



Financial Statements
June 30, 2017 and 2016

College of Western Idaho Foundation

College of Western Idaho Foundation

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June 30, 2017 and 2016

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Independent Auditor's Report

To the Board of Directors
College of Western Idaho Foundation
Nampa, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of College of Western Idaho Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation'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 Foundation'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College of Western Idaho Foundation as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Boise, Idaho
October 13, 2017

College of Western Idaho Foundation
 Statements of Financial Position
 June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,535,341	\$ 1,686,015
Cash and cash equivalents - restricted	12,151	30,784
Investments - nonendowment	1,724,611	1,349,770
Contributions receivable - current, net	7,000	5,000
Other receivables	12,494	469
Interest receivable	6,494	6,185
Total current assets	3,298,091	3,078,223
Noncurrent Assets		
Contributions receivable - noncurrent, net	1,930	4,793
Investments - endowment	1,349,458	1,202,279
Total noncurrent assets	1,351,388	1,207,072
Total assets	\$ 4,649,479	\$ 4,285,295
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 112,765	\$ 38,090
Total current liabilities	112,765	38,090
Net Assets		
Unrestricted	612,146	472,082
Temporarily restricted	2,754,862	2,643,835
Permanently restricted	1,169,706	1,131,288
Total net assets	4,536,714	4,247,205
Total liabilities and net assets	\$ 4,649,479	\$ 4,285,295

College of Western Idaho Foundation
Statement of Activities
Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues				
Contributions and gifts	\$ 13,410	\$ 350,766	\$ 38,418	\$ 402,594
Contributed services	280,516	-	-	280,516
Interest and dividends	23,606	23,245	-	46,851
Net realized and unrealized gain on investments	114,552	126,379	-	240,931
Special events revenue (net of cost of direct benefit to donors \$12,044)	24,227	51,550	-	75,777
Net assets released from restriction	440,913	(440,913)	-	-
Total revenues	<u>897,224</u>	<u>111,027</u>	<u>38,418</u>	<u>1,046,669</u>
Expenses				
Program support to College of Western Idaho				
Scholarships	240,966	-	-	240,966
Department support	211,999	-	-	211,999
Support services				
General operations	304,195	-	-	304,195
Total expenses	<u>757,160</u>	<u>-</u>	<u>-</u>	<u>757,160</u>
Change in Net Assets	140,064	111,027	38,418	289,509
Net Assets, Beginning of Year	<u>472,082</u>	<u>2,643,835</u>	<u>1,131,288</u>	<u>4,247,205</u>
Net Assets, End of Year	<u>\$ 612,146</u>	<u>\$ 2,754,862</u>	<u>\$ 1,169,706</u>	<u>\$ 4,536,714</u>

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

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

College of Western Idaho Foundation
Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Operating Activities		
Change in net assets	\$ 289,509	\$ (272,272)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Non-cash contributions	(74,464)	-
Contributions restricted to endowment	(38,418)	(10,650)
Net realized and unrealized (gain) loss on investments	(240,931)	139,626
Changes in operating assets and liabilities		
Contributions receivable	863	60,281
Other receivable	(12,025)	(92)
Interest receivable	(309)	(6,185)
Accounts payable	74,675	(38,714)
Net Cash used for Operating Activities	(1,100)	(128,006)
Investing Activities		
Purchase of investments	(1,236,384)	(1,457,913)
Withdrawal from endowment	40,951	6,205
Proceeds from sale of investments	988,808	1,437,564
Net Cash used for Investing Activities	(206,625)	(14,144)
Financing Activities		
Collection of contributions restricted to endowments	38,418	10,650
Net Cash from Financing Activities	38,418	10,650
Net Change in Cash and Cash Equivalents	(169,307)	(131,500)
Cash and Cash Equivalents, Beginning of Year	1,716,799	1,848,299
Cash and Cash Equivalents, End of Year	\$ 1,547,492	\$ 1,716,799
Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 1,535,341	\$ 1,686,015
Cash and cash equivalents - restricted	12,151	30,784
Total Cash and Cash Equivalents	\$ 1,547,492	\$ 1,716,799

Note 1 - Foundation Operations and Significant Accounting Policies

Foundation Operations

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

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

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, whereby revenue is recorded when earned and expenses are recorded when materials or services are received. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditures in accordance with the Foundation's distribution policy.

The Foundation reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Foundation. The restrictions stipulate that resources be maintained permanently but permit the Foundation to expend the income generated in accordance with the provisions of the agreements.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all cash and restricted cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash deposits exceeded FDIC insured limits at times during the years ended June 30, 2017 and 2016.

