BOISE STATE UNIVERSITY

Financial Statements

Fiscal Year 2021

Reports of independent auditors and financial statements for the year ended June 30, 2021 and 2020

BOISE STATE UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

Idaho Office of the State Board of Education
Boise State University

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activity and discretely presented component unit of Boise State University, a component unit of the State of Idaho, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Boise State University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the 2021 financial statements of the discretely presented component unit, the Boise State Foundation (the Foundation), which represents 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and discretely presented component unit of Boise State University as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The 2020 financial statements of Boise State University were audited by other auditors whose report dated October 9, 2020, expressed an unmodified opinion on those statements.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021, on our consideration of Boise State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Boise State University'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 Boise State University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
October 13, 2021

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

The following Management's Discussion and Analysis (MDNA) provides an overview of Boise State University's (the University) financial performance based on currently known facts, data and conditions and is designed to assist readers in understanding the accompanying financial statements. The financial statements encompass the University and a discretely presented component unit; however, the MDNA focuses only on the University. Information relating to the Boise State University Foundation (the Foundation) can be found in its separately issued financial statements. The University's financial report includes three basic financial statements: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows.

Boise State University is a publicly supported, multi-disciplinary doctoral institution of higher education recognized for outreach and community engagement. The main campus is located in Boise, Idaho with convenient access to governmental institutions and commercial and cultural amenities located in the capital city. The Boise City-Nampa metropolitan area contains the three largest cities in Idaho and has an estimated population of 770 thousand. As of June 30, 2021, the University employed 4,765 faculty and staff (including 1,279 student employees). The University administers baccalaureate, masters and doctoral programs through eight academic colleges and one school: Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, Honors College, Innovation and Design and the School of Public Service. Within its academic colleges Boise State offers approximately 200 programs of study, including 14 doctoral programs. These degree programs foster student success, lifelong learning, community engagement, innovation and creativity. This academic year, 5,162 students graduated from Boise State University, including 50 Doctoral candidates. The University is classified as a doctoral research institution with high research activity by the Carnegie Classification of Institutions of Higher Education. The University is home to 27 research centers and institutes, including the Center for Health Policy, the Biomolecular Research Center, the Raptor Research Center and the Center for Multicultural and Educational Opportunities. These centers are conducting and fostering research and initiatives within and across colleges and in partnership with the community and industry. Student athletes compete in National Collegiate Athletic Association intercollegiate athletics at the Division I-A level on six men's and women's teams in 10 sports. The University also hosts Boise State Public Radio (BSPR). BSPR is non-commercial, independent public media and features a news service and music service, with national programs from NPR and other public radio distributors. BSPR serves two-thirds of the population of Idaho, as well as parts of eastern Oregon and northern Nevada, transmitting from 18 locations.

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2021 and June 30, 2020 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. The Boise State University Foundation, Inc. (the Foundation) is a legally separate, tax-exempt entity and is discretely presented for the fiscal years ended June 30, 2021 and 2020. The Foundation reports financial information according to Financial Accounting Standards Board (FASB) reporting standards.

The University presents component unit financial information on pages immediately following the statements of the University. Financial information of the component unit should not be combined with the financial information of the University. Financial statements of the Foundation may be obtained from the Office of the Chief Financial Officer and Vice President for the University.

Impact of COVID-19 on Fiscal Year Results

In response to the global pandemic created by COVID-19, Boise State University pivoted during Spring semester of 2020 and closed housing and dining for most residents. All in-person courses were delivered online and the physical campus was essentially closed.

Fall semester of fiscal year 2021 was completely redesigned, offering hybrid and fully remote courses that were traditionally delivered fully in-person. Each section offered was evaluated according to the class size and room availability. All in-person classes were reimagined to allow for social distancing. This meant that a 50-seat classroom might only be able to accommodate 15 students. Classes were moved into larger spaces and nine new rooms were created in the Morrison Center for the Performing Arts, ExtraMile Arena and the Student Union Ballrooms. It also meant that courses that used to be 100% in-person might meet once a week in-person and twice remotely. Technology upgrades in all spaces were required.

Many students were allowed to participate in-person or via remote delivery for the same section. This allowed students who needed to isolate the ability to continue in class safely.

In addition, nearly all administrative functions converted to fully remote offices. Managers submitted plans that were reviewed and approved through the Vice President of Campus Operations office for any employees who needed to remain on campus, or who needed to come into the office periodically. Activity did not return to campus until this strategy to reduce campus density was in place, a move that was key to limiting transmission of the virus and keeping the community safe. Large events did not begin to return until July 2021.

There was a decrease of 11,550, or 72%, in the number of students taking only in-person/hybrid classes and a corresponding increase of 9,381 or 91% of students utilizing a blend of all course deliveries (remote, online, hybrid and in-person).

Additional pandemic responses included the creation of the University Public Health Office (PHO), the opening of a Clinical Laboratory Improvement Amendments (CLIA) certified COVID-19 testing lab and the University obtained approval to deliver COVID-19 vaccinations. The University has been able to fully test all symptomatic or asymptomatic employees and students who come onsite with turnaround times within hours. Testing was provided before and after major holiday breaks to proactively limit spread. Contact tracing of all positive tests has also been aggressive.

The efforts by the University were highly successful. Contact tracing did not identify a single case of in classroom transmission and the positivity rate for fall term was near 2% while the community rate was approximately 20%. The University was able to successfully offer courses through Fall without any disruption or shut down. The same methodologies were in place for Spring 2021.

The estimated impact of COVID-19 on fiscal year financial results is a gain of $6.2 million, which is recouping losses from the prior year.

Impact of Covid
Year ended June 30, 2021
(Dollars in Thousands)

Waived student fees	$ (3,148)
Reduction in sales and services of auxiliary enterprises	(21,659)
Reduction in state appropriations	(5,379)
Lost revenues	(30,186)
Reduction in auxiliary expenses	12,227
Reduction in non-auxiliary expenses	6,873
Additional technology, public health and safety expenses	(5,448)
Additional scholarship expense	(8,156)
Impact to expenses	5,496
Cares act revenues	30,877
Net impact	$ 6,187

Student Body

The University has the largest student enrollment of any public university in Idaho with a fall semester 2020 enrollment of 24,103 students (based on headcount with full-time equivalent enrollment of 16,962) and a fall semester 2019 enrollment of 26,272 students (based on headcount with full-time equivalent enrollment of 17,679) as of the October 15 census dates. This reflects a decrease of 2,169 students based on headcount and a decrease of 717 students based on full-time equivalent enrollment. Enrollment at the University during this academic year remained strong. In addition to having students attending from every county in Idaho, the University hosts students from all 50 states and over 90 countries. The University enrolls a diverse mix of both traditional age students and working adults.

Enrollment and Graduation Statistics
Fall Semester

	2017	2018	2019	2020
Enrollment				
Headcount	24,154	25,540	26,272	24,103
Full time equivalents	16,317	16,967	17,679	16,962
Undergraduate students				
Full time	12,477	12,787	13,104	12,973
Part time	8,290	9,277	9,835	7,815
Graduate students				
Full time	1,068	1,108	1,185	1,248
Part time	2,319	2,368	2,148	2,067
Students from Idaho	74%	73%	71%	66%
First year undergraduates/transfers				
Applied	11,651	13,737	17,914	18,693
Admitted	9,781	11,113	13,991	14,530
Enrolled	4,106	4,188	4,315	4,210
ACT mean score	24	23	23	24
	2017-2018	**2018-2019**	**2019-2020**	**2020-2021**
Degrees Conferred				
Associate	119	133	109	132
Bachelor	3,373	3,472	3,526	3,754
Master	919	861	954	1,075
Doctorate	32	45	53	50
Certificate*	496	581	621	704

*Includes undergraduate, graduate and post-undergraduate certificates.

State Appropriations

Legislatively-approved State appropriations represent approximately 24% of the University's total annual revenues for fiscal year 2021. Such revenues are not included as pledged revenues, which are pledged as collateral under certain borrowing agreements. The Legislature generally meets beginning in January of each year and sets budgets and appropriations for all agencies and departments of state government for the fiscal year beginning the following July 1. The Legislature may also adjust budgets and appropriations for the fiscal year during which the Legislature is meeting.

If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor, by executive order, may reduce (*holdback*) the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State, or request a reversion (*reversion*) of appropriations back to the State to balance the State budget.

Statements of Net Position

The statements of net position include all assets, deferred outflows, liabilities and deferred inflows of the University. Assets, deferred outflows, liabilities and deferred inflows are reported on an accrual basis as of the statement date. This statement also identifies major categories of net position of the University as net investment in capital assets; restricted, expendable; and unrestricted. The first category, net investment in capital assets, reflects the University's equity in capital assets. The second net position category, restricted, expendable, is available for expenditure by the University for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. Finally, unrestricted net position provides the amount of equity in assets available to the University for any lawful purpose of the institution. Changes in net position over time are an indicator of whether the University's available resources are increasing or declining.

Summary Statements of Net Position
As of June 30,
(Dollars in Thousands)

	2021	2020	2019
ASSETS:			
Current assets	$ 209,532	$ 179,265	$ 173,456
Capital assets, net	585,939	598,074	566,737
Other assets	121,423	114,283	122,911
Total assets	916,894	891,622	863,104
DEFERRED OUTFLOWS OF RESOURCES	24,600	16,687	13,573
Total assets and deferred outflows of resources	$ 941,494	$ 908,309	$ 876,677
LIABILITIES:			
Current liabilities	$ 83,247	$ 76,569	$ 88,957
Non-current liabilities	282,642	285,314	275,368
Total liabilities	365,889	361,883	364,325
DEFERRED INFLOWS OF RESOURCES	51,179	50,454	48,956
NET POSITION:			
Net investment in capital assets	324,981	320,457	313,744
Restricted, expendable	28,842	28,351	23,493
Unrestricted	170,603	147,164	126,159
Total net position	524,426	495,972	463,396
Total liabilities, deferred inflows of resources and net position	$ 941,494	$ 908,309	$ 876,677

The University's total assets and deferred outflows of resources increased during fiscal year 2021 by $33 million from $908 million as of June 30, 2020 to $941 million as of June 30, 2021. Cash and investments increased $44 million with increases in grants and contracts revenue and student fees and reduced operational spending due to campus closure and canceled events. Combined capital assets, net and due from component units decreased $17 million due to accumulated depreciation outpacing asset additions and reduced spending on major campus construction projects. Deferred outflows of resources related to pensions and other post-employment benefits (OPEB) increased $8 million offset by a decrease in deferred outflows related to the refunding of debt.

The University's total liabilities increased during fiscal year 2021 by $4 million from $362 million as of June 30, 2020 to $366 million as of June 30, 2021. Increases in pensions and other post-employment benefits (OPEB) representing changes in investment performance, proportionate share and actual plan experience as reported by PERSI and unearned revenue associated with the federal COVID-19 relief funding were offset by decreases in bonds payable and due to state agencies related to the completion of campus construction projects.

Total deferred inflows of resources increased $700 thousand during fiscal year 2021 from $50.5 million to $51.2 million as of June 30, 2021. The increase can be attributed to changes in deferred inflows related to pensions and other post-employment benefits (OPEB).

Total net position during fiscal year 2021 increased by $28 million from $496 million as of June 30, 2020 to $524 million as of June 30, 2021. Unrestricted net position increased by $23 million primarily related to an increase in federal COVID-19 relief funding, student fees and reductions in unrestricted liabilities and unearned revenue offset by changes in receivables, pension and OPEB obligations. Restricted, expendable net position increased by $491 thousand with an increase in Net OPEB asset associated with the Sick Leave Insurance Reserve Fund (SLIRF) offset by the change in capital investments and debt. Net investment in capital assets increased by $4.5 million driven by asset additions and repayment of debt.

The University's total assets and deferred outflows of resources increased during fiscal year 2020 by $31 million from $877 million as of June 30, 2019 to $908 million as of June 30, 2020. Capital assets, net increased $31 million, which includes the opening of the Center for the Visual Arts, the acquisition of University Plaza and construction costs for the Micron Center for Materials Research. Agency receivables increased $10 million primarily from federal COVID-19 relief funding and financial aid. These increases were offset by decreases in cash and investments used in construction projects and disbursing of student financial aid. Deferred outflows of resources related to other post-employment benefits (OPEB) increased $3 million.

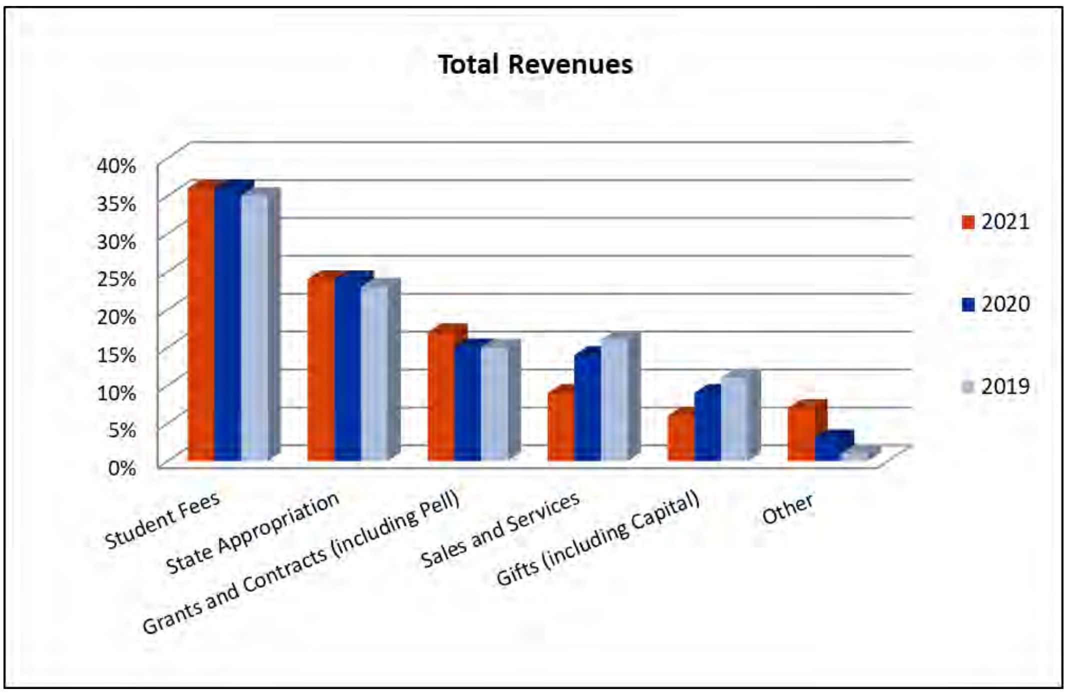
The University's total liabilities decreased during fiscal year 2020 by $2 million from $364 million as of June 30, 2019 to $362 million as of June 30, 2020. Current liabilities declined by $12 million. A $3 million reduction in unearned revenue was attributable to the cancellation of campus events. Due to State Agencies declined by $5 million as construction projects were completed during the year. The remaining fluctuations related to timing of payments to personnel and vendors. Non-current liabilities increased by $10 million primarily related to the 2020A revenue bonds net of principle payments.

Total deferred inflows of resources increased $1 million during fiscal year 2020 from $49 million to $50 million as of June 30, 2020. The increase can be attributed to deferred inflows related to pensions.

Total net position during fiscal year 2020 increased by $33 million from $463 million as of June 30, 2019 to $496 million as of June 30, 2020. Net investment in capital assets increased by $7 million driven by repayment of debt. Restricted, expendable net position increased by $5 million due to $4 million in federal COVID-19 relief funding and a $2 million increase in Net OPEB asset associated with the Sick Leave Insurance Reserve Fund (SLIRF) offset by a decrease in assets associated with the Federal Perkins Loan Program. Unrestricted net position increased by $21 million primarily related to an increase in student fees and reductions in unrestricted liabilities and unearned revenue offset by changes in receivables, pension and OPEB obligations.

Statements of Revenues, Expenses and Changes in Net Position

Changes in total net position, as presented on the statements of net position, are based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statement is to present the revenues (operating and non-operating) earned, the expenses (operating and non-operating) incurred and any other revenues, expenses, gains and losses recognized by the University. A publicly supported university will normally reflect a net operating loss because State general fund appropriations are not reported as operating revenues. Generally speaking, operating revenues are generated by providing services to students and the various customers and constituencies of the University. Operating expenses are those expenses incurred to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues for which services are not provided. For example, state general funds are non-operating because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services in exchange for those revenues.

