Report of Independent Auditors and Financial Statements

LEWIS CLARK
STATE COLLEGE

June 30, 2022

LEWIS-CLARK STATE COLLEGE

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INDEPENDENT AUDITORS' REPORT

Idaho Office of the State Board of Education
Lewis-Clark State College
Lewiston, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Lewis-Clark State College and the discretely presented component unit, the Lewis-Clark State College Foundation, Inc. (collectively, the College), collectively a component unit of the State of Idaho, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lewis-Clark State College and its discretely presented component unit, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lewis-Clark State College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As disclosed in Note 1, the College implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. The Standard requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lewis-Clark State College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lewis-Clark State College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required schedules related to the College's pension plan, and the required schedules related to the College's postemployment benefits plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022, on our consideration of the Lewis-Clark State College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lewis-Clark State College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lewis-Clark State College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
December 8, 2022

LEWIS-CLARK STATE COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal year ended June 30, 2022 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. Three financial statements are presented: the *Statement of Net Position;* the *Statement of Revenues, Expenses, and Changes in Net Position;* and the *Statement of Cash Flows.*

Management's Discussion and Analysis is designed to provide an easily readable summary of Lewis-Clark State College's (College) financial condition, results of operations, and cash flows based upon facts, decisions, and conditions known at the date of the auditor's reports.

In 2002, GASB issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB 14*. This Statement clarified the definition of a component unit for financial reporting purposes. As a result, the College is discretely reporting the Lewis-Clark State College Foundation, Inc.'s (Foundation) *Statement of Financial Position and Statement of Activities* as part of the financial statements for the College.

Statement of Net Position

The *Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as of the end of the fiscal year. The *Statement of Net Position* is a point-in-time financial statement intended to present to the readers a fiscal snapshot of the College. The *Statement of Net Position* presents end-of-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources).

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 ascertain how much the College owes vendors, grantors, and lending institutions. The *Statement of Net Position* provides a picture of the net position and the availability of resources for expenditure by the College. Changes in net position over time is an indicator of whether the College's financial condition is improving or declining.

Net position is divided into three major categories. The first category, net investment in capital assets, indicates the net equity in capital assets owned by the College. The next category is restricted net position, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is available only for investment purposes. Expendable restricted net position is available for expenditure by the College, but must be spent for purposes specified by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the College to utilize in any legal fashion in accordance with the State Board of Education specified role and mission.

SUMMARY STATEMENT OF NET POSITION

	2022	2021
ASSETS:		
Current assets	$ 48,335,696	$ 37,150,656
Capital assets, net	76,762,702	60,189,991
Other assets and deferred outflows of resources	8,663,657	7,264,866
Total assets and deferred outflows of resources	$ 133,762,055	$ 104,605,513
LIABILITIES:		
Current liabilities	$ 6,139,293	$ 6,670,670
Noncurrent liabilities	12,267,252	11,539,377
Deferred inflows of resources	6,048,467	2,110,366
Total liabilities and deferred inflows of resources	24,455,012	20,320,413
NET POSITION:		
Net investment in capital assets	72,435,653	59,856,043
Restricted – expendable	4,776,187	3,505,032
Unrestricted	32,095,205	20,924,025
Total net position	109,307,044	84,285,100
Total liabilities and deferred inflows of resources and net position	$ 133,762,055	$ 104,605,513

Total assets and deferred outflows of resources increased $29.16M from fiscal year 2021 to 2022, an increase of 28%. The primary components of the increase in 2022 relate to cash deposits, capital assets, and sick leave reserve fund excess.

Net cash deposits increased $11.39 million, in fiscal year 2022. Deposits in the Idaho Local Government Investment Pool (LGIP) increased approximately $8.27 million during 2022. The Idaho State Treasurer deposits increased $3.36 million at June 30, 2022. Cash and cash equivalents held in local banks decreased approximately $0.24 million at June 30, 2022. The overall net increase in cash deposits at the end of fiscal year 2022 is partially related to less expenses incurred during the year, COVID HEERF institutional lost revenue reimbursements for current and prior periods, pledges received for the Schweitzer Career and Technical Education Center (STC) building, and an increase in funds held for the component unit. A $240,000 certificate is classified as a noncurrent investment as of June 30, 2022 due to the maturity date of October 26, 2023.

Receivables decreased $211 thousand at June 30, 2022 and is related to less state and federal grants receivables compared to the prior year's COVID-related expenses and equipment grants for the STC building.

At June 30, 2022 the College reported an asset of $3,779,307 for its proportionate share of the State of Idaho Sick Leave Insurance Reserve Fund (SLIRF). The amount reflects an increase of $847,471 and represents additional excess sick leave funding in the Idaho plan. The College also recognized a net PERSI pension asset of $105,902 as a noncurrent asset and this represents a shift from a net PERSI liability in 2021 of $3,724,157.

Right-of-use assets in the amount of $177,683, is a new asset due to the implementation of GASB 87 and the requirement to recognize right-of-use assets. Net capital assets increased $16.4 million during fiscal year 2022. The increase is due to the purchase of a residence hall, College Place, for $5M and the project closure for the STC building partially funded by the Division of Public Works for $12.5M of the construction cost.

Deferred outflows increased approximately $0.5 million in 2022. The increase in fiscal year 2022 is primarily related to an increase in the PERSI pension changes in assumptions.

Total liabilities and deferred inflows of resources increased $4.1M at June 30, 2022, an increase of 20.3%. The specific changes are due to accounts payable, funds due to component unit, unearned revenue, capital leases and bonds payable, a reduction of net PERSI pension liability, net PERSI pension inflows, and net sick leave reserve fund obligations.

Accounts payable and accrued liabilities had a net decrease of approximately $0.59 million as of June 30, 2022. The decrease in accounts payable is primarily related to June 30, 2021 commitments for the Schweitzer Career and Technical Education building and for the North Idaho Collaborative Education building and both projects closed in fiscal year 2022.

Unearned revenue decreased in 2022 by $908,336. The primary decrease in 2022 is related to a decline in the unearned HEERF institutional revenue. The institutional revenue recognized was limited to the percentage of HEERF student revenue received of which was fully earned in fiscal year 2022.

The net PERSI pension liability decreased by $3.7 million in 2022. The change represents the College's allocation of the State of Idaho retiree benefit plans related to the PERSI Base Plan.

Deferred inflows increased $3.9M in 2022 due to changes related to the PERSI pension plan, OPEB plans and the SLIRF. The major increase was $3.56M for the PERSI pension plan in 2022.

Net position increased $25M for the fiscal year 2022. The major changes were related to the net investment in capital assets and unrestricted net positions. Net investment in capital assets increased almost $12.6 million in 2022, due primarily to the closure of the STC building project and recognition of the Division of Public Works capital contribution and the purchase of the College Place residence hall. The increase in cash is related to less expenses, COVID HEERF lost revenue reimbursement, pledges received for the STC building, and an increase in funds due to component unit.

Unrestricted net position increased $11.17 million in 2022. The 2022 increase is due to an increase in net cash deposits.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position, as presented on the *Statement of Net Position*, are specifically depicted by the activity presented in the *Statement of Revenues, Expenses and Changes in Net Position*. The purpose of this statement is to present the operating and nonoperating revenues earned by the College, operating and nonoperating expenses incurred, and all other revenues, expenses, gains and losses earned or incurred by the College.

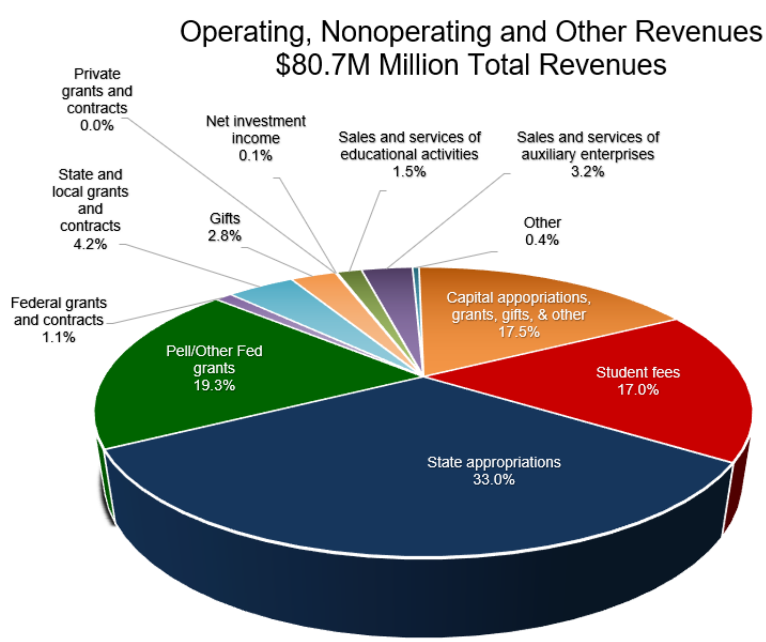
Generally speaking, operating revenues are earned in return for providing goods and services to the various customers and constituents of the College. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the role and mission of the College. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are deemed nonoperating revenues because they are provided by the Idaho Legislature to the College without the legislature directly receiving value in return for those revenues.

SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2022	2021
Operating revenues	$ 22,109,215	$ 19,698,314
Operating expenses	55,640,323	51,055,939
Operating loss	(33,531,108)	(31,357,625)
Nonoperating revenues (expenses), net	44,435,195	33,888,908
Income before other revenues and expenses	10,904,087	2,531,283
Other revenues, net	14,117,857	3,647,202
Increase in net position	25,021,944	6,178,485
Net position--Beginning of year (previously reported)	84,285,100	80,719,963
Prior period adjustment	-	(2,613,348)
Net position--Beginning of year (restated)	84,285,100	78,106,615
Net position--End of year	$ 109,307,044	$ 84,285,100

Revenues

The College generates revenues from a variety of sources. The following is a graphic depiction of the revenues by source (both operating and nonoperating), which were used to fund the College's activities for the year ended June 30, 2022.



Total operating revenues for fiscal year 2022 increased $2.4M, or 12.2%. The increase in 2022 is related to increases in net student tuition and fees, sales and services of educational activities and auxiliary revenue.

Gross student tuition and fees decreased by $173 thousand, or -0.9%, during fiscal year 2022. The decrease in 2022 is due to an overall decrease in enrollment for the Spring 2022 and Fall 2021 semesters.

The scholarship discounts and allowances decreased $1.56M at June 30, 2022. The decrease for 2022 is due to less student direct loans and less Pell grants associated with the lower student enrollment.

