LEWIS-CLARK STATE COLLEGE

FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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LEWIS-CLARK STATE COLLEGE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Lewis-Clark State College (collectively, the College), a component unit of the State of Idaho, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Lewis-Clark State College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Lewis-Clark State College, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lewis-Clark State College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024, on our consideration of Lewis-Clark State College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lewis-Clark State College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lewis-Clark State College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Bellevue Washington
October 2, 2024

Overview of the Financial Statements and Financial Analysis

The financial statements for the fiscal year ended June 30, 2024, are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. Three financial statements are presented: the *Statement of Net Position*; the *Statement of Revenues, Expenses, and Changes in Net Position*; and the *Statement of Cash Flows*.

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

In 2002, GASB issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB 14*. This Statement clarified the definition of a component unit for financial reporting purposes. As a result, the College is discretely reporting on 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* can determine the assets available to continue the College's operations. 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 are 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. An unrestricted net position is available to the College to utilize in any legal fashion in accordance with the State Board of Education's specified role and mission.

SUMMARY STATEMENT OF NET POSITION

	2024	2023
Assets		
Current Assets	$ 63,296,824	$ 54,681,008
Capital Assets, Net	81,496,540	83,920,638
Other Assets and Deferred Outflows of Resources	8,065,491	9,038,820
Total Assets and Deferred Outflows of Resources	$ 152,858,855	$ 147,640,466
Liabilities		
Current Liabilities	$ 8,897,077	$ 7,013,078
Noncurrent Liabilities	15,313,153	15,898,839
Deferred Inflows of Resources	3,445,006	3,855,173
Total Liabilities and Deferred Inflows of Resources	27,655,236	26,767,090
Net Position		
Net Investment in Capital Assets	76,376,139	78,598,925
Restricted - Expendable	3,443,232	3,727,676
Unrestricted	45,384,248	38,546,775
Total Net Position	125,203,619	120,873,376
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 152,858,855	$ 147,640,466

Total assets and deferred outflows of resources increased $5.22 million from fiscal year 2023 to 2024, an increase of 3.5%. The majority of this change is found in the following balance sheet components – an increase in cash held by the State Treasurer, $5.18 million (22% overall), an increase in State of Idaho LGIP deposits of $3.92M, and a decrease in net capital assets of $2.42M, as well as a decrease in accounts receivable and deferred outflows of Pension, SLIRF, and OPEB totaling $1.63M.

Net cash deposits increased $9.28 million in fiscal year 2024. Deposits in the Idaho Local Government Investment Pool (LGIP) increased approximately $3.92 million during 2024. The Idaho State Treasurer deposits increased $5.18 million during 2024. Cash and cash equivalents held in local banks increased approximately $187k as of June 30, 2024. The increase in cash and cash equivalents is due to moving more funds to Cash with Treasurer and LGIP Deposits. This allowed the College to safety protect the funds above the FDIC limit while receiving a favorable interest rate. The College still holds enough funds in its local account to meet short term capital expenditures, pending student tuition transfers, and payroll related expenses.

Accounts receivable decreased by $344k as of June 30, 2024, and is related to more frequent and consistent billing.

On June 30, 2024, the College reported an asset of $2.97 million for its proportionate share of the State of Idaho Sick Leave Insurance Reserve Fund (SLIRF). The amount reflects an increase of $35k and represents additional excess sick leave funding in the Idaho plan.

Net capital assets decreased $2.42 million during fiscal year 2024. This decrease is associated with increased depreciation related to the Activity Center as well as other DPW capital projects. This was partially offset by an increase in investment in capital assets for subscriptions net increased over last year by $183k. This increase is due to the accounting for Subscription Based Information Technology Arrangement (SBITAs) asset and reflects the GASB 96 requirement to account for the Right-of-use subscription in the financial statements and footnotes. Included in the $1.33 million is $136k of subscriptions currently in the implementation phase. The College anticipates the implementation phase to be completed in 2025. Additionally, there was an increase of $36k related to leases. See footnote 1 and 5 for more details.

Deferred outflows decreased approximately $1.28 million in 2024. The decrease in fiscal year 2024 is related to a decrease in the PERSI pension outflows by $765k, and OPEB and SLIRF deferred outflow decrease of $519k.

Total liabilities and deferred inflows of resources increased by $888k as of June 30, 2024, an increase of 3.32%. The primary contributors included increases in Accounts payable, Due to State and component unit, and Unearned revenue. These increases were slightly offset by decreases in Notes payable, employee benefit liabilities, and deferred inflows of resources.

The SBITA liability for current and noncurrent liabilities increased by $63k. See footnotes 1 and 8 for more information. In addition, there was an increase of $37k for lease liability in 2024.

The decrease in net PERSI pension liability of $171k represents the College's allocation of the State of Idaho retiree benefit plans related to the PERSI base plan. Other postemployment benefit obligations decreased by $121k.

Deferred inflows decreased $410k in 2024 due to changes related to the PERSI pension plan, OPEB plans and the SLIRF. The major decrease was $203k for the OPEB deferred inflows along with decreases in the PERSI pension plan and SLIRF deferred inflows of $207k. Please see footnote 10 and 11 retirement plans for a more detailed discussion.

Unearned revenue increased by $210k this year over the last fiscal year. Included in this year over year change is an increase in deferred student revenues for the summer session, an increase of deferred grant and other student aid, and a $50k prepaid grant for nursing.

Net investment in capital assets, including capital leases and subscriptions decreased $2.22 million in 2024 due to increased depreciation related to the LCSC Activity Center building and other DPW capital projects. Please see footnote 5 for additional details.

Unrestricted net position increased $6.84 million in 2024. Cash and cash deposits described above contributed to this increase. See the discussion from above and footnote 2.

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*. This statement presents 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, operating revenues are earned in return for providing goods and services to the College's various customers and constituents. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the role and mission of the College.

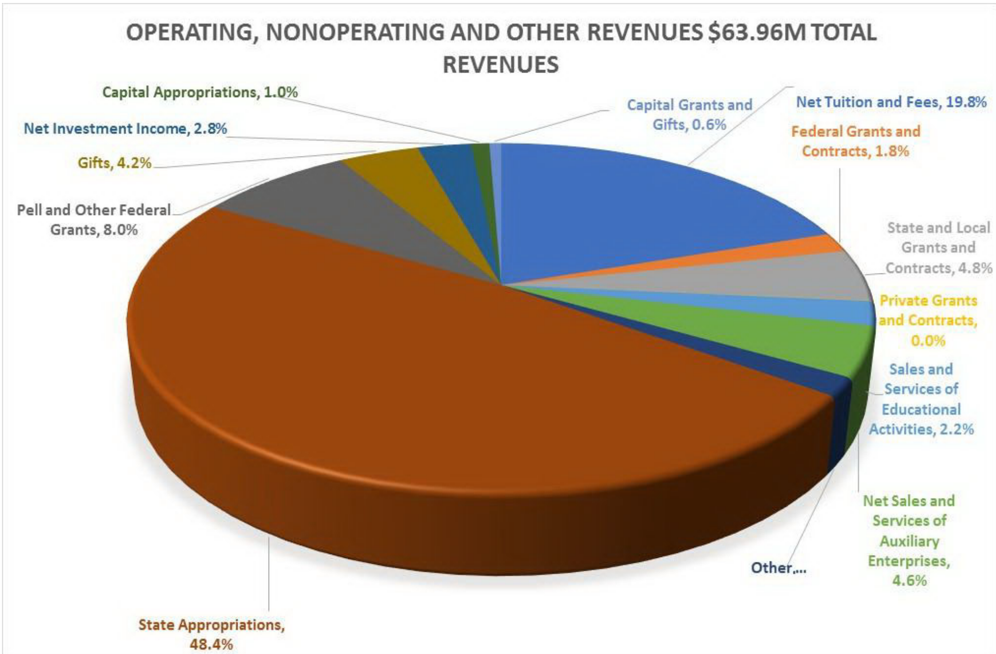
Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are deemed nonoperating revenues because they are provided by the Idaho Legislature to the College without the legislature directly receiving value in return for those revenues.

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

	2024	2023
Operating Revenues	$ 22,399,264	$ 19,210,912
Operating Expenses	59,453,767	55,001,283
Operating Loss	(37,054,503)	(35,790,371)
Nonoperating Revenues (Expenses), Net	40,380,431	37,502,267
Income Before Other Revenues and Expenses	3,325,928	1,711,896
Other Revenues, Net	1,004,315	9,854,436
Increase in Net Position	4,330,243	11,566,332
Net Position - Beginning of Year	120,873,376	109,307,044
Net Position - End of Year	$ 125,203,619	$ 120,873,376

Revenues

The College generates revenues from various sources. The following is a graphic depiction of the revenues by source (both operating, nonoperating and other), which were used to fund the College's activities for the year ended June 30, 2024.



Total operating revenues for fiscal year 2024 increased $3.19 million, or 16.6%. Much of the increase is related to a new method for calculating revenue related to scholarship discounts and increase in student fees of 5.6%.

The scholarship discounts and allowances increased $3.18 million as of June 30, 2024. This increase had an impact on the net tuition and fees, which brought the net total increase to $1.95 million from last year.

Federal grants experienced an increase of $106k in 2024. Federal grants changes during 2024 are due mainly to new grant activity such as CTE-Allied Health Hub Reno grant, obtaining equipment and receiving reimbursement, and a DNA replication grant.

Sales and services of educational activities increased $17k in 2024, or 1.2%. The increase in 2024 is due to the hosting of more educational events and an increase in revenue for live shop labs.

Sales and services of auxiliary enterprises increased $537k during 2024. This reflects increases in Residence Life student meal plans, increases in room rent, and continued high residence hall occupancy. This is offset by the change in auxiliary scholarships and discounts of $616k related to the new method of calculating scholarship discounts and allowances. There were also slight increases in childcare and student union building revenue.

Other revenue increased $638k during 2024, The increase is due to $644k of casualty loss claims after some buildings had flood damage from frozen pipes in the winter.

Nonoperating revenues increased $2.93 million during fiscal year 2024. The three largest changes are State appropriations with an increase of $1.8 million, an increase in Gifts of $192k, and a net investment income increase of $846k.

