



Financial Statements
June 30, 2016 and 2015

College of Western Idaho

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Independent Auditor's Report

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

Report on the 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, 2016 and 2015, 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.

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, 2016 and 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the other postemployment benefits - 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 schedule of operating expenses is presented for purposes of additional analysis and is 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2016, 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.

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

Boise, Idaho
October 18, 2016

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 2016 and 2015 which ended June 30, 2016 and 2015. 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' (NWCCU) accreditation process. This Agreement provides College of Western Idaho's students the ability to earn transferrable credits. College of Western Idaho has submitted a seven year self-evaluation report to NWCCU for review and a site visit is planned for Fall 2016. A determination on College of Western Idaho's independent accreditation status is anticipated with fiscal year 2017.

Financial Highlights

In fiscal year 2016, there was an overall increase of \$3.4 million to the total net position. This increase was primarily due to an increase in Net Tuition and Fee Revenue and a slight increase in State Appropriations. The increase in Net Tuition and Fee Revenue is attributed to a decrease in Scholarship Allowance along with an increase in Workforce Development and Dual Credit enrollment.

During fiscal year 2016:

- Net Student Tuition and Fee Revenue increased from \$17.2 million to \$18.2 million.
- Scholarship Allowance decreased from \$9.5 million to \$8.2 million.
- Operating Expenses increased from \$59.6 million to \$60.2 million.
- State Appropriations increased from \$17.6 million to \$18.1 million.
- State and Federal Financial Aid revenue decreased from \$18.7 million to \$16.3 million.

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 revenue decreased from \$21.7 million to \$18.7 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, 2016 and 2015 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. There are three financial statements presented: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. These statements present financial information in a form similar to that used by most private-sector companies. These financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

Statement of Net Position

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

Current assets consist of available cash and other assets that could be converted to cash within a year. 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, must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The third category, Unrestricted Net Position, which is net position available to the College for any lawful purpose of the institution.

Summary Financial Statements

The following tables on pages 6 through 10 presented for the year ended June 30, 2014 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

	2016	2015	2014
Current and other assets	\$ 52,685,095	\$ 57,838,606	\$ 54,339,788
Capital assets	57,813,416	49,036,482	49,775,521
Total assets	110,498,511	106,875,088	104,115,309
Deferred outflows of resources	1,276,899	561,510	-
Total assets and deferred outflows of resources	<u>\$ 111,775,410</u>	<u>\$ 107,436,598</u>	<u>\$ 104,115,309</u>
Current liabilities	\$ 5,243,035	\$ 4,939,775	\$ 5,866,372
Noncurrent liabilities	5,743,013	4,904,997	4,131,134
Total liabilities	10,986,048	9,844,772	9,997,506
Deferred inflows of resources	1,277,184	1,516,114	-
Net position			
Net investment in capital assets	54,373,693	45,533,463	45,931,906
Restricted - expendable	794,093	942,838	1,061,815
Unrestricted	44,344,392	49,599,411	47,124,082
Total net position	99,512,178	96,075,712	94,117,803
Total liabilities, deferred inflows of resources, and net position	<u>\$ 111,775,410</u>	<u>\$ 107,436,598</u>	<u>\$ 104,115,309</u>

The College's total assets and deferred outflows of resources increased during fiscal year 2016 by \$4,338,812, from \$107,436,598 in 2015 to \$111,775,410 in 2016. The increase was primarily due to the purchase of land as well as other additions to Capital Assets. The College's total liabilities increased during fiscal year 2016 by \$1,141,276 from \$9,844,772 in fiscal year 2015 to \$10,986,048 in 2016. This increase was primarily the result of recording the Net Pension Liability as 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 2016, the College purchased additional investments with excess College funds. This was done in accordance with State and College policies. 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.

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.

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.

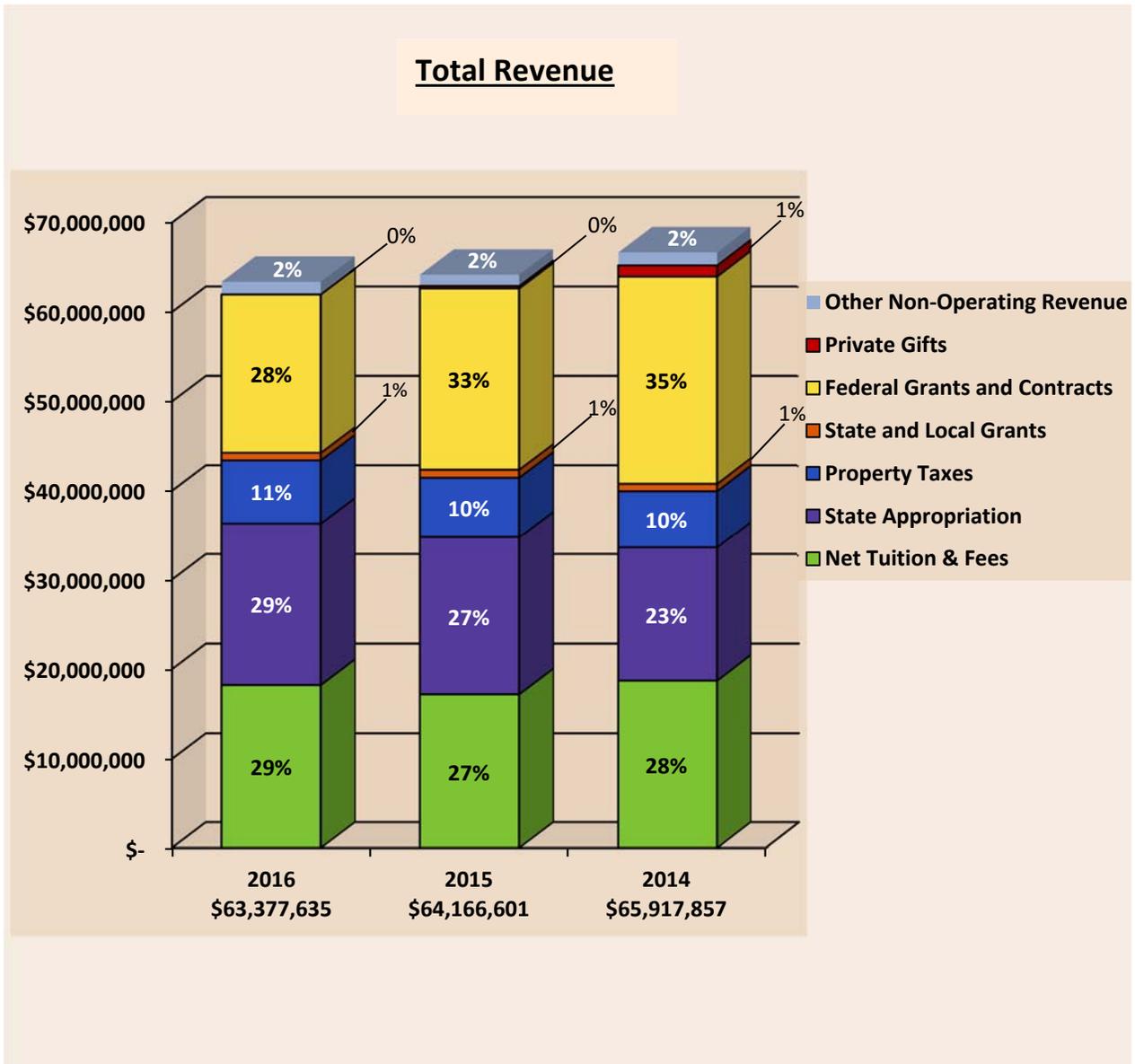
Generally, operating revenues are generated by providing services to various customers, students, and constituencies of the College, including but not limited to student tuition, fees, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the services provided 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