Federal grants experienced a small increase of $18,239 in 2022. Federal grants changes during 2022 are due to the loss of the TRIO grant, a decrease in the Educational Talent Search supplemental funding, and an offset by a new federal grant for wastewater testing. State and local grants increased $186,673 in 2022 due to receiving additional Small Business Development grant funds through Boise State University, an increase in research grants, a workforce development grant, and a hospitality building Idaho's future grant. Private grants decreased $156,503 during 2022 primarily due to less equipment related grants.

Sales and services of educational activities increased $491,998 in 2022. Increases in 2022 are due to the hosting of more educational and athletic events and an increase in revenue for live shop labs.

Sales and services of auxiliary enterprises increased $578,025 during 2022. This reflects increases in Residence Life student meal plans and room rent due to an increase in residence hall occupancy post COVID limitations during the Spring 2022 and Fall 2021 semesters and the purchase of the College Place residence hall. The College also experienced an increase in KinderCollege day care services due to the lifting of COVID pandemic restrictions.

Nonoperating revenues increased $10.5M during fiscal year 2022. The changes are due to state appropriations and Pell and other federal grants.

State appropriations increased $2.19M during 2022. The 2022 increase is due to state funding for a benefit cost increase, change in employee compensation, an increase in the endowment, support for the College's nursing program, and an additional appropriation to offset the need for a tuition increase.

Pell and other federal grants increased $8.2M during fiscal year 2022. The 2022 increase is primarily due to the College receiving HEERF grant funding for the institution and for students.

Gift revenue increased $191,621 during 2022 due to private donations for the Nursing program and additional donations for athletics and auxiliaries.

Investment income decreased $17,405 during 2022. The College increased excess deposits of cash at the Local Government Investment Pool during the year. The increased deposits were offset by decreases due to lower interest rates.

Capital appropriations increased by $11.9M and represent capital asset projects paid by the Idaho State Division of Public Works (DPW) that are contributed to the College upon completion. The increase is primarily related to the closure and recognition of four DPW funded projects: the Schweitzer Career and Technical Education building, the Center for Arts and History, and the completion of the Meriwether Hall roof, and a parking lot repair project during 2022.

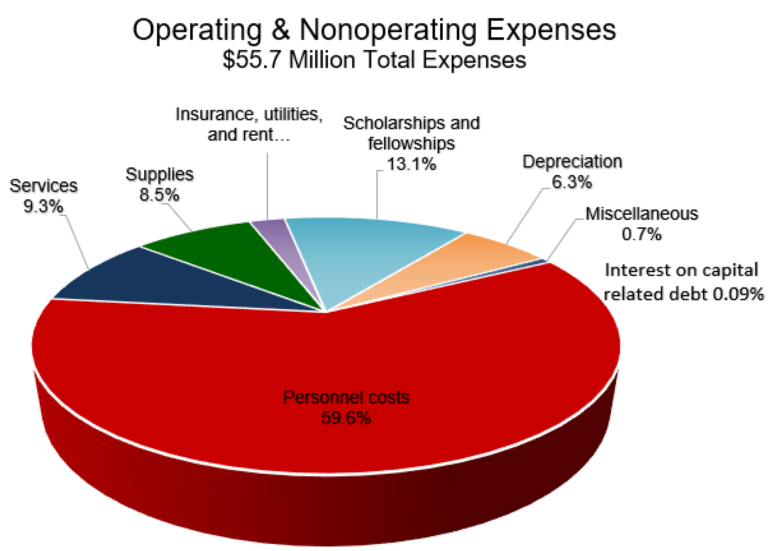
Capital grants and gifts decreased by $1.47M in fiscal year 2022. The increase is primarily related to the closure of the Schweitzer Career and Technical Education building project and a decline in gift revenue.

Expenses

Following is a comparative summary of the College's expenses for the years ended June 30, 2022 and 2021.

	2022	2021
OPERATING EXPENSES:		
Personnel costs	$ 33,169,010	$ 34,077,330
Services	5,160,920	4,060,925
Supplies	4,706,596	4,974,350
Insurance, utilities, and rent	1,390,945	2,015,931
Scholarships and fellowships	7,279,350	2,703,316
Depreciation	3,522,020	2,897,642
Miscellaneous	411,482	326,445
Total operating expenses	$ 55,640,323	$ 51,055,939
NON-OPERATING EXPENSES		
Interest on capital related debt	$ 47,570	-
Total operating and non-operating	$ 55,687,893	$ 51,055,939

The following is a graphic depiction of total expenses by natural classification for the year ended June 30, 2022.



Total operating expenses increased $4.58M, or 9.0%, in fiscal year 2022. The changes are primarily due to personnel costs, services, supplies, rent and scholarships. Nonoperating increased $47,570 and is due to interested on debt service and lease obligations.

Personnel costs decreased $908,320, or -2.7% during 2022. The reflects a decrease in salaries of $226,793 or 3%. The salary decrease is related to vacant positions within the institution. The fringe benefits decreased $681,527, which includes retirement sick leave, post-employment retirement, and pensions. The fringe benefits decrease was also due to the vacant employment positions. The College was not required to pay towards the retirement sick leave plan after January 2020 when the PERSI board enacted an 18-month sick leave contribution holiday effective January 1, 2020 due to the sick leave fund being over funded.

Service expenses increased $1.1M during fiscal year 2022. The increase in 2022 services is primarily related to resuming travel post COVID limitations, an increase in promotions, and an increase in technology and technology subscriptions. The increase in the 2022 services expenses is largely attributed to travel expense, which increased $412,561 due to less travel restrictions related to the pandemic. Other services related to professional services also increased during 2022.

Supplies expenses decreased $267,754 during 2022. The 2022 decrease reflects less computer equipment purchased for employee remote work and student remote learning, less COVID related expenditures, and less grant equipment expenditures.

Insurance, utilities and rent decreased $624,986 in 2022. The year over year difference is primarily related to the prior year's recording of the College's investment for the joint share of the North Idaho Collaboration Education (NICE) Building as a rent expense and other declines in rental expense.

Scholarship expenses increased $4.58M in 2022. The 2022 increase is primarily related to student scholarships related to the HEERF grant and an overall increase in scholarships.

Statement of Cash Flows

The final statement presented by the College is the *Statement of Cash Flows*. The *Statement of Cash Flows* presents detailed information about the cash activity of the College during the year.

The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used to perform the operating activities of the College. The second section reflects cash flows related to noncapital financing activities. This section depicts the cash received and spent for nonoperating, non-investing, and noncapital financing purposes. The third section displays cash flows from capital and related financing activities. This section reflects the cash used for the acquisition and construction of capital and related items. The fourth section presents the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash provided or used in operating activities to the operating income or loss reflected on the *Statement of Revenues, Expenses, and Changes in Net Position.*

SUMMARY STATEMENT OF CASH FLOWS

	2022	2021
CASH PROVIDED BY (USED IN):		
Operating activities	$ (31,658,600)	$ (28,565,379)
Noncapital financing activities	45,025,120	34,637,629
Capital and related financing activities	(2,049,614)	(3,953,366)
Investing activities	69,713	1,446,770
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,386,619	3,565,654
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	34,831,272	31,265,618
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 46,217,891	$ 34,831,272

Cash increased $11.39 million for the year ended June 30, 2022.

Governmental Accounting Standards Board ("GASB") pronouncements require that the College recognize State of Idaho appropriated revenues and certain federal financial aid grants, primarily Pell grants, as noncapital financing activities, while all the expenditures associated with these funds are reflected as operating activities. This causes the financial statements to show a large operating loss and a corresponding large use of cash by operating activities.

Overall, the net cash flows from operations decreased by $3.09 million over last year. The cash inflows from operating activities in 2022 increased by approximately $3.35 million compared to fiscal year 2021 primarily from student fees and grants. Cash outflow from operating activities in 2022 also increased nearly $6.45 million. The increase in cash outflow in 2022 reflects more payments for scholarships and fellowships, representing approximately $4.58 million increase over last year. The increase in payouts for the scholarships and grants were offset by non-capital federal grants, discussed below.

The College received $7.36 million more cash during 2022 from noncapital financing activities related to federal grants. The 2022 increase is due to cash received from the various COVID-related funds: HEERF, CFAC, and GEER. Overall, the College improved its cash from non-capital financing activities by $10.4 million compared to 2021.

Capital and related financing activities are related to capital asset purchases, capital grants and gifts received for those purchases as well as debt financing. There was a net cash increase of $1.9 million compared to 2021 due in part to the new debt financing of the purchase of College Place in December of 2021. The College increased its purchasing of capital assets by nearly $1.4 million over last year.

Cash flows from investing decreased by approximately $1.38 million during 2022. This decrease is reflective of no purchases or sales of investments during the fiscal year 2022 compared to 2021.

Capital Asset and Debt Administration

The College had $127,527,602 and $108,313,545 of capital assets at June 30, 2022 and 2021, with accumulated depreciation of $50,764,900 and $47,821,375, respectively. Capital additions during fiscal year 2022 included College Place, completion of the CTE building, and implementation of GASB 87 - Leases. The College entered into a new long term note payable in December 2021 which help facilitate the purchase of College Place for student housing.

Additional information concerning capital assets and debt administration is detailed in Notes 1, 5, 6 and 7 as part of the notes to the financial statements.

Economic Outlook

The College, as a state institution, is directly impacted by trends in the Idaho economy, which continues to show positive signs. The State of Idaho ended fiscal year 2022 with a $1.1 billion surplus. As of August 2022, the State Division of Financial Management (DFM) forecasts that revenues for fiscal year 2023 will be $6.08 billion for the state of Idaho, representing a 1.9% decrease over fiscal year 2022 revenues but $898.3 million more than forecasted by the Idaho Joint Finance-Appropriations committee in setting the fiscal year 2023 budget. This forecast adjusts for the current fiscal landscape, including congressional stimulus and the current jobs environment in the state. The College's headcount enrollment for Fall 2022 is estimated to increase by 2.0% compared to Fall 2021. With no increases in the full-time and part-time tuition rate fees the College is projecting student tuition revenues to be $14.8 million in fiscal year 2023.

The College's general fund appropriation for fiscal year 2023 increased by 10.5% over the fiscal year 2022 level resulting in $20.4 million. There were five key components of the increase. The first was an increase of $155,500 for occupancy costs associated with the CTE building. Second, was funding in the amount of $323,200 for the Non-Traditional Learners program. Third, was funding in the amount of $91,600 for Cybersecurity Compliance. Fourth, was funding in the amount of $66,600 for Title IX support. Finally, $1,382,500 of general fund dollars were received for change in employee compensation. The College's Normal School endowment distribution will increase to almost $3.3 million, an approximately 1.8% increase, for fiscal year 2023.

