts	113,667	167,318
Total investments securities	$ 2,677,531	$ 2,629,618

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2015:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Stocks				
Large cap	$ 859,610	$ -	$ -	$ 859,610
Mid cap	351,998	-	-	351,998
International developed	378,614	-	-	378,614
International emerging	171,367	-	-	171,367
Bond Funds				
Intermediate-term fund	378,451	-	-	378,451
Inflation-protected fund	339,870	-	-	339,870
Commodities	83,954	-	-	83,954
Real estate investment trusts	113,667	-	-	113,667
Total assets at fair value	$ 2,677,531	$ -	$ -	$ 2,677,531

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2014:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Stocks				
Large cap	$ 793,206	$ -	$ -	$ 793,206
Mid cap	290,586	-	-	290,586
International developed	330,644	-	-	330,644
International emerging	206,219	-	-	206,219
Bond Funds				
Intermediate-term fund	349,844	-	-	349,844
Inflation-protected fund	356,168	-	-	356,168
Commodities	135,634	-	-	135,634
Real estate investment trusts	167,317	-	-	167,317
Total assets at fair value	$ 2,629,618	$ -	$ -	$ 2,629,618

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, 2015 and 2014, there were no significant transfers in or out of levels 1, 2, or 3.

Donated Materials and Services

The Foundation received donated professional services and materials as follows during the years ended June 30, 2015 and 2014:

	Management and General	Fundraising and Development	Total
June 30, 2015			
Salaries and benefits	$ 160,237	$ 129,199	$ 289,436
Materials and supplies	13,780	-	13,780
Office space	17,280	-	17,280
Total donated materials and services	$ 191,297	$ 129,199	$ 320,496

	Management and General	Fundraising and Development	Total
June 30, 2014			
Salaries and benefits	$ 158,312	$ 87,761	$ 246,073
Materials and supplies	20,723	-	20,723
Office space	17,281	-	17,281
Total donated materials and services	$ 196,316	$ 87,761	$ 284,077

All donated materials and services were provided by the College.

Contributions Receivables

Contributions receivable represents unconditional promises to give to the Foundation and is measured at the present value of estimated future cash flows using the discount rate ranging from .18% to 1.41%. An allowance for doubtful accounts for potentially uncollectible contributions of $5,000 and $5,500 was estimated and recorded as of June 30, 2015 and 2014. Contributions receivable for the years ended June 30, 2015 and 2014, are as follows:

	2015	2014
Contributions receivable		
Due in one year or less	$ 66,401	$ 186,624
Due in one to five years	10,000	85,500
Over five years	-	10,250
Total contributions receivable	76,401	282,374
Less allowance for doubtful accounts	(5,000)	(5,500)
Future value	71,401	276,874
Less discount to present value	(1,327)	(4,491)
Net contributions receivable	$ 70,074	$ 272,383

Temporarily Restricted Net Assets

Temporarily restricted net assets arise from donor imposed restrictions limiting the use of funds for scholarships and program support.

Temporarily restricted net assets consist of the following as of June 30, 2015 and 2014:

	2015	2014
Restricted for use		
Department support	$ 2,056,815	$ 2,522,790
Scholarships	840,738	855,542
Total restricted net assets	$ 2,897,553	$ 3,378,332

Release from Restriction

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

The amounts released during the years ended June 30, 2015 and 2014, were as follows:

	2015	2014
Satisfaction of purpose restrictions		
Scholarships	$ 365,487	$ 330,159
Department support	480,181	745,301
Other institutional support	107	19,741
	$ 845,775	$ 1,095,201

Endowment Funds

The Foundation's endowment consists of 28 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held $1,110,664 and $1,079,745 in true endowment funds at June 30, 2015 and 2014, respectively. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The investment income earned on these permanently restricted net assets is generally restricted as to purpose and is recorded as temporarily restricted net assets.

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

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

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

The endowment fund net asset composition is as follows:

At June 30, 2015	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ 117,727	$ 1,110,664	$ 1,228,391
	$ 117,727	$ 1,110,664	$ 1,228,391

At June 30, 2014	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ 158,697	$ 1,079,745	$ 1,238,442
	$ 158,697	$ 1,079,745	$ 1,238,442

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to maintain as a fund of perpetual duration.