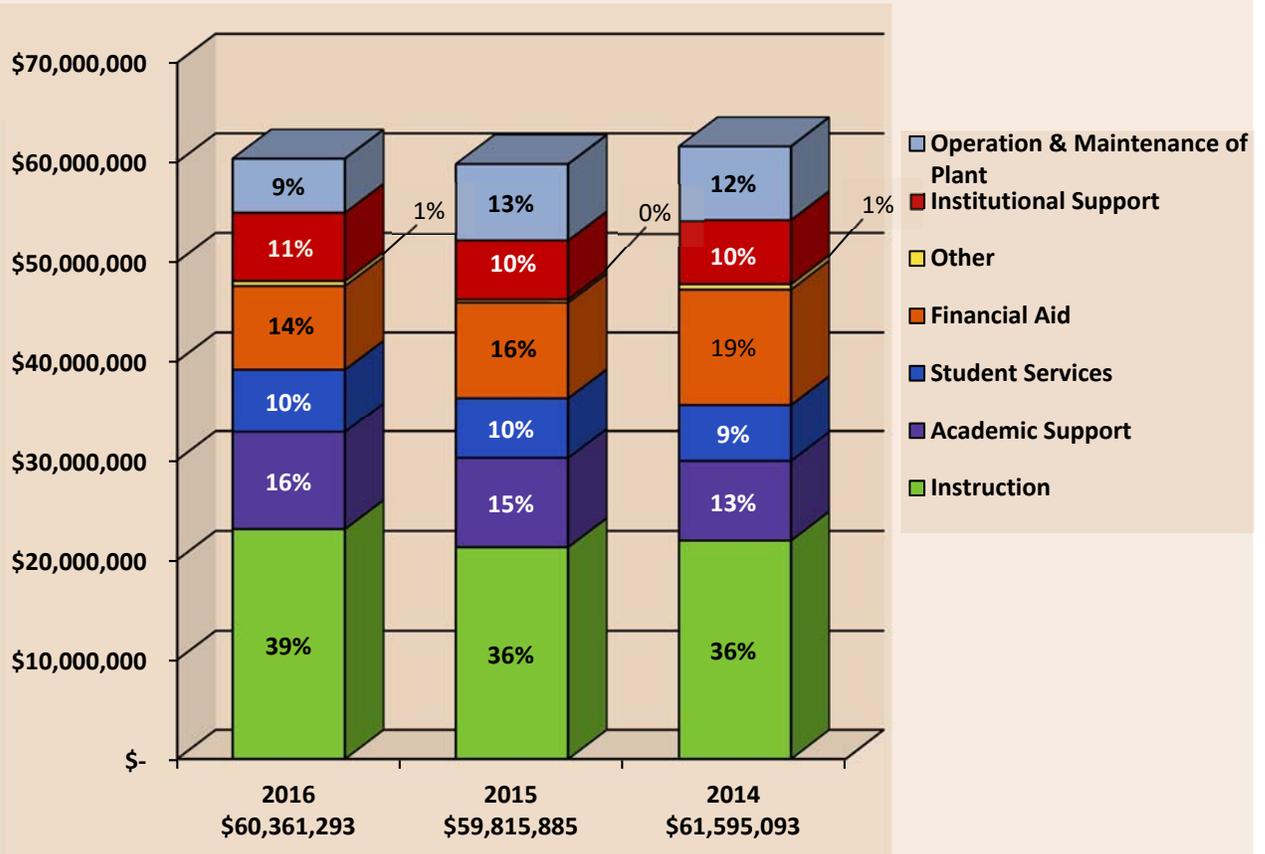
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 20,707,422	\$ 19,852,959	\$ 21,253,288
Operating expenses	<u>60,179,775</u>	<u>59,617,601</u>	<u>61,379,598</u>
Operating loss	<u>(39,472,353)</u>	<u>(39,764,642)</u>	<u>(40,126,310)</u>
Nonoperating revenues (expense)			
State appropriation	18,083,877	17,561,419	14,884,814
Private gifts	12,198	284,504	509,706
Investment Income	414,936	87,084	-
Local taxes	7,087,317	6,705,653	6,339,677
Other nonoperating revenue	17,071,885	19,674,982	22,930,372
Interest expense	<u>(181,518)</u>	<u>(198,284)</u>	<u>(215,495)</u>
Nonoperating revenues	42,488,695	44,115,358	44,449,074
Capital gifts	<u>420,124</u>	<u>10,455</u>	<u>17,769,030</u>
Change in net position	3,436,466	4,361,171	22,091,794
Prior Period Restatement	-	(2,403,262)	-
Net position - beginning of year	<u>96,075,712</u>	<u>94,117,803</u>	<u>72,026,009</u>
Net position - end of year	<u>\$ 99,512,178</u>	<u>\$ 96,075,712</u>	<u>\$ 94,117,803</u>

The Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in net position during fiscal year 2016. Operating revenues increased by \$854,463 from \$19,852,959 in 2015 to \$20,707,422 in 2016. This increase was a result of the increase 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 4 under the paragraph titled "Accounting Treatment of Financial Aid." Operating expenses increased by \$562,174 from \$59,617,601 in 2015 to \$60,179,775 in 2016. The increase in operating expenses was largely due to an increase in Instruction expense.

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. 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.



Total Expenses



Statement of Cash Flows

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

Summary Statements of Cash Flows Fiscal Years Ended June 30

	2016	2015	2014
Cash and cash equivalents from (used for)			
Operating activities	\$ (36,188,830)	\$ (38,354,472)	\$ (36,821,556)
Noncapital financing activities	42,402,318	46,171,114	43,844,130
Capital and related financing activities	(11,505,070)	(2,552,624)	(3,069,023)
Investing activities	(5,232,944)	(19,247,046)	49,028
Net change in cash and cash equivalents	(10,524,526)	(13,983,028)	4,002,579
Cash and cash equivalents, beginning of year	31,829,837	45,812,865	41,810,286
Cash and cash equivalents, end of year	\$ 21,305,311	\$ 31,829,837	\$ 45,812,865
Supplementary disclosure of non-cash activities			
Property acquired with accounts payable	\$ 10,695	\$ 63,918	\$ 364,650
Donation of capital assets	\$ 420,124	\$ 10,455	\$ 17,769,030
Property acquired from capital lease financing	\$ 312,570	\$ -	\$ -

Cash decreased \$10,524,526 during fiscal year 2016 compared to a cash decrease of \$13,983,028 during fiscal year 2015. This was the result of utilizing cash for the purchase of land and investments.

Cash used in operating activities totaled \$36,188,830 in fiscal year 2016 compared to \$38,354,472 in fiscal year 2015. Expenses were closely monitored to ensure expenditures did not exceed the fiscal year budget. Cash provided by noncapital financing activities decreased to \$42,402,318 in fiscal year 2016 compared to \$46,171,114 in fiscal year 2015. This decrease was primarily attributable to the decrease in State and Federal Financial Aid and a decrease in outstanding Accounts Receivable from prior fiscal year. Cash used in capital and related financing activities increased to \$11,505,070 in fiscal year 2016, compared to \$2,552,624 in fiscal year 2015. The increase was a result of additional purchases of capital assets during fiscal year 2016. Cash used in investing activities decreased to \$5,232,944 in fiscal year 2016, compared to \$19,247,046 in fiscal year 2015. This was due to a decrease in the purchase of additional investments.

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 \$19,497,046 in fiscal year 2015, compared to \$49,028 in fiscal year 2014. This increase was due to the purchase of investments.

Capital Assets

The College's investment in Capital Assets as of June 30, 2016, equates to \$57,813,416 net of accumulated depreciation. Investment in Capital Assets normally includes land, buildings, improvements, machinery and equipment, library holdings, and infrastructure. The increase was primarily due to the purchase of land in Ada and Canyon counties for future campus expansion.

