Report of Independent Auditors and Financial Statements

June 30, 2021

LEWIS-CLARK STATE COLLEGE

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Lewis-Clark State College and its 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, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit as of June 30, 2021, 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.

Correction of an Error

As described in Note 1 to the financial statements, the prior year was restated due to removal of the investment in capital assets balance on the College's financial statements. In addition, the Foundation's net assets were restated as a result of changing their reporting basis of their financial statements from standards under Government Accounting Standards Board (GASB) to standards under Financial Accounting Standards Board (FASB). Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 result of that testing, and not to provide an opinion on the effectiveness of the 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 College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
October 14, 2021

LEWIS-CLARK STATE COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal year ended June 30, 2021 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. Three financial statements are presented: the *Statements of Net Position;* the *Statements of Revenues, Expenses, and Changes in Net Position;* and the *Statements 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 STATEMENTS OF NET POSITION

	2021	2020
ASSETS:		
Current assets	$ 37,150,656	$ 34,075,888
Capital assets, net	60,189,991	56,807,400
Other assets and deferred outflows of resources	7,264,866	7,422,220
Total assets and deferred outflows of resources	$ 104,605,513	$ 98,305,508
LIABILITIES:		
Current liabilities	$ 6,670,670	$ 6,935,165
Noncurrent liabilities	11,539,377	8,779,628
Deferred inflows of resources	2,110,366	1,870,752
Total liabilities and deferred inflows of resources	20,320,413	17,585,545
NET POSITION:		
Net investment in capital assets	59,856,043	57,679,886
Restricted – expendable	3,505,032	3,309,506
Unrestricted	20,924,025	19,730,571
Total net position	84,285,100	80,719,963
Total liabilities and deferred inflows of resources and net position	$ 104,605,513	$ 98,305,508

Total assets and deferred outflows of resources increased $6,300,005 from fiscal year 2020 to 2021, an increase of 6.41%. The primary components of the increase in 2021 relate to cash deposits, investments, receivables, capital assets and deferred outflows related to other postemployment benefits (OPEB).

Net cash deposits increased $3.5 million, in fiscal year 2021. Deposits in the Idaho Local Government Investment Pool (LGIP) increased approximately $3.7 million during 2021. The Idaho State Treasurer deposits increased $1.4 million at June 30, 2021. Cash and cash equivalents held in local banks decreased approximately $1.6 million at June 30, 2021. The overall net increase in cash deposits at the end of fiscal year 2021 is partially related to less expenses incurred during the year and represents funds held for the final Schweitzer Career and Technical Education Center (STC) building payment.

The long-term certificates of deposit fluctuated during 2021 and 2020. The two-year certificate of deposit matured October 25, 2020, with a balance of $1,611,936. The College invested in a new three-year certificate for $240,000. The $240,000 certificate is classified as a noncurrent investment as of June 30, 2021 due to the maturity date of October 26, 2023. The matured CD investment was shown as a current asset as of June 30, 2020. The approximate $1.3 million reduction in fiscal year 2021 was used to help satisfy capital expenditures related to the STC building constructions costs.

Receivables increased $1.2 million at June 30, 2021. The increase at June 30, 2021 is related to two different types of grant receivables. LC State received state and federal grants to pay COVID-related expenses, and state and federal grants to pay for equipment in the new STC building. The 2021 grant receivable increase is primarily related to the U.S. Department of Commerce Economic Development Administration (EDA) and Idaho Workforce Development Council (IWDC) funds to purchase equipment for the STC. The receivable is also related to the U.S. Department of Education Higher Education Emergency Relief Fund (HEERF) grant received by the institution.

At June 30, 2021 LC State reported an asset of $2,931,836 for its proportionate share of the State of Idaho Sick Leave Insurance Reserve Fund (SLIRF). The amount reflects an increase of $274,815 and represents additional excess sick leave funding in the Idaho plan.

Capital assets increased $3.3 million during fiscal year 2021. The increase is due to payments for the new STC building construction, infrastructure and equipment, offset by depreciation expense of approximately $2.9 million.

Investment in capital assets decreased $2.6 million in 2021 due to a prior period adjustment related to removing a 2003 capital contribution in the Activity Center from the financial statements.

Deferred outflows increased approximately $2.0 million in 2021. The increase in fiscal year 2021 is related primarily to an increase in the OPEB changes in assumptions.

Total liabilities and deferred inflows of resources increased $2,734,868 at June 30, 2021, an increase of 15.55%. The specific changes are related to accounts payable, unearned revenue, net OPEB obligations, and PERSI pension liability.

Accounts payable and accrued liabilities had a net decrease of approximately $1.1 million as of June 30, 2021. Accounts payable included $418,000 for the STC and NICE building commitments at June 30, 2021, compared to $1.5 million owed for construction work through June 30, 2020 for the STC building. An accrued liability of $129,237 existed at June 30, 2020 for NAIA sponsorships and ticket sales when the fiscal year 2020 World Series baseball event was cancelled. The sponsors and ticket holders requested the sales be carried over to the fiscal year 2021 event.

Unearned revenue increased $760,593 in 2021. The primary increase in 2021 is related to $868,742 unearned HEERF institutional revenue. The institutional revenue recognized is limited to the percentage of HEERF student revenue received in fiscal year 2021. The increase was offset by a decrease in prepaid Department of Public Works (DPW) funds received for capital projects.

The OPEB liability for retiree health care and long-term disability increased $1.0 million in 2021. The net PERSI pension liability increased $1.7 million as of June 30, 2021. The liability represents LC State's allocation of the State of Idaho retiree benefit plans and net pension liability related to the PERSI Base Plan.

Deferred inflows increased $239,614 in 2021 due to changes related to the PERSI pension plan, OPEB plans and the SLIRF. The major increase was $833,726 for the OPEB plan in 2021.

Net position increased $3,565,137 for the fiscal year 2021. The major changes were related to the net investment in capital assets and unrestricted net positions.

Net investment in capital assets increased almost $2.2 million in 2021, due primarily to the STC building capital payments offset from removing the Activity Center investment from the financial statements.

Unrestricted net position increased almost $1.2 million in 2021. The 2021 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.