The College is also directly and indirectly impacted by national and global health and economic trends. Among the potential negative trends impacting virtually all higher education are concerns about the coronavirus pandemic, rapidly increasing health care costs, changes in federal regulations, weak global economic growth reducing international trade, and volatility of equity and bond markets (with the Lewis-Clark State College Foundation's endowments being most directly affected by stock market trends). On the positive side, the College is promoting health and safety through educational information, following recommended health precautions, and will offer remote and hybrid learning options to students, if necessary, during the continuing pandemic to keep students connected to the College. There had been a continued national decrease in the number of international students during 2022. The College is projecting an international student enrollment increase in fiscal year 2023 due to a revision of our admissions policies and more favorable VISA and travel conditions.

In summary, the economic outlook is generally positive, with no indications that any near-term systemic factors would have a negative material impact on the financial health and viability of the College. Since the College has limited indebtedness, it allows for greater financial flexibility.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,580,047
Cash with treasurer	19,782,798
State of Idaho LGIP deposits	24,855,046
Accounts receivable and unbilled charges	1,780,822
Student loans receivable	125,280
Prepaid expenses	211,703
Total current assets	48,335,696
NONCURRENT ASSETS	
Student loans receivable, less allowance for doubtful loans of $59,798	157,040
Investments	243,040
Net PERSI pension asset	105,902
Sick leave reserve fund excess funding	3,779,307
Right to use asset, net	177,683
Capital assets, net	76,585,019
Total noncurrent assets	81,047,991
TOTAL ASSETS	129,383,687
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,965,154
Deferred outflows related to other post employment benefits	2,195,269
Deferred outflows related to sick leave insurance reserve fund	217,945
Total deferred outflows of resources	4,378,368
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 133,762,055

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF NET POSITION
JUNE 30, 2022

LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 218,167
Accrued salaries and benefits payable	2,352,900
Compensated absences payable	855,218
Due to component unit	916,528
Due to State of Idaho	67,314
Unearned revenue	1,038,828
Other liabilities	388,738
Accrued interest payable	21,000
Lease liability	117,968
Notes and bonds payable	162,632
Total current liabilities	6,139,293
NONCURRENT LIABILITIES	
Total other postemployment benefit liability	8,367,414
Lease liability	62,470
Notes and bonds payable	3,837,368
Total noncurrent liabilities	12,267,252
TOTAL LIABILITIES	18,406,545
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,942,656
Deferred inflows related to other post employment benefits	1,199,341
Deferred inflows related to sick leave insurance reserve fund	906,470
Total deferred inflows of resources	6,048,467
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	24,455,012
NET POSITION	
Net investment in capital assets	72,435,653
Restricted, expendable	4,776,187
Unrestricted	32,095,204
TOTAL NET POSITION	109,307,044
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 133,762,055

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE COMPONENT UNIT

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,424,756
Due from Lewis-Clark State College	916,933
Pledges receivable	233,000
Total current assets	3,574,689
NONCURRENT ASSETS	
Investments	11,698,681
Long-term pledges receivable	641,545
Total noncurrent assets	12,340,226
TOTAL ASSETS	$ 15,914,915
LIABILITIES	
CURRENT LIABILITIES	
Gift annuities payable	$ 39,953
Total current liabilities	39,953
NONCURRENT LIABILITIES	
Gift annuities payable	496,560
Total noncurrent liabilities	496,560
TOTAL LIABILITIES	536,513
NET ASSETS	
Net assets without donor restrictions	931,738
Net assets with donor restrictions	14,446,664
TOTAL NET ASSETS	15,378,402
TOTAL LIABILITIES AND NET ASSETS	$ 15,914,915

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

OPERATING REVENUES	
Student tuition and fees	$ 19,843,845
Less scholarship discounts and allowances	(6,125,179)
Net tuition and fees	13,718,666
Federal grants and contracts	860,174
State and local grants and contracts	3,362,640
Private grants and contracts	29,447
Sales and services of educational activities	1,242,017
Sales and services of auxiliary enterprises	2,567,774
Other	328,497
Total operating revenues	22,109,215
OPERATING EXPENSES	
Personnel costs	33,169,010
Services	5,160,920
Supplies	4,706,596
Insurance, utilities, and rent	1,390,945
Scholarships and fellowships	7,279,350
Depreciation & Amortization	3,522,020
Miscellaneous	411,482
Total operating expenses	55,640,323
OPERATING (LOSS) INCOME	(33,531,108)
NONOPERATING REVENUES (EXPENSES)	
State appropriations	26,596,365
Pell and other federal grants	15,543,719
Gifts (including $1,447,281 from the Foundation)	2,271,153
Net investment income	71,528
Interest on capital asset related debt	(47,570)
Net nonoperating revenues (expenses)	44,435,195
INCOME BEFORE OTHER REVENUES	10,904,087
OTHER REVENUES	
Capital appropriations	13,400,746
Capital grants and gifts (including $500,000 from the Foundation)	696,747
Other	20,364
Total other revenues	14,117,857
INCREASE IN NET POSITION	25,021,944
NET POSITION---BEGINNING OF YEAR	84,285,100
NET POSITION---END OF YEAR	$ 109,307,044

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE COMPONENT UNIT

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and gifts	$ 13,752	$ 3,469,971	$ 3,483,723
Donated materials and services	21,165	-	21,165
Interest	9,488	-	9,488
Roundup Transfers	-	4,444	4,444
Net realized/unrealized gain on investments	(94,858)	(1,621,371)	(1,716,229)
Fees and miscellaneous	81,850	906	82,756
Net realized/unrealized pledge discounts	-	(78,455)	(78,455)
Net change in value of gift annuities	-	(83,674)	(83,674)
Net assets released from program restrictions	1,793,845	(1,793,845)	-
Total revenues	1,825,242	(102,024)	1,723,218
EXPENSES			
Program Services			
Academic, development and program support	1,855,277	-	1,855,277
Support Services			
Management and general	127,921	-	127,921
Total expenses	1,983,198	-	1,983,198
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	(157,956)	(102,024)	(259,980)
Equity Transfer - Donated Services from Affiliate	123,918		123,918
CHANGE IN NET ASSETS AFTER EQUITY TRANSFER	(34,038)	(102,024)	(136,062)
NET ASSETS---BEGINNING OF YEAR	965,776	14,548,688	15,514,464
NET ASSETS---END OF YEAR	$ 931,738	$ 14,446,664	$ 15,378,402

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Student fees	$ 13,516,633
Grants and contracts	4,121,114
Sales and services of educational activities	1,242,017
Sales and services of auxiliary enterprises	2,502,148
Payments to employees	(33,827,307)
Payments to suppliers	(6,431,773)
Other payments	(5,165,442)
Payments for scholarships and fellowships	(7,279,350)
Loans issued to students	(96,005)
Collection of loans from students	119,280
Other receipts	(359,915)
Net cash provided (used) by operating activities	(31,658,600)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	26,596,365
Federal grants	15,543,719
Gifts	2,271,153
Agency account receipts	3,696,243
Agency account payments	(3,074,460)
Student loan receipts	7,822,255
Student loan payments	(7,822,255)
Higher Education Stabilization Fund	(7,900)
Net cash provided (used) by noncapital financing activities	45,025,120
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants and gifts	307,753
Purchase of capital assets	(6,209,056)
Purchase of Colleage Place- New Long Term Debt	4,000,000
Lease Liability	(121,741)
Interest paid on capital debt	(26,570)
Net cash used in capital and related financing activities	(2,049,614)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	69,713
Net cash provided (used) by investing activities	69,713
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,386,619
CASH AND CASH EQUIVALENTS---BEGINNING OF THE YEAR	34,831,272
CASH AND CASH EQUIVALENTS---END OF THE YEAR	$ 46,217,891

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

RECONCILIATION OF NET OPERATING (LOSS) INCOME TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES

Operating (Loss) Income	$ (33,531,108)
Adjustments to reconcile operating (loss) income to net cash used in operating activities:	
Depreciation and amortization expense	3,522,020
Disposal of Capital Assets	26,834
Effect on cash from changes in operating assets and liabilities:	
Receivables, net	211,633
Prepaid expenses and deferred costs	(100,677)
Loans to students	35,411
Pension assets and liabilities	(751,527)
Other postemployment benefit assets and liabilities	490,303
Sick leave reserve fund assets and liabilities	(314,403)
Accounts payable and accrued liabilities	(389,961)
Accrued salaries and benefits payable	113,682
Compensated absences payable	(88,810)
Other liabilities	26,340
Unearned revenue	(908,336)
Net cash provided (used) by operating activities	$ (31,658,600)
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS	
Capital assets acquired through Dept. of Public Works' appropriations	$ 13,400,746
Capital assets donated from the LCSC Foundation, Inc.	$ 14,700

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lewis-Clark State College (College) is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho financial reporting entity. The State Board of Education, appointed by the Governor and confirmed by the legislature, directs the system. The College is located in Lewiston, Idaho. Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation— The College has presented its financial statements in accordance with all Governmental Accounting Standards Board (GASB) Statements that are effective as of June 30, 2022. This includes discrete presentation of financial statements for its component unit, the Lewis-Clark State College Foundation (Foundation). The Foundation acts solely as a fund-raising organization to supplement the resources that are available to the College in support of its programs, and the resources and income of the Foundation are donor restricted to the activities of the College. Because these restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College. The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, Financial Reporting for Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. See Note 15 for the relevant information related to the Foundation.

Basis of Accounting—For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Cash and Cash Equivalents—The College considers all cash on hand, cash deposits and short-term instruments deposited with banks to be cash equivalents.

Cash with Treasurer – Balances classified as cash with treasurer are amounts that are required to be remitted to the State of Idaho as a result of the student fee collection process and, once remitted, these balances are under the control of the State Treasurer.

Student Loans Receivable—Nursing Student Loans receivable from students bear interest at the rate of 5% and are generally repayable in installments to University Accounting Services on behalf of the College over a 10-year period commencing 9 months after the date of separation from the College.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable—Accounts receivable consist of fee charges to students and auxiliary enterprise services provided to students, faculty and staff; the majority of each residing in the State of Idaho. Accounts receivable also include amounts due from the federal government, 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.

Investments—The College accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gains and losses on the carrying value of investments are reported as a component of net investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Additional disclosure is required of fair value measurement through GASB Statement No. 72, *Fair Value Measurement and Application,* which requires the use of a three-level hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* permits qualifying external investment pools to measure its investments at amortized cost. The Idaho Local Government Investment Pool (LGIP) does not meet all the specific criteria of Statement 79 and the College has measured its investment in the LGIP as provided in GASB Statement 31.

