

A close-up photograph of a marching band member in the foreground, wearing a blue polo shirt, a grey baseball cap, and clear safety glasses. He is holding a tuba and has the mouthpiece in his mouth. A white-gloved hand is visible adjusting the mouthpiece. In the background, another band member is partially visible, also playing a tuba. The scene is brightly lit, suggesting an outdoor event at night.

BOISE STATE UNIVERSITY



Financial Statements

Fiscal Year 2022

Reports of independent auditors and financial statements for the year ended June 30, 2022 and 2021



BOISE STATE UNIVERSITY



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INDEPENDENT AUDITORS' REPORT

Idaho Office of the State Board of Education
Boise State University
Boise, Idaho

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Boise State University, a component unit of the State of Idaho, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Boise State University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Boise State University, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, the Boise State Foundation (the Foundation), which represents 100% of the assets, net assets and revenues of the aggregate 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 other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boise State University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boise State University's ability to continue as a going concern for a reasonable period of time.

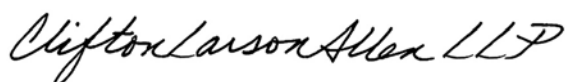
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedules of Changes in Employer's Total OPEB Liability and Annual Covered Payroll, the Schedule of Employer's Proportionate Share of Net OPEB Asset, the Schedule of Employer Contributions - Sick Leave Insurance Reserve Fund OPEB Plan, the Schedule of Employer's Proportionate Share of Net Pension Liability, and the Schedule of Employer Contributions - PERSI Base Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report December 15, 2022, 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 results 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

Denver, Colorado
December 15, 2022



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

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 795 thousand. As of June 30, 2022, the University employed 5,099 faculty and staff (including 1,426 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 16 doctoral programs. These degree programs foster student success, lifelong learning, community engagement, innovation and creativity. This academic year, 5,311 students graduated from Boise State University, including 58 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 29 research centers and institutes, including the Center for Health Policy, the Biomolecular Research Center, the Raptor Research Center and the Institute for Advancing American Values. 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 nine 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 National Public Radio 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, 2022 and June 30, 2021 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, 2022 and 2021. 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.





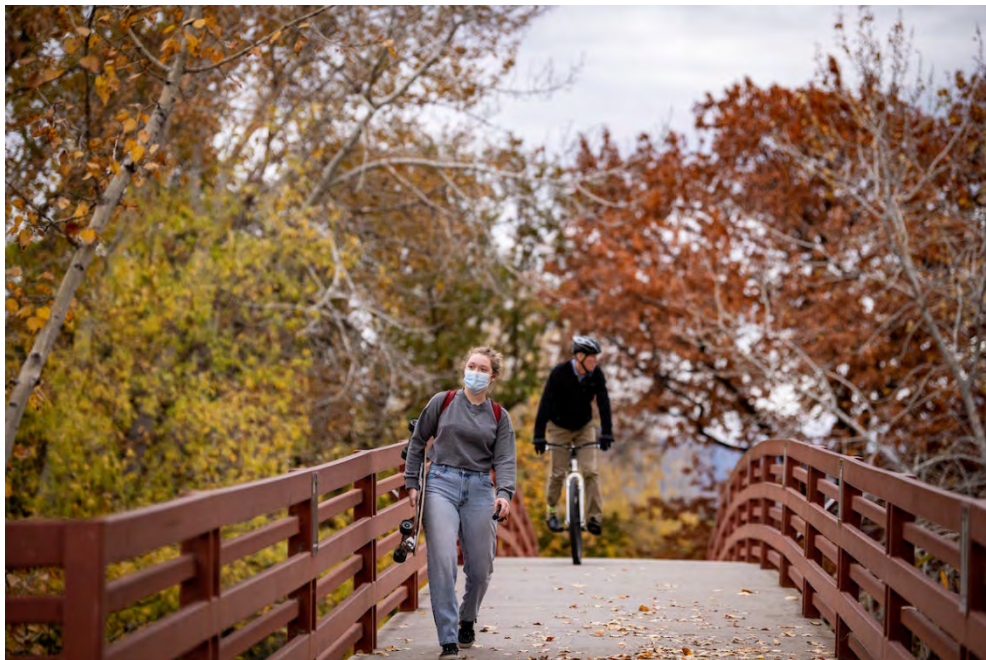
Impact of COVID-19 on Fiscal Year Results

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 reimaged 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.





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 quick turnaround times. Contact tracing of all positive tests has also been aggressive. The University continues to offer testing, contact tracing and vaccinations to the Boise community.

The estimated impact of COVID-19 on financial results is as follows:

| Impact of COVID-19 Years ended June 30 (Dollars in Thousands) | | |
|---|----------|------------|
| | FY22 | FY21 |
| Waived student fees | \$ (766) | \$ (3,148) |
| Reduction in sales and services | (12,622) | (21,659) |
| Reduction in state appropriation | - | (5,379) |
| Lost revenue | (13,388) | (30,186) |
| Reduction in auxiliary expenses | - | 12,227 |
| Reduction in non-auxiliary expenses | - | 6,873 |
| Additional technology, public health and safety expenses | (2,805) | (5,448) |
| Additional financial aid expenses | (49) | - |
| Additional scholarship expenses | (17,709) | (8,156) |
| Impact to expenses | (20,563) | 5,496 |
| Federal grant aid revenue | 35,129 | 30,877 |
| Net impact | \$ 1,178 | \$ 6,187 |

Student Body

The University has the largest student enrollment of any public university in Idaho with a fall semester 2021 enrollment of 25,829 students (based on headcount with full-time equivalent enrollment of 17,640) and a fall semester 2020 enrollment of 24,103 students (based on headcount with full-time equivalent enrollment of 16,963) as of the October 15 census dates. This reflects an increase of 1,726 students based on headcount and an increase of 677 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 89 countries. The University enrolls a diverse mix of both traditional age students and working adults.



| Enrollment and Graduation Statistics Fall Semester | | | | |
|---|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 |
| Enrollment | | | | |
| Headcount | 25,540 | 26,272 | 24,103 | 25,829 |
| Full time equivalents | 16,967 | 17,679 | 16,963 | 17,640 |
| Undergraduate degree seeking students | | | | |
| Full time | 12,746 | 13,035 | 12,961 | 13,234 |
| Part time | 3,791 | 3,863 | 4,014 | 3,843 |
| Graduate degree seeking students | | | | |
| Full time | 1,099 | 1,177 | 1,242 | 1,277 |
| Part time | 1,725 | 1,750 | 1,713 | 1,793 |
| Students from Idaho | 73% | 71% | 66% | 56% |
| First year undergraduates/transfers | | | | |
| Applied | 13,737 | 17,914 | 18,691 | 18,905 |
| Admitted | 11,113 | 13,991 | 14,530 | 15,752 |
| Enrolled | 4,188 | 4,315 | 4,210 | 4,615 |
| | | | | |
| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
| Degrees Conferred | | | | |
| Associate | 133 | 109 | 132 | 127 |
| Bachelor | 3,472 | 3,526 | 3,754 | 3,946 |
| Master | 861 | 954 | 1,075 | 1,062 |
| Doctorate | 45 | 53 | 50 | 58 |
| Certificate* | 581 | 621 | 704 | 818 |

*Includes undergraduate, graduate and post-undergraduate certificates.

State Appropriations

Legislatively-approved State appropriations, inclusive of capital appropriations, represent approximately 24% of the University's total annual revenues for fiscal year 2022. 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) | | | |
|---|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2020 |
| ASSETS: | | | |
| Current assets | \$ 234,364 | \$ 209,532 | \$ 179,265 |
| Capital assets, net | 587,408 | 585,939 | 598,074 |
| Other assets | 143,856 | 121,423 | 114,283 |
| Total assets | 965,628 | 916,894 | 891,622 |
| DEFERRED OUTFLOWS OF RESOURCES | 28,276 | 24,600 | 16,687 |
| Total assets and deferred outflows of resources | <u>\$ 993,904</u> | <u>\$ 941,494</u> | <u>\$ 908,309</u> |
| LIABILITIES: | | | |
| Current liabilities | \$ 79,970 | \$ 83,247 | \$ 76,569 |
| Non-current liabilities | 258,141 | 282,642 | 285,314 |
| Total liabilities | 338,111 | 365,889 | 361,883 |
| DEFERRED INFLOWS OF RESOURCES | 78,136 | 51,179 | 50,454 |
| NET POSITION: | | | |
| Net investment in capital assets | 334,919 | 324,981 | 320,457 |
| Restricted, expendable | 27,030 | 28,842 | 28,351 |
| Unrestricted | 215,708 | 170,603 | 147,164 |
| Total net position | 577,657 | 524,426 | 495,972 |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 993,904</u> | <u>\$ 941,494</u> | <u>\$ 908,309</u> |



The University's total assets and deferred outflows of resources increased during fiscal year 2022 by \$53 million from \$941 million as of June 30, 2021 to \$994 million as of June 30, 2022. Cash with treasurer and investments increased \$26 million, due from component units and accounts receivable and unbilled charges increased \$10 million and prepaid expense increased \$2 million as operational and campus activities returned to normal after the impact of the pandemic. Lease receivables increased by \$4 million due to the implementation of GASB 87 Leases. Net OPEB asset, net pension asset and deferred outflows related to pensions increased \$11 million due to changes in market conditions and actuarial assumptions related to the portfolios.

The University's total liabilities decreased during fiscal year 2022 by \$28 million from \$366 million as of June 30, 2021 to \$338 million as of June 30, 2022. Net pension liability decreased due to market performance. Unearned revenue also decreased as all federal COVID assistance has been realized. Lastly, bond liabilities decreased due to normal scheduled debt service payments. These decreases were offset by an increase in leases payable due to the implementation of GASB 87.

Total deferred inflows of resources increased \$27 million during fiscal year 2022 from \$51 million to \$78 million as of June 30, 2022. The increase can be attributed to changes in deferred inflows related to pensions and other post-employment benefits (OPEB) as well as the implementation of GASB 87.

Total net position during fiscal year 2022 increased by \$53 million from \$524 million as of June 30, 2021 to \$577 million as of June 30, 2022. Unrestricted net position increased by \$45 million due to the return of normal operational activity post-pandemic. Restricted, expendable net position declined by \$2 million primarily due to a reduction of receivables related to federal aid grants offset by increases in restricted post-employment benefit balances. Net investment in capital assets increased by \$10 million driven by asset additions and repayment of debt.

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.

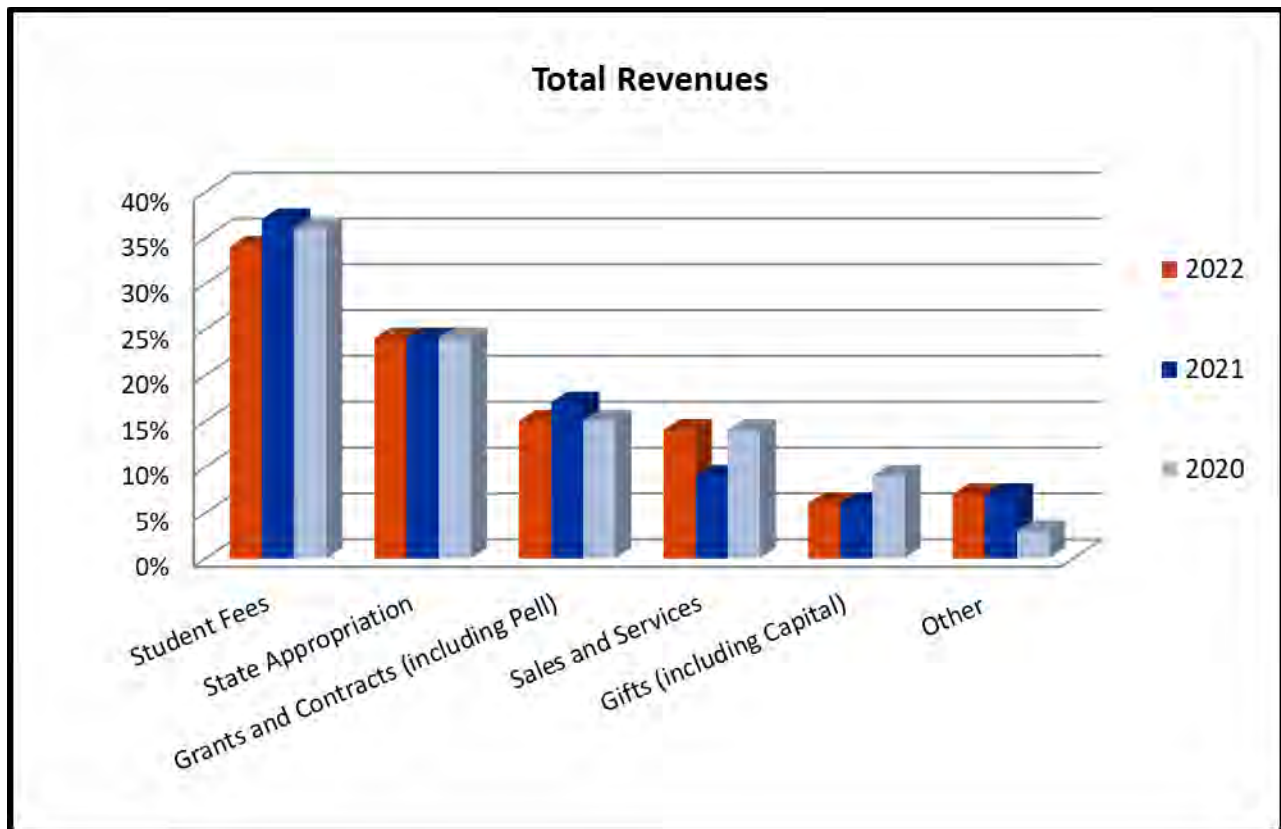


Total deferred inflows of resources increased \$700 thousand during fiscal year 2021 from \$50.5 million as of June 30, 2020 to \$51.2 million as of June 30, 2021. The increase can be attributed to changes in deferred inflows related to pensions and other post-employment benefits (OPEB).