State appropriations increased $1.8 million during 2024 primarily due to an increase in state funding for personnel and benefit costs, an increase in endowment based upon the Idaho Land Board allocations, and an increase in CTE funding.

Pell and other federal grants increased by $81k during fiscal year 2024, reflecting a 1.6% change.

Gift revenue increased by $192k during 2024 due to more private donations for the Nursing program and additional donations for athletics and auxiliaries.

Investment income increased $846k in 2024. The College increased excess deposits of cash at the Local Government Investment Pool (LGIP) during the year. The increased deposits also generated more interest revenues due to the higher interest rates compared to last fiscal year 2023.

Capital appropriations decreased by $8.7 million which represents a decrease of capital asset projects paid by the Idaho State Division of Public Works (DPW). These projects, when completed, are shown as State appropriations by the College. The decrease is primarily related to the LCSC Activity Center building, a fire sprinkler system in the Mechanical and Technical Building, and completion of the multi-use field and the Center for Arts and History during fiscal year 2023. See footnote 5 for more information.

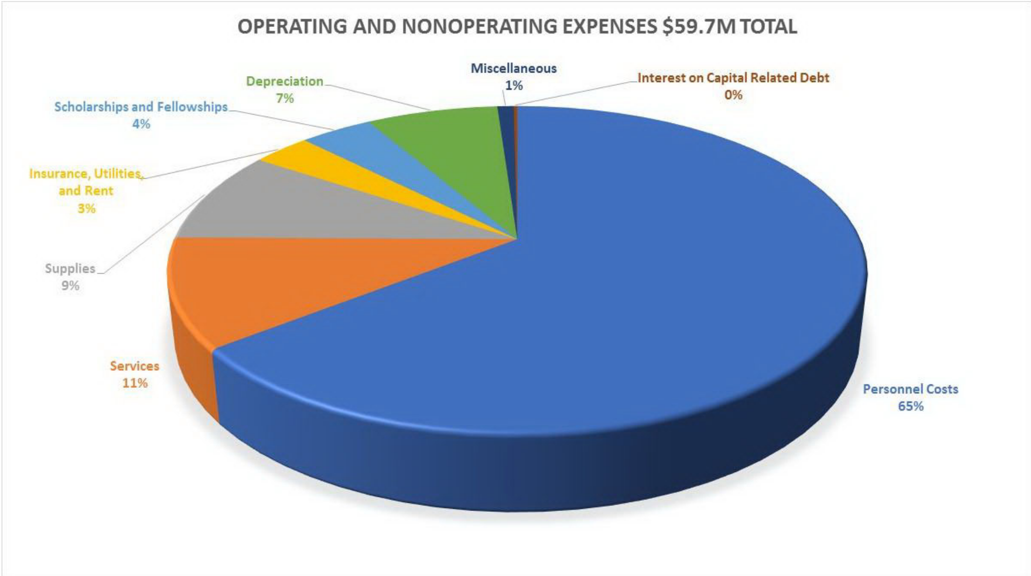
Capital grants and gifts decreased by $134k in the fiscal year 2024. The decrease is primarily related to the CTE-Allied Health Hub grant having significant less activity in fiscal year 2024 compared to fiscal year 2023, and there were no capitalizable in-kind gifts, as compared to the prior year.

Expenses

Following is a comparative summary of the College's expenses for the year ended June 30, 2024.

	2024	2023
Operating Expenses		
Personnel Costs	$ 38,362,286	$ 36,203,364
Services	6,423,208	6,060,940
Supplies	5,462,839	4,888,135
Insurance, Utilities, and Rent	1,921,408	1,713,807
Scholarships and Fellowships	2,385,982	484,948
Depreciation	4,356,387	5,059,432
Miscellaneous	541,657	590,657
Total Operating Expenses	59,453,767	55,001,283
Nonoperating Expenses		
Interest on Capital Related Debt	114,660	125,591
Other	58,119	-
Total Operating and Nonoperating Expenses	$ 59,626,546	$ 55,126,874

The following is a graphic depiction of total expenses by natural classification for the year ended June 30, 2024.



Total operating expenses increased $4.45 million, or 8.1%, in fiscal year 2024. The changes are primarily due to personnel costs, services, supplies, rent and scholarships.

Personnel costs increased $2.16 million, or 6.0% during 2024. This reflects an increase in salaries which is related to filling previously vacant positions within the institution, and annual increases. The fringe benefits increased which includes increases in health insurance, retirement, sick leave, postemployment retirement, and pensions. The College was not required to pay towards the retirement sick leave plan after January 2020 when the PERSI board enacted an 18-month sick leave contribution holiday effective January 1, 2020, due to the sick leave fund being overfunded. The sick leave holiday has been extended to include the fiscal year 2024.

Service expenses increased $362k during fiscal year 2024. The increase in 2024 is primarily related to increasing instructional and athletic travel, an increase in technology investments, and professional services.

Supplies expenses increased $575k during 2024. The 2024 increase reflects the repair and maintenance costs related to several natural disasters throughout fiscal year 2024.

Insurance, utilities, and rent increased by $208k in 2024. Rate increases in utility and insurance costs factored in this increase.

Scholarship expenses increased $1.9 million in 2024. The 2024 increase is primarily related to student scholarships and updating the method of recognition compared to the prior year.

Economic Outlook

The College, as a state institution, is directly impacted by trends in the Idaho economy, which continues to show positive signs. The state of Idaho ended fiscal year 2023 with a $52.5 million surplus. The College's headcount enrollment for Fall 2024 is estimated to be flat or slightly increased compared to Fall 2023. With a 3% increase in the full-time and part-time tuition rate, the College is projecting student tuition revenues to be $15.7 million in fiscal year 2025.

The College's general fund appropriation for fiscal year 2025 increased by 3.1% over the fiscal year 2024 level resulting in $22.4 million. There were three key components of the increase. The first was funding of $596k for a change in employee compensation. Second, was an increase of $440k for Occupational Capacity Enhancement. Finally, $55k was received for Enrollment Workload Adjustment (EWA). The College's Normal School endowment distribution increased by 10.7% over the fiscal year 2024 level resulting in $3.6 million.

The College is both directly and indirectly impacted by national and global health and economic trends. Among the most pressing concerns for higher education institutions are the declining number of high school graduates, rapidly increasing health care costs, cost of living increases, and changes in federal regulations. However, the College is actively implementing a variety of strategies to attract and retain students, including expanding programs and diversifying its student base. Despite the challenging landscape, the College is maintaining stable enrollment.

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

LEWIS-CLARK STATE COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 2,211,497
Cash With Treasurer	29,035,709
State of Idaho LGIP Deposits	30,599,237
Accounts Receivable and Unbilled Charges	1,212,801
Student Loans Receivable	67,810
Prepaid Expenses	169,770
Total Current Assets	63,296,824
Noncurrent Assets:	
Investments	250,872
Student Loans Receivable, Net of Allowances	252,358
Sick Leave Reserve Fund Excess Funding	2,973,073
SBITA, Net	1,334,739
Leases Asset, Net	116,717
Capital Assets, Net	80,045,084
Total Noncurrent Assets	84,972,843
Total Assets	148,269,667
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	2,342,145
Deferred Outflows Related to Other Postemployment Benefits	1,685,959
Deferred Outflows Related to Sick Leave Insurance Reserve Fund	561,084
Total Deferred Outflows of Resources	4,589,188
Total Assets and Deferred Outflows of Resources	$ 152,858,855

See accompanying Notes to Financial Statements.

LEWIS-CLARK STATE COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	$ 880,099
Accrued Salaries and Benefits Payable	2,433,624
Compensated Absences Payable	999,449
Due to Component Unit	1,118,722
Due to State of Idaho	919,186
Unearned Revenue	1,427,007
Other Liabilities	370,442
Accrued Interest Payable	47,528
Lease Liability	46,139
SBITA Liability	485,273
Notes and Bonds Payable	169,608
Total Current Liabilities	8,897,077
Noncurrent Liabilities:	
Net PERSI Pension Liability	4,793,717
Total Other Postemployment Benefit Liability	6,410,164
Lease Liability	71,012
SBITA Liability	636,583
Notes and Bonds Payable	3,401,677
Total Noncurrent Liabilities	15,313,153
Total Liabilities	24,210,230
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	357,157
Deferred Inflows Related to Other Post Employment Benefits	2,780,574
Deferred Inflows Related to Sick Leave Insurance Reserve Fund	307,275
Total Deferred Inflows of Resources	3,445,006
Total Liabilities and Deferred Inflows of Resources	27,655,236
NET POSITION	
Net Investment in Capital Assets	76,376,139
Restricted, Expendable	3,443,232
Unrestricted	45,384,248
Total Net Position	125,203,619
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 152,858,855

See accompanying Notes to Financial Statements.

LEWIS-CLARK STATE COLLEGE
COMPONENT UNIT – LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 1,094,718
Due from Lewis-Clark State College	1,118,722
Pledges Receivable	100,000
Total Current Assets	2,313,440
NONCURRENT ASSETS	
Investments	17,809,812
Long-Term Pledges Receivable (Net of Discounts)	441,085
Total Noncurrent Assets	18,250,897
Total Assets	$ 20,564,337
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Gift Annuities Payable	$ 21,485
Accounts Payable LCSC	49
Total Current Liabilities	21,534
NONCURRENT LIABILITIES	
Gift Annuities Payable	309,687
Total Noncurrent Liabilities	309,687
Total Liabilities	331,221
NET ASSETS	
Without Donor Restrictions	1,221,531
With Donor Restrictions	19,011,585
Total Net Assets	20,233,116
Total Liabilities and Net Assets	$ 20,564,337

See accompanying Notes to Financial Statements.