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.

Debt Administration

College of Western Idaho had fifteen operating lease obligations for instructional and administrative office space and office equipment at fiscal year ends June 30, 2016 and 2015. The College did not finance any of its operations with debt as of fiscal year ends June 30, 2016 and 2015.

Economic Outlook

The College worked through a comprehensive process to update its five-year strategic plan. The new strategic plan identifies a target student enrollment growth of four percent a year for fiscal years 2018 through 2021 and then larger growth for future years. The growth is tied to campus expansion plans and eliminating leased space. CWI experienced an increase in Net Tuition and Fees in fiscal year 2016. This was largely due to a decrease in Scholarship Allowance along with an increase in Workforce Development tuition revenue and an increase in high school students registered in Dual Credit classes.

The College is continuing to experience the leveling of enrollment in credit bearing transfer classes. This leveling through fiscal year 2017 was expected and planned for so it is not a surprise to leadership and will not affect the College's financial position. However, the College leadership has addressed how to reverse this trend in the new Strategic Plan and expects an increase in enrollment in all areas starting in fiscal year 2018.

For fiscal year 2017, the College planned for another year of decreased enrollment in general education transfer credit classes. This planning ties closely to what is happening within the Idaho economy. The July 2016 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 tends to translate into a downward or a flattening of enrollment in community colleges.

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.

Conversely, Dual Credit enrollment (high school students taking college credit courses) continues to steadily 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.

State support for fiscal year 2017 was increased by \$1,600,000. This includes additional funding for enrollment equity and a significant capacity expansion for our Career and Technical Education (CTE) program. The College will continue to advocate for equitable State funding with the other Idaho community colleges. College leadership is always looking for cost cutting opportunities. The budget process used for fiscal year 2016 and fiscal year 2017 included some significant budget reallocations during development of those budgets.

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 purchased two tracts of land in fiscal year 2016. One parcel is adjacent to the Nampa Campus and the other parcel will provide space for a CWI owned Ada County Campus. The discussions of potential construction of a Student Success Center and Health Science building on the Nampa Campus continue. The CWI locally elected Board of Trustees passed a Bond Election Resolution on September 6, 2016, to seek local taxpayer support of a \$180 million bond to fund growth on the Nampa and Boise campuses.

The College under the direction of the Board of Trustees operates on a balanced budget and review monthly financial statements to ensure fiscal sustainability of the College.

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.

College of Western Idaho
Statements of Net Position
June 30, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 20,605,855	\$ 30,935,656
Short-term investments	6,874,981	4,521,580
Student fees receivable (net of allowance - FY16 - \$1,703,590; FY15 - \$2,447,109)	274,290	189,999
Accounts receivable	1,231,935	1,671,794
Property tax receivable	2,899,083	2,699,356
Prepaid expenses and other assets	668,629	882,746
Total current assets	32,554,773	40,901,131
Noncurrent Assets		
Long-term investments	19,300,466	15,912,894
Restricted cash	699,456	894,181
Deposits	130,400	130,400
Capital assets, not depreciated	27,523,274	18,068,986
Capital assets, net	30,290,142	30,967,496
Total noncurrent assets	77,943,738	65,973,957
Total assets	110,498,511	106,875,088
Deferred Outflows of Resources		
Deferred net pension	1,276,899	561,510
Total deferred outflows of resources	1,276,899	561,510
Total Assets and Deferred Outflows of Resources	\$ 111,775,410	\$ 107,436,598

College of Western Idaho
Statements of Net Position
June 30, 2016 and 2015

	2016	2015
Current Liabilities		
Accounts payable and accrued expenses	\$ 489,671	\$ 360,557
Accrued payroll and related costs	2,665,783	2,673,185
Unbilled revenue (unearned tuition)	1,155,994	947,057
Capital lease obligation - current	466,970	375,866
Other liabilities	464,617	583,110
Total current liabilities	5,243,035	4,939,775
Noncurrent Liabilities		
Compensated absences	767,499	627,228
Capital lease obligation - noncurrent	2,972,753	3,127,153
Net pension liability	1,954,061	1,101,332
Other liabilities- noncurrent	48,700	49,284
Total noncurrent liabilities	5,743,013	4,904,997
Total liabilities	10,986,048	9,844,772
Deferred Inflows of Resources		
Deferred net pension	1,277,184	1,516,114
Total deferred inflows of resources	1,277,184	1,516,114
Net Position		
Net investment in capital assets	54,373,693	45,533,463
Restricted - expendable		
Grants	794,093	942,838
Unrestricted	44,344,392	49,599,411
Total net position	99,512,178	96,075,712
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 111,775,410	\$ 107,436,598

College of Western Idaho Foundation
Component Unit
Statements of Financial Position
June 30, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,686,015	\$ 1,773,166
Cash and cash equivalents - restricted	30,784	75,133
Investments - nonendowment	1,349,770	1,439,942
Contributions receivable - current, net	5,000	61,401
Other receivables	469	377
Interest receivable	6,185	-
Total current assets	3,078,223	3,350,019
Noncurrent Assets		
Contributions receivable - noncurrent, net	4,793	8,673
Investments - endowment	1,202,279	1,237,589
Total noncurrent assets	1,207,072	1,246,262
Total assets	\$ 4,285,295	\$ 4,596,281
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 38,090	\$ 76,804
Total current liabilities	38,090	76,804
Net Assets		
Unrestricted	472,082	511,260
Temporarily restricted	2,643,835	2,897,553
Permanently restricted	1,131,288	1,110,664
Total net assets	4,247,205	4,519,477
Total liabilities and net assets	\$ 4,285,295	\$ 4,596,281

College of Western Idaho
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Tuition and fees	\$ 26,439,630	\$ 26,691,415
Less: Scholarship allowance	(8,202,746)	(9,491,267)
Net tuition and fees	18,236,884	17,200,148
Federal grants and contracts	1,443,613	1,545,635
State and local grants	845,883	896,428
Sales and services of educational activities	181,669	221,764
Other operating expense	(627)	(11,016)
Total operating revenues	<u>20,707,422</u>	<u>19,852,959</u>
Expenses		
Operating Expenses		
Instruction	23,087,039	22,186,717
Academic support	9,757,264	9,236,464
Student services	6,324,027	6,632,451
Public service	326,901	284,178
Financial aid	8,395,498	9,619,469
Auxiliary expenses	-	(153,838)
Institutional support	6,867,295	6,046,604
Operations and maintenance	5,421,751	5,765,556
Total operating expenses	<u>60,179,775</u>	<u>59,617,601</u>
Operating Loss	<u>(39,472,353)</u>	<u>(39,764,642)</u>
Nonoperating Revenues (Expenses)		
State appropriations	18,083,877	17,561,419
Private gifts	12,198	284,504
Net investment income	268,948	87,035
Change in fair value of investments	145,988	49
Local taxes	7,087,317	6,705,653
State and federal financial aid	16,266,659	18,721,176
Liquor tax revenue	200,000	200,000
Other revenue	605,226	753,806
Interest expense	(181,518)	(198,284)
Total nonoperating revenues	<u>42,488,695</u>	<u>44,115,358</u>
Income before capital gifts	3,016,342	4,350,716
Capital gifts	420,124	10,455
Change in Net Position	3,436,466	4,361,171
Net Position, Beginning of Year	<u>96,075,712</u>	<u>91,714,541</u>
Net Position, End of Year	<u>\$ 99,512,178</u>	<u>\$ 96,075,712</u>

