

BOISE STATE UNIVERSITY



Financial Statements

Fiscal Year 2023



Reports of independent auditors and financial statements for the year ended June 30, 2023 and 2022 including single audit reports for the year ended June 30, 2023.

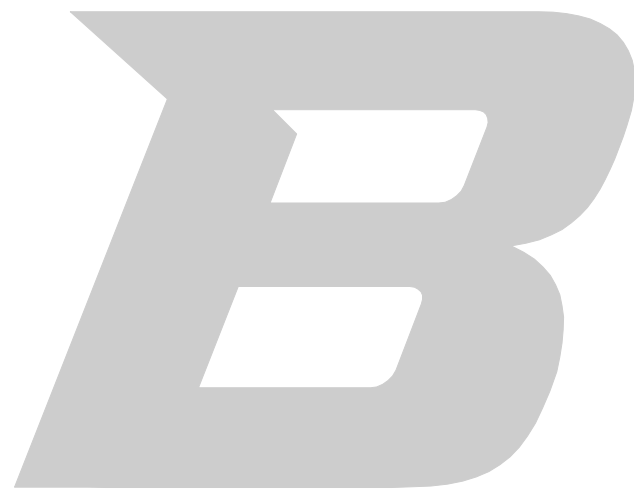


BOISE STATE UNIVERSITY



Table of Contents

1	Report of Independent Auditors
4	Management's Discussion and Analysis
	Financial Statements
17	Statements of Net Position
19	Component Unit Statements of Financial Position
21	Statements of Revenues, Expenses and Changes in Net Position Component Unit
23	Statements of Activities
25	Statements of Cash Flows
27	Notes to Financial Statements
102	Required Supplementary Information
106	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
108	Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures and Federal Awards Required by the Uniform Guidance
112	Schedule of Expenditures of Federal Awards – Year Ended June 30, 2023
118	Notes to Schedule of Expenditures of Federal Awards
119	Schedule of Findings and Questioned Costs
	Section I – Summary of Auditor's Results
	Section II – Financial Statement Findings
	Section III – Findings and Questioned Costs – Major Federal Programs
	Section IV – Prior Year Findings



**BOISE STATE
UNIVERSITY**



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, 2023 and 2022, 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, 2023 and 2022, 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.

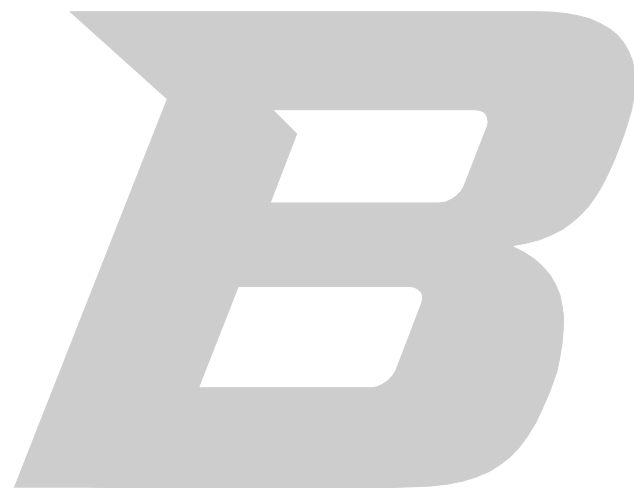
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report October 5, 2023, 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
October 5, 2023



**BOISE STATE
UNIVERSITY**



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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 811 thousand. As of June 30, 2023, the University employed 5,549 faculty and staff (including 1,583 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 18 doctoral options. These degree programs foster student success, lifelong learning, community engagement, innovation and creativity. This academic year, 5,231 students graduated from Boise State University, including 60 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 30 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 seven men's and 11 women's teams across 12 unique 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 nearly two-thirds of the population of Idaho, as well as parts of eastern Oregon and northern Nevada, through 20 transmitters and translators.



Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2023 and June 30, 2022 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, 2023 and 2022. 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 and Operations Officer and Vice President for Finance and Operations for the University.

Student Body

The University has the largest student enrollment of any public university in Idaho with a fall semester 2022 enrollment of 26,162 students (based on headcount with full-time equivalent enrollment of 17,736) and a fall semester 2021 enrollment of 25,829 students (based on headcount with full-time equivalent enrollment of 17,640) as of the October 15 census dates. This reflects an increase of 333 students based on headcount and an increase of 96 students based on full-time equivalent enrollment. Enrollment at the University during this academic year remained strong. In addition to having students attending from 43 counties in Idaho, the University hosts students from all 50 states and 97 countries. The University enrolls a diverse mix of both traditional age students and working adults.





Enrollment and Graduation Statistics Fall Semester				
	2019	2020	2021	2022
Enrollment				
Headcount	26,272	24,103	25,829	26,162
Full time equivalents	17,679	16,962	17,640	17,736
Undergraduate students				
Full time	13,104	12,973	13,274	13,433
Part time	9,835	7,815	9,162	9,529
Graduate students				
Full time	1,185	1,248	1,285	1,166
Part time	2,148	2,067	2,112	1,670
Students from Idaho	71%	66%	66%	66%
First year undergraduates/transfers				
Applied	17,920	18,693	18,905	20,004
Admitted	13,986	14,530	15,752	16,721
Enrolled	4,323	4,210	4,615	4,538
	2019-2020	2020-2021	2021-2022	2022-2023
Degrees Conferred				
Associate	109	132	127	184
Bachelor	3,526	3,754	3,947	3,856
Master	954	1,075	1,063	1,028
Doctorate	53	50	58	60
Certificate*	621	704	819	735

*Includes undergraduate, graduate and post-undergraduate certificates.



State Appropriations

Legislatively-approved State appropriations, inclusive of capital appropriations, represent approximately 23% of the University's total annual revenues for fiscal year 2023. 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)			
	2023	2022-Restated	2021
ASSETS:			
Current assets	\$ 252,998	\$ 234,116	\$ 209,532
Capital assets, net	577,805	591,039	585,939
Other assets	136,989	143,794	121,423
Total assets	<u>967,792</u>	<u>968,949</u>	<u>916,894</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>39,881</u>	<u>28,276</u>	<u>24,600</u>
Total assets and deferred outflows of resources			
	<u>\$ 1,007,673</u>	<u>\$ 997,225</u>	<u>\$ 941,494</u>
LIABILITIES:			
Current liabilities	\$ 85,660	\$ 81,541	\$ 83,247
Non-current liabilities	278,086	260,305	282,642
Total liabilities	<u>363,746</u>	<u>341,846</u>	<u>365,889</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>61,123</u>	<u>78,136</u>	<u>51,179</u>
NET POSITION:			
Net investment in capital assets	331,423	334,814	324,981
Restricted, expendable	27,529	27,030	28,842
Unrestricted	223,852	215,399	170,603
Total net position	<u>582,804</u>	<u>577,243</u>	<u>524,426</u>
Total liabilities, deferred inflows of resources and net position			
	<u>\$ 1,007,673</u>	<u>\$ 997,225</u>	<u>\$ 941,494</u>



The University's total assets and deferred outflows of resources increased during fiscal year 2023 by \$10 million from \$997 million as of June 30, 2022 to \$1,007 million as of June 30, 2023. Cash, cash with treasurer and investments increased \$15 million and account receivable and unbilled charges, net increased \$2 million, driven by normal operations. Deferred outflows related to pensions increased by \$9 million and deferred outflows related to OPEB-SLIRF increased by \$3 million. These increases were offset by a \$13 million decrease in capital assets, net as depreciation outpaced asset additions and a \$6 million decrease in the net OPEB asset – SLIRF. Pension and OPEB-SLIRF funds are managed by the Public Employee Retirement System of Idaho (PERSI), and changes are primarily due to unfavorable PERSI investment performance.

The University's total liabilities increased during fiscal year 2023 by \$22 million from \$342 million as of June 30, 2022 to \$364 million as of June 30, 2023. Net pension liability increased \$33 million due to market performance. This was offset by a \$12 million decrease in bond liabilities due to normal scheduled debt service payments.

Total deferred inflows of resources decreased \$17 million during fiscal year 2023 from \$78 million to \$61 million as of June 30, 2023. The decrease can be attributed to changes in deferred inflows related to pensions and other post-employment benefits (OPEB and OPEB-SLIRF) primarily related to unfavorable PERSI investment performance in fiscal year 2022.

Total net position during fiscal year 2023 increased by \$6 million from \$577 million as of June 30, 2022 to \$583 million as of June 30, 2023. Unrestricted net position increased by \$9 million primarily due to increased student receipts and favorable interest rates. Net investment in capital assets decreased by \$3 million as depreciation exceeded asset additions and repayment of debt.

The University's total assets and deferred outflows of resources increased during fiscal year 2022 by \$56 million from \$941 million as of June 30, 2021 to \$997 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 \$1.4 million as operational and campus activities returned to normal after the impact of the COVID-19 pandemic. Lease receivables increased \$4 million with 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 recorded \$3.6 million, net of IT subscriptions as part of the implementation of GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*.

The University's total liabilities decreased during fiscal year 2022 by \$24 million from \$366 million as of June 30, 2021 to \$342 million as of June 30, 2022. Net pension liability decreased due to market performance. Unearned revenue also decreased as all federal COVID assistance had been realized. The University recorded \$3.7 million of obligations under IT subscriptions as part of the implementation of GASB 96.



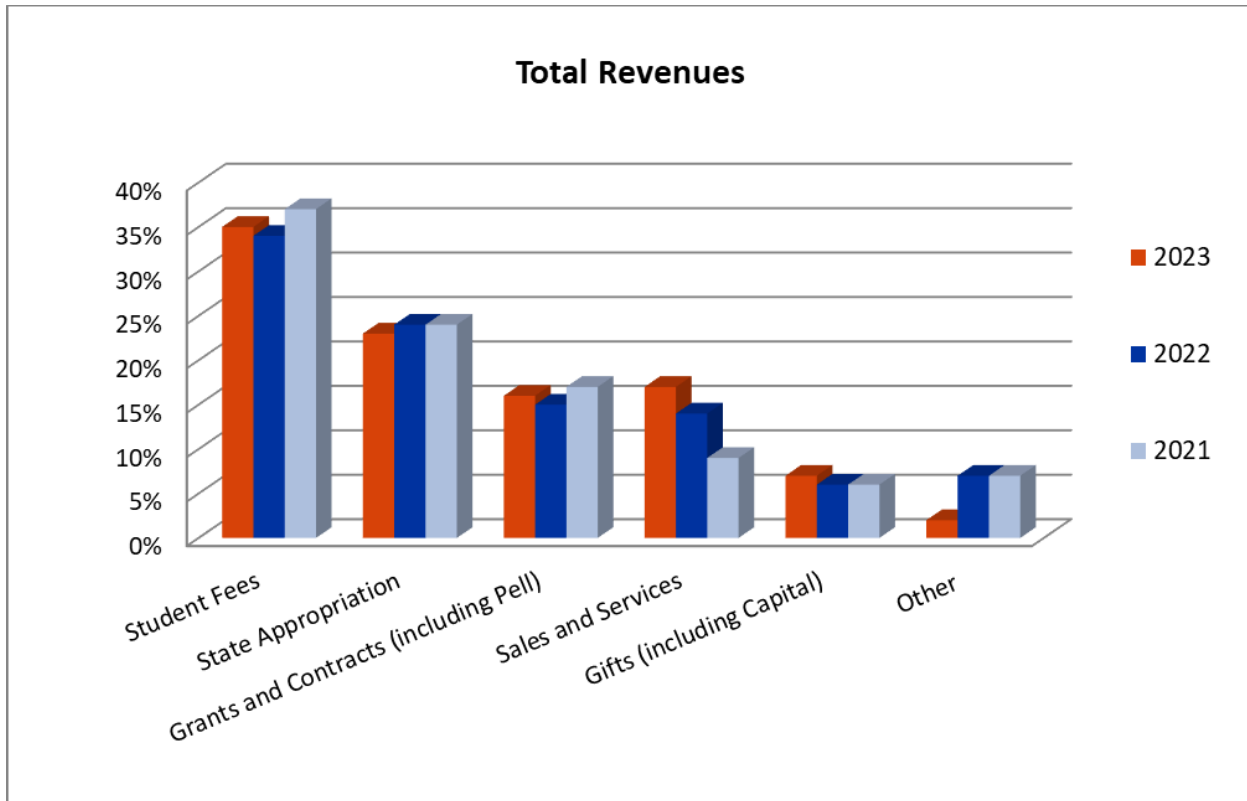
Total deferred inflows of resources increased \$27 million during fiscal year 2022 from \$51 million to \$78 million as of June 30, 2022. The increase can be attributed primarily to changes in deferred inflows related to pensions and other post-employment benefits (OPEB).