LEWIS-CLARK STATE COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

OPERATING REVENUES	
Student Tuition and Fees	$ 24,385,885
Less: Scholarship Discounts and Allowances	(11,728,361)
Net Tuition and Fees	12,657,524
Federal Grants and Contracts	1,168,828
State and Local Grants and Contracts	3,098,724
Private Grants and Contracts	20,558
Sales and Services of Educational Activities	1,420,320
Sales and Services of Auxiliary Enterprises	3,568,678
Less: Scholarship Discounts and Allowances	(616,091)
Total Operating Revenues	2,952,587
Other	1,080,723
Total Operating Revenues	22,399,264
OPERATING EXPENSES	
Personnel Costs	38,362,286
Services	6,423,208
Supplies	5,462,839
Insurance, Utilities, and Rent	1,921,408
Scholarships and Fellowships	2,385,982
Depreciation and Amortization	4,356,387
Miscellaneous	541,657
Total Operating Expenses	59,453,767
OPERATING LOSS	(37,054,503)
NONOPERATING REVENUE (EXPENSES)	
State Appropriations	30,979,950
Pell and Other Federal Grants	5,134,142
Gifts (Includes Foundation Gifts of $1,331,615)	2,664,554
Net Investment Income	1,774,564
Interest on Capital Asset Related Debt	(114,660)
Other	(58,119)
Total Nonoperating Revenue, Net	40,380,431
INCOME BEFORE OTHER REVENUE	3,325,928
OTHER REVENUE	
Capital Appropriations	610,583
Capital Grants and Gifts	393,732
Total Other Revenue	1,004,315
NET INCREASE IN NET POSITION	4,330,243
Net Position - Beginning of Year	120,873,376
NET POSITION - END OF YEAR	$ 125,203,619

See accompanying Notes to Financial Statements.

LEWIS-CLARK STATE COLLEGE
COMPONENT UNIT – LEWIS-CLARK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and Gifts	$ 18,513	$ 2,682,656	$ 2,701,169
Changes in Split Interest Agreements	-	150,545	150,545
Donation Fees	54,909	-	54,909
Donated Martials and Services	42,583	-	42,583
Interest	12,145	-	12,145
Roundup Transfers	-	4,130	4,130
Net Realized and Unrealized Gain on Investments	114,776	2,007,154	2,121,930
Fees and Miscellaneous	71,922	4,329	76,251
Net Realized and Unrealized Pledge Discount	-	16,359	16,359
Net Change in Value of Gift Annuities	-	(74,929)	(74,929)
Net Assets Released from Restrictions	1,511,925	(1,511,925)	-
Total Revenue, Support, and Gains	1,826,773	3,278,319	5,105,092
EXPENSES			
Program Services			
Academic, Development, and Program Support	1,579,834	-	1,579,834
Support Services:			
Management and General	262,499	-	262,499
Total Expenses	1,842,333	-	1,842,333
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	(15,560)	3,278,319	3,262,759
Equity Transfer - Donated Services from Affiliate	198,863	-	198,863
CHANGE IN NET ASSETS	183,303	3,278,319	3,461,622
Net Assets - Beginning of Year	1,038,228	15,733,266	16,771,494
NET ASSETS - END OF YEAR	$ 1,221,531	$ 19,011,585	$ 20,233,116

See accompanying Notes to Financial Statements.

LEWIS-CLARK STATE COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 12,683,270
Grants and Contracts	4,748,065
Educational Department Sales and Services	1,391,484
Auxiliary Enterprises Operations	2,980,358
Payments to Employees for Compensation and Benefits	(37,674,702)
Payments to Suppliers	(13,187,834)
Student Financial Aid	(2,385,982)
Student Loan Receipts	7,646,929
Student Loan Payments	(7,646,929)
Other Operating Receipts	1,129,655
Net Cash Used by Operating Activities	(30,315,686)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Government Appropriations	30,979,950
Financial Aid Grants	5,134,142
Agency Net Receipts	335,305
Gifts	2,664,554
Other Noncapital Financing Receipts	(10,885)
Net Cash Provided by Noncapital Financing Activities	39,103,066
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Appropriations	610,583
Capital Grants and Gifts	393,732
Purchase of Capital Assets	(1,464,421)
Purchase of College Place - Long-Term Debt	
Principal Payments on Capital Debt	(700,269)
Interest Paid on Capital Debt	(114,659)
Net Cash Used by Capital and Related Financing Activities	(1,275,034)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	1,768,559
Net Cash Provided by Investing Activities	1,768,559
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,280,905
Cash and Cash Equivalents - Beginning of Year	52,565,538
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 61,846,443

See accompanying Notes to Financial Statements.

LEWIS-CLARK STATE COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2024

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (37,054,503)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization	4,356,387
Changes in Operating Assets and Liabilities:	
Accounts Receivable, Net	344,273
Prepaid Expenses and Deferred Costs	71,208
Student Loan Receivable	(20,548)
Net Pension Liability and Related Deferrals	475,041
OPEB Asset/(Liability) and Related Deferrals	113,761
Net SLIRF and Related Deferrals	(41,106)
Accounts Payable and Accrued Liabilities	1,229,958
Unearned Revenue	209,843
Net Cash Used by Operating Activities	$ (30,315,686)

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY	
Capital Assets Acquired through Department of Public Works' Appropriations	$ 610,583

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Lewis-Clark State College (the 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, 2024. This includes discrete presentation of financial statements for its component unit, the Lewis-Clark State College Foundation (the 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 16 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Student Loans Receivable

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

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 receivables are recorded net of estimated uncollectible amounts.

Investments

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

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

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

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

Deferred Outflows of Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets, Net

Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the acquisition 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. The estimated useful lives are as follows:

Buildings	50 Years
Building Improvements	10 to 40 Years
Library Books	10 Years
Equipment	5 to 15 Years

Right-to-Use Assets

Lease and Subscription-Based Information Technology Arrangements (SBITAs) assets represent the College's control of the right to use another entity's nonfinancial asset for the lease or SBITA term, as specified in the contract, in an exchange or exchange-like transaction. These assets are recognized at the commencement date based on the initial measurement of the liability, plus any payments made to the vendor at or before the commencement of the lease or SBITA term. The College applies a capitalization threshold of $5,000 or more for right-to-use assets.

Compensated Absences

Employee vacation pay and estimated benefits that are earned but unused are accrued at year-end and presented in the statement of net position.

Unearned Revenues

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

Noncurrent Liabilities

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

Measurement of the net pension liability includes; (1) deferred outflows of resources and deferred inflows of resources related to pension, (2 information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and (3) additions to/deductions from the Base Plan's fiduciary net position. These liabilities have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

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

Sick Leave Insurance Reserve Fund (SLIRF)

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

Deferred Inflows of Resources

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

Net Position

The College's net position is classified as follows:

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

Restricted Expendable – Restricted expendable net position includes resources the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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 (the 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 (IRC), 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

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

Nonoperating revenues and expenses include revenues and expenses from activities that have the characteristics of nonexchange 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.

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.

NOTE 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 statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the College has recorded a scholarship discount and allowance.

Recently Implemented Accounting Standards

At the beginning of fiscal year 2024, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. There was no cumulative net asset adjustment as the implementation of Topic 326 did not have a material impact on the component unit statement of activities.

At the beginning of fiscal year 2024, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This statement establishes standards for accounting changes and error corrections, aiming to enhance the consistency and comparability of financial statements by providing more transparent and comprehensive information. GASB requires reporting changes in accounting principles, estimates, and changes to or within the financial reporting entity in the financial statements. GASB 100 provides guidance on correcting errors in previously issued financial statements. Additionally, GASB 100 mandates detailed disclosures about the nature and effects of accounting changes and error corrections.

During fiscal year 2024, the College changed its methodology for recording and reporting scholarship discounts and allowances. Previously, the College used the Alternative Method, but it has now adopted a specific identification method. This change is a change in accounting principle, as the Alternative Method was a methodology for estimating the scholarship allowance. Accordingly, the financial statement captions that were impacted based on this accounting principle change are Scholarships and Discounts and Scholarships and Fellowships expense. In comparison, the specific identification method is not an estimate as it is a calculation of the scholarship allowance based on per student per term transactional detail. LCSC made this change as it improves the understandability, reliability, relevance, and comparability of the Scholarships and Discounts and Scholarships and Fellowships expense. GASB 100 requires this change in accounting principle to be applied retrospectively. There is no impact to beginning net position for this change in accounting principle.

NOTE 2 CASH, 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, 2024, total deposits consisted of the following:

Cash on Hand	$ 13,987
FDIC/NCUA Insured Financial Institution Deposits	653,695
Uninsured Financial Institution Deposits	1,543,815
Total Cash and Cash Equivalents	2,211,497
Idaho State Treasurer Deposits	29,035,709
State of Idaho LGIP Deposits	30,599,237
Total Deposits	$ 61,846,443

As of June 30, 2024, $1,543,815 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, 2024, 78.0% of total State Treasurer investments were in the form of government agency and U.S. Treasury notes. As of June 30, 2024, 68.5% total LGIP investments were in the form of government agency and U.S. Treasury notes.

A 36-month certificate of deposit with a maturity date of October 26, 2026 is recorded as a noncurrent investment as of June 30, 2024.

Fair Value Measurement

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

Credit Risk

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

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

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 less than one year, as of June 30, 2024. The College's State Treasurer and LGIP deposits may be withdrawn at any time. The State Treasurer has a weighted average maturity of 274 days as of June 30, 2024. The LGIP has a weighted average maturity of 106 days as of June 30, 2024.

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.

NOTE 3 ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Accounts receivable and unbilled charges consisted of the following at June 30, 2024:

Student Fees	$ 232,027
Federal, State, and Nongovernmental Grants and Contracts	742,099
Other Receivables	238,675
Total	$ 1,212,801

NOTE 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, 2024.

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 2024, the College was required to return federal Perkins excess cash of $15,872 to the Department of Education. Institutional excess cash and service cancellation reimbursements of $2,746 were transferred out of the College's Perkins Revolving Fund during the year ended June 30, 2024.

NOTE 4 STUDENT LOANS RECEIVABLE (CONTINUED)

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.