College of Western Idaho Foundation
Component Unit
Statement of Activities
Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues				
Contributions and gifts	\$ 11,327	\$ 277,567	\$ 20,624	\$ 309,518
Contributed services	323,770	-	-	323,770
Interest and dividends	25,203	23,611	-	48,814
Net realized and unrealized loss on investments	(66,346)	(73,280)	-	(139,626)
Special events revenue (net of cost of direct benefit to donors \$12,452)	27,401	27,600	-	55,001
Net assets released from restriction	509,216	(509,216)	-	-
Total revenues	<u>830,571</u>	<u>(253,718)</u>	<u>20,624</u>	<u>597,477</u>
Expenses				
Program support to College of Western Idaho Scholarships	366,702	-	-	366,702
Department support	159,749	-	-	159,749
Support services General operations	343,298	-	-	343,298
Total expenses	<u>869,749</u>	<u>-</u>	<u>-</u>	<u>869,749</u>
Change in Net Assets	(39,178)	(253,718)	20,624	(272,272)
Net Assets, Beginning of Year	<u>511,260</u>	<u>2,897,553</u>	<u>1,110,664</u>	<u>4,519,477</u>
Net Assets, End of Year	<u>\$ 472,082</u>	<u>\$ 2,643,835</u>	<u>\$ 1,131,288</u>	<u>\$ 4,247,205</u>

College of Western Idaho Foundation
Component Unit
Statement of Activities
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
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)
Special events revenue (net of cost of direct benefit to donors \$4,013)	25,624	31,700	-	57,324
Net assets released from restriction	845,775	(845,775)	-	-
Total revenues	<u>1,212,428</u>	<u>(480,779)</u>	<u>30,919</u>	<u>762,568</u>
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	<u>1,196,707</u>	<u>-</u>	<u>-</u>	<u>1,196,707</u>
Change in Net Assets	15,721	(480,779)	30,919	(434,139)
Net Assets, Beginning of Year	<u>495,539</u>	<u>3,378,332</u>	<u>1,079,745</u>	<u>4,953,616</u>
Net Assets, End of Year	<u>\$ 511,260</u>	<u>\$ 2,897,553</u>	<u>\$ 1,110,664</u>	<u>\$ 4,519,477</u>

College of Western Idaho
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	2016	2015
Operating Activities		
Tuition and fees	\$ 18,361,532	\$ 17,213,250
Grants and contracts	2,289,497	2,442,063
Payments to suppliers	(24,076,538)	(26,078,584)
Payments to employees	(32,944,361)	(32,141,949)
Sales and service education	181,669	221,764
Other revenue	(629)	(11,016)
	(36,188,830)	(38,354,472)
Net Cash used for Operating Activities		
Noncapital Financing Activities		
State appropriations	18,523,737	19,644,311
Gifts and grants for other than capital purposes	12,198	284,504
Local property tax	7,087,590	6,832,670
Other revenue/expense	16,778,793	19,409,629
	42,402,318	46,171,114
Net Cash from Noncapital Financing Activities		
Capital Financing Activities		
Interest paid on capital lease	(181,518)	(198,284)
Payments on capital lease	(375,867)	(340,596)
Proceeds from sale of fixed assets	-	4,488
Purchases of capital assets	(10,947,685)	(2,018,232)
	(11,505,070)	(2,552,624)
Net Cash used for Capital Financing Activities		
Investing Activities		
Net investment income	268,948	87,035
Change in fair value of investments	145,988	49
Purchase of investments	(5,740,972)	(19,399,482)
Interest on investments	93,092	65,352
	(5,232,944)	(19,247,046)
Net Cash used for Investing Activities		
Net Change in Cash, Restricted Cash, and Cash Equivalents	(10,524,526)	(13,983,028)
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	31,829,837	45,812,865
Cash, Restricted Cash, and Cash Equivalents, End of Year	\$ 21,305,311	\$ 31,829,837

College of Western Idaho
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	2015	2015
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating loss	\$ (39,472,353)	\$ (39,764,642)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	2,902,816	2,752,224
GASB 68 - Actuarial pension revenue	(101,591)	(347,326)
Change in assets and liabilities		
Loss on disposal of asset	629	11,016
Accounts receivable, net	(84,291)	82,798
Prepays and other assets	214,117	(183,662)
Accounts payable	129,115	(710,685)
Unbilled revenue	208,937	(69,697)
Other liabilities	(119,077)	(168,034)
Advances and deposits	-	8,590
Accrued payroll and payroll costs	(7,402)	10,664
Compensated absences	140,270	24,282
Net Cash used for Operating Activities	\$ (36,188,830)	\$ (38,354,472)
Reconciliation of Cash, Restricted Cash, and Cash Equivalents		
Cash and cash equivalents	\$ 20,605,855	\$ 30,935,656
Restricted cash - noncurrent portion	699,456	894,181
Total cash, restricted cash, and cash equivalents	\$ 21,305,311	\$ 31,829,837
Supplemental Disclosure of Noncash Activity		
Donation of capital assets	\$ 420,124	\$ 10,455
Property acquired with accounts payable	\$ 10,695	\$ 63,918
Property acquired with capital lease	\$ 312,570	\$ -

College of Western Idaho Foundation
Component Unit
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	2016	2015
Operating Activities		
Change in net assets	\$ (272,272)	\$ (434,139)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Non-cash contributions	-	(75,272)
Contributions restricted to endowment	(10,650)	(30,919)
Endowment net investment (return) loss	(23,548)	(6,282)
Net realized and unrealized (gain) loss on investments	73,277	2,298
Changes in operating assets and liabilities		
Contributions receivable	60,281	202,307
Other receivable	(92)	(376)
Interest receivable	(6,185)	-
Accounts payable	(38,714)	(29,617)
Net Cash used for Operating Activities	(217,903)	(372,000)
Investing Activities		
Purchase of investments	(1,368,016)	(2,702,957)
Withdrawal from endowment	6,205	47,147
Proceeds from sale of investments	1,437,564	2,687,154
Net Cash from Investing Activities	75,753	31,344
Financing Activities		
Collection of contributions restricted to endowments	10,650	30,919
Net Cash from Financing Activities	10,650	30,919
Net Change in Cash and Cash Equivalents	(131,500)	(309,737)
Cash and Cash Equivalents, Beginning of Year	1,848,299	2,158,036
Cash and Cash Equivalents, End of Year	\$ 1,716,799	\$ 1,848,299

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, 2016 and 2015 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, 2016 and 2015 are discreetly presented because of the difference in its reporting model, as further described below.

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

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 2015 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 other future terms. These revenues are earned subsequent to the fiscal year end.

Noncurrent Liabilities

Noncurrent liabilities are other liabilities that will not be paid within the next fiscal year. These include long-term capital lease obligations, other post-employment benefit obligations, 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 position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The College has 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 and expenses as either operating or nonoperating according to the following criteria:

Operating Revenues and Expenses – Include activities that have the characteristics of exchange transactions that generally result from providing services and delivering goods in connection with the College's principal ongoing operations. Operating revenues include student tuition and fees, net of scholarship discounts and allowances, most federal, state, and local grants and contracts, 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 expects to have unrelated business income to report during fiscal year ended June 30, 2016.

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 within the Required Supplementary Information have been reclassified to conform to the current year presentation. Depreciation allocation as of June 30, 2015 has been restated using the allocation by full time employee expense methodology applied as of June 30, 2016. The reclassification was between function while the total depreciation allocation remained unchanged.