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.

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, 2023, Student fees, net, are \$189 million and represent 35% of total revenue, followed by State appropriations of \$127 million or 23% of total revenue. As a percentage of total revenue, grants and contracts contribute 16%, sales and services contribute 17%, gifts contribute 7%, while other revenue contributes 2% of total revenue. Other revenue includes \$6 million in interest earnings and \$1 million in federal aid grant revenue related to COVID relief funding.

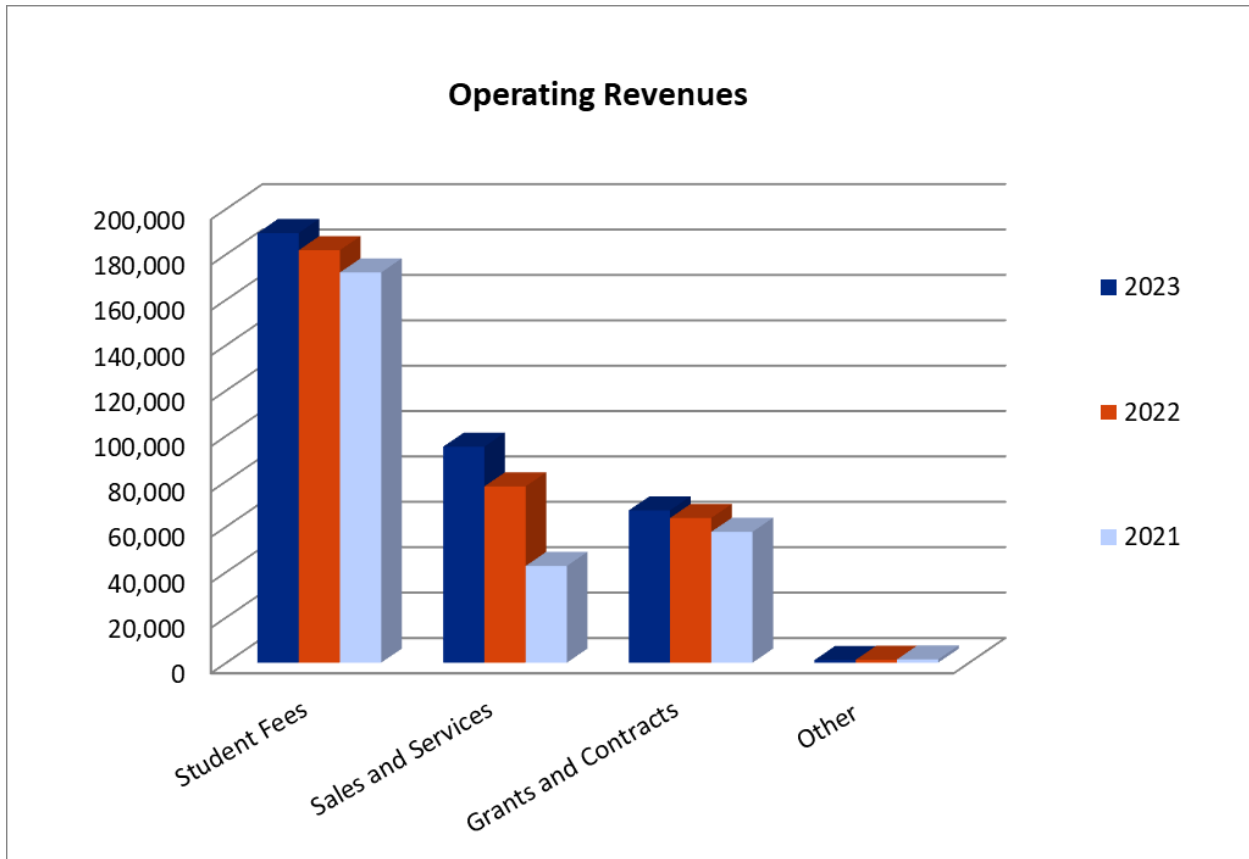


Summary Statements of Revenues, Expenses, and Changes in Net Position
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2023	2022-Restated	2021
Operating revenues	\$ 352,705	\$ 324,425	\$ 273,627
Operating expenses	533,458	478,529	428,437
Operating loss	(180,753)	(154,104)	(154,810)
Non-operating revenues and expenses	183,613	191,272	180,338
Income before capital revenues	2,860	37,168	25,528
Capital revenues	2,701	15,649	2,926
Increase in net position	\$ 5,561	\$ 52,817	\$ 28,454
Net position—Beginning of year	\$ 577,243	\$ 524,426	\$ 495,972
Increase in net position	5,561	52,817	28,454
Net position—End of year	\$ 582,804	\$ 577,243	\$ 524,426

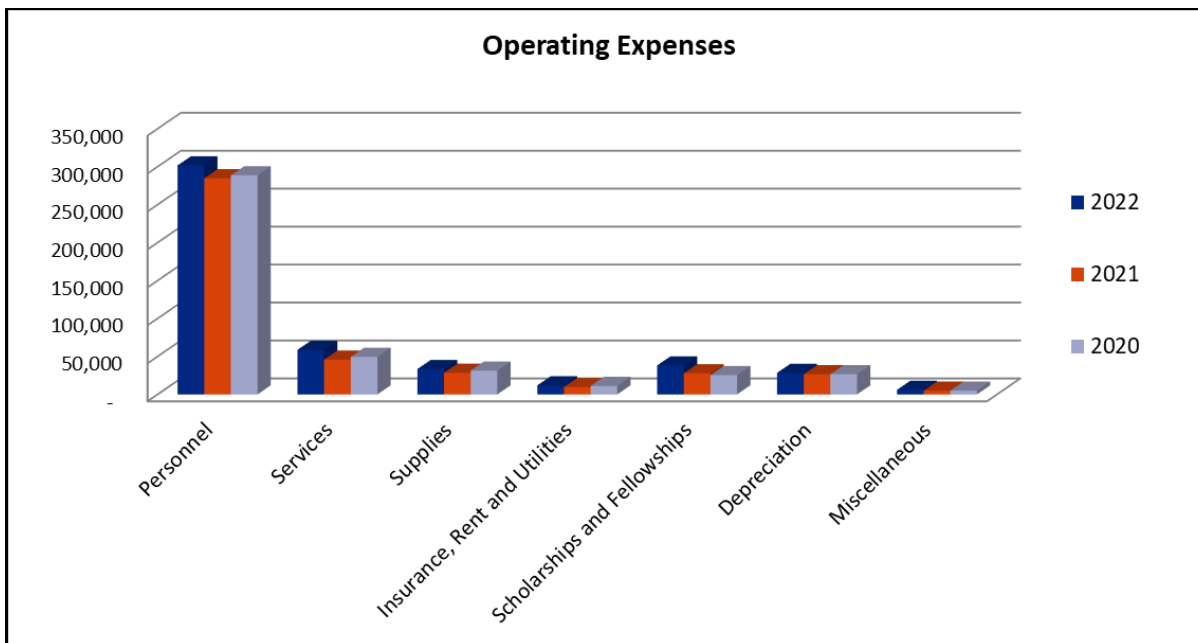
The statements of revenues, expenses and changes in net position reflect an overall increase in net position of \$6 million, \$53 million and \$28 million during fiscal years 2023, 2022 and 2021 respectively. Fiscal year 2023 reflects a return to normal revenue and expense levels subsequent to the COVID-19 pandemic. Operating revenues increased \$28 million while operating expense increased \$55 million. The decline in operating margin in fiscal 2023 is a direct reflection of operating expenses returning to normal levels along with record inflation. Non-operating revenues and expenses and capital revenues also declined resulting in a reduction of the increase to net position of \$47 million. Fiscal 2023 is a return to typical performance, uninterrupted by a pandemic and associated federal aid.





Operating revenues increased by \$29 million from \$324 million in fiscal year 2022 to \$353 million in fiscal year 2023. Student fees, net increased \$8 million, or 4% due to an increase in charged rates. Sales and services revenues increased \$17 million, or 23%, resulting from a return to normal operations after the COVID-19 pandemic as well as a change in the structure of the University food service contract. In fiscal year 2023, a new contract moved from away from a commission structure to one where revenues and expenses are recorded in operations. This change increases operating revenues by \$12 million. Grants and contract revenues increased \$3 million, or 5% driven by federal funding.

Operating revenues increased by \$51 million from \$273 million in fiscal year 2021 to \$324 million in fiscal year 2022. Student fees, net increased \$10 million, or 6% due to increases in non-resident and online enrollment and other course and class fees. Sales and services revenues increased \$35 million, or 82%, resulting from campus resuming normal activity levels as the risks from COVID 19 subsided.



Operating expenses increased by \$55 million from \$478 million in 2022 to \$533 million in fiscal year 2023. Personnel expenses increased \$42 million, or 14%. Salary expense increased \$27 million. A statewide change in employee compensation represents \$12 million of the increase and the addition of 162 FTE faculty and staff due to returning to normal operations after the pandemic along with market adjustments to retain employees generated the remaining increase. Inflation has put pressure on salaries with the University paying more to retain and attract employees. Employer taxes and benefit costs increased \$15 million. Expenses for services increased \$11 million; resuming events and operations on campus, including deferred maintenance spending and the lifting of travel restrictions as well as inflation drove the increase. Supplies expense increased by \$17 million, driven primarily by \$15 million in additional catering expense of which \$12 million is related to the new contract structure. Scholarships and fellowships decreased by \$17 million primarily due to the federal emergency aid granted to students in fiscal year 2022.

The net result is a \$27 million increase in operating loss over fiscal year 2022. Non-operating revenues and expenses declined by \$8 million. A reduction of federal aid grant revenue of \$34 million was offset by increases of \$13 million in state appropriations, \$4 million in gift revenue and \$9 million in revenue related to investments. Capital revenues represent capital gifts and grants; there were no capital appropriations from the state in fiscal year 2023.

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 \$12 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 over fiscal year 2021. 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 Materials Science and Engineering building, as the state closed out the project in the current fiscal year.

Capital Asset and Debt Administration

The University's capital assets (prior to depreciation) increased by \$8 million from \$1,005 million in 2022 to \$1,013 million in 2023. The University continued to improve infrastructure and acquire property consistent with the Campus Master Plan. Additions to construction in progress of \$7 million and \$2 million in information technology subscriptions, which were added due to the implementation of GASB Statement No. 96 was offset by a decline in library materials of \$1 million.

Capital assets, net decreased by \$13 million as the accumulated depreciation increase of \$21 million more than offset the change in capital assets.

During fiscal year 2023, long-term debt held by the University decreased by \$12 million from \$234 million to \$222 million or 5%. The University's debt burden ratio as of June 30, 2023 was 3.7%. 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 2023 Idaho General Fund Revenue Report published by the Division of Financial Management (DFM), the State of Idaho finished fiscal year 2023 with \$5.95 billion in general fund revenues, \$80.1 million ahead of the forecast primarily in the area of increased corporate income tax.

DFM's July Idaho Economic Forecast, which details annual expectations through 2028, continues to report that "Idaho is outperforming the nation on a number of key metrics and has strong economic fundamentals." Unemployment is nearly 1% lower than the national average and the economy is expanding. Migration from other states is projected to be a net 25,000 inflow per year. 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, is holding steady. New first-time resident undergraduates increased 20.7% in Fall 2022 and was a 14.7% increase over Fall 2018.