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.

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.

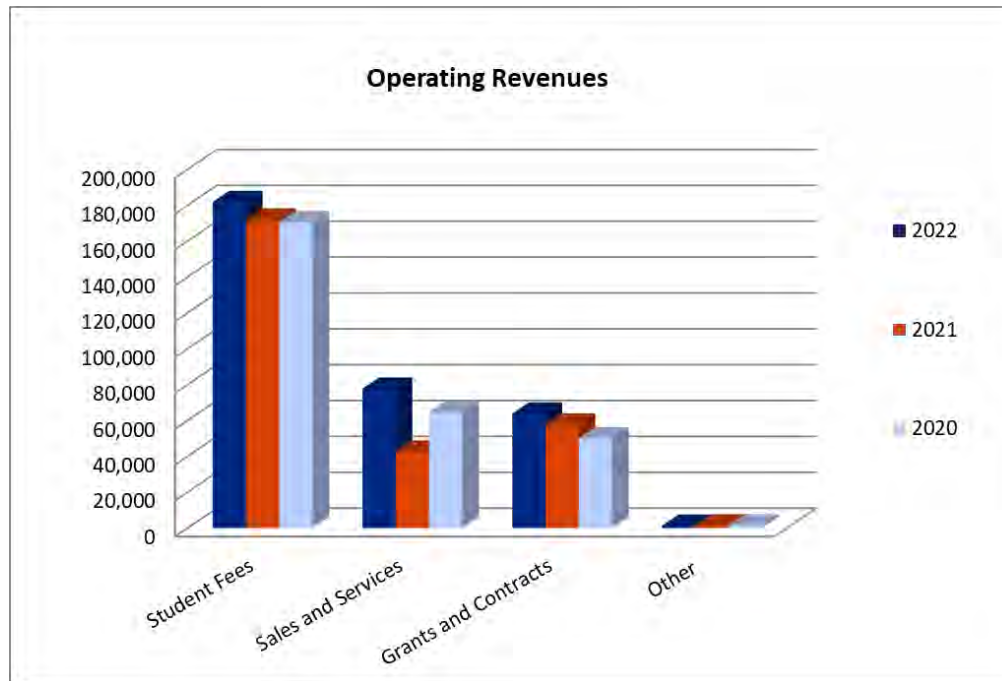


Total revenues are comprised of student fees, state appropriations, grants and contracts, sales and services of educational and auxiliary operations, gifts and other revenues. For the year ended June 30, 2022, Student fees, net, are \$182 million and represent 34% of total revenue, followed by State appropriations of \$127 million or 24% of total revenue. As a percentage of total revenue, grants and contracts contribute 15%, sales and services contribute 14%, while gifts contribute 6% of total revenue. Other revenue includes \$35 million in federal aid grant revenue related to COVID relief funding.

| Summary Statements of Revenues, Expenses, and Changes in Net Position | | | |
|---|-------------------|-------------------|-------------------|
| Fiscal Years Ended June 30, | | | |
| (Dollars in Thousands) | | | |
| | 2022 | 2021 | 2020 |
| Operating revenues | \$ 324,425 | \$ 273,627 | \$ 286,497 |
| Operating expenses | 478,125 | 428,437 | 437,570 |
| Operating loss | (153,700) | (154,810) | (151,073) |
| Non-operating revenues and expenses | 191,282 | 180,338 | 170,591 |
| Income before capital revenues | 37,582 | 25,528 | 19,518 |
| Capital revenues | 15,649 | 2,926 | 13,059 |
| Increase in net position | \$ 53,231 | \$ 28,454 | \$ 32,577 |
| Net position—Beginning of year | \$ 524,426 | \$ 495,972 | \$ 463,395 |
| Increase in net position | 53,231 | 28,454 | 32,577 |
| Net position—End of year | \$ 577,657 | \$ 524,426 | \$ 495,972 |

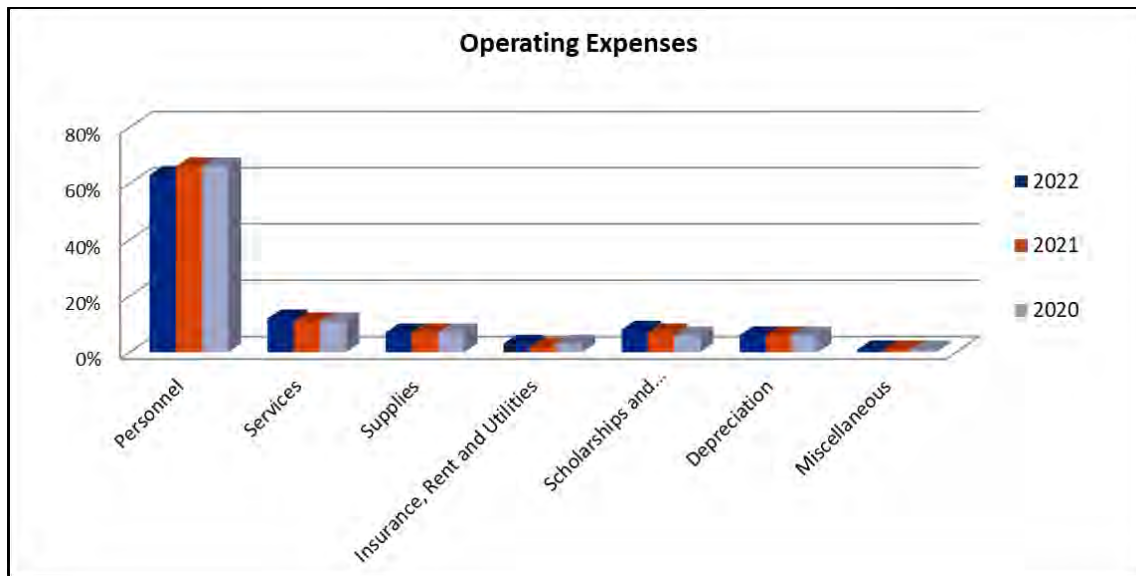


The statements of revenues, expenses and changes in net position reflect an overall increase in net position of \$53 million, \$28 million and \$33 million during fiscal years 2022, 2021 and 2020 respectively. An increase in non-operating revenues, a small decrease in operating losses and an increase in capital revenues generated the increase in net position. Capital revenues contain capital related gifts, grants and appropriations and vary based on the timing of construction activity on campus.



Operating revenues increased by \$51 million from \$273 million in fiscal year 2021 to \$324 million in fiscal year 2022. Sales and services revenues increased \$35 million, or 82%, resulting from campus resuming normal activity levels as the risks from COVID subsided. Grant and contract revenues increased \$6 million, or 11% driven by federal funding.

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 expenses increased by \$50 million from \$428 million in 2021 to \$478 million in fiscal year 2022. Personnel expenses increased \$17 million, or 6%. Salary expense increased \$20 million. A statewide change in employee compensation represents \$4 million of the increase and the addition of 194 FTE faculty and staff due to returning to normal operations after the pandemic along with market adjustments to retain employees generated the remaining increase. Employer taxes and benefit costs increased commensurate with increased salary expense but were offset by base plan net investment income which reduced OPEB and pension expenses. Expenses for services increased \$13 million; resuming events and operations on campus and the lifting of travel restrictions drove the increase. Scholarships and fellowships increased \$10 million primarily due to the federal emergency aid granted to students and an increase in Boise State University Foundation scholarships disbursed during the current fiscal year. Supplies expense increased by \$5 million driven by catering expense and increased inventory costs as campus returns to normal activity.

The net result is a \$1 million decrease in operating loss. Increased state appropriations of \$7 million, gifts of \$6 million and federal grant aid revenue of \$4 million were offset by unrealized market investment losses to generate increased non-operating revenues and expenses of \$11 million. As a result, Income before capital revenues increased by \$12 million. Capital revenues include the recognition of a \$10 million state donation to the Micron Center for Materials Research, as the state closed out the project in the current fiscal year.

Operating expenses decreased by \$9 million from \$437 million in fiscal year 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. Increased non-operating revenues and expenses of \$9.7 million contributed to an increase in income before capital revenues of \$6 million.

Capital Asset and Debt Administration

The University's capital assets (prior to depreciation) increased by \$25 million from \$975 million in 2021 to \$1 billion in 2022. The University continued to improve infrastructure and acquire property consistent with the Campus Master Plan. These improvements included \$12 million of additions to buildings/construction in progress. \$6 million was added to equipment to support research and other programs on campus. \$8 million of capital leases were added due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. These were offset by a decline in library books of \$1 million. Capital assets, net increased by only \$1.5 million as the accumulated depreciation increase of \$24 million nearly offset change in capital assets.

During fiscal year 2022 long-term debt held by the University decreased by \$13 million from \$236 million to \$230 million or 5%. The University's debt burden ratio as of June 30, 2022 was 4.36%. 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 2022 Idaho General Fund Revenue Report published by the Division of Financial Management (DFM), the State of Idaho finished fiscal year 2022 with \$6.2 billion in general fund revenues, exceeding the \$5 billion dollars achieved in the prior fiscal year by 24%. Individual income tax, sales tax and corporate income tax exceeded expectations by 13%, .5% and 60% respectively.

DFM's July Idaho Economic Forecast, which details annual expectations through 2027, continues to project Idaho's construction and employment rates to outpace that of the nation. Unemployment is 2.5% which is below the national average. Migration from other states is projected to be a net 30,000 inflow per year. In addition, natural population change (births minus deaths) is projected to be positive on an annual basis. The projected increase in population is positive for the University from both an employment and enrollment standpoint.

Fall semester degree seeking enrollment, which is the primary driver of tuition revenue, grew by 4% between 2018 and 2021. 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. Degree seeking



enrollment for fall 2022 declined by 1.6% primarily due to graduate programs. The University has conferred a record number of degrees the last two years, which also impacts enrollment. In addition, expenditures for grants and contracts increased 11% this year and have increased 64% 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. Outcomes are excellent, during fiscal year 2022, the University set all-time records for both athletics and overall fundraising, sponsored expenditures and awards as well as the number of graduates.

The University has moved beyond 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. 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

**BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND JUNE 30, 2021**

| | University 2022 | University 2021 |
|--|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash with treasurer | \$ 89,646,707 | \$ 83,592,316 |
| Cash and cash equivalents | 8,529,470 | 8,834,973 |
| Student loans receivable, net | 1,437,651 | 1,624,665 |
| Accounts receivable and unbilled charges, net | 35,853,399 | 28,676,029 |
| Lease receivable | 1,889,420 | 480,838 |
| Prepaid expense | 3,674,791 | 3,491,750 |
| Inventories | 2,917,056 | 1,873,164 |
| Investments | 85,310,604 | 78,543,674 |
| Due from component units | 4,769,418 | 2,069,691 |
| Other current assets | 335,389 | 344,529 |
| Total current assets | 234,363,905 | 209,531,629 |
| NON-CURRENT ASSETS | | |
| Student loans receivable, net of current portion | 1,970,650 | 3,679,577 |
| Lease receivable, net of current portion | 11,832,928 | 9,033,333 |
| Investments, net of current portion | 98,191,706 | 85,353,040 |
| Capital assets, net | 587,407,875 | 585,938,960 |
| Net other post-employment benefits (OPEB) asset-SLIRF | 28,096,396 | 21,796,064 |
| Net pension asset | 639,122 | - |
| Other non-current assets | 3,125,434 | 1,561,296 |
| Total non-current assets | 731,264,111 | 707,362,270 |
| Total assets | 965,628,016 | 916,893,899 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to refunding of debt | 5,481,239 | 5,993,979 |
| Deferred outflows related to pensions | 12,199,687 | 7,877,181 |
| Deferred outflows related to OPEB | 9,346,032 | 10,152,413 |
| Deferred outflows related to OPEB-SLIRF | 1,248,542 | 576,512 |
| Total deferred outflows of resources | 28,275,500 | 24,600,085 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 993,903,516 | \$ 941,493,984 |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND JUNE 30, 2021**

| | University 2022 | University 2021 |
|--|----------------------------|----------------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 16,779,246 | \$ 15,424,502 |
| Due to state agencies | 866,444 | 924,630 |
| Accrued salaries and benefits payable | 20,472,006 | 17,278,923 |
| Compensated absences payable | 11,765,248 | 10,822,936 |
| Interest payable | 2,417,017 | 2,324,463 |
| Unearned revenue | 16,122,189 | 24,211,087 |
| Refundable federal student assistance liability | 651,491 | 1,020,162 |
| Bonds payable | 10,230,000 | 11,145,000 |
| Obligations under leases | 539,663 | - |
| Other current liabilities | 126,546 | 95,080 |
| Total current liabilities | 79,969,850 | 83,246,783 |
| NON-CURRENT LIABILITIES | | |
| Unearned revenue | 1,298,528 | 968,434 |
| Refundable federal student assistance liability, net of current portion | 3,269,890 | 4,116,531 |
| Bonds payable, net of current portion | 212,580,942 | 225,201,087 |
| Obligations under leases, net of current portion | 6,783,625 | - |
| OPEB obligation | 34,040,360 | 31,714,225 |
| Net pension liability | - | 20,341,665 |
| Other non-current liabilities | 167,162 | 299,592 |
| Total non-current liabilities | 258,140,507 | 282,641,534 |
| Total liabilities | 338,110,357 | 365,888,317 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to grants received in advance | 401,793 | 530,846 |
| Deferred inflows related to pensions | 21,739,960 | 1,201,699 |
| Deferred inflows related to service concession arrangements | 38,991,797 | 39,856,680 |
| Deferred inflows related to OPEB | 5,423,907 | 6,627,584 |
| Deferred inflows related to OPEB-SLIRF | 7,386,343 | 2,962,449 |
| Deferred inflows related to leases | 4,192,379 | - |
| Total deferred inflows of resources | 78,136,179 | 51,179,258 |
| NET POSITION | | |
| Net investment in capital assets | 334,918,635 | 324,981,080 |
| Restricted, expendable | 27,029,514 | 28,841,565 |
| Unrestricted | 215,708,831 | 170,603,764 |
| Total net position | 577,656,980 | 524,426,409 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 993,903,516 | \$ 941,493,984 |

See notes to financial statements.