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) and is carried at amortized cost. For 2015, 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, 2016, the College's cash and cash equivalents consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and Cash Equivalents		
Bank deposit	\$ 7,513,133	\$ 6,880,904
Change funds	-	3,400
State Treasurer's Local Government Pool (LGIP)	13,687,138	13,687,138
Money market	34,413	34,413
Total cash and cash equivalents	21,234,684	20,605,855
Restricted Cash		
Bank deposit	699,456	699,456
Total cash and cash equivalents	\$ 21,934,140	\$ 21,305,311

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and Cash Equivalents		
Bank deposit	\$ 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 and cash equivalents	\$ 32,770,168	\$ 31,829,837

At June 30, 2016, the College's investments consisted of the following:

	Cost	Fair Value	Maturity		Percentage
			Less than 1 year	1-5 years	
Investments					
Short-term certificate of deposit	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	0.96%
Short-term certificate of deposit	250,000	250,000	250,000	-	0.96%
Long-term certificate of deposit	250,000	254,208	-	254,208	0.96%
U.S. Treasuries	25,232,698	25,421,239	6,374,981	19,046,258	97.12%
Total certificates of deposits and U.S treasuries	<u>25,982,698</u>	<u>26,175,447</u>	<u>6,874,981</u>	<u>19,300,466</u>	<u>100.00%</u>
Accrued investment interest receivable	80,767	80,767	11,801	68,966	
Total investments and accrued interest receivable	<u>\$26,063,465</u>	<u>\$26,256,214</u>	<u>\$6,886,782</u>	<u>\$19,369,432</u>	

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

	Cost	Fair Value	Maturity		Percentage
			Less than 1 year	1-5 years	
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	<u>20,434,485</u>	<u>20,434,474</u>	<u>4,521,580</u>	<u>15,912,894</u>	<u>100.00%</u>
Accrued investment interest receivable	53,199	53,199	2,011	51,188	
Total investments and accrued interest receivable	<u>\$20,487,684</u>	<u>\$20,487,673</u>	<u>\$4,523,591</u>	<u>\$15,964,082</u>	

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At June 30, 2016 and 2015, \$20,281 and \$1,075, 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, 2016, are as follows:

Investment	Rating	Shares	Market	Cost
Money Market	N/A	34,413	\$ 34,413	\$ 34,413
US Treasury	AAA	24,975,000	25,421,239	25,232,698
Accrued Interest	N/A	-	80,767	80,767
		<u>25,009,413</u>	<u>\$ 25,536,419</u>	<u>\$ 25,347,878</u>

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	1,998,787	1,991,602
Accrued Interest	N/A	-	53,199	53,199
		<u>19,907,046</u>	<u>\$ 20,094,719</u>	<u>\$ 20,094,730</u>

*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.

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.

Investment Valuation

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2016:

<u>Investments</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Debt Securities				
U.S. Treasuries	\$ 25,421,239	\$ 25,421,239	\$ -	\$ -
Total investments	<u>\$ 25,421,239</u>	<u>\$ 25,421,239</u>	<u>\$ -</u>	<u>\$ -</u>

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities.

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, 2016 and 2015 consisted of the following:

	2016	2015
Revenue receivable from CSI	\$ 6,000	\$ 16,564
Federal, state, and private grants	1,037,400	1,392,101
Other	188,535	263,129
	\$ 1,231,935	\$ 1,671,794

Note 4 - Property Taxes

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

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

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

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

Taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 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, 2016 and 2015:

	Balance July 1, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Capital assets not being depreciated					
Land	\$ 17,280,000	\$ 9,462,758	\$ -	\$ 186,929	\$ 26,929,687
Construction in progress	788,986	42,126	-	(237,524)	593,588
Total capital assets not being depreciated	<u>18,068,986</u>	<u>9,504,884</u>	<u>-</u>	<u>(50,595)</u>	<u>27,523,275</u>
Other capital assets					
Land improvements	287,720	594,112	-	-	881,832
Buildings	25,275,663	-	-	-	25,275,663
Buildings - capital lease	4,430,589	-	-	-	4,430,589
Building improvements	790,823	39,723	-	32,440	862,986
Leasehold improvements	2,749,930	320,061	-	18,155	3,088,146
Equipment	4,155,373	571,138	(50,542)	-	4,675,969
Equipment - capital leases	-	312,570	-	-	312,570
Computer equipment	1,630,148	144,592	(5,528)	-	1,769,212
Books	956,224	123,799	-	-	1,080,023
Vehicles	972,049	69,500	-	-	1,041,549
Intangibles	1,885,866	-	-	-	1,885,866
Total other capital assets	<u>43,134,385</u>	<u>2,175,495</u>	<u>(56,070)</u>	<u>50,595</u>	<u>45,304,405</u>
Total capital assets	<u>61,203,371</u>	<u>11,680,379</u>	<u>(56,070)</u>	<u>-</u>	<u>72,827,680</u>
Less accumulated depreciation					
Land improvements	65,879	24,590	-	-	90,469
Buildings	4,009,102	913,878	-	-	4,922,980
Buildings - capital lease	1,335,150	443,059	-	-	1,778,209
Building improvements	60,721	44,970	-	-	105,691
Leasehold improvements	698,345	547,332	-	-	1,245,677
Equipment	2,185,806	473,501	(49,913)	-	2,609,394
Equipment - capital leases	-	10,419	-	-	10,419
Computer equipment	1,336,265	167,674	(5,528)	-	1,498,411
Books	164,908	96,654	-	-	261,562
Vehicles	497,621	132,621	-	-	630,242
Intangibles	1,813,092	48,118	-	-	1,861,210
Total accumulated depreciation	<u>12,166,889</u>	<u>2,902,816</u>	<u>(55,441)</u>	<u>-</u>	<u>15,014,264</u>
Capital assets, net	<u>\$ 49,036,482</u>	<u>\$ 8,777,563</u>	<u>\$ (629)</u>	<u>\$ -</u>	<u>\$ 57,813,416</u>

College of Western Idaho
Notes to Financial Statements
June 30, 2016 and 2015

	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	<u>18,729,713</u>	<u>243,244</u>	<u>-</u>	<u>(903,971)</u>	<u>18,068,986</u>
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	<u>40,839,823</u>	<u>1,785,445</u>	<u>(394,854)</u>	<u>903,971</u>	<u>43,134,385</u>
Total capital assets	<u>59,569,536</u>	<u>2,028,689</u>	<u>(394,854)</u>	<u>-</u>	<u>61,203,371</u>
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	<u>9,794,015</u>	<u>2,752,224</u>	<u>(379,350)</u>	<u>-</u>	<u>12,166,889</u>
Capital assets, net	<u>\$ 49,775,521</u>	<u>\$ (723,535)</u>	<u>\$ (15,504)</u>	<u>\$ -</u>	<u>\$ 49,036,482</u>

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 related to the following accounting period(s). Student fees represent 50% of summer semester revenues and 100% of other future term revenues earned subsequent to the fiscal year end. Unbilled revenue consists of the following at June 30:

	2016	2015
Student fees	\$ 1,155,994	\$ 923,728
Other unbilled revenue	-	23,329
	\$ 1,155,994	\$ 947,057

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 \$1,971,115 and \$1,992,162 for fiscal years 2016 and 2015, respectively. As of June 30, 2016, future minimum operating lease commitments are as follows:

Fiscal Year	Amount
2017	\$ 1,739,923
2018	1,738,180
2019	1,591,925
2020	640,788
2021	503,807
Totals	\$ 6,214,623

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 \$19,268 for the Aspen Classroom Building and \$27,527 for the Aspen Multipurpose Building, both of which increase every year by 3% until 2021 and 2023, respectively. The College entered into a capital lease agreement for twenty-eight copiers as of May 1, 2016. The College pays a monthly payment of \$6,083 for the copier lease until June 1, 2021.