Under the leadership of the President, Dr. Marlene Tromp, the University operates using the strategic plan “Blueprint for Success 2021-2026” which is centered on the following five goals:

- Improve Educational Access and Student Success
- Innovation for Institutional Impact
- Advance Research and Creative Activity
- Foster Thriving Community
- Trailblaze Programs and Partnerships

The plan and underlying strategies are 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 2023, the University set all-time records for both athletics and overall fundraising, sponsored expenditures and awards as well as the number of graduates. In addition, retention rates and graduation rates continue to climb. The 79.2% retention rate of the 2021 cohort represented a return to pre-pandemic levels. The six-year graduation rate reached its highest ever level at over 59%.

During fiscal year 2023, the University created the Institute for Microelectronics Education and Research which will participate in the U.S.-Japan University Partnership for Workforce Advancement and Research & Development in Semiconductors (UPWARDS) for the Future. The partnership will focus on advancing research and developing the next generation of the workforce for the semi-conductor industry.

The University has moved beyond the disruption caused by 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, 2023 AND JUNE 30, 2022

	University 2023	University 2022-Restated
ASSETS		
CURRENT ASSETS		
Cash with treasurer	\$ 94,585,880	\$ 89,646,707
Cash and cash equivalents	15,903,781	8,529,470
Student loans receivable, net	1,123,157	1,437,651
Accounts receivable and unbilled charges, net	37,532,531	35,853,399
Lease receivable	1,556,030	1,689,420
Service concession arrangement receivable	200,000	200,000
Prepaid expense	4,506,827	3,426,637
Inventories	3,502,317	2,917,056
Investments	88,449,854	85,310,604
Due from component units	5,233,382	4,769,418
Other current assets	404,120	335,389
Total current assets	252,997,879	234,115,751
NON-CURRENT ASSETS		
Student loans receivable, net of current portion	1,241,484	1,970,650
Lease receivable, net of current portion	4,664,878	2,999,595
Service concession arrangement receivable, net of current portion	8,633,333	8,833,333
Investments, net of current portion	97,982,679	98,191,706
Capital assets, net	577,804,694	591,039,430
Net other post-employment benefits (OPEB) asset-SLIRF	21,844,513	28,096,396
Net pension asset	-	639,122
Other non-current assets	2,622,775	3,063,699
Total non-current assets	714,794,356	734,833,931
Total assets	967,792,235	968,949,682
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to refunding of debt	4,983,731	5,481,239
Deferred outflows related to pensions	21,164,395	12,199,687
Deferred outflows related to OPEB	9,261,649	9,346,032
Deferred outflows related to OPEB-SLIRF	4,471,012	1,248,542
Total deferred outflows of resources	39,880,787	28,275,500
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,007,673,022	\$ 997,225,182

See notes to financial statements.

**BOISE STATE UNIVERSITY****BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2023 AND JUNE 30, 2022**

	University 2023	University 2022-Restated
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,847,187	\$ 16,779,246
Due to state agencies	3,607,489	866,444
Accrued salaries and benefits payable	19,527,032	20,472,006
Compensated absences payable	13,045,693	11,765,248
Interest payable	2,308,548	2,417,017
Unearned revenue	17,981,210	16,122,189
Refundable federal student assistance liability	280,949	651,491
Bonds payable	8,645,000	10,230,000
Obligations under leases	444,271	539,663
Obligations under subscriptions	1,866,612	1,571,612
Other current liabilities	105,536	126,546
Total current liabilities	85,659,527	81,541,462
NON-CURRENT LIABILITIES		
Unearned revenue	4,744,912	1,298,528
Refundable federal student assistance liability, net of current portion	2,617,554	3,269,890
Bonds payable, net of current portion	201,785,209	212,580,942
Obligations under leases, net of current portion	6,539,780	6,783,625
Obligations under subscriptions, net of current portion	2,318,709	2,164,126
OPEB obligation	27,234,582	34,040,360
Net pension liability	32,806,281	-
Other non-current liabilities	39,499	167,162
Total non-current liabilities	278,086,526	260,304,633
Total liabilities	363,746,053	341,846,095
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to grants received in advance	668,852	401,793
Deferred inflows related to pensions	951,664	21,739,960
Deferred inflows related to service concession arrangements	38,126,915	38,991,797
Deferred inflows related to OPEB	11,853,366	5,423,907
Deferred inflows related to OPEB-SLIRF	3,438,951	7,386,343
Deferred inflows related to leases	6,083,397	4,192,379
Total deferred inflows of resources	61,123,145	78,136,179
NET POSITION		
Net investment in capital assets	331,422,747	334,814,452
Restricted, expendable	27,528,794	27,029,514
Unrestricted	223,852,283	215,398,942
Total net position	582,803,824	577,242,908
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,007,673,022	\$ 997,225,182

See notes to financial statements.



BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND JUNE 30, 2022

	<u>Foundation 2023</u>	<u>Foundation 2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,406,602	\$ 3,585,655
Accrued interest and other receivables	332,633	248,850
Annuity receivable	22,839	22,839
Promises to give, net, non-endowment	3,823,859	2,822,768
Promises to give, endowment	393,282	323,406
Total current assets	<u>7,979,215</u>	<u>7,003,518</u>
NON-CURRENT ASSETS		
Restricted cash and cash equivalents	3,502,340	7,725,535
Promises to give, net, non-endowment	9,461,722	5,732,825
Promises to give, endowment	707,141	578,777
Annuity receivable	126,041	140,703
Investments	203,329,197	184,765,651
Interest in perpetual trusts	2,579,956	2,526,639
Construction in progress	5,459,602	1,235,945
Other assets	880,871	803,434
Total non-current assets	<u>226,046,870</u>	<u>203,509,509</u>
TOTAL ASSETS	<u>\$ 234,026,085</u>	<u>\$ 210,513,027</u>

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, 2023 AND JUNE 30, 2022

	<u>Foundation 2023</u>	<u>Foundation 2022</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 1,528,960	\$ 2,682,281
Scholarships payable	115,221	115,221
Interest payable	15,000	15,000
Prepaid parking and suites, current	357,552	301,088
Liability under split interest trust agreements	142,692	107,922
Trust earnings payable to trust beneficiaries	20,364	20,364
Total current liabilities	<u>2,179,789</u>	<u>3,241,876</u>
NON-CURRENT LIABILITIES		
Other long-term debt	3,000,000	3,000,000
Scholarships payable	345,665	460,886
Prepaid parking and suites, long term	1,333,301	1,417,878
Liability under split interest trust agreements	1,581,584	1,421,485
Amounts held in custody for others	1,114,757	1,110,560
Trust earnings payable to trust beneficiaries	75,107	80,039
Total non-current liabilities	<u>7,450,414</u>	<u>7,490,848</u>
Total liabilities	<u>9,630,203</u>	<u>10,732,724</u>
NET ASSETS		
With Donor Restriction		
Perpetual in nature	126,299,677	120,109,501
Purpose restrictions	73,943,506	61,169,539
Time-restricted for future periods	13,285,581	8,555,593
Underwater endowments	(363,674)	(1,389,297)
Total with donor restriction net assets	<u>213,165,090</u>	<u>188,445,336</u>
Without Donor Restriction		
Undesignated	4,500,057	4,895,209
Designated by Board for Endowment	6,730,735	6,439,758
Total without donor restriction net assets	<u>11,230,792</u>	<u>11,334,967</u>
Total net assets	<u>224,395,882</u>	<u>199,780,303</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 234,026,085</u>	<u>\$ 210,513,027</u>

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, 2023 AND JUNE 30, 2022**

	<u>University 2023</u>	<u>University 2022-Restated</u>
OPERATING REVENUES		
Student tuition and fees, pledged for bonds	\$ 220,107,450	\$ 211,455,181
Scholarship allowance	<u>(30,797,000)</u>	<u>(29,712,200)</u>
Student tuition and fees, net	189,310,450	181,742,981
Federal grants and contracts (including \$10,265,962 and \$8,637,264 of revenues pledged for bonds in 2023 and 2022, respectively)	57,759,417	54,643,758
State and local grants and contracts (including \$702,457 and \$638,380 of revenues pledged for bonds in 2023 and 2022, respectively)	5,501,446	5,961,987
Private grants and contracts (including \$463,997 and \$400,205 of revenues pledged for bonds in 2023 and 2022, respectively)	3,830,862	3,137,642
Sales and services of educational activities, pledged for bonds	11,937,903	10,461,149
Sales and services of auxiliary enterprises, pledged for bonds (Net of allowances of \$4,134,900 and \$4,141,200, respectively)	83,206,741	67,208,064
Other operating revenues, pledged for bonds	<u>1,157,017</u>	<u>1,269,087</u>
Total operating revenues	<u>352,703,836</u>	<u>324,424,668</u>
OPERATING EXPENSES		
Personnel cost	343,743,916	301,662,922
Services	68,491,981	57,801,956
Supplies	49,984,331	33,386,317
Insurance, utilities and rent	14,701,918	11,885,919
Scholarships and fellowships	21,195,940	38,183,208
Depreciation and amortization	29,156,434	29,575,394
Miscellaneous operating expenses	<u>6,182,718</u>	<u>6,033,887</u>
Total operating expenses	<u>533,457,238</u>	<u>478,529,603</u>
OPERATING LOSS	<u>(180,753,402)</u>	<u>(154,104,935)</u>

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, 2023 AND JUNE 30, 2022**

	<u>University 2023</u>	<u>University 2022-Restated</u>
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	126,722,988	114,051,596
Pell grants	20,640,125	19,957,194
Gifts (includes gifts from component unit equal to \$21,147,884 and \$18,889,199 in 2023 and 2022, respectively)	36,887,332	32,882,833
Net investment income (including \$5,850,289 and \$950,986 of revenues pledged for bonds in 2023 and 2022, respectively)	6,058,086	1,008,292
Change in fair value of investments (including \$0 and \$2,342 of revenues pledged for bonds in 2023 and 2022, respectively)	31,268	(4,228,383)
Interest expense	(7,353,546)	(7,552,000)
Loss on retirement of capital assets	(473,223)	(82,232)
Federal aid grant revenue (including \$0 and \$956,419 of revenues pledged for bonds in 2023 and 2022, respectively)	1,000,000	35,129,537
Other non-operating revenue (expense)	100,245	105,499
Net non-operating revenues	<u>183,613,275</u>	<u>191,272,336</u>
INCOME BEFORE CAPITAL REVENUES	<u>2,859,873</u>	<u>37,167,401</u>
CAPITAL REVENUES		
Capital appropriations	-	13,433,980
Capital grants and gifts (includes gifts from component unit equal to \$6,776 and \$365,028 in 2023 and 2022, respectively)	2,701,043	2,215,118
Total capital revenues	<u>2,701,043</u>	<u>15,649,098</u>
INCREASE IN NET POSITION	<u>\$ 5,560,916</u>	<u>\$ 52,816,499</u>
NET POSITION - Beginning of year	\$ 577,242,908	\$ 524,426,409
INCREASE IN NET POSITION	<u>5,560,916</u>	<u>52,816,499</u>
NET POSITION - End of year	<u>\$ 582,803,824</u>	<u>\$ 577,242,908</u>