**BOISE STATE UNIVERSITY**
**BOISE STATE UNIVERSITY COMPONENT UNIT
 BOISE STATE UNIVERSITY FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2022 AND JUNE 30, 2021**

| | Foundation 2022 | Foundation 2021 |
|--|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 3,585,655 | \$ 4,222,675 |
| Accrued interest and other receivables | 248,850 | 226,945 |
| Annuity receivable | 22,839 | - |
| Promises to give, net, non-endowment | 2,822,768 | 1,789,574 |
| Promises to give, endowment | 323,406 | 261,502 |
| Total current assets | 7,003,518 | 6,500,696 |
| NON-CURRENT ASSETS | | |
| Restricted cash and cash equivalents | 7,725,535 | 8,523,597 |
| Promises to give, net, non-endowment | 5,732,825 | 3,744,662 |
| Promises to give, endowment | 578,777 | 494,963 |
| Annuity receivable | 140,703 | - |
| Investments | 184,765,651 | 198,486,187 |
| Interest in perpetual trusts | 2,526,639 | 3,092,847 |
| Construction in progress | 1,235,945 | - |
| Other assets | 803,434 | 857,173 |
| Total non-current assets | 203,509,509 | 215,199,429 |
| TOTAL ASSETS | \$ 210,513,027 | \$ 221,700,125 |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2022 AND JUNE 30, 2021**

| | Foundation 2022 | Foundation 2021 |
|---|----------------------------|----------------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 2,682,281 | \$ 297,235 |
| Scholarship loan payable | - | 2,000,000 |
| Scholarships payable | 115,221 | - |
| Interest payable | 15,000 | 10,000 |
| Deferred parking and suites, current | 301,088 | 636,841 |
| Liability under split interest trust agreements | 107,922 | 139,590 |
| Trust earnings payable to trust beneficiaries | 20,364 | 20,364 |
| Total current liabilities | 3,241,876 | 3,104,030 |
| NON-CURRENT LIABILITIES | | |
| Other long-term debt | 3,000,000 | - |
| Scholarships payable | 460,886 | - |
| Deferred parking and suites, long term | 1,417,878 | 599,104 |
| Liability under split interest trust agreements | 1,421,485 | 1,771,307 |
| Amounts held in custody for others | 1,110,560 | 1,106,662 |
| Trust earnings payable to trust beneficiaries | 80,039 | 110,411 |
| Total non-current liabilities | 7,490,848 | 3,587,484 |
| Total liabilities | 10,732,724 | 6,691,514 |
| NET ASSETS | | |
| With Donor Restriction | | |
| Perpetual in nature | 120,109,501 | 114,665,753 |
| Purpose restrictions | 61,169,539 | 76,959,718 |
| Time-restricted for future periods | 8,555,593 | 5,534,236 |
| Underwater endowments | (1,389,297) | - |
| Total with donor restriction net assets | 188,445,336 | 197,159,707 |
| Without Donor Restriction | | |
| Undesignated | 4,895,209 | 12,607,711 |
| Designated by Board for Endowment | 6,439,758 | 5,241,193 |
| Total without donor restriction net assets | 11,334,967 | 17,848,904 |
| Total net assets | 199,780,303 | 215,008,611 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 210,513,027 | \$ 221,700,125 |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

| | University 2022 | University 2021 |
|--|----------------------------|----------------------------|
| OPERATING REVENUES | | |
| Student fees, pledged for bonds | \$ 211,455,181 | \$ 200,760,211 |
| Scholarship allowance | (29,712,200) | (28,817,300) |
| Student fees, net | 181,742,981 | 171,942,911 |
| Federal grants and contracts (including \$8,637,264 and \$7,860,376 of revenues pledged for bonds in 2022 and 2021, respectively) | 54,643,758 | 46,090,662 |
| State and local grants and contracts (including \$638,380 and \$648,291 of revenues pledged for bonds in 2022 and 2021, respectively) | 5,961,987 | 8,312,869 |
| Private grants and contracts (including \$400,205 and \$419,756 of revenues pledged for bonds in 2022 and 2021, respectively) | 3,137,642 | 3,246,982 |
| Sales and services of educational activities, pledged for bonds | 10,461,149 | 7,542,618 |
| Sales and services of auxiliary enterprises, pledged for bonds (Net of allowances of \$4,141,200 and \$3,958,738, respectively) | 67,208,064 | 35,064,926 |
| Other operating revenues, pledged for bonds | 1,269,087 | 1,425,149 |
| Total operating revenues | 324,424,668 | 273,626,117 |
| OPERATING EXPENSES | | |
| Personnel cost | 301,662,922 | 284,775,707 |
| Services | 58,627,962 | 45,887,548 |
| Supplies | 33,386,317 | 28,459,563 |
| Insurance, utilities and rent | 11,885,919 | 9,695,486 |
| Scholarships and fellowships | 38,183,208 | 27,998,874 |
| Depreciation | 28,345,040 | 26,667,709 |
| Miscellaneous operating expenses | 6,033,886 | 4,951,145 |
| Total operating expenses | 478,125,254 | 428,436,032 |
| OPERATING LOSS | (153,700,586) | (154,809,915) |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

| | University 2022 | University 2021 |
|---|----------------------------|----------------------------|
| NON-OPERATING REVENUES (EXPENSES) | | |
| State appropriations | 114,051,596 | 107,108,387 |
| Pell grants | 19,957,194 | 20,093,950 |
| Gifts (includes gifts from component unit equal to \$18,889,199 and \$10,998,829 in 2022 and 2021, respectively) | 32,882,833 | 27,123,074 |
| Net investment income (including \$950,986 and \$1,250,992 of revenues pledged for bonds in 2022 and 2021, respectively) | 1,008,292 | 1,259,670 |
| Change in fair value of investments (including \$2,342 and \$134,819 of revenues pledged for bonds in 2022 and 2021, respectively) | (4,228,383) | (689,048) |
| Interest expense (net of capitalized interest by the University of \$0 and \$1,791,468 in 2022 and 2021, respectively) | (7,542,277) | (5,715,724) |
| Loss on retirement of capital assets | (82,232) | (277,081) |
| Federal aid grant revenue (including \$956,419 and \$1,006,115 of revenues pledged for bonds in 2022 and 2021, respectively) | 35,129,537 | 30,876,959 |
| Other non-operating revenue (expense) | 105,499 | 558,173 |
| Net non-operating revenues | 191,282,059 | 180,338,360 |
| INCOME BEFORE CAPITAL REVENUES | 37,581,473 | 25,528,445 |
| CAPITAL REVENUES | | |
| Capital appropriations | 13,433,980 | 2,052,336 |
| Capital grants and gifts (includes gifts from component unit equal to \$365,028 and \$642,477 in 2022 and 2021, respectively) | 2,215,118 | 873,449 |
| Total capital revenues | 15,649,098 | 2,925,785 |
| INCREASE IN NET POSITION | \$ 53,230,571 | \$ 28,454,230 |
| NET POSITION - Beginning of year | \$ 524,426,409 | \$ 495,972,179 |
| INCREASE IN NET POSITION | 53,230,571 | 28,454,230 |
| NET POSITION - End of year | \$ 577,656,980 | \$ 524,426,409 |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022**

| | Without Donor Restriction | With Donor Restriction | Foundation 2022 |
|---|--------------------------------------|-----------------------------------|----------------------------|
| OPERATING REVENUES: | | | |
| Gifts | \$ 557,000 | \$ 25,298,915 | \$ 25,855,915 |
| Non-cash gifts | 58,377 | 9,200 | 67,577 |
| Other income | 3,726,253 | 4,738,828 | 8,465,081 |
| Net investment income | (4,648,149) | (20,890,072) | (25,538,221) |
| Change in split interest trusts | - | 224,895 | 224,895 |
| Total revenues and gains | (306,519) | 9,381,766 | 9,075,247 |
| Net assets released from restrictions through satisfaction of: | | | |
| Program and time restrictions | 17,901,368 | (17,901,368) | - |
| Write-off of promises to give | 216,562 | (216,562) | - |
| Board and donor designated transfers | (21,793) | 21,793 | - |
| Total operating revenues | 17,789,618 | (8,714,371) | 9,075,247 |
| OPERATING EXPENSES: | | | |
| Distribution of scholarships and general endowments | 7,039,892 | - | 7,039,892 |
| Distribution of funds for academic programs | 2,581,386 | - | 2,581,386 |
| Distribution of funds for athletic programs: | | | |
| Program services | 9,279,860 | - | 9,279,860 |
| Management and general | 353,089 | - | 353,089 |
| Uncollectible pledges to give | 229,122 | - | 229,122 |
| Administrative expense: | | | |
| Program services | 497,899 | - | 497,899 |
| Fundraising expenses | 2,508,337 | - | 2,508,337 |
| Management and general | 1,813,970 | - | 1,813,970 |
| Total operating expenses | 24,303,555 | - | 24,303,555 |
| OPERATING INCOME (EXPENSE) | (6,513,937) | (8,714,371) | (15,228,308) |
| CHANGE IN NET ASSETS | (6,513,937) | (8,714,371) | (15,228,308) |
| NET ASSETS - Beginning of year | 17,848,904 | 197,159,707 | 215,008,611 |
| NET ASSETS - End of year | \$ 11,334,967 | \$ 188,445,336 | \$ 199,780,303 |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
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

**BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

| | University 2022 | University 2021 |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Student fees | \$ 178,481,935 | \$ 173,708,598 |
| Grants and contracts | 67,552,872 | 58,319,042 |
| Sales and services of educational activities | 10,578,318 | 7,591,948 |
| Sales and services of auxiliary enterprises | 62,072,462 | 39,454,399 |
| Other operating receipts | 980,721 | 606,956 |
| Payments to employees | (303,625,555) | (280,033,183) |
| Payments for services | (62,508,570) | (45,996,564) |
| Payments for supplies | (34,161,348) | (28,587,050) |
| Payments for insurance, utilities and rent | (12,358,460) | (9,994,616) |
| Payments for scholarships and fellowships | (38,303,304) | (27,829,449) |
| Loans issued to students | (8,255) | (12,075) |
| Collections of loans to students | 1,072,488 | 1,242,336 |
| Other payments | (5,871,317) | (3,565,386) |
| Fiduciary activities- Direct student loan receipts | 73,031,280 | 70,503,140 |
| Fiduciary activities- Direct student loan disbursements | (73,031,280) | (70,503,140) |
| Net cash used in operating activities | (136,098,013) | (115,095,044) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 114,051,596 | 107,108,387 |
| Pell grants | 19,957,194 | 20,093,950 |
| Gifts | 30,178,729 | 32,058,537 |
| Federal aid grants | 29,168,904 | 38,967,608 |
| Other payments | (1,109,814) | (1,038,133) |
| Net cash provided by non-capital financing activities | 192,246,609 | 197,190,349 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Leased assets | (503,778) | - |
| Capital grants and gifts | 1,826,165 | 873,449 |
| Purchases of capital assets | (8,222,141) | (19,699,566) |
| Principal paid on notes and bonds payable and capital leases | (11,145,000) | (10,970,000) |
| Interest paid on notes and bonds payable and capital leases | (9,327,128) | (8,002,613) |
| Other receipts (payments) | (202,139) | (1,216,945) |
| Net cash used in capital and related financing activities | (27,574,021) | (39,015,675) |