At June 30, 2016, the assets under capital lease equaled \$4,743,159 with accumulated depreciation of \$1,788,628. At June 30, 2015, the assets under capital lease equaled \$4,430,589 with accumulated depreciation of \$1,335,150. Amortization of assets under capital lease is included in depreciation expense. As of June 30, 2016, future minimum capital lease commitments are as follows:

Fiscal Year	Amount
2017	\$ 642,562
2018	661,992
2019	679,636
2020	697,763
2021	716,558
2022-2023	661,099
Total minimum obligation	4,059,610
Less interest	(619,887)
Totals	\$ 3,439,723

Note 8 - Long-Term Liabilities

Changes in long-term liabilities for the years ended June 30, 2016 and 2015, were:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within one year
Capital lease obligation	\$ 3,503,019	\$ 312,570	\$ (375,866)	\$ 3,439,723	\$ 469,231
Compensated absences	720,952	1,100,705	(978,251)	843,406	75,907
	\$ 4,223,971	\$ 1,413,275	\$ (1,354,117)	\$ 4,283,129	\$ 545,138
	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

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 two years ended June 30, are as follows:

PERSI	2016	2015
College required contribution rate	11.32%	11.32%
Percentage of covered payroll for employees	6.79%	6.79%
College contributions required and paid	\$ 486,586	\$ 469,834

Optional Retirement Plan

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

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

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

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

ORP	2016	2015
College contribution rate	11.23%	11.23%
Employee contribution rate	6.97%	6.97%
College contribution	\$ 1,681,732	\$ 1,627,965

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, 2016 and 2015, were \$125,321 and \$121,265 respectively.

Note 10 - Pension Plan

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation 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, 2015 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 \$486,586 and \$469,834 for the years ended June 30, 2016 and 2015, respectively.

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

At June 30, 2016 and 2015, the College reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and 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 June 30, 2015 and July 1, 2014, the College's proportion was .001483905 and .001469057, respectively.

For the year ended June 30, 2016 and 2015, the College recognized pension expense of \$384,996 and \$122,507. At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 719,149	\$ 234,250
Changes in assumptions or other inputs	71,164	-
Net difference between projected and actual earnings on pension plan investments	-	1,026,148
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	16,786
College of Western Idaho contributions subsequent to the measurement date	486,586	-
Total	\$ 1,276,899	\$ 1,277,184

June 30, 2015	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 \$486,586 and \$469,834 reported were deferred outflows of resources as of June 30, 2016 and 2015, respectively, related to pensions resulting from Employer contributions subsequent to the measurement date 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, 2014, the beginning of the measurement period ended June 30, 2015 is 5.5 years and 5.6 years for the measurement period June 30, 2014.

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	\$ (204,176)
2017	(204,176)
2018	(204,176)
2019	141,758
2020	(16,101)

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, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions

Inflation	3.25%
Salary increases	4.25 - 10.00%
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

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, 2015, is based on the results of an actuarial valuation date for the date.

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 / Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI ACWI ex USA	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
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:

June 30, 2016	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 4,759,384	\$ 1,954,061	\$ (378,192)

June 30, 2015	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, 2016 and 2015, the College reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 11 - 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, 2015. 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 receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themselves and eligible dependents. Employees must enroll within 60 days of the date that the active employee policy ends. 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 \$13.39 and \$9.54 per active employee per month towards the retiree premium cost during 2016 and 2015, 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 \$9.60 and \$9.00 per active employee per month in fiscal year 2016 and 2015, 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 2016 and 2015. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. In addition, the plan provides a \$2,000 life insurance benefit for spouses and a \$1,000 life insurance benefit for dependent children. These benefits do not increase with inflation. The State is self-insured for employees who became disabled prior to July 1, 2012. The State pays 100 percent of the cost; the contribution is actuarially determined based on actual claims experience.

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

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.

2016 Annual OPEB Cost and Net OPEB Obligation

	<u>Long-term Disability Plan</u>		
	Retiree <u>Healthcare Plan</u>	<u>Healthcare</u>	<u>Life Insurance</u>
Annual OPEB Cost			
Annual required contribution	\$ 75,000	\$ 26,000	\$ 22,000
Interest on net OPEB obligation	22,000	-	-
Adjustment to annual required contribution	(40,000)	(1,000)	-
Total Annual OPEB cost	<u>57,000</u>	<u>25,000</u>	<u>22,000</u>
Contributions made	<u>(70,000)</u>	<u>(30,000)</u>	<u>(15,000)</u>
Increase (Decrease) in net OPEB obligation	(13,000)	(5,000)	7,000
Net OPEB obligation (funding excess) - beginning of year	<u>38,000</u>	<u>(11,000)</u>	<u>3,000</u>
Net OPEB obligation (funding excess) - end of year	<u>\$ 25,000</u>	<u>\$ (16,000)</u>	<u>\$ 10,000</u>
Percentage of AOC contributed	122.81%	120.00%	68.18%

2015 Annual OPEB Cost and Net OPEB Obligation

	<u>Long-term Disability Plan</u>		
	Retiree <u>Healthcare Plan</u>	<u>Healthcare</u>	<u>Life Insurance</u>
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	<u>60,000</u>	<u>23,000</u>	<u>21,000</u>
Contributions made	<u>(44,000)</u>	<u>(33,000)</u>	<u>(17,000)</u>
Increase (Decrease) in net OPEB obligation	16,000	(10,000)	4,000
Net OPEB obligation (funding excess) - beginning of year	<u>22,000</u>	<u>(1,000)</u>	<u>(1,000)</u>
Net OPEB obligation (funding excess) - end of year	<u>\$ 38,000</u>	<u>\$ (11,000)</u>	<u>\$ 3,000</u>
Percentage of AOC contributed	73.33%	143.48%	80.95%

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

		<u>Long-term Disability Plan</u>		
		Retiree <u>Healthcare Plan</u>	<u>Healthcare</u>	<u>Life Insurance</u>
Annual OPEB Cost	2016	\$ 57,000	\$ 25,000	\$ 22,000
	2015	60,000	23,000	21,000
	2014	25,000	22,000	32,000
Percentage of AOC contributed	2016	122.81%	120.00%	68.18%
	2015	73.33%	143.48%	80.95%
	2014	152.00%	136.36%	71.88%
Net OPEB Obligation (Funding Excess) - end of year	2016	\$ 25,000	\$ (16,000)	\$ 10,000
	2015	38,000	(11,000)	3,000
	2014	22,000	(1,000)	-

Funded Status and Funding Progress

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

Funded Status and Funding Progress

	<u>Long-term Disability Plan</u>		
	Retiree <u>Healthcare Plan</u>	<u>Healthcare</u>	<u>Life Insurance</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2015	July 1, 2015
(1) Actuarial Value of Assets	\$ -	\$ -	\$ -
(2) Accrued Liability (AAL)	506,000	166,000	81,000
(3) Unfunded AAL (UAAL) (2)-(1)	506,000	166,000	81,000
(4) Funded Ratios (1) : (2)	0.00%	0.00%	0.00%
(5) Annual Covered Payroll	\$ 18,654,000	\$ 18,654,000	\$ 18,654,000
(6) UAAL as a Percentage of Covered Payroll (3) : (5)	2.71%	0.89%	0.43%

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		
	Retiree Healthcare Plan	Long-term Disability 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	11 years, Open	30 years, Open	4 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	5.50%	5.50%	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 \$177,596 and \$144,429 for fiscal years 2016 and 2015, 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. The Foundation provided scholarship support of \$366,702 and departmental and program support of \$159,749, of which \$38,043 was a receivable from the Foundation at June 30, 2016. 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 at June 30, 2015.

The College recorded a payable to the Foundation of \$469 and \$377, respectively, for employee payroll contributions payable to the Foundation at June 30, 2016 and June 30, 2015 respectively.

The College provided professional services and materials to the Foundation which totaled \$323,770 and \$320,496, for the years ended June 30, 2016 and 2015, respectively.

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, 2016 and 2015, CWI had a receivable from CSI of \$6,000 and \$16,564 respectively, and a payable to CSI of \$0 and \$12,000, respectively.