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, 2023

	Without Donor Restriction	With Donor Restriction	Foundation 2023
OPERATING REVENUES:			
Gifts	\$ 596,318	\$ 27,099,529	\$ 27,695,847
Non-cash gifts	59,704	448,000	507,704
Other income	4,239,525	4,405,005	8,644,530
Net investment income	1,212,415	12,962,827	14,175,242
Change in split interest trusts	-	(33,989)	(33,989)
Total revenues and gains	6,107,962	44,881,372	50,989,334
Net assets released from restrictions through satisfaction of:			
Program and time restrictions	19,956,066	(19,956,066)	-
Write-off of promises to give	149,975	(149,975)	-
Board and donor designated transfers	13,505	(13,505)	-
Total operating revenues	26,227,508	24,761,826	50,989,334
OPERATING EXPENSES:			
Distribution of scholarships and general endowments	6,966,156	-	6,966,156
Distribution of funds for academic programs	4,241,214	-	4,241,214
Distribution of funds for athletic programs:			
Program services	9,251,376	-	9,251,376
Management and general	695,914	-	695,914
Uncollectible pledges to give	157,445	-	157,445
Administrative expense:			
Program services	417,570	-	417,570
Fundraising expenses	2,844,605	-	2,844,605
Management and general	1,757,401	-	1,757,401
Total operating expenses	26,331,681	-	26,331,681
OPERATING INCOME (EXPENSE)	(104,173)	24,761,826	24,657,653
NON-OPERATING EXPENSES:			
Loss on sale of real property	-	(42,073)	(42,073)
CHANGE IN NET ASSETS	(104,173)	24,719,753	24,615,580
NET ASSETS - Beginning of year	11,334,967	188,445,336	199,780,303
NET ASSETS - End of year	\$ 11,230,794	\$ 213,165,089	\$ 224,395,883

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, 2023

	Without Donor Restriction	With Donor Restriction	Foundation 2023
OPERATING REVENUES:			
Gifts	\$ 596,318	\$ 27,099,529	\$ 27,695,847
Non-cash gifts	59,704	448,000	507,704
Other income	4,239,525	4,405,005	8,644,530
Net investment income	1,212,415	12,962,827	14,175,242
Change in split interest trusts	-	(33,989)	(33,989)
Total revenues and gains	6,107,962	44,881,372	50,989,334
Net assets released from restrictions through satisfaction of:			
Program and time restrictions	19,956,066	(19,956,066)	-
Write-off of promises to give	149,975	(149,975)	-
Board and donor designated transfers	13,504	(13,504)	-
Total operating revenues	26,227,507	24,761,827	50,989,334
OPERATING EXPENSES:			
Distribution of scholarships and general endowments	6,966,156	-	6,966,156
Distribution of funds for academic programs	4,241,214	-	4,241,214
Distribution of funds for athletic programs:			
Program services	9,251,376	-	9,251,376
Management and general	695,914	-	695,914
Uncollectible pledges to give	157,445	-	157,445
Administrative expense:			
Program services	417,570	-	417,570
Fundraising expenses	2,844,605	-	2,844,605
Management and general	1,757,402	-	1,757,402
Total operating expenses	26,331,682	-	26,331,682
OPERATING INCOME (EXPENSE)	(104,175)	24,761,827	24,657,652
NON-OPERATING EXPENSES:			
Loss on sale of real property	-	(42,073)	(42,073)
CHANGE IN NET ASSETS	(104,175)	24,719,754	24,615,579
NET ASSETS - Beginning of year	11,334,967	188,445,336	199,780,303
NET ASSETS - End of year	\$ 11,230,792	\$ 213,165,090	\$ 224,395,882

See notes to financial statements.



BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

	University 2023	University 2022-Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Student fees	\$ 190,216,736	\$ 178,481,935
Grants and contracts	66,157,352	67,552,872
Sales and services of educational activities	8,114,500	8,365,249
Sales and services of auxiliary enterprises	82,024,723	62,072,462
Other operating receipts	3,387,696	1,861,402
Payments to employees	(339,884,346)	(303,625,555)
Payments for services	(65,744,344)	(61,372,676)
Payments for supplies	(51,996,569)	(34,161,347)
Payments for insurance, utilities and rent	(13,599,201)	(12,358,460)
Payments for scholarships and fellowships	(21,142,786)	(38,303,304)
Loans issued to students	(4,150)	(8,255)
Collections of loans to students	736,507	1,072,488
Other payments	(4,027,768)	(5,871,317)
Fiduciary activities- Direct student loan receipts	74,057,350	73,031,280
Fiduciary activities- Direct student loan disbursements	(74,057,350)	(73,031,280)
Net cash used in operating activities	(145,761,650)	(136,294,506)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	125,424,724	114,051,596
Pell grants	20,640,125	19,957,194
Gifts	36,423,368	30,178,729
Federal aid grants	-	29,168,904
Other payments	(922,633)	(1,109,814)
Net cash provided by non-capital financing activities	181,565,584	192,246,609
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Leased assets and IT subscriptions	1,757,328	(297,562)
Capital grants and gifts	1,206,776	1,826,165
Purchases of capital assets	(10,660,524)	(8,222,140)
Principal paid on notes and bonds payable	(10,230,000)	(11,145,000)
Interest paid on notes and bonds payable and leases	(9,115,240)	(9,336,851)
Other receipts (payments)	392,079	(202,139)
Net cash used in capital and related financing activities	(26,649,581)	(27,377,527)

See notes to financial statements.



BOISE STATE UNIVERSITY

**BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022**

	University 2023	University 2022-Restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(573,061,969)	(581,642,528)
Proceeds from sales and maturities of investments	569,791,320	557,258,417
Investment income	6,429,780	1,558,424
Net cash provided/(used) by investing activities	3,159,131	(22,825,687)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER	12,313,484	5,748,889
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year	98,176,177	92,427,288
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year	\$ 110,489,661	\$ 98,176,177
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Operating loss	\$ (180,753,402)	\$ (154,104,935)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	29,156,434	29,575,394
Changes in assets and liabilities:		
Student loans receivable, net	1,043,660	1,895,941
Accounts receivable and unbilled charges, net	619,132	(7,177,370)
Inventories	(585,261)	(1,043,892)
Net other post-employment benefit asset	6,251,883	(6,300,332)
Net pension asset	639,122	(639,122)
Other assets	(707,998)	(1,428,149)
Deferred outflows related to pensions	(8,964,708)	(4,322,506)
Deferred outflows related to OPEB	84,383	806,381
Deferred outflows related to OPEB-SLIRF	(3,222,470)	(672,030)
Accounts payable and accrued liabilities	1,067,941	1,359,121
Accrued salaries and benefits payable	(944,974)	3,193,083
Compensated absences payable	1,280,445	942,312
Unearned revenue	5,305,405	(1,678,264)
Other post-employment benefits obligation	(6,805,778)	2,326,135
Net pension liability	32,806,281	(20,341,665)
Other liabilities	(148,673)	(100,964)
Deferred inflows related to grants received in advance	267,060	(129,053)
Deferred inflows related to pensions	(20,788,296)	20,538,261
Deferred inflows related to service concession arrangements	(864,882)	(864,883)
Deferred inflows related to OPEB	6,429,459	(1,203,677)
Deferred inflows related to OPEB-SLIRF	(3,947,392)	4,423,894
Deferred inflows related to leases	(2,979,021)	(1,348,186)
Net cash used in operating activities	\$ (145,761,650)	\$ (136,294,506)
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Assets donated to the University	\$ 1,494,267	\$ 13,822,933
Donated building maintenance	2,890,497	\$ 1,358,137
Total non-cash transactions	\$ 4,384,764	\$ 15,181,070

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 83720
Boise, Idaho 83720-0011
www.sco.idaho.gov

The financial statements for fiscal years ended June 30, 2023 and June 30, 2022 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, 2023 and 2022. 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 fee collection process; once remitted these funds 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 (FDSLPL) 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 \$74,057,350 and \$73,031,280 for fiscal years ended 2023 and 2022 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 statement 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, 2023 and 2022.



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.

Reclassifications – Certain items reported in the 2022 financial statements have been reclassified to conform to the current 2023 financial statement presentation. Such reclassifications had no effect on the previously reported change in net position.

Newly Implemented Accounting Standard – The University implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). GASB 96 was issued in May 2020; this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The University implemented GASB Statement No. 96, SBITA, in fiscal year 2023. The requirements of this standard have been applied to the beginning of the period of adoption. The cumulative effect of prior year amounts has been reflected in the fiscal year 2022 Statement of Revenues, Expenses, and Changes in Net position.

Breakdown of the Cumulative Effect of Implementing GASB no. 96 <i>(Dollars in Thousands)</i>			
	July 1, 2021	Cumulative Effect of Implementing GASB 96	June 30, 2022
Prepaid expense	6,800	(310)	6,490
Capital assets, net			
IT subscriptions	-	4,862	4,862
Accumulated amortization-IT subscriptions	-	(1,230)	(1,230)
Obligations under subscriptions	-	3,736	3,736
Net Position	577,657	(414)	577,243

Cumulative Effect of Implementing GASB no. 96 on the Changes of Net Position <i>(Dollars in Thousands)</i>			
	June 30, 2022, (Previously reported)	Cumulative Effect of Implementing GASB 96	June 30, 2022, (As restated)
Services	58,628	(826)	57,802
Amortization expense	-	1,230	1,230
Interest expense	7,542	10	7,552
Net position	577,657	(414)	577,243



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Upcoming Accounting Standards – 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. The University reported \$66,639,263 and \$65,517,809 as non-current investments due to external restrictions as of June 30, 2023 and 2022, respectively.

Basis of Custodial Credit Risk		
As of June 30		
<i>(Dollars in Thousands)</i>		
	2023	2022
Cash on hand	\$ 72	\$ 85
Federally insured	500	500
Collateralized by securities held by the pledging financial institution	15,332	7,944
Total cash and cash equivalents	\$ 15,904	\$ 8,529

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 \$123,719,983 and \$121,565,491 invested in the State’s external pools as of June 30, 2023 and 2022, 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, 2023 and 2022, 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, 2023									
(Dollars in Thousands)									
Investment Type	Fair Value	Aaa	Aa2	Aa3	A1	A2	A3	Unrated	
		P-1			P-2				
Local government investment pool	\$123,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,881
Corporate bonds	29,487	1,442	496	6,312	7,001	9,639	4,597	-	-
Federal agency security	32,911	31,572	-	-	1,339	-	-	-	-
Money market fund	154	-	-	-	-	-	-	-	154
	<u>\$186,433</u>	<u>\$ 33,014</u>	<u>\$ 496</u>	<u>\$ 6,312</u>	<u>\$ 8,340</u>	<u>\$ 9,639</u>	<u>\$ 4,597</u>	<u>\$ -</u>	<u>\$ 124,035</u>
% of Total	100%	18%	1%	3%	4%	5%	2%	-	67%

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
	<u>183,335</u>	<u>31,718</u>	<u>1,003</u>	<u>4,344</u>	<u>7,877</u>	<u>11,820</u>	<u>4,295</u>	<u>497</u>	<u>121,781</u>
Investments held on behalf of employee benefit plans:									
Bond/equity mutual funds	43	-	-	-	-	-	-	-	43
Equity mutual funds	114	-	-	-	-	-	-	-	114
Income mutual funds	11	-	-	-	-	-	-	-	11
	<u>168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168</u>
Total investments	<u>\$183,503</u>	<u>\$ 31,718</u>	<u>\$ 1,003</u>	<u>\$ 4,344</u>	<u>\$ 7,877</u>	<u>\$ 11,820</u>	<u>\$ 4,295</u>	<u>\$ 497</u>	<u>\$121,949</u>
% of Total	100%	17%	1%	2%	4%	7%	2%	1%	66%



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 23% of total investments are invested in securities with maturities longer than one year as of June 30, 2023.