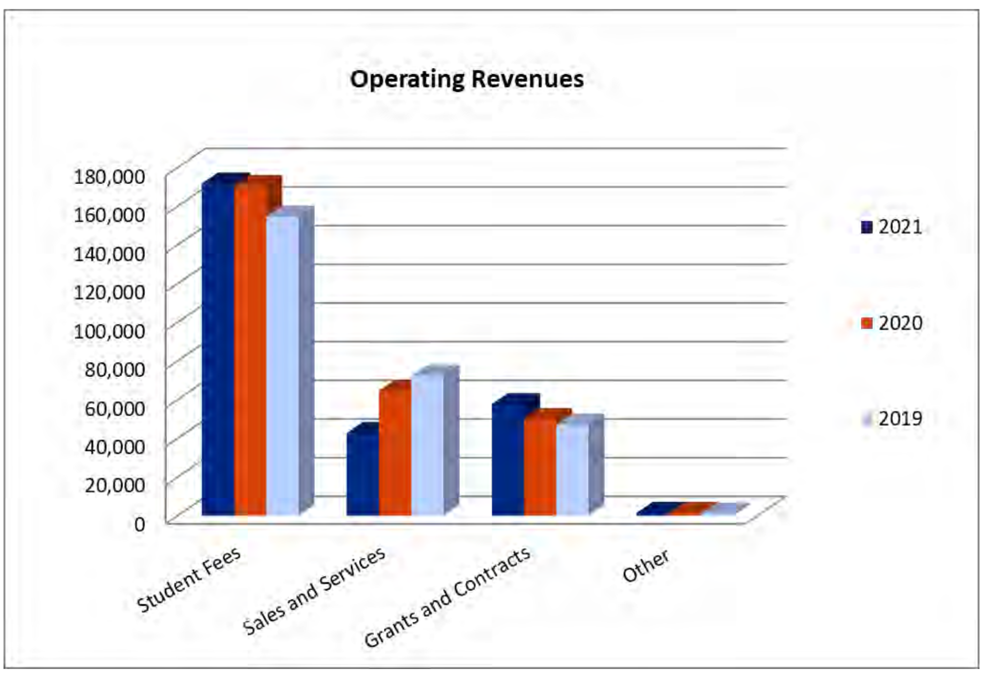


Total revenues are comprised of student fees, state appropriations, grants and contracts, sales and services of educational and auxiliary operations, gifts and other revenues. For the year ended June 30, 2021, Student fees, net, are $172 million and represent 37% of total revenue, followed by State appropriations of $109 million or 24% of total revenue. As a percentage of total revenue, grants and contracts contribute 17%, sales and services contribute 9%, while gifts contribute 6% of total revenue. Other revenue includes $31 million in CARES Act HEERF aid offsetting the decline in auxiliary sales and services revenue.

Summary Statements of Revenues, Expenses and Changes in Net Position
Fiscal Years Ended June 30,
(Dollars in Thousands)

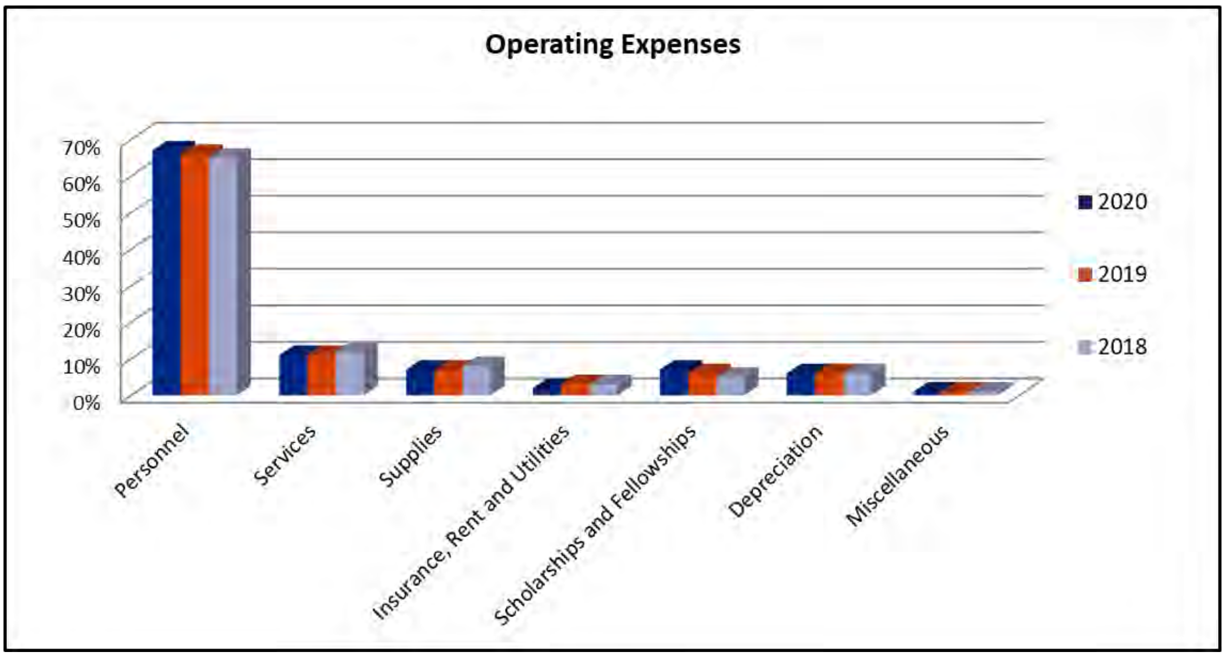
	2021	2020	2019
Operating revenues	$ 273,508	$ 286,497	$ 275,041
Operating expenses	428,318	437,570	410,107
Operating loss	(154,810)	(151,073)	(135,066)
Non-operating revenues and expenses	180,338	170,591	147,501
Income before capital revenues	25,528	19,518	12,435
Capital revenues	2,926	13,059	16,492
Increase in net position	$ 28,454	$ 32,577	$ 28,927
Net position—Beginning of year	$ 495,972	$ 463,395	$ 434,468
Increase in net position	28,454	32,577	28,927
Net position—End of year	$ 524,426	$ 495,972	$ 463,395

The statements of revenues, expenses and changes in net position reflect an overall increase in net position of $28 million, $33 million and $29 million during fiscal years 2021, 2020 and 2019 respectively. An increase in non-operating revenues offsets an increase in operating losses and a decrease in capital revenues. Capital revenues contain capital related gifts, grants and appropriations and vary based on the timing of construction activity on campus.



Operating revenues decreased by $13 million from $286 million in fiscal year 2020 to $273 million in fiscal year 2021. Sales and services revenues decreased $22 million, or 34%, resulting from campus closure and canceled events. Grant and contract revenues increased $8 million, or 15%; federal funding represents 73% of the increase.

Operating revenues increased by $11 million from $275 million in fiscal year 2019 to $286 million in fiscal year 2020. Student fees, net, increased $16 million, or 10%, due to a 5% increase in tuition and fees rates combined with an approximately 3% increase in enrollment. Grant and contract revenues increased $3 million, or 6%, primarily in federal funding. Sales and services revenues decreased $8 million, or 11%, resulting from campus closure and canceled events requiring refunds offset by increases in sponsorship and counseling revenues.



Operating expenses decreased by $9 million from $437 million in 2020 to $428 million in fiscal year 2021. Personnel expenses decreased $3.8 million, or 1%. Salary expense decreased $6 million due to reduction in employee headcount and mandatory staff furloughs. Employer taxes and benefit costs increased $2.2 million with an increase in net pension expense offset by decreases in other benefits and employer taxes. Expenses for services decreased $3.6 million including decreases related to travel expense due to travel restrictions, canceled conferences, reductions in recruiting and spring sports offset by an increase in software licensing fees. Supplies decreased by $3 million driven by the campus closure and canceled events offset by higher expenses for classroom technology upgrades and medical lab supplies. Scholarships and fellowships increased $2.5 million including $4.7 million from the federal COVID-19 relief funding for student aid offset by a decrease in Pell grants. The net result is a $3.7 million increase in operating loss. Increased non-operating revenues and expenses of $9.7 million contributed to an increase in income before capital revenues of $6 million.

Operating expenses increased by $28 million from $410 million in 2019 to $438 million in fiscal year 2020. Personnel expenses increased $19 million, or 7%. Salary expense increased $15 million due to the 3% statewide change in employee compensation, summer salaries related to expanding summer session course offerings, salary for new positions and market adjustments for existing positions offset by mandatory employee furloughs. Employer taxes and benefit costs increased $4 million with increases in health insurance premiums, retirement contributions and employer taxes. Scholarships and fellowships increased $7 million including $3 million from the federal COVID-19 relief funding for student aid and increases in Idaho state funded scholarships. The net result is a $16 million increase in operating loss. Increased non-operating revenues and expenses of $23 million contributed to an increase in income before capital revenues of $7 million.

Statements of Cash Flows

The statements of cash flows present detailed information about the cash activity of the University during the year. The statements of cash flows are not presented for component units. The statement is divided into five sections. The first section addresses operating cash flows detailing the net cash received and used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities and displays the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section presents cash flows from capital and related financing activities including the cash used for the acquisition and construction of capital and related items. The fourth section reflects cash flows from investing activities and displays the purchases, proceeds and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the statements of revenues, expenses and changes in net position.

Summary Statements of Cash Flows
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2021	2020	2019
Cash provided (used) by:			
Operating activities	$ (115,095)	$ (139,922)	$ (100,835)
Non-capital financing activities	197,190	173,117	149,313
Capital and related financing activities	(39,016)	(47,539)	(50,115)
Investing activities	(23,466)	25,106	9,545
Net change in cash and cash equivalents and cash with Treasurer	19,613	10,762	7,908
Cash—Beginning of year	72,814	62,052	54,144
Cash—End of year	$ 92,427	$ 72,814	$ 62,052

Cash increased by $20 million during fiscal year 2021 compared to a cash increase of $11 million during fiscal year 2020. Cash used in operating activities decreased by $25 million in fiscal year 2021. Increases in grants and contracts revenue and student fees of $16 million combined was offset by decreases in sales and services receipts of $6 million. Payments to employees decreased $6 million, services and supplies decreased $10 million and scholarships increased $2.5 million. Net cash provided by non-capital financing activities increased $24 million with an increase in federal COVID-19 relief funding of $35.5 million offset by decreases in gifts of $8 million related to athletic contributions and Pell grant revenue of $2.1 million. Net cash used in capital and related financing activities decreased $8.5 million primarily related to reductions in capital asset purchases, capital grant and gift revenue, interest and bond proceeds. Net cash provided by investing activities decreased $48.6 million as compared to fiscal year 2020.

Cash increased by $11 million during fiscal year 2020 compared to a cash increase of $8 million during fiscal year 2019. Cash used in operating activities increased by $39 million in fiscal year 2020. An increase in student fee receipts of $16 million was offset by decreases in sales and services receipts of $20 million and grants and contracts of $3 million. Payments to employees increased $14 million, services and supplies increased $10 million and scholarships increased $7 million. Net cash provided by non-capital financing activities increased $24 million primarily related to an increase in gifts of $17 million, state appropriations of $5 million and federal COVID-19 relief funding for student aid of $3 million. Net cash used in capital and related financing activities increased $3 million primarily related to capital asset purchases, decreased capital grant and gift revenue offset by bond proceeds. Net cash provided by investing activities increased $16 million as compared to fiscal year 2019.

Capital Asset and Debt Administration

The University's capital assets (prior to depreciation) increased by $12 million from $963 million in 2020 to $975 million in 2021. The University continued to improve infrastructure and acquire property consistent with the Campus Master Plan. These improvements included $6.8 million of additions to buildings/construction in progress. $5.3 million was added to equipment to support research and other programs on campus including $1 million for new athletics display boards in both Albertson's Stadium and the ExtraMile Arena.

During fiscal year 2021 long-term debt held by the University decreased by $11 million from $230.8 million to $219.8 million or 4.8%. The University's debt burden ratio as of June 30, 2021 was 4.96%. Management's policy, in accordance with the State Board of Education policy, is to maintain this ratio below 8%.

Economic Outlook

According to the July 2021 Idaho General Fund Revenue Report published by the Division of Financial Management (DFM), the State of Idaho finished fiscal year 2021 with $5 billion in general fund revenues, exceeding the $4.03 billion dollars achieved in the prior fiscal year by 24.2%. Individual income tax, sales tax and corporate income tax exceeded expectations by 23.7%, 9.0% and 33.8% respectively.

DFM's July Idaho Economic Forecast, which details quarterly expectations through the fourth quarter of 2024, continues to project Idaho's construction and employment recovery to outpace that of the nation. Unemployment is 3% which is below the national average.

Degree seeking enrollment, which is the primary driver of tuition revenue, grew by 7% between 2016 and 2020. Non-degree seeking enrollment declined, primarily related to dual credit high school students and was attributed to the impact of COVID-19 on public school delivery. Preliminary degree seeking enrollment for fall 2021 increased 1%. Expenditures for grants and contracts increased 15% this year and have increased 48% over the last ten years.

Under the leadership of the President, Dr. Marlene Tromp, the University completed a new strategic plan, Blueprint for Success 2021-2026 during fiscal year 2021. The plan has five goals with underlying strategies and is being operationalized with initiatives and measurements. The focus of the plan is to continue the emphasis on innovation to achieve the vision of being a premier student-success driven research university innovating for statewide and global impact in order to continue the mission of providing an innovative, transformative and equitable educational environment that prepares students for success and advances Idaho and the world.

The efforts invested by the University with respect to Covid appear to be working. The campus vaccination rate is estimated to be approximately 88 percent. As of the date of this report, there is a downward trend in positivity rates of infection. The University lab has collected and processed more than 46,000 Covid tests and administered more than 7,000 doses of the vaccine. Masks are currently required on campus indoors and wherever social distancing can not be maintained outdoors. Twenty two percent of the 90 isolation beds available for campus residents who test positive or are symptomatic and awaiting results are occupied as of September 23, 2021.

In spite of the disruption due to COVID-19, Boise State University is positioned to continue to thrive and grow, in size and reputation. Idaho and the Treasure Valley remain popular for relocation. The University is recognized by U.S. News and World report as the 46th most innovative university in the nation. Under the leadership of Dr. Marlene Tromp, the University is focused on expanding national influence to deliver value to the city, state, region and country.

BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND JUNE 30, 2020

	University 2021	University 2020
ASSETS		
CURRENT ASSETS		
Cash with treasurer	$ 83,592,316	$ 58,233,104
Cash and cash equivalents	8,834,973	14,580,675
Student loans receivable, net	1,624,665	1,807,953
Accounts receivable and unbilled charges, net	28,676,029	32,520,577
Lease receivable	480,838	416,268
Prepaid expense	3,491,750	2,560,703
Inventories	1,873,164	2,345,129
Investments	78,543,674	59,542,866
Due from component units	2,069,691	7,005,154
Other current assets	344,529	252,534
Total current assets	209,531,629	179,264,963
NON-CURRENT ASSETS		
Student loans receivable, net	3,679,577	5,058,822
Lease receivable	9,033,333	9,233,333
Investments	85,353,040	80,317,107
Capital assets, net	585,938,960	598,073,688
Net other post-employment benefits (OPEB) asset-SLIRF	21,796,064	18,837,448
Other non-current assets	1,561,296	837,280
Total non-current assets	707,362,270	712,357,678
Total assets	916,893,899	891,622,641
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to refunding of debt	5,993,979	6,506,719
Deferred outflows related to pensions	7,877,181	5,230,301
Deferred outflows related to OPEB	10,152,413	4,052,588
Deferred outflows related to OPEB-SLIRF	576,512	897,078
Total deferred outflows of resources	24,600,085	16,686,686
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 941,493,984	$ 908,309,327

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2021 AND JUNE 30, 2020

	University 2021	University 2020
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 15,425,022	$ 14,580,142
Due to state agencies	924,630	7,144,401
Accrued salaries and benefits payable	17,278,403	15,249,332
Compensated absences payable	10,822,936	10,893,947
Interest payable	2,324,463	2,444,862
Unearned revenue	24,211,087	13,621,877
Refundable federal student assistance liability	1,020,162	1,576,296
Bonds payable	11,145,000	10,970,000
Other current liabilities	95,080	88,805
Total current liabilities	83,246,783	76,569,662
NON-CURRENT LIABILITIES		
Unearned revenue	968,434	1,912,909
Refundable federal student assistance liability, net of current portion	4,116,531	5,152,092
Bonds payable, net of current portion	225,201,087	239,025,317
OPEB obligation	31,714,225	28,857,013
Net pension liability	20,341,665	10,044,590
Other non-current liabilities	299,592	321,772
Total non-current liabilities	282,641,534	285,313,693
Total liabilities	365,888,317	361,883,355
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to grants received in advance	530,846	287,423
Deferred inflows related to pensions	1,201,699	5,366,191
Deferred inflows related to service concession arrangements	39,856,680	40,721,563
Deferred inflows related to OPEB	6,627,584	2,527,530
Deferred inflows related to OPEB-SLIRF	2,962,449	1,551,086
Total deferred inflows of resources	51,179,258	50,453,793
NET POSITION		
Net investment in capital assets	324,981,080	320,456,834
Restricted, expendable	28,841,565	28,351,400
Unrestricted	170,603,764	147,163,945
Total net position	524,426,409	495,972,179
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 941,493,984	$ 908,309,327

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND JUNE 30, 2020

	Foundation 2021	Foundation 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,222,675	$ 4,706,351
Accrued interest and other receivables	226,945	423,575
Promises to give, net, non-endowment	1,789,574	697,135
Promises to give, endowment	261,502	188,116
Total current assets	6,500,696	6,015,177
NON-CURRENT ASSETS		
Restricted cash and cash equivalents	8,523,597	6,627,276
Promises to give, net, non-endowment	3,744,662	468,095
Promises to give, endowment	494,963	291,153
Investments	198,486,187	164,678,172
Interest in perpetual trusts	3,092,847	2,518,017
Other assets	857,173	831,518
Total non-current assets	215,199,429	175,414,231
TOTAL ASSETS	$ 221,700,125	$ 181,429,408