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. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at the rate of inflation. This is consistent with objectives to maintain the principal of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowed net assets for the years ending June 30, 2015 and 2014, respectively, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets End of year June 30, 2014	$ 158,697	$ 1,079,745	$ 1,238,442
Investment return			
Investment income, net of fees	8,409	-	8,409
Net realized and unrealized gain (loss)	(2,232)	-	(2,232)
Contributions	-	30,919	30,919
Appropriation of endowment assets for expenditures	(47,147)	-	(47,147)
Endowment net assets End of year June 30, 2015	$ 117,727	$ 1,110,664	$ 1,228,391

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets End of year June 30, 2013	$ 45,154	$ 1,026,409	$ 1,071,563
Investment return			
Investment income, net of fees	9,707	-	9,707
Net realized and unrealized gain (loss)	155,124	-	155,124
Contributions	-	53,336	53,336
Appropriation of endowment assets for expenditures	(51,288)	-	(51,288)
Endowment net assets End of year June 30, 2014	$ 158,697	$ 1,079,745	$ 1,238,442

The components of endowment funds classified as temporarily restricted net assets and permanently restricted net assets as of June 30, 2015 and 2014, are as follows:

	2015	2014
Temporarily restricted net assets		
The portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	$ 117,727	$ 158,697
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	$ 1,110,664	$ 1,079,745

Related Party Transactions

The Foundation provides scholarships to the College based on the terms of the donations. For the year ended June 30, 2015, the Foundation provided scholarship support of $368,781 and departmental and program support of $484,115, of which $76,804 was a payable to the College at the end of the year. For the year ended June 30, 2014, the Foundation provided scholarship support of $332,659 and departmental and program support of $749,221, of which $50,739 was a payable to the College at the end of the year. For the year ended June 30, 2015, the College owed the Foundation $377 for employee payroll contribution deductions payable to the Foundation at year end.

The Foundation donated the Micron Center for Professional Technical Education to the College of Western Idaho Foundation as of September 25, 2013. An appraisal of the land and building was obtained August 2013 and the transfer was recorded at the fair market value of $17,500,000. The facility is the primary location for the College of Western Idaho's Professional Technical Education programs as well as One Stop Student Services and CWI Bookstore. For the year ended June 30, 2014, the Foundation reimbursed the College $487,167 for non-construction related costs incurred by the College related to the Micron Center for Professional Technical Education, of which $55,682 was a payable to the College as of the end of the year.

Several members of the Foundation Board of Directors provided a donation to the Foundation. For the years ended June 30, 2015 and 2014, the Foundation received $11,950 and $4,706, respectively, in contribution revenue from Board members.

Required Supplementary Information
June 30, 2015

College of Western Idaho

Funded Status and Funding Progress

OPEB Plan	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1) : (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree Healthcare	7/1/2014	$ -	$ 487,000	$ 487,000	0.0%	$ 18,125,000	2.69%
	7/1/2013	$ -	$ 318,000	$ 318,000	0.0%	$ 16,697,000	1.90%
	7/1/2012	$ -	$ 323,000	$ 323,000	0.0%	$ 14,049,000	2.30%
Long-Term Disability Life Insurance	7/1/2014	$ -	$ 92,000	$ 92,000	0.0%	$ 18,125,000	0.51%
	7/1/2013	$ -	$ 113,000	$ 113,000	0.0%	$ 16,697,000	0.68%
	7/1/2012	$ -	$ 139,000	$ 139,000	0.0%	$ 14,049,000	0.99%
Healthcare	7/1/2014	$ -	$ 167,000	$ 167,000	0.0%	$ 18,125,000	0.92%
	7/1/2013	$ -	$ 145,000	$ 145,000	0.0%	$ 16,697,000	0.87%
	7/1/2012	$ -	$ 147,000	$ 147,000	0.0%	$ 14,049,000	1.05%

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years *

	2015
Employer's portion of net the pension liability	0.001496057
Employer's proportionate share of the net pension liability	$1,101,332
Employer's covered-employee payroll	$4,075,632
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	27.02%
Plan fiduciary net position as a percentage of the total pension liability	94.95%

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

Data reported is measured as of July 1, 2014 (measurement date)

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	2015
Statutorily required contribution	$486,281
Contributions in relation to the statutorily required contribution	($465,253)
Contribution (deficiency) excess	($21,028)
Employer's covered-employee payroll	$4,148,805
Contributions as a percentage of covered-employee payroll	11.32%

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

Data reported is measured as of June 30, 2015.