More comprehensive disclosure of common risks associated with the deposits and investments are detailed in Notes 2 and 15, as per the requirements of GASB Statement No. 40, *Deposit and Investment Risk Disclosures.*

Deferred Outflows of Resources—Deferred outflows of resources are a consumption of net assets by the College that are applicable to future reporting periods. Similar to assets, they have a positive effect on net position. The College's deferred outflows of resources relate to the College's pension, other postemployment benefit plans and sick leave insurance reserve fund.

Capital Assets, net—Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of 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 to buildings and land improvements 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; 50 years for buildings, 10 to 40 years for building improvements, 10 years for library books, and 5 to 15 years for equipment.

Compensated Absences—Employee vacation pay and estimated benefits that are earned but unused are accrued at year end and presented in the *Statement of Net Position.*

Unearned Revenues—Unearned revenues include amounts received for tuition, fees and certain auxiliary activities prior to the end of the fiscal year but relate to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors, and state agencies that have not yet been earned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Noncurrent Liabilities—Noncurrent liabilities include: 1) principal amounts of revenue bonds payable with contractual maturities greater than one year; and 2) estimated amounts for other liabilities that will not be paid within the next fiscal year.

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 the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)—For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the state of Idaho postemployment benefit plans and additions to and deductions from the plans have been determined on the same basis as they are reported by the Idaho plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Sick Leave Insurance Reserve Fund (SLIRF)—For purposes of measuring the total SLIRF asset, deferred outflows of resources and deferred inflows of resources related to SLIRF, SLIRF expense, information about the state of Idaho sick leave insurance fund and additions to and deductions from the fund have been determined on the same basis as they are reported by the Idaho fund. For this purpose, fund payments are recognized when due and payable in accordance with the fund terms. Investments are reported at fair value.

Deferred Inflows of Resources—Deferred inflows of resources are an acquisition of net assets that are applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position. The College's deferred inflows of resources relate to the College's pension plan, OPEB plans and sick leave insurance reserve fund (SLIRF.)

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—Expendable*—Restricted expendable net position includes resources the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
>
> *Unrestricted*—Unrestricted net position represents resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the College, and may be used to meet current expenses for any lawful purpose in compliance with State Board of Education (Board) Policy.

When an expense is incurred that can be paid using either restricted or unrestricted resources, restricted resources will be used first, if permitted by the terms of the restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes—The College, as a political subdivision of the State of Idaho, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. Activities unrelated to those of the College are subject to corporate tax rates.

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, such as student fees, sales and services of educational activities and auxiliary enterprises, as well as most gifts, federal, state and local grants and contracts that support operations, interest revenue on institutional loans; and expenses such as personnel, services, supplies, scholarships and depreciation.
>
> *Nonoperating Revenues and Expenses*—include revenues and expenses from activities that have the characteristics of non-exchange transactions, such as gifts and capital contributions, federal financial aid grants, and other revenue resources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, such as state appropriations and investment income; and expenses such as interest on capital asset related debt and other.

Scholarship Discounts and Allowances—Student 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 in the College's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a scholarship discount and allowance.

Use of Accounting Estimates—The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and revenues and expenses during the year. Actual results could differ from those estimates.

New Accounting Standards –Effective for the fiscal year end June 30, 2022, the College adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases (GASB 87). This standard supersedes GASB No. 62 and established new requirements for calculating and reporting the

College's lease activities. The objective of this standard is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This standard increases the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The College has implemented GASB 87 for the period ending June 30, 2022. Changes adopted conform to the provisions of this standard and are effective from July 1, 2021 forward. With the implementation of GASB 87, the College recorded the right of use assets of $302,179 and the lease liability of $302,179 as of July 1, 2021.

2. CASH AND CASH EQUIVALENTS, CASH WITH TREASURER, LGIP DEPOSITS, AND INVESTMENTS

Deposits **–** Cash and cash equivalents are deposited with various financial institutions. Cash with treasurer is under the control of the State Treasurer. Deposits are held with the Idaho State Treasury Local Government Investment Pool (LGIP).

Custodial credit risk

Custodial credit risk is the risk that in the event of a financial institution failure, the College's deposits may not be returned. The State's policy for managing custodial risk can be found in the Idaho Code, Section 67-2739. Management believes the College is in compliance with this policy. As of June 30, 2022 total deposits consisted of the following:

	2022
Cash on hand	$ 97,008
FDIC insured financial institution deposits	500,088
Uninsured financial institution deposits	982,951
Total cash and cash equivalents	1,580,047
Idaho State Treasurer deposits	19,782,798
State of Idaho LGIP deposits	24,855,046
Total deposits	$ 46,217,891
Noncurrent investments	$ 243,040

As of June 30, 2022, $982,951 of the College's financial institution balances were uncollateralized and exposed to custodial credit risk. The Idaho State Treasurer and State of Idaho LGIP deposits, managed by the Idaho State Treasurer, are commingled with deposits from other state agencies and invested according to Idaho Code. As of June 30, 2022, 65% of total State Treasurer investments were in the form of government agency and U.S. Treasury notes. As of June 30, 2022, 61% of total LGIP investments were in the form of government agency and U.S. Treasury notes.

2. CASH AND CASH EQUIVALENTS, CASH WITH TREASURER, LGIP DEPOSITS, AND INVESTMENTS (CONTINUED)

A certificate of deposit with a maturity date of October 26, 2023 is recorded as a noncurrent investment as of June 30, 2022.

Fair Value Measurement
The College categorizes its fair value measurements within the fair value hierarchy established by GASB Statement 72. The Idaho State Treasurer and State of Idaho LGIP deposits do not meet the criteria of Statement 72 and are exempt from the level categories. The deposits are valued at fair value outside the leveling measurement. The CD investment is valued at Level 1 since it is a negotiable CD with minimal early withdrawal penalties.

Credit risk
None of the investments have assigned credit ratings. The College follows objectives to provide safety of the principal, allow liquidity and achieve a maximum return through investments in local financial institutions and in investment pools managed by the State of Idaho.

Interest rate risk
The College seeks to control interest rate risk in long-term investments by attempting to match anticipated cash requirements for investment maturities. The College incorporates weighted average maturity methodology in selecting and reporting its investments. The College held one certificate of deposit with a maturity greater than 1 year, as of June 30, 2022. The College's State Treasurer and LGIP deposits may be withdrawn at any time. The State Treasurer has a weighted average maturity of 500 days as of June 30, 2022. The LGIP has a weighted average maturity of 108 days as of June 30, 2022.

Foreign currency risk
The College has no funds deposited that are subject to foreign currency risk, either in financial institutions or through the Idaho State Treasurer or the State of Idaho LGIP funds.

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Accounts receivable and unbilled charges consisted of the following at June 30, 2022:

	2022
Student fees	$ 150,295
Federal, state and nongovernmental grants and contracts	1,497,805
Other receivables	132,722
	$ 1,780,722

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (FPLP) and the Nursing Student Loan Program (NSLP) comprise the loans receivable at June 30, 2022.

FPLP requires the College to match federal contributions. A portion or all of the loan principal and interest may be cancelled upon the occurrence of certain events. The amount of such cancellations is partially absorbed by the Federal Government.

The FPLP expired September 30, 2017 and the College can no longer make new loans to students. During the fiscal year 2022 the College was required to return federal Perkins excess cash of $32,334 to the Department of Education. Institutional excess cash and service cancellation reimbursements of $6,333 were transferred out of the College's Perkins Revolving Fund during the year ended June 30, 2022.

As the College determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans only applies to College funded loans and the College portion of federal student loans, as the College is not obligated to fund the federal portion of uncollected student loans. The College has provided an allowance for uncollectible loans, which is believed to be sufficient to absorb the College's portion of the loans that will ultimately be written off.

The NSLP program requires the College to match one-ninth of the awarded funds.

Student loans receivable at June 30, 2022 consisted of the following:

	2022		
	Current	Long term	Total
Federal Perkins Loan Program	$ 54,233	$ 46,413	$ 100,646
Nursing Student Loan Program	65,047	169,167	234,214
Miscellaneous Loans	6,000	1,258	7,258
Total student loan receivables	125,280	216,838	342,118
Less allowance for doubtful accounts	-	(59,798)	(59,798)
Student loans receivable, net	$ 125,280	$ 157,040	$ 282,320

5. CAPITAL ASSETS — NET

Following are the changes in capital assets, for the year ended June 30, 2022:

	Balance June 30, 2021*	Additions	Transfers	Retirements	Balance June 30, 2022
Capital assets not being depreciated:					
Land	$ 3,324,732	$ 127,840	$ -	$ -	$ 3,452,572
Capitalized collections	15,000	-	-	-	15,000
Construction in progress	10,886,572	14,151,160	(23,724,805)	(723,781)	589,146
Total capital assets not being depreciated	$14,226,304	$14,279,000	$ (23,724,805)	$ (723,781)	$4,056,718
Other capital assets:					
Buildings and improvements	$76,753,768	$ 5,287,914	$ 23,724,805	$ (231,496)	$105,534,991
Furniture, fixtures and equipment	11,187,541	1,112,327	-	(481,482)	11,818,386
Library materials	5,843,753	106,000	-	(134,425)	5,815,328
Right-to-use buildings & land	151,328	-	-	-	151,328
Right-to-use equipment and fixtures	150,851	-	-	-	150,851
Total other capital assets	94,087,241	6,506,241	23,724,805	(847,403)	123,470,884
Less accumulated depreciation:					
Buildings and improvements	(35,026,264)	(2,370,202)	-	-	(37,396,466)
Furniture, fixtures and equipment	(7,706,588)	(845,761)	-	444,070	(8,108,279)
Library materials	(5,088,523)	(181,561)	-	134,425	(5,135,659)
Less accumulated amortization for right-to-use assets	-	(124,496)	-	-	(124,496)
Total accumulated depreciation and amortization	(47,821,375)	(3,522,020)	-	578,495	(50,764,900)
Other capital assets net of accumulated depreciation and amortization	$46,265,866	$ 2,984,221	$ 23,724,805	$ (268,908)	$72,705,984
Capital assets summary:					
Capital assets not being depreciated	$14,226,304	$14,279,000	$ (23,724,805)	$ (723,781)	$4,056,718
Other capital assets at cost	94,087,241	6,506,241	23,724,805	(847,403)	123,470,884
Total cost of capital assets	108,313,545	20,785,241	-	(1,571,184)	127,527,602
Less accumulated depreciation and amortization	(47,821,375)	(3,522,020)	-	578,495	(50,764,900)
Capital & leased assets, net	$60,492,170	$17,263,221	$ -	$ (992,689)	$76,762,702

*Restated due to the implementation of GASB 87.