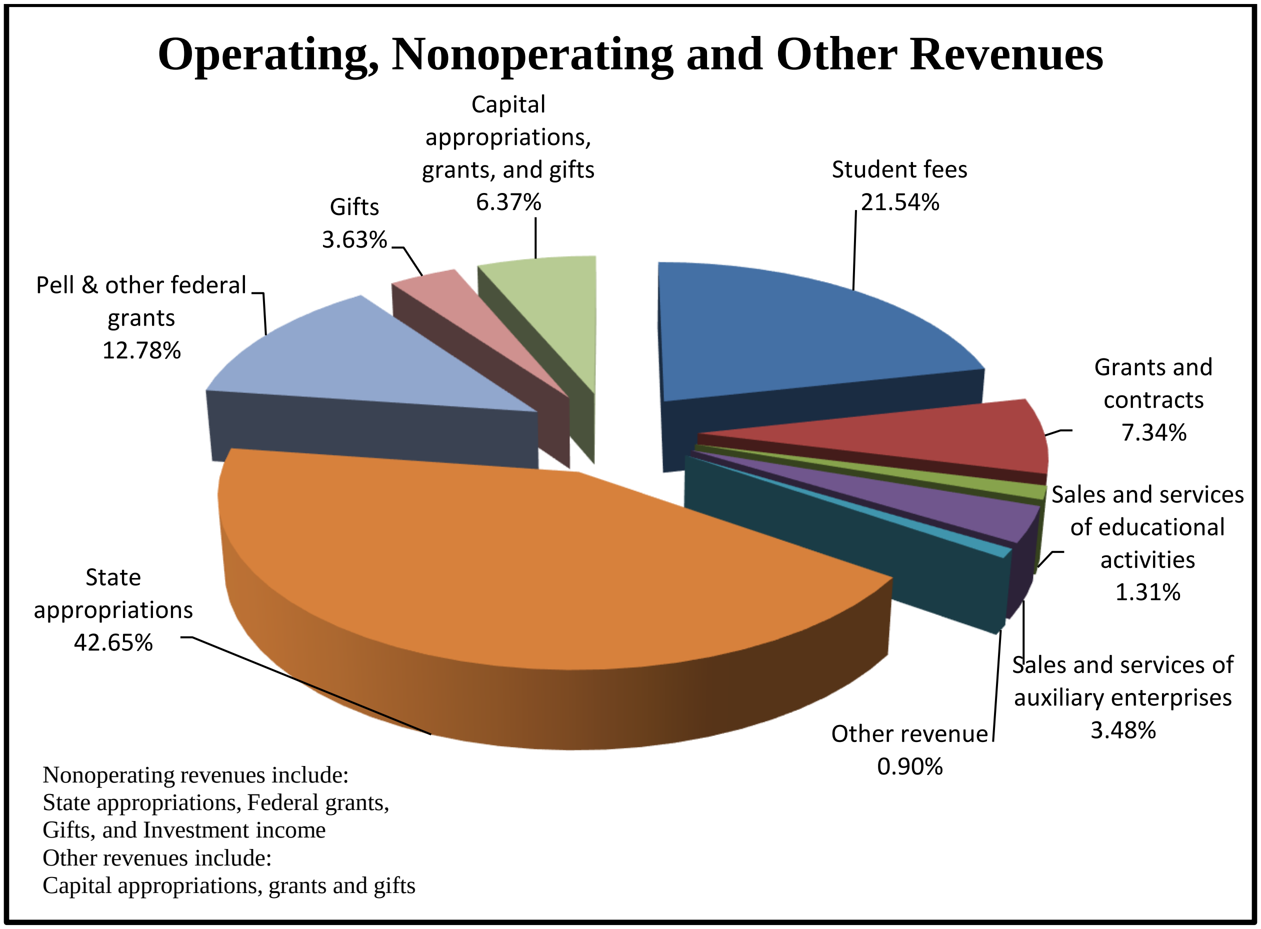
Generally speaking, operating revenues are earned in return for providing goods and services to the various customers and constituents of the College. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry 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 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2021	2020
Operating revenues	$ 19,698,314	$ 20,767,541
Operating expenses	51,055,939	52,727,372
Operating loss	(31,357,625)	(31,959,831)
Nonoperating revenues (expenses), net	33,888,908	33,552,931
Income (loss) before other revenues and expenses	2,531,283	1,593,100
Other revenues, net	3,647,202	4,322,386
Increase (Decrease) in net position	6,178,485	5,915,486
Net position--Beginning of year (previously reported)	80,719,963	74,804,477
Prior period adjustment	(2,613,348)	-
Net position--Beginning of year (restated)	78,106,615	74,804,477
Net position--End of year	$ 84,285,100	$ 80,719,963

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, 2021.



Total operating revenues for fiscal year 2021 decreased $1,069,227, or 5.15%. The decrease in 2021 is related to decreases in student tuition and fees, grant and contracts, sales and services of educational activities and auxiliary revenue.

Gross student tuition and fees decreased $687,961, or 3.32%, during fiscal year 2021. The decrease in 2021 is due to an overall decrease in head count for the Spring 2021 and Fall 2020 semesters. Registration fees also decreased in the Work Force Training health and technical courses, and in the international intensive English program.

The scholarship discounts and allowances decreased $382,000 at June 30, 2021. The decrease for 2021 is due primarily to less student direct loans and less Pell loans associated with the lower student enrollment.

Federal grants decreased $652,056 in 2021. Federal grants decreased during 2021 due to the end of the National Science Foundation Technical Career Pathways Program grant, the loss of the TRIO grant and less student participants in the College Assistance Migrant Program (CAMP) grant. State and local grants increased $58,749 in 2021 due to receiving additional Small Business Development grant funds through BSU and increased state Gear Up scholarships. Private grants decreased $112,935 during 2021 due to less engineering and Center for Arts and History grants.

Sales and services of educational activities decreased $163,568 in 2021. Decreases during 2021were due to the continued cancellation of events resulting in less facility rental income and less athletic ticket sales.

Sales and services of auxiliary enterprises decreased $111,249 during 2021. The 2021 decreases reflect decreases in Residence Life student meal plans and room rent due to a decrease in headcount and reduced hall capacity related to COVID during the Spring 2021 and Fall 2020 semesters. LC State also experienced a decrease in KinderCollege day care services due to restrictions during the COVID pandemic.

Nonoperating revenues increased $335,977 during fiscal year 2021. The changes are due to state appropriations, Pell and other federal grants, revenues from gifts, and investment income.

State appropriations decreased $414,093 during 2021. The 2021 decrease is because of State of Idaho general appropriation holdbacks and less Career and Technical Education appropriations.

Pell and other federal grants increased $716,366 during fiscal year 2021. The 2021 increase is due to LC State receiving HEERF grant funding for the institution and for students, Idaho Rebounds grant funds received through the Coronavirus Financial Advisory Committee (CFAC), and the Governors' Emergency Education Relief Fund (GEER) to help pay COVID expenses.

Gift revenue increased $333,846 during 2021 due primarily to private donations for the Student Success Program after the loss of the TRIO grant funding, additional promotional funding for the NAIA World Series event held in spring 2021, and additional student scholarships.

Investment income decreased $300,142 during 2021.   LC State 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 represent capital asset projects paid by the Idaho State Department of Public Works (DPW) that are contributed to the College upon completion. Two projects were completed during 2021: Spalding Hall upgrade and the Movement and Sport Sciences remodel and expansion.