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

| | University 2022 | University 2021 |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | (581,642,528) | (485,191,012) |
| Proceeds from sales and maturities of investments | 557,258,417 | 460,366,019 |
| Investment income | 1,558,424 | 1,358,873 |
| Net cash provided/(used) by investing activities | (22,825,687) | (23,466,120) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER | 5,748,888 | 19,613,510 |
| CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year | 92,427,289 | 72,813,779 |
| CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year | \$ 98,176,177 | \$ 92,427,289 |
| RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES | | |
| Operating loss | \$ (153,700,586) | \$ (154,809,915) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation and amortization | 28,345,040 | 26,667,709 |
| Changes in assets and liabilities: | | |
| Student loans receivable, net | 1,895,941 | 1,562,533 |
| Accounts receivable and unbilled charges, net | (7,177,370) | 1,714,533 |
| Lease receivable | (4,208,177) | 135,429 |
| Inventories | (1,043,892) | 471,965 |
| Net other post-employment benefit asset | (6,300,332) | (2,958,616) |
| Net pension asset | (639,122) | - |
| Other assets | (1,738,039) | (1,747,058) |
| Deferred outflows related to pensions | (4,322,506) | (2,646,880) |
| Deferred outflows related to OPEB | 806,381 | (6,099,825) |
| Deferred outflows related to OPEB-SLIRF | (672,030) | 320,566 |
| Accounts payable and accrued liabilities | 1,359,121 | 1,844,029 |
| Accrued salaries and benefits payable | 3,193,083 | 2,029,071 |
| Compensated absences payable | 942,312 | (71,011) |
| Unearned revenue | (1,678,264) | 4,628,577 |
| Other post-employment benefits obligation | 2,326,135 | 2,857,212 |
| Net pension liability | (20,341,665) | 10,297,075 |
| Other liabilities | (100,964) | (15,903) |
| Deferred inflows | 26,956,921 | 725,465 |
| Net cash used in operating activities | \$ (136,098,013) | \$ (115,095,044) |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS: | | |
| Assets donated to the University | \$ 13,822,933 | \$ 2,325,115 |
| Donated building maintenance | 1,358,137 | 2,854,992 |
| Total non-cash transactions | \$ 15,181,070 | \$ 5,180,107 |

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 Annual Comprehensive 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, 2022 and June 30, 2021 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, 2022 and 2021. 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 acquisition 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 five to 13 years for equipment. The University has certain collections that are not capitalized, including the Nell Shipman Film Collection and Albertson's Library Special Collections. 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 \$73,031,280 and \$70,503,140 for fiscal years ended 2022 and 2021 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 (1) principal amounts of revenue bonds payable, and notes payable with contractual maturities greater than one year; and (2) estimated amounts for other liabilities that will not be paid within the next fiscal year.

Pensions – For purposes of measuring the net pension liability (asset) 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, 2022 and 2021.



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 (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts that are essentially contracts for services and (4) 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, 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 in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, 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 June 2017, GASB issued Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Payments on leases with a term of 12 months or less or leases with a present value of \$100,000 or less are expensed as incurred. These leases are not included in assets or liabilities on the statement of net position. Lessor agreements are included in the statement of net position as accounts receivable (lease receivables) and deferred inflows of resources. All lessor agreements are property leases. Payments received on



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

leases with a term of 12 months or less or leases with a present value of \$200,000 or less are recognized as revenue as received. These leases are not included in accounts receivable or deferred inflows of resources on the statement of net position.

The University has implemented GASB 87 for the period ending June 30, 2022. Changes adopted conform to the provisions of this Statement and are effective from July 1, 2021 forward. A restatement of the financial statements for all prior periods presented was not practicable and the cumulative effect of applying this Statement retroactively was not calculable to warrant a restatement of beginning net position.

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. The University has implemented GASB 89 for the period ending June 30, 2022. Changes adopted conform to the provisions of this Statement and are effective from July 1, 2021 forward.

Upcoming Accounting Standards – 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.

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



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement addresses a variety of topics including requirements related to leases (Statement 87), Public-Private and Public-Public Partnerships and Availability Payment Arrangements (Statement 94), subscription-Based Information Technology Arrangements (Statement 96) and terminology updates of Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (Statement 63). 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.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is required to be adopted by the University at the beginning of fiscal year 24. Management believes implementation will have no material impact on the University's financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. 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.



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 \$65,517,809 and \$46,134,634 in cash equivalents as investments in the non-current assets due to external restrictions as of June 30, 2022 and 2021, respectively.

| Basis of Custodial Credit Risk As of June 30, (Dollars in Thousands) | | | |
|--|-----------------|-----------------|--|
| | 2022 | 2021 | |
| Cash on hand | \$ 85 | \$ 69 | |
| Federally insured | 500 | 500 | |
| Collateralized by securities held by the pledging financial institution | 7,944 | 8,266 | |
| Total cash and cash equivalents | \$ 8,529 | \$ 8,835 | |

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 \$121,565,491 and \$98,296,027 invested in the State’s external pools as of June 30, 2022 and 2021, 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, 2022 and 2021, 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, 2022 (Dollars in Thousands) | | | | | | | | | |
|---|------------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|---------------|------------------|
| Investment Type | Fair Value | Aaa | Aa2 | Aa3 | A1 | A2 | A3 | Baa2 | Unrated |
| | | P-1 | | | P-2 | | | NP | |
| Local Government Investment Pool | \$121,407 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$121,407 |
| Corporate Bonds | 28,506 | 1,488 | 1,003 | 4,344 | 5,059 | 11,820 | 4,295 | 497 | - |
| Federal Agency Security | 33,048 | 30,230 | - | - | 2,818 | - | - | - | - |
| Money Market Fund | 374 | - | - | - | - | - | - | - | 374 |
| | 183,335 | 31,718 | 1,003 | 4,344 | 7,877 | 11,820 | 4,295 | 497 | 121,781 |
| Investments held on behalf of employee benefit plans: | | | | | | | | | |
| Bond/equity mutual funds | 43 | - | - | - | - | - | - | - | 43 |
| Equity mutual funds | 114 | - | - | - | - | - | - | - | 114 |
| Income mutual funds | 11 | - | - | - | - | - | - | - | 11 |
| | 168 | - | - | - | - | - | - | - | 168 |
| Total investments | \$183,503 | \$ 31,718 | \$ 1,003 | \$ 4,344 | \$ 7,877 | \$ 11,820 | \$ 4,295 | \$ 497 | \$121,949 |
| % of Total | 100% | 17% | 1% | 2% | 4% | 7% | 2% | 1% | 66% |

| Credit Risk of Debt Securities As of June 30, 2021 (Dollars in Thousands) | | | | | | | | | |
|---|------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Investment Type | Fair Value | Aaa | Aa1 | Aa2 | Aa3 | A1 | A2 | A3 | Baa2 |
| | | 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 |
| 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 |
| % of Total | 100% | 17% | 1% | 1% | 4% | 3% | 10% | 2% | 1% |
| | | | | | | | | | 62% |



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 28% of total investments are invested in securities with maturities longer than one year as of June 30, 2022.

| Investment Maturities In Years As of June 30, 2022 (Dollars in Thousands) | | | |
|---|-------------------|-------------------|------------------|
| Investment Type | Fair Value | Less than 1 | 1 to 5 |
| Corporate bonds | \$ 28,506 | \$ 3,287 | \$ 25,219 |
| Federal agency security | 33,048 | 6,593 | 26,455 |
| Money market fund | 374 | 374 | - |
| Investments measured at fair value | 61,928 | 10,254 | 51,674 |
| Local Government Investment Pool | 121,407 | 121,407 | - |
| Investments held on behalf of employee benefit plans: | | | |
| Bond/Equity mutual funds | 43 | - | 43 |
| Equity mutual funds | 114 | - | 114 |
| Income mutual funds | 11 | - | 11 |
| Total investments held on behalf of employee benefit plans | 168 | - | 168 |
| Total investments | \$ 183,503 | \$ 131,661 | \$ 51,842 |



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

| 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 |
| Local Government Investment Pool | 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 |

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, 2022

| Fair Value Measurement As of June 30, 2022 (Dollars in Thousands) | | | | |
|---|-------------------|------------------|-------------|-------------|
| Investment Type | Fair Value | Level 1 | Level 2 | Level 3 |
| Corporate Bonds | \$ 28,506 | \$ 28,506 | \$ - | \$ - |
| Federal Agency Security | 33,048 | 33,048 | - | - |
| Money Market Fund | 374 | 374 | - | - |
| Investments measured at fair value | 61,928 | 61,928 | - | - |
| Investments held on behalf of employee benefit plans | | | | |
| Bond/Equity mutual funds | 43 | 43 | - | - |
| Equity mutual funds | 114 | 114 | - | - |
| Income mutual funds | 11 | 11 | - | - |
| Total Investment held on behalf of employee benefit plans | 168 | 168 | - | - |
| Total investments measured at fair value | \$ 62,096 | \$ 62,096 | \$ - | \$ - |
| Local Government Investment Pool | 121,407 | | | |
| Total investments | \$ 183,503 | | | |

| 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 | | | |



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

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, 2022 and 2021 were \$121.4 million and \$98.6 million respectively.



3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portion due to the University, as of June 30, 2022 and 2021, 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 on a quarterly basis for collectability; the allowance for doubtful accounts is adjusted to reflect what management deems to be collectible.

| Accounts Receivable and Unbilled Charges, Net As of June 30, (Dollars in Thousands) | | | |
|--|-------------|---------------|------------------|
| | 2022 | | 2021 |
| Student fees and third party receivables | \$ | 11,396 | \$ 12,036 |
| Unbilled charges | | 8,424 | 8,518 |
| Auxiliary enterprises and other operating activities | | 13,952 | 3,758 |
| Federal, state and private grants and contracts | | 4,772 | 7,334 |
| Accounts receivable and unbilled charges | | 38,544 | 31,646 |
| Less allowance for doubtful accounts | | 2,691 | 2,970 |
| Accounts receivable and unbilled charges, net | \$ | 35,853 | \$ 28,676 |





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, 2022 and 2021. 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, Net As of June 30, (Dollars in Thousands) | | |
|---|-----------------|-----------------|
| | 2022 | 2021 |
| Student loans receivable - current | \$ 1,438 | \$ 1,625 |
| Student loans receivable - non-current | 2,429 | 4,068 |
| Student loans receivable | 3,867 | 5,693 |
| Less allowance for doubtful accounts | 458 | 388 |
| Student loans receivable, net | \$ 3,409 | \$ 5,305 |



**5. CAPITAL ASSETS, NET**

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

| Changes in Capital Assets As of June 30, 2022 (Dollars in Thousands) | | | | | |
|---|----------------------|------------------|--------------------|--------------------|----------------------|
| | Balance | | | | Balance |
| | June 30, 2021 | Additions | Transfers | Retirements | June 30, 2022 |
| Capital assets not being depreciated | | | | | |
| Land | \$ 80,388 | \$ - | \$ - | \$ (137) | \$ 80,251 |
| Construction in progress | 47,435 | 814 | (47,110) | - | 1,139 |
| Total assets not being depreciated | \$ 127,823 | \$ 814 | \$ (47,110) | \$ (137) | \$ 81,390 |
| Other capital assets | | | | | |
| Buildings and improvements | \$ 718,581 | \$ 13,672 | \$ 44,976 | \$ - | \$ 777,229 |
| Furniture and equipment | 86,473 | 6,214 | 1,452 | (1,936) | 92,203 |
| Library materials | 29,547 | 1,753 | - | (2,627) | 28,673 |
| Intangibles | 12,111 | - | 682 | - | 12,793 |
| Leased Assets | - | 7,827 | - | - | 7,827 |
| Total other capital assets | 846,712 | 29,466 | 47,110 | (4,563) | 918,725 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | (286,404) | (20,585) | - | - | (306,989) |
| Furniture and equipment | (68,228) | (5,492) | - | 1,942 | (71,778) |
| Library materials | (21,853) | (1,698) | - | 2,292 | (21,259) |
| Intangibles | (12,111) | (57) | - | - | (12,168) |
| Leased Assets | - | (513) | - | - | (513) |
| Total accumulated depreciation | (388,596) | (28,345) | - | 4,234 | (412,707) |
| Other capital assets, net | \$ 458,116 | \$ 1,121 | \$ - | \$ (329) | \$ 506,018 |
| Capital assets summary | | | | | |
| Capital assets not being depreciated | \$ 127,823 | \$ 814 | \$ (47,110) | \$ (137) | \$ 81,390 |
| Other capital assets at cost | 846,712 | 29,466 | 47,110 | (4,563) | 918,725 |
| Total cost of capital assets | 974,535 | 30,280 | - | (4,700) | 1,000,115 |
| Less accumulated depreciation | (388,596) | (28,345) | - | 4,234 | (412,707) |
| Capital assets, net | \$ 585,939 | \$ 1,935 | \$ - | \$ (466) | \$ 587,408 |

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2022 is \$34,422,692. These costs will be funded by 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, 2021:

| Changes in Capital Assets As of June 30, 2021 (Dollars in Thousands) | | | | | |
|---|----------------------|--------------------|-------------------|--------------------|----------------------|
| | Balance | | | | Balance |
| | June 30, 2020 | Additions | Transfers | Retirements | 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 |