5. CAPITAL ASSETS — NET (CONTINUED)

The estimated cost to complete property authorized or under construction at June 30, 2022 is $28,373. These costs will be financed by state appropriations and available local resources.

Certain land on which four campus buildings are located was donated to the College by the City of Lewiston. Under terms of the gift, ownership of the land reverts back to the City if it ceases to be used for educational purposes. This land is reflected in Capital Assets in the amount of $19,200 as of June 30, 2022. Schweitzer Career and Technical Education Center is complete as of March 29, 2022 and the DPW project is final. The state's contribution of approximately $12.5 million has been included in capital assets and recognized as revenue.

6. NOTES PAYABLE

Long-term liability activity was as follows:

Long-Term Debt	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due Within One Year	Long-Term Portion
Notes and bonds payable	$ -	$ 4,000,000	$ -	$ 4,000,000	$162,632	$ 3,837,368
Lease liability	302,179	-	(121,741)	$ 180,438	117,968	62,470
Total Long-Term Debt	302,179	4,000,000	(121,741)	4,180,438	280,600	3,899,838
Other Noncurrent Liabilities						
PERSI pension liability	3,724,157	-	(3,724,157)	-	-	-
OPEB liability	7,815,220	552,194	-	8,367,414	-	8,367,414
Total Other Noncurrent Liabilities	11,539,377	552,194	(3,724,157)	8,367,414	-	8,367,414
Total Long-Term Liabilities	$ 11,841,556	$ 4,552,194	$ (3,845,898)	$ 12,547,852	$280,600	$ 12,267,252

Notes and bonds payable which were used to acquire capital assets, consist of the following on June 30, 2022: General Revenue Bonds, Series 2021 (original balance of $4,000,000), consisting of term bonds payable in annual amounts increasing periodically from $162,632 to a maximum of $242,379 plus interest of 2.1% through the year 2041. An interest only payment of $23,567 was paid during fiscal year 2022.

Principal and interest maturities on notes and bonds payable in future periods for the year ending June 30, 2022 are as follows:

	Principal	Interest
2023	$162,632	$82,292
2024	166,083	78,841
2025	169,608	75,316
2026	173,208	71,717
2027	176,884	68,041
2028-2032	942,346	282,274
2033-2037	1,046,678	177,943
2038-2042	1,162,561	62,058
Totals	$4,000,000	$898,482

6. NOTES PAYABLE (CONTINUED)

Pledged Revenue for General Revenue Bonds Series 2021 (issued in Fiscal Year 2022)

The bond is collateralized through Pledged Revenues including student fees, sales and services revenue, F & A recovery revenues, investment income, and other revenues as the Idaho State Board of Education shall designate as Pledged Revenues. Pledged Revenues do not include general appropriated funds or restricted fund revenues. Interest only was payment in FY 2022.

Pledged Revenues	June 30, 2022
Student Fees, Net	$13,718,666
Sales and Services Revenues	3,809,791
F&A Recovery Revenue	403,061
Other Revenue	328,497
Investment Income	71,529
Total pledged revenue	$18,331,544
Less operations and maintenance	(4,329,101)
Pledged revenues, net	$14,002,443
Annual debt service	$ 23,567
Debt service coverage	59,415%
Coverage requirement	110%

7. LEASES– Lessee Arrangements

The College adopted the requirements of GASB 87 - Leases effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. The college has primarily entered into leases for real estate and office equipment. The college has assessed materiality at $5,000 for the term of the lease. The College does not have any applicable lessor arrangements.

A summary of the Colleges lease terms and interest rates are as follows:
The College added $302,179 for new leases and made principal payments of $121,741. Building leases, annual installments totaling $46,295 plus interest at 1.08% and due dates ranging from 7/01/2021 to 6/01/2023. Land leases, annual installments totaling $31,402 plus interest at 1.08% and due dates ranging from 7/01/2021 to 3/01/2023. Office equipment leases, annual installments totaling $44,044 plus interest at rates ranging from 1.1% to 3.07%, due dates ranging from 7/01/22 to 12/02/2025. Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Per GASB 87, Paragraph 23: the future lease payments should be discounted using the interest rate the lessor charges the lessee, which may be the interest rate implicit in the lease. If the interest rate cannot be readily determined by the lessee, the lessee's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the term) should be used. College management concluded that they could not readily determine the discount rates implicit in their lease contracts.

7. LEASES– Lessee Arrangements (CONTINUED)

The College has reviewed its existing debt, including both unsecured debt with the organization's primary lender as well as publicly traded bonds. Based on this review, college management has concluded that the appropriate incremental borrowing rate should be the US Treasury yield rate for the length of the lease plus 1%.

Total future minimum lease payments under lease agreements are as follows:

	Principal	Interest	Total
2023	$ 117,968	$ 1,479	$ 119,447
2024	28,147	602	28,749
2025	25,720	229	25,949
2026	8,603	16	8,619
Total minimum lease payments	$ 180,438	$ 2,326	$ 182,764

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Buildings	$ 94,035
Land	57,293
Office Equipment	150,851
Less: accumulated amortization	(124,496)
Total	$ 177,683

8. RESTRICTED NET POSITION

Certain expendable assets are classified as restricted assets on the *Statement of Net Position.* The purpose and amounts of restricted assets as of June 30, 2022 is as follows:

	2022
Federal student loan programs	$ 469,126
Institutional student loan programs	143,566
Sick leave insurance reserve fund	3,779,307
Net PERSI Pension Asset	105,092
Scholarships, Grants & Contracts	278,286
Total restricted net position	$ 4,776,187

9. RETIREMENT PLANS

Public Employee Retirement System of Idaho

Plan Description

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

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2021 measurement date, was as follows:

Retirees and beneficiaries currently receiving benefits	50,891
Terminated employees entitled to but not yet receiving benefits	14,539
Active plan members	73,563
Total system members	138,993

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by

9. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2021 it was 7.16%. The employer contribution rate, as a percent of covered payroll, is set by the Retirement Board and was 11.94%. The College's contributions were $593,498 for the year ended June 30, 2022.

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

At June 30, 2022, the College reported an asset of $105,902 for its proportionate share of the net pension liability. The net pension liability for each year was measured as of June 30, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The College's proportion of the net pension asset for the year 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, 2021 measurement date, the College's proportion was .13409125 percent.

For the year ended June 30, 2022 the College recognized a net pension expense reduction of $263,932. At June 30, 2022 the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 3,326,316
Differences between expected and actual experience	156,034	61,558
Changes in assumptions or other inputs	1,215,623	-
Changes in proportion and differences between the contributions and the proportionate contributions	-	554,782
Subtotal	1,371,657	3,942,656
Contributions subsequent to the measurement date	593,497	-
Total	$ 1,965,154	$ 3,942,656

9. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

$593,497 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

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

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 the beginning of the measurement period is 4.6 years for the measurement periods ending June 30, 2021.

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	
2023	$ (664,444)
2024	(590,073)
2025	(509,970)
2026	(806,512)
	$ (2,570,999)

Actuarial Assumptions

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

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. The rates were adopted for the valuation dated July 1, 2021.

9. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Actuarial Assumptions (Continued)

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2022 is based on the results of actuarial valuation dates of July 1, 2020.

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.

Asset Class	Target Allocation	Expected Nominal Rate of Return	Expected Real Rate of Return
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		.40%	.40%
Net of Investment Expenses		5.15%	3.06%
Portfolio Long-Term (Geometric) Expected Real Rate of Return,			
Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%

9. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Actuarial Assumptions (Continued)

Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	6.35%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension 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 College's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
College's proportionate share of the net pension liability (asset)	$ 3,681,397	($105,902)	($3,210,428)

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.

9. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Payables to the pension plan

At June 30, 2022 the College had no payables to the defined benefit pension plan for legally required employer or employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Optional Retirement Plan

Effective July 1, 1990, 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. The plan provisions were established by and may be amended by the State of Idaho.

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options include Teachers Insurance and Annuity Association (TIAA) and AIG Retirement Services (formerly known as VALIC).

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. The contribution requirement (and amount paid) for the year ended June 30, 2022 was $2,740,474, which consisted of $1,564,848 from the College and $1,175,626 from employees. During 2021, these contributions represented approximately 9.3% of covered payroll for the College and its employees.

Although enrollees in the ORP no longer belong to PERSI, the College is required to contribute to PERSI. These annual supplemental payments are required through July 1, 2025. During the year ended June 30, 2022 this supplemental funding payment made to PERSI was $251,316 or 1.49% of the covered payroll. This amount is not included in the regular College PERSI contribution discussed previously.

Supplemental Retirement Plans - Full and part time faculty, classified and professional staff, enrolled in PERSI as their regular retirement plan, may enroll in supplemental 403(b), 401(k), and 457(b) plans. Full and part time faculty and professional staff enrolled in the ORP as their regular retirement plan may enroll in the 403(b) and the 457(b) plans.

401(k) - PERSI Choice Plan (PCP):
This is only available to active PERSI members. The Choice Plan contains employee gain sharing distributions, any voluntary employee contributions made, and the earnings on those funds.

457(b) - Deferred Compensation Plan:
The 457(b) is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All College employees are eligible to participate in this plan. The plan is funded exclusively through employee pre-tax contributions.

9. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Optional Retirement Plan (Continued)

Supplemental Retirement Plans (Continued)

457(b) – State of Idaho Plan:
The State of Idaho 457(b) plan is similar to the 457(b) Deferred Compensation Plan except that pre-tax and after tax (Roth) options are available.

403(b) Plan:
The 403(b) is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All College employees are eligible to participate in this plan. The plan is funded exclusively by employee pre-tax contributions.

Supplemental Employee Funded Plan	Participants at June 30, 2022	Approximate Annual Contributions
401(k) PERSI Choice	18	$ 94,708
457(b) Deferred Compensation	6	$ 56,564
403(b) Tax Deferred	47	$ 293,171

10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans

The Department of Administration administers postemployment benefits for healthcare, disability and life insurance for retired or disabled employees of State agencies, public health districts, community colleges, and other political subdivisions that participate in the plans. The Retiree Healthcare and Long-Term Disability plans are reported as multiple-employer defined benefit plans. The Retiree Life Insurance plan is a single-employer defined benefit plan. Idaho Code Sections 67-5760 to 67-5768 and 72-1335, establish the benefits and contribution obligations. The plans do not issue publicly available financial reports. The most recent actuarial valuation is as of July 1, 2020. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis. The costs of administering the plans are financed by a surcharge to employers on all active employees of $0.05 per person per month for fiscal year 2022. This rate is reviewed annually.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Summary of Plans (Continued)

The number of participating employers and the classes of employees covered by the above plans are as follows:

June 30, 2022

Classes of Employees and Number of Participating Employers

	Retiree Healthcare Plan	Long-Term Disability Plan: Healthcare	Long-Term Disability Plan: Life Insurance	Long-Term Disability Plan: Income	Retiree Life Insurance Plan
Active Employees	6,089	20,041	-	-	5,680
Retired/Disabled Employees	549	18	-	-	1,432
Terminated, Vested Employees	-	-	-	-	116
Number of Participating Employers	25	25	25	25	2

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 service.

Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The benefit is at least $1,860 per retiree per year. The College was charged $8.16 per active employee per month towards the retiree premium cost.

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

For up to 6 months following the date of disability an employee may continue healthcare coverage under this plan. The employer's share of the premium is paid from the Office of Group Insurance reserve. The employee is required to pay the normal active employee contribution to the plan and rate category for which the employee is enrolled.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Descriptions and Funding Policy (continued)

Long-Term Disability Plan (Continued)

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 disability benefits from Social Security, Workers' Compensation, or PERSI. 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. 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 College 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.

Retiree Life Insurance Plan

The College provides basic life insurance for certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100 percent of their annual salary at retirement. The College pays 100 percent of the cost of basic life insurance for eligible retirees.

The College's payments required and paid as OPEB benefits came due for fiscal year ended June 30, 2022 (*dollars in thousands*):

		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
OPEB Paid 2022	$ 35	$ 3	$ -	$ -	$ 100	$ 138

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Descriptions and Funding Policy (continued)

Summary of Significant Accounting Polices

The financial statements of the OPEB plans are reported using the accrual basis of accounting. Contributions are recorded when earned and expenses, including benefits and refunds paid, are recorded when a liability is incurred, regardless of the timing of cash flows.

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2020 for the Retiree Healthcare, Long-Term Disability and Retiree Life Insurance plans. There have been significant changes between the Valuation Date and Measurement Date. Effective July 1, 2020, the LTD Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the LTD Income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured.

The total OPEB liability was determined as of the measurement date June 30, 2021. The total OPEB liability as June 30, 2020 and June 30, 2021 was based on the 2018 PERSI Experience study for demographic assumptions and the July 1, 2018 OPEB valuation and the FYE June 30, 2021 GASB 75 disclosure report for the economic and OPEB specific assumptions.

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement dates:

June 30, 2021

		Long-Term Disability Plan			
	Retiree Healthcare Plan	**Healthcare**	**Life Insurance**	**Income**	**Retiree Life Insurance Plan**
Inflation	2.20%	2.20%	N/A	N/A	2.20%
Salary Increases	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	N/A	N/A	2.95% general wage growth plus increases due to promotions and longevity
Discount Rate	2.16%	2.16%	N/A	N/A	2.16%
Healthcare Cost Trend Rates	7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	N/A	N/A	N/A
Retirees' Share of Benefit-Related Costs	70.5% of projected health insurance premiums for retirees	N/A	N/A	N/A	N/A

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Mortality Rates
Mortality rates for the plans were based on the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments.

Discount Rate
The actuary used a discount rate of 2.16 percent to measure the total OPEB liability. The discount rate was based on 20 year Tax-Exempt Municipal Bond Buyer Go Index.

Total OPEB Liability, OPEB Expense, and Deferrals

Total OPEB Liability
Total OPEB liability components as of measurement dates *(dollars in thousands)*:

June 30, 2021

		Long-Term Disability Plan				
	Retiree Healthcare Plan	**Healthcare**	**Life Insurance**	**Income**	**Retiree Life Insurance Plan**	**Total**
Total OPEB Liability	$ 437	$ 25	$ -	$ -	$ 7,906	$ 8,368

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Total OPEB Liability, OPEB Expense, and Deferrals (Continued)

Changes in total OPEB liability for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Increase (Decrease)					
		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Beginning Balances	$ 411	$ 25	$ -	$ -	$ 7,379	$ 7,815
Change in Proportionate Share	(40)	(2)	-	-	32	(10)
Adjusted Beginning Balances	371	23	-	-	7,411	7,805
Changes for the Year						
Service Cost	15	4	-	-	338	357
Interest on Total OPEB Liability	8	1	-	-	170	179
Effects of economic/demographic gains or losses	75	-	-	-	-	75
Effect of Assumptions Changes or Inputs	3	-	-	-	87	90
Expected Benefit Payments	(35)	(3)	-	-	(100)	(138)
Net Changes	66	2	-	-	495	563
Ending Balances	$ 437	$ 25	$ -	$ -	$ 7,906	$ 8,368

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Total OPEB Liability, OPEB Expense, and Deferrals (Continued)

The College recognized the following OPEB expense and deferrals for the year ended June 30, 2022 (*dollars in thousands*):

	Increase (Decrease)					
		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
OPEB Expense (Revenue)	$ (52)	$ 2	$ -	$ -	$ 540	$ 490

	Increase (Decrease)					
		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Deferred Outflows						
Differences in Expected and Actual Experience	$ 62	$ 9	$ -	$ -	$ -	$ 71
Changes in Assumptions	180	1	-	-	1,702	1,884
Change in Proportion	9	-	-	-	123	132
Benefit Payments Subsequent to the Measurement Date	36	1	-	-	72	109
Total Deferred Outflows	$ 287	$ 11	$ -	$ -	$ 1,897	$ 2,195
Deferred Inflows						
Differences in Expected and Actual Experience	$ 46	$ 2	$ -	$ -	$ 575	$ 824
Changes in Assumptions	83	4	-	-	135	222
Change in Proportion	77	3	-	-	74	154
Total Deferred Inflows	$ 406	$ 10	$ -	$ -	$ 784	$ 1,199

At June 30, 2022, deferred outflows of resources of $109 thousand related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Total OPEB Liability, OPEB Expense and Deferrals (Continued)

Amounts reported as deferred outflows of resources will be recognized as OPEB expense as follows *(dollars in thousands)*:

	Expense					
		Long-Term Disability Plan				
Fiscal Year	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
2023	$ (55)	$ -	$ -	$ -	$ 134	$ 9
2024	(55)	-	-	-	134	79
2025	(19)	1	-	-	134	116
2026	(29)	2	-	-	134	107
2027	2	-	-	-	163	165
After	-		-	-	341	341
Total	$ (156)	$ 3	$ -	$ -	$ 1,040	$ 887

The average expected remaining service lives of all active and inactive employees for each OPEB plan:

5.8	3	1	1	9.3

Discount Rate Sensitivity

The following presents the total OPEB liability of the College calculated using the discount rate of 2.16 percent, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.16%) or 1 percent higher (3.16%) than the current rate (*dollars in thousands*):

		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
1% Decrease 1.16%	$ 459	$ 26	$ -	$ -	$ 9,964	$ 10,449
Discount Rate 2.16%	$ 437	$ 25	$ -	$ -	$ 7,906	$ 8,368
1% Increase 3.16%	$ 415	$ 24	$ -	$ -	$ 6,371	$ 6,811

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Total OPEB Liability, OPEB Expense and Deferrals (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the College calculated using the current healthcare cost trend rates as well as what the College's total OPEB liability would be if it were calculated using trend rates that are 1 percent lower or 1 percent higher than the current trends (*dollars in thousands*):

		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
1% Decrease	$ 399	$ 21	N/A	N/A	N/A	$ 421
Current Trend Rate	$ 437	$ 25	N/A	N/A	N/A	$ 461
1% Increase	$ 480	$ 29	N/A	N/A	N/A	$ 507

Sick Leave Insurance Reserve Fund
Idaho Code section 67-5333 establishes the policy for sick leave benefits. The Sick Leave Insurance Reserve Fund (SLIRF) is administered by PERSI. The State does not pay amounts for accumulated sick leave when employees separate from service. Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of their unused sick leave, up to a maximum of 600 hours, to continue their medical insurance coverage through the College. The College partially funds these obligations by calculating eligible compensation for active members. The College was not required to pay contributions toward the plan after January 2020 when the PERSI board enacted an 18-month sick leave contribution holiday effective January 1, 2020 due to the sick leave fund being over funded.

Sick Leave Insurance Reserve Fund Assets, Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Sick Leave Insurance Fund

At June 30, 2022 the College reported an asset of $3,779,307 for its proportionate share of the SLIRF excess funding. The excess funding was measured as of July, 1, 2021 and determined by an actuarial valuation as of that date. The College's proportion of the sick leave assets was based on the College's share of contributions in the fund relative to the total contributions of all participating employers. At June 30, 2021, the College's proportion was .020770641 percent.

For the year ended June 30, 2022 the College recognized sick leave revenue of $314,260. At June 30, 2022 the College reported deferred outflows of resources and deferred inflows of resources related to sick leave from the following sources:

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Sick Leave Insurance Reserve Fund Assets, Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Sick Leave Insurance Fund (Continued)

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on sick leave fund investments	$ -	$ 623,322
Differences between expected and actual experience	18,087	121,515
Changes in assumptions or other inputs	149,843	155,384
Changes in proportion and differences between the contributions and the proportionate contributions	50,015	6,249
Subtotal	217,945	906,470
Contributions subsequent to the measurement date	-	-
Total	$ 217,945	$ 906,470

The average of the expected remaining service lives of all employees that are provided with sick leave through the System (active and inactive employees) determined at the beginning of the measurement period is 7.7 years for the measurement period ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to sick leave will be recognized in expense (revenue) as follows *(dollars in thousands)*:

Year ended June 30	
2022	$ (190)
2023	(174)
2024	(150)
2025	(172)
2026	(5)
After	3
	$ (688)

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Actuarial Assumptions

Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the State net OPEB liability (asset) are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future.