Student loans receivable at June 30, 2024 consisted of the following:

	Current	Long-Term	Total
June 30, 2024			
Federal Perkins Loan Program	$ 21,319	$ 41,467	$ 62,786
Nursing Student Loan Program	40,492	269,758	310,250
Miscellaneous Loans	5,999	934	6,933
Total	67,810	312,159	379,969
Less: Allowance for Doubtful Accounts	-	(59,798)	(59,798)
Student Loans Receivable, Net	$ 67,810	$ 252,361	$ 320,171

NOTE 5 CAPITAL ASSETS, NET

Following are the changes in capital assets, for the year ended June 30, 2024:

	Beginning of Year	Additions	Transfers	Retirements	End of Year
Capital Assets Not Being Depreciated:					
Land	$ 3,452,572	$ -	$ -	$ -	$ 3,452,572
Capitalized Collections	15,000	-	-	-	15,000
Construction in Progress	462,167	57,657	-	-	519,824
Construction in Progress - SBITA	85,178	122,157	(71,200)	-	136,135
Total Capital Assets Not Being Depreciated	4,014,917	179,814	(71,200)	-	4,123,531
Other Capital Assets:					
Buildings and Improvements	115,320,438	618,357	-	(216,237)	115,722,558
Furniture, Fixtures, and Equipment	12,379,119	592,535	-	(203,263)	12,768,391
Library Materials	5,637,485	23,478		(848,300)	4,812,663
Right-to-Use Buildings and Land	10,653	-	-	(10,653)	-
Right-to-Use Equipment and Fixtures	126,738	86,427	-	(1,272)	211,893
Right-to-Use SBITA	1,449,981	489,794	71,200	(115,599)	1,895,376
Total Other Capital Assets	134,924,414	1,810,591	71,200	(1,395,324)	135,410,881
Less Accumulated Depreciation:					
Buildings and Improvements	40,897,216	2,879,755	-	(162,548)	43,614,423
Furniture, Fixtures, and Equipment	8,663,084	848,167	-	(198,836)	9,312,415
Library Materials	5,016,989	150,396	-	(848,300)	4,319,085
Less Accumulated Amortization:					
Right-to-Use Assets	57,403	49,698	-	(11,925)	95,176
Subscriptions	384,001	428,371	-	(115,599)	696,773
Total Accumulated Depreciation and Amortization	55,018,693	4,356,387	-	(1,337,208)	58,037,872
Total Other Capital Assets, Net of Accumulated Depreciation and Amortization	79,905,721	(2,545,796)	71,200	(58,116)	77,373,009
Capital Assets Summary:					
Capital Assets Not Being Depreciated	4,014,917	179,814	(71,200)	-	4,123,531
Other Capital Assets, at Cost	134,924,414	1,810,591	71,200	(1,395,324)	135,410,881
Total Cost of Capital Assets	138,939,331	1,990,405	-	(1,395,324)	139,534,412
Less: Accumulated Depreciation and Amortization	(55,018,693)	(4,356,387)	-	1,337,208	(58,037,872)
Capital Assets, Net	$ 83,920,638	$ (2,365,982)	$ -	$ (58,116)	$ 81,496,540

The estimated cost to complete property authorized or under construction at year ended June 30, 2024 is $10,398,546. These costs will be financed by state appropriations and available local resources.

Certain land on which four campus buildings are located was donated to the College by the City of Lewiston. Under terms of the gift, ownership of the land reverts back to the City if it ceases to be used for educational purposes. This land is reflected in Capital Assets in the amount of $19,200 in 2024.

NOTE 6 NOTES PAYABLE

Long-term liability activity was as follows:

	Beginning of Year	Additions	Reduction	End of Year	Due Within One Year	Long-Term Portion
Long-Term Debt:						
Notes and Bonds Payable	$ 3,837,368	$ -	$ (266,083)	$ 3,571,285	$ 169,608	$ 3,401,677
Lease Liability	80,144	86,352	(49,345)	117,151	46,139	71,012
Subscription Liability	1,058,806	439,635	(376,585)	1,121,856	485,273	636,583
Total Long-Term Debt	4,976,318	525,987	(692,013)	4,810,292	701,020	4,109,272
Other Noncurrent Liabilities:						
PERSI Pension Liability	4,964,756	-	(171,039)	4,793,717	-	4,793,717
OPEB Liability	6,530,752	-	(120,588)	6,410,164	-	6,410,164
Total Other Noncurrent Liabilities	11,495,508	-	(291,627)	11,203,881	-	11,203,881
Total Long-Term Liabilities	$ 16,471,826	$ 525,987	$ (983,640)	$ 16,014,173	$ 701,020	$ 15,313,153

Notes and bonds payable which were used to acquire capital assets, consist of the following on June 30, 2024: General Revenue Bonds, Series 2021 (original balance of $4,000,000), consisting of term bonds payable in annual amounts increasing periodically from $162,632 to a maximum of $242,379 plus interest of 2.1% through the year 2041. Principal of $266,083 and interest of $78,841 were paid during fiscal year 2024.

Principal and interest maturities on notes and bonds payable in future periods for the are as follows:

Year Ending June 30,	Principal	Interest	Debt Service
2025	$ 169,608	$ 73,216	$ 242,824
2026	173,208	69,617	242,825
2027	176,884	65,941	242,825
2028	180,638	62,187	242,825
2029	184,471	58,353	242,824
2030-2034	982,769	231,351	1,214,120
2035-2039	1,091,576	122,544	1,214,120
2040-2044	612,131	17,391	629,522
Total	$ 3,571,285	$ 700,600	$ 4,271,885

NOTE 6 NOTES PAYABLE (CONTINUED)

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

The bond is collateralized through Pledged Revenues including student fees, sales and services revenue, facilities and administrative (F&A) recovery revenues, investment income, and other revenues as the Idaho State Board of Education shall designate as Pledged Revenues. Pledged Revenues do not include general appropriated funds or restricted fund revenues.

Student Fees, Net	$ 12,657,524
Sales and Services Revenues	4,372,907
F&A Recovery Revenue	265,984
Other Revenue	1,080,723
Investment Income	1,774,564
Total	20,151,702
Less: Operations and Maintenance	(5,552,338)
Pledged Revenues, Net	$ 14,599,364
Annual Debt Service	$ 244,924
Debt Service Coverage	5961%
Coverage Requirement	110%

NOTE 7 LEASES – LESSEE ARRANGEMENTS

The College has primarily entered into leases for vehicles and office equipment. The College does not have any applicable lessor arrangements.

A summary of the College's lease terms and interest rates are as follows:

In fiscal year 2024, the College added $86,352 in new leases and made principal payments of $49,345. As of June 30, 2024, College had seven active leases. The leases have payments that range from $2,619 to $20,423 and interest rates that range from 1.1% to 5.86%. As of June 30, 2024, the total combined value of the lease liability is $117,151. The combined value of the right to use asset, as of June 30, 2024 of $211,893 with accumulated amortization of $95,176 is included within the Lease Class activities table found below.

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

NOTE 7 LEASES – LESSEE ARRANGEMENTS (CONTINUED)

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

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

Fiscal Year	Principal	Interest	Total
2025	$ 46,139	$ 3,894	$ 50,033
2026	25,257	2,752	28,009
2027	17,624	1,876	19,500
2028	18,520	980	19,500
2029	9,611	140	9,751
Total	$ 117,151	$ 9,642	$ 126,793

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

	Business-Type Activities
Equipment, Vehicles and Fixtures	$ 211,893
Land	-
Total	211,893
Less: Accumulated Amortization	(95,176)
Right-to-Use Assets, Net	$ 116,717

NOTE 8 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

A summary of the Colleges SBITA terms and interest rates are as follows:

The College added $439,635 for new SBITAs and made principal payments of $376,585 plus interest. As of June 30, 2024, the College had 12 active subscriptions. The subscriptions have payments that range from $0 to $295,794 and interest rates that range from 3.84% to 5.62%. As of June 30, 2024, the total combined value of the subscription liability is $1,121,856. The combined value of the right to use asset, as of June 30, 2024 of $1,895,376 with accumulated amortization of $696,773 is included within the Subscription Class activities table found below. Certain SBITAs provide for increases in future minimum annual payments based on defined increases stated in the agreements and no agreements contain variable payments.

NOTE 8 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)

Total future minimum SBITA payments are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 485,273	$ 43,688	$ 528,961
2026	431,619	28,778	460,397
2027	126,074	10,576	136,650
2028	78,890	4,262	83,152
Total	$ 1,121,856	$ 87,304	$ 1,209,160

The College has $136,135 SBITAs currently in implementation with anticipated completion dates in fiscal year 2025. The estimated future principal payments of these commitments are $120,176 plus interest.

Per GASB 96, Paragraph 18, the future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be the interest rate implicit in the SBITA. If the interest rate cannot be readily determined by the government, the government's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the subscription payment amounts during the term) should be used. College management concluded that they could not readily determine the discount rates implicit in their SBITA contracts.

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

NOTE 9 RESTRICTED NET POSITION

Certain expendable assets are classified as restricted assets on the statement of net position. The purpose and amounts of restricted assets ended as of June 30, 2024 is as follows:

Federal Student Loan Programs	$ 406,109
Institutional Student Loan Programs	143,970
Sick Leave Insurance Reserve Fund	2,973,073
Scholarships, Grants, and Contracts - Unearned	(79,920)
Total Restricted Net Position	$ 3,443,232

NOTE 10 RETIREMENT PLANS

Public Employee Retirement System of Idaho

Plan Description

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

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2023, measurement date, was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	54,680
Terminated Employees Entitled to But Not Receiving Benefits	16,106
Terminated Employees and Non Vested	35,968
Active Plan Members	76,668
Total System Members	183,422

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 (five 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.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

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, 2023 it was 7.16%. The employer contribution rate, as a percent of covered payroll, is set by the Retirement Board and was 11.94% as of June 30, 2023. The College's contributions were $595,827 for the year ended June 30, 2024.

The College reported a liability of $4,793,717 for its proportionate share of the net pension liability at June 30, 2024. The net pension liability for the year was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The College's proportion of the net pension liability for the years was based on the College's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2023 measurement date, the College's proportion was .12012308 percent, a decrease of .006% from the prior period's .12604875 percent.

For the year ended June 30, 2024, the College recognized a net pension expense of $1,070,868.

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ 449,960	$ -
Differences Between Expected and Actual Experience	821,680	-
Changes in Assumptions or Other Inputs	474,678	-
Changes in Proportion and Differences Between the Contributions and the Proportionate Contributions	-	357,157
Subtotal	1,746,318	357,157
Contributions Subsequent to the Measurement Date	595,827	-
Total	$ 2,342,145	$ 357,157

NOTE 10 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

An amount of $595,827 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, 2025.