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2021 AND JUNE 30, 2020

	Foundation 2021	Foundation 2020
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 297,235	$ 5,470,815
Scholarship loan payable	2,000,000	-
Interest payable	10,000	10,000
Deferred parking and suites, current	636,841	499,967
Liability under split interest trust agreements	139,590	139,179
Trust earnings payable to trust beneficiaries	20,364	20,364
Total current liabilities	3,104,030	6,140,325
NON-CURRENT LIABILITIES		
Other long-term debt	-	2,000,000
Deferred parking and suites, long term	599,104	596,352
Liability under split interest trust agreements	1,771,307	1,739,195
Amounts held in custody for others	1,106,662	1,105,310
Trust earnings payable to trust beneficiaries	110,411	106,626
Total non-current liabilities	3,587,484	5,547,483
Total liabilities	6,691,514	11,687,808
NET ASSETS		
With Donor Restriction		
Perpetual in nature	114,665,753	106,680,258
Purpose restrictions	76,959,718	45,408,806
Time-Restricted for future periods	5,534,236	1,165,230
Underwater endowments	-	(931,617)
Total with donor restriction net assets	197,159,707	152,322,677
Without Donor Restriction		
Undesignated	12,607,711	13,848,941
Designated by Board for Endowment	5,241,193	3,569,982
Total without donor restriction net assets	17,848,904	17,418,923
Total net assets	215,008,611	169,741,600
TOTAL LIABILITIES AND NET ASSETS	$ 221,700,125	$ 181,429,408

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	University 2021	University 2020
OPERATING REVENUES		
Student fees, pledged for bonds	$ 200,760,211	$ 198,262,256
Scholarship allowance	(29,075,000)	(27,777,200)
Student fees, net	171,685,211	170,485,056
Federal grants and contracts (including $7,860,376 and $7,062,201 of revenues pledged for bonds in 2021 and 2020, respectively)	46,090,662	40,464,905
State and local grants and contracts (including $648,291 and $675,474 of revenues pledged for bonds in 2021 and 2020, respectively)	8,312,869	6,512,805
Private grants and contracts (including $419,756 and $370,075 of revenues pledged for bonds in 2021 and 2020, respectively)	3,246,982	2,991,720
Sales and services of educational activities, pledged for bonds	7,542,618	7,778,456
Sales and services of auxiliary enterprises, pledged for bonds (Net of allowances of $3,814,800 and $4,370,700, respectively)	35,204,126	56,868,054
Other operating revenues, pledged for bonds	1,425,149	1,395,970
Total operating revenues	273,507,617	286,496,966
OPERATING EXPENSES		
Personnel cost	284,775,707	288,610,851
Services	45,887,548	49,459,364
Supplies	28,459,563	31,408,312
Insurance, utilities and rent	9,695,486	11,181,812
Scholarships and fellowships	27,880,374	25,372,538
Depreciation	26,667,709	26,623,055
Miscellaneous operating expenses	4,951,145	4,914,236
Total operating expenses	428,317,532	437,570,168
OPERATING LOSS	(154,809,915)	(151,073,202)

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	University 2021	University 2020
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	107,108,387	108,012,525
Pell grants	20,093,950	22,185,765
Gifts (includes gifts from component unit equal to $10,998,829 and $18,265,945 in 2021 and 2020, respectively)	27,123,074	35,465,134
Net investment income (including $1,250,992 and $3,515,901 of revenues pledged for bonds in 2021 and 2020, respectively)	1,259,670	3,521,477
Change in fair value of investments (including $134,819 and $25,167 of revenues pledged for bonds in 2021 and 2020, respectively)	(689,048)	1,182,328
Interest expense (net of capitalized interest by the University of $1,791,468 and $889,635 in 2021 and 2020, respectively)	(5,715,724)	(6,881,404)
Loss on retirement of capital assets	(277,081)	(305,978)
Federal aid grant revenue (including $1,006,115 and $0 of revenues pledged for bonds in 2021 and 2020, respectively)	30,876,959	7,344,256
Other non-operating revenue (expense)	558,173	66,653
Net non-operating revenues	180,338,360	170,590,756
INCOME BEFORE CAPITAL REVENUES	25,528,445	19,517,554
CAPITAL REVENUES		
Capital appropriations	2,052,336	5,707,955
Capital grants and gifts (includes gifts from component unit equal to $642,477 and $6,708,003 in 2021 and 2020, respectively)	873,449	7,351,466
Total capital revenues	2,925,785	13,059,421
INCREASE IN NET POSITION	$ 28,454,230	$ 32,576,975
NET POSITION - Beginning of year	$ 495,972,179	$ 463,395,204
INCREASE IN NET POSITION	28,454,230	32,576,975
NET POSITION - End of year	$ 524,426,409	$ 495,972,179

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021

	Without Donor Restriction	With Donor Restriction	Foundation 2021
OPERATING REVENUES:			
Gifts	$ 671,343	$ 21,060,434	$ 21,731,777
Non-cash gifts	114,101	-	114,101
Other income	1,201,768	1,528,651	2,730,419
Net investment income	1,171,663	35,736,994	36,908,657
Change in split interest trusts	-	(158,279)	(158,279)
Total revenues and gains	3,158,875	58,167,800	61,326,675
Net assets released from restrictions through satisfaction of:			
Program and time restrictions	13,053,211	(13,053,211)	-
Write-off of promises to give	270,341	(270,341)	-
Board and donor designated transfers	7,218	(7,218)	-
Total operating revenues	16,489,645	44,837,030	61,326,675
OPERATING EXPENSES:			
Distribution of scholarships and general endowments	5,891,169	-	5,891,169
Distribution of funds for academic programs	2,306,824	-	2,306,824
Distribution of funds for athletic programs			
Program services	3,348,066	-	3,348,066
Fundraising expenses	82,107	-	82,107
Management and general	13,140	-	13,140
Uncollectible pledges to give	282,620	-	282,620
Administrative expense			
Program services	207,009	-	207,009
Fundraising expenses	1,945,002	-	1,945,002
Management and general	1,983,727	-	1,983,727
Total operating expenses	16,059,664	-	16,059,664
OPERATING INCOME (EXPENSE)	429,981	44,837,030	45,267,011
CHANGE IN NET ASSETS	429,981	44,837,030	45,267,011
NET ASSETS - Beginning of year	17,418,923	152,322,677	169,741,600
NET ASSETS - End of year	$ 17,848,904	$ 197,159,707	$ 215,008,611

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Foundation 2020
OPERATING REVENUES:			
Gifts	$ 464,976	$ 11,540,230	$ 12,005,206
Non-cash gifts	114,101	-	114,101
Other income	3,151,379	3,208,639	6,360,018
Net investment income	2,347,487	(754,340)	1,593,147
Change in split interest trusts	-	(193,052)	(193,052)
Total revenues and gains	6,077,943	13,801,477	19,879,420
Net assets released from restrictions through satisfaction of:			
Program and time restrictions	23,626,055	(23,626,055)	-
Write-off of promises to give	8,705	(8,705)	-
Board and donor designated transfers	6,193	(6,193)	-
Total operating revenues	29,718,896	(9,839,476)	19,879,420
OPERATING EXPENSES:			
Distribution of scholarships and general endowments	5,776,946	-	5,776,946
Distribution of funds for academic programs	8,740,782	-	8,740,782
Distribution of funds for athletic programs			
Program services	10,110,897	-	10,110,897
Fundraising expenses	808	-	808
Management and general	344,515	-	344,515
Uncollectible pledges to give	21,187	-	21,187
Administrative expense			
Program services	301,094	-	301,094
Fundraising expenses	2,201,806	-	2,201,806
Management and general	1,730,861	-	1,730,861
Total operating expenses	29,228,896	-	29,228,896
OPERATING INCOME (EXPENSE)	490,000	(9,839,476)	(9,349,476)
NON-OPERATING REVENUES (EXPENSES):			
Loss on sale of real property	-	(53,000)	(53,000)
Total non-operating revenues	-	(53,000)	(53,000)
CHANGE IN NET ASSETS	490,000	(9,892,476)	(9,402,476)
NET ASSETS - Beginning of year	16,928,923	162,215,153	179,144,076
NET ASSETS - End of year	$ 17,418,923	$ 152,322,677	$ 169,741,600

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	University 2021	University 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Student fees	$ 173,708,598	$ 170,321,373
Grants and contracts	58,319,042	45,276,718
Sales and services of educational activities	7,591,948	7,874,363
Sales and services of auxiliary enterprises	39,454,399	45,391,170
Other operating receipts	606,956	1,751,442
Payments to employees	(280,033,183)	(286,100,867)
Payments for services	(45,996,564)	(49,427,050)
Payments for supplies	(28,587,050)	(35,074,339)
Payments for insurance, utilities and rent	(9,994,616)	(11,315,003)
Payments for scholarships and fellowships	(27,829,449)	(25,357,196)
Loans issued to students	(12,075)	(23,225)
Collections of loans to students	1,242,336	1,720,825
Other payments	(3,565,386)	(4,959,866)
Fiduciary activities- Direct student loan receipts	70,503,140	77,729,450
Fiduciary activities- Direct student loan disbursements	(70,503,140)	(77,729,450)
Net cash used in operating activities	(115,095,044)	(139,921,655)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	107,108,387	108,012,525
Pell grants	20,093,950	22,185,765
Gifts	32,058,537	40,400,724
Federal aid grants	38,967,608	3,452,150
Other receipts (payments)	(1,038,133)	(934,163)
Net cash provided by non-capital financing activities	197,190,349	173,117,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants and gifts	873,449	6,995,230
Purchases of capital assets	(19,699,566)	(56,963,181)
Proceeds from notes and bonds payable	-	24,163,963
Principal paid on notes and bonds payable and capital leases	(10,970,000)	(10,605,000)
Interest paid on notes and bonds payable and capital leases	(8,002,613)	(10,344,335)
Payments for bond issuance costs	-	(480,259)
Other receipts (payments)	(1,216,945)	(305,978)
Net cash used in capital and related financing activities	(39,015,675)	(47,539,560)

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

	University 2021	University 2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(485,191,012)	(482,193,456)
Proceeds from sales and maturities of investments	460,366,019	503,774,095
Investment income	1,358,873	3,524,947
Net cash provided/(used) by investing activities	(23,466,120)	25,105,586
NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER	19,613,510	10,761,372
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year	72,813,779	62,052,407
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year	$ 92,427,289	$ 72,813,779
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Operating loss	$ (154,809,915)	$ (151,073,202)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	26,667,709	26,623,055
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	1,714,533	(7,140,911)
Lease receivable	135,429	(676,400)
Net other post-employment benefit asset	(2,958,616)	(1,883,478)
Student loans receivable, net	1,562,533	2,118,744
Inventories	471,965	(548,974)
Other assets	(1,747,058)	(394,389)
Deferred outflows	(8,426,139)	(2,324,310)
Deferred inflows	725,465	2,158,141
Accounts payable and accrued liabilities	1,844,029	(7,533,513)
Accrued salaries and benefits payable	2,029,071	1,416,772
Compensated absences payable	(71,011)	1,778,752
Unearned revenue	4,628,577	(3,149,325)
Net pension liability	10,297,075	(3,306,969)
Other post-employment benefits obligation	2,857,212	4,053,254
Other liabilities	(15,903)	(38,902)
Net cash used in operating activities	$ (115,095,044)	$ (139,921,655)
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Assets donated to the University	$ 2,325,115	$ 13,059,420
Donated building maintenance	2,854,992	2,674,540
Total non-cash transactions	$ 5,180,107	$ 15,733,960

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Boise State University (the University) is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho reporting entity and is directed by the State Board of Education (SBOE or Board), a body of eight members. Seven members are appointed by the Governor and confirmed by the legislature. The elected State Superintendent of Public Instruction serves ex-officio as the eighth member of the Board. The University is part of the primary government of the State of Idaho and is included in the state's Comprehensive Annual Financial Report (Annual Report) within the Business-Type Activities/Enterprise Funds. The Annual Report may be obtained from the State Controller located at:

Office of the Idaho State Controller
700 W State Street, 4th Floor
P.O. Box 83702
Boise, Idaho 83702-0011
www.sco.idaho.gov

The financial statements for fiscal years ended June 30, 2021 and June 30, 2020 are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which constitute Generally Accepted Accounting Principles (GAAP) for governmental entities. The University considers component units with net position greater than 5% of the University's net position to be significant. As such, the Boise State University Foundation, Inc. (the Foundation) is discretely presented for the fiscal years ended June 30, 2021 and 2020. The Foundation was established for the purpose of soliciting donations for the exclusive benefit of the University. Financial statements of the Foundation may be obtained from the Office of the Vice President and Chief Financial Officer for the University. The Foundation's financial statements are prepared in accordance with Financial Accounting Standards Board (FASB) pronouncements.

Basis of Accounting – For financial reporting purposes, the University is considered a special-purpose government engaged only in business type activities. Accordingly, the University'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.

The Foundation is a legally separate, private non-profit organization, whose basis of accounting is FASB standards. As such, certain accounting and presentations differ from those following GASB standards. Accordingly, the Foundation's financial statements have been reported on separate pages following the respective financial statements of the University. Financial information of the Foundation should not be combined with that of the University.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Cash with Treasurer – Balances classified as Cash with Treasurer are amounts that have been remitted to the State of Idaho as a result of the student tuition collection process and, once remitted, are under the control of the State Treasurer. Such funds are released to the University as reimbursement for expenditures incurred.

Cash and Cash Equivalents – The University considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents.

Inventories – Inventories, consisting primarily of bookstore inventories, are valued at the lower of first in, first out (FIFO) cost or market.

Investments – The University accounts for its investments at fair value. Unrealized gains or losses on the carrying value of investments are reported as a component of change in fair value of investments in the statement of revenues, expenses and changes in net position. Investments externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets as well as investment amounts of maturities that exceed one year, are classified as non-current assets in the statement of net position. The University deposits certain funds for investment with the Idaho State Treasury.

Capital Assets, Net – Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the fair value at the date of the gift. The University's capitalization policy includes all tangible items with a unit cost greater than $5,000 and an estimated useful life of greater than one year. Intangible assets with a unit cost greater than $200,000 and an estimated useful life of greater than one year are recorded as capital assets. 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, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 10 years for library books and 5 to 13 years for equipment. The University has certain collections that are not capitalized. These collections adhere to the University's policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items.

Restricted Assets – Assets are reported as restricted when constraints on asset use are imposed by constitutional provisions, enabling legislation or external parties; and the constraints change the nature or normal understanding of the asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Direct Student Loan Programs – The University receives proceeds from the Federal Direct Student Loan Program (FDSLP) and alternative student loan providers. GASB Statement No. 84 allows business-type activities such as Boise State University to report activities that would otherwise be considered custodial funds as operating activity if upon receipt, the funds are normally expected to be held for three months or less. Funds associated with the direct student loan programs meet this exception and are reported as such. The University disbursed direct student loans in the amount of $70,503,140 and $77,729,450 for fiscal years ended 2021 and 2020 respectively.

Deferred Outflows of Resources – Deferred outflows of resources are a consumption of net position by the University that is applicable to future reporting periods. Similar to assets, they have a positive effect on the University's net position. Deferred outflows will be recognized as an outflow (expensed) in a future period.

Compensated Absences –Employees earn vacation based on hours worked and years of service; compensatory time earned is based on hours worked in excess of 40 hours per week. Upon termination of employment, an employee is paid for unused vacation time and administrative leave. The University accrues a liability when incurred. The liability is based on the pay rate in effect at the statements date and assumes a first-in, first-out flow for compensated absence balances. As such, the liability is recorded as a current liability.

Sick leave is recorded as an expense when paid. There is no payout provision for unused sick leave and no liability exists.

Refundable Federal Student Assistance Liability – The Federal Perkins Loan Program was a federal revolving loan program that provided long-term low-interest loans to students who demonstrated the need for financial aid to pursue their course of study. A revolving loan fund was established with an initial Federal Capital Contribution (FCC) and a matching Institutional Capital Contribution (ICC). The program has been discontinued and the FCC must be returned to the U.S. Department of Education annually, as collected, beginning in October 2019.

Non-current Liabilities – Non-current liabilities include principal amounts of revenue bonds payable and notes payable with contractual payments greater than one year; and estimated amounts for other liabilities that will not be paid within the next fiscal year.

Pensions – For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan ("Base Plan") and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position. Deferred inflows will be recognized as an inflow of resources (revenue) in a future period.

Other Post-Employment Benefits (OPEB) – 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, in accordance with the benefit terms. These benefits are funded on a pay-as-you-go basis.

Net Position – The University's net position is classified as follows:

Net Investment in Capital Assets – This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

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

Unrestricted – Unrestricted net position represents equity in assets derived mainly from student tuition and fees, sales and services of educational departments, auxiliary enterprises and state appropriations. These resources are used for transactions related to the educational and general operations of the University, and may be used to meet current expenses for any lawful purpose and in accordance with SBOE policy. When an expense is incurred that can be paid using either restricted or unrestricted resources, the expense allocation is made on a case-by-case basis. Restricted resources remain classified as such until spent.