The College has acted as the fiscal agent for seven State Division of Career and Technical Education student organizations. At June 30, 2016, the College turned fiscal responsibility back to the State Division of Career and Technical Education. The College held operating funds on their behalf in the amount of \$0 and \$138,666 for 2016 and 2015, respectively. Revenue and expenses were recorded through 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. 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, 2016, the College had several significant commitments that will be completed during fiscal year 2017. Significant commitments are listed below:

Capital Projects	
Ada County Campus site improvements	\$ 35,414
Facility improvements	70,922
Legal expenses for land	2,650
Total capital projects	108,986
Non Capital Projects	
Ada County Campus site improvements	1,125
Facility improvements	35,696
Marketing campaigns	119,577
Comprehensive strategic plan	62,444
Total non-capital projects	218,842
	\$ 327,828

Note 16 - Subsequent Events

In September 2016, the College announced the College of Western Idaho Board of Trustees voted in favor of placing a 25 year \$180 million general obligation bond on the November 2016 general election ballot. The bond would fund campus development in Ada and Canyon Counties to expand program offerings and serve more students.

In February 2016, the College signed a memorandum of agreement with Idaho Power Company agreeing to a property exchange. The completion of the agreement is anticipated in fiscal year 2017. The agreement calls for the exchange of 2.08 acres of College of Western Idaho land located on the southwestern corner of the Nampa campus for 8.8 acres of Idaho Power land located on the corner of Can-Ada road and Cherry Lane next to the existing Nampa campus. An independent appraisal valued the 2.08 acres at \$75,000 and the 8.8 acres at \$200,000.

The College evaluated subsequent events through October 18, 2016, the date which the financial statements were available to be issued.

Note 17 - Component Unit

Foundation Operations and Significant Accounting Policies

Foundation Operations

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

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

Investments

Investments at June 30, 2016 and 2015, consisted of the following:

	2016	2015
Investments securities		
Equities	\$ 1,726,841	\$ 1,761,589
Bond funds	696,892	718,321
Commodities	-	83,954
Real estate investment trusts	128,316	113,667
Total investments	\$ 2,552,049	\$ 2,677,531

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, 2016:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	\$ 1,160,639	\$ -	\$ -	\$ 1,160,639
Small cap	132,436	-	-	132,436
International equities	433,766	-	-	433,766
Bond Funds				
US fixed income	696,892	-	-	696,892
Real estate investment trusts	128,316	-	-	128,316
Total assets at fair value	<u>\$ 2,552,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,552,049</u>

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

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
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	<u>\$ 2,677,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,677,531</u>

Changes in Fair Value Levels

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

The significance of transfers between levels has been evaluated based upon the nature of the financial instruments and size of the transfer relative to the total net assets available for benefits. For the years ended June 30, 2016 and 2015, there were no significant transfers in or out of levels 1, 2, or 3.

Donated Professional Services and Materials

The Foundation received donated professional services and materials as follows during the years ended June 30, 2016 and 2015:

	Management and General	Fundraising and Development	Total
June 30, 2016			
Salaries and benefits	\$ 173,041	\$ 119,251	\$ 292,292
Materials and supplies	14,198	-	14,198
Office space	17,280	-	17,280
Total donated materials and services	\$ 204,519	\$ 119,251	\$ 323,770
	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

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 \$0 and \$5,000 was estimated and recorded as of June 30, 2016 and 2015.

Contributions receivable for the years ended June 30, 2016 and 2015, are as follows:

	2016	2015
Contributions receivable		
Due in one year or less	\$ 5,000	\$ 66,401
Due in one to five years	5,000	10,000
Over five years	-	-
	10,000	76,401
Total contributions receivable		
Less allowance for doubtful accounts	-	(5,000)
	10,000	71,401
Future value		
Less discount to present value	(207)	(1,327)
	\$ 9,793	\$ 70,074
Net contributions receivable	\$ 9,793	\$ 70,074

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, 2016 and 2015:

	2016	2015
Restricted for use		
Department support	\$ 2,000,680	\$ 2,056,815
Scholarships	643,155	840,738
	\$ 2,643,835	\$ 2,897,553
Total restricted net assets	\$ 2,643,835	\$ 2,897,553

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, 2016 and 2015, were as follows:

	2016	2015
Satisfaction of purpose restrictions		
Scholarships	\$ 353,550	\$ 365,487
Department support	155,666	480,181
Other institutional support	-	107
	\$ 509,216	\$ 845,775

Endowment Funds

The Foundation's endowment consists of 30 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held \$1,131,288 and \$1,110,664 in true endowment funds at June 30, 2016 and 2015, 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, 2016	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	<u>\$ 70,991</u>	<u>\$ 1,131,288</u>	<u>\$ 1,202,279</u>
	<u><u>\$ 70,991</u></u>	<u><u>\$ 1,131,288</u></u>	<u><u>\$ 1,202,279</u></u>
At June 30, 2015	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	<u>\$ 126,925</u>	<u>\$ 1,110,664</u>	<u>\$ 1,237,589</u>
	<u><u>\$ 126,925</u></u>	<u><u>\$ 1,110,664</u></u>	<u><u>\$ 1,237,589</u></u>

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

Changes in endowment net assets for the years ending June 30, 2016 and 2015, respectively, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets			
End of year June 30, 2015	\$ 126,925	\$ 1,110,664	\$ 1,237,589
Investment return			
Investment income, net of fees	23,548	-	23,548
Net realized and unrealized gain (loss)	(73,277)	-	(73,277)
Contributions	-	20,624	20,624
Appropriation of endowment assets for expenditures	(6,205)	-	(6,205)
Endowment assets			
End of year June 30, 2016	\$ 70,991	\$ 1,131,288	\$ 1,202,279
	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)
Reclassification of Investment Activity	9,198	-	9,198
Contributions	-	30,919	30,919
Appropriation of endowment assets for expenditures	(47,147)	-	(47,147)
Endowment assets			
End of year June 30, 2015	\$ 126,925	\$ 1,110,664	\$ 1,237,589

The components of endowment funds classified as temporarily restricted net assets and permanently restricted net assets as of June 30, 2016 and 2015, are as follows:

	<u>2016</u>	<u>2015</u>
Temporarily restricted net assets		
The portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	<u>\$ 70,991</u>	<u>\$ 126,925</u>
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	<u>\$ 1,131,288</u>	<u>\$ 1,110,664</u>

Related Party Transactions

The Foundation provides scholarships to the College based on the terms of the donations. The Foundation provided scholarship support of \$366,702 and departmental and program support of \$159,749, of which \$38,043 was a payable to the College at June 30, 2016. 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 June 30, 2015.

The College owed the Foundation \$469 and \$377, for employee payroll contribution deductions payable to the Foundation at June 30, 2016 and June 30, 2015, respectively.

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received \$26,849 and \$11,950, in contribution revenue from Board members, during the year ended June 30, 2016 and 2015, respectively.



Required Supplementary Information
June 30, 2016

College of Western Idaho

College of Western Idaho
Other Postemployment Benefits – Schedule of Funding Progress
June 30, 2016

Funded Status and Funding Progress							
OPEB Plan	(1)	(2)	(3)	(4)	(5)	(6)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratios (1) : (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (3) : (5)	
Retiree Healthcare	7/1/2015	\$ -	\$ 506,000	\$ 506,000	0.0%	\$ 18,654,000	2.71%
	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%
Long-Term Disability							
Life Insurance	7/1/2015	\$ -	\$ 81,000	\$ 81,000	0.0%	\$ 18,654,000	0.43%
	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%
Healthcare	7/1/2015	\$ -	\$ 166,000	\$ 166,000	0.0%	\$ 18,654,000	0.89%
	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%

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

	2015	2016
Employer's portion of net the pension liability	0.001496057	0.001483905
Employer's proportionate share of the net pension liability	\$ 1,101,332	\$ 1,954,061
Employer's covered-employee payroll	\$ 4,075,632	\$ 4,150,474
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	27.02%	47.08%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%

* 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 (measurement date)

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

	2015	2016
Statutorily required contribution	\$ 486,281	\$ 486,614
Contributions in relation to the statutorily required contribution	\$ (465,253)	\$ (486,586)
Contribution (deficiency) excess	\$ (21,028)	\$ (28)
Employer's covered-employee payroll	\$ 4,150,474	\$ 4,298,713
Contributions as a percentage of covered-employee payroll	11.32%	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, 2016.