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 4.4 years for the measurement period ended July 1, 2023.

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 Ending June 30,	Amount
2025	$ 433,075
2026	174,812
2027	866,325
2028	(85,052)
Total	$ 1,389,160

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 amortization period of the unfunded liability is 100+ years which is more than the 25-year maximum allowed by statute. As a result of being over the 25-year maximum, PERSI will have to consider raising contribution rates.

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30 %
Salary Increases Including Inflation	3.05
Investment Rate of Return, Net of Investment Expenses	6.35
Cost of Living Adjustments	1.00

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. The rates were adopted for the valuation dated July 1, 2023.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Actuarial Assumptions (Continued)

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The total pension liability as of June 30, 2024 is based on the results of actuarial valuation dates of July 1, 2023.

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.

	Capital Market Assumption	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash	- %	- %
Large Cap	18.00	4.50
Small/Mid Cap	11.00	4.70
International Equity	15.00	4.50
Emerging Markets Equity	10.00	4.90
Domestic Fixed	20.00	(0.25)
TIPS	10.00	(0.30)
Real Estate	8.00	3.75
Private Equity	8.00	6.00

NOTE 10 RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Actuarial Assumptions (Continued)

Valuation assumptions chosen by PERSI Board are as follows:

Long-Term Expected Rate of Return, Net of Investment Expenses	6.35 %
Assumed Inflation	2.30
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	8.65 %

Discount Rate

The discount rate used to measure the total pension liability was 6.35% for 2024. 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, 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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
College's Proportionate Share of the Net Pension Liability (Asset)	$ 8,621,696	$ 4,793,717	$ 1,665,060

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.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Public Employee Retirement System of Idaho (Continued)

Payables to the Pension Plan

At June 30, 2024, 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, 2024 $3,190,245, which consisted of $1,819,846 from the College and $1,370,399 from employees. These contributions represented approximately 9.3% of covered payroll for the College and its employees during 2024.

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, 2024 this supplemental funding payment made to PERSI was $282,975 or 0.8% of the covered payroll, respectively. 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 IRC. All College employees are eligible to participate in this plan. The plan is funded exclusively through employee pre-tax contributions.

NOTE 10 RETIREMENT PLANS (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 IRC. 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 - End of Year	Approximate Annual Contributions
401(k) PERSI Choice	21	$ 141,335
457(b) Deferred Compensation	8	79,524
403(b) Tax Deferred	46	281,611

NOTE 11 POSTEMPLOYMENT 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, 2022. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis. The costs of administering the plans are financed by a surcharge to employers on all active employees of $0.05 per person per month for fiscal year 2024. This rate is reviewed annually.

The College's proportionate share of the total OPEB liability at the measurement dates of June 30, 2023 for the Retiree Healthcare and Long-Term Disability Healthcare Plans is 1.63%, a decrease of .37% from the prior period's 2.00% and the Retiree Life Insurance Plan proportion is 10.5%, a decrease of .50% from the prior period's 11.00%.

NOTE 11 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:

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan
June 30, 2024			
Active Employees	6,605	21,666	5,336
Retired/Disabled Employees	654	10	1,649
Number of Participating Employers	27	27	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 to receive coverage for the subsequent month. Additionally, the employee must be under age 65, receiving PERSI monthly benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from state service.

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

Long-Term Disability Plan

Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% 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% 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.

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Descriptions and Funding Policy (Continued)

Long-Term Disability Plan (Continued)

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

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% of monthly pre-disability salary or $6,000, 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% 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% 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% 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% 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% 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% of their annual salary at retirement. The College pays 100% of the cost of basic life insurance for eligible retirees.

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Descriptions and Funding Policy (Continued)

Retiree Life Insurance Plan (Continued)

The College's payments required and paid as OPEB benefits came due for fiscal year ended June 30, 2024 (dollars in thousands):

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
OPEB Paid - 2024	$ 37	$ 2	$ 127	$ 166

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, 2022 for the Retiree Healthcare, Long-Term Disability and Retiree Life Insurance plans. There have been significant changes between the Valuation Date and Measurement Date. Effective July 1, 2023, the retiree healthcare plan has a $155 explicit subsidy with no implicit subsidy. The $155 is not expected to change. There is no change to the LTD Healthcare Benefit.

The total OPEB liability as of June 30, 2024 was determined as of the measurement date June 30, 2023. The total OPEB liability as June 30, 2024 was based on the Milliman Financial Reporting Valuation as of July 1, 2022.

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement date as of June 30, 2023:

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan
Inflation	2.30%	2.30%	2.30%
Salary Increases	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increases due to promotions and longevity
Discount Rate	3.65%	3.65%	3.65%
Healthcare Cost Trend Rates	N/A	5.7% claims from year ending June 30, 2023 to year ending June 30, 2024 grading to an ultimate rate of 3.7% after fiscal year ending June 30, 2073	N/A
Retirees' Share of Benefit-Related Costs	81.9% of projected health insurance premiums for retirees	N/A	N/A

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Mortality Rates

Mortality rates for the plans were based on the Pub-2010 Mortality for Employees, Healthy and Disabled Retirees with generational projection and adjustments.

Discount Rate

The actuary used a discount rate of 3.54% 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):

	Long-Term Disability Plan			
	Retire Healthcare Plan	Healthcare	Retiree Life Insurance Plan	Total
June 30, 2023				
Total OPEB Liability	$ 120	$ 17	$ 6,273	$ 6,410

Changes in total OPEB liability for the fiscal year ended June 30, 2024 (dollars in thousands):

	Increase (Decrease)			
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
Balances - June 30, 2023	$ 149	$ 18	$ 6,364	$ 6,531
Change in Proportionate Share	(28)	(4)	(297)	(329)
Adjusted Balances	121	14	6,067	6,202
Changes for the Year:				
Service Cost	4	5	247	256
Interest on Total OPEB Liability	5	1	232	238
Plan Changes	-	-	-	-
Effects of Economic/Demographic Gains or Losses	36	-	-	36
Effect of Assumptions Changes or Inputs	(1)	-	(140)	(141)
Expected Benefit Payments	(45)	(3)	(133)	(181)
Net Changes	(1)	3	206	208
Balances - June 30, 2024	$ 120	$ 17	$ 6,273	$ 6,410

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Total OPEB Liability (Continued)

The College recognized the following OPEB expense and deferrals for the year ended June 30, 2024 (dollars in thousands):

	Increase (Decrease)			
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
June 30, 2024				
OPEB Expense (Revenue)	$ (60)	$ 2	$ 186	$ 128
Deferred Outflows				
Differences in Expected and Actual Experience	$ 53	$ 6	$ 273	$ 332
Changes in Assumptions	58	1	1,107	1,166
Change in Proportion	3	-	83	86
Benefit Payments Subsequent				-
to the Measurement Date	23	1	78	102
Total Deferred Outflows	$ 137	$ 8	$ 1,541	$ 1,686
Deferred Inflows				
Differences in Expected and Actual Experience	$ 95	$ 1	$ 373	$ 469
Changes in Assumptions	27	8	1,627	1,662
Change in Proportion	85	5	560	650
Total Deferred Inflows	$ 207	$ 14	$ 2,560	$ 2,781

Deferred outflows of resources of $102,000 related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability at June 30, 2024.

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

	Expense			
Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
2025	$ 31	$ 1	$ 139	$ 171
2026	38	1	139	178
2027	12	2	112	126
2028	9	1	114	124
2029	2	2	143	147
Thereafter	-	1	449	450
Total	$ 92	$ 8	$ 1,096	$ 1,196

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan
Expected Service Lives	5.7	7.3	8.7

Discount Rate Sensitivity

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

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
June 30, 2024				
1% Decrease (2.65%)	$ 124	$ 18	$ 7,645	$ 7,787
Discount Rate (3.65%)	120	17	6,273	6,410
1% Increase (4.65%)	116	16	5,220	5,352

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% lower or 1% higher than the current trends (dollars in thousands):

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
June 30, 2024				
1% Decrease	NA	$ 14	NA	$ 14
Current Trend Rate	NA	17	NA	17
1% Increase	NA	20	NA	20

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. In the November 2021 Board meeting, the PERSI Board extended the rate holiday for employer contributions for the State to June 30, 2031.

NOTE 11 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)

At June 30, 2024, the College's proportion was 2.077%, representing no change from the prior year. At June 30, 2024, the College reported an asset of $2,973,074, for its proportionate share of the SLIRF excess funding. The excess funding was measured as of July 1, 2023 for the year ending June 30, 2024, 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.

For the year ended June 30, 2024 the College recognized sick leave revenue of $41,106. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to sick leave from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Sick Leave Fund Investments	$ 222,266	$ -
Differences Between Expected and Actual Experience	118,915	57,723
Changes in Assumptions or Other Inputs	188,668	248,985
Changes in Proportion and Differences Between the Contributions and the Proportionate Contributions	31,235	567
Subtotal	561,084	307,275
Contributions Subsequent to the Measurement Date	-	-
Total	$ 561,084	$ 307,275

The average 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 7.5 years for the measurement period ended June 30, 2023.

NOTE 11 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)

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

Year Ending June 30,	Amount
2025	$ 41
2026	19
2027	186
2028	(29)
2029	16
Thereafter	21
Total	$ 254

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

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to the June 30, 2023 measurement date:

Inflation	2.30%
Salary Increases Including Inflation	3.05%
Investment Rate of Return	5.45%, Net of Investment Expenses

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

Even though history provides a valuable perspective for setting the investment return assumption, the approach builds upon the latest capital market assumptions. The assumptions and formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial Assumptions for Plan Year 2023 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad U.S. Equity	39.00 %	4.90 %
Global EX U.S. Equity	11.00	4.78
Fixed Income	50.00	0.50

Discount Rate

The discount rate used to measure the total sick leave asset was 5.45% for Plan Year 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Fund employers will be made at the current contribution rate. Based on these assumptions, the OPEB Fund's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Fund investments was applied to all periods of projected benefit payments to determine the total sick leave asset. The long-term expected rate of return was determined net of the sick leave fund investment expense but without reduction for sick leave fund administrative expense.