Income and Unrelated Business Income **Taxes** – The University is excluded from federal income taxes under Section 115 of the Internal Revenue Code, per determination letter dated April 21, 1989. The University is subject to tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University's unrelated business income tax was offset by a net operating loss carryforward resulting in no income tax liability as of June 30, 2021 and 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Classification of Revenues and Expenses – Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as student tuition and fees, net of scholarship discounts and allowances, sales and services of auxiliary enterprises, most federal, state and local grants and contracts that are essentially contracts for services and interest earned on institutional student loans. Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions. Non-operating revenues and expenses include state appropriations, Pell grants, non-exchange grants, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest expense and gain or loss on the disposal of capital assets and other non-exchange transactions.

Scholarship Discounts/Allowances – Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or other third parties making payments on the students' behalf. Federal, state and nongovernmental student aid grants are recorded as operating revenues in the University's financial statements, except for federal Pell grants, which are recorded in non-operating revenues. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount or allowance.

Use of Accounting Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosures of contingent liabilities at the date of the financial statements, as well as revenues and expenses during the year. Actual results could differ from those estimates.

Newly Implemented Accounting Standard – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments and for accounting and financial reporting of those activities. The University implemented GASB Statement No 84 effective June 30, 2021. During implementation of GASB Statement No. 84, no fiduciary activities were identified that are required to be separately reported.

Additionally, GASB Statement No. 84 allows business-type entities, such as the University, to report custodial fund related activities as an operating activity if those funds are normally expected to be held for three months or less. Upon the implementation of GASB Statement No. 84, all of Boise State's fiduciary activities were custodial funds normally expected to be held for three months or less, and were reclassified accordingly to the operating activities section of the Statement of Cash flows at June 30, 2021 and 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Management determined that this implementation has no material impact on the University's financial statements.

Upcoming Accounting Standards – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement is required to be adopted by the University at the beginning of fiscal year 22. This statement will substantially impact the University's lease accounting and reporting.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement is required to be adopted by the University at the beginning of fiscal year 22. Management determined that this implementation has no material impact on the University's financial statements. Upon implementation, interest on ongoing projects will no longer be capitalized.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This statement is required to be adopted by the University at the beginning of fiscal year 23. Management believes implementation will have no material impact on the University's financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including requirements related to leases (Statement 87), requirements related to intra-entity transfers (Statements 73 and 74), requirements related to postemployment benefit arrangements (Statement 84) and requirements related to measurement of liabilities and assets associated with Asset Retirement Obligations (ARO). This statement is required to be adopted by the University at the beginning of fiscal year 23. Management is evaluating the impact implementing this Statement will have on the University's future financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). This statement is required to be adopted by the University at the beginning of fiscal year 22. Management believes implementation will have no material impact on the University's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This statement is required to be adopted by the University at the beginning of fiscal year 24. Management is evaluating the impact implementing this Statement will have on the University's future financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end-users. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This statement is required to be adopted by the University at the beginning of fiscal year 23. Management is evaluating the impact implementing this Statement will have on the University's future financial statements.

BOISE STATE UNIVERSITY

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, INVESTMENTS AND RESTRICTED ASSETS

Deposits – Cash with treasurer is under the control of the State Treasurer. Amounts deposited with the State Treasurer and federally chartered institutions are carried at cost. Custodial credit risk is the risk that in the event of a financial institution failure, the deposits may not be returned. The State's policy for managing custodial credit risk can be found in Idaho Code, Section 67-2739. Cash that is restricted in purpose from an external source and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a non-current asset. The University reported $46,134,634 and $46,861,508 in cash equivalents as investments in the non-current assets due to external restrictions as of June 30, 2021 and 2020, respectively.

Basis of Custodial Credit Risk
As of June 30,
(Dollars in Thousands)

	2021	2020
Cash on hand	$ 69	$ 80
Federally insured	500	500
Collateralized by securities held by the pledging financial institution	8,266	14,001
Total cash and cash equivalents	$ 8,835	$ 14,581

Investments – Idaho Code, Section 67-1210 limits credit risk by restricting the investment activities of the Local Government Investment Pool (LGIP) and state agencies. Idaho Code also gives the State Board of Education the authority to establish investment policies for the University. The objectives of the established investment policy, in order of priority, are preservation of capital, maintenance of liquidity and achievement of a fair rate of return. The University invests in external investment pools managed by both State of Idaho and other fixed rate investment fund managers. The State's investment pool is managed by the Idaho State Treasurer's Office. The University had original cost of $98,296,027 and $74,198,848 invested in the State's external pools as of June 30, 2021 and 2020, respectively.

Concentration of Credit Risk – The University's investment policy addresses diversification of investments. GASB Statement No. 40 requires reporting entities to provide note disclosure when 5% of the total government investments are concentrated in any one issuer. Investments in obligations explicitly guaranteed by the U.S. Government, mutual funds and other pooled investments are exempt from disclosure. As of June 30, 2021 and 2020, the University has no 5% issuer concentrations.

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, INVESTMENTS AND RESTRICTED ASSETS (Cont.)

Credit Risk of Debt Securities – The University's investment policy addresses the credit quality of investments in debt securities. The risk that an issuer of debt securities or counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's or Standard and Poor's. Ratings, as of June 30, are presented below using the Moody's scale. Aaa ratings signify that the portfolio holdings are judged to be of the highest credit quality and subject to the lowest level of credit risk.

Credit Risk of Debt Securities
As of June 30, 2021
(Dollars in Thousands)

		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa2	
Investment Type	**Fair Value**			**P-1**			**P-2**		**NP**	**Unrated**
Local Government Investment Pool	$ 98,552	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,552
Corporate Bonds	33,673	-	1,572	1,548	6,280	4,589	14,995	3,671	1,018	-
Federal Agency Security	29,795	28,559	-	-	500	-	736	-	-	-
Money Market Fund	2,078	-	-	-	-	-	-	-	-	2,078
Currency	(501)	(501)	-	-	-	-	-	-	-	-
Investments measured at fair value	163,597	28,058	1,572	1,548	6,780	4,589	15,731	3,671	1,018	100,630
Investments held on behalf of employee benefit plans:										
Bond/equity mutual funds	84	-	-	-	-	-	-	-	-	84
Equity mutual funds	195	-	-	-	-	-	-	-	-	195
Income mutual funds	21	-	-	-	-	-	-	-	-	21
Total investments held on behalf of employee benefit plans	$ 300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 300
Total investments	$163,897	$ 28,058	$ 1,572	$ 1,548	$ 6,780	$ 4,589	$ 15,731	$ 3,671	$ 1,018	$100,930
% of Total	100%	17%	1%	1%	4%	3%	10%	2%	1%	62%

Credit Risk of Debt Securities
As of June 30, 2020
(Dollars in Thousands)

		Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa2	
Investment Type	**Fair Value**			**P-1**			**P-2**		**NP**	**Unrated**
Local Government Investment Pool	$ 74,471	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 74,471
Certificate of deposit	495	-	-	248	247	-	-	-	-	-
Corporate bonds	24,017	-	2,127	1,062	2,536	6,044	7,820	3,919	509	-
Federal agency security	16,645	16,645	-	-	-	-	-	-	-	-
Money market fund	23,904	-	-	-	-	-	-	-	-	23,904
Currency	6	6	-	-	-	-	-	-	-	-
Investments measured at fair value	139,538	16,651	2,127	1,310	2,783	6,044	7,820	3,919	509	98,375
Investments held on behalf of employee benefit plans										
Bond/equity mutual funds	113	-	-	-	-	-	-	-	-	113
Equity mutual funds	179	-	-	-	-	-	-	-	-	179
Income mutual funds	30	-	-	-	-	-	-	-	-	30
Total investments held on behalf of employee benefit plans	322	-	-	-	-	-	-	-	-	322
Total investments	$139,860	$ 16,651	$ 2,127	$ 1,310	$ 2,783	$ 6,044	$ 7,820	$ 3,919	$ 509	$ 98,697
% of Total	100%	12%	2%	1%	2%	4%	6%	3%	0%	71%

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, INVESTMENTS AND RESTRICTED ASSETS (Cont.)

Interest Rate Risk – The University's investment policy dictates that the maximum maturity of any security purchased be five years and that the average weighted maturity of any managed portfolio not exceed three years. Approximately 33% of total investments are invested in securities with maturities longer than one year as of June 30, 2021.

Investment Maturities In Years
As of June 30, 2021
(Dollars in Thousands)

Investment Type	Fair Value	Less than 1	1 to 5
Corporate Bonds	$ 33,673	$ 6,232	$ 27,441
Federal Agency Security	29,795	3,323	26,472
Money Market Fund	2,078	2,078	-
Currency	(501)	(501)	-
Investments measured at fair value	65,045	11,132	53,913
LGIP	98,552	98,552	-
Investments held on behalf of employee benefit plans:			
Bond/Equity mutual funds	84	-	84
Equity mutual funds	195	-	195
Income mutual funds	21	-	21
Total investments held on behalf of employee benefit plans	300	-	300
Total investments	$ 163,897	$ 109,684	$ 54,213

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, INVESTMENTS AND RESTRICTED ASSETS (Cont.)

Investment Maturities In Years
As of June 30, 2020
(Dollars in Thousands)

Investment Type	Fair Value	Less than 1	1 to 5
Certificate of deposit	$ 495	$ 495	$ -
Corporate bonds	24,017	8,423	15,594
Federal agency security	16,645	3,481	13,164
Money market fund	23,904	23,904	-
Currency	6	6	-
Investments measured at fair value	65,067	36,309	28,758
LGIP	74,471	74,471	-
Investments held on behalf of employee benefit plans			
Bond/Equity mutual funds	113	-	113
Equity mutual funds	179	-	179
Income mutual funds	30	-	30
Total investments held on behalf of employee benefit plans	322	-	322
Total investments	$ 139,860	$ 110,780	$ 29,080

Investment Custodial Credit Risk - The University's investment securities are exposed to custodial credit risk if the securities are (i) uninsured, (ii) not registered in the name of the University or (iii) held by either the counterparty or the counterparty's trust department or agent but not in the University's name. While none of the University's investments are insured, the University's investments are either held in the University's name or the investments are not securities that exist in book entry or physical form.

Fair Value Measurement – The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, INVESTMENTS AND RESTRICTED ASSETS (Cont.)

The University has the following recurring fair value measurements as of June 30, 2021:

Fair Value Measurement
As of June 30, 2021
(Dollars in Thousands)

Investment Type	Fair Value	Level 1	Level 2	Level 3
Corporate Bonds	$ 33,673	$ 33,673	$ -	$ -
Federal Agency Security	29,795	29,795	-	-
Money Market Fund	2,078	2,078	-	-
Currency	(501)	(501)	-	-
Investments measured at fair value	65,045	65,045	-	-
Investments held on behalf of employee benefit plans				
Bond/Equity mutual funds	84	84	-	-
Equity mutual funds	195	195	-	-
Income mutual funds	21	21	-	-
Total Investment held on behalf of employee benefit plans	300	300	-	-
Total investments measured at fair value	$ 65,345	$ 65,345	$ -	$ -
Local Government Investment Pool	98,552			
Total investments	$ 163,897			

Fair Value Measurement
As of June 30, 2020
(Dollars in Thousands)

Investment Type	Fair Value	Level 1	Level 2	Level 3
Certificate of Deposit	$ 495	$ 247	$ 248	$ -
Corporate Bonds	24,017	24,017	-	-
Federal Agency Security	16,645	16,645	-	-
Money Market Fund	23,904	-	23,904	-
Currency	6	6	-	-
Investments measured at fair value	65,067	40,915	24,152	-
Investments held on behalf of employee benefit plans				
Bond/Equity mutual funds	113	113	-	-
Equity mutual funds	179	179	-	-
Income mutual funds	30	30	-	-
Total Investment held on behalf of employee benefit plans	322	322	-	-
Total investments measured at fair value	$ 65,389	$ 41,237	$ 24,152	$ -
Local Government Investment Pool	74,471			
Total investments	$ 139,860			

The Idaho State Treasurer and State of Idaho deposits do not meet the criteria of GASB Statement No. 72 and are exempt from the level categories. The fair value of the Local Government Investment Pool balances as of June 30, 2021 and 2020 were $98.6 million and $74.5 million respectively.

BOISE STATE
UNIVERSITY

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portion due to the University, as of June 30, 2021 and 2020, by various customers, students and constituencies of the University as a result of providing services to said groups. Amounts due to the University are reviewed at the end of the reporting period for collectability; the allowance for doubtful accounts is adjusted to reflect what management deems to be collectible.

Accounts Receivable and Unbilled Charges
As of June 30,
(Dollars in Thousands)

	2021	2020
Student fees and third party receivables	$ 12,036	$ 11,233
Unbilled charges	8,518	6,564
Auxiliary enterprises and other operating activities	3,758	4,932
Federal, state and private grants and contracts	7,334	12,404
Accounts receivable and unbilled charges	31,646	35,133
Less allowance for doubtful accounts	2,970	2,612
Accounts receivable and unbilled charges, net	$ 28,676	$ 32,521

4. STUDENT LOANS RECEIVABLE

Student loans that were made through the Federal Perkins Loan Program (the Program) comprise substantially all of the loans receivable as of June 30, 2021 and 2020. The University outsources the loan servicing to a third-party vendor. Funds for the Program were initially received through Federal Capital Contributions (FCC) from the U.S. Department of Education (ED) and were supplemented with Institutional Capital Contributions. Congress did not renew the Program after September 30, 2017 and no disbursements were permitted after June 30, 2018. The University has elected to continue to collect on the loans and return the portion of the FCC collected on an annual basis. An accrued liability has been established for the amount of the remaining FCC due to the ED. An allowance has been established for the University's portion of the loans that have been deemed uncollectible.

Student Loans Receivable
As of June 30,
(Dollars in Thousands)

	2021	2020
Student loans receivable - current	$ 1,625	$ 1,808
Student loans receivable - non-current	4,068	5,778
Student loans receivable	5,693	7,586
Less allowance for doubtful accounts	388	719
Student loans receivable, net	$ 5,305	$ 6,867

5. CAPITAL ASSETS, NET

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

Changes in Capital Assets
As of June 30, 2021
(Dollars in Thousands)

	Balance June 30, 2020	Additions	Transfers	Retirements	Balance June 30, 2021
Capital assets not being depreciated					
Land	$ 80,104	$ 284	$ -	$ -	$ 80,388
Construction in progress	42,974	6,375	(1,914)	-	47,435
Total assets not being depreciated	$ 123,078	$ 6,659	$ (1,914)	$ -	$ 127,823
Other capital assets					
Buildings and improvements	$ 716,253	$ 2,133	$ 195	$ -	$ 718,581
Furniture and equipment	81,139	4,126	1,719	(511)	86,473
Library materials	30,184	1,914	-	(2,551)	29,547
Intangibles	12,111	-	-	-	12,111
Total other capital assets	839,687	8,173	1,914	(3,062)	846,712
Less accumulated depreciation					
Buildings and improvements	(266,761)	(19,643)	-	-	(286,404)
Furniture and equipment	(63,606)	(5,100)	-	478	(68,228)
Library materials	(22,727)	(1,411)	-	2,285	(21,853)
Intangibles	(11,597)	(514)	-	-	(12,111)
Total accumulated depreciation	(364,691)	(26,668)	-	2,763	(388,596)
Other capital assets, net	$ 474,996	$ (18,495)	$ -	$ (299)	$ 458,116
Capital assets summary					
Capital assets not being depreciated	$ 123,078	$ 6,659	$ (1,914)	$ -	$ 127,823
Other capital assets at cost	839,687	8,173	1,914	(3,062)	846,712
Total cost of capital assets	962,765	14,832	-	(3,062)	974,535
Less accumulated depreciation	(364,691)	(26,668)	-	2,763	(388,596)
Capital assets, net	$ 598,074	$ (11,836)	$ -	$ (299)	$ 585,939

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2021 is $21,319,258. These costs will be funded by bond proceeds, private and state donations as well as available reserves.