**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, 2022 and 2021.

| Deferred Outflows of Resources As of June 30, 2022 (Dollars in Thousands) | | | | |
|--|------------------------------------|------------------|-------------------|------------------------------------|
| | Ending Balance June 30, 2021 | Additions | Reductions | Ending Balance June 30, 2022 |
| Deferred outflows of resources | | | | |
| Deferred outflows of resources related to refunding of debt: | | | | |
| 2004-2012A Bond Refunding | \$ 719 | \$ - | \$ (61) | \$ 658 |
| 2005-2013A Bond Refunding | 315 | - | (27) | 288 |
| 2005-2013B Bond Refunding | 107 | - | (61) | 46 |
| 2007A-2015A Bond Refunding | 479 | - | (30) | 449 |
| 2007A-2016A Bond Refunding | 1,670 | - | (106) | 1,564 |
| 2009A-2016A Bond Refunding | 1,558 | - | (149) | 1,409 |
| 2010B-2020A Bond Refunding | 2 | - | (1) | 1 |
| 2012A-2020B Bond Refunding | 522 | - | (25) | 497 |
| 2013A-2020B Bond Refunding | 622 | - | (53) | 569 |
| Total deferred outflows of resources related to refunding of debt | 5,994 | - | \$ (513) | \$ 5,481 |
| Deferred outflows of resources related to pensions | 7,877 | 10,914 | (6,591) | 12,200 |
| Deferred outflows of resources related to other post-employment benefits | 10,152 | 923 | (1,729) | 9,346 |
| Deferred outflows of resources related to Idaho sick leave insurance reserve fund | 577 | 1,099 | (427) | 1,249 |
| Total deferred outflows of resources | \$ 24,600 | \$ 12,936 | \$ (9,260) | \$ 28,276 |

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

| Deferred Outflows of Resources As of June 30, 2021 (Dollars in Thousands) | | | | |
|--|---------------------------|------------------|-------------------|---------------------------|
| | Ending Balance | | | Ending Balance |
| Deferred outflows of resources | June 30, 2020 | Additions | Reductions | 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 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, other post-employment benefits and leases for the years ended June 30, 2022 and 2021.

| Deferred Inflows of Resources As of June 30, 2022 (Dollars in Thousands) | | | | |
|--|------------------------------------|------------------|-------------------|------------------------------------|
| | Ending Balance June 30, 2021 | Additions | Reductions | Ending Balance June 30, 2022 |
| Deferred inflows of resources | | | | |
| Deferred inflows of resources related to grants | \$ 531 | \$ 1,315 | \$ (1,444) | \$ 402 |
| Deferred inflows of resources related to pensions | 1,201 | 21,073 | (534) | 21,740 |
| Deferred inflows of resources related to service concession arrangements | 39,857 | 432 | (1,297) | 38,992 |
| Deferred inflows of resources related to other post-employment benefits | 6,628 | 45 | (1,249) | 5,424 |
| Deferred inflows of resources related to Idaho sick leave insurance reserve fund | 2,962 | 4,786 | (362) | 7,386 |
| Deferred Inflows Related to Leases | - | 5,541 | (1,349) | 4,192 |
| Total deferred inflows of resources | <u>\$ 51,179</u> | <u>\$ 33,192</u> | <u>\$ (6,235)</u> | <u>\$ 78,136</u> |

| 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 | <u>\$ 50,454</u> | <u>\$ 7,781</u> | <u>\$ (7,056)</u> | <u>\$ 51,179</u> |

**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, 2022 and 2021.

| Value of Assets and Deferred Inflows related to the Honors College As of June 30, 2022 (Dollars in Thousands) | | | |
|---|---------------|------------------|---------------------------------|
| | Capital Asset | Lease Receivable | Deferred Inflow of Resources |
| Honors College & Sawtooth Hall, net of depreciation | \$ 32,348 | | |
| Receivable for ground lease | | \$ 9,033 | |
| Deferred inflows of resources | | | \$ 38,992 |

| 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 & Sawtooth Hall, net of depreciation | \$ 33,267 | | |
| Receivable for ground lease | | \$ 9,233 | |
| Deferred inflows of resources | | | \$ 39,857 |

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 not meeting eligibility requirements and other amounts received prior to the end of the fiscal year that will be earned in subsequent years. Student tuition and fees represent the portion of summer school revenues related to the number of days of instruction in the subsequent fiscal year and prepaid future semester fees.

| Unearned Revenue As of June 30, 2022 (Dollars in Thousands) | | | |
|---|------------------|------------------|--|
| | 2022 | 2021 | |
| Student tuition and fees | \$ 6,645 | \$ 10,267 | |
| Prepaid ticket sales and auxiliary enterprises | 6,227 | 5,570 | |
| Grants and contracts | 3,082 | 7,825 | |
| Other unearned revenue | 1,467 | 1,518 | |
| Total unearned revenue | \$ 17,421 | \$ 25,180 | |



**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, 2022 and 2021. Management believes the University is in compliance with all bond covenants as of June 30, 2022 and 2021.

Bonds Roll forward – as of June 30, 2022 and 2021:

| Bond Roll Forward As of June 30, 2022 (Dollars in Thousands) | | | | | |
|--|------------------------------------|-------------|--------------------|------------------------------------|-----------------------------------|
| | Ending Balance June 30, 2021 | Additions | Reductions | Ending Balance June 30, 2022 | Amounts due within one year |
| Bonds and Premiums | | | | | |
| Bonds payable | \$ 219,805 | \$ - | \$ (11,145) | \$ 208,660 | \$ 10,230 |
| Premium on bonds | 16,541 | - | (2,390) | 14,151 | - |
| Total bonds and bond premiums | \$ 236,346 | \$ - | \$ (13,535) | \$ 222,811 | \$ 10,230 |

| 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 |

**8. BONDS AND NOTES PAYABLE (Cont.)**

Bonds Payable – Principal and interest maturities as of June 30, 2022 are as follows:

| Bonds Payable As of June 30, 2022 (Dollars in Thousands) | | | | | | |
|---|----------------------------|---------------------------------|--|-------------------------------|---------------------------------|---------------------------------|
| Bond Issue | Original Face Value | Annual Principal Amounts | Range of Semi-Annual Interest Percentages | Original Maturity Date | Outstanding Balance 2022 | Outstanding Balance 2021 |
| General Revenue Bonds, Series 2020A | \$9,940 | \$330-\$665 | 3.00%-5.00% | 2040 | \$ 9,260 | \$ 9,610 |
| General Revenue Bonds, Series 2020B | \$44,550 | \$455-\$2,100 | 1.67%-5.00% | 2050 | 43,625 | 44,095 |
| General Revenue Bonds, Series 2018A | \$18,465 | \$330-\$895 | 1.53%-3.78% | 2048 | 15,645 | 16,400 |
| General Revenue Bonds, Series 2017A | \$67,860 | \$640-\$4,525 | 2.00%-5.00% | 2047 | 58,790 | 61,185 |
| General Revenue Bonds, Series 2016A | \$66,145 | \$930-\$5,470 | 3.00%-5.00% | 2039 | 55,030 | 58,120 |
| General Revenue Bonds, Series 2015A | \$31,210 | \$700-\$2,280 | 2.00%-5.00% | 2037 | 25,580 | 26,405 |
| General Revenue Bonds, Series 2013A | \$14,195 | \$65-\$1,300 | 2.00%-5.00% | 2033 | 140 | 270 |
| General Revenue Bonds, Series 2013B | \$11,760 | \$550-\$2,575 | 0.67%-2.84% | 2023 | 590 | 1,165 |
| General Revenue Bonds, Series 2012A | \$33,330 | \$305-\$3,455 | 2.00%-5.00% | 2042 | - | 2,555 |
| Bonds before premium | | | | | 208,660 | 219,805 |
| Premium on bonds | | | | | 14,151 | 16,541 |
| Total bonds outstanding | | | | | \$ 222,811 | \$ 236,346 |

Bonds Payable – Principal and interest maturities as of June 30, 2022 are as follows:

| Bond Principal and Interest As of June 30, 2022 (Dollars in Thousands) | | | |
|---|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 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 | 9,280 | 7,155 | 16,435 |
| 2028-2032 | 52,645 | 29,565 | 82,210 |
| 2033-2037 | 66,200 | 16,389 | 82,589 |
| 2038-2042 | 23,080 | 6,590 | 29,670 |
| 2043-2047 | 16,475 | 3,027 | 19,502 |
| 2048-2052 | 4,150 | 258 | 4,408 |
| Total | \$ 208,660 | \$ 95,725 | \$ 304,385 |

**8. BONDS AND NOTES PAYABLE (Cont.)**

Extinguished Debt – As of June 30, 2022, total bond principal of \$9.3 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 \$9.6 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.

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, 2022 (Dollars in Thousands) | |
|--|-------------------|
| Pledged revenues | |
| Student fees | \$ 211,455 |
| Rentals | 14,941 |
| Residence dining income | 9,063 |
| Other | 1,269 |
| Sales & service | 53,665 |
| Finance and administrative cost recovery | 10,632 |
| Investment income | 953 |
| Total pledged revenue | 301,978 |
| Less operations and maintenance | (79,779) |
| Pledged revenues, net | \$ 222,199 |
| Annual debt service | \$ 20,443 |
| Debt service coverage | 1087% |
| Coverage requirement | 110% |



9. LEASES

For the year ended June 30, 2022, the University adopted GASB Statement No. 87, Leases. This statement supersedes GASB No. 62 and established new requirements for calculating and reporting the University's lease activities. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Leased assets and liabilities are recorded based on the present value of expected payments over the terms of the leases.

Lessor – Leases Receivable

The University's lease receivable is measured at the present value of lease payments expected to be received during the lease terms. Under some lease agreements, the University may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for applicable leases at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the leases.

Total future minimum lease payments to be received under lease agreements are as follows; principal amounts reported in 2023 includes \$447 thousand of undistributed lease receipts from the property manager.

| Future Minimum Lease Payments To Be Received Under Lease Agreements <i>(Dollars in Thousands)</i> | | | |
|---|-----------------|---------------|-----------------|
| | Principal | Interest | Total |
| 2023 | \$ 1,889 | \$ 45 | \$ 1,934 |
| 2024 | 807 | 33 | 840 |
| 2025 | 752 | 23 | 775 |
| 2026 | 497 | 15 | 512 |
| 2027 | 340 | 9 | 349 |
| 2028-2030 | 404 | 4 | 408 |
| Total minimum lease receipts | \$ 4,689 | \$ 129 | \$ 4,818 |

**9. LEASES (Cont.)*****Service Concession Arrangement (SCA) – Lease Receivable***

In 2015, the University entered into a public/private partnership agreement with Greystar Real Estate Partners, LLC to develop and operate a residential Honors College and Sawtooth Hall, a freshman housing facility. The project is on land owned by the University and leased to Greystar for a 50 year term. The University receives annual lease payments in the base year amount of \$200,000 and escalates annually by an amount equal to CPI, All Urban Consumers, All Items and West Region. The University assumes 4% annual increase in CPI for the 50 year term of this agreement based on the rounded average CPI increase over the preceding 50 years.

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

| Future Minimum Lease Payments To Be Received Under SCA Lease Agreements As of June 30, 2022 (Dollars in Thousands) | |
|---|-----------------|
| Year | |
| 2023 | \$ 200 |
| 2024 | 200 |
| 2025 | 200 |
| 2026 | 200 |
| 2027 | 200 |
| 2028-2068 | 8,033 |
| Total minimum SCA lease receipts | \$ 9,033 |

Lessee – Leases Liability

The University leases certain office facilities for various terms under long-term, non-cancelable lease agreements with interest rates ranging from .59% to 3.50%. The leases expire at various dates through 2067.

Leases Roll forward – as of June 30, 2022:

| Lease Payable Roll Forward (Dollars in Thousands) | | | | | | |
|--|----------------------------------|--|------------------|-------------------|----------------------------------|--|
| | Balance June 30, 2021 | Implementation July 1, 2021 | Additions | Reductions | Balance June 30, 2022 | Amounts due within one year |
| Leases | | | | | | |
| Leases payable | \$ - | \$ 7,408 | \$ 419 | \$ (504) | \$ 7,323 | \$ 540 |
| Total leases payable | \$ - | \$ 7,408 | \$ 419 | \$ (504) | \$ 7,323 | \$ 540 |



9. LEASES (Cont.)

Leases Payable – Total future minimum lease payments under lease agreements are as follows:

| Future Minimum Lease Payments Under Lease Agreements (Dollars in Thousands) | | | |
|--|-----------------|-----------------|------------------|
| | Principal | Interest | Total |
| 2023 | \$ 540 | \$ 170 | \$ 710 |
| 2024 | 302 | 171 | 473 |
| 2025 | 200 | 174 | 374 |
| 2026 | 90 | 177 | 267 |
| 2027 | 23 | 181 | 204 |
| 2028-2032 | - | 992 | 992 |
| 2033 and thereafter | 6,168 | 6,783 | 12,951 |
| Total minimum lease payments | \$ 7,323 | \$ 8,648 | \$ 15,971 |

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset by major classes:

| Lease Class Activities (Dollars in Thousands) | | | | | |
|--|--------------------------|--------------------------------|----------------|-------------|--------------------------|
| | Balance June 30, 2021 | Implementation July 1, 2021 | Additions | Reductions | Balance June 30, 2022 |
| Leased assets being amortized | | | | | |
| Buildings | \$ - | \$ 7,408 | \$ 419 | \$ - | \$ 7,827 |
| Total leased assets being amortized | - | 7,408 | 419 | - | 7,827 |
| Less accumulated amortization: | | | | | |
| Buildings | - | - | (513) | - | (513) |
| Total accumulated amortization | - | - | (513) | - | (513) |
| Leased assets - net | \$ - | \$ 7,408 | \$ (94) | \$ - | \$ 7,314 |



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.