The following presents the College's proportionate share of the sick leave asset calculated using the discount rate, 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 one percentage point lower or one percentage point higher than the current rate (dollars in thousands):

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
College's Proportionate Share of the Sick Leave Asset	$ 2,757	$ 2,973	$ 3,166

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sick Leave Insurance Reserve Fund (Continued)

Actuarial Assumptions (Continued)

Changes in sick leave insurance reserve fund liability for the fiscal year ended June 30, 2024 (dollars in thousands):

Sick Leave Liability - Beginning Balance	$	2,140
Change in Proportionate Share		-
Adjusted Beginning Balance		2,140
Changes for the Year:		
Service Cost		95
Interest on Liability		119
Differences Between Expected and Actual Experience		65
Effect of Plan Changes		-
Effect of Assumptions		97
Benefit Payment		(114)
Net Changes		262
Sick Leave Liability - Ending Balance	$	2,402

Plan Net Position - Beginning Balance	$	5,078
Change in Proportionate Share		-
Adjusted Beginning Balance		5,078
Changes for the Year:		
Contributions - Employer		-
Net Investment Income		412
Benefit Payments		(114)
Administrative Expense		(1)
Net Changes		297
Plan Net Position - Ending Balance	$	5,375

Sick Leave Liability	$	2,402
Sick Leave Fund Position		5,375
Net Sick Leave Asset	$	(2,973)

NOTE 12 OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

	Personnel Costs	Services	Supplies	Insurance, Utilities, and Rent	Scholarships and Fellowships	Depreciation and Amortization	Miscellaneous	Total Operating Expenses
Instruction	$ 20,431,821	$ 1,159,759	$ 1,123,304	$ 29,988	$ -	$ 62,782	$ 67,885	$ 22,875,539
Research	386,683	24,127	47,639	-	-	-	5,177	463,626
Public Services	281,557	55,417	13,603	5,595	-	-	538	356,710
Libraries	424,288	353,161	21,310	-	-	13,342	51	812,152
Student Services	3,971,524	420,511	363,888	5,632	-	13,885	34,945	4,810,385
Plant Operating	2,073,050	341,103	625,078	1,398,719	-	3,878,318	-	8,316,268
Institutional Support	5,007,172	1,264,389	1,078,233	168,706	-	8,088	24,598	7,551,186
Academic Support	2,864,552	1,082,487	129,760	127	-	379,972	2,220	4,459,118
Scholarships and Fellowships	85,844	596	-	-	2,385,982	-	18,620	2,491,042
Auxiliaries	2,835,795	1,721,658	2,060,024	312,641	-	-	387,623	7,317,741
Total Expenses by Function	$ 38,362,286	$ 6,423,208	$ 5,462,839	$ 1,921,408	$ 2,385,982	$ 4,356,387	$ 541,657	$ 59,453,767

NOTE 13 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.

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 was intended that the lease would continue until all amounts owed by the State to its bondholders have been paid. The Idaho Legislature was obligated, via the annual appropriation process, to provide funds to the State Department of Administration (SDOA) to make the bond payments.

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

NOTE 14 COMMITMENTS, CONTINGENCIES, AND LEGAL MATTERS

The College received Idaho State Board of Education approval in June 2022 and committed $1.5 million to fund the buildout of the first floor of Clearwater Hall. The College requested funding for this project through the Idaho Division of Public Works as a fiscal year 2024 project request and was awarded $1.3 million. In January 2024, the College received additional approval from the Idaho State Board of Education to increase the project cost to $2.4 million reflective of an increased scope, soft costs (architect, commissioning, contingencies, etc.), and increases in construction costs. The overall net estimated fiscal impact to the College is $1.1M. The College purchased Clearwater Hall in 2009, and the first floor was unfinished. The upper levels were finished and are a residence hall. The first floor, once finished, will house the College's Workforce Training program currently located in a leased facility. The lease will be terminated upon occupancy of Clearwater Hall.

The College requested and received approval from the Permanent Building Fund Advisory Council in December 2023 to proceed with two capital construction projects for the Student Union Building / Center for Student Leadership south patio access and landscape improvements utilizing institutional funds with estimates of $209,615, and $297,664. In April 2024, the College requested and received approval from the Permanent Building Fund Advisory Council to proceed with a landscape and irrigation improvement project for the Schweitzer Career and Technical Education Center and Reid Centennial Hall for an estimated cost of $299,450.

NOTE 14 COMMITMENTS, CONTINGENCIES, AND LEGAL MATTERS (CONTINUED)

The College purchased an 88-bedroom residential housing unit called College Place on December 20, 2021. The facility was purchased for $5 million plus closing and finance costs, with $1 million from institutional reserves and $4 million in general revenue bonds. The bond is collateralized through Pledged Revenues including student fees, sales and services revenue, F&A recovery revenues, investment income, and other revenues as the Idaho State Board of Education shall designate as Pledged Revenues. Pledged Revenues do not include general appropriated funds or restricted fund revenues. Revenues from the occupancy of the residence is anticipated to fully fund the annual bond payments.

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.

NOTE 15 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 $328,469,189. 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.

NOTE 16 COMPONENT UNIT

Lewis-Clark State College Foundation, Inc. (the 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.

NOTE 16 COMPONENT UNIT (CONTINUED)

Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements, as described in Note 1. The Foundation distributed $1,579,834 to the College for both restricted and unrestricted purposes during the year ended June 30, 2024. 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, 2024 follow.

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 (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, 2024, the Foundation had the following credit risk related to its debt security exchange traded and mutual funds:

Credit Rating	2024
AAA	$ 973,090
AA	1,744,302
A	1,074,526
BBB	1,179,940
Not Rated	498
Total	$ 4,972,356

NOTE 16 COMPONENT UNIT (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 10.0% of the total investment portfolio.

As of June 30, 2024, the Foundation's exposure to foreign currency risk is as follows based on equity and debt security funds:

Currency	Country	2024
AUD	Australia	$ 98,108
BRL	Brazil	30,535
CAD	Canada	220,778
CHF	Switzerland	131,945
CLP	Chile	6,304
CNY	China	103,976
COP	Columbia	468
CZK	Czech Republic	468
DKK	Denmark	34,799
EUR	Europe	389,275
GBP	United Kingdom	290,404
HKD	Hong Kong	18,133
HUF	Hungary	1,145
IDR	Indonesia	10,755
ILS	Israel	14,532
INR	India	101,593
JPY	Japan	304,932
KRW	South Korea	59,052
MXN	Mexico	22,182
MYR	Malaysia	7,178
NOK	Norway	11,677
NZD	New Zealand	3,121
PEN	Peru	3,904
PHP	Philippines	6,593
PLN	Poland	6,634
SEK	Sweden	41,479
SGD	Singapore	19,297
THB	Thailand	7,178
TRY	Turkey	4,682
TWD	Taiwan	88,018
ZAR	South Africa	13,659
Various	Various	95,439
Total Foreign Investments		$ 2,148,243

NOTE 16 COMPONENT UNIT (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, 2024, the Foundation's debt security exchange traded, and mutual funds had the following maturities:

Investment Maturities	2024
0 to 3 Years	$ 1,407,177
3 to 5 Years	1,111,819
5 to 10 Years	1,185,907
10 to 20 Years	324,695
20 to 30 Years	883,090
Over 30 Years	59,668
Total	$ 4,972,356

Income Taxes

The Foundation is exempt from income taxes on its activities as a Foundation under Section 501(c) (3) of the IRC 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 $1,118,722 as of June 30, 2024.

Certain gifts and gift annuity liabilities involve contributions made to the Foundation-by-Foundation board members. Gifts from these related parties approximated $50,021, or 1.6%, of total contributions for the year ended June 30, 2024. Liabilities to related parties, reflected in the statements of financial position as Gift Annuities Payable, totaled $217,860, or 65.8%, of total gift annuities payable as of June 30, 2024.

Distributions to the College

The Foundation distributed $1,579,834 to the College for both restricted and unrestricted purposes during the year ended June 30, 2024.

NOTE 16 COMPONENT UNIT (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 2024 the Foundation received new contributions of $2,682,656, of which the amount perpetually restricted by donors was $1,315,518. The endowments of the Foundation experienced net unrealized market appreciation of $2,007,154 during fiscal year 2024. 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 31 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, 2024. Annuity obligations represent the present value of the aggregate liability to annuitants based upon their estimated life expectancies, via tables provided by the Internal Revenue Service.

Donated Materials and Services

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

Management and General	2024
Equity Transfer	$ 198,863
Third-Party Contributions	42,583
Total	$ 241,446

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERSI – BASE PLAN
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's Proportion of the Net Pension Liability	0.0012012308	0.001260488	0.001340913	0.001603766	0.001726114	0.001784488	0.001876297	0.001918969	0.00188876	0.0019994939
College's Proportionate Share of the Net Pension Liability	$ 4,793,717	$ 4,964,756	$ (105,902)	$ 3,724,157	$ 1,970,311	$ 2,632,151	$ 2,949,217	$ 3,890,045	$ 2,487,190	$ 1,468,857
College's Covered Payroll	5,107,533	4,970,671	5,033,902	6,055,152	5,862,583	5,741,359	5,827,647	5,339,791	5,287,228	5,415,597
College's Proportional Share of the Net Pension Liability as a Percentage of its Covered Payroll	93.86%	99.88%	-2.10%	61.50%	33.61%	45.85%	50.61%	72.85%	47.04%	27.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI – BASE PLAN
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 524,647	$ 583,690	$ 529,431	$ 629,157	$ 660,411	$ 692,917	$ 632,687	$ 573,196	$ 617,817	$ 648,438
Contributions in Relation to the Statutorily Required Contribution	595,827	609,839	593,498	601,048	685,443	663,644	649,920	659,690	604,464	598,514
Contribution Excess (Deficiency)	71,180	26,149	64,067	(28,109)	25,032	(29,273)	17,233	86,494	(13,353)	(49,924)
College's Covered Payroll	5,342,434	5,107,533	4,970,671	5,033,902	6,055,151	5,862,583	5,741,359	5,827,647	5,339,791	5,287,228
Contributions as a Percentage of Covered Payroll	11.15%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

LEWIS-CLARK STATE COLLEGE
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
(DOLLARS IN THOUSANDS)