5. CAPITAL ASSETS, NET (Cont.)

Following are the changes in capital assets for the year ended June 30, 2020:

Changes in Capital Assets
As of June 30, 2020
(Dollars in Thousands)

	Balance June 30, 2019	Additions	Transfers	Retirements	Balance June 30, 2020
Capital assets not being depreciated					
Land	$ 74,975	$ 5,129	$ -	$ -	$ 80,104
Construction in progress	62,650	28,340	(48,016)	-	42,974
Total assets not being depreciated	$ 137,625	$ 33,469	$ (48,016)	$ -	$ 123,078
Other capital assets					
Buildings and improvements	$ 651,249	$ 17,744	$ 47,260	$ -	$ 716,253
Furniture and equipment	77,389	5,068	756	(2,074)	81,139
Library materials	30,608	2,045	-	(2,469)	30,184
Intangibles	12,111	-	-	-	12,111
Total other capital assets	771,357	24,857	48,016	(4,543)	839,687
Less accumulated depreciation					
Buildings and improvements	(247,592)	(19,169)	-	-	(266,761)
Furniture and equipment	(60,792)	(4,850)	-	2,036	(63,606)
Library materials	(23,318)	(1,550)	-	2,141	(22,727)
Intangibles	(10,543)	(1,054)	-	-	(11,597)
Total accumulated depreciation	(342,245)	(26,623)	-	4,177	(364,691)
Other capital assets, net	$ 429,112	$ (1,766)	$ -	$ (366)	$ 474,996
Capital assets summary					
Capital assets not being depreciated	$ 137,625	$ 33,469	$ (48,016)	$ -	$ 123,078
Other capital assets at cost	771,357	24,857	48,016	(4,543)	839,687
Total cost of capital assets	908,982	58,326	-	(4,543)	962,765
Less accumulated depreciation	(342,245)	(26,623)	-	4,177	(364,691)
Capital assets, net	$ 566,737	$ 31,703	$ -	$ (366)	$ 598,074

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred Outflows of Resources - Following are the changes in deferred outflows related to refunding of debt (representing the difference between the reacquisition price and the net carrying amount of the original debt) as well as changes related to pensions, Idaho sick leave insurance reserve fund (SLIRF) and other post-employment benefits for the years ended June 30, 2021 and 2020.

Deferred Outflows of Resources
As of June 30, 2021
(Dollars in Thousands)

Deferred outflows of resources	Ending Balance June 30, 2020	Additions	Reductions	Ending Balance June 30, 2021
Deferred outflows of resources related to refunding of debt:				
2004-2012A Bond Refunding	$ 781	$ -	$ (62)	$ 719
2005-2013A Bond Refunding	341	-	(26)	315
2005-2013B Bond Refunding	168	-	(61)	107
2007A-2015A Bond Refunding	510	-	(31)	479
2007A-2016A Bond Refunding	1,776	-	(106)	1,670
2009A-2016A Bond Refunding	1,707	-	(149)	1,558
2010B-2020A Bond Refunding	2	-	-	2
2012A-2020B Bond Refunding	547	-	(25)	522
2013A-2020B Bond Refunding	675	-	(53)	622
Total deferred outflows of resources related to refunding of debt	6,507	-	(513)	5,994
Deferred outflows of resources related to pensions	5,230	6,593	(3,946)	7,877
Deferred outflows of resources related to other post-employment benefits	4,053	7,295	(1,196)	10,152
Deferred outflows of resources related to Idaho sick leave insurance reserve fund	897	400	(720)	577
Total deferred outflows of resources	$ 16,687	$ 14,288	$ (6,375)	$ 24,600

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES (Cont.)

Deferred Outflows of Resources
As of June 30, 2020
(Dollars in Thousands)

Deferred outflows of resources	Ending Balance June 30, 2019	Additions	Reductions	Ending Balance June 30, 2020
Deferred outflows of resources related to refunding of debt:				
2004-2012A Bond Refunding	$ 842	$ -	$ (61)	$ 781
2005-2013A Bond Refunding	368	-	(27)	341
2005-2013B Bond Refunding	228	-	(60)	168
2007A-2015A Bond Refunding	540	-	(30)	510
2007A-2016A Bond Refunding	1,883	-	(107)	1,776
2009A-2016A Bond Refunding	1,856	-	(149)	1,707
2010B-2020A Bond Refunding	-	2	-	2
2012A-2020B Bond Refunding	-	553	(6)	547
2013A-2020B Bond Refunding	-	689	(14)	675
Total deferred outflows of resources related to refunding of debt	5,717	1,244	(454)	6,507
Deferred outflows of resources related to pensions	5,739	3,724	(4,233)	5,230
Deferred outflows of resources related to other post-employment benefits	972	4,157	(1,076)	4,053
Deferred outflows of resources related to Idaho sick leave insurance reserve fund	1,144	878	(1,125)	897
Total deferred outflows of resources	$ 13,572	$ 10,003	$ (6,888)	$ 16,687

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES (Cont.)

Deferred Inflows of Resources – Following are changes in deferred inflows of resources which includes grant and contract revenue received for which all eligibility requirements have been met except for the passage of time, deferred inflows related to service concession arrangements as well as deferred inflows of resources related to pensions, SLIRF and other post-employment benefits for the years ended June 30, 2021 and 2020.

Deferred Inflows of Resources
As of June 30, 2021
(Dollars in Thousands)

	Ending Balance June 30, 2020	Additions	Reductions	Ending Balance June 30, 2021
Deferred inflows of resources				
Deferred inflows of resources related to grants	$ 287	$ 1,076	$ (832)	$ 531
Deferred inflows of resources related to pensions	5,366	46	(4,211)	1,201
Deferred inflows of resources related to service concession arrangements	40,722	-	(865)	39,857
Deferred inflows of resources related to other post-employment benefits	2,528	4,629	(529)	6,628
Deferred inflows of resources related to Idaho sick leave insurance reserve fund	1,551	2,030	(619)	2,962
Total deferred inflows of resources	$ 50,454	$ 7,781	$ (7,056)	$ 51,179

Deferred Inflows of Resources
As of June 30, 2020
(Dollars in Thousands)

	Ending Balance June 30, 2019	Additions	Reductions	Ending Balance June 30, 2020
Deferred inflows of resources				
Deferred inflows of resources related to grants	$ 251	$ 287	$ (251)	$ 287
Deferred inflows of resources related to pensions	3,156	2,412	(202)	5,366
Deferred inflows of resources related to service concession arrangements	41,586	-	(864)	40,722
Deferred inflows of resources related to other post-employment benefits	2,447	321	(240)	2,528
Deferred inflows of resources related to Idaho sick leave insurance reserve fund	1,516	228	(193)	1,551
Total deferred inflows of resources	$ 48,956	$ 3,248	$ (1,750)	$ 50,454

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES (Cont.)

Service Concession Arrangement – The University entered into a public/private partnership agreement with Greystar Real Estate Partners, LLC (formerly Education Realty Trust) in 2015 to develop and operate a residential Honors College and Sawtooth Hall, a freshman housing facility. The $37 million project was funded with developer equity and is on land owned by the University and leased to Greystar for a 50-year term. At the conclusion of the agreement, the building reverts to the University. Greystar pays fixed annual rent and a share of the project's gross rental revenue to the University. Greystar is responsible for the daily operations and maintenance of the facility and the University is responsible for campus life programming. The 236,000 square foot facility includes 656 beds, Honors College offices and classrooms, student common areas and an approximately 15,000 square foot food service facility. The table below displays the current capital asset, lease receivable and deferred inflow of resources for the years ended June 30, 2021 and 2020.

Value of Assets and Deferred Inflows related to the Honors College
As of June 30, 2021
(Dollars in Thousands)

	Capital Asset	Lease Receivable	Deferred Inflow of Resources
Honors College and Sawtooth Hall, net of depreciation	$ 33,267		
Receivable for ground lease		$ 9,233	
Deferred inflows of resources			$ 39,857

Value of Assets and Deferred Inflows related to the Honors College
As of June 30, 2020
(Dollars in Thousands)

	Capital Asset	Lease Receivable	Deferred Inflow of Resources
Honors College and Sawtooth Hall, net of depreciation	$ 34,187		
Receivable for ground lease		$ 9,433	
Deferred inflows of resources			$ 40,722

7. UNEARNED REVENUE

Unearned Revenue - Unearned revenue includes amounts received for event ticket sales for which the event has not occurred as of the end of the fiscal year, auxiliary enterprise revenue, student tuition and fees, grant and contract revenue that have not been earned. Student tuition and fees represent the portion of revenues from summer session courses related to the number of days of instruction in the subsequent fiscal year and prepaid future semester fees.

Unearned Revenue
As of June 30, 2021
(Dollars in Thousands)

	2021	2020
Student tuition and fees	$ 10,267	$ 7,798
Prepaid ticket sales and auxiliary enterprises	5,570	2,869
Grants and contracts	7,825	2,500
Other unearned revenue	1,518	2,368
Unearned revenue	$ 25,180	$ 15,535

8. BONDS AND NOTES PAYABLE

The University issues bonds to finance a portion of the construction of research, academic, administrative and auxiliary facilities. The University is required by bonding resolution to establish a rebate fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the rebate fund of all amounts necessary to make payments of arbitrage due to the United States. The University had no arbitrage liability as of June 30, 2021 and 2020. Management believes the University is in compliance with all bond covenants as of June 30, 2021 and 2020.

Bonds Roll forward – as of June 30, 2021 and 2020:

Bond Roll Forward
As of June 30, 2021
(Dollars in Thousands)

	Ending Balance June 30, 2020	Additions	Reductions	Ending Balance June 30, 2021	Amounts due within one year
Bonds and Premiums					
Bonds payable	$ 230,775	$ -	$ (10,970)	$ 219,805	$ 11,145
Premium on bonds	19,220	-	(2,679)	16,541	-
Total bonds and bond premiums	249,995	-	(13,649)	236,346	11,145

Bond Roll Forward
As of June 30, 2020
(Dollars in Thousands)

	Ending Balance June 30, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts due within one year
Bonds and Premiums					
Bonds payable	$ 221,180	$ 54,490	$ (44,895)	$ 230,775	$ 10,970
Premium on bonds	17,877	4,605	(3,262)	19,220	-
Total bonds and bond premiums	239,057	59,095	(48,157)	249,995	10,970

8. BONDS AND NOTES PAYABLE (Cont.)

Bonds Payable – Bonds payable include the following:

Bonds Payable
As of June 30, 2021
(Dollars in Thousands)

Bond Issue	Original Face Value	Range of Annual Principal Amounts	Range of Semi-Annual Interest Percentages	Original Maturity Date	Outstanding Balance 2021	Outstanding Balance 2020
General Revenue Bonds, Series 2020A	$ 9,940	$330-$665	3.00%-5.00%	2040	$ 9,610	$ 9,940
General Revenue Bonds, Series 2020B	$ 44,550	$455-$2,100	1.67%-5.00%	2050	44,095	44,550
General Revenue Bonds, Series 2018A	$ 18,465	$330-$895	1.53%-3.78%	2048	16,400	17,115
General Revenue Bonds, Series 2017A	$ 67,860	$640-$4,525	2.00%-5.00%	2047	61,185	63,630
General Revenue Bonds, Series 2016A	$ 66,145	$930-$5,470	3.00%-5.00%	2039	58,120	61,260
General Revenue Bonds, Series 2015A	$ 31,210	$700-$2,280	2.00%-5.00%	2037	26,405	27,195
General Revenue Bonds, Series 2013A	$ 14,195	$65-$1,300	2.00%-5.00%	2033	270	400
General Revenue Bonds, Series 2013B	$ 11,760	$550-$2,575	0.67%-2.84%	2023	1,165	1,725
General Revenue Bonds, Series 2012A	$ 33,330	$305-$3,455	2.00%-5.00%	2042	2,555	4,960
Bonds before premium					219,805	230,775
Premium on bonds					16,541	19,220
Total bonds outstanding					$ 236,346	$ 249,995

8. BONDS AND NOTES PAYABLE (Cont.)

Bonds Payable – Principal and interest maturities as of June 30, 2021 are as follows:

Bond Principal and Interest
As of June 30, 2021
(Dollars in Thousands)

	Principal	Interest	Total
2022	$ 11,145	$ 9,298	$ 20,443
2023	10,230	8,859	19,089
2024	8,645	8,381	17,026
2025	9,045	7,967	17,012
2026	8,910	7,534	16,444
2027-2031	50,420	31,784	82,204
2032-2036	63,380	19,103	82,483
2037-2041	33,610	7,800	41,410
2042-2046	16,685	3,726	20,411
2047-2051	7,735	571	8,306
Total	$ 219,805	$ 105,023	$ 324,828

Extinguished Debt – As of June 30, 2021, total bond principal of $23.1 million is considered extinguished through refunding of prior issues by a portion of the current issues. Escrowed funds are held in trust in the amount of $24.2 million for the payment of maturities on these refunded bonds.

Neither the debt nor the escrowed assets are reflected in the University's financial statements.

8. BONDS AND NOTES PAYABLE (Cont.)

Pledged Revenue – The University has pledged certain revenues as collateral for bonds payable. The pledged revenue amounts and coverage requirements are as follows:

Pledged Revenues
As of June 30, 2021
(Dollars in Thousands)

Pledged revenues	
Student fees	$ 200,760
Rentals	10,484
Residence dining income	6,877
Other	1,425
Sales and service	25,386
Finance and administrative cost recovery	9,935
Investment income	1,386
Total pledged revenue	256,253
Less operations and maintenance	(62,938)
Pledged revenues, net	$ 193,315
Annual debt service	$ 20,645
Debt service coverage	936%
Coverage requirement	110%

9. LEASE OBLIGATIONS

Operating Lease Obligations – The University has entered into various non-cancellable operating lease agreements covering certain space and equipment. The lease terms range from one to five years. The expense for operating leases was $701 thousand for the year ended June 30, 2021 and $1.3 million for the year ended June 30, 2020.

Future minimum lease payments on non-cancellable operating leases at June 30, 2021 are as follows:

Future Minimum Operating Lease Obligations
As of June 30, 2021
(Dollars in Thousands)

Year		
2022	$	580
2023		200
2024		51
2025		13
2026		2
Total future minimum operating lease obligations	$	846

10. PENSION PLANS

Public Employee Retirement System of Idaho – Boise State University contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho ("PERSI" or "System") that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information. 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 10 years of service and that three members who are Idaho citizens not be members of the Base Plan except by reason of having served on the Board.

Membership data related to the PERSI Base Plan as of June 30, 2020 and June 30, 2019 were as follows:

PERSI Base Plan Participants	2020	2019
Active participants	73,657	72,502
Retirees and benficiaries	49,573	48,120
Terminated and vested employees	13,788	13,536

Relationship between Measurement Date and Reporting Date –The Measurement Date is June 30, 2020. This is the date as of which the pension liability is determined. The Reporting Date is June 30, 2021. This is the employer's fiscal year ending date.

Pension Benefits – The Base Plan provides retirement, disability and 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% 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.

10. PENSION PLANS (Cont.)

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 state statute at 60% of the employer rate. As of June 30, 2020 it was 7.16 % of the employee's annual pay. The employer contribution rate is set by the Retirement Board and was 11.94% of covered compensation. The University contributions were $3,605,855 and $3,724,444 for the years ended June 30, 2021 and 2020, respectively.

Pension Liabilities, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021 and June 30, 2020, the University reported a liability of $20,341,665 and $10,044,590, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the share of contributions by the University in the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2020 and 2019, the University proportion was 0.876% and 0.880%, respectively.

For the years ended June 30, 2021 and 2020, respectively, the University recognized pension expense of $7,091,560 and $3,135,753. At June 30, 2021 and 2020, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Sources of Deferrals
As of June 30, 2021
(Dollars in Thousands)

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 1,589	$ 664
Changes in assumptions or other inputs	344	-
Aggregated difference between projected and actual earnings on pension plan investments	2,332	-
Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions	6	537
	4,271	1,201
The University contributions subsequent to the measurement date	3,606	-
Total	$ 7,877	$ 1,201

10. PENSION PLANS (Cont.)

Sources of Deferrals
As of June 30, 2020
(Dollars in Thousands)

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 933	$ 1,184
Changes in assumptions or other inputs	559	-
Aggregated difference between projected and actual earnings on pension plan investments	-	3,422
Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions	14	760
	1,506	5,366
The University contributions subsequent to the measurement date	3,724	-
Total	$ 5,230	$ 5,366

The University reported $3,605,855 as deferred outflows of resources related to pensions resulting from current year employer contributions recorded subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

The amortization period for actuarial changes is based on the remaining expected service lives of all employees that are provided with pensions through the System determined at the beginning of the measurement period. With the exception of the net difference between projected and actual investment earnings the amortization period was calculated at 4.7 years and 4.8 years for the Base Plan's fiscal year 2020 and fiscal year 2019, respectively. The amortization of the net difference between projected and actual investment earnings is amortized over a closed five-year period including the Base Plan's fiscal year 2020.

The amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Expense (Revenue)
As of June 30, 2021
(Dollars in Thousands)

2022	$ (169)
2023	645
2024	1,088
2025	1,506
Total	$ 3,070

10. PENSION PLANS (Cont.)

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 payrolls. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code is 25 years.

The total pension liability in the June 30, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions Valuation
As of June 30,

	2020	2019
Inflation	3.00%	3.00%
Salary increases including inflation	3.75%	3.75%
Investment rate of return, net of investment expenses	7.05%	7.05%
Cost-of-living adjustments (COLA)	1.00%	1.00%

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

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

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.

10. PENSION PLANS (Cont.)

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 PERSI'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.

10. PENSION PLANS (Cont.)

Assumptions and Policy for Asset Allocation - Base Plan Fiscal Year 2020

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assume Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			**7.05%**

Assumptions and Policy for Asset Allocation - Base Plan Fiscal Year 2019

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assume Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return Net of Investment Expenses		5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return Net of Investment Expenses			4.19%
Portfolio Standard Deviation			14.16%
Valuation Assupmtions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			**7.05%**

10. PENSION PLANS (Cont.)

Discount Rate – The discount rate used to measure the total pension liability was 7.05%, which was the same as the 7.05% rate used as of June 30, 2019. 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 plan'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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the employer's proportionate share of the net pension liability (asset) calculated using the applicable fiscal year discount rate, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Sensitivity Analysis
As of June 30, 2021
(Dollars in Thousands)

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	$ 41,715	$ 20,342	$ 2,669

Sensitivity Analysis
As of June 30, 2020
(Dollars in Thousands)

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	$ 30,339	$ 10,045	$ (6,738)

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.