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Actuarial Assumptions OPEB SLIRF	
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	5.45%, net of investment expenses

The long-term expected rate of return on sick leave fund 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 approach builds upon the latest capital market assumptions. The assumptions and formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of 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.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long Term Expected Nominal Rate of Return	Expected Real Rate of Return
Core Fixed Income	50.00%	1.80%	-0.20%
US/Global Equity	39.30%	8.00%	6.00%
International Equity	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		.40%	.40%
Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Portfolio Long-Term (Geometric) Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%

Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Rate of Return, Net of Investment Expenses	3.15%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	5.45%

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Discount Rate

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

Sensitivity of the College's proportionate share of the net sick leave asset to changes in the discount rate

The following presents the College's proportionate share of the sick leave asset calculated using the discount rate of 5.45 percent, as well as what the College's proportionate share of the sick leave asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate *(dollars in thousands)*:

	1% Decrease 4.45%	Current Discount Rate 5.45%	1% Increase 6.45%
College's proportionate share of the sick leave asset	$3,624	$ 3,779	$ 3,922

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Changes in sick leave insurance reserve fund liability (asset) for the fiscal year ended June 30, 2022 (*dollars in thousands*):

Sick Leave Liability		
Beginning balances	$	1,938
Change in proportionate share		0
Adjusted beginning balance		1,938
Changes for the year		
Service cost		76
Interest on liability		138
Differences between expected and actual experience		(52)
Effect of plan changes		-
Effect of assumptions		171
Benefit payments		(106)
Net Changes		227
Ending Liability (Asset) Balances	$	2,165
Plan Net Position		
Beginning balances	$	4,870
Change in proportionate share		0
Adjusted beginning balance		4,870
Changes for the year		
Contributions-employer		0
Net investment income		1,181
Benefit payments		(106)
Administrative expense		(1)
Net changes		1,075
Ending net position	$	5,944
Sick leave liability	$	2,165
Sick leave fund position		5,944
Net sick leave asset	$	(3,779)

11. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

	2022 Natural Classification							
Functional Classification	Personnel Costs	Services	Supplies	Insurance, Utilities, and Rent	Scholarships and Fellowships	Depreciation and Amortization	Miscellaneous	Operating Expense Totals
Instruction	$ 17,937,266	$ 1,019,291	$ 878,720	$ 32,900	$ 21,900	$ 0	$ 78,052	$ 19,968,129
Research	282,361	27,254	39,508	8	0	0	11,185	360,316
Public services	313,385	54,120	15,954	1,859	0	0	730	386,048
Libraries	433,014	328,176	19,487	0	0	0	0	780,677
Student services	3,482,756	285,647	265,442	11,595	345,717	0	20,582	4,411,739
Plant operations	1,780,130	275,784	1,049,463	965,508	0	3,522,020	0	7,592,905
Institutional support	4,202,816	935,285	642,189	118,871	6,982	0	54,258	5,953,401
Academic support	2,412,496	1,022,269	153,003	300	0	0	8	3,588,076
Scholarships and fellowships	73,050	600	0	0	6,489,816	0	45,160	6,608,626
Auxiliaries	2,251,736	1,212,494	1,642,830	266,904	414,935	0	201,507	5,990,406
Total expenses	$ 33,169,010	$ 5,160,920	$ 4,706,59	$ 1,390,945	$ 7,279,350	$ 3,522,020	$ 411,482	$ 55,640,323

12. RELATED PARTIES TRANSACTIONS

In fiscal year 2004 the College began constructing a new Student Activity Center (facility). With an estimated cost of approximately $15,000,000, this project was completed in fiscal year 2006. The Idaho State Building Authority (ISBA), with approval from the Idaho State Legislature, issued $10,018,000 of tax-exempt bonds to finance the project and has current ownership of the facility.

The College, through the State Board of Education, entered into a lease agreement with the ISBA whereby the land upon which the building is being constructed is leased to the ISBA. It is intended that this lease will continue until all amounts owed by the State to its bondholders have been paid. The Idaho Legislature is obligated, via the annual appropriation process, to provide funds to the State Department of Administration (SDOA) to make the bond payments.

The facility will be in use for many years prior to the transfer of ownership to the College. Therefore, the SDOA, on behalf of the College, has signed an agreement to lease the facility from the ISBA during the period the bond holders are being paid. This agreement obligates the SDOA to pay rent to the ISBA in the amount of the annual bond obligations, plus expenses, as funded by the Idaho Legislature.

The College and the SDOA have entered into an operating agreement whereby the College is obligated to cover all operating costs including maintenance, insurance, and furnishings. At the termination of these agreements, drafted to coincide with the final bond payments, it is intended for ownership of the facility to pass to the College. The final bond payment is anticipated in fiscal year 2023.

13. COMMITMENTS, CONTINGENCIES AND LEGAL MATTERS

The College received Idaho State Board of Education approval in June 2022, and has committed $1.5M to fund the buildout of the first floor of Clearwater Hall. The College purchased Clearwater Hall in 2009 and the first floor was unfinished. The upper levels were finished and are a residence hall. The first floor, once finished, will house the College's Workforce Training program currently located in a leased facility. The lease will be terminated upon occupancy of Clearwater Hall. The College has requested funding for this project through the Idaho Division of Public Works as a fiscal year 2024 project request.

The College purchased an 88-bedroom residential housing unit called College Place on December 20, 2021. The facility was purchased for $5.0M plus closing and finance costs, with $1M from institutional reserves and $4M in general revenue bonds. The bond is collateralized

through Pledged Revenues including student fees, sales and services revenue, F & A recovery revenues, investment income, and other revenues as the Idaho State Board of Education shall designate as Pledged Revenues. Pledged Revenues do not include general appropriated funds or restricted fund revenues. Revenues from the occupancy of the residence is anticipated to fully fund the annual bond payments.

13. COMMITMENTS, CONTINGENCIES AND LEGAL MATTERS (CONTINUED)

The College renewed its contract with Ellucian Company L.P. until June 30, 2026 for a perpetual right of use for certain systems of software used by the College. The total commitment was for the period July 1, 2021 to June 30, 2026 and was $1,601,992, with annual payments over 5 years.

The College, along with Boise State University, Idaho State University and the University of Idaho, has entered into a contract with JAGGAER Applications for a statewide eProcurement and Contracts system through June 29, 2028. The first three years will be paid by the State of Idaho with no commitment to the College. The College's commitment for the period June 30, 2024 to June 29, 2028 will be $142,971.

Revenue from federal service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The College may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the Federal Government. College officials believe that the effect of these refunds, if any, will not have a significant effect on the financial position of the College.

14. RISK MANAGEMENT

The College participates in the State of Idaho Risk Management Program, which manages property and general liability risk. The program provides liability protection up to the Idaho Tort Claims Act maximum of $500,000 for each occurrence. The State of Idaho purchases commercial insurance for claims not self-insured by the above coverage, with an annual coverage limit of $500,000,000. Insurance premium payments are made to the State risk management program based on rates determined by a State agency's loss trend experience and asset value covered. Presently the College's total insured property value is $299,546,007. The College obtains worker's compensation coverage from the Idaho State Insurance Fund. The College's worker's compensation premiums are based on payroll amount, the College's loss experience, as well as the loss experience of the State of Idaho as a whole. This program also provides coverage for other risks of loss, including but not limited to employee bond and crime, out of state worker's compensation, business interruption, media liability and automobile physical damage insurance. No significant reductions in coverage, or losses in excess of payments, have occurred in the last three years.

15. COMPONENT UNIT DISCLOSURE

Lewis-Clark State College Foundation, Inc (Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 28-member board of the Foundation is self-perpetuating and consists of friends of the College.

Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements,

15. COMPONENT UNIT DISCLOSURE (CONTINUED)

as described in Note 1. During the year ended June 30, 2022, the Foundation distributed $1,855,277 to the College for both restricted and unrestricted purposes. The financial statements of the Foundation are presented in accordance with FASB principles. Significant accounting policies associated with the College, also described in Note 1, apply to the Foundation, when applicable. Other disclosures at June 30, 2022 are as follows:

Deposits—Cash and cash equivalents are deposited with various financial institutions. The amount on deposit fluctuates and at times could exceed the insured limit by the U.S. Federal Deposit Insurance Corporation, which would potentially subject the Foundation to credit risk.

Investments—The Foundation investment policy permits investments in the following investment categories: (a) cash and cash equivalents, including money market funds; (b) fixed income assets to include bonds and bank certificates of deposit; and (c) stocks of large and small U.S. or foreign companies. The Foundation prohibits investments in the following: (a) derivatives, (b) natural resources, (c) precious metals, and (d) venture capital.

Fair Value Measurement

The Foundation investments are recorded at fair market value and are categorized within the fair value hierarchy established by generally accepted accounting principles. The Foundation's investments represent exchange traded funds and mutual funds and are valued using Level 1 inputs, which are quoted prices in active markets for identical assets at the measurement date.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The credit risk ratings listed below for investments in debt securities are issued by standards set by Standard and Poor's.

As of June 30, 2022 the Foundation had the following credit risk related to its debt security exchange traded and mutual funds:

Credit rating	2022
AAA	$ 1,784,543
AA	109,366
A	678,848
BBB	674,601
BB	97,686
B	237,845
Below B	11,680
Not rated	(55,213)
Total	$ 3,539,356

15. COMPONENT UNIT DISCLOSURE (CONTINUED)

Investments (Continued)

Foreign Currency Risk

The Foundation investment policy permits the acquisition of investments denominated in foreign currencies. There is a risk that changes in exchange rates could adversely affect the fair value of these investments. To reduce this risk the investment policy limits the investment in international equities to no more than 17.5% of the total investment portfolio. As of June 30, 2022 the Foundation's exposure to foreign currency risk is as follows based on equity and debt security funds:

Currency	Country	2022
AUD	Australia	$ 75,929
BRL	Brazil	40,856
CAD	Canada	143,037
CHF	Switzerland	109,594
CLP	Chile	7,025
CNY	China	241,447
COP	Columbia	1,304
CZK	Czech Republic	1,012
DKK	Denmark	22,674
EUR	Europe	286,701
GBP	United Kingdom	196,804
HKD	Hong Kong	27,714
HUF	Hungary	1,619
IDR	Indonesia	14,612
ILS	Israel	10,259
INR	India	108,266
JPY	Japan	242,874
KRW	South Korea	50,392
MXN	Mexico	21,034
MYR	Malaysia	12,268
NOK	Norway	11,325
NZD	New Zealand	3,220
PEN	Peru	3,446
PHP	Philippines	7,952
PLN	Poland	2,792
SEK	Sweden	33,756
SGD	Singapore	18,203
THB	Thailand	16,965
TRY	Turkey	3,320
TWD	Taiwan	113,544
ZAR	South Africa	25,089
Various	Various	104,149
Total foreign investments		$ 1,959,182

15. COMPONENT UNIT DISCLOSURE (CONTINUED)

Investments (Continued)

Interest Rate Risk

Investments that are fixed for longer periods are likely to experience greater variability in fair value due to future changes in interest rates. The Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2022 the Foundation's debt security exchange traded and mutual funds had the following maturities:

Investment Maturities in Years	2022
0-3	$ 1,193,825
3-5	1,080,919
5-10	578,331
10-20	146,530
20-30	505,774
>30	33,977
Total	$ 3,539,356

Income Taxes—The Foundation is exempt from income taxes on its activities as a Foundation under Section 501(c) (3) of the Internal Revenue Code and similar state statutes. Activities unrelated to those of a Foundation are subject to corporate tax rates.