Total OPEB Liability as of June 30, 2024

	Retire Healthcare Plan	Long-Term Disability Plan: Healthcare	Long-Term Disability Plan: Life Insurance	Long-Term Disability Plan: Income	Retiree Life Insurance Plan	Total
Service Cost	$ 4	$ 5	$ -	$ -	$ 247	$ 256
Interest on Total OPEB Liability	5	1	-	-	232	238
Plan Change	-	-	-	-	-	-
Effect of Economic/ Demographic Gains or Losses	36	-	-	-	-	36
Effect of Assumptions Changes or Inputs	(1)	-	-	-	(140)	(141)
Expected Benefit Payments	(45)	(3)	-	-	(133)	(181)
Net Change in OPEB Liability	(1)	3	-	-	206	208
Total OPEB Liability - Beginning	149	18	-	-	6,364	6,531
Change in Proportionate Share	(28)	(4)	-	-	(297)	(329)
Adjusted Beginning Balance	121	14	-	-	6,067	6,202
Total OPEB Liability - Ending	$ 120	$ 17	$ -	$ -	$ 6,273	$ 6,410
Covered Employee Payroll	$ 22,978	$ 22,978	$ -	$ -	$ 22,978	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.52%	0.07%	0.00%	0.00%	27.30%	
College's Proportion of Total OPEB Liability	1.63%	1.63%	0.00%	0.00%	10.50%	

Total OPEB Liability as of June 30, 2023

	Retire Healthcare Plan	Long-Term Disability Plan: Healthcare	Long-Term Disability Plan: Life Insurance	Long-Term Disability Plan: Income	Retiree Life Insurance Plan	Total
Service Cost	$ 18	$ 4	$ -	$ -	$ 339	$ 361
Interest on Total OPEB Liability	9	1	-	-	169	179
Plan Change	(212)	-	-	-	-	(212)
Effect of Economic/ Demographic Gains or Losses	(6)	4	-	-	372	370
Effect of Assumptions Changes or Inputs	(42)	(11)	-	-	(1,958)	(2,011)
Expected Benefit Payments	(40)	(4)	-	-	(105)	(149)
Net Change in OPEB Liability	(273)	(6)	-	-	(1,183)	(1,462)
Total OPEB Liability - Beginning	437	25	-	-	7,906	8,368
Change in Proportionate Share	(15)	(1)	-	-	(359)	(375)
Adjusted Beginning Balance	422	24	-	-	7,547	7,993
Total OPEB Liability - Ending	$ 149	$ 18	$ -	$ -	$ 6,364	$ 6,531
Covered Employee Payroll	$ 22,559	$ 22,559	$ -	$ -	$ 22,559	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.33%	0.08%	0.00%	0.00%	28.21%	
College's Proportion of Total OPEB Liability	2.00%	2.00%	0.00%	0.00%	10.99%	

LEWIS-CLARK STATE COLLEGE
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
(DOLLARS IN THOUSANDS)

	Total OPEB Liability as of June 30, 2022					
		Long-Term Disability Plan				
	Retire Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Service Cost	$ 15	$ 4	$ -	$ -	$ 338	$ 357
Interest on Total OPEB Liability	8	1	-	-	170	179
Effect of Economic/ Demographic Gains or Losses	75	-	-	-	-	75
Effect of Assumptions Changes or Inputs	3	-	-	-	87	90
Expected Benefit Payments	(35)	(3)	-	-	(100)	(138)
Net Change in OPEB Liability	66	2	-	-	495	563
Total OPEB Liability - Beginning	411	25	-	-	7,379	7,815
Change in Proportionate Share	(40)	-	-	-	32	(8)
Adjusted Beginning Balance	371	25	-	-	7,411	7,807
Total OPEB Liability - Ending	$ 437	$ 27	$ -	$ -	$ 7,906	$ 8,370
Covered Employee Payroll	$ 22,280	$ 22,280	$ -	$ -	$ 22,280	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.96%	0.12%	0.00%	0.00%	35.48%	
College's Proportion of Total OPEB Liability	2.06%	2.06%	0.00%	0.00%	11.52%	

	Total OPEB Liability as of June 30, 2021					
		Long-Term Disability Plan				
	Retire Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Service Cost	$ 29	$ 5	$ -	$ -	$ 213	$ 247
Interest on Total OPEB Liability	25	1	1	1	216	244
Effect of Economic/ Demographic Gains or Losses	(415)	(4)	(39)	(29)	(667)	(1,154)
Effect of Assumptions Changes or Inputs	126	2	-	-	1,721	1,849
Expected Benefit Payments	(74)	(6)	(8)	(6)	(129)	(223)
Net Change in OPEB Liability	(309)	(2)	(46)	(34)	1,354	963
Total OPEB Liability - Beginning	710	27	46	34	5,992	6,809
Change in Proportionate Share	10	(2)	-	-	33	41
Adjusted Beginning Balance	720	25	46	34	6,025	6,850
Total OPEB Liability - Ending	$ 411	$ 23	$ -	$ -	$ 7,379	$ 7,813
Covered Employee Payroll	$ 24,658	$ 24,658	$ -	$ -	$ 24,658	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.67%	0.09%	0.00%	0.00%	29.93%	
College's Proportion of Total OPEB Liability	2.28%	2.28%	0.00%	0.00%	11.47%	

LEWIS-CLARK STATE COLLEGE
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
(DOLLARS IN THOUSANDS)

	Total OPEB Liability as of June 30, 2020					
		Long-Term Disability Plan				
	Retire Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Service Cost	$ 18	$ 5	$ -	$ -	$ 180	$ 203
Interest on Total OPEB Liability	19	1	2	1	211	234
Effect of Assumptions Changes or Inputs	222	-	1	1	408	632
Expected Benefit Payments	(55)	(22)	(10)	(8)	(118)	(213)
Net Change in OPEB Liability	204	(16)	(7)	(6)	681	856
Total OPEB Liability - Beginning	542	46	56	46	5,204	5,894
Change in Proportionate Share	(36)	(3)	(3)	(6)	107	59
Adjusted Beginning Balance	506	43	53	40	5,311	5,953
Total OPEB Liability - Ending	$ 710	$ 27	$ 46	$ 34	$ 5,992	$ 6,809
Covered Employee Payroll	$ 24,337	$ 24,337	$ 24,337	$ 24,337	$ 24,337	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	2.92%	0.11%	0.19%	0.14%	24.62%	
College's Proportion of Total OPEB Liability	2.25%	2.25%	2.25%	2.25%	11.41%	

	Total OPEB Liability as of June 30, 2019					
		Long-Term Disability Plan				
	Retire Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Service Cost	$ 34	$ 5	$ -	$ -	$ 189	$ 228
Interest on Total OPEB Liability	30	2	2	2	194	230
Effect of Economic/ Demographic Gains or Losses	(4)	20	-	1	(90)	(73)
Effect of Assumptions Changes or Inputs	(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
Covered Employee Payroll	$ 23,625	$ 23,625	$ 23,625	$ 23,625	$ 23,625	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	2.29%	0.19%	0.24%	0.18%	22.03%	
College's Proportion of Total OPEB Liability	2.41%	2.41%	2.41%	2.41%	11.18%	

LEWIS-CLARK STATE COLLEGE
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
(DOLLARS IN THOUSANDS)

	Total OPEB Liability as of June 30, 2018					
		Long-Term Disability Plan				
	Retire Healthcare Plan	Healthcare	Life Insurance	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
Covered Employee Payroll	$ 23,227	$ 23,227	$ 23,227	$ 23,227	$ 23,227	
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.60%	0.24%	0.29%	0.21%	23.27%	
College's Proportion of Total OPEB Liability	2.39%	2.39%	2.39%	2.39%	11.47%	

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, 2024	3.65%
June 30, 2023	3.54%
June 30, 2022	2.16%
June 30, 2021	2.21%
June 30, 2020	3.50%
June 30, 2019	3.87%
June 30, 2018	3.58%

GASB Statement No. 75 requires 10 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.

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF IDAHO SICK LEAVE INSURANCE RESERVE FUND ASSET
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
College's Portion of Sick Leave Asset	0.020770641	0.020770641	0.020770641	0.020770641	0.021092137	0.021416803	0.021231653
College's Proportionate Share of Sick Leave Asset	$ 2,973,073	$ 2,938,353	$ 3,779,307	$ 2,931,836	$ 2,657,021	$ 2,458,008	$ 2,019,759
College's Covered Payroll	24,522,115	23,089,477	28,722,390	24,329,520	23,595,515	23,311,352	20,734,832
College's Proportionate Share of Sick Leave Asset as a Percentage of Payroll	12.12%	12.73%	13.16%	12.05%	11.26%	10.54%	9.74%
Plan Fiduciary Net Position as a Percentage of the Total Sick Leave Asset	223.73%	237.30%	274.55%	251.29%	226.97%	225.45%	204.10%

GASB Statement No. 75 requires 10 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.

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF EMPLOYER CONTRIBUTIONS IN THE IDAHO SICK LEAVE INSURANCE AND RESERVE FUND
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
Actuarially Required Contribution	$ -	$ -	$ -	$ 103,401	$ 92,452	$ 89,663	$ 90,914
Contributions in Relation to the Statutorily Required Contribution	(17)	(4)	(14)	93,348	158,142	153,371	151,524
Contribution Excess (Deficiency)	(17)	(4)	(14)	(10,053)	65,690	63,708	60,610
College's Covered Payroll	29,117,533	24,522,115	23,089,477	28,722,390	24,329,520	23,595,515	23,311,352
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.33%	0.65%	0.65%	0.65%

GASB Statement No. 75 requires 10 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.