10. PENSION PLANS (Cont.)

Payables to the Pension Plan – At June 30, 2021, the University reported payables to the defined benefit pension plan of $152,023 for legally required employer contributions and $91,163 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

At June 30, 2020, the University reported payables to the defined benefit pension plan of $142,271 for legally required employer contributions and $85,315 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS

Summary of State Plans – The Department of Administration (DAS) administers postemployment benefits (OPEB) for healthcare, disability and life insurance for retired or disabled employees of state agencies, public health districts, community colleges and other political subdivisions that participate in the plans. The Retiree Healthcare and Long-Term Disability plans are reported as multiple-employer defined benefit plans. The Retiree Life Insurance plan is a single-employer defined benefit plan. Idaho Code Sections 67-5760 to 67-5768 and 72-1335 establish the benefits and contribution obligations. The plans do not issue publicly available financial reports. The most recent actuarial valuation is as of July 1, 2020. No assets are administered through and accumulated in an irrevocable trust; these benefits are funded on a pay-as-you-go basis. The costs of administering the plans are financed by a surcharge to employers on all active employees of $0.14 per person per month for fiscal year 2021. This rate is reviewed annually.

The Public Employee Retirement System of Idaho (PERSI) administers the Sick Leave Insurance Reserve Fund (SLIRF) which is subject to the guidance of GASB Statements No. 74, 75 and 85.

OPEB Plans Administered by DAS

Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the Office of the Idaho State Controller, 700 West State Street, 4th Floor, P.O. Box 83720, Boise, ID 83720-0011, www.sco.idaho.gov.

At June 30, 2021 the number of participating employers and the classes of employees covered by the DAS administered plans are as follows:

Classes of Employees and Number of Participating Employers

	Retiree Healthcare Plan	Long-Term Disability Plan: Healthcare	Long-Term Disability Plan: Life Insurance	Long-Term Disability Plan: Income	Retiree Life Insurance Plan
Active employees	6,089	20,041	-	-	5,680
Retiree and dependents	549	18	-	-	1,432
Terminated, vested employees	-	-	-	-	116
Number of participating employers	25	25	25	25	2

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Plan Descriptions and Funding Policy

Retiree Healthcare Plan – A retired officer or employee of the university who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. Employees must enroll within 60 days of the date that the active employee policy ends. Additionally, the employee must be receiving monthly PERSI benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An officer or 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 employer and active employee plan. The benefit is at least $1,860 per retiree per year. Employers were charged $11.60 per active employee per month towards the retiree premium cost.

Long-Term Disability Plan – Disabled employees are defined as persons unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% 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 longest of 26 continuous weeks of total disability or exhaustion of accrued sick leave must be met.

For up to 30 months following the date of disability an employee may continue healthcare coverage under this plan. Each employer pays 100% of the employer’s share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled.

The 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 $4,000, whichever is less. The benefit does not increase with inflation and may be offset by other disability benefits from Social Security, Workers’ Compensation or PERSI. The state is self-insured for employees who became disabled prior to July 1, 2003; the state pays 100% 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 employer 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.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

The plan also provides basic life insurance and dependent life insurance 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 employer 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 employer 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 – Boise State University provides basic life insurance to certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age at retirement 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.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Employer payments required and paid as OPEB benefits came due for fiscal years ended June 30:

OPEB Benefit Payments
As of June 30, 2021
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Long-Term Disability Plan Income	Retiree Life Insurance	Total
OPEB paid	$ 406	$ 33	$ 45	$ 34	$ 512	$ 1,030

OPEB Benefit Payments
As of June 30, 2020
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Long-Term Disability Plan Income	Retiree Life Insurance	Total
OPEB paid	$ 346	$ 135	$ 61	$ 43	$ 468	$ 1,053

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Relationship between Valuation Date, Measurement Date and Reporting Date – The last actuarial Valuation Date is July 1, 2020. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2020. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2021. This is the employer's fiscal year ending date.

Significant Changes – There have been significant changes between the Valuation Date and Measurement Date. Effective July 1, 2020, the Long-Term Disability Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the Long-Term Disability Income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured.

Actuarial Assumptions – The total OPEB liability for the Plan as of June 30, 2020, the measurement date, was based on the 2020 PERSI Experience study for demographic assumptions and the July 1, 2020 OPEB Valuation for the economic and OPEB specific assumptions. The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions For Plan Year 2020

	Retiree	Long-Term Disability Plan			Retiree Life
	Healthcare Plan	Healthcare	Life Insurance	Income	Insurance Plan
Inflation	2.20%	2.20%	2.20%	2.20%	2.20%
Salary Increases	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity
Discount Rate	2.21%	2.21%	2.21%	2.21%	2.21%
Healthcare Cost Trend Rates	7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years	N/A	N/A	N/A
Retirees' Share of Benefit-Related Costs	69.4% of projected health insurance premiums for retirees	N/A	N/A	N/A	N/A

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

The total OPEB liability for the Plan as of June 30, 2019, the measurement date, was based on the 2018 PERSI Experience study for demographic assumptions and the July 1, 2018 OPEB Valuation for the economic and OPEB specific assumptions. The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Assumptions For Plan Year 2019

	Retiree	Long-Term Disability Plan			Retiree Life
	Healthcare Plan	Healthcare	Life Insurance	Income	Insurance Plan
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity
Discount Rate	3.50%	3.50%	3.50%	3.50%	3.50%
Healthcare Cost Trend Rates	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020, grading to an ultimate rate of 4.2% for 2074 and later years	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020, grading to an ultimate rate of 4.2% for 2074 and later years	N/A	N/A	N/A
Retirees' Share of Benefit-Related Costs	70.5% of projected health insurance premiums for retirees	N/A	N/A	N/A	N/A

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Mortality Rates – Mortality rates for the Retiree Healthcare, the Long-Term Disability Healthcare and the Retiree Life Insurance plans were based on the RP 2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA with adjustments. Mortality rates for the Long-term Disability Life Insurance plan was based on the 2005 Group Term Life Waiver Reserve table developed by the Society of Actuaries. Mortality rates for the Long-term Disability Income plan were based on the 2014 Group Long-Term Disability Valuation Table.

Discount Rate – For the plan year ended June 30, 2020 and June 30, 2019, the discount rate of 2.1% and 3.5%, respectively to measure PERSI's total OPEB liability was based on the20 year Bond Buyer Go Index.

Total OPEB Liability, OPEB Expense and Deferrals

Total OPEB Liability – At June 30, 2021 and June 30, 2020, the University reported a liability of $31.7 million and $28.9 million, respectively for its proportionate share of the total OPEB liability as of the measurement date of June 30, 2020 and 2019. At July 1, 2021 and 2020, the University's proportionate share of the liability of the collective total OPEB liability for the Retiree Healthcare and Long-Term Disability Plans was 12% and 14% respectively. At July 1, 2021 and 2020, the University's proportionate share of the liability of the collective total OPEB liability for the Retiree Life Insurance Plan was 46% and 45% respectively.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

OPEB Expense – The University recognized the following OPEB expense and deferrals for the years ended June 30, 2021 and June 30, 2020:

OPEB Expense
As of June 30, 2021
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Life	Income	Retiree Life Insurance Plan	Total
OPEB expense	$ (18)	$ 37	$ (208)	$ (158)	$ 2,184	$ 1,837

OPEB Expense
As of June 30, 2020
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Life	Income	Retiree Life Insurance Plan	Total
OPEB expense	$ 188	$ 43	$ 17	$ 12	$ 1,578	$ 1,838

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Deferred Outflows Resources Related to OPEB – Economic/demographic (gains)/losses and changes in proportionate share, assumptions or inputs are recognized over the average remaining service life for all active and inactive members. Amounts reported as deferred outflows of resources will be recognized as OPEB expense as follows:

Deferred Outflows
As of June 30, 2021
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Long-Term Disability Plan Income	Retiree Life Insurance Plan	Total
Difference in Expected and Actual Experience	$ -	$ 65	$ -	$ -	$ -	$ 65
Changes in Assumptions	1,396	9	-	-	7,355	8,760
Change in Proportion	539	30	-	-	168	737
Benefit payments subsequent to the measurement date	309	4	-	-	277	590
Total deferred outflows related to OPEB	$ 2,244	$ 108	$ -	$ -	$ 7,800	$ 10,152

Deferred Outflows
As of June 30, 2020
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Long-Term Disability Plan Income	Retiree Life Insurance Plan	Total
Difference in Expected and Actual Experience	$ -	$ 88	$ -	$ -	$ -	$ 88
Changes in Assumptions	1,155	2	-	-	1,433	2,590
Change in Proportion	676	35	-	-	1	712
Benefit payments subsequent to the measurement date	300	14	49	36	264	663
Total deferred outflows related to OPEB	$ 2,131	$ 139	$ 49	$ 36	$ 1,698	$ 4,053

The $590 thousand reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as decrease of the total OPEB liability in the year ended June 30, 2022. Economic/demographic (gains)/losses and changes in proportionate share, assumptions or inputs are amortized and recognized as expense/revenue over the average remaining service life of the Plan members. Remaining service life ranges between one year and eight and one-half years depending on the Plan.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Deferred Inflows of Resources Related to OPEB – Economic/demographic (gains)/losses and changes in proportionate share, assumptions or inputs are recognized over the average remaining service life for all active and inactive members. Amounts reported as deferred inflows of resources will be recognized as OPEB contra expense as follows:

Deferred Inflows
As of June 30, 2021
(Dollars in Thousands)

		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Difference in Expected and Actual Experience	$ 1,885	$ 17	$ -	$ -	$ 2,604	$ 4,506
Changes in Assumptions	740	33	-	-	653	1,426
Change in Proportion	406	12	-	-	278	696
Total deferred inflows related to OPEB	$ 3,031	$ 62	$ -	$ -	$ 3,535	$ 6,628

Deferred Inflows
As of June 30, 2020
(Dollars in Thousands)

		Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan	Total
Difference in Expected and Actual Experience	$ 15	$ -	$ -	$ -	$ 280	$ 295
Changes in Assumptions	1,103	45	-	-	765	1,913
Change in Proportion	-	-	-	-	320	320
Total deferred inflows related to OPEB	$ 1,118	$ 45	$ -	$ -	$ 1,365	$ 2,528

Economic/demographic (gains)/losses and changes in proportionate share, assumptions or inputs are amortized and recognized as expense/revenue over the average remaining service life of the Plan members. Remaining service life ranges between one year and eight and one-half years depending on the Plan.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

These amounts reported above as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB revenue/ (expense) as follows:

Revenue(Expense)
As of June 30,
(Dollars in Thousands)

Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Retiree Life Insurance Plan
2022	$ (261)	$ 9	$ 459
2023	(261)	9	459
2024	(261)	9	459
2025	(62)	9	459
2026	(253)	8	459
Thereafter	-	(3)	1,696
Total	$ (1,098)	$ 41	$ 3,991

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Discount Rate Sensitivity

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability calculated using the discount rate as well as what the total OPEB liability would be if it were calculated using a discount rate that is a percentage higher or lower than the current rate:

Changes in Discount Rates
As of June 30, 2021
(Dollars in Thousands)

	Retiree	Long-Term Disability Plan			Retiree
	Healthcare Plan	Healthcare	Life	Income	Life
1% Decrease 1.21%	$ 2,365	$ 143	$ -	$ -	$ 36,950
Discount Rate 2.21%	$ 2,247	$ 138	$ -	$ -	$ 29,329
1% Increase 3.21%	$ 2,132	$ 132	$ -	$ -	$ 23,641

Changes in Discount Rates
As of June 30, 2020
(Dollars in Thousands)

	Retiree	Long-Term Disability Plan			Retiree
	Healthcare Plan	Healthcare	Life	Income	Life
1% Decrease 2.50%	$ 4,673	$ 175	$ 299	$ 226	$ 29,109
Discount Rate 3.50%	$ 4,431	$ 168	$ 285	$ 216	$ 23,756
1% Increase 4.50%	$ 4,198	$ 162	$ 273	$ 208	$ 19,679

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are a percentage higher or lower than the current trend rates:

Changes in Healthcare Trend Rates
As of June 30, 2021
(Dollars in Thousands)

	Retiree	Long-Term Disability Plan			Retiree
	Healthcare Plan	Healthcare	Life	Income	Life
1% Decrease	$ 2,070	$ 119	$ -	$ -	$ 29,329
Current Trend Rate	$ 2,247	$ 138	$ -	$ -	$ 29,329
1% Increase	$ 2,451	$ 158	$ -	$ -	$ 29,329

Changes in Healthcare Trend Rates
As of June 30, 2020
(Dollars in Thousands)

	Retiree	Long-Term Disability Plan			Retiree
	Healthcare Plan	Healthcare	Life	Income	Life
1% Decrease	$ 4,046	$ 147	$ 285	$ 216	$ 23,756
Current Trend Rate	$ 4,431	$ 168	$ 285	$ 216	$ 23,756
1% Increase	$ 4,871	$ 193	$ 285	$ 216	$ 23,756

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

OPEB Plan Administered by PERSI

Sick Leave Insurance Reserve Trust Funds

Plan Description – The PERSI administers the Sick Leave Insurance Reserve Fund (SLIRF), cost sharing, multiple-employer defined benefit OPEB plan that provides payments of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The SLIRF is classified as a trust fund. For state and school employers, unused sick leave benefits are subject to the guidance of Governmental Accounting Standard Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and GASB Statement 85, Omnibus 2017.

The PERSI issues a publicly available financial report that includes financial statements and required supplementary information, which can be found at www.persi.idaho.gov. The PERSI also provides a 'Schedule of Employer Allocations and Collective OPEB Amounts' for the SLIRF, which can be found at https://www.persi.idaho.gov/employers-1/gasb/.

The SLIRF trust for payment of state employee benefits is governed by Idaho Code Sections 67-5333 and 59-1365. The SLIRF is a fund that exists for the payment of unused sick leave benefits in the form of insurance premiums for state and school district employees who separate from service by reason of retirement. The assets of the two trusts are commingled for investment purposes.

All state government employers are statutorily required to contribute to a sick leave account administered by the PERSI. Employer's contributions are a percentage of payroll collected each pay cycle and are held in trust for future benefits. The state is responsible for any unfunded benefit obligations through contribution rate adjustments. The number of participating employers and membership in the state SLIRF as of June 30, is as follows:

Employees and Participating Employers
As of June 30,

	2020	2019
Active	17,171	16,932
Retirees and Beneficiaries	5,534	5,232
Total	22,705	22,164
Number of Participating Employers	14	14

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

University employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program as follows:

Credited Hours of Service	Maximum Allowable Sick Leave Hours
0-10,400 (0-5 years)	420
10,401-20,800 (5-10 years)	480
20,801-31,200 (10-15 years)	540
31,201+ (15 years or more)	600

Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement. Contributions to the total OPEB liability (asset) are recognized on an accrual basis of accounting. The rate for University contributions was 0.65% of covered salary at June 30, 2021 and at June 30, 2020. Contribution percentages are based on the number of days of paid sick leave earned during the contract year. University contributions required and paid were $0 and $694 thousand for the fiscal years ended June 30, 2021 and June 30, 2020, respectively.

Long-Term Expected Rate of Return – The long-term expected rate of return on University OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimates ranges of expected future real rates of return (expected returns, net of OPEB 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. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement. For the years ended June 30, 2020 and 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.79% and 8.02%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Even though history provides a valuable perspective for setting the investment return assumption, the PERSI relies primarily on an approach which builds upon the latest capital market assumptions. The actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

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.

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Net OPEB SLIRF Asset, OPEB Expense and Deferrals – The net OPEB asset for the University was $22 million and $19 million as of June 30, 2021 and June 30, 2020, respectively. The OPEB asset is calculated using a discount rate of 7.05% which is the expected rate of return on investments reduced by investment expenses. The net OPEB asset was determined by an actuarial valuation as of July 1, 2020. 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 net OPEB asset are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The University recognized a $1.2 million expense offset and the following deferrals for the fiscal year ended June 30, 2021:

Sources of Deferrals
As of June 30, 2021
(Dollars in Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 163	$ 751
Changes in assumptions or other inputs	15	1,355
Aggregated difference between projected and actual earnings on plan investments	399	-
Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions	-	856
	577	2,962
The University contributions subsequent to the measurement date	-	-
Total Deferrals	$ 577	$ 2,962

11. POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

The University recognized a $908 thousand expense offset and the following deferrals for the fiscal year ended June 30, 2020:

Sources of Deferrals
As of June 30, 2020
(Dollars in Thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 184	$ 585
Changes in assumptions or other inputs	19	-
Aggregated difference between projected and actual earnings on plan investments	-	531
Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions	-	435
	203	1,551
The University contributions subsequent to the measurement date	694	-
Total Deferrals	$ 897	$ 1,551

Economic/demographic (gains)/losses and changes in proportionate share, assumptions or inputs are amortized and recognized as expense/revenue over the average remaining service life of the Plan members. These amounts reported above as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB revenue as follows:

Revenue
As of June 30,
(Dollars in Thousands)

2022	$ 489
2023	489
2024	366
2025	159
Thereafter	882
Total	$ 2,385

11. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (Cont.)