Other Information
June 30, 2015 and 2014

College of Western Idaho

College of Western Idaho
Schedule of Operating Expenses
Year Ended June 30, 2015

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Auxiliary Expenses	Institutional Support	Operations and Maintenance	Total
Operating Expenses									
Wages and salaries	$ 13,489,676	$ 3,461,702	$ 3,145,889	$ 132,537	$ 41,223	$ -	$ 2,538,848	$ 931,324	$ 23,741,199
Taxes and benefits	3,898,966	1,415,990	1,501,564	59,986	2,722	-	1,046,842	509,625	8,435,695
Supplies	1,862,071	968,556	162,847	20,276	-	-	104,442	393,055	3,511,247
Repairs and maintenance	214,531	850,997	8,528	-	-	-	47,894	630,141	1,752,091
Travel	85,145	67,311	68,003	3,244	-	-	42,894	3,760	270,357
Vehicles	88,365	844	312	-	-	-	4,831	24,587	118,939
Services	270,459	2,145,592	515,987	3,435	-	-	707,874	631,497	4,274,844
Miscellaneous	220,426	633,009	820,712	55,281	-	-	663,655	121,493	2,514,576
Insurance, rent, utilities	198,507	62,791	86,212	789	-	4,068	256,174	2,409,690	3,018,231
Financial aid	-	-	-	-	9,575,524	-	-	-	9,575,524
Non-capital equipment	-	-	-	-	-	-	-	-	-
Depreciation	261,180	182,355	6,604	-	-	-	200,470	2,101,615	2,752,224
Fund transfer	753,625	(755,258)	(177,204)	-	-	(159,281)	373,708	(35,590)	-
Pension contributions - GASB 68	(106,144)	(110,417)	(107,851)	(12,538)	-	-	(56,383)	(76,500)	(469,833)
Plan pension expense - GASB 68	40,766	24,602	38,635	(4,658)	-	1,375	1,995	19,792	122,507
Total operating expenses	$ 21,277,573	$ 8,948,074	$ 6,070,238	$ 258,352	$ 9,619,469	$ (153,838)	$ 5,933,244	$ 7,664,489	$ 59,617,601

College of Western Idaho

Schedule of Operating Expenses

Year Ended June 30, 2014

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Auxiliary Expenses	Institutional Support	Operations and Maintenance	Total
Operating Expenses									
Wages and salaries	$ 13,885,754	$ 3,233,861	$ 3,110,845	$ 159,275	$ 28,703	$ 17,620	$ 2,526,248	$ 864,493	$ 23,826,799
Taxes and benefits	3,933,363	1,207,893	1,408,748	59,059	1,887	5,738	973,730	485,427	8,075,845
Supplies	1,438,535	589,479	208,621	7,294	1,500	18,843	155,656	657,730	3,077,658
Repairs and maintenance	206,295	896,329	22,341	38	-	-	66,915	471,059	1,662,977
Travel	90,016	108,142	109,612	2,946	-	423	66,833	4,765	382,737
Vehicles	141,035	1,752	1,126	-	-	-	6,522	17,187	167,622
Services	366,539	1,929,062	564,696	17,210	2,100	10,676	734,627	549,028	4,173,938
Miscellaneous	245,214	393,743	362,569	19,159	-	2,622	1,688,380	85,301	2,796,988
Insurance, rent, utilities	194,602	177,200	68,178	1,923	-	8,807	254,261	2,364,460	3,069,431
Financial aid	-	-	-	-	11,561,212	-	-	-	11,561,212
Non-capital equipment	139,818	9,320	-	-	-	-	1,748	-	150,886
Depreciation	205,696	140,373	6,084	-	-	-	184,693	1,896,659	2,433,505
Fund transfer	1,098,092	(712,998)	(167,604)	(2,554)	-	-	(214,936)	-	-
Total operating expenses	$ 21,944,959	$ 7,974,156	$ 5,695,216	$ 264,350	$ 11,595,402	$ 64,729	$ 6,444,677	$ 7,396,109	$ 61,379,598

Single Audit Information
June 30, 2015

College of Western Idaho

EideBailly

CPAs & BUSINESS ADVISORS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of College of Western Idaho, (the College) as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated October 09, 2015. The financial statements of the College of Western Idaho Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the College of Western Idaho Foundation.

Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

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

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

Eide Bailly LLP

Boise, Idaho
October 09, 2015

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program
We have audited College of Western Idaho's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2015. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on the compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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Report on Internal Control over Compliance
Management of the College is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 to be significant deficiencies.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Boise, Idaho
October 09, 2015

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-through Number	Expenditures
U.S. Department of Education			
Pass Through Payments from State Division of Professional Technical Education			
Adult Basic Education-Administered Basic Grant Program			
Federal Direct Services	84.002	F ABE D01 15A 660	$ 558,727
EL Civics	84.002	F ABE E01 15A 660	67,139
Leadership Required Training	84.002	F ABE L01 15A 660	18,248
Leadership Retention Project	84.002	F ABE L01 15B 660	6,720
ITRP-Certificed Nurse Assistant	84.002	F ABE L10 15A 660	3,816
ITRP-Compass	84.002	F ABE L10 15B 660	4,403
IDOC Service Agreement	84.002	PCA05088, PCA05108	42,259
Total Adult Basic Education			701,312
Career Technical Education-Basic Grants to States			
PTSO Accounting Services	84.048	F CPL MPTA AD 15A 660	58,527
Joint Student Leadership Training	84.048	F CPL JSL AG 15A 660	12,000
Membership	84.048	F SPP HHCM HP 15A 660	2,500
Perkins - Academic Skills Development	84.048	PFF B01 15A 660	39,950
Perkins - Program Improvement	84.048	PFF B06 15C 660	238,652
Perkins - Professional Development	84.048	PFF B04 15B 660	62,423
Perkins - Advanced Learning Partnership	84.048	RFF C16 15A 660	51,536
Perkins - PACE	84.048	PFF B08 15D 660	31,139
Perkins - High School Tech Prep Student Recruitment	84.048	PFF B08 15E 660	10,008
Nontraditional Training Programs	84.048	F NTT MCND GU 14A 660	5,235
Nontraditional Training Programs	84.048	F NTT MCND GU 15A 630	9,218
Total Career Technical Education- Basic Grant to States			521,188
IDOC Service Agreement	84.013	PCA05108	100,268
IDOC Service Agreement	84.027	PCA05188	36,208
Title II, Part B - Mathematics and Science Partnerships	84.366	5821-D	20,947
Direct Programs			
Federal Pell Grant	84.063*		17,752,542
Federal Supplemental Educational Opportunity Grant	84.007*		440,093
Federal College Work Study	84.033*		273,725
Federal Direct Subsidized Loans	84.268*		8,923,108
Federal Direct Unsubsidized Loans	84.268*		5,408,673
Federal Parent Plus Loan	84.268*		11,520
Total Direct Loans			14,343,301
Total Student Financial Aid			32,809,661
Total U.S. Department of Education			34,189,584

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-through Number	Expenditures
Department of Labor			
Pass through Payments from College of Southern Idaho			
Trade Adjustment Assistance Community College	17.282	TC 22536 1160 A 16	155,783
Workforce Investment Act Grants			
ABE ITRP - Math	17.207	F WIB A03 15A 660	9,929
Total Department of Labor			165,712
Total Federal Expenditures			$ 34,355,296

* Denotes a major program cluster

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal grant activity of the College under programs of the federal government for the year ended June 30, 2015. 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*. Because the Schedule presents only a selected portion of the operation of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on an accrual basis of accounting. The College of Western Idaho's summary of significant accounting policies is presented in Note 1 in the basic financial statements. Pass-through entity identifying numbers are presented where available.

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	Yes

Identification of major programs:

Name of Federal Program	CFDA Number
Student Financial Assistance Programs Cluster	
Pell Grant	84.063
Direct Loans	84.268
Supplemental Education Opportunity Grant	84.007
Work Study	84.033
Adult Basic Education	84.002

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

2015-001
Direct Programs – Department of Education
CFDA# 84.063, 84.007, 84.268, 84.033
Student Financial Aid Cluster
Cash Management
Significant Deficiency in control over compliance

Criteria:
34 CFR Section 668.166 states that the institution must disburse amounts of Title IV funds as soon as administratively feasible, but no later than 3 business day following the receipt of funds. Any amounts not disbursed by the end of the third business day are considered excess cash and are required to be promptly returned to the Department of Education.

Condition:
During our testing of Title IV drawdowns for fiscal year 2015, there was an instance where federal work study funds were drawn down prior to disbursement to students. The funds were retained by the College for a time period greater than 3 days and subsequently returned to the Department of Education.

Questioned Costs:
None noted.

Cause:
The College misunderstood the carryforward in the Fiscal Operations Report, Part V and drew down the funds prior to disbursement in order to carry the federal work study funds forward to the next fiscal year.

Effect:
Title IV funds related to federal work study were drawn down from the federal government and held onto by the College greater than 3 days.

Recommendation:
The College should implement a control that will reconcile disbursement of carry forward funds under federal work study prior to the draw request for funds.