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, 2021 and June 30, 2020 were as follows:

| PERSI Base Plan Participants | 2021 | 2020 |
|-------------------------------------|--------|--------|
| Active participants | 73,563 | 73,657 |
| Retirees and beneficiaries | 50,891 | 49,573 |
| Terminated and vested employees | 14,539 | 13,788 |
| Terminated and non-vested employees | 31,179 | 28,157 |

Relationship between Measurement Date and Reporting Date – The Measurement Date is the date as of which the pension liability is determined. The Reporting Date is the employer's fiscal year ending date. The University's Reporting Date of June 30, 2022 and June 30, 2021 uses PERSI's Measurement Date of June 30, 2021 and June 30, 2020, respectively.

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.



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, 2021, and June 30, 2020, it was 7.16% of their annual pay. The employer contribution rate is set by the Retirement Board and was 11.94% of covered compensation for the years ended June 30, 2022 and 2021. The University contributions were \$3,921,730 and \$3,606,266 for the years ended June 30, 2022 and 2021, respectively.

Pension Liabilities (Assets), Pension Expenses (Revenues), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On June 30, 2022 and June 30, 2021, the University reported a liability (asset) of (\$639,122) and \$20,341,665, respectively for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021 and 2020, respectively and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability (asset) 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. On July 1, 2021 and 2020, the University proportion was 0.809% and 0.880%, respectively.





BOISE STATE UNIVERSITY

For the years ended June 30, 2022 and 2021, respectively, the University recognized a pension expense offset of (\$842,892) and pension expense of \$7,091,560. On June 30, 2022 and 2021, 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, 2022 (Dollars in Thousands) | | |
|---|-------------------|------------------|
| | Deferred Outflows | Deferred Inflows |
| Differences between expected and actual experience | \$ 942 | \$ 20,446 |
| Changes in assumptions or other inputs | 7,336 | - |
| Aggregated difference between projected and actual earnings on pension plan investments | - | - |
| Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions | - | 1,294 |
| | 8,278 | 21,740 |
| The University contributions subsequent to the measurement date | 3,922 | - |
| Total | \$ 12,200 | \$ 21,740 |

| 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 |

The University reported \$3,921,730 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, 2023.



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 4.6 years and 4.7 years for the Base Plan's fiscal year 2021 and fiscal year 2020, 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 2021.

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, 2022 (Dollars in Thousands) | |
|---|--------------------|
| 2023 | \$ (3,352) |
| 2024 | (2,932) |
| 2025 | (2,540) |
| 2026 | (4,638) |
| 2027 | - |
| Total | \$ (13,462) |

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, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| Actuarial Assumptions Valuation As of June 30, | | |
|---|-------|-------|
| | 2021 | 2020 |
| Inflation | 2.30% | 3.00% |
| Salary increases including inflation | 3.05% | 3.75% |
| Investment rate of return, net of investment expenses | 6.35% | 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.

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.

| Assumptions and Policy for Asset Allocation - Base Plan Fiscal Year 2021 | | | |
|--|-------------------|--|---|
| 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% | 1.80% | -0.20% |
| Broad US Equities | 55.00% | 8.00% | 6.00% |
| Developed Foreign Equities | 15.00% | 8.25% | 6.25% |
| Assumed Inflation - Mean | | 2.00% | 2.00% |
| Assumed Inflation - Standard Deviation | | 1.50% | 1.50% |
| Portfolio Arithmetic Mean Return | | 6.18% | 4.18% |
| Portfolio Standard Deviation | | 12.29% | 12.29% |
| Portfolio Long-Term (Geometric) Expected Rate of Return | | 5.55% | 3.46% |
| Assume Investment Expenses | | 0.40% | 40.00% |
| Portfolio Long-Term (Geometric) Expected Rate of Return Net of Investment Expenses | | 5.15% | 3.06% |
| 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 | | | 2.30% |
| Long-Term Expected Geometric Rate of Return, Net of Investment Expenses | | | 6.35% |





| 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% |

Discount Rate – The discount rate used to measure the total pension liability was 6.35% and 7.05% rate used as of June 30, 2021 and 2020 respectively. 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 one percentage point lower or one percentage point higher than the current rate:

| Sensitivity Analysis As of June 30, 2022 (Dollars in Thousands) | | | | |
|---|------------------------|-------------------------------------|------------------------|--|
| | 1% Decrease (5.35%) | Current Discount Rate (6.35%) | 1% Increase (7.35%) | |
| Employer's proportionate share of the net pension liability (asset) | \$ 22,217 | \$ (639) | \$ (19,375) | |

| 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 | |

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.

Payables to the Pension Plan – At June 30, 2022, the University reported payables to the defined benefit pension plan of \$163,003 for legally required employer contributions and \$97,985 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

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.

**11. POSTEMPLOYMENT 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 2022. 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 | Long-Term Disability Plan | | | Retiree Life |
| | Healthcare Plan | Healthcare | Life Insurance | Income | 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. POSTEMPLOYMENT 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 is 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. POSTEMPLOYMENT 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 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.

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

| OPEB Benefit Payments As of June 30, 2022 (Dollars in Thousands) | | | | | | | |
|--|----------------------------|---------------------------|-------------------|--------|------------------------------|--------|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance | Total | |
| | | Healthcare | Life Insurance | Income | | | |
| OPEB paid | \$ 211 | \$ 17 | \$ - | \$ - | \$ 397 | \$ 625 | |

| OPEB Benefit Payments As of June 30, 2021 (Dollars in Thousands) | | | | | | | |
|--|----------------------------|---------------------------|-------------------|--------|------------------------------|----------|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance | Total | |
| | | Healthcare | Life Insurance | Income | | | |
| OPEB paid | \$ 406 | \$ 33 | \$ 45 | \$ 34 | \$ 512 | \$ 1,030 | |

11. POSTEMPLOYMENT 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, 2021. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2022. This is the employer's fiscal year ending date.

Significant Changes – There have been significant changes between the Valuation Date and Measurement Date. The retiree healthcare claims were higher than expected. This caused a liability increase for retiree healthcare and LTD healthcare and is reflected as an economic/demographic change.

Effective July 1, 2020, the LTD Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the LTD Income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured. Since they are now insured as allocated insurance contracts whereby irrevocable payments to Principal are used to purchase LTD Life and LTD Income benefits for individual employees, LTD Life and LTD Income sections are not included in this report.

Effective July 1, 2021, the Department of Labor Life benefit will no longer be offered to participants who retire after July 1, 2021. Department of Labor members who have terminated but previously could have been eligible for life benefits upon retirement, will no longer be eligible for life benefits if they retire after July 1, 2021.



**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

Actuarial Assumptions – The total OPEB liability for the Plan as of June 30, 2021, the measurement date, using the actuarial methods and assumption used in the July 1, 2020 valuation. The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

| Actuarial Assumptions For Plan Year 2021 | | | |
|---|---|---|--|
| | Retiree Healthcare Plan | Long-Term Disability Healthcare Plan | Retiree Life Insurance Plan |
| Inflation | 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 |
| Discount Rate | 2.16% | 2.16% | 2.16% |
| Healthcare Cost Trend Rates | 7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years | 7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% for 2075 and later years | N/A |
| Retirees' Share of Benefit-Related Costs | 81.9% of projected health insurance premiums for retirees | N/A | N/A |

**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

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 Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan |
| | Healthcare | Life Insurance | Income | | |
| 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 |

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.

**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

Discount Rate – For the plan year ended June 30, 2021 and June 30, 2020, the discount rate of 2.16% and 2.21%, respectively to measure PERSI’s total OPEB liability was based on the 20-year Bond Buyer Go Index.

Total OPEB Liability, OPEB Expense and Deferrals

Total OPEB Liability – At June 30, 2022 and June 30, 2021, the University reported a liability of \$34 million and \$31.7 million, respectively for its proportionate share of the total OPEB liability as of the measurement date of June 30, 2021 and 2020. 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 12.3% and 12.5% respectively. At July 1, 2021 and 2020, the University’s proportionate share of the liability is of the collective total OPEB liability for the Retiree Life Insurance Plan was 46% for both years.

OPEB Expense – The University recognized the following OPEB expense for the years ended June 30, 2022 and June 30, 2021:

| OPEB Expense As of June 30, 2022 (Dollars in Thousands) | | | | | | | |
|---|----------------------------|---------------------------|------|--------|--------------------------------|-------|---------|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total | |
| | | Healthcare | Life | Income | | | |
| OPEB expense | \$ (356) | \$ (9) | \$ - | \$ - | \$ (1,961) | \$ | (2,326) |

| OPEB Expense As of June 30, 2021 (Dollars in Thousands) | | | | | | | |
|---|----------------------------|---------------------------|----------|----------|--------------------------------|-------|-------|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total | |
| | | Healthcare | Life | Income | | | |
| OPEB expense | \$ (18) | \$ 37 | \$ (208) | \$ (158) | \$ 2,184 | \$ | 1,837 |

**11. POSTEMPLOYMENT 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, 2022 (Dollars in Thousands) | | | | | | |
|--|----------------------------|--------------|-------------------|-------------|-----------------|-----------------|
| | Long-Term Disability Plan | | | | Retiree Life | |
| | Retiree Healthcare Plan | Healthcare | Life Insurance | Income | Insurance Plan | Total |
| Difference in Expected and Actual Experience | \$ 370 | \$ 51 | \$ - | \$ - | \$ - | \$ 421 |
| Changes in Assumptions | 1,075 | 8 | - | - | 6,736 | 7,819 |
| Change in Proportion | 401 | 25 | - | - | 148 | 574 |
| Benefit payments subsequent to the measurement date | 231 | 4 | - | - | 297 | 532 |
| Total deferred outflows related to OPEB | \$ 2,077 | \$ 88 | \$ - | \$ - | \$ 7,181 | \$ 9,346 |

| Deferred Outflows As of June 30, 2021 (Dollars in Thousands) | | | | | | |
|--|----------------------------|---------------|-------------------|-------------|-----------------|------------------|
| | Long-Term Disability Plan | | | | Retiree Life | |
| | Retiree Healthcare Plan | Healthcare | Life Insurance | Income | 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 |

The \$532 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, 2023. 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 1 and 9.3 years depending on the Plan.

**11. POSTEMPLOYMENT 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, 2022 (Dollars in Thousands) | | | | | | | |
|---|----------------------------|---------------------------|-------------------|-------------|--------------------------------|-----------------|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total | |
| | | Healthcare | Life Insurance | Income | | | |
| Difference in Expected and Actual Experience | \$ 1,468 | \$ 15 | \$ - | \$ - | \$ 2,276 | \$ 3,759 | |
| Changes in Assumptions | \$ 493 | \$ 26 | \$ - | \$ - | \$ 534 | 1,053 | |
| Change in Proportion | \$ 365 | \$ 12 | \$ - | \$ - | \$ 235 | 612 | |
| Total deferred inflows related to OPEB | \$ 2,326 | \$ 53 | \$ - | \$ - | \$ 3,045 | \$ 5,424 | |

| Deferred Inflows As of June 30, 2021 (Dollars in Thousands) | | | | | | | |
|---|----------------------------|---------------------------|-------------------|-------------|--------------------------------|-----------------|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total | |
| | | Healthcare | Life Insurance | Income | | | |
| 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 | |

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 1 and 9.3 years depending on the Plan.

**11. POSTEMPLOYMENT 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 |
| 2023 | \$ (185) | \$ 9 | \$ 496 |
| 2024 | (185) | 9 | 496 |
| 2025 | 10 | 9 | 496 |
| 2026 | (179) | 8 | 496 |
| 2027 | 59 | 1 | 577 |
| Thereafter | - | (5) | 1,278 |
| Total | <u>\$ (480)</u> | <u>\$ 31</u> | <u>\$ 3,839</u> |

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

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, 2022 (Dollars in Thousands) | | | | | | |
|--|----------------------------|---------------------------|------|--------|-----------------|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life | |
| | | Healthcare | Life | Income | | |
| 1% Decrease 1.21% | \$ 2,737 | \$ 152 | \$ - | \$ - | \$ 39,435 | |
| Discount Rate 2.21% | \$ 2,603 | \$ 147 | \$ - | \$ - | \$ 31,289 | |
| 1% Increase 3.21% | \$ 2,473 | \$ 142 | \$ - | \$ - | \$ 25,216 | |

**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

| Changes in Discount Rates As of June 30, 2021 (Dollars in Thousands) | | | | | | |
|--|----------------------------|---------------------------|------|--------|-----------------|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life | |
| | | Healthcare | Life | Income | | |
| 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 | |

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, 2022 (Dollars in Thousands) | | | | | | |
|--|----------------------------|---------------------------|------|--------|--|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | | |
| | | Healthcare | Life | Income | | |
| 1% Decrease | \$ 2,378 | \$ 127 | \$ - | \$ - | | |
| Current Trend Rate | \$ 2,603 | \$ 147 | \$ - | \$ - | | |
| 1% Increase | \$ 2,862 | \$ 170 | \$ - | \$ - | | |

| Changes in Healthcare Trend Rates As of June 30, 2021 (Dollars in Thousands) | | | | | | |
|--|----------------------------|---------------------------|------|--------|--|--|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | | |
| | | Healthcare | Life | Income | | |
| 1% Decrease | \$ 2,070 | \$ 119 | \$ - | \$ - | | |
| Current Trend Rate | \$ 2,247 | \$ 138 | \$ - | \$ - | | |
| 1% Increase | \$ 2,451 | \$ 158 | \$ - | \$ - | | |

**11. POSTEMPLOYMENT 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, | | |
|---|---------------|---------------|
| | 2021 | 2020 |
| Active | 21,062 | 17,171 |
| Retirees and Beneficiaries | 5,835 | 5,534 |
| Total | <u>26,897</u> | <u>22,705</u> |
| Number of Participating Employers | 14 | 14 |

**11. POSTEMPLOYMENT 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, 2022 and at June 30, 2021. Contribution percentages are based on the number of days of paid sick leave earned during the contract year. The PERSI Board approved a sick leave holiday effective January 1, 2020; the holiday was extended in October 2020 for fiscal year 2022. The holiday results in no contributions for employers until July 1, 2022.