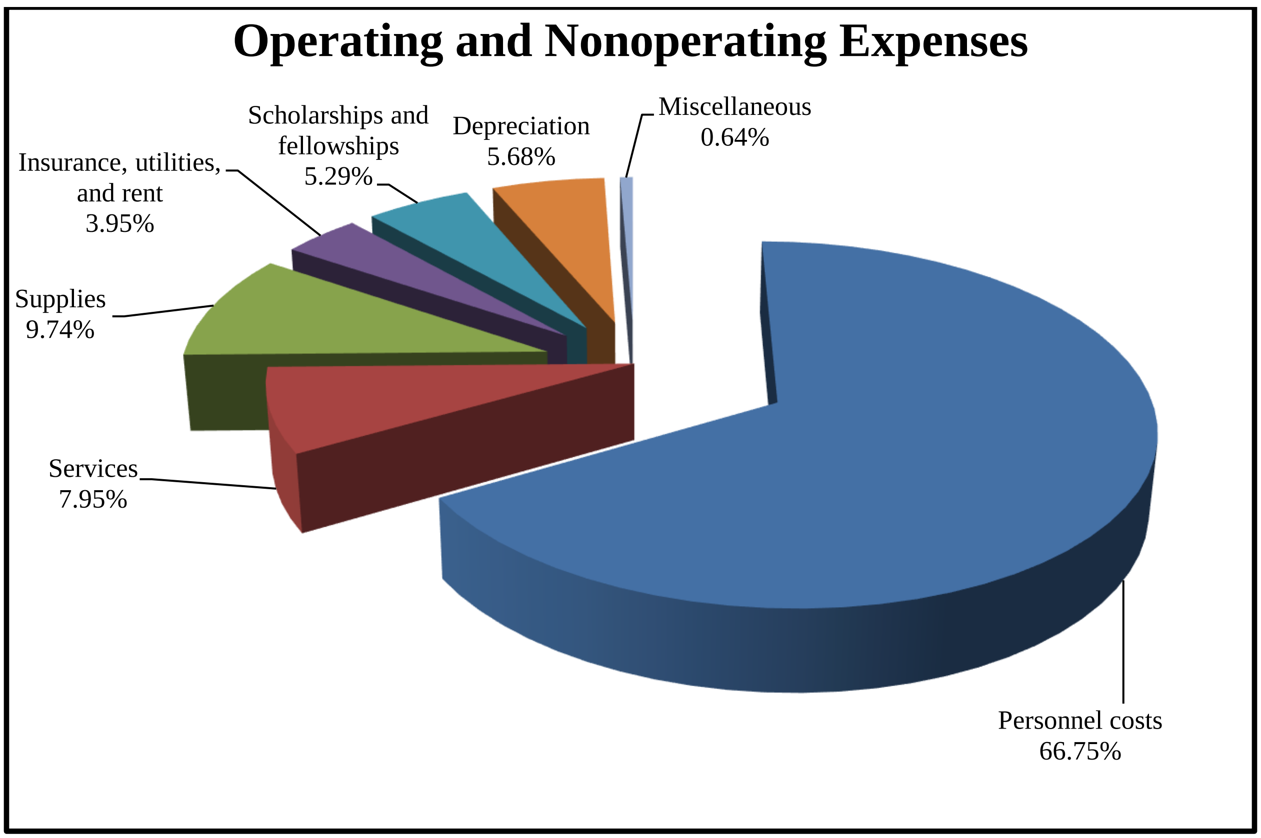
Capital grants and gifts decreased $1,693,018 in fiscal year 2021. LC State received capital grant funding in 2021 from the EDA and the IWDC for the purchase of equipment in the new STC building. Lewis-Clark State College Foundation transferred donations of gift revenue to LC State of $724,693 during 2021, intended to help pay STC building construction costs.

Expenses

Following is a comparative summary of the College's expenses for the years ended June 30, 2021 and 2020.

	2021	2020
OPERATING EXPENSES:		
Personnel costs	$ 34,077,330	$ 37,183,644
Services	4,060,925	4,469,842
Supplies	4,974,350	3,256,145
Insurance, utilities, and rent	2,015,931	1,523,969
Scholarships and fellowships	2,703,316	3,168,766
Depreciation	2,897,642	2,600,773
Miscellaneous	326,445	524,233
Total operating expenses	$ 51,055,939	$ 52,727,372

The following is a graphic depiction of total expenses by natural classification for the year ended June 30, 2021.



Total operating expenses decreased $1,671,433, or 3.17%, in fiscal year 2021. The changes are primarily due to personnel costs, services, supplies, rent and scholarships.

Personnel costs decreased $3.1 million, or 8.35% during 2021. The 2021 decrease reflects a decrease in salaries of almost $2.7 million, or 10%, and a decrease in fringe benefits of $1 million, also a 10% decrease. The salary decrease is related to a 10% decrease in personnel employment headcount due to budget cuts. The fringe benefit expense includes a decrease in health insurance costs of 9% for a decrease of almost $500,000. Fringe benefits also had a $93,000 decrease in retirement sick leave during 2021. LC State 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 decreased $408,917 during fiscal year 2021. The decrease in the 2021 services expenses is primarily attributed to travel expense, which decreased $263,148 due to limiting travel to essential travel only during the continuing pandemic. Other services related to promotions, professional services and printing also decreased during 2021.

Supplies expenses increased $1.7 million during 2021. The 2021 increases reflect increases in computer and related equipment purchases for student remote learning and custodial supplies for COVID sanitation purposes due to the availability of HEERF and CFAC funds. Supplies and furniture expenses also increased related to furnishing the new STC building.

Insurance, utilities and rent increased $491,962 in 2021. The increase is primarily related to recording LC State's investment for the joint share of the North Idaho Collaboration Education (NICE) Building. LC State will have use of the facility along with the University of Idaho and North Idaho College for an initial term of ten years. Utilities also increased related to opening the new STC building.

Scholarship expenses decreased $465,450 in 2021. The 2021 decrease is related to less Pell grants awarded to students due to less student enrollment during the Spring 2021 and Fall 2020 semesters. Scholarships through the CAMP program, international and Idaho State Opportunity scholarships also decreased during 2021. These decreases in scholarships were offset by increases in other miscellaneous private student scholarships along with student scholarships related to the HEERF grant.

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, noninvesting, 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 STATEMENTS OF CASH FLOWS

	2021	2020
CASH PROVIDED BY (USED IN):		
Operating activities	$ (28,565,379)	$ (29,757,253)
Noncapital financing activities	34,637,629	32,913,997
Capital and related financing activities	(3,953,366)	(3,342,006)
Investing activities	1,446,770	349,250
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,565,654	163,988
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	31,265,618	31,101,630
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 34,831,272	$ 31,265,618

Cash increased $3.4 million for the year ended June 30, 2021.

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.

The cash used by operating activities decreased approximately $1.2 million in fiscal year 2021. The decrease in 2021 reflects less cash received from student fees and operating grants during the fiscal year, and increased cash payments to suppliers. These decreases to cash were offset by an increase to cash through less cash payments to employees due to decreased personnel costs.

LC State received $1.7 million more cash during 2021 from noncapital financing activities. The 2021 increase is due to cash received from the various COVID-related funds: HEERF, CFAC, and GEER.