Restricted Cash

Restricted cash consists primarily of assets held by local banks relating to restricted funds with donor stipulations requiring separate accounts.

Investments

Investment purchases are recorded at cost or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statement of financial position. Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports. Net investment return (loss) is reported in the statement of activities and consists of interest and dividends, realized and unrealized capital gains and losses, less investment management and custodial fees.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect account balances and the amounts reported in the accompanying financial statements.

Promises to Give

Unconditional promises to give to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value and recognized as an asset and promise to give revenue in the period the promise to give is received. Promises to give to be received after one year are discounted at rates commensurate with risks involved at the time the promise to give is received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

The Foundation reports promises to give made by donors that are measurable, verifiable, unconditional and probable of collection. Conditional promises to give are only payable upon the occurrence of an uncertain future event and therefore are not recorded in the accompanying financial statements.

The allowance for doubtful accounts for all promises to give represents the Foundation's best estimate of the amount of probable credit losses in the Foundation's existing promises to give. The Foundation determines the allowance by performing on-going evaluations of its donors and their ability to make payments. The Foundation determines the adequacy of the allowance based upon length of time past due, historical experience and judgment of economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and potential recovery is considered.

Contributions

Contributions of property and securities are recorded at their fair market value on the date received. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted. Contributed services revenue consists of development activities instrumental to the Foundation that are paid by the College.

Donated Materials and Services

Donated materials and services are reflected as contributions and are recorded at their fair market value at date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. The Foundation's office resides in the College's Administrative Building. The space is donated by the College as are the employees' services that are used to run the Foundation. These items represent in-kind donations that are recognized as revenues with a corresponding expense.

Concentrations

At June 30, 2017 and 2016, three donors accounted for 35% of total contribution revenue.

Functional Allocation of Expense

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by foundation. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is organized as an Idaho nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Reclassification

Certain reclassification of amounts reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets.

Subsequent Events

The Foundation has evaluated subsequent events through October 13, 2017, the date which the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures of Investments

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk or liquidity profile of the asset or liability.

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

Additionally, one certificate of deposit with a maturity of 5 years or less at June 30, 2017, was established at a financial institution and is covered by the FDIC for \$245,241 at June 30, 2017. The certificate of deposit is valued at original cost plus accrued interest.

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2017:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Equities				
Large cap	\$ 1,282,317	\$ -	\$ -	\$ 1,282,317
Small cap	158,854	-	-	158,854
International equities	421,402	-	-	421,402
Bond Funds				
US fixed income	837,567	-	-	837,567
Real Estate Investment Trusts	128,688	-	-	128,688
Total assets at fair value	<u>\$ 2,828,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,828,828</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of June 30, 2016:

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

Changes in Fair Value Levels

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

The significance of transfers between levels has been evaluated based upon the nature of the financial instruments and size of the transfer relative to the total net assets available for benefits. For the years ended June 30, 2017 and 2016, there were no significant transfers in or out of levels 1, 2, or 3.

Note 3 - Donated Professional Services and Materials

The Foundation received donated professional services and materials as follows during the years ended June 30, 2017 and 2016:

	Management and General	Fundraising and Development	Total
June 30, 2017			
Salaries and benefits	\$ 126,498	\$ 123,988	\$ 250,486
Materials and supplies	12,750	-	12,750
Office space	17,280	-	17,280
	<u>156,528</u>	<u>123,988</u>	<u>280,516</u>
Total donated materials and services	<u>\$ 156,528</u>	<u>\$ 123,988</u>	<u>\$ 280,516</u>

College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2017 and 2016

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

All donated materials and services were provided by the College.

Note 4 - Contributions Receivables

Contributions receivable represent unconditional promises to give to the Foundation and are measured at the present value of estimated future cash flows using the discount rate of 1.41%. An allowance for doubtful accounts for potentially uncollectible contributions of \$0 was estimated and recorded as of June 30, 2017 and 2016.