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Lewis-Clark State College (College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 2, 2024. Our report includes the financial statements of Lewis-Clark State College Foundation. This component unit was not audited in accordance with *Government Auditing Standards*, and this report does not include the results of their testing of internal controls over financial reporting.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewis-Clark State College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
October 2, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE, REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Lewis-Clark State College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Lewis-Clark State College's major federal program for the year ended June 30, 2024. Lewis-Clark State College's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lewis-Clark State College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lewis-Clark State College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Lewis-Clark State College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Lewis-Clark State College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lewis-Clark State College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lewis-Clark State College's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lewis-Clark State College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lewis-Clark State College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lewis-Clark State College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002 and 2024-003. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Lewis-Clark State College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lewis-Clark State College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Lewis-Clark State College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Lewis-Clark State College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
October 2, 2024

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	From Pass-Through Awards	Direct Awards	Passed Through to Subrecipients	Total
Student Financial Assistance Cluster						
U.S. Department of Education						
Federal Supplemental Educational Opportunity Grants	84.007		$ -	$ 96,750	$ -	$ 96,750
Federal Work Study Program	84.033		-	70,549	-	70,549
Federal Perkins Loan Program	84.038		-	84,105	-	84,105
Federal Pell Grant Program	84.063		-	5,039,818	-	5,039,818
Federal Direct Student Loans	84.268		-	7,646,929	-	7,646,929
Teacher Education Assistance for College and Higher Education Grants	84.379		-	13,202	-	13,202
Department of Education SFA Cluster Total			**-**	**12,951,353**	**-**	**12,951,353**
U.S. Department of Health & Human Services						
Nursing Student Loans	93.364		-	349,545	-	349,545
Department of Health & Human Services SFA Cluster Total			**-**	**349,545**	**-**	**349,545**
Total Student Financial Assistance Cluster			**-**	**13,300,898**	**-**	**13,300,898**
Research & Development Cluster						
U.S. Department of Health & Human Services						
National Institute of Health						
R-16 DNA Replication	93.859		-	155,045	-	155,045
Drexel University						
Air Toxics Monitoring	93.113	1R21ES034494-01	27,026	-	-	27,026
University of Idaho						
Biomedical Research and Research Training	93.859	SI3394-825899	156,646	-	-	156,646
Biomedical Research and Research Training	93.859	SI3394-825815	65,940	-	-	65,940
Epidemiology & Laboratory Capacity for Prevention & Control of Emerging Infectious Diseases	93.323	HC256100	56,362	-	-	56,362
U.S. Department of Health & Human Services R&D Cluster Total			**305,974**	**155,045**	**-**	**461,019**
Total Research & Development Cluster			**305,974**	**155,045**	**-**	**461,019**

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	From Pass-Through Awards	Direct Awards	Passed Through to Subrecipients	Total
TRIO Cluster						
U.S. Department of Education						
TRIO - Talent Search	84.044A		$ -	$ 313,699	$ -	$ 313,699
Total TRIO Cluster			**-**	**313,699**	**-**	**313,699**
Economic Development Cluster						
U.S. Department of Commerce						
Economic Development Administration						
Economic Adjustment Assistance	11.307		-	1,115	-	1,115
Total Economic Development Cluster			**-**	**1,115**	**-**	**1,115**
Other Programs						
U.S. Department of Agriculture						
USDA RDGB-CNC Lab Tooling	10.351		-	14,112	-	14,112
U.S. Department of Agriculture Total			**-**	**14,112**	**-**	**14,112**
U.S. Department of Labor						
Idaho Department of Labor						
Closing the Skills Gap	17.268	RG2610 DOLETA-21-52101-7420	20,649	-	-	20,649
U.S. Department of Labor Total			**20,649**	**-**	**-**	**20,649**
National Endowment for the Arts						
Idaho Commission on the Arts						
Promotion of the Arts Partnership Agreements	45.025	1919	6,261	-	-	6,261
National Endowment for the Arts Total			**6,261**	**-**	**-**	**6,261**
National Endowment for the Humanities						
Idaho Humanities Council						
Promotion of the Humanities - Federal/State Partnership	45.129	2019032	3,000	-	-	3,000
National Endowment for the Humanities Total			**3,000**	**-**	**-**	**3,000**
U.S. Small Business Administration						
Boise State University						
Small Business Development Centers	59.037	9660-PO138709	61,451	-	-	61,451
Small Business Development Centers	59.037	9660-PO138709	73,674	-	-	73,674
Small Business Development Centers	59.037	9102-PO136857	(6,683)	-	-	(6,683)
U.S. Small Business Administration Total			**128,442**	**-**	**-**	**128,442**

See accompanying Notes to Schedule of Expenditures of Federal Awards.

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	From Pass-Through Awards	Direct Awards	Passed Through to Subrecipients	Total
U.S. Department of Education						
College Assistance Migrant Program	84.149A		$ -	$ 426,072	$ -	$ 426,072
Childcare Access Means Parents In School	84.335A		-	61,495	-	61,495
Idaho Division of Career & Technical Education						
Adult Education - Basic Grants to States	84.002A	RG2610-00 / 51305	12,902	-	-	12,902
Adult Education - Basic Grants to States	84.002A	RG2610-00 / 51300	232,072	-	-	232,072
Adult Education - Basic Grants to States	84.002A	RG2610-00 / 51200	27,417	-	-	27,417
	84.002A Total		**272,391**	**-**	**-**	**272,391**
Idaho Division of Career & Technical Education						
Career and Technical Education-Basic Grants to States	84.048A	RG2610-00 / 21090	93,202	-	-	93,202
Career and Technical Education - Basic Grants to States	84.048A	RG2610-G1 / 21005	156,280	-	-	156,280
Career and Technical Education-Basic Grants to States	84.048A	RG2610-00 / 21001	8,061	-	-	8,061
	84.048A Total		**257,543**	**-**	**-**	**257,543**
U.S. Department of Education Total			**529,934**	**487,567**	**-**	**1,017,501**
U.S. Department of Health & Human Services						
Idaho State Department of Health & Welfare						
Foster Care - Title IV-E	93.658	KC280100	76,124	-	-	76,124
Child Care and Development Block Grant - Idaho Child Care Emergency Grant	93.575	Not Available	12,340	-	-	12,340
U.S. Department of Health & Human Services Total			**88,464**	**-**	**-**	**88,464**
TOTAL FEDERAL EXPENDITURES			**$ 1,082,724**	**$ 14,272,435**	**$ -**	**$ 15,355,159**

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal award activity of the Lewis-Clark State College (the College)under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

NOTE 3 COLLEGE ADMINISTERED LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by the College, and balances and transactions relating to these programs are included in the College's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2024 consists of the following:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2024
84.038	Federal Perkins Loans	$ 62,786
93.364	Nursing Students Loans	$ 310,250

NOTE 4 STUDENT RATIOS

The Institution is in compliance with the following institutional and program eligibility requirements under the Higher Education Act of 1965 and Federal regulations under 34 CFR 668.23:

- Correspondence courses the institution offers under 34 CFR 600.7(b) and (g)
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and (g)
- Institution's regular students that are incarcerated under 34 CFR 600.7(c) and (g)
- Completion rates for confined or incarcerated individuals enrolled in nondegree programs at nonprofit institutions under 34 CFR 600.7(c)(3)(ii) and (g)
- Institution's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g)
- Completion rates for short-term programs under 34 CFR 668.8(f) and (g)
- Placement rates for short-term programs under https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-A/section-668.8 34 CFR 668.8(e)(2)

LEWIS-CLARK STATE COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

- ***Financial Statements***

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? ____ yes __x__ none reported

3. Noncompliance material to financial statements noted? ____ yes __x__ no

- ***Federal Awards***

1. Internal control over major federal programs:

   - Material weakness(es) identified? ____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes ____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes ____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
84.007, 84.033, 84.038, 84.063, 84.268 84.379, 93.364	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $750,000/$187,500

Auditee qualified as low-risk auditee? ____ yes __x__ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2024-001 Errors in Reporting for NSLDS

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268/84.379/93.364

Federal Award Identification Number and Year: P063P230100 – 2024, P268K240100 – 2024, P033A231087 – 2024, P007A231087 – 2024, P379T240100 – 2024

Award Period: July 1, 2023 to June 30, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 682.610, states that institutions must report accurately the enrollment status of all students regardless of if they receive aid from the institution or not. Changes to said status are required to be reported within 30 days of becoming aware of the status change, or with the next scheduled transmission of statuses if the scheduled transmission is within 60 days.

Condition: The College did not correctly report student information in a timely manner.

Questioned Costs: None

Context: During our testing, we noted that the status change of 9 of the 60 students tested was not reported timely to NSLDS. The enrollment was not certified every 60 days for 1 of the 60 students tested. The credential level per NSLDS did not match the institutions records for 1 of the 60 students tested, and the enrollment change for campus and program enrollment did not match for 2 of the 60 students tested.

Cause: The College did not timely or properly report student status changes to NSLDS through their third-party servicer, National Student Clearinghouse (NSC).

Effect: Failure to properly report enrollment status changes on NSLDS could affect the timing of the grace period for repayment of Title IV loans. Additionally, the College was not in compliance with the requirements to properly report student enrollment data correctly or timely to NSLDS.

Repeat Finding: Yes, 2023-001

Recommendation: We recommend that the College continue to implement procedures to ensure that enrollment data, changes in status and effective dates within NSLDS match the records of the institution and are reported timely.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding and has developed a plan to correct it.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2024-002 Eligibility – Pell

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistant Listing Number: 84.063

Federal Award Identification Number and Year: P063P230100 – 2024

Award Period: July 1, 2023 to June 30, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement: The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year (34 CFR 690.62) The Code of Federal Regulations (34 CFR 690.80(b)(1)) states if the student's enrollment status changes from one academic term to another within the same award year, the institution shall recalculate the Federal Pell Grant award for the new payment period taking into account any changes in the cost of attendance. Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure students are awarded and disbursed the proper federal fund amounts.

Condition: The College under-awarded funds for the Pell Grant.

Questioned Costs: None.

Context: During our testing we noted one of forty students, from a statistically valid sample, were disbursed awarded and disbursed less Pell funds than should have been awarded based on the 23-24 Pell payment schedule. The Pell payment schedule considers the cost of attendance, the student's Expected Family Contribution and the enrollment status of the student.

Cause: The College did not award the correct amount of the Pell grant due to the lack of a manual adjustment that was needed for this instance.

Effect: Failure to properly determine and disburse Title IV funds based on eligibility for each type of aid in accordance with federal regulations may result in students receiving incorrect funds.

Repeat Finding: No.

Recommendation: We recommend the College review its current procedures for awarding Title IV funds and implement any changes necessary to ensure federal funds are awarded and disbursed in accordance with federal regulations.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding and has developed a plan to correct it.