Capital and related financing activities are related to capital asset purchases and capital grants and gifts received for those purchases. There was a net cash decrease of $611,360 during 2021 because less capital gifts were received from the Lewis-Clark State College Foundation with a partially offsetting decrease in purchases.

Cash flows from investing increased approximately $1.1 million during 2021. During 2021 the two-year certificate of deposit matured with a balance of $1,611,936, and $240,000 was invested in a new three-year certificate. Investment income decreased $274,416 due to lower interest rates.

Capital Asset and Debt Administration

The College had $108,011,366 and $102,302,158 of capital assets at June 30, 2021 and 2020, with accumulated depreciation of $47,821,375 and $45,494,758, respectively. Capital additions during fiscal year 2021 included continued construction costs and equipment related to the STC building, completion of Spalding Hall upgrade and the Movement and Sport Sciences remodel and expansion.

The College paid off its final note payable during 2017, did not enter into any new long-term notes during any of the current fiscal years, and has no amounts due at June 30, 2021 and 2020.

Additional information concerning capital assets and debt administration is detailed in Notes 1, 5, and 6 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. As of August 2021, the State Division of Financial Management (DFM) forecasts that revenues for fiscal year 2022 will be $4.77 billion for the state of Idaho, representing a 4.8% decrease over fiscal year 2021 revenues but $512.9 million more than forecasted by the Idaho Joint Finance-Appropriations committee in setting the fiscal year 2022 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 2021 is estimated to decrease by 4.5% compared to Fall 2020. With no increases in the full-time and part-time tuition rate fees the College is projecting student tuition revenues to be $15.3 million in fiscal year 2022.

The College's general fund appropriation for fiscal year 2022 increased by 6.6% over the fiscal year 2021 level resulting in $18.4 million. There were three key components of the increase. The first was an increase of $400,000 to support nursing programs. Second was an additional increase of $400,000 in ongoing funding for a tuition offset to maintain current staffing and program levels. Finally, $248,500 of general fund dollars were received for Change in Employee Compensation. The College's Normal School endowment distribution will increase to almost $2.8 million, an approximately 2.8% increase, for fiscal year 2022. The Career and Technical Education (CTE) funding level from the State will increase by 1.9% to approximately $5.0 million for 2022.

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. The College continues to receive COVID-related funding from HEERF, CFAC, GEER and other government agency programs to help offset additional expenses associated with pandemic hardships. There had been a continued national decrease in the number of international students during 2021. The College is projecting an international student enrollment increase in fiscal year 2022 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 material negative impact on the financial health and viability of the College. Since the College has no indebtedness, it allows for greater financial flexibility.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,823,176
Cash with treasurer	16,422,393
State of Idaho LGIP deposits	16,585,703
Accounts receivable and unbilled charges	1,992,455
Student loans receivable	110,000
Prepaid expenses	216,929
Total current assets	37,150,656
NONCURRENT ASSETS	
Student loans receivable, less allowance for doubtful loans of $61,000	207,731
Investments	241,225
Sick leave reserve fund excess funding	2,931,836
Capital assets, net	60,189,991
Total noncurrent assets	63,570,783
TOTAL ASSETS	100,721,439
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,378,303
Deferred outflows related to other post employment benefits	2,368,953
Deferred outflows related to sick leave insurance reserve fund	136,818
Total deferred outflows of resources	3,884,074
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 104,605,513

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF NET POSITION
JUNE 30, 2021

LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 807,902
Accrued salaries and benefits payable	2,239,218
Compensated absences payable	944,028
Due to component unit	294,745
Due to State of Idaho	75,214
Unearned revenue	1,947,164
Other liabilities	362,399
Total current liabilities	6,670,670
NONCURRENT LIABILITIES	
Net PERSI pension liability	3,724,157
Total other postemployment benefit liability	7,815,220
Total noncurrent liabilities	11,539,377
TOTAL LIABILITIES	18,210,047
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	383,175
Deferred inflows related to other post employment benefits	1,434,916
Deferred inflows related to sick leave insurance reserve fund	292,275
Total deferred inflows of resources	2,110,366
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	20,320,413
NET POSITION	
Net investment in capital assets	59,856,043
Restricted, expendable	3,505,032
Unrestricted	20,924,025
TOTAL NET POSITION	84,285,100
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 104,605,513

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE COMPONENT UNIT

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 871,227
Due from Lewis-Clark State College	294,745
Pledges receivable	693,500
Total current assets	1,859,472
NONCURRENT ASSETS	
Investments	13,308,336
Long-term pledges receivable	903,000
Total noncurrent assets	14,211,336
TOTAL ASSETS	$ 16,070,808
LIABILITIES	
CURRENT LIABILITIES	
Gift annuities payable	$ 33,325
Total current liabilities	33,325
NONCURRENT LIABILITIES	
Gift annuities payable	523,019
Total noncurrent liabilities	523,019
TOTAL LIABILITIES	556,344
NET ASSETS	
Net assets without donor restrictions	965,776
Net assets with donor restrictions	14,548,688
TOTAL NET ASSETS	15,514,464
TOTAL LIABILITIES AND NET ASSETS	$ 16,070,808

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

OPERATING REVENUES	
Student tuition and fees	$ 20,016,717
Less scholarship discounts and allowances	(7,688,000)
Net tuition and fees	12,328,717
Federal grants and contracts	841,935
State and local grants and contracts	3,175,967
Private grants and contracts	185,950
Sales and services of educational activities	750,019
Sales and services of auxiliary enterprises	1,989,749
Other	425,977
Total operating revenues	19,698,314
OPERATING EXPENSES	
Personnel costs	34,077,330
Services	4,060,925
Supplies	4,974,350
Insurance, utilities, and rent	2,015,931
Scholarships and fellowships	2,703,316
Depreciation	2,897,642
Miscellaneous	326,445
Total operating expenses	51,055,939
OPERATING (LOSS) INCOME	(31,357,625)
NONOPERATING REVENUES (EXPENSES)	
State appropriations	24,408,473
Pell and other federal grants	7,311,970
Gifts (including $1,240,059 from the Foundation)	2,079,532
Net investment income	88,933
Net nonoperating revenues (expenses)	33,888,908
INCOME (LOSS) BEFORE OTHER REVENUES	2,531,283
OTHER REVENUES	
Capital appropriations	1,476,524
Capital grants and gifts (including $724,693 from the Foundation)	2,170,678
Total other revenues	3,647,202
INCREASE (DECREASE) IN NET POSITION	6,178,485
NET POSITION---BEGINNING OF YEAR (as previously reported)	80,719,963
Prior period adjustment (See Note 1)	(2,613,348)
NET POSITION---BEGINNING OF YEAR (restated)	78,106,615
NET POSITION---END OF YEAR	$ 84,285,100