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 plan years ended June 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.6% and 2.8%, 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 | 2.30% |
| Salary increases | 3.05% |
| Salary inflation | 3.05% |
| Investment rate of return | 5.45%, net of investment expenses |

**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

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.

Net OPEB SLIRF Asset, OPEB Expense and Deferrals – The net OPEB asset for the University was \$28 million and \$22 million as of June 30, 2022 and June 30, 2021, respectively. At July 1, 2021 and 2020, the University's proportionate share of the collective net OPEB asset was 15% for both years. The OPEB asset is calculated using a discount rate of 5.45% 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.

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, 2021. This is the date as of which the OPEB asset is determined. The Reporting Date is June 30, 2022 and June 30, 2021 respectively. This is the employer's fiscal year ending date.

The University recognized a \$2.5 million expense offset and the following deferrals for the fiscal year ended June 30, 2022:

| | Sources of Deferrals As of June 30, 2022 (Dollars in Thousands) | |
|---|---|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 135 | \$ 903 |
| Changes in assumptions or other inputs | 1,114 | 1,156 |
| Aggregated difference between projected and actual earnings on plan investments | - | 4,634 |
| Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions | - | 693 |
| | 1,249 | 7,386 |
| The University contributions subsequent to the measurement date | - | - |
| Total Deferrals | \$ 1,249 | \$ 7,386 |

**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

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 |

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) | | |
|---|-----------|--------------|
| 2023 | \$ | 1,627 |
| 2024 | | 1,503 |
| 2025 | | 1,297 |
| 2026 | | 1,451 |
| 2027 | | 200 |
| Thereafter | | 59 |
| Total | \$ | 6,137 |

The Net OPEB SLIRF asset is calculated using a discount rate of 5.45%, which is the expected rate of return on investments reduced by investment expenses.

**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)**

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, 2022 (Dollars in Thousands) | | | |
|---|------------------------|-------------------------------------|------------------------|
| | 1% Decrease (4.45%) | Current Discount Rate (5.45%) | 1% Increase (6.45%) |
| Employer's proportionate share of the net OPEB asset | \$ 26,940 | \$ 28,096 | \$ 29,157 |

| 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 |



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 2,390 employees contribute to this plan.

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

| ORP Contributions As of June 30, (Dollars in Thousands) | | | |
|---|-----------|---------------|------------------|
| | 2022 | | 2021 |
| University contribution | \$ | 15,078 | \$ 13,841 |
| Employee contribution | | 11,349 | 10,406 |
| Total contribution | \$ | 26,427 | \$ 24,247 |
| University contribution rate | | 9.27% | 9.27% |
| Employee contribution rate | | 6.97% | 6.97% |

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, 2022 and 2021 this supplemental funding payment to PERSI was \$2,421,358 and \$2,222,085 respectively.

Supplemental Retirement Plans – Full and part-time faculty, classified and professional staff, enrolled in PERSI as their regular retirement plan, may 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.

**12. OPTIONAL RETIREMENT PLANS (Cont.)**

401(k) - PERSI Choice Plan (PCP) – This 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 145 employees contribute to this plan.

457(b) - Deferred Compensation Plan – The 457(b) is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All 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 116 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 318 employees contribute to this plan.

Roth 403(b) Plan – The Roth 403(b) 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 138 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.

Supplemental Retirement Plan Contributions, in thousands, for the years ended June 30, 2022 and 2021 respectively 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) | |
| 2022 | Employee contribution | \$ 498 | \$ 1,376 | \$ 2,724 | \$ 814 | \$ 14 | |
| 2021 | Employee contribution | \$ 474 | \$ 1,153 | \$ 2,575 | \$ 657 | \$ 12 | |
| 2021-2022 | 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 are 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 are 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: | 2022 | 2021 |
| Scholarships | \$ 14,909 | \$ 36,585 |
| Administrative | 7,085 | 5,775 |
| Athletic | 7,050 | 9,501 |
| Capital projects | 22,861 | 17,498 |
| Research - Faculty | 773 | 1,088 |
| Research - Student | 319 | 451 |
| Special Purpose | 5,343 | 3,991 |
| Student Assistantship | 267 | 650 |
| Underwater Endowments | 1,389 | - |
| Total Subject to expenditure for specific purpose | 59,996 | 75,539 |
| Promises to give, the proceeds which have been restricted by donors for: | | |
| Scholarships | 1,000 | 873 |
| Administrative | 33 | 462 |
| Athletic | 5,574 | 3,391 |
| Capital projects | 505 | 467 |
| Research faculty | 46 | - |
| Special Purpose | 1,310 | 248 |
| Student Assistantship | 60 | 46 |
| Total promises to give | 8,528 | 5,487 |
| Subject to the passage of time: | | |
| Assets held under split interest agreements | 1,201 | 1,468 |
| Endowments: | | |
| Subject to endowment spending and appropriation: | | |
| Academic Scholarship | 66,172 | 62,252 |
| Other Academic Endowment | 34,895 | 34,518 |
| Athletic Scholarship | 17,975 | 16,994 |
| Other Athletic Endowment | 165 | 126 |
| Unconditional promises to give | 902 | 776 |
| Total endowments | 120,109 | 114,666 |
| Underwater endowments | (1,389) | - |
| Total endowments net of underwater | 118,720 | 114,666 |
| Total Net Assets with donor restrictions | \$ 188,445 | \$ 197,160 |

**14. COMPONENT UNIT (Cont.)**

Net assets with donor restrictions released from restrictions consisted of the following at June 30, 2022 and 2021:

| Net Assets with Donor Restrictions Released From Restrictions As of June 30, (Dollars in Thousands) | | |
|--|------------------|------------------|
| Net Assets | 2022 | 2021 |
| Scholarships and grants | \$ 7,040 | \$ 5,891 |
| Distribution of funds for academic programs | 2,581 | 2,307 |
| Distribution of funds for athletic programs | | |
| Program services | 5,366 | 2,574 |
| Management and general | 36 | 13 |
| Uncollectible pledge expense | 217 | 270 |
| Management and general | 2,878 | 2,268 |
| Board and donor designated transfers | (22) | 7 |
| Total Net assets released from donor restrictions | \$ 18,096 | \$ 13,330 |

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, 2022 and 2021, exceeded FDIC-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.

**14. COMPONENT UNIT (Cont.)**

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) | | | | FY 2021 Percent of Total |
|---|-------------------|-------------------|--|--------------------------------|
| Investment Type | 2022 | 2021 | | |
| US treasury bonds | \$ 11,853 | \$ 11,769 | | 6.4% |
| Corporate bonds | 32,346 | 28,198 | | 17.5% |
| Bond mutual funds | 42,159 | 43,396 | | 22.8% |
| | | | | 0.0% |
| Domestic equity funds | 43,323 | 54,343 | | 23.4% |
| International equity funds | 42,878 | 50,400 | | 23.2% |
| Private equity investments | 909 | 1,060 | | 0.5% |
| | | | | 0.0% |
| Real estate and specialty assets | 10,999 | 8,780 | | 6.0% |
| Hedge funds | - | 15 | | 0.0% |
| Insurance annuities | 299 | 525 | | 0.2% |
| Total investments | \$ 184,766 | \$ 198,486 | | 100% |

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.



14. COMPONENT UNIT (Cont.)

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 the entire measurement requires judgment, considering 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 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 table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2022 and 2021:

| Fair Value Measurements As of June 30, 2022 (Dollars in Thousands) | | | | | |
|--|-------------------|-------------------|---------------|-----------------|-----------------------------------|
| | Total | Level 1 | Level 2 | Level 3 | Investments Measured at NAV |
| Assets | | | | | |
| Investments: | | | | | |
| Growth assets | | | | | |
| US equities | \$ 43,323 | \$ 43,323 | \$ - | \$ - | \$ - |
| International equities | 42,878 | 42,878 | - | - | - |
| Private equity | 909 | - | - | - | 909 |
| Insurance annuities | 299 | - | 299 | - | - |
| Risk reduction assets | | | | | |
| Cash and cash equivalents | 7,726 | 7,726 | - | - | - |
| US/Global fixed income | 86,370 | 69,030 | - | - | 17,340 |
| Real Asset Investments | 10,986 | 5,544 | - | - | 5,442 |
| Total investments, at fair value | 192,491 | 168,501 | 299 | - | 23,691 |
| Investments in perpetual trusts: | | | | | |
| Growth investments | | | | | |
| US equities | 1,361 | 1,361 | - | - | - |
| International equities | 151 | 151 | - | - | - |
| Risk reduction assets | | | | | |
| Cash and cash equivalents | 89 | 89 | - | - | - |
| US/Global fixed income | 861 | 861 | - | - | - |
| Real Asset Investments | 65 | 65 | - | - | - |
| Total investments in perpetual trusts, at fair value | 2,527 | 2,527 | - | - | - |
| Total assets, at fair value | \$ 195,018 | \$ 171,028 | \$ 299 | \$ - | \$ 23,691 |
| Liabilities | | | | | |
| Liabilities | \$ 1,530 | \$ - | \$ - | \$ 1,530 | \$ - |
| Trust earnings payable to trust beneficiary | 100 | - | - | 100 | - |
| Total liabilities, at fair value | \$ 1,630 | \$ - | \$ - | \$ 1,630 | \$ - |



14. COMPONENT UNIT (Cont.)

| 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 | 58,861 | 50,400 | - | - | 8,461 |
| Private equity | 2,120 | 1,060 | - | - | 1,060 |
| Insurance annuities | 1,051 | 526 | 525 | - | - |
| Risk reduction assets | | | | | |
| Cash and cash equivalents | 8,524 | 8,524 | - | - | - |
| US/Global fixed income | 102,784 | 83,363 | - | - | 19,421 |
| Hedge funds | 14 | 14 | - | - | - |
| Real Asset Investments | 14,221 | 8,780 | - | - | 5,441 |
| Total investments, at fair value | 241,918 | 207,010 | 525 | - | 34,383 |
| 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 | \$ 245,010 | \$ 210,102 | \$ 525 | \$ - | \$ 34,383 |
| Liabilities | | | | | |
| Liabilities | \$ 1,911 | \$ - | \$ - | \$ 1,911 | \$ - |
| Trust earnings payable to trust beneficiary | 131 | - | - | 131 | - |
| Total liabilities, at fair value | \$ 2,042 | \$ - | \$ - | \$ 2,042 | \$ - |

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, 2022, NAV private equity had both capital additions and distributions. One Limited Partnership was fully liquidated. Any other changes in the fair value are a reflection of market valuations.

**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, 2022 and 2021:

| Investments Measured at Fair Value Using NAV per Share As of June 30, 2022 (Dollars in Thousands) | | | | |
|---|------------------|----------------------|----------------------|--------------------------|
| Investment Type | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
| Private Equity | \$ 909 | \$ 601 | Not available | N/A |
| Limited Partnership - Domestic Equity | 5,442 | - | Monthly | 30 days |
| Fixed Income | 17,340 | - | Daily | 5 days |
| Total | \$ 23,691 | \$ 601 | | |

| 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 | | |

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.

**14. COMPONENT UNIT (Cont.)**

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, 2022 and 2021, deposits that were uninsured and uncollateralized totaled \$8,016,911 and \$3,450,330, 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, 2022.