Other Information
June 30, 2016 and 2015

College of Western Idaho

College of Western Idaho
Schedule of Operating Expenses
Year Ended June 30, 2016

	Instruction	Academic Support	Student Services	Public Service	Scholarships	Auxiliary Expenses	Institutional Support	Operations and Maintenance	Total
Operating Expenses									
Wages and salaries	\$ 13,569,316	\$ 3,522,841	\$ 3,172,241	\$ 138,959	\$ 34,298	\$ -	\$ 2,715,367	\$ 924,941	\$ 24,077,963
Taxes and benefits	4,198,322	1,514,091	1,566,489	63,285	2,513	-	1,134,119	520,449	8,999,268
Supplies	1,933,353	1,077,304	163,232	2,750	-	-	78,943	175,195	3,430,777
Repairs and maintenance	294,405	1,060,931	18,835	-	-	-	29,810	468,330	1,872,311
Travel	75,790	88,183	86,099	1,195	-	-	45,519	4,407	301,193
Vehicles	78,604	499	856	18	-	-	5,599	9,558	95,134
Services	246,042	2,254,118	338,673	12,881	-	-	1,331,777	674,104	4,857,595
Miscellaneous	185,865	387,403	502,161	89,424	-	-	1,000,644	184,324	2,349,821
Insurance, rent, utilities	222,723	77,498	123,790	1,858	-	-	269,447	2,307,335	3,002,651
Financial aid	-	-	-	-	8,391,837	-	-	-	8,391,837
Depreciation	1,546,075	491,717	422,496	18,789	-	-	253,462	170,277	2,902,816
Fund transfer	757,236	(692,526)	(47,871)	-	(33,150)	-	17,671	(1,360)	-
Pension contributions - GASB 68	(99,109)	(118,760)	(110,039)	(10,814)	-	-	(72,145)	(75,720)	(486,587)
Plan pension expense - GASB 68	78,417	93,965	87,065	8,556	-	-	57,082	59,911	384,996
Total operating expenses	<u>\$ 23,087,039</u>	<u>\$ 9,757,264</u>	<u>\$ 6,324,027</u>	<u>\$ 326,901</u>	<u>\$ 8,395,498</u>	<u>\$ -</u>	<u>\$ 6,867,295</u>	<u>\$ 5,421,751</u>	<u>\$ 60,179,775</u>

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	1,170,324	470,745	568,817	25,826	-	-	313,830	202,682	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	\$ 22,186,717	\$ 9,236,464	\$ 6,632,451	\$ 284,178	\$ 9,619,469	\$ (153,838)	\$ 6,046,604	\$ 5,765,556	\$ 59,617,601



Single Audit Information
June 30, 2016

College of Western Idaho



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

To the Board of Trustees 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, 2016, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2016. 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.

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.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Boise, Idaho
October 18, 2016



Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

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 Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2016. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 the major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on the 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 its major federal programs for the year ended June 30, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Boise, Idaho
October 18, 2016

College of Western Idaho
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF EDUCATION			
Pass Through Payments from State Division of Career and Technical Education			
Adult Basic Education-Administered Basic Grant Program			
Federal Direct Services	84.002	AD 6660 L1	\$ 544,211
Leadership Required Training	84.002	AL 6660 B1	15,955
Leadership Productive Struggle	84.002	AL 6660 B2	3,165
Leadership Peer Observations	84.002	AL 6660 B3	7,035
Leadership Multicultural & PTSD Training	84.002	AL 6660 B4	3,465
EL Civics	84.002	AE 6660 P1	63,550
Pass Through Payments from Idaho Department of Corrections			
IDOC Service Agreement	84.002	PCA05088	<u>32,266</u>
Total Adult Basic Education			<u>669,647</u>
Career and Technical Education-Basic Grants to States			
PTSO Accounting Services	84.048	PL 6660 D1	55,885
Perkins - Academic Skills Development	84.048	PP 6660 A1	35,900
Perkins - Program Improvement	84.048	PP 6660 E1	255,838
Perkins - Professional Development	84.048	PP 6660 C1	53,045
Perkins - Advanced Learning Partnership	84.048	PR 6660 K1	50,635
Perkins - High School Tech Prep Student Recruitment	84.048	PP 6660 G2	18,400
Perkins - CND Learning Community Coordinator	84.048	PN 6660 H1	12,730
Perkins - CND Learning Community Coordinator	84.048	PP 6660 G1	<u>28,226</u>
Total Career and Technical Education- Basic Grant to States			<u>510,659</u>
Pass Through Payments from Idaho Department of Corrections			
IDOC Service Agreement	84.013	PCA05108	95,435
IDOC Service Agreement	84.027	PCA05188	<u>36,170</u>
Pass Through Payments from Boise State University			
Title II, Part B - Mathematics and Science Partnerships	84.366	5821-D	<u>10,456</u>
Direct Programs			
Federal Supplemental Educational Opportunity Grant	84.007		323,124
Federal College Work Study	84.033		276,562
Federal Pell Grant	84.063		<u>15,276,787</u>
Federal Direct Subsidized Loans	84.268		8,437,357
Federal Direct Unsubsidized Loans	84.268		4,070,597
Federal Parent Plus Loan	84.268		<u>10,176</u>
Total Direct Programs			<u>12,518,130</u>
Total Student Financial Aid			<u>28,394,603</u>
Total U.S. Department of Education			<u>29,716,970</u>

College of Western Idaho
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
DEPARTMENT OF LABOR			
Pass Through Payments from State Division of Career and Technical Education			
Workforce Investment Act Grants			
ABE ITRP - Summer Re-Boot	17.207	WB 5660 F1	1,498
ABE Mentoring Institute	17.207	WB 5660 G2	42,752
ABE Mountain Plains Adult Education Conference	17.207	WB 5660 H1	6,300
Skillstack Badging Program	17.207	WB 5771 E6	<u>6,397</u>
Total Workforce Investment Act Grants			<u>56,947</u>
Pass Through Payments from College of Southern Idaho			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant	17.282	TC 22536 1160 A 16	<u>11,282</u>
Total Department of Labor			<u>68,229</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass Through Payments from University of Idaho			
INBRE	93.859	IAK200-SB-006	<u>40,155</u>
Total Department of Health and Human Services			<u>40,155</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Pass Through Payments from Idaho Humanities Council			
Promotion of Humanities	45.129	2016025	2,000
Pass Through Payments from University of Washington			
Pacific Northwest LSAMP	47.076	764184	8,141
Pass Through Payments from University of Idaho			
EPSCoR RII Track 1	47.080	1301792	<u>2,721</u>
Total National Endowment for the Humanities			<u>12,862</u>
Total Federal Expenditures			<u><u>\$ 29,838,216</u></u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the College of Western Idaho, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The College received federal awards directly from federal agencies and indirectly through pass-through entities.

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Student Financial Assistance Programs Cluster	
Pell Grant	84.063
Direct Loans	84.268
Supplemental Education Opportunity Grant	84.007
College Work Study	84.033

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

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

Initial Fiscal Year Finding Occurred:

June 30, 2015

Finding Summary:

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.

Status:

Corrective action was taken.

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

Initial Fiscal Year Finding Occurred:

2015

Finding Summary:

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.

Status:

Corrective action was taken.