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE COMPONENT UNIT

LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and gifts	$ 10,210	$ 2,876,403	$ 2,886,613
Donated materials and services	154,422	-	154,422
Interest	9,129	-	9,129
Net realized/unrealized gain on investments	198,879	2,908,434	3,107,313
Fees and miscellaneous	9,389	-	9,389
Net change in value of gift annuities	-	(73,013)	(73,013)
Net assets released from program restrictions	1,948,407	(1,948,407)	-
Total revenues	2,330,436	3,763,417	6,093,853
EXPENSES			
Program Services			
Academic, development and program support	1,964,752	-	1,964,752
Support Services			
Management and general	158,837	-	158,837
Total expenses	2,123,589	-	2,123,589
CHANGE IN NET ASSETS	206,847	3,763,417	3,970,264
NET ASSETS---BEGINNING OF YEAR (as previously reported)	758,929	10,269,328	11,028,257
Prior period adjustment (See Note1)	-	515,943	515,943
NET ASSETS---BEGINNING OF YEAR (restated)	758,929	10,785,271	11,544,200
NET ASSETS---END OF YEAR	$ 965,776	$ 14,548,688	$ 15,514,464

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Student fees	$ 12,331,779
Grants and contracts	2,982,519
Sales and services of educational activities	750,019
Sales and services of auxiliary enterprises	1,963,304
Payments to employees	(33,252,141)
Payments to suppliers	(6,693,227)
Other payments	(4,406,320)
Payments for scholarships and fellowships	(2,703,316)
Loans issued to students	(70,075)
Collection of loans from students	106,102
Other receipts	425,977
Net cash provided (used) by operating activities	(28,565,379)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	24,408,473
Federal grants	8,180,712
Gifts	2,094,584
Agency account receipts	2,145,918
Agency account payments	(1,916,234)
Student loan receipts	9,032,023
Student loan payments	(9,032,023)
Higher Education Stabilization Fund	(275,824)
Net cash provided (used) by noncapital financing activities	34,637,629
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations	137,381
Capital grants and gifts	724,692
Purchase of capital assets	(4,820,439)
Sale of capital assets	5,000
Net cash used in capital and related financing activities	(3,953,366)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	74,834
Purchase of investments	(240,000)
Proceeds from sale of investments	1,611,936
Net cash provided (used) by investing activities	1,446,770
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,565,654
CASH AND CASH EQUIVALENTS---BEGINNING OF THE YEAR	31,265,618
CASH AND CASH EQUIVALENTS---END OF THE YEAR	$ 34,831,272

See notes to financial statements.

LEWIS-CLARK STATE COLLEGE

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

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

Operating (Loss) Income	$ (31,357,625)
Adjustments to reconcile operating (loss) income to net cash used in operating activities:	
Depreciation expense	2,897,642
Loss on sale of assets	1,751
Effect on cash from changes in operating assets and liabilities:	
Receivables, net	(1,220,533)
Prepaid expenses and deferred costs	87,357
Loans to students	36,027
Pension assets and liabilities	642,050
Other postemployment benefit assets and liabilities	267,869
Sick leave reserve fund assets and liabilities	(136,352)
Accounts payable and accrued liabilities	234,960
Accrued salaries and benefits payable	49,879
Compensated absences payable	573
Other liabilities	54,224
Unearned revenue	(123,201)
Net cash provided (used) by operating activities	$ (28,565,379)
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS	
Capital assets acquired through Dept. of Public Works' appropriations	$ 1,339,143
Capital assets donated from the LCSC Foundation, Inc.	$ 86,000

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, 2021. 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 14 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—Loans receivable from students bear interest at the rate of 5% and are generally repayable in installments to 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 Statements 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 14, 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 *Statements 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 other postemployment benefit (OPEB) obligations and net PERSI pension liability.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Discounts and Allowances—Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net 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.

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.

Newly Implemented Accounting Standards The college implemented GASB Statement No. 84, Fiduciary Activities, effective June 30, 2021. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and guidance on how to report activities meeting the criteria in a fiduciary fund in the basic financial statements. GASB Statement No. 84 allows business-type activities, such as the college, to report activities that would otherwise be considered custodial funds in the college's Statement of Net Position and Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. The effect of this standard had an immaterial effect on the college.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Period Adjustment Student Activity Center—The prior period adjustment shown on the Statement of Revenues, Expenses, and Changes in Net Position ($2,613,348) is a result of the college reporting a capital contribution to the Idaho State Board of Authority (ISBA) for the construction of the Activity Center as an Investment in Capital Assets. The ownership of the facility will not pass to the college until debt incurred by ISBA for the majority of the project cost is retired and the property is given to the college. See Note 11 for additional information related to this transaction. The June 30, 2020 net position as been restated to remove the asset from the financial statements. The restatement of net position is shown below.

	June 30, 2020	Prior Period Adjustment	(Restated) July 1, 2020
NONCURRENT ASSETS			
Investment in capital assets	$ 2,613,348	$ (2,613,348)	$ -
NET POSITION			
Net investment in capital assets	$ 57,679,886	$ (2,613,348)	$ 55,066,538
Restricted, expendable	3,292,512	-	3,292,512
Unrestricted	19,747,565	-	19,747,565
TOTAL NET POSITION	$ 80,719,963	$ (2,613,348)	$ 78,106,615

Prior Period Adjustment LCSC Foundation—During the year, it was determined that the LCSC Foundation did not meet the criteria to report in accordance with Government Accounting Standards Board (GASB) pronouncements because the Foundation has a self-perpetuating Board of Trustees, it cannot be dissolved by a government entity, and it does not have the ability to enact and enforce a tax levy. Accordingly, the LCSC Foundation changed the reporting basis of its financial statements from the accrual basis of accounting and flow of economic resources measurement focus in accordance with Generally Accepted Accounting Principles in the United States of America (U.S. GAAP) applicable to governmental units accounted for as a propriety enterprise fund based on GASB standards to the accrual basis of accounting in accordance with U.S. GAAP applicable to nonprofit entities based on Financial Accounting Standards Board (FASB) standards. Due to the change in reporting basis, the LCSC Foundation has restated net assets as of July 1, 2020 to account for Beneficial Interests in Gift Annuity Agreements in accordance with FASB standards as follows:

	June 30, 2020	Prior Period Adjustment	(Restated) July 1, 2020
Deferred Inflows of Resources			
Beneficial Interests in Gift Annuity Agreements	$ 515,943	$ (515,943)	$ -
Net Assets			
Net Assets Without Donor Restrictions	$ 758,929	$ -	$ 758,929
Net Assets With Donor Restrictions	10,269,328	$ 515,943	10,785,271
TOTAL NET ASSETS	$ 11,028,257	$ 515,943	$ 11,544,200

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, 2021 total deposits consisted of the following:

	2021
Cash on hand	$ 36,380
FDIC insured financial institution deposits	500,088
Uninsured financial institution deposits	1,286,708
Total cash and cash equivalents	1,823,176
Idaho State Treasurer deposits	16,422,393
State of Idaho LGIP deposits	16,585,703
Total deposits	$ 34,831,272
Noncurrent investments	$ 241,225

As of June 30, 2021, $1,286,708 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, 2021, 59% of total State Treasurer investments were in the form of government agency and U.S. Treasury notes. As of June 30, 2021, 61% of total LGIP investments were in the form of government agency and U.S. Treasury notes.