Related Party Transactions—Foundation cash is primarily deposited and withdrawn from a College bank account. The balance in this account attributable to the Foundation is reported as a receivable from the College in the amount of $916,933 as of June 30, 2022.

Certain gifts and gift annuity liabilities involve contributions made to the Foundation by Foundation board members. For the year ended June 30, 2022 gifts from these related parties approximated $108,420 or 2.9% of total contributions. Liabilities to related parties, reflected in the *Statement of Financial Position* as gift annuities payable, totaled $314,216 or 59% of total gift annuities payable as of June 30, 2022.

Distributions to the College—During the year ended June 30, 2022 the Foundation distributed $1,855,277 to the College for both restricted and unrestricted purposes.

***Donor-Restricted Endowments*—**The Foundation receives certain gift assets that are to be held in perpetuity for the benefit of the College. During the fiscal year 2022 the Foundation received new contributions of $3,469,971, of which the amount perpetually restricted by donors was $1,753,298. The endowments of the Foundation experienced net unrealized market depreciation of $1,621,371 during fiscal year 2022. Unappropriated accumulated earnings are reported in net assets with donor restrictions. The Foundation established a spending rate of 4% of the five-year rolling average of the market value of each endowment account as of December 31st for each

15. COMPONENT UNIT DISCLOSURE (CONTINUED)

fiscal year. This amount may be reduced if an account has insufficient accumulated earnings to cover the payout.

Gift Annuities Payable—The College is the beneficiary of eight gift annuities. The College recognizes the annuity in the period in which the gift is received. The assets are recorded at fair value when received. An obligation to the annuitant is recorded at the present value of the estimated future payments to be distributed. The excess of contributed assets over the annuity liability is recorded as a contribution. The annuity liability is reduced by payments made to the beneficiaries.

Discount rates to determine the present value of the obligations to the annuitants range from 5.7% to 8.0% for the year ended June 30, 2022. Annuity obligations represent the present value of the aggregate liability to annuitants based upon their estimated life expectancies, via tables provided by the Internal Revenue Service.

Donated Materials and Services—FASB Accounting Standards Codification (ASC) 958-720-25-9 requires that organizations recognize all services received from personnel of an affiliate that directly benefit the organization. Accordingly, donated materials and services from the College for the year ended June 30, 2022 consist of the following:

Management and General	2022
Equity Transfer	$ 123,918
Third Party Contributions	21,165
Total	$ 145,083

Required Supplementary Information

Schedule of College's Proportionate Share of Net Pension Liability
PERSI – Base Plan

	2022	2021	2020	2019	2018	2017	2016	2015
College's portion of net pension liability	.001340913	.001603766	.001726114	.001784488	.001876297	0.001918969	0.00188876	.0019994939
College's proportionate share of net pension liability	($105,902)	$3,724,157	$1,970,311	$2,632,151	$2,949,217	$3,890,045	$2,487,190	$1,468,857
College's covered payroll	$5,033,902	$6,055,152	$5,862,583	$5,741,359	$5,827,647	$5,339,791	$5,287,228	$5,415,597
College's proportional share of net pension liability as a percentage of its covered payroll	-2.10%	61.50%	33.61%	45.85%	50.61%	72.85%	47.04%	27.12%
Plan fiduciary net position as a percentage of the total pension liability	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

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

Required Supplementary Information

Schedule of Employer Contributions
PERSI – Base Plan

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$529,431	$629,157	$660,411	$692,917	$632,687	$573,196	$617,817	$648,438
Contributions in relation to the statutorily required contribution	$593,498	$601,048	$685,443	$663,644	$649,920	$659,690	$604,464	$598,514
Contribution (deficiency) excess	$64,067	($28,109)	$25,032	($29,273)	$17,233	$86,494	($13,353)	($49,924)
College's covered payroll	$4,970,671	$5,033,902	$6,055,151	$5,862,583	$5,741,359	$5,827,647	$5,339,791	$5,287,228
Contributions as a percentage of covered payroll	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

Required Supplementary Information

Schedule of Changes in the College's Total OPEB Liability and Related Ratios *(dollars in thousands):*

Total OPEB Liability as of June 30, 2022

		Long-Term Disability Plan				
	Retiree Health care Plan	Health care	Life Insurance	Income	Retiree Life Insurance Plan	Total
Service cost	$ 15	$ 4	$ -	$ -	$ 338	$ 357
Interest on total OPEB liability	8	1	-	-	170	179
Effect of economic/demographic gains or losses	75	-	-	-	-	75
Effect of Assumptions Changes or Inputs	3	-	-	-	87	90
Expected benefit payments	(35)	(3)	-	-	(100)	(138)
Net change in OPEB liability	66	2	-	-	495	563
Total OPEB liability - beginning	411	25	-	-	7,379	7,815
Change in proportionate share	(40)	(2)	-	-	32	(10)
Adjusted beginning balance	371	23	-	-	7,411	7,805
Total OPEB liability - ending	$ 437	$ 25	$ -	$ -	$ 7,906	$ 8,368

Total OPEB Liability as of June 30, 2021

		Long-Term Disability Plan				
	Retiree Health care Plan	Health care	Life Insurance	Income	Retiree Life Insurance Plan	Total
Service cost	$ 29	$ 5	$ -	$ -	$ 213	$ 247
Interest on total OPEB liability	25	1	1	1	216	244
Effect of economic/demographic gains or losses	(415)	(4)	(39)	(29)	(667)	(1,154)
Effect of Assumptions Changes or Inputs	126	2	-	-	1,721	1,849
Expected benefit payments	(74)	(6)	(8)	(6)	(129)	(223)
Net change in OPEB liability	(309)	(2)	(46)	(34)	1,354	963
Total OPEB liability - beginning	710	27	46	34	5,992	6,809
Change in proportionate share	10	-	-	-	33	43
Adjusted beginning balance	720	27	46	34	6,025	6,852
Total OPEB liability - ending	$ 411	$ 25	$ -	$ -	$ 7,379	$ 7,815

Required Supplementary Information

Schedule of Changes in the College's Total OPEB Liability and Related Ratios *(dollars in thousands):*

Total OPEB Liability as of June 30, 2020

		Long-Term Disability Plan				
	Retiree Health care Plan	**Health care**	**Life Insurance**	**Income**	**Retiree Life Insurance Plan**	**Total**
Service cost	$ 18	$ 5	$ -	$ -	$ 180	$ 203
Interest on total OPEB liability	19	1	2	1	211	234
Effect of Assumptions Changes or Inputs	222	-	1	1	408	632
Expected benefit payments	(55)	(22)	(10)	(8)	(118)	(213)
Net change in OPEB liability	204	(16)	(7)	(6)	681	856
Total OPEB liability - beginning	542	46	56	46	5,204	5,894
Change in proportionate share	(36)	(3)	(3)	(6)	107	59
Adjusted beginning balance	506	43	53	40	5,311	5,953
Total OPEB liability - ending	$ 710	$ 27	$ 46	$ 34	$ 5,992	$ 6,809

Total OPEB Liability as of June 30, 2019

		Long-Term Disability Plan				
	Retiree Health care Plan	**Health care**	**Life Insurance**	**Income**	**Retiree Life Insurance Plan**	**Total**
Service cost	$ 34	$ 5	$ -	$ -	$ 189	$ 228
Interest on total OPEB liability	30	2	2	2	194	230
Economic/Demographic gains or losses	(4)	20	-	1	(90)	(73)
Assumptions changes	(281)	(10)	(1)	(1)	(248)	(541)
Expected benefit payments	(79)	(27)	(12)	(9)	(108)	(235)
Net change in OPEB liability	(300)	(10)	(11)	(7)	(63)	(391)
Total OPEB liability - beginning	836	55	67	49	5,406	6,413
Change in proportionate share	6	1	-	4	(139)	(128)
Adjusted beginning balance	842	56	67	53	5,267	6,285
Total OPEB liability - ending	$ 542	$ 46	$ 56	$ 46	$ 5,204	$ 5,894

Required Supplementary Information

Schedule of Changes in the College's Total OPEB Liability and Related Ratios *(dollars in thousands):*

Total OPEB Liability as of June 30, 2018

	Retiree Health care Plan	Long-Term Disability Plan Health care	Long-Term Disability Plan Life Insurance	Long-Term Disability Plan Income	Retiree Life Insurance Plan	Total
Service cost	$ 33	$ 4	$ -	$ -	$ 188	$ 225
Interest on total OPEB liability	30	3	3	2	189	227
Expected benefit payments	(74)	(39)	(15)	(9)	(101)	(238)
Net change in OPEB liability	(11)	(32)	(12)	(7)	276	214
Total OPEB liability - beginning	847	87	79	56	5,130	6,199
Total OPEB liability - ending	$ 836	$ 55	$ 67	$ 49	$ 5,406	$ 6,413

Changes of benefit terms: There were no changes in benefit terms.

Changes of assumptions: changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

June 30, 2022	2.16%
June 30, 2021	2.21%
June 30, 2020	3.50%
June 30, 2019	3.87%
June 30, 2018	3.58%

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

Required Supplementary Information

Schedule of Changes in the College's Total OPEB Liability and Related Ratios *(dollars in thousands):*

Schedule of College's Proportionate Share of Idaho Sick Leave Insurance Reserve Fund Asset

	2022	2021	2020	2019	2018
College's portion of sick leave asset	.020770641	.020770641	.021092137	.021416803	.021231653
College's proportionate share of sick leave asset	$3,779,307	$2,931,836	$2,657,021	$2,458,008	$2,019,759
College's covered payroll	$28,722,390	$24,329,520	$23,595,515	$23,311,352	$20,734,832
College's proportional share of sick leave asset as a percentage of its covered payroll	13.16%	12.05%	11.26%	10.54%	9.74%
Plan fiduciary net position as a percentage of the total sick leave asset	274.55%	251.29%	226.97%	225.45%	204.10%

Required Supplementary Information

Schedule of Changes in the College's Total OPEB Liability and Related Ratios *(dollars in thousands):*

Schedule of Employer Contributions
Idaho Sick Leave Insurance Reserve Fund

	2022	2021	2020	2019	2018
Actuarially required contribution	$ -	$103,401	$92,452	$89,663	$90,914
Contributions in relation to the statutorily required contribution	($14)	$93,348	$158,142	$153,371	$151,524
Contribution (deficiency) excess	($14)	($10,053)	$65,690	$63,708	$60,610
College's covered payroll	$23,089,477	$28,722,390	$24,329,520	$23,595,515	$23,311,352
Contributions as a percentage of covered payroll	0.00%	.33%	.65%	.65%	.65%

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