Management's Response:
We agree with the finding.

Corrective Action Plan (CAP)
Actions Planned in Response to Finding: The College has strengthened its procedure for reconciling and drawing down carry forward funds for Federal Work Study. Monthly reconciliations are completed, documented, and reviewed for all Title IV program accounts. Activity is reconciled between Financial Aid disbursement reports and the institution's accounting records within Colleague.

Explanation of Disagreement: No disagreement with the finding.

Official Responsible for Ensuring Corrective Action: Mary Jo Hayes, Associate Controller

Planned Completion for Corrective Action: Corrected as of October 2014

Plan to Monitor Completion of Corrective Action: Tony Meatte, Comptroller

2015-002
Direct Programs – Department of Education
CFDA# 84.063, 84.007, 84.268, 84.033
Student Financial Aid Cluster
Special Tests and Provisions: Student Status Change
Significant Deficiency in control over compliance

Criteria:
34 CFR Section 682.610 states that an Institution shall ensure that any information that it reports to the federal government in connection with loan origination is complete and accurate.

Condition:
During our testing of R2T4, for those students that were disbursed direct loans in fiscal year 2015, there were several instances in which the student withdrawal date and the student status did not match the information reported to NSLDS.

Questioned Costs:
None noted.

Cause:
The College does not have a timely control process in place to verify that the information provided to NSLDS is complete and accurate.

Effect:
The withdraw date or student status reported to the NSLDS was incorrect and was not identified by management within the required timeframe to correct the error.

Recommendation:
The College should revise/update its control processes to ensure any issues identified with information provided to the NSLDS are corrected in a timely manner. The College should monitor the effectiveness of these control processes throughout the year and make appropriate adjustments, as necessary.

Management's Response: We agree with these findings.

Corrective Action Plan (CAP)

Actions Planned in Response to Finding: This issue was identified by CWI's control processes approximately 3 weeks prior to testing by our auditors. Analysis of the issue has revealed the need for more precise coordination of internal data maintenance procedures which were already in place. The Registrar's and Financial Aid staff will create a precisely coordinated protocol designed to ensure that enrollment updates for students who unofficially withdraw are delivered to the National Student Clearinghouse, and from the Clearinghouse to NSLDS in a timely manner. Additionally, CWI will continue coordinate with the National Student Clearinghouse regarding the frequency of our enrollment data submissions to the Clearinghouse as well as the Clearinghouse's submissions to NSLDS in order to further ensure timely updates to NSLDS. CWI will continue to test the reporting system as a whole to ensure that complete and accurate enrollment reports are received by NSLDS in a timely manner as required.

Explanation of Disagreement:
No disagreement with the finding.

Official Responsible for Ensuring Corrective Action: Connie Black, Registrar

Planned Completion for Corrective Action: Fall 2015

Plan to Monitor Completion of Corrective Action: Kevin Jensen, Dean of Enrollment and Student Services

2014-001
Direct Programs – Department of Education
CFDA# 84.063, 84.007, 84.268, 84.033
Student Financial Aid Cluster
Special Tests and Provisions: Student Status Change
Material Weakness in control over compliance

Criteria:
34 CFR Section 685.309 states that an Institution shall ensure that all information reported to the Secretary is within the required time frame. The NSLDS Enrollment Reporting Guide further states that the information that is reported to the Secretary is accurate in addition to timely.

Condition:
During our testing of students that were disbursed direct loans in fiscal year 2014, there were several instances in which the student withdrawal date per the R2T4 calculation worksheets did not match the amount reported to NSLDS.

Status:
In response to the recommendations and corrective action plan detailed in the 2014 audit, the College implemented a control process to ensure that enrollment data provided to NSLDS is complete and accurate. The issues identified in the 2014 audit were corrected and processes are in place to regularly check and verify the accuracy of our enrollment reporting to the Clearinghouse and subsequently NSLDS. When discrepancies are identified, they are corrected.

The control process put into place in the past year has helped the College identify other situations where the possibility of inaccurate enrollment reporting may exist and the College has worked to resolve those issues as well (i.e. we are periodically monitoring the process to ensure that it is working effectively per the recommendations). Recently, the College identified an issue with withdrawal dates for students who “unofficially” withdrew. This issue impacts several hundred records from the 2014FA, 2015SP and 2015SU semesters and the College is in the process of identifying the appropriate way to update these records in the Clearinghouse and NSLDS systems. The College anticipates that these records will be corrected by October 1, 2015.