The Net OPEB SLIRF asset is calculated using a discount rate of 7.05%, which is the expected rate of return on investments reduced by investment expenses.

Sensitivity of the Net OPEB SLIRF asset to changes in the discount rate – The following presents the University Net OPEB SLIRF asset proportionate share of the Fund's employers calculated using the current discount rates as well as what the University's asset would be if it were calculated using a discount rate that is a percentage point higher or lower than the current rate:

Sensitivity Analysis
As of June 30, 2021
(Dollars in Thousands)

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB asset	$ 20,766	$ 21,796	$ 22,733

Sensitivity Analysis
As of June 30, 2020
(Dollars in Thousands)

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB asset	$ 18,206	$ 18,837	$ 19,428

12. OPTIONAL RETIREMENT PLANS

Optional Retirement Plan (ORP) – 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 professional employees. The ORP is governed by Idaho Code, Sections 33-107A and 33-107B.

New faculty and professional employees hired on or after July 1, 1990 are automatically enrolled in the ORP. Vendor options include Teachers' Insurance Annuity Association (TIAA) and AIG Retirement Services (formerly known as VALIC). Faculty and professional employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Participants are immediately vested in both their contributions as well as the University's contributions to their account upon enrollment. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

The employee contribution requirement for the ORP is based on a percentage of total covered compensation. Employer contributions are determined by the State of Idaho. Approximately 2,219 employees contribute to this plan.

Contributions for the years ended June 30, are as follows:

ORP Contributions
As of June 30,
(Dollars in Thousands)

		2021		2020
University contribution	$	13,841	$	13,919
Employee contribution		10,406		10,465
Total contribution	$	24,247	$	24,384
University contribution rate		9.27%		9.27%
Employee contribution rate		6.97%		6.97%

12. OPTIONAL RETIREMENT PLANS (Cont.)

PERSI Base Plan – Although enrollees in the ORP no longer actively participate in PERSI, the University is required to contribute to the PERSI Base Plan through July 1, 2025. During the fiscal years ended June 30, 2021 and 2020 this supplemental funding payment to PERSI was $2,222,085 and $2,233,874 respectively.

Supplemental Retirement Plans – Full and part-time faculty, classified and professional staff enrolled in PERSI as their regular retirement plan may also enroll in the 403(b), 401(k) and the 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 plan is only available to active PERSI members that work 20 hours per week for five or more months. The Choice Plan contains employee gain sharing distributions, any voluntary employee contributions made and the earnings on those funds. Approximately 146 employees contribute to this plan.

457(b) - Deferred Compensation Plan – The 457(b) deferred compensation plan is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan through a select group of vendors. The plan is funded exclusively through employee pre-tax contributions. Approximately 113 employees contribute to this plan.

403(b) Plan – The 403(b) plan is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan through a select group of vendors. The plan is funded exclusively by employee pre-tax contributions. Approximately 323 employees contribute to this plan.

Roth 403(b) Plan – The Roth 403(b) plan is an after-tax saving option through payroll deduction with tax-free withdrawals of interest and earnings at retirement. All University employees are eligible to participate in this plan. Approximately 132 employees contribute to this plan.

Supplemental Retirement 403(b) Plan – The Supplemental 403(b) plan was established by the Idaho State Board of Education as of June 23, 2011, for the benefit of a limited group of participants with approval from the state's higher education institutions only. The plan is funded by participant-specific contributions from the employees and the respective institutions.

12. OPTIONAL RETIREMENT PLANS (Cont.)

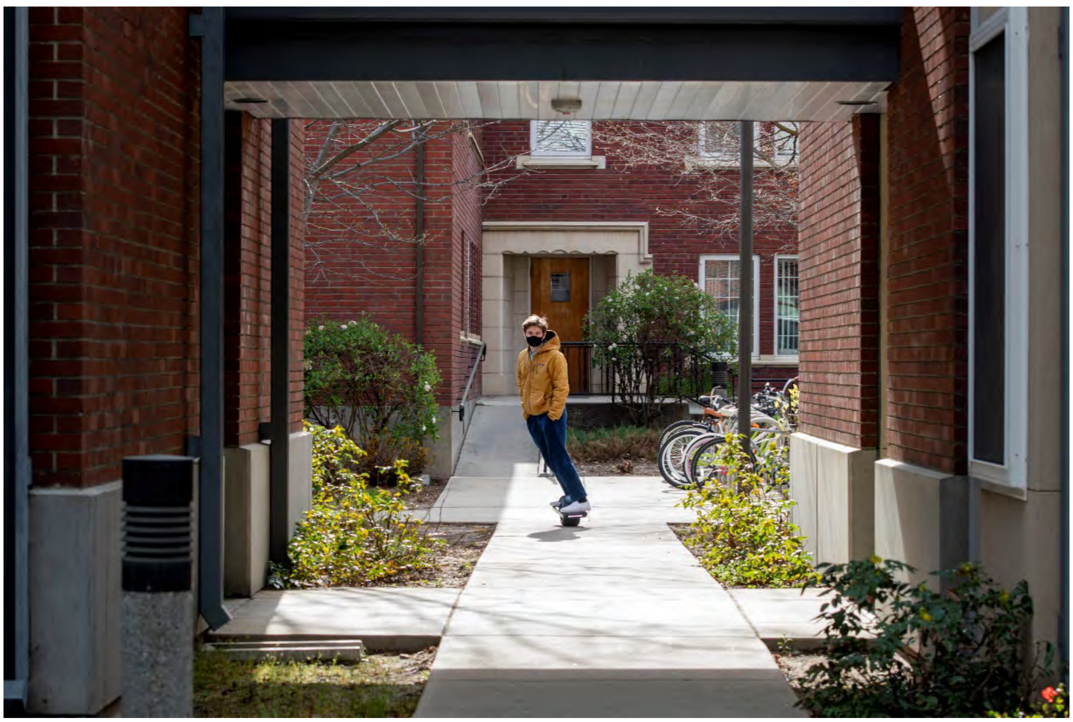
Supplemental retirement plan contributions, in thousands, for the years ended June 30, 2021 and 2020 are as follows:

Supplemental Contributions
As of June 30,
(Dollars in Thousands)

Fiscal Year		401(k)-PCP	457(b)	403(b)	Roth 403(b)	Supplemental Retirement 403(b)
2021	Employee contribution	$ 474	$ 1,153	$ 2,575	$ 657	$ 12
2020	Employee contribution	$ 498	$ 1,038	$ 2,749	$ 622	$ 14
2020-2021	University contribution	N/A	N/A	N/A	N/A	N/A

13. RISK MANAGEMENT

The University obtains workers' compensation coverage from the Idaho State Insurance Fund. The University's workers' compensation premiums are based on its payroll, its own experience as well as that of the State of Idaho as a whole. The University carries commercial insurance through the State of Idaho Risk Management Office for other risks of loss, including but not limited to employee bond and crime, out of state workers' compensation, business interruption, media liability and automobile physical damage insurance. The University participates in the State of Idaho's self-insured insurance coverage for cyber liability which provides protection for risks associated with data breaches, cyberattacks and other network or information breaches. There have been no significant reductions in coverage or claims in excess of coverage within the past three years.



14. COMPONENT UNIT

The Boise State University Foundation, Inc., (the Foundation) was established in 1964 to engage in activities to benefit and support Boise State University (the University), including receiving contributions and holding, protecting, managing and investing donated funds. The Foundation is a nonprofit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of and cannot be controlled by the University. A memorandum of understanding between the Foundation and the University defines the relationship between the two entities in accordance with the State Board of Education's policies.

The Foundation's financial statements are prepared in accordance with the standards set by the Financial Accounting Standards Board (FASB).

Net Assets – The Foundation classifies net assets, revenues, gains and other support and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

> ***Net Assets with Donor Restrictions*** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, with the stipulated purpose for which the resource was restricted has been fulfilled, or both.
>
> ***Net Assets without Donor Restrictions*** – Net assets available for use in general operations and are not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

14. COMPONENT UNIT (Cont.)

Net Assets with donor restrictions assets are restricted for the following purposes or periods:

Net Assets with Donor Restrictions
As of June 30,
(Dollars in Thousands)

Subject to expenditure for specified purpose:	**2021**	**2020**
Scholarships	$ 36,585	$ 11,437
Administrative	5,775	5,053
Athletic	9,501	3,957
Capital projects	17,498	17,067
Research - Faculty	1,088	342
Research - Student	451	420
Special Purpose	3,991	4,862
Student Assistantship	650	285
Underwater Endowments	-	932
Total Subject to expenditure for specific purpose	75,539	44,355
Promises to give, the proceeds which have been restricted by donors for:		
Scholarships	873	411
Administrative	462	46
Athletic	3,391	120
Capital projects	467	366
Special Purpose	248	152
Student Assistantship	46	-
Total promises to give	5,487	1,095
Subject to the passage of time:		
Assets held under split interest agreements	1,468	1,125
Endowments:		
Subject to endowment spending and appropriation:		
Academic Scholarship	62,252	58,860
Other Academic Endowment	34,518	30,543
Athletic Scholarship	16,994	16,710
Other Athletic Endowment	126	88
Unconditional promises to give	776	479
Total endowments	114,666	106,680
Underwater endowments	-	(932)
Total endowments net of underwater	114,666	105,748
Total Net Assets with donor restrictions	$ 197,160	$ 152,323

14. COMPONENT UNIT (Cont.)

Net assets with donor restrictions released from restrictions consisted of the following at June 30, 2021 and 2020:

Net Assets with Donor Restrictions
Released From Restrictions
As of June 30,
(Dollars in Thousands)

Net Assets	2021	2020
Scholarships and grants	$ 5,891	$ 5,777
Distribution of funds for academic programs	2,307	8,741
Distribution of funds for athletic programs		
Program services	2,574	7,163
Fundraising expenses	-	1
Management and general	13	72
Uncollectible pledge expense	270	9
Management and general	2,268	1,873
Board and donor designated transfers	7	6
Total Net assets released from donor restrictions	$ 13,330	$ 23,642

14. COMPONENT UNIT (Cont.)

Cash and Cash Equivalents – For purposes of cash flows, the Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered investments and are shown as restricted cash and cash equivalents as the funds have been designated by the Foundation for investment purposes. Cash deposits at times during the years ended June 30, 2021 and 2020, exceeded federally insured limits.

Investments – Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment gains and losses are reported in the statements of activities and consist of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports.

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

The following details each major category of investments and the related fair market values at June 30:

Investments
As of June 30,
(Dollars in Thousands)

Investment Type	2021	2020	FY 2021 Percent of Total
US treasury bonds	$ 11,769	$ 12,724	5.9%
Corporate bonds	28,198	35,665	14.2%
Bond mutual funds	43,396	32,957	21.9%
			0.0%
Domestic equity funds	54,343	37,192	27.4%
International equity funds	50,400	39,452	25.4%
Private equity investments	1,060	1,171	0.5%
			0.0%
Real estate and specialty assets	8,780	5,063	4.4%
Hedge funds	15	19	0.0%
Insurance annuities	525	435	0.3%
Total investments	$ 198,486	$ 164,678	100%

14. COMPONENT UNIT (Cont.)

Fair Value Measurements and Disclosures – Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

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

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

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

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

A significant portion of the Foundation's investment assets are classified within Level 1 because they are comprised of open-end mutual funds, exchange traded funds or U.S. Government and debt obligations with readily determinable fair values based on daily redemption values. These are valued consistently by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 1. Level 2 investments are

14. COMPONENT UNIT (Cont.)

comprised of insurance annuities which are tied either to the S&P 500 index or federal market interest rates of which there is a minimum payout of 5%. The fair values of beneficial interests in charitable and perpetual trusts are determined by management using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets, and are based on the fair values of trust investments as reported by the trustees. These are considered to be Level 3 measurements.

The Foundation uses Net Asset Value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, to estimate the fair values of certain private equity funds and limited partnerships which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

14. COMPONENT UNIT (Cont.)

The following tables present assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2021 and 2020:

Fair Value Measurements
As of June 30, 2021
(Dollars in Thousands)

	Total	Level 1	Level 2	Level 3	Investments Measured at NAV
Assets					
Investments:					
Growth assets					
US equities	$ 54,343	$ 54,343	$ -	$ -	$ -
International equities	50,400	41,939	-	-	8,461
Private equity	1,060	-	-	-	1,060
Insurance annuities	525	-	525	-	-
Risk reduction assets					
Cash and cash equivalents	8,524	8,524	-	-	-
US/Global fixed income	83,363	63,943	-	-	19,420
Hedge funds	14	14	-	-	-
Real asset investments	8,780	3,338	-	-	5,441
Total investments, at fair value	207,009	172,101	525	-	34,382
Investments in perpetual trusts:					
Growth investments					
US equities	1,663	1,663	-	-	-
International equities	490	490	-	-	-
Risk reduction assets					
Cash and cash equivalents	77	77	-	-	-
US/Global fixed income	779	779	-	-	-
Hedge funds	6	6	-	-	-
Real asset investments	77	77	-	-	-
Total investments in perpetual trusts, at fair value	3,092	3,092	-	-	-
Total assets, at fair value	$ 210,101	$ 175,193	$ 525	$ -	$ 34,382
Liabilities					
Liabilities under trust agreements	$ 1,911	$ -	$ -	$ 1,911	$ -
Trust earnings payable to trust beneficiary	131	-	-	131	-
Total liabilities, at fair value	$ 2,042	$ -	$ -	$ 2,042	$ -

14. COMPONENT UNIT (Cont.)

Fair Value Measurements
As of June 30, 2020
(Dollars in Thousands)

	Total	Level 1	Level 2	Level 3	Investments Measured at NAV
Assets					
Investments:					
Growth assets					
US equities	$ 37,193	$ 37,193	$ -	$ -	$ -
International equities	39,452	33,192	-	-	6,260
Private equity	1,171	-	-	-	1,171
Insurance annuities	435	-	435	-	-
Risk reduction assets					
Cash and cash equivalents	6,627	6,627	-	-	-
US/Global fixed income	81,346	61,890	-	-	19,456
Hedge funds	19	19	-	-	-
Real asset investments	5,063	2,262	-	-	2,801
Total investments, at fair value	171,306	141,183	435	-	29,688
Investments in perpetual trusts:					
Growth assets					
US equities	1,224	1,224	-	-	-
International equities	261	261	-	-	-
Risk reduction assets					
Cash and cash equivalents	117	117	-	-	-
US/Global fixed income	816	816	-	-	-
Hedge funds	8	8	-	-	-
Real asset investments	92	92	-	-	-
Total investments in perpetual trusts, at fair value	2,518	2,518	-	-	-
Total assets, at fair value	$ 173,824	$ 143,701	$ 435	$ -	$ 29,688
Liabilities					
Liabilities under trust agreements	$ 1,878	$ -	$ -	$ 1,878	$ -
Trust earnings payable to trust beneficiary	127	-	-	127	-
Total liabilities, at fair value	$ 2,005	$ -	$ -	$ 2,005	$ -

Changes in Fair Value Levels – The availability of observable market data is monitored annually to assess the appropriate classifications of financial instruments within the fair value hierarchy. Changes in economic conditions or other factors may require transfer of financial instruments from one fair value level to another. During the year ended June 30, 2021, NAV private equity had both capital additions and distributions. One private equity fund was fully liquidated. Any other changes in the fair value are a reflection of market valuations.

Investments in certain entities measured at fair value using NAV per share as a practical expedient are as follows June 30, 2021 and 2020:

14. COMPONENT UNIT (Cont.)

Investments in certain entities measured at fair value using NAV per share as a practical expedient are as follows June 30, 2021 and 2020:

Investments Measured at Fair Value Using NAV per Share
As of June 30, 2021
(Dollars in Thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity	$ 1,060	$ 723	Not available	N/A
Limited Partnership - Domestic Equity	5,441	-	Monthly	30 days
Limited Partnership - International Value Equity	8,461	-	Monthly	10 days
Fixed Income	19,420	-	Daily	5 days
Total	$ 34,382	$ 723		

Investments Measured at Fair Value Using NAV per Share
As of June 30, 2020
(Dollars in Thousands)

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity	$ 1,171	$ 743	Not available	N/A
Limited Partnership - Domestic Equity	2,801	-	Monthly	30 days
Limited Partnership - International Value Equity	6,260	-	Monthly	10 days
Fixed Income	19,456	-	Daily	5 days
Total	$ 29,688	$ 743		

14. COMPONENT UNIT (Cont.)

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

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Foundation may not be able to recover its deposits or may not be able to recover securities that are in possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover the value of its investment or collateral securities that are in possession of another party. The Foundation does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

As of June 30, 2021 and 2020, deposits that were uninsured and uncollateralized totaled $3,450,330 and $3,927,932, respectively.

Investments of the Foundation are uninsured and uncollateralized and held in the name of either the Foundation or the custodian.

Credit Risk – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The ratings below use the Moody's scale for balances as of June 30, 2021.