Investment Maturities In Years			
As of June 30, 2023			
(Dollars in Thousands)			
Investment Type	Fair Value	Less than 1	1 to 5
Investments measured at fair value:			
Corporate bonds	\$ 29,487	\$ 8,759	\$ 20,728
Federal agency security	32,911	9,917	22,994
Money market fund	154	154	-
	<u>62,552</u>	<u>18,830</u>	<u>43,722</u>
Local government investment pool	<u>123,881</u>	<u>123,881</u>	<u>-</u>
Total investments	<u>\$ 186,433</u>	<u>\$ 142,711</u>	<u>\$ 43,722</u>



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

Investment Maturities In Years As of June 30, 2022 (Dollars in Thousands)			
Investment Type	Fair Value	Less than 1	1 to 5
Investments measured at fair value:			
Corporate bonds	\$ 28,506	\$ 3,287	\$ 25,219
Federal agency security	33,048	6,593	26,455
Money market fund	374	374	-
	<u>61,928</u>	<u>10,254</u>	<u>51,674</u>
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
	<u>168</u>	<u>-</u>	<u>168</u>
Total investments	<u>\$ 183,503</u>	<u>\$ 131,661</u>	<u>\$ 51,842</u>

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, 2023:

Fair Value Measurement As of June 30, 2023 (Dollars in Thousands)		
Investment Type	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)
Investments measured at fair value		
Corporate bonds	\$ 29,487	\$ 29,487
Federal agency security	32,911	32,911
Money market fund	154	154
Total investments measured at fair value	62,552	\$ 62,552
Local government investment pool	123,881	
Total investments	\$ 186,433	



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

Fair Value Measurement As of June 30, 2022 (Dollars in Thousands)		
Investment Type	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)
Investments measured at fair value		
Corporate bonds	\$ 28,506	\$ 28,506
Federal agency security	33,048	33,048
Money market fund	374	374
	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
	168	168
Total investments measured at fair value	62,096	\$ 62,096
Local government investment pool	121,407	
Total investments	<u>\$ 183,503</u>	

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.



3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portion due to the University, as of June 30, 2023 and 2022, 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)		
	2023	2022
Student fees and third party receivables	\$ 9,287	\$ 11,396
Unbilled charges	9,755	8,424
Auxiliary enterprises and other operating activities	16,237	13,952
Federal, state and private grants and contracts	4,473	4,772
Accounts receivable and unbilled charges	39,752	38,544
Less allowance for doubtful accounts	(2,219)	(2,691)
Accounts receivable and unbilled charges, net	\$ 37,533	\$ 35,853





4. STUDENT LOANS RECEIVABLE

Student loans that were made through the Federal Perkins Loan Program (the Program) comprise substantially all of the student loan receivable as of June 30, 2023 and 2022. The University outsources the loan servicing to a third-party vendor. After Congress did not renew the Program in September 2017, the University elected to continue to collect on the loans and return the portion of the amount collected due to the U.S. Department of Education (ED) on an annual basis. An accrued liability has been established for the amount due to the ED. An allowance has been established for the University's portion of the loans that have been deemed uncollectible.

	2023	2022
Student loans receivable - current	\$ 1,123	\$ 1,438
Student loans receivable - non-current	1,407	2,429
Student loans receivable	2,530	3,867
Less allowance for doubtful accounts	(166)	(458)
Student loans receivable, net	\$ 2,364	\$ 3,409



**5. CAPITAL ASSETS, NET**

Following are the changes in capital assets for the fiscal year ended June 30, 2023:

Changes in Capital Assets As of June 30, 2023 (Dollars in Thousands)						
	Balance June 30, 2022-Restated	Additions	Transfers	Retirements	Balance June 30, 2023	
Capital assets not being depreciated						
Land	\$ 80,251	\$ -	\$ (8)	\$ -	\$ -	\$ 80,243
Construction in progress	1,139	6,684	(156)	-	-	7,667
Total assets not being depreciated	\$ 81,390	\$ 6,684	\$ (164)	\$ -	\$ -	\$ 87,910
Other capital assets						
Buildings and improvements	\$ 777,229	\$ 480	\$ 164	\$ -	\$ -	\$ 777,873
Furniture and equipment	92,203	6,183	-	(5,580)	-	92,806
Library materials	28,673	1,519	-	(2,696)	-	27,496
Intangibles	12,793	30	-	(469)	-	12,354
Misc intangibles	137	-	-	(137)	-	-
IT subscriptions	4,862	1,891	-	-	-	6,753
Leased assets	7,827	-	-	-	-	7,827
Total other capital assets	923,724	10,103	164	(8,882)	-	925,109
Less accumulated depreciation and amortization						
Buildings and improvements	(306,989)	(20,286)	-	-	-	(327,275)
Furniture and equipment	(71,778)	(5,202)	-	5,045	-	(71,935)
Library materials	(21,259)	(1,459)	-	2,366	-	(20,352)
Intangibles	(12,168)	(98)	-	469	-	(11,797)
Misc intangibles	(137)	-	-	137	-	-
IT subscriptions	(1,231)	(1,571)	-	-	-	(2,802)
Leased assets	(513)	(540)	-	-	-	(1,053)
Total accumulated depreciation and amortization	(414,075)	(29,156)	-	8,017	-	(435,214)
Other capital assets, net	\$ 509,649	\$ (19,053)	\$ 164	\$ (865)	\$ -	\$ 489,895
Capital assets summary						
Capital assets not being depreciated	\$ 81,390	\$ 6,684	\$ (164)	\$ -	\$ -	\$ 87,910
Other capital assets at cost	923,724	10,103	164	(8,882)	-	925,109
Total cost of capital assets	1,005,114	16,787	-	(8,882)	-	1,013,019
Less accumulated depreciation and amortization	(414,075)	(29,156)	-	8,017	-	(435,214)
Capital assets, net	\$ 591,039	\$ (12,369)	\$ -	\$ (865)	\$ -	\$ 577,805

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2023 is \$18,310,664. These costs will be funded by private and state donations as well as available reserves.



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-Restated
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
Misc intangibles	166	-	-	(29)	137
IT subscriptions	-	4,862	-	-	4,862
Leased assets	-	7,827	-	-	7,827
Total other capital assets	846,878	34,328	47,110	(4,592)	923,724
Less accumulated depreciation and amortization					
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)	(58)	-	-	(12,169)
Misc intangibles	(166)	-	-	29	(137)
IT subscriptions	-	(1,230)	-	-	(1,230)
Leased assets	-	(513)	-	-	(513)
Total accumulated depreciation and amortization	(388,762)	(29,576)	-	4,263	(414,075)
Other capital assets, net	\$ 458,116	\$ 4,752	\$ 47,110	\$ (329)	\$ 509,649
Capital assets summary					
Capital assets not being depreciated	\$ 127,823	\$ 814	\$ (47,110)	\$ (137)	\$ 81,390
Other capital assets at cost	846,878	34,328	47,110	(4,592)	923,724
Total cost of capital assets	974,701	35,142	-	(4,729)	1,005,114
Less accumulated depreciation and amortization	(388,762)	(29,576)	-	4,263	(414,075)
Capital assets, net	\$ 585,939	\$ 5,566	\$ -	\$ (466)	\$ 591,039

Fiscal year 2022 includes additions and amortization related to the GASB 96 implementation. See note 1.

**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, 2023 and 2022.

Deferred Outflows of Resources				
As of June 30, 2023				
<i>(Dollars in Thousands)</i>				
	Ending Balance			Ending Balance
Deferred outflows of resources	June 30, 2022	Additions	Reductions	June 30, 2023
Deferred outflows of resources related to refunding of debt:				
2004-2012A Bond Refunding	\$ 658	\$ -	\$ (61)	\$ 597
2005-2013A Bond Refunding	288	-	(26)	262
2005-2013B Bond Refunding	46	-	(46)	-
2007A-2015A Bond Refunding	449	-	(30)	419
2007A-2016A Bond Refunding	1,564	-	(106)	1,458
2009A-2016A Bond Refunding	1,409	-	(149)	1,260
2010B-2020A Bond Refunding	1	-	(1)	-
2012A-2020B Bond Refunding	497	-	(25)	472
2013A-2020B Bond Refunding	569	-	(53)	516
Total deferred outflows of resources related to refunding of debt	5,481	-	(497)	4,984
Deferred outflows of resources related to pensions	12,200	14,874	(5,910)	21,164
Deferred outflows of resources related to other post-employment benefits	9,346	2,096	(2,180)	9,262
Deferred outflows of resources related to Idaho Sick Leave Insurance Reserve Fund	1,249	3,392	(170)	4,471
Total deferred outflows of resources	\$ 28,276	\$ 20,362	\$ (8,757)	\$ 39,881



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

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 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, 2023 and 2022.

Deferred Inflows of Resources As of June 30, 2023 <i>(Dollars in Thousands)</i>				
	Ending Balance			Ending Balance
	June 30, 2022	Additions	Reductions	June 30, 2023
Deferred inflows of resources				
Deferred inflows of resources related to grants	\$ 402	\$ 2,418	\$ (2,151)	\$ 669
Deferred inflows of resources related to pensions	21,740	-	(20,788)	952
Deferred inflows of resources related to service concession arrangements	38,992	649	(1,514)	38,127
Deferred inflows of resources related to other post-employment benefits	5,424	7,238	(809)	11,853
Deferred inflows of resources related to Idaho Sick Leave Insurance Reserve Fund	7,386	1,087	(5,034)	3,439
Deferred inflows related to leases	4,192	4,870	(2,979)	6,083
Total deferred inflows of resources	<u>\$ 78,136</u>	<u>\$ 16,262</u>	<u>\$ (33,275)</u>	<u>\$ 61,123</u>

Deferred Inflows of Resources As of June 30, 2022 <i>(Dollars in Thousands)</i>				
	Ending Balance			Ending Balance
	June 30, 2021	Additions	Reductions	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>



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, 2023 and 2022.

Value of Assets and Deferred Inflows Related to the Honors College			
As of June 30, 2023			
<i>(Dollars in Thousands)</i>			
	Capital Asset	Lease Receivable	Deferred Inflow of Resources
Honors College and Sawtooth Hall, net of depreciation	\$ 31,428		
Receivable for ground lease		\$ 8,833	
Deferred inflows of resources			\$ 38,127

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



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,		
(Dollars in Thousands)		
	2023	2022
Student tuition and fees	\$ 5,877	\$ 6,645
Prepaid ticket sales and auxiliary enterprises	11,119	6,227
Grants and contracts	2,541	3,111
Other unearned revenue	3,189	1,438
Total unearned revenue	\$ 22,726	\$ 17,421





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, 2023 and 2022. Management believes the University is in compliance with all bond covenants as of June 30, 2023 and 2022.

Bonds Roll forward – as of June 30, 2023 and 2022:

Bond Roll Forward As of June 30, 2023 (Dollars in Thousands)					
	Ending Balance June 30, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
Bonds and premiums					
Bonds payable	\$ 208,660	\$ -	\$ (10,230)	\$ 198,430	\$ 8,645
Premium on bonds	14,151	-	(2,151)	12,000	-
Total bonds and bond premiums	\$ 222,811	\$ -	\$ (12,381)	\$ 210,430	\$ 8,645

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



8. BONDS AND NOTES PAYABLE (Cont.)

Bonds Payable – Principal and interest maturities as of June 30, 2023 and 2022:

Bonds Payable As of June 30, (Dollars in Thousands)							
Bond issue	Original Face Value	Range of Annual Principal Amounts	Range of Semi- Annual Interest Percentages	Original Maturity Date	Outstanding Balance 2023	Outstanding Balance 2022	
General Revenue Bonds, Series 2020A	\$9,940	\$330-\$665	3.00%-5.00%	2040	\$ 8,900	\$ 9,260	
General Revenue Bonds, Series 2020B	\$44,550	\$455-\$2,100	1.67%-5.00%	2050	41,830	43,625	
General Revenue Bonds, Series 2018A	\$18,465	\$330-\$895	1.53%-3.78%	2048	14,860	15,645	
General Revenue Bonds, Series 2017A	\$67,860	\$640-\$4,525	2.00%-5.00%	2047	56,345	58,790	
General Revenue Bonds, Series 2016A	\$66,145	\$930-\$5,470	3.00%-5.00%	2039	51,780	55,030	
General Revenue Bonds, Series 2015A	\$31,210	\$700-\$2,280	2.00%-5.00%	2037	24,715	25,580	
General Revenue Bonds, Series 2013A	\$14,195	\$65-\$1,300	2.00%-5.00%	2033	-	140	
General Revenue Bonds, Series 2013B	\$11,760	\$550-\$2,575	0.67%-2.84%	2023	-	590	
Bonds before premium					198,430	208,660	
Premium on bonds					12,000	14,151	
Total bonds outstanding					\$ 210,430	\$ 222,811	

Bonds Payable – Principal and interest maturities as of June 30, 2023 are as follows:

Bond Principal and Interest As of June 30, 2023 (Dollars in Thousands)			
	Principal	Interest	Total
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	9,660	6,765	16,425
2029-2033	55,055	27,175	82,230
2034-2038	59,740	13,686	73,426
2039-2043	20,490	5,798	26,288
2044-2048	15,400	2,297	17,697
2049-2053	2,205	108	2,313
Total	\$ 198,430	\$ 86,866	\$ 285,296



8. BONDS AND NOTES PAYABLE (Cont.)

Extinguished Debt – As of June 30, 2023, total bond principal of \$9.3 million is considered extinguished through refunding of prior issues by a portion of the current issues and there is no defeased liability outstanding.