An original two-year certificate of deposit matured October 25, 2020. A new three-year certificate of deposit was purchased with a maturity date of October 26, 2023. The certificate of deposit is recorded as a noncurrent investment as of June 30, 2021.

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.

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

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, 2021. The College's State Treasurer and LGIP deposits may be withdrawn at any time. The State Treasurer has a weighted average maturity of 456 days as of June 30, 2021. The LGIP has a weighted average maturity of 150 days as of June 30, 2021.

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, 2021:

	2021
Student fees	$ 122,020
Federal, state and nongovernmental grants and contracts	1,809,259
Other receivables	61,176
	$ 1,992,455

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, 2021.

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 2021 the College was required to return federal Perkins excess cash of $45,998 to the Department of Education. Institutional excess cash and service cancellation reimbursements of $13,792 were transferred out of the College's Perkins Revolving Fund during the years ended June 30, 2021.

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, 2021 consisted of the following:

	2021		
	Current	Noncurrent	Total
Federal Perkins Loan Program	$ 49,000	$ 105,879	$ 154,879
Nursing Student Loan Program	55,000	162,769	217,769
Miscellaneous Loans	6,000	83	6,083
Total student loan receivables	110,000	268,731	378,731
Less allowance for doubtful accounts	-	(61,000)	(61,000)
Student loans receivable, net	$ 110,000	$ 207,731	$ 317,731

5. CAPITAL ASSETS — NET

Following are the changes in capital assets, for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Transfers	Retirements	Balance June 30, 2021
Capital assets not being depreciated:					
Land	$ 3,299,732	$ 25,000	$ -	$ -	$ 3,324,732
Capitalized collections	15,000	-	-	-	15,000
Construction in progress	12,854,501	4,159,793	(6,127,722)	-	10,886,572
Total capital assets not being depreciated	$16,169,233	$ 4,184,793	$ (6,127,722)	$ -	$14,226,304
Other capital assets:					
Buildings and improvements	$70,425,621	$ 200,425	$ 6,127,722	$ -	$76,753,768
Furniture, fixtures and equipment	9,722,048	1,774,900	-	(309,407)	11,187,541
Library materials	5,985,256	126,866	-	(268,369)	5,843,753
Total other capital assets	86,132,925	2,102,191	6,127,722	(577,776)	93,785,062
Less accumulated depreciation:					
Buildings and improvements	(33,123,254)	(1,903,010)	-	-	(35,026,264)
Furniture, fixtures and equipment	(7,234,309)	(774,935)	-	302,656	(7,706,588)
Library materials	(5,137,195)	(219,697)	-	268,369	(5,088,523)
Total accumulated depreciation	(45,494,758)	(2,897,642)	-	571,025	(47,821,375)
Other capital assets net of accumulated depreciation	$40,638,167	$ (795,451)	$ 6,127,722	$ (6,751)	$45,963,687
Capital assets summary:					
Capital assets not being depreciated	$16,169,233	$4,184,793	$ (6,127,722)	$ -	$14,226,304
Other capital assets at cost	86,132,925	2,102,191	6,127,722	(577,776)	93,785,062
Total cost of capital assets	102,302,158	6,286,984	-	(577,776)	108,011,366
Less accumulated depreciation	(45,494,758)	(2,897,642)	-	571,025	(47,821,375)
Capital assets, net	$56,807,400	$3,389,342	$ -	$ (6,751)	$60,189,991

The estimated cost to complete property authorized or under construction at June 30, 2021 is $278,709. These costs will be financed by state appropriations and available local resources.

5. CAPITAL ASSETS — NET (CONTINUED)

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, 2021. The College believes the Schweitzer Career and Technical Education Center is complete as of June 30, 2021 but the DPW project is pending final approval. The state's contribution of approximately $12 million has not been included in capital assets or recognized as revenue.

6. NOTES PAYABLE

The College does not have any outstanding notes payable as of June 30, 2021.

7. RESTRICTED NET POSITION

Certain expendable assets are classified as restricted assets on the *Statements of Net Position.* The purpose and amounts of restricted assets as of June 30, 2021 is as follows:

	2021
Federal student loan programs	$ 421,321
Institutional student loan programs	151,875
Sick leave insurance reserve fund	2,931,836
Total restricted net position	$ 3,505,032

8. 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.

8. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Plan Description (Continued)

Employee membership data related to the PERSI Base Plan, as of June 30, 2020 measurement date, was as follows:

Retirees and beneficiaries currently receiving benefits	49,573
Terminated employees entitled to but not yet receiving benefits	13,788
Active plan members	73,657
Total system members	137,018

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 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 $601,048 for the year ended June 30, 2021.

8. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

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

At June 30, 2021, the College reported a liability of $3,724,157 for its proportionate share of the net pension liability. The net pension liability for each year was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability 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, 2020 measurement date, the College's proportion was .001603766 percent.

For the year ended June 30, 2021 the College recognized pension expense of $1,239,540. At June 30, 2021 the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 426,860	$ -
Differences between expected and actual experience	290,971	121,602
Changes in assumptions or other inputs	62,982	-
Changes in proportion and differences between the contributions and the proportionate contributions	-	261,573
Subtotal	780,813	383,175
Contributions subsequent to the measurement date	597,490	-
Total	$ 1,378,303	$ 383,175

$597,490 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, 2022.

8. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

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 4.7 years for the measurement periods ending June 30, 2020.

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	
2022	$ (87,898)
2023	75,918
2024	159,474
2025	250,144
	$ 397,638

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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases including inflation	3.75%
Investment rate of return - net of investment expenses	7.05%
Cost-of-living adjustments	1.00%

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

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

8. 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, 2021 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%	2.80%	.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		.40%	.40%
Net of Investment Expenses		5.85%	3.49%
Portfolio Long-Term Expected Real Rate of Return,			
Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%

8. 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	3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease 6.05%	Current Discount Rate 7.05%	1% Increase 8.05%
College's proportionate share of the net pension liability (asset)	$ 7,637,225	$ 3,724, 157	$ 488,687

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.

8. RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Payables to the pension plan

At June 30, 2021 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, 2021 was $2,789,883, which consisted of $1,592,223 from the College and $1,197,661 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, 2021 this supplemental funding payment made to PERSI was $255,110 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.

8. 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, 2021	Approximate Annual Contributions
401(k) PERSI Choice	26	$ 230,453
457(b) Deferred Compensation	8	$ 24,744
403(b) Tax Deferred	50	$ 321,251

9. 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 $0.14 per person per month for fiscal year 2021. This rate is reviewed annually.