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.

| Credit Risk of Debt Securities As of June 30, 2022 (Dollars in Thousands) | | | | |
|---|----------------------|--------------------|----------------------|------------------|
| Moody's Scale Rating | US Treasury Bonds | Corporate Bonds | Bond Mutual Funds | Total |
| Aaa | \$ 11,853 | \$ 836 | \$ 3,670 | \$ 16,359 |
| Aa2 | - | 1,087 | 17,340 | 18,427 |
| Aa3 | - | 1,577 | 11,521 | 13,098 |
| A1 | - | 8,867 | 3,043 | 11,910 |
| A2 | - | 9,253 | 193 | 9,446 |
| A3 | - | 1,763 | - | 1,763 |
| Ba1 | - | - | 6,284 | 6,284 |
| B2 | - | - | 58 | 58 |
| Baa1 | - | 4,344 | - | 4,344 |
| Baa2 | - | 3,149 | 27 | 3,176 |
| Baa3 | - | 1,470 | - | 1,470 |
| Unrated | - | - | 23 | 23 |
| Total | \$ 11,853 | \$ 32,346 | \$ 42,159 | \$ 86,358 |

**14. COMPONENT UNIT (Cont.)**

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, 2022 (Dollars in Thousands) | | | | | |
|---|------------------|-----------------|------------------|------------------|------------------|
| Investment Type | Fair Value | < 1 yr | 1-3 yr | 3-10 yr | >10 yr |
| US treasury bonds | \$ 11,853 | \$ 891 | \$ 3,646 | \$ 7,316 | \$ - |
| Corporate bonds | 32,346 | 3,149 | 12,839 | 16,358 | - |
| Bond mutual funds | 42,159 | - | 2,887 | 21,071 | 18,201 |
| Total rated securities | \$ 86,358 | \$ 4,040 | \$ 19,372 | \$ 44,745 | \$ 18,201 |

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) | | | 2022 | 2021 |
|--|--|-----------|--------------|-----------------|
| Cash and cash equivalents | | \$ | 2 | \$ 15 |
| Interest receivable | | | 246 | 224 |
| Non-endowed investments | | | 2,056 | 8,980 |
| Endowment spending rate distributions and appropriations | | | 218 | 161 |
| Distributions from donor-designated endowment assets | | | 130 | 120 |
| Total | | \$ | 2,652 | \$ 9,500 |

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.

**14. COMPONENT UNIT (Cont.)**

A board-designated endowment of \$6.44 million is subject to an annual spending rate of 4%. Although the Organization 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.

Changes in Endowment Net Assets for the years ending June 30, 2022 and 2021, respectively, are as follows:

| Changes in Endowment Net Assets As of June 30, 2022 (Dollars in Thousands) | | | |
|---|--------------------------------------|-----------------------------------|-------------------|
| | Without Donor Restriction | With Donor Restriction | Total |
| Endowment net assets, beginning of year | \$ 5,241 | \$ 156,188 | \$ 161,429 |
| Investment Return, net | (1,140) | (22,455) | (23,595) |
| Gifts | - | 5,334 | 5,334 |
| Non-charitable | - | 67 | 67 |
| Appropriation of endowment assets for expenditure | (161) | (3,980) | (4,141) |
| Other Changes | | | |
| Board and donor designated transfers | 2,500 | (325) | 2,175 |
| Change in value of insurance premiums | - | (25) | (25) |
| Endowment net assets, end of year | <u>\$ 6,440</u> | <u>\$ 134,804</u> | <u>\$ 141,244</u> |

| 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 | 1,070 | 33,078 | 34,148 |
| 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 | <u>\$ 5,241</u> | <u>\$ 156,188</u> | <u>\$ 161,429</u> |

**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 3.38% as of June 30, 2022 and 2021, 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, 2022 and 2021:

| Promises to Give As of June 30, (Dollars in Thousands) | | |
|---|-----------------|-----------------|
| | 2022 | 2021 |
| Receivable in less than one year | \$ 3,146 | \$ 2,051 |
| Receivable in one to five years | 6,461 | 4,453 |
| Receivable in more than five years | 557 | 201 |
| Total promises to give | 10,164 | 6,705 |
| Less allowance | (260) | (260) |
| Less discount | (446) | (154) |
| Total promises to give, net | <u>\$ 9,458</u> | <u>\$ 6,291</u> |

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 uncollectable 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, 2022 and 2021, the allowance was \$260,000 and \$260,000, respectively.

During the year ended June 30, 2022 and 2021 the Foundation had no conditional pledges.

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 \$3,787 and \$1,242 at June 30, 2022 and 2021, respectively. Included in amounts held in custody for others on behalf of BSPR are \$1,110,560 and \$1,106,662 at June 30, 2022 and 2021, respectively.



14. COMPONENT UNIT (Cont.)

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 3.6% for 2022 and 1.2% for 2021. Assets held in the charitable remainder trusts totaled \$2,169,328 and \$2,582,527 for June 30, 2022 and 2021, 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 3.6% for 2022 and 1.2% for 2021. Assets held in the charitable gift annuities totaled \$971,372 and \$1,171,893 for June 30, 2022 and 2021, respectively, and are included in the investments in the accompanying statements of financial position.

**14. COMPONENT UNIT (Cont.)**

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 |
| 2023 | \$ 108 |
| 2024 | 108 |
| 2025 | 344 |
| 2026 | 113 |
| 2027 | 105 |
| Thereafter | 1,923 |
| Total | 2,701 |
| Less: Discount | 1,172 |
| Total Split interest liability | \$ 1,529 |

Concentrations

The Foundation received approximately 35.4% of total contributions from eight donors during the year ended June 30, 2022 and approximately 29.4% of total contributions from ten donors during the year ended June 30, 2021.

Gross unconditional promises to give included a total of approximately 31.2% from five donors at June 30, 2022 and a total of approximately 25.9% from five donors at June 30, 2021.



15. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS

| Operating Expense by Functional Classification As of June 30, 2022 (Dollars in Thousands) | | | | | |
|---|-------------------|------------------------------------|------------------------------------|------------------|-------------------|
| Functional Categories | Personnel Cost | Services, Supplies and Other | Scholarships and Fellowships | Depreciation | Total |
| Instruction | \$ 124,548 | \$ 7,112 | \$ 4,113 | \$ - | \$ 135,773 |
| Research | 26,685 | 9,975 | 2,351 | - | 39,011 |
| Public service | 20,769 | 8,304 | 1,262 | - | 30,335 |
| Libraries | 3,809 | 2,092 | - | - | 5,901 |
| Student services | 17,031 | 3,095 | 36 | - | 20,162 |
| Plant operations | 12,756 | 15,183 | - | - | 27,939 |
| Institutional support | 30,848 | 13,925 | 43 | - | 44,816 |
| Academic support | 31,414 | 5,087 | 316 | - | 36,817 |
| Auxiliary enterprises | 32,447 | 44,752 | 2,579 | - | 79,778 |
| Scholarships | 1,356 | 409 | 27,483 | - | 29,248 |
| Depreciation | - | - | - | 28,345 | 28,345 |
| Total operating expenses | \$ 301,663 | \$ 109,934 | \$ 38,183 | \$ 28,345 | \$ 478,125 |

| 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 | 2,500 | - | 62,799 |
| Scholarships | 809 | (308) | 17,976 | - | 18,477 |
| Depreciation | - | - | - | 26,668 | 26,668 |
| Total operating expenses | \$ 284,776 | \$ 88,994 | \$ 27,999 | \$ 26,668 | \$ 428,437 |

16. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal, state and 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, 2022. Based on present knowledge, the University's management believes any ultimate liability in these matters will not have a material effect on 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 | Fiscal Year 2022 |
| Beginning OPEB liability | \$ 4,075 | \$ 4,023 | \$ 2,677 | \$ 4,431 | \$ 2,247 |
| Changes for the year: | | | | | |
| Service cost | 157 | 167 | 114 | 158 | 87 |
| Interest | 145 | 148 | 120 | 136 | 49 |
| Effect of employer proportionate share changes | - | 135 | 486 | (495) | (34) |
| Effect of economic/demographic gains or losses | - | (19) | - | (2,266) | 447 |
| Effect of assumption changes or inputs | - | (1,387) | 1,381 | 689 | 19 |
| Expected benefit payments | (354) | (390) | (347) | (406) | (211) |
| Ending OPEB liability | <u>\$ 4,023</u> | <u>\$ 2,677</u> | <u>\$ 4,431</u> | <u>\$ 2,247</u> | <u>\$ 2,604</u> |
| Annual covered payroll | \$ 178,494 | \$ 191,278 | \$ 202,330 | \$ 217,519 | \$ 211,516 |
| OPEB liability as a percentage of covered payroll | 2.3% | 1.4% | 2.2% | 1.0% | 1.2% |
| Proportion of Total OPEB liability | 0.115127000 | 0.118985369 | 0.140577686 | 0.124874627 | 0.122976525 |

| 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 | Fiscal Year 2022 |
| Beginning OPEB liability | \$ 418 | \$ 267 | \$ 225 | \$ 168 | \$ 138 |
| Changes for the year: | | | | | |
| Service cost | 25 | 26 | 26 | 26 | 25 |
| Interest | 13 | 8 | 9 | 6 | 3 |
| Effect of employer proportionate share changes | - | 9 | 41 | (18) | (2) |
| 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) | (17) |
| Ending OPEB liability | <u>\$ 267</u> | <u>\$ 225</u> | <u>\$ 168</u> | <u>\$ 138</u> | <u>\$ 147</u> |
| Annual covered payroll | \$ 178,494 | \$ 191,278 | \$ 202,330 | \$ 217,519 | \$ 211,516 |
| OPEB liability as a percentage of covered payroll | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Proportion of Total OPEB liability | 0.115127006 | 0.118985639 | 0.140577686 | 0.124874627 | 0.122976525 |



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 | Fiscal Year 2022 |
| 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 | <u>\$ 322</u> | <u>\$ 278</u> | <u>\$ 285</u> | <u>\$ -</u> | <u>\$ -</u> |
| Annual covered payroll | \$ 178,494 | \$ 191,278 | \$ 202,330 | \$ 217,519 | \$ 211,516 |
| OPEB liability as a percentage of covered payroll | 0.2% | 0.1% | 0.1% | 0.0% | 0.0% |
| Proportion of Total OPEB liability | 0.115127006 | 0.118985639 | 0.140577686 | 0.124874627 | 0.122976525 |

| 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 | Fiscal Year 2022 |
| 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 | <u>\$ 233</u> | <u>\$ 227</u> | <u>\$ 217</u> | <u>\$ -</u> | <u>\$ -</u> |
| Annual covered payroll | \$ 178,494 | \$ 191,278 | \$ 202,330 | \$ 217,519 | \$ 211,516 |
| OPEB liability as a percentage of covered payroll | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% |
| Proportion of Total OPEB liability | 0.115127006 | 0.129538785 | 0.140577686 | 0.124874627 | 0.122976525 |



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 | Fiscal Year 2022 |
| Beginning OPEB liability | \$ 20,552 | \$ 21,655 | \$ 21,396 | \$ 23,756 | \$ 29,329 |
| Changes for the year: | | | | | |
| Service cost | 754 | 777 | 714 | 845 | 1,339 |
| Interest | 755 | 795 | 833 | 859 | 673 |
| 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 | 345 |
| Expected benefit payments | (406) | (442) | (468) | (512) | (397) |
| Ending OPEB liability | <u>\$ 21,655</u> | <u>\$ 21,396</u> | <u>\$ 23,756</u> | <u>\$ 29,329</u> | <u>\$ 31,289</u> |
| Annual covered payroll | \$ 178,494 | \$ 191,278 | \$ 202,330 | \$ 217,519 | \$ 211,516 |
| OPEB liability as a percentage of covered payroll | 12.1% | 11.2% | 11.7% | 13.5% | 14.8% |
| Proportion of Total OPEB liability | 0.459494310 | 0.459524097 | 0.452151543 | 0.455774293 | 0.455770920 |

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 | |
| 2022 | 0.154414559 | \$ 28,096 | \$ 81,829 | 34.34% | \$ 286,193 | \$ 104,239 | 274.55% | |
| 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 | | |
| 2022 | \$ - | \$ - | \$ - | \$ 16 | 0.65% | | |
| 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 (Asset)*

| Schedule of Employer's Proportionate Share of Net Pension Liability (Asset) | | | | | |
|---|---|---|-------------------------------|--|--|
| PERSI - Base Plan | | | | | |
| Last 10 - Fiscal Years* | | | | | |
| (Dollars in Thousands) | | | | | |
| Employer's Fiscal Year | Employer's portion of net the pension liability (asset) | Employer's proportionate share of the net pension liability (asset) | Employer's Covered Payroll | Employer's proportional share of the net pension liability (asset) as a percentage of its Covered Payroll | Plan fiduciary net position as a percentage of the total pension liability (asset) |
| 2022 | 0.008092413 | \$ (639) | \$ 30,200 | -2.12% | 100.36% |
| 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 | |
| 2022 | \$ 3,922 | \$ 3,922 | \$ - | \$ 32,845 | 11.94% | |
| 2021 | \$ 3,606 | \$ 3,606 | \$ - | \$ 31,854 | 11.94% | |
| 2020 | \$ 3,724 | \$ 3,724 | \$ - | \$ 32,901 | 11.94% | |
| 2019 | \$ 3,384 | \$ 3,384 | \$ - | \$ 29,894 | 11.94% | |
| 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.

BOISE STATE UNIVERSITY
REPORT ON INTERNAL CONTROLS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2022



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

Idaho Office of State Board of Education
Boise State University
Boise, ID

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Boise State University (the University), a component unit of the State of Idaho, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 15, 2022. Our report includes a reference to other auditors who audited the financial statements of the Boise State University Foundation, the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Boise State University Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Denver, Colorado
December 15, 2022



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**BOISE STATE
UNIVERSITY**



BOISE STATE UNIVERSITY

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