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, 2023 <i>(Dollars in Thousands)</i>	
Pledged revenues	
Student fees	\$ 220,107
Rentals	17,293
Residence dining income	8,913
Other	1,157
Sales and service	68,939
Finance and administrative cost recovery	11,432
Investment income	<u>5,850</u>
Total pledged revenue	333,691
Less operations and maintenance	<u>(110,389)</u>
Pledged revenues, net	<u>\$ 223,302</u>
Annual debt service	<u>\$ 19,089</u>
Debt service coverage	1170%
Coverage requirement	110%



9. LEASES AND OTHER ARRANGEMENTS

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 the government's 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 \$37 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
2024	\$ 1,556	\$ 122	\$ 1,678
2025	899	103	1,002
2026	816	86	902
2027	650	71	721
2028	673	56	729
Thereafter	1,627	104	1,731
Total minimum lease receipts	\$ 6,221	\$ 542	\$ 6,763



9. LEASES AND OTHER ARRANGEMENTS (Cont.)

Service Concession Arrangement (SCA) – 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 agreements are as follows:

Future Minimum Payments To Be Received Under SCA Arrangements As of June 30, 2023 (Dollars in Thousands)	
Year	Total
2024	\$ 200
2025	200
2026	200
2027	200
2028	200
Thereafter	7,833
Total minimum SCA lease receipts	\$ 8,833



9. LEASES AND OTHER ARRANGEMENTS (Cont.)

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:

Lease Payable Roll Forward (Dollars in Thousands)						
	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts due within one year	
Leases						
Leases payable	\$ 7,323	\$ -	\$ (339)	\$ 6,984	\$	444
Total leases payable	\$ 7,323	\$ -	\$ (339)	\$ 6,984	\$	444

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 AND OTHER ARRANGEMENTS (Cont.)

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

	Principal	Interest	Total
2024	\$ 444	\$ 171	\$ 615
2025	200	174	374
2026	90	177	267
2027	23	181	204
2028	-	187	187
2029 - 2033	-	1,021	1,021
2034 - 2038	-	1,184	1,184
2039 - 2043	-	1,373	1,373
2044 - 2048	261	1,331	1,592
2049 - 2053	828	1,017	1,845
2054 - 2058	1,298	841	2,139
2059 - 2063	1,906	573	2,479
2064 - 2068	1,934	188	2,122
Total minimum lease payments	\$ 6,984	\$ 8,418	\$ 15,402



**9. LEASES AND OTHER ARRANGEMENTS (Cont.)**

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, 2022	Additions	Reductions	Balance June 30, 2023
Leased assets being amortized				
Buildings	\$ 7,827	\$ -	\$ -	\$ 7,827
Total leased assets being amortized	<u>7,827</u>	<u>-</u>	<u>-</u>	<u>7,827</u>
Less accumulated amortization:				
Buildings	(513)	(540)	-	\$ (1,053)
Total accumulated amortization	<u>(513)</u>	<u>(540)</u>	<u>-</u>	<u>(1,053)</u>
Leased assets - net	<u>\$ 7,314</u>	<u>\$ (540)</u>	<u>\$ -</u>	<u>\$ 6,774</u>

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	<u>-</u>	<u>7,408</u>	<u>419</u>	<u>-</u>	<u>7,827</u>
Less accumulated amortization:					
Buildings	-	-	(513)	-	(513)
Total accumulated amortization	<u>-</u>	<u>-</u>	<u>(513)</u>	<u>-</u>	<u>(513)</u>
Leased assets - net	<u>\$ -</u>	<u>\$ 7,408</u>	<u>\$ (94)</u>	<u>\$ -</u>	<u>\$ 7,314</u>

In January 2023, the University entered into a five-year master lease of student housing facility for 278 residents. The facility is currently under construction and the lease will commence upon completion in August 2024. Annual rent upon commencement is \$3,100,000, with 3% annual escalations, and will be paid from revenue derived from the facility's operations.



9. LEASES AND OTHER ARRANGEMENTS (Cont.)

Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The primary objective of this statement is to establish uniform guidance for accounting and financial reporting for transactions that meet the definition of a SBITA as well as greater consistency in practice.

This statement establishes that SBITAs are contracts that convey control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government is required to recognize an intangible right-to-use subscription asset and a corresponding subscription liability. Intangible subscription assets and liabilities are recorded based on the present value of expected payments over the terms of the contract.

The University is under contract with vendors that provide IT software for various terms under long-term, non-cancelable contracts with interest rates ranging from 0.31% to 3.38%. The contracts expire at various dates through 2028.

SBITA Roll forward – as of June 30, 2023:

IT Subscriptions Roll Forward (Dollars in Thousands)						
	Balance			Balance		Amounts
	June 30, 2022-restated	Additions	Reductions	June 30, 2023		Due Within
						One Year
IT subscriptions						
IT subscriptions payable	\$ 3,736	\$ 1,891	\$ (1,442)	\$ 4,185	\$	1,867
Total IT subscriptions payable	\$ 3,736	\$ 1,891	\$ (1,442)	\$ 4,185	\$	1,867

IT Subscriptions Roll Forward (Dollars in Thousands)						
	Balance	Implementation			Balance	Amounts
	June 30, 2021	July 1, 2021	Additions	Reductions	June 30, 2022 (restated)	due within
						one year
IT Subscriptions						
IT subscriptions payable	\$ -	\$ 4,444	\$ 522	\$ (1,230)	\$ 3,736	\$ 1,572
Total IT subscriptions payable	\$ -	\$ 4,444	\$ 522	\$ (1,230)	\$ 3,736	\$ 1,572



9. LEASES AND OTHER ARRANGEMENTS (Cont.)

SBITA Payable – Total future minimum SBITA payments under contract are as follows:

Future Minimum IT Subscription Payments <i>(Dollars in Thousands)</i>			
	Principal	Interest	Total
2024	\$ 1,867	\$ 36	\$ 1,903
2025	1,444	17	1,461
2026	630	2	632
2027	210	-	210
2028	34	-	34
Total minimum IT subscription payments	\$ 4,185	\$ 55	\$ 4,240

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

IT Subscriptions Class Activities <i>(Dollars in Thousands)</i>				
	Balance			Balance
	June 30, 2022-restated	Additions	Reductions	June 30, 2023
IT subscriptions being amortized				
Software	\$ 4,862	\$ 1,891	\$ -	\$ 6,753
Total IT subscription assets being amortized	4,862	1,891	-	6,753
Less accumulated amortization				
Software	(1,230)	(1,572)	-	(2,802)
Total accumulated amortization	(1,230)	(1,572)	-	(2,802)
IT subscription assets - net	\$ 3,632	\$ 319	\$ -	\$ 3,951

IT Subscriptions Class Activities <i>(Dollars in Thousands)</i>					
	Balance	Implementation			Balance
	June 30, 2021	July 1, 2021	Additions	Reductions	June 30, 2022-restated
IT subscriptions being amortized					
Software	\$ -	\$ 4,444	\$ 418	\$ -	\$ 4,862
Total IT subscription assets being amortized	-	4,444	418	-	4,862
Less accumulated amortization:					
Software	-	-	(1,230)	-	(1,230)
Total accumulated amortization	-	-	(1,230)	-	(1,230)
IT subscription assets - net	\$ -	\$ 4,444	\$ (812)	\$ -	\$ 3,632



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, 2022 and June 30, 2021 were as follows:

PERSI Base Plan Participants	2022	2021
Active participants	74,409	73,563
Retirees and beneficiaries	53,190	50,891
Terminated and vested employees	15,489	14,539
Terminated and non-vested employees	34,714	31,179

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, 2023 and June 30, 2022 uses PERSI's Measurement Date of June 30, 2022 and June 30, 2021, 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.



10. PENSION PLANS (Cont.)

Member and Employer Contributions – Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by state statute at 60% of the employer rate. As of June 30, 2022, and June 30, 2021, 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, 2023 and 2022. The University contributions were \$4,396,274 and \$3,921,730 for the years ended June 30, 2023 and 2022, respectively.

Pension Liabilities (Assets), Pension Expenses (Revenues), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On June 30, 2023 and June 30, 2022, the University reported a liability (asset) of \$32,806,281 and (\$639,122), respectively for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022 and 2021, 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. The University's proportionate share was 0.833%, 0.809% and 0.880% for plan year's 2022, 2021 and 2020 respectively.





10. PENSION PLANS (Cont.)

For the years ended June 30, 2023 and 2022, respectively, the University recognized pension expense of \$8,088,673 and a pension expense offset of (\$842,892). On June 30, 2023 and 2022, 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, 2023 (Dollars in Thousands)		
	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 3,607	\$ 146
Changes in assumptions or other inputs	5,348	-
Aggregated difference between projected and actual earnings on pension plan investments	7,548	-
Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions	265	806
	<u>16,768</u>	<u>952</u>
The University contributions subsequent to the measurement date	4,396	-
Total	<u>\$ 21,164</u>	<u>\$ 952</u>

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
	<u>8,278</u>	<u>21,740</u>
The University contributions subsequent to the measurement date	3,922	-
Total	<u>\$ 12,200</u>	<u>\$ 21,740</u>

The University reported \$4,396,274 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, 2024.



10. PENSION PLANS (Cont.)

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 for both the Base Plan’s fiscal year 2022 and fiscal year 2021. 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 2022.

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, 2023	
<i>(Dollars in Thousands)</i>	
2024	\$ 3,632
2025	4,034
2026	1,871
2027	6,279
2028	-
Total	<u>\$ 15,816</u>

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.



10. PENSION PLANS (Cont.)

The total pension liability in the June 30, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions Valuation As of June 30,		
	2022	2021
Inflation	2.30%	2.30%
Salary increases including inflation	3.05%	3.05%
Investment rate of return, net of investment expenses	6.35%	6.35%
Cost-of-living adjustments (COLA)	1.00%	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

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. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.



10. PENSION PLANS (Cont.)

Assumptions and Policy for Asset Allocation - Base Plan Fiscal Year 2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large cap	18%	4.50%
Small/Mid cap	11%	4.70%
International equity	15%	4.50%
Emerging markets equity	10%	4.90%
Domestic fixed	20%	-0.25%
TIPS	10%	-0.30%
Real estate	8%	3.75%
Private equity	8%	6.00%

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%



10. PENSION PLANS (Cont.)

Discount Rate – The discount rate used to measure the total pension liability was 6.35% for both June 30, 2022 and 2021 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, 2023 (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)	\$ 57,900	\$ 32,806	\$ 12,268	

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)	

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.



10. PENSION PLANS (Cont.)

Payables to the Pension Plan – At June 30, 2023, the University reported payables to the defined benefit pension plan of \$187,784 for legally required employer contributions and \$113,461 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

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.



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, 2022. 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 \$.05 and \$0.14 per person per month respectively for plan years 2022 and 2021. This rate is reviewed annually.