The Foundation has a legal agreement with its restricted investment fund manager which defines ratings acceptable to the Foundation and its policy defines benchmark indices by which to measure overall performance of these investments.

14. COMPONENT UNIT (Cont.)

Credit Risk of Debt Securities
As of June 30, 2021
(Dollars in Thousands)

Moody's Scale Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Total
Aaa	$ 11,769	$ 21	$ 3,843	$ 15,633
Aa1	-	549	-	549
Aa2	-	1,219	20,404	21,623
Aa3	-	1,541	-	1,541
A1	-	2,676	-	2,676
A2	-	7,247	9,116	16,363
A3	-	5,348	-	5,348
Baa1	-	6,565	-	6,565
Baa2	-	2,530	281	2,811
Ba2	-	-	6,444	6,444
B2	-	-	133	133
Unrated	-	502	3,175	3,677
Total	$ 11,769	$ 28,198	$ 43,396	$ 83,363

Interest Rate Risk – Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. While the Foundation does not have a policy regarding maturities of investments, it invests restricted funds in pools with differing maturities and its policy defines benchmark indices by which to measure overall performance of these investments.

Investment Maturities in Years
As of June 30, 2021
(Dollars in Thousands)

Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
US treasury bonds	$ 11,769	$ 852	$ 1,040	$ 9,877	$ -
Corporate bonds	28,198	2,928	5,970	19,300	-
Bond mutual funds	43,396	3,175	24	40,148	49
Total rated securities	$ 83,363	$ 6,955	$ 7,034	$ 69,325	$ 49

14. COMPONENT UNIT (Cont.)

Liquidity and Availability – Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Liquidity and Availability
As of June 30,
(Dollars in Thousands)

	2021	2020
Cash and cash equivalents	$ 15	$ 8
Interest receivable	224	289
Non-endowed investments	8,980	10,461
Endowment spending rate distributions and appropriations	161	149
Distributions from donor-designated endowment assets	120	119
Total	$ 9,500	$ 11,026

Foundation Endowment funds consist of donor-restricted endowment and funds designated by the board as endowments. Income from donor-restricted endowment is restricted for specific purposes, with the exception of the amounts available for general use. Donor restricted endowment funds are not available for general expenditure.

A board-designated endowment of $5.24 million is subject to an annual spending rate of 4%. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

14. COMPONENT UNIT (Cont.)

Changes in Endowment Net Assets for the years ending June 30, 2021 and 2020, respectively, are as follows:

Changes in Endowment Net Assets
As of June 30, 2021
(Dollars in Thousands)

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 3,570	$ 117,621	$ 121,191
Investment Return, net	1,071	33,078	34,149
Gifts	-	8,843	8,843
Other Income	-	156	156
Appropriation of endowment assets for expenditure	(149)	(3,654)	(3,803)
Other Changes			-
Board and donor designated transfers	750	108	858
Change in value of insurance premiums	-	36	36
Endowment net assets, end of year	$ 5,242	$ 156,188	$ 161,430

Changes in Endowment Net Assets
As of June 30, 2020
(Dollars in Thousands)

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 3,826	$ 118,274	$ 122,100
Investment Return, net	(98)	(2,452)	(2,550)
Gifts	-	5,244	5,244
Other Income	-	73	73
Appropriation of endowment assets for expenditure	(159)	(3,435)	(3,594)
Other Changes			-
Board and donor designated transfers	-	(108)	(108)
Change in value of insurance premiums	-	25	25
Endowment net assets, end of year	$ 3,569	$ 117,621	$ 121,190

14. COMPONENT UNIT (Cont.)

Promises to Give – Unconditional promises to give are reflected at the present value of estimated future cash flows using a discount rate based on Treasury bond rates at the date of the pledge ranging from 0.05% to 2.96% as of June 30, 2021 and 2020, respectively, along with an allowance for uncollectible pledges based on past collection experience. Unconditional promises to give are estimated to be collected as follows at June 30, 2021 and 2020:

Promises to Give
As of June 30,
(Dollars in Thousands)

	2021	2020
Receivable in less than one year	$ 2,051	$ 885
Receivable in one to five years	4,453	853
Receivable in more than five years	201	58
Total promises to give	6,705	1,796
Less allowance	(260)	(70)
Less discount	(154)	(82)
Total promises to give, net	$ 6,291	$ 1,644

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2021 and 2020, the allowance was $260,000 and $70,000, respectively.

During the year ended June 30, 2021 and 2020 the Foundation had no conditional pledges.

14. COMPONENT UNIT (Cont.)

Amounts Held in Custody for Others – The Boise State Public Radio (BSPR), an operating division of the University, transferred assets to the Foundation for investment and management, which are included in amounts held in custody for others. Support raised on behalf of BSPR was $1,242 and $2,048 at June 30, 2021 and 2020, respectively. Interest related to assets held on behalf of BSPR aggregated to $111 and $577 at June 30, 2021 and 2020, respectively. Included in amounts held in custody for others on behalf of BSPR are $1,106,662 and $1,105,310 at June 30, 2021 and 2020, respectively.

In-Kind Contributions – The Foundation records various types of in-kind support including equipment, contributed facilities, professional services, advertising and materials. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or additions to property and equipment.

Split Interest Agreement Obligations – The Foundation is currently the beneficiary of certain charitable remainder trusts. The charitable remainder trusts provide for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for use by the Foundation as specified by the grantor. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded as a temporarily restricted contribution in the period in which the trust is established. Investments held in the charitable remainder trusts are invested in equities and bonds and reported at fair value. The present value of the estimated annuity payments is calculated using discount rates of 1.2% for 2021 and 1.2% for 2020 and the applicable mortality tables and is shown in the table below. Assets held in the charitable remainder trusts totaled $2,582,527 and $2,261,394 for June 30, 2021

14. COMPONENT UNIT (Cont.)

and 2020, respectively, and are included in the investments in the accompanying statements of financial position.

The Foundation currently administers certain charitable gift annuities. The assets contributed under the charitable gift annuities are invested in equities and bonds and are carried at fair value and land which is carried at cost. Contribution support is recognized at the date the annuities are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. Adjustments to reflect the valuation of the present value of the estimated annuity payments and changes in actuarial assumptions are included as a component of net investment return in the statements of activities. The present value of the estimated annuity payments associated with the gift annuities is calculated using discount rates of 1.2% for 2021 and 1.2% for 2020 and the applicable mortality tables and is shown in the table below. Assets held in the charitable gift annuities totaled $1,171,893 and $1,001,072 for June 30, 2021 and 2020, respectively, and are included in the investments and investments in real estate in the accompanying statements of financial position.

Estimated future maturities of annuity obligations for each of the next five years and in the aggregate are as follows:

Estimated Future Maturities of Annuity Obligations
(Dollars in Thousands)

Year Ended June 30,	Annuity Payments
2022	$ 140
2023	311
2024	127
2025	127
2026	127
Thereafter	2,165
Total	2,997
Less: Discount	1,086
Total Split interest liability	$ 1,911

Concentrations – The Foundation received approximately 29.4% of total contributions from ten donors during the year ended June 30, 2021 and approximately 27.7% of total contributions from three donors during the year ended June 30, 2020.

Gross unconditional promises to give included a total of approximately 25.9% from five donors at June 30, 2021 and a total of approximately 60.1% from eleven donors at June 30, 2020.

15. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS

Operating Expense by Functional Classification
As of June 30, 2021
(Dollars in Thousands)

Functional Categories	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 121,812	$ 11,945	$ 3,719	$ -	$ 137,476
Research	26,025	9,965	2,271	-	38,261
Public service	14,603	8,771	1,192	-	24,566
Libraries	3,848	2,053	-	-	5,901
Student services	16,485	2,046	8	-	18,539
Plant operations	12,174	14,158	-	-	26,332
Institutional support	29,045	7,866	21	-	36,932
Academic support	28,757	3,417	312	-	32,486
Auxiliary enterprises	31,218	29,081	2,639	-	62,938
Scholarships	809	(308)	17,718	-	18,219
Depreciation	-	-	-	26,668	26,668
Total operating expenses	$ 284,776	$ 88,994	$ 27,880	$ 26,668	$ 428,318

Operating Expense by Functional Classification
As of June 30, 2020
(Dollars in Thousands)

Functional Categories	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 123,393	$ 12,012	$ 3,903	$ -	$ 139,308
Research	25,098	10,134	2,072	-	37,304
Public service	13,489	6,923	622	-	21,034
Libraries	3,933	1,991	-	-	5,924
Student services	17,710	3,178	45	-	20,933
Plant operations	12,229	15,131	-	-	27,360
Institutional support	28,104	5,946	24	-	34,074
Academic support	28,152	3,997	286	-	32,435
Auxiliary enterprises	35,288	37,182	1,720	-	74,190
Scholarships	1,215	469	16,701	-	18,385
Depreciation	-	-	-	26,623	26,623
Total operating expenses	$ 288,611	$ 96,963	$ 25,373	$ 26,623	$ 437,570

16. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal, state, local and private grants and contracts, include amounts for the recovery of overhead and other costs allocated to these projects. The University 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. University management are of the opinion that these refunds, if any, will not have a material effect on financial position or the results of operations of the University.

The University has performed a review of potential pollution remediation obligations and found that there were no triggering events that would cause the University to record a pollution remediation liability as of June 30, 2021. Based on present knowledge, the University's management believes any ultimate liability in these matters will not have a material effect the financial position or the results of operations of the University.

REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits

Schedule of Changes in Employer's Total OPEB Liability and Annual Covered Payroll

Other Post Employment Benefits Obligation
Schedule of Funding Progress
Retiree Healthcare Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning OPEB liability	$ 4,075	$ 4,023	$ 2,677	$ 4,431
Changes for the year:				
Service cost	157	167	114	158
Interest	145	148	120	136
Effect of employer proportionate share changes	-	135	486	(495)
Effect of economic/demographic gains or losses	-	(19)	-	(2,266)
Effect of assumption changes or inputs	-	(1,387)	1,381	689
Expected benefit payments	(354)	(390)	(347)	(406)
Ending OPEB liability	$ 4,023	$ 2,677	$ 4,431	$ 2,247
Annual covered payroll	$ 178,494	$ 191,278	$ 202,330	$ 217,519
OPEB liability as a percentage of covered payroll	2.3%	1.4%	2.2%	1.0%
Proportion of Total OPEB liability	0.115127000	0.118985369	0.140577686	0.124874627

Other Post Employment Benefits Obligation
Schedule of Funding Progress
Long Term Disability Healthcare Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning OPEB liability	$ 418	$ 267	$ 225	$ 168
Changes for the year:				
Service cost	25	26	26	26
Interest	13	8	9	6
Effect of employer proportionate share changes	-	9	41	(18)
Effect of economic/demographic gains or losses	-	100	-	(20)
Effect of assumption changes or inputs	-	(51)	2	9
Expected benefit payments	(189)	(134)	(135)	(33)
Ending OPEB liability	$ 267	$ 225	$ 168	$ 138
Annual covered payroll	$ 178,494	$ 191,278	$ 202,330	$ 217,519
OPEB liability as a percentage of covered payroll	0.1%	0.1%	0.1%	0.1%
Proportion of Total OPEB liability	0.115127006	0.118985639	0.140577686	0.124874627

REQUIRED SUPPLEMENTARY INFORMATION (Cont.)

Other Post Employment Benefits Obligation
Schedule of Funding Progress
Long Term Disability Life Insurance Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning OPEB liability	$ 380	$ 322	$ 278	$ 285
Changes for the year:				
Service cost	-	-	-	-
Interest	12	11	12	8
Effect of employer proportionate share changes	-	11	50	(248)
Effect of economic/demographic gains or losses	-	-	-	-
Effect of assumption changes or inputs	-	(5)	6	-
Expected benefit payments	(70)	(61)	(61)	(45)
Ending OPEB liability	$ 322	$ 278	$ 285	$ -
Annual covered payroll	$ 178,494	$ 191,278	$ 202,330	$ 217,519
OPEB liability as a percentage of covered payroll	0.2%	0.1%	0.1%	0.0%
Proportion of Total OPEB liability	0.115127006	0.118985639	0.140577686	0.124874627

Other Post Employment Benefits Obligation
Schedule of Funding Progress
Long Term Disability Life Income Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning OPEB liability	$ 270	$ 233	$ 227	$ 217
Changes for the year:				
Service cost	-	-	-	-
Interest	9	9	9	6
Effect of employer proportionate share changes	-	29	20	(189)
Effect of economic/demographic gains or losses	-	6	-	-
Effect of assumption changes or inputs	-	(3)	4	-
Expected benefit payments	(46)	(47)	(43)	(34)
Ending OPEB liability	$ 233	$ 227	$ 217	$ -
Annual covered payroll	$ 178,494	$ 191,278	$ 202,330	$ 217,519
OPEB liability as a percentage of covered payroll	0.1%	0.1%	0.1%	0.0%
Proportion of Total OPEB liability	0.115127006	0.129538785	0.140577686	0.124874627

REQUIRED SUPPLEMENTARY INFORMATION (Cont.)

Other Post Employment Benefits Obligation
Schedule of Funding Progress
Retiree Life Insurance Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Beginning OPEB liability	$ 20,552	$ 21,655	$ 21,396	$ 23,756
Changes for the year:				
Service cost	754	777	714	845
Interest	755	795	833	859
Effect of employer proportionate share changes	-	1	(343)	190
Effect of economic/demographic gains or losses	-	(372)	-	(2,649)
Effect of assumption changes or inputs	-	(1,018)	1,624	6,840
Expected benefit payments	(406)	(442)	(468)	(512)
Ending OPEB liability	$ 21,655	$ 21,396	$ 23,756	$ 29,329
Annual covered payroll	$ 178,494	$ 191,278	$ 202,330	$ 217,519
OPEB liability as a percentage of covered payroll	12.1%	11.2%	11.7%	13.5%
Proportion of Total OPEB liability	0.459494310	0.459524097	0.452151543	0.455774293

For the above OPEB plans, 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.

*Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION (Cont.)

Other Postemployment Benefits – Sick Leave Insurance Reserve Fund OPEB Plan

Schedule of Employer's Proportionate Share of Net OPEB Asset

Schedule of Employer's Proportionate Share of Net OPEB Asset
Sick Leave Insurance Reserve Fund
Last 10 - Fiscal Years*
(Dollars in Thousands)

Employer's Fiscal Year	Employer's Portion of Net OPEB Asset	Employer's Proportionate Share of Net OPEB Asset	Employer's Covered Payroll	Employer's Proportional Share of Net OPEB Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position	Plan Total OPEB Liability	Plan Fiduciary Net Position as a Percentage of Net OPEB Asset
2021	0.154414559	$ 21,796	$ 106,717	20.42%	$ 234,449	$ 93,297	251.29%
2020	0.149536654	$ 18,837	$ 172,489	10.92%	$ 225,186	$ 99,214	226.97%
2019	0.147721192	$ 16,954	$ 162,749	10.42%	$ 206,260	$ 91,490	225.45%
2018	0.143584619	$ 13,659	$ 157,649	8.66%	$ 186,498	$ 91,368	204.12%

Schedule of Employer Contributions - Sick Leave Insurance Reserve Fund OPEB Plan

Schedule of Employer Contributions
Sick Leave Insurance Reserve Fund
Last 10 - Fiscal Years*
(Dollars in Thousands)

Employer's Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (deficiency) excess	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	$ -	$ -	$ -	$ 9	0.65%
2020	$ 694	$ 694	$ -	$ 106,717	0.65%
2019	$ 1,121	$ 1,121	$ -	$ 172,460	0.65%
2018	$ 1,058	$ 1,058	$ -	$ 162,749	0.65%

*Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION (Cont.)

PERSI – Base Plan

Schedule of Employer's Proportionate Share of Net Pension Liability

Schedule of Employer's Proportionate Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

Employer's Fiscal Year	Employer's portion of net the pension liability	Employer's proportionate share of the net pension liability	Employer's Covered Payroll	Employer's proportional share of the net pension liability as a percentage of its Covered Payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.008759908	$ 20,342	$ 32,901	61.83%	88.22%
2020	0.008799680	$ 10,045	$ 29,894	33.61%	93.79%
2019	0.009051797	$ 13,352	$ 29,142	45.82%	91.69%
2018	0.009515142	$ 14,956	$ 29,554	50.61%	90.68%
2017	0.009493948	$ 19,246	$ 27,727	69.41%	87.26%
2016	0.009608384	$ 12,653	$ 26,908	47.02%	91.38%

Schedule of Employer Contributions - PERSI Base Plan

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years*
(Dollars in Thousands)

Employer's Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's Covered Payroll	Contributions as a percentage of Covered Payroll
2021	$ 3,606	$ 3,606	$ -	$ 31,854	11.32%
2020	$ 3,724	$ 3,724	$ -	$ 32,901	11.32%
2019	$ 3,384	$ 3,384	$ -	$ 29,894	11.32%
2018	$ 3,299	$ 3,299	$ -	$ 29,142	11.32%
2017	$ 3,345	$ 3,345	$ -	$ 29,554	11.32%
2016	$ 3,139	$ 3,139	$ -	$ 27,727	11.32%
2015	$ 3,046	$ 3,046	$ -	$ 26,908	11.32%

*Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

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