Contributions receivable for the years ended June 30, 2017 and 2016, are as follows:

	<u>2017</u>	<u>2016</u>
Contributions receivable		
Due in one year or less	\$ 7,000	\$ 5,000
Due in one to five years	2,000	5,000
Over five years	-	-
	<u>9,000</u>	<u>10,000</u>
Total contributions receivable	9,000	10,000
Less discount to present value	<u>(70)</u>	<u>(207)</u>
Net contributions receivable	<u>\$ 8,930</u>	<u>\$ 9,793</u>

Note 5 - Temporarily Restricted Net Assets

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

Temporarily restricted net assets consist of the following as of June 30, 2017 and 2016:

	2017	2016
Restricted for use		
Department support	\$ 1,981,566	\$ 2,000,680
Scholarships	773,296	643,155
Total restricted net assets	\$ 2,754,862	\$ 2,643,835

Note 6 - Release from Restriction

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

The amounts released during the years ended June 30, 2017 and 2016, were as follows:

	2017	2016
Satisfaction of purpose restrictions		
Scholarships	\$ 234,766	\$ 353,550
Department support	206,147	155,666
	\$ 440,913	\$ 509,216

Note 7 - Endowment Funds

The Foundation's endowment consists of 32 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. The Foundation held \$1,169,706 and \$1,131,288 in true endowment funds at June 30, 2017 and 2016, respectively. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The investment income earned on these permanently restricted net assets is generally restricted as to purpose and is recorded as temporarily restricted net assets.

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

permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the Foundation in a manner that is consistent with the standard of prudence prescribed by SPMIFA.

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

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

The endowment fund net asset composition is as follows:

At June 30, 2017	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	<u>\$ 179,752</u>	<u>\$ 1,169,706</u>	<u>\$ 1,349,458</u>
	<u><u>\$ 179,752</u></u>	<u><u>\$ 1,169,706</u></u>	<u><u>\$ 1,349,458</u></u>
At June 30, 2016	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	<u>\$ 70,991</u>	<u>\$ 1,131,288</u>	<u>\$ 1,202,279</u>
	<u><u>\$ 70,991</u></u>	<u><u>\$ 1,131,288</u></u>	<u><u>\$ 1,202,279</u></u>

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

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and scholarships supported by its endowment while seeking to maintain the fair value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide both a reasonably predicted income stream and principle appreciation that exceeds inflation. The Foundation expects its endowment funds, over time, to provide an average minimum rate of return equal to or greater than the Foundation's spending rate percentage and management fee.

College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2017 and 2016

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within the prudent risk constraints.

The Foundation has a policy of appropriating for annual distribution 4.5% of its endowment fund's average fair value as determined on December 31 over each of the three preceding years. The Foundation will not approve appropriations for expenditure of an amount that would cause the value of the institution's endowment funds to fall below the aggregate historical dollar value (corpus) of the Foundation's endowment fund. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at the rate of inflation. This is consistent with objectives to maintain the principal of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ending June 30, 2017 and 2016, respectively, are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets			
End of year June 30, 2016	\$ 70,991	\$ 1,131,288	\$ 1,202,279
Investment return			
Investment income, net of fees	23,333	-	23,333
Net realized and unrealized gain	126,379	-	126,379
Contributions	-	38,418	38,418
Appropriation of endowment assets for expenditures	<u>(40,951)</u>	<u>-</u>	<u>(40,951)</u>
Endowment assets			
End of year June 30, 2017	<u>\$ 179,752</u>	<u>\$ 1,169,706</u>	<u>\$ 1,349,458</u>

College of Western Idaho Foundation

Notes to Financial Statements

June 30, 2017 and 2016

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

The components of endowment funds classified as temporarily restricted net assets and permanently restricted net assets as of June 30, 2017 and 2016, are as follows:

	<u>2017</u>	<u>2016</u>
Temporarily restricted net assets		
The portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	<u>\$ 179,752</u>	<u>\$ 70,991</u>
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	<u>\$ 1,169,706</u>	<u>\$ 1,131,288</u>

Note 8 - Related Party Transactions

The Foundation provides scholarships to the College based on the terms of the donations. The Foundation provided scholarship support of \$240,966 during the year ended June 30, 2017, of which \$3,130 was payable to the College at June 30, 2017 and departmental and program support of \$211,999 during the year ended June 30 2017, of which \$109,635 was payable to the College at June 30, 2017. The Foundation provided scholarship support of \$366,702 and departmental and program support of \$159,749 during the year ended June 30, 2016, of which \$38,043 was payable to the College at June 30, 2016.

The College owed the Foundation \$494 and \$469, for employee payroll contribution deductions payable to the Foundation at June 30, 2017 and 2016, respectively.

Several members of the Foundation Board of Directors provided a donation to the Foundation. The Foundation received \$31,334 and \$26,849 in contribution revenue from Board members during the years ended June 30, 2017 and 2016, respectively. Additionally, contributions receivable includes \$2,000 receivable from Board members at June 30, 2017.