9. 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, 2021

Classes of Employees and Number of Participating Employers

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
		Healthcare	Life Insurance	Income	
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 $11.04 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 30 months following the date of disability, an employee may continue healthcare coverage under this plan. The College pays 100 percent of the College's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled.

9. 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, 2021 (*dollars in thousands*):

		Long-Term Disability Plan				
	Retiree Healthcare Plan	**Healthcare**	**Life Insurance**	**Income**	**Retiree Life Insurance Plan**	**Total**
OPEB Paid 2021	$ 75	$ 6	$ 8	$ 6	$ 129	$ 224

9. 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 no significant changes between the valuation date and the fiscal year end.

The total OPEB liability as June 30, 2020 was based on the 2018 PERSI Experience study for demographic assumptions and the July 1, 2018 OPEB valuation and the 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, 2020

		Long-Term Disability Plan			
	Retiree Healthcare Plan	**Healthcare**	**Life Insurance**	**Income**	**Retiree Life Insurance Plan**
Inflation	2.20%	2.20%	2.20%	2.20%	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	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity
Discount Rate	2.21%	2.21%	2.21%	2.21%	2.21%
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

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Mortality Rates

Mortality rates for the Retiree Healthcare, the Long-Term Disability Healthcare, and the Retiree Life Insurance plans were based on the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments. Mortality rates for the Long-Term Disability Life Insurance plan was based on the 2005 Group Term Life Waiver Reserve table developed by the Society of Actuaries. Mortality rates for the Long-Term Disability Income plan was based on the 2012 Group Long-Term Disability Valuation Table.

Discount Rate

The actuary used a discount rate of 2.21 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, 2020

		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Total OPEB Liability	$ 411	$ 25	$ -	$ -	$ 7,379	$ 7,815

9. 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, 2021 (*dollars in thousands*):

	Increase (Decrease)					
		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Beginning Balances	$ 710	$ 27	$ 46	$ 34	$ 5,992	$ 6,809
Change in Proportionate Share	10	-	-	-	33	43
Adjusted Beginning Balances	720	27	46	34	6,025	6,852
Changes for the Year						
Service Cost	29	5	-	-	213	247
Interest on Total OPEB Liability	25	1	1	1	216	244
Effects 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 Changes	(309)	(2)	(46)	(34)	1,354	963
Ending Balances	$ 411	$ 25	$ -	$ -	$ 7,379	$ 7,815

9. 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, 2021 (*dollars in thousands*):

	Increase (Decrease)					
		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
OPEB Expense (Revenue)	$ (3)	$ 7	$ (38)	$ (29)	$ 549	$ 486

	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	$ -	$ 12	$ -	$ -	$ -	$ 12
Changes in Assumptions	255	2	-	-	1,851	2,108
Change in Proportion	11	1	-	-	115	127
Benefit Payments Subsequent to the Measurement Date	52	-	-	-	70	122
Total Deferred Outflows	$ 318	15	-	-	$ 2,036	$ 2,369
Deferred Inflows						
Differences in Expected and Actual Experience	$ 345	$ 3	$ -	$ -	$ 655	$ 1,003
Changes in Assumptions	136	6	-	-	164	306
Change in Proportion	34	2	-	-	90	126
Total Deferred Inflows	$ 515	$ 11	$ -	$ -	$ 909	$ 1,435

9. 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**
2022	$ (57)	$ 1	$ -	$ -	$ 121	$ 65
2023	(57)	1	-	-	121	65
2024	(57)	1	-	-	121	65
2025	(18)	1	-	-	121	104
2026	(37)	1	-	-	121	85
After	-	-	-	-	427	427
Total	$ (226)	$ 5	$ -	$ -	$ 1,032	$ 811

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

5.8	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 2.21 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 (1.21%) or 1 percent higher (3.21%) 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 1.21%	$ 432	$ 26	$ -	$ -	$ 9,297	$ 9,755
Discount Rate 2.21%	$ 411	$ 25	$ -	$ -	$ 7,379	$ 7,815
1% Increase 3.21%	$ 390	$ 24	$ -	$ -	$ 5,948	$ 6,362

9. 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	$ 378	$ 22	N/A	N/A	N/A	$ 400
Current Trend Rate	$ 411	$ 25	N/A	N/A	N/A	$ 436
1% Increase	$ 448	$ 29	N/A	N/A	N/A	$ 477

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, 2021 the College reported an asset of $2,931,836 for its proportionate share of the SLIRF excess funding. The excess funding was measured as of June 30, 2020 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, 2020, the College's proportion was .020770641 percent.

For the year ended June 30, 2021 the College recognized sick leave revenue of $136,495. At June 30, 2021 the College reported deferred outflows of resources and deferred inflows of resources related to sick leave from the following sources:

9. 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)

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on sick leave fund investments	$ 53,696	$ -
Differences between expected and actual experience	21,855	101,011
Changes in assumptions or other inputs	2,005	182,174
Changes in proportion and differences between the contributions and the proportionate contributions	59,405	9,090
Subtotal	136,961	292,275
Contributions subsequent to the measurement date	(143)	-
Total	$ 136,818	$ 292,275

$143 revenue was reported as deferred outflows of resources related to sick leave resulting from College refunds subsequent to the measurement date will be recognized as an increase of the net sick leave excess funding in the year ending June 30, 2022.

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 7.8 years for the measurement period ending June 30, 2020.

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:

Year ended June 30	
2022	$ (37,299)
2023	(37,299)
2024	(20,729)
2025	2,513
2026	(19,388)
After	(43,112)
	$ (155,314)

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

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.

The total sick leave asset in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases including inflation	3.75%
Investment rate of return	7.05%, 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.

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Expected Nominal Rate of Return	Expected Real Rate of Return
Core Fixed Income	30.00%	2.80%	.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		.40%	.40%
Net of Investment Expenses		5.85%	3.49%
Portfolio Long-Term 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	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.05%

9. 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 7.05%. 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 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 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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease 6.05%	Current Discount Rate 7.05%	1% Increase 8.05%
College's proportionate share of the sick leave asset	$2,793,328	$ 2,931,836	$ 3,057,853

9. 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, 2021 (*dollars in thousands*):

Sick Leave Liability		
Beginning balances	$	2,093
Change in proportionate share		(32)
Adjusted beginning balance		2,061
Changes for the year		
Service cost		82
Interest on liability		147
Differences between expected and actual experience		(45)
Effect of plan changes		-
Effect of assumptions		(209)
Benefit payments		(98)
Net Changes		(123)
Ending Liability Balances	$	1,938
Plan Net Position		
Beginning balances	$	4,750
Change in proportionate share		(73)
Adjusted beginning balance		4,677
Changes for the year		
Contributions-employer		93
Net investment income		199
Benefit payments		(98)
Administrative expense		(1)
Net changes		193
Ending net position	$	4,870
Sick leave liability	$	1,938
Sick leave fund position		4,870
Net sick leave asset	$	(2,932)

10. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

	2021 Natural Classification							
Functional Classification	Personnel Costs	Services	Supplies	Insurance, Utilities, and Rent	Scholarships and Fellowships	Depreciation	Miscellaneous	Operating Expense Totals
Instruction	$19,148,929	$ 633,029	$ 939,853	$ 103,816	$ 10,000	$ -	$ 73,957	$20,909,584
Research	306,465	6,097	83,710	-	-	-	1,575	397,847
Public services	422,199	38,227	22,303	4,950	-	-	190	487,869
Libraries	513,527	321,506	1,135	-	-	-	80	836,248
Student services	3,572,084	173,736	182,466	10,290	375,410	-	17,983	4,331,969
Plant operations	1,767,750	285,946	861,859	1,508,057	-	2,897,642	1,751	7,323,005
Institutional support	3,802,556	795,393	1,275,788	160,429	-	-	9,552	6,043,718
Academic support	2,469,146	851,019	220,272	-	-	-	-	3,540,437
Scholarships and fellowships	79,250	601	-	-	1,847,937	-	76,696	2,004,484
Auxiliaries	1,995,424	955,371	1,386,964	228,389	469,969	-	144,661	5,180,778
Total expenses	$ 34,077,330	$ 4,060,925	$ 4,974,350	$ 2,015,931	$ 2,703,316	$ 2,897,642	$ 326,445	$ 51,055,939

11. 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.

12. COMMITMENTS, CONTINGENCIES AND LEGAL MATTERS

The College was committed to incur capital expenditures of $24 million as of June 30, 2020 for the construction of the Schweitzer Career and Technical Education Center (STC) building, with the Idaho Legislature contributing $12.5 million toward the facility. The College has raised $7.4 million in grants and contributions which are intended to be used to help pay for the College's portion of the construction costs of the building. The STC building was placed in service during the fiscal year ended June 30, 2021.

The College entered into a shared agreement in 2017 to pay $666,666 toward the construction of the North Idaho Collaboration Education (NICE) building. The College will have use of the facility along with the University of Idaho and North Idaho College for an initial term of ten years. The College moved into the building July 2019 and has paid $254,200 toward the shared agreement at June 30, 2021.

The STC and NICE buildings have not been closed by the Idaho Department of Public Works as of June 30, 2021. The final costs are expected to be $200,000 and $218,061, respectively, and settled during the year ended June 30, 2022.

12. 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 for the period July 1, 2021 to June 30, 2026 is $1,601,992.

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.

13. 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 $214,690,486. 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.

14. 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

14. COMPONENT UNIT DISCLOSURE (CONTINUED)

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, as described in Note 1. During the year ended June 30, 2021, the Foundation distributed $1,964,752 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, 2021 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, 2021 the Foundation had the following credit risk related to its debt security exchange traded and mutual funds:

Credit rating	2021
AAA	$ 1,177,428
AA	298,402
A	696,750
BBB	778,001
BB	144,167
B	407,336
Below B	53,209
Not rated	39,907
Total	$ 3,595,200

14. 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, 2021 the Foundation's exposure to foreign currency risk is as follows based on equity and debt security funds:

Currency	Country	2021
AUD	Australia	$ 100,075
BRL	Brazil	56,291
CAD	Canada	177,584
CHF	Switzerland	130,452
CLP	Chile	7,808
CNY	China	355,522
COP	Columbia	6,166
CZK	Czech Republic	2,500
DKK	Denmark	30,257
EUR	Europe	574,795
GBP	United Kingdom	260,691
HKD	Hong Kong	33,080
HUF	Hungary	4,354
IDR	Indonesia	16,973
ILS	Israel	11,776
INR	India	112,087
JPY	Japan	356,435
KRW	South Korea	84,879
MXN	Mexico	27,268
MYR	Malaysia	18,438
NOK	Norway	14,930
NZD	New Zealand	6,271
PEN	Peru	4,221
PHP	Philippines	9,079
PLN	Poland	6,760
RUB	Russia	28,386
SEK	Sweden	52,520
SGD	Singapore	22,283
THB	Thailand	22,474
TRY	Turkey	4,003
TWD	Taiwan	149,766
ZAR	South Africa	36,316
Various	Various	114,655
Total foreign investments		$ 2,839,095

14. 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, 2021 the Foundation's debt security exchange traded and mutual funds had the following maturities:

Investment Maturities in Years	2021
0-3	$ 1,036,496
3-5	1,033,260
5-10	680,931
10-20	211,398
20-30	501,171
>30	131,944
Total	$ 3,595,200

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 $294,745 as of June 30, 2021.

Certain gifts and gift annuity liabilities involve contributions made to the Foundation by Foundation board members. For the year ended June 30, 2021 gifts from these related parties approximated $304,793 or 11% of total contributions. Liabilities to related parties, reflected in the *Statement of Financial Position* as gift annuities payable, totaled $328,955 or 59% of total gift annuities payable as of June 30, 2021.

Distributions to the College—During the year ended June 30, 2021 the Foundation distributed $1,964,752 to the College for both restricted and unrestricted purposes.

14. COMPONENT UNIT DISCLOSURE (CONTINUED)

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 2021 the Foundation received new contributions of $2,876,403, of which the amount perpetually restricted by donors was $499,854. The endowments of the Foundation experienced net unrealized market appreciation of $2,908,434 during fiscal year 2021. 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 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, 2021. 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 LC State for the year ended June 30, 2021 consist of the following:

Management and General	2021
Salaries and Benefits	$ 98,900
Office Space	21,042
Materials and supplies	34,480
Total	$ 154,422

Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015
College's portion of net pension liability	.001603766	.001726114	.001784488	.001876297	0.001918969	0.00188876	.0019994939
College's proportionate share of net pension liability	$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	$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	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	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.

Schedule of Employer Contributions
PERSI – Base Plan

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$629,157	$ 660,411	$ 692,917	$ 632,687	$ 573,196	$ 617,817	$ 648,438
Contributions in relation to the statutorily required contribution	601,048	685,443	663,644	649,920	659,690	604,464	598,514
Contribution (deficiency) excess	(28,109)	25,032	(29,273)	17,233	86,494	(13,353)	(49,924)
College's covered payroll	5,309,610	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	11.32%	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, 2021

	Retiree Health care Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Health care	Life Insurance	Income		
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

Total OPEB Liability as of June 30, 2020

	Retiree Health care Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Health care	Life Insurance	Income		
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

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, 2019

	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	$ 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

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

Required Supplementary Information

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

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, 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.

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

	2021	2020	2019	2018
College's portion of sick leave asset	.020770641	.021092137	.021416803	.021231653
College's proportionate share of sick leave asset	$2,931,836	$ 2,657,021	$ 2,458,008	$ 2,019,759
College's covered payroll	$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	12.05%	11.26%	10.54%	9.74%
Plan fiduciary net position as a percentage of the total sick leave asset	251.29%	226.97%	225.45%	204.10%

Required Supplementary Information

Schedule of Employer Contributions
Idaho Sick Leave Insurance Reserve Fund

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