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

OPEB Plans Administered by DAS

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

At June 30, 2022 and June 30, 2021 the number of participating employers and the classes of employees covered by the DAS administered plans are as follows:

Classes of Employees and Number of Participating Employers			
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance
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	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. 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. 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. In plan year 2022, employers were charged \$8.16 per active employee per month towards the retiree premium cost, or 19.1 percent of the total cost of the retiree plan, compared to \$11.04 per active employee per month or 30.6 percent of the total cost of the retiree plan in plan year 2021.

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 six months following the date of disability, an employee may continue healthcare coverage under this plan. The employer's share of the premium is paid from the Office of Group Insurance reserve. The employee is required to pay the normal active employee contribution to the plan and rate category for which the employee is enrolled. In plan years 2021 and 2022, employers were not charged to fund the reserve, as the medical continuation premiums were paid from the excess reserve.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60% of monthly pre-disability salary or \$6,000, whichever is less. The benefit does not increase with inflation and may be offset by other disability benefits from Social Security, Workers' Compensation or PERSI. The state was self-insured for employees who became disabled prior to July 1, 2003; the state pays 100% of the cost of this benefit. Effective July 1, 2020, employees disabled prior to July 1, 2003 who were included in previous valuations will no longer be included due to a change from self-insured to insured. As of July 1, 2020, all employees have an insured benefit and are not subject to GASB 75, because premium payments are made before a disabled member's separation from employment. The amount of the contribution is based on active claims and the number of insured individuals.



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

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.

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. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2012; the employer paid 100 percent of the cost. Effective July 1, 2020, employees disabled prior to July 1, 2012 who were included in previous valuations will no longer be included due to a change from self-insured to insured. As of July 1, 2020, all employees have an insured benefit and are not subject to GASB 75, because premium payments are made before a disabled member's separation from employment

Principal Life Insurance Company insures disabled employees 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 which are included in the current-year expense/expenditure amount for long-term disability income insured benefits.

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, 2023 (Dollars in Thousands)				
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life	Total
OPEB paid	\$ 254	\$ 23	\$ 433	\$ 710

Relationship between Valuation Date, Measurement Date and Reporting Date – The last actuarial Valuation Date is July 1, 2022. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2022. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2023. This is the employer's fiscal year ending date.



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

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

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.





11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Actuarial Assumptions – The total OPEB liability for the Plan as of June 30, 2022, the measurement date, used the actuarial methods and assumption used in the July 1, 2022 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 2022			
	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	69.4% of projected health insurance premiums for retirees	N/A	N/A



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Actuarial Assumptions – The total OPEB liability for the Plan as of June 30, 2021, the measurement date, used 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

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.

Discount Rate – The actuary used a discount rate of 2.16% to measure PERSI’s total OPEB liability. The discount rate was based on the 20-year Bond Buyer Go Index.



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Total OPEB Liability, OPEB Expense and Deferrals

Total OPEB Liability– At June 30, 2023 and June 30, 2022, the University reported a liability of \$27 million and \$34 million, respectively for its proportionate share of the total OPEB liability as of the measurement date of June 30, 2022 and 2021. At July 1, 2022 and 2021, the University’s proportionate share of the liability of the collective total OPEB liability for the Retiree Healthcare and Long-Term Disability Plans was 12.6% and 12.3% respectively. At July 1, 2022 and 2021, the University’s proportionate share of the liability is of the collective total OPEB liability for the Retiree Life Insurance Plan was 45.2% and 46% respectively.

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, 2023 (Dollars in Thousands)				
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total
OPEB expense	\$ 1,665	\$ 34	\$ 5,107	\$ 6,806

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



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, 2023 (Dollars in Thousands)					
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total	
Difference in Expected and Actual Experience	\$ 301	\$ 60	\$ 1,354	\$ 1,715	
Changes in Assumptions	776	7	5,727	6,510	
Change in Proportion	333	22	128	483	
Benefit payments subsequent to the measurement date	244	2	308	554	
Total deferred outflows related to OPEB	\$ 1,654	\$ 91	\$ 7,517	\$ 9,262	

Deferred Outflows As of June 30, 2022 (Dollars in Thousands)					
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life 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	

The \$554 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, 2024. 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 5.7 and 8.7 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, 2023 (Dollars in Thousands)					
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total	
Difference in Expected and Actual Experience	\$ 1,143	\$ 13	\$ 1,932	\$ 3,088	
Changes in Assumptions	\$ 485	\$ 81	\$ 7,542	8,108	
Change in Proportion	\$ 272	\$ 9	\$ 376	657	
Total deferred inflows related to OPEB	\$ 1,900	\$ 103	\$ 9,850	\$ 11,853	

Deferred Inflows As of June 30, 2022 (Dollars in Thousands)					
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Retiree Life Insurance Plan	Total	
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	

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 5.7 and 8.7 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
2024	\$ (230)	\$ 3	\$ (282)
2025	(30)	3	(282)
2026	(222)	2	(282)
2027	19	(5)	(201)
2028	(27)	(9)	(197)
Thereafter	-	(8)	(1,397)
Total	<u>\$ (490)</u>	<u>\$ (14)</u>	<u>\$ (2,641)</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, 2023 (Dollars in Thousands)			
	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Retiree Life Insurance Plan
1% Decrease 2.54%	\$ 967	\$ 117	\$ 31,952
Discount Rate 3.54%	\$ 939	\$ 112	\$ 26,183
1% Increase 4.54%	\$ 912	\$ 107	\$ 21,757



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

Changes in Discount Rates As of June 30, 2022 (Dollars in Thousands)			
	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan	Retiree Life Insurance Plan
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

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, 2023 (Dollars in Thousands)		
	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan
1% Decrease	N/A	\$ 88
Current Trend Rate	N/A	\$ 112
1% Increase	N/A	\$ 137

Changes in Healthcare Trend Rates As of June 30, 2022 (Dollars in Thousands)		
	Retiree Healthcare Plan	Long-Term Disability Healthcare Plan
1% Decrease	\$ 2,378	\$ 127
Current Trend Rate	\$ 2,603	\$ 147
1% Increase	\$ 2,862	\$ 170

*Note: Effective July 1, 2023 the retiree healthcare plan will have a \$155 explicit subsidy with no implicit subsidy. The \$155 is not expected to change and therefore the healthcare cost trend sensitivity is no longer applicable.



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 plan as of June 30, is as follows:

Employees and Participating Employers As of June 30,		
	2022	2021
Active	20,919	21,062
Retirees and Beneficiaries	6,415	5,835
Total	27,334	26,897
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 for employers and the net OPEB liability (asset) are recognized on an accrual basis of accounting. Contribution percentages are based on the number of days of paid sick leave earned during the contract year. The PERSI Board approved an 18-month Sick Leave employer contribution holiday effective January 1, 2020 with an end date of June 30, 2021. In the November 2021 Board Meeting, the PERSI Board extended the rate holiday for employer contributions for State to June 30, 2031. There were no contributions received in the current fiscal year because of the holiday. Employer contributions required and paid were \$0 for the fiscal years ended June 30, 2023 and 2022.

Long-Term Expected Rate of Return and Actuarial Assumptions—The long-term expected rate of return on State OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimates range 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.

For the plan years ended June 30, 2021 and June 30, 2022, the annual money-weighted rate of return on SLIRF investments, net of investment expense was 23.2 percent and (12.8%) percent, 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.



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Actuarial Assumptions	
Inflation	2.30%
Salary Increases Including Inflation	3.05%
Investment Rate of Return (Net of OPEB plan investment expenses)	5.45%
Healthcare Trend Rate	N/A*

*Healthcare trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement, and is calculated as a fixed dollar amount that can be applied to premiums.

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 \$21.8 million and \$28 million as of June 30, 2023 and June 30, 2022, respectively. The University’s proportionate share of the collective net OPEB asset remained constant at 15% for plan year’s 2022, 2021 and 2020 respectively. The net OPEB asset was determined by an actuarial valuation as of July 1, 2020. Employer proportionate shares were determined utilizing a single-period measure of contributions as of June 30, 2020 as there were no contributions during fiscal year ending June 30, 2021 and it was determined that June 30, 2020 continues to be a reasonable allocation method based on the activity of the Fund.

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, 2022 and 2021. This is the date as of which the OPEB asset is determined. The Reporting Date is June 30, 2023 and June 30, 2022 respectively. This is the employer's fiscal year ending date.



11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Cont.)

The University recognized a \$918 thousand expense offset and the following deferrals for the fiscal year ended June 30, 2023:

	Sources of Deferrals As of June 30, 2023 (Dollars in Thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 558	\$ 666
Changes in assumptions or other inputs	945	2,243
Aggregated difference between projected and actual earnings on plan investments	2,968	-
Changes in the employer's proportion and the difference between the employer's contributions and the employer's proportionate contributions	-	530
	<u>4,471</u>	<u>3,439</u>
The University contributions subsequent to the measurement date	-	-
Total Deferrals	<u>\$ 4,471</u>	<u>\$ 3,439</u>

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
	<u>1,249</u>	<u>7,386</u>
The University contributions subsequent to the measurement date	-	-
Total Deferrals	<u>\$ 1,249</u>	<u>\$ 7,386</u>

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.



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 in OPEB revenue as follows:

Revenue As of June 30, (Dollars in Thousands)		
2024	\$	(34)
2025		173
2026		19
2027		1,270
2028		(264)
Thereafter		(132)
Total	\$	<u>1,032</u>

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.

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, 2023 (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	\$ 20,415	\$ 21,845	\$ 23,118

Sensitivity Analysis As of June 30, 2022 (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	\$ 26,940	\$ 28,096	\$ 29,157



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 Corebridge (formerly Valic/AIG Retirement Services). 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 2,627 employees contribute to this plan.

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

ORP Contributions As of June 30, (Dollars in Thousands)		
	2023	2022
University contribution	\$ 16,711	\$ 15,078
Employee contribution	12,574	11,349
Total contribution	\$ 29,285	\$ 26,427
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, 2023 and 2022 this supplemental funding payment to PERSI was \$2,684,904 and \$2,421,358 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 154 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 123 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 309 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 160 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 for the years ended June 30, 2023 and 2022 respectively are as follows:

		Supplemental Contributions As of June 30, (Dollars in Thousands)					Supplemental Retirement
Fiscal Year		401(k)-PCP	457(b)	403(b)	Roth 403(b)	403(b)	
2023	Employee contribution	\$ 485	\$ 1,441	\$ 2,745	\$ 842	\$ 8	
2022	Employee contribution	\$ 498	\$ 1,376	\$ 2,724	\$ 814	\$ 14	
2022-2023	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 those 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 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:	2023	2022
Scholarships	\$ 19,104	\$ 14,909
Administrative	7,237	7,085
Athletic	12,464	7,050
Capital projects	25,479	22,861
Research -faculty	1,208	773
Research - student	318	319
Special purpose	6,026	5,343
Student assistantship	399	267
Underwater endowments	364	1,389
Total subject to expenditure for specific purpose	72,599	59,996
Promises to give, the proceeds which have been restricted by donors for:		
Scholarships	689	1,000
Administrative	510	33
Athletic	9,986	5,574
Capital projects	683	505
Research faculty	46	46
Special purpose	1,324	1,310
Student assistantship	40	60
Total promises to give	13,278	8,528
Subject to the passage of time:		
Assets held under split interest agreements	1,351	1,201
Endowments:		
Subject to endowment spending and appropriation:		
Academic scholarship	69,565	66,172
Other academic endowment	36,971	34,895
Athletic scholarship	18,484	17,975
Other athletic endowment	180	165
Unconditional promises to give	1,100	902
Total endowments	126,300	120,109
Underwater endowments	(363)	(1,389)
Total endowments net of underwater	125,937	118,720
Total Net Assets with donor restrictions	\$ 213,165	\$ 188,445

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

Net assets with donor restrictions released from restrictions consisted of the following at June 30, 2023 and 2022:

Net Assets with Donor Restrictions Released From Restrictions As of June 30, (Dollars in Thousands)		
Net Assets	2023	2022
Scholarships and grants	\$ 6,966	\$ 7,040
Distribution of funds for academic programs	4,241	2,581
Distribution of funds for athletic programs		
Program services	5,795	5,366
Management and general	50	36
Uncollectible pledge expense	150	217
Management and general	2,904	2,878
Board and donor designated transfers	14	(12)
Total Net assets released from donor restrictions	\$ 20,120	\$ 18,106

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, 2023 and 2022, 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 2023 Percent of Total
Investment Type	2023	2022		
US treasury bonds	\$ 19,122	\$ 11,853	9.4%	
Corporate bonds	35,970	32,346	17.7%	
Bond mutual funds	38,084	42,159	18.7%	
Domestic equity funds	50,111	43,323	24.6%	
International equity funds	49,339	42,878	24.3%	
Private equity investments	802	909	0.4%	
Real estate and specialty assets	9,568	10,999	4.7%	
Insurance annuities	333	299	0.2%	
Total investments	\$ 203,329	\$ 184,766	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, 2023 and 2022:

Fair Value Measurements As of June 30, 2023 (Dollars in Thousands)						Investments Measured at NAV
Total	Level 1	Level 2	Level 3			
Assets						
Investments:						
Growth assets						
US equities	\$ 50,111	\$ 50,111	\$ -	\$ -	\$ -	
International equities	49,339	49,339	-	-	-	
Private equity	802	-	-	-	802	
Insurance annuities	333	-	333	-	-	
Risk reduction assets						
Cash and cash equivalents	3,502	3,502	-	-	-	
US/Global fixed income	93,176	93,176	-	-	-	
Real Asset Investments	9,568	5,063	-	-	4,506	
Total investments, at fair value	206,831	201,191	333	-	5,308	
Investments in perpetual trusts:						
Growth investments						
US equities	1,325	1,325	-	-	-	
International equities	176	176	-	-	-	
Risk reduction assets						
Cash and cash equivalents	66	66	-	-	-	
US/Global fixed income	905	905	-	-	-	
Real Asset Investments	107	107	-	-	-	
Total investments in perpetual trusts, at fair value	2,579	2,579	-	-	-	
Total assets, at fair value	\$ 209,410	\$ 203,770	\$ 333	\$ -	\$ 5,308	
Liabilities						
Liabilities	\$ 1,724	\$ -	\$ -	\$ 1,724	\$ -	
Trust earnings payable to trust beneficiary	96	-	-	96	-	
Total liabilities, at fair value	\$ 1,820	\$ -	\$ -	\$ 1,820	\$ -	



14. COMPONENT UNIT(Cont.)

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	\$ -

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, 2023 and 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, 2023 and 2022:

Investments Measured at Fair Value Using NAV per Share				
As of June 30, 2023				
(Dollars in Thousands)				
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity	\$ 802	\$ 533	Not available	N/A
Limited Partnership - Domestic Equity	4,506	-	Monthly	30 days
Fixed Income	-	-	Daily	5 days
Total	<u>\$ 5,308</u>	<u>\$ 533</u>		

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	<u>\$ 23,691</u>	<u>\$ 601</u>		

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, 2023 and 2022, deposits that were uninsured and uncollateralized totaled \$7,840,720 and \$8,016,911, 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, 2023.

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, 2023				
(Dollars in Thousands)				
Moody's Scale Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Total
Aaa	\$ 17,168	\$ 740	\$ 3,590	\$ 21,498
Aa1	-	-	50	50
Aa2	-	805	43	848
Aa3	-	2,056	27,476	29,532
A1	-	10,719	136	10,855
A2	-	6,419	76	6,495
A3	-	3,845	-	3,845
Ba1	-	-	6,633	6,633
B2	-	-	31	31
Baa1	-	4,868	10	4,878
Baa2	-	4,722	12	4,734
Baa3	-	627	-	627
Unrated	-	2,978	27	3,005
P-1	-	145	-	145
Total	\$ 17,168	\$ 37,924	\$ 38,084	\$ 93,176



14. COMPONENT UNIT (Cont.)

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	\$ 11,852	\$ 836	\$ 3,670	\$ 16,358
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	-	4,345	-	4,345
Baa2	-	3,149	27	3,176
Baa3	-	1,470	-	1,470
Unrated	-	-	23	23
Total	\$ 11,852	\$ 32,347	\$ 42,159	\$ 86,358

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, 2023 (Dollars in Thousands)					
Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
US treasury bonds	\$ 19,122	\$ 2,660	\$ 5,411	\$ 10,569	\$ 482
Corporate bonds	\$ 35,970	2,235	16,708	16,308	719
Bond mutual funds	\$ 38,084	13	-	3,693	34,378
Total rated securities	\$ 93,176	\$ 4,908	\$ 22,119	\$ 30,570	\$ 35,579

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

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

Liquidity and Availability		
As of June 30,		
(Dollars in Thousands)		
	2023	2022
Cash and cash equivalents	\$ 475	\$ 2
Interest receivable	330	246
Non-endowed investments	1,304	2,056
Endowment spending rate distributions and appropriations	220	218
Distributions from donor-designated endowment assets	122	130
Total	\$ 2,451	\$ 2,652

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

A board-designated endowment of \$6.73 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			
As of June 30, 2023			
(Dollars in Thousands)			
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 6,440	\$ 118,720	\$ 125,160
Investment return, net	509	6,235	6,744
Gifts	-	5,983	5,983
Non-charitable	-	(308)	(308)
Appropriation of endowment assets for expenditure	(218)	(4,828)	(5,046)
Other Changes			
Board and donor designated transfers	-	112	112
Change in value of insurance premiums	-	22	22
Endowment net assets, end of year	\$ 6,731	\$ 125,936	\$ 132,667

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

Changes in Endowment Net Assets for the years ending June 30, 2023 and 2022, 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
Other Income	-	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>

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 5.41% as of June 30, 2023 and 2022, 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, 2023 and 2022:

Promises to Give		
As of June 30,		
(Dollars in Thousands)		
	2023	2022
Receivable in less than one year	\$ 4,217	\$ 3,146
Receivable in one to five years	10,613	6,461
Receivable in more than five years	914	557
Total promises to give	15,744	10,164
Less allowance	(260)	(260)
Less discount	(1,098)	(446)
Total promises to give, net	<u>\$ 14,386</u>	<u>\$ 9,458</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.



14. COMPONENT UNIT (Cont.)

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.

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 \$3,542 and \$3,787 at June 30, 2023 and 2022, respectively. Interest related to assets held on behalf of BSPR aggregated to \$655 and \$111, at June 30, 2023 and 2022, respectively. Included in amounts held in custody for others on behalf of BSPR are \$1,114,757 and \$1,110,560 at June 30, 2023 and 2022, respectively.

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

Split Interest Agreement Obligations - The Foundation is currently the beneficiary of certain charitable remainder trusts. The charitable remainder trusts provide for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for use by the Foundation as specified by the grantor. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded as a temporarily restricted contribution in the period in which the trust is established. Investments held in the charitable remainder trusts are invested in equities and bonds and reported at fair value. The present value of the estimated annuity payments is calculated using discount rates of 4.2% for 2023 and 3.6% for 2022. Assets held in the charitable remainder trusts totaled \$1,768,764 and \$2,169,328 for June 30, 2023 and 2022, 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



14. COMPONENT UNIT (Cont.)

4.2% for 2023 and 3.6% for 2022. Assets held in the charitable gift annuities totaled \$1,509,661 and \$971,372 for June 30, 2023 and 2022, respectively, and are included in the investments in the accompanying statements of financial position.

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

Estimated Future Maturities of Annuity Obligations (Dollars in Thousands)	
Year Ended June 30,	Annuity Payments
2024	\$ 143
2025	378
2026	148
2027	140
2028	140
Thereafter	1,832
Total	2,781
Less: Discount	(1,057)
Total Split interest liability	\$ 1,724

Concentrations

The Foundation received approximately 27.4% of total contributions from two donors during the year ended June 30, 2023 and approximately 35.4% of total contributions from eight donors during the year ended June 30, 2022.

Gross unconditional promises to give included a total of approximately 45.4% from six donors at June 30, 2023 and a total of approximately 31.2% from five donors at June 30, 2022.



15. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS

Operating Expense by Functional Classification As of June 30, 2023 (Dollars in Thousands)					
Functional Categories	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	\$ 139,939	\$ 12,089	\$ 3,976	\$ -	\$ 156,004
Research	29,498	12,954	2,443	-	44,895
Public service	19,023	10,318	565	-	29,906
Libraries	4,338	1,869	1	-	6,208
Student services	20,034	3,747	-	-	23,781
Plant operations	15,012	19,993	-	-	35,005
Institutional support	36,191	8,442	-	-	44,633
Academic support	36,570	5,076	422	-	42,068
Auxiliary enterprises	42,328	64,871	3,035	-	110,234
Scholarships	811	3	10,754	-	11,568
Depreciation and amortization	-	-	-	29,156	29,156
Total operating expenses	\$ 343,744	\$ 139,362	\$ 21,196	\$ 29,156	\$ 533,458

Operating Expense by Functional Classification As of June 30, 2022-Restated (Dollars in Thousands)					
Functional Categories	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	\$ 124,548	\$ 7,113	\$ 4,112	\$ -	\$ 135,773
Research	26,685	9,975	2,351	-	39,011
Public service	20,769	8,303	1,263	-	30,335
Libraries	3,809	2,092	-	-	5,901
Student services	17,031	3,044	36	-	20,111
Plant operations	12,756	15,183	-	-	27,939
Institutional support	30,848	13,207	43	-	44,098
Academic support	31,414	5,088	316	-	36,818
Auxiliary enterprises	32,447	44,694	2,579	-	79,720
Scholarships	1,356	409	27,483	-	29,248
Depreciation and amortization	-	-	-	29,575	29,575
Total operating expenses	\$ 301,663	\$ 109,108	\$ 38,183	\$ 29,575	\$ 478,529



16. CONTINGENCIES, LEGAL MATTERS AND SUBSEQUENT EVENTS

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's 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, 2023. 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.

On September 14, 2023 the University closed on \$43,495,000 of General Revenue Project Bonds, Series 2023A to finance a portion of the construction of a new residence hall. The new facility is designed as a 450-bed, first-year student residence hall that consists of mixed single and double occupancy rooms and support spaces. The six-story, 146,000 square foot facility will be built adjacent to the Albertsons Library, existing University housing and other support facilities.





REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits (OPEB)

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	Fiscal Year 2023
Beginning OPEB liability	\$ 4,075	\$ 4,023	\$ 2,677	\$ 4,431	\$ 2,247	\$ 2,604
Changes for the year:						
Service cost	157	167	114	158	87	111
Interest	145	148	120	136	49	57
Effect of employer proportionate share changes	-	135	486	(495)	(34)	(1,269)
Effect of economic/demographic gains or losses	-	(19)	-	(2,266)	447	(41)
Effect of assumption changes or inputs	-	(1,387)	1,381	689	19	(268)
Expected benefit payments	(354)	(390)	(347)	(406)	(211)	(254)
Ending OPEB liability	\$ 4,023	\$ 2,677	\$ 4,431	\$ 2,247	\$ 2,604	\$ 940
Annual covered payroll	\$ 178,494	\$ 191,278	\$ 202,330	\$ 217,519	\$ 211,516	\$ 231,295
OPEB liability as a percentage of covered payroll	2.3%	1.4%	2.2%	1.0%	1.2%	0.4%
Proportion of Total OPEB liability	0.115127000	0.118985369	0.140577686	0.124874627	0.122976525	0.126238699

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	Fiscal Year 2023
Beginning OPEB liability	\$ 418	\$ 267	\$ 225	\$ 168	\$ 138	\$ 147
Changes for the year:						
Service cost	25	26	26	26	25	27
Interest	13	8	9	6	3	3
Effect of employer proportionate share changes	-	9	41	(18)	(2)	4
Effect of economic/demographic gains or losses	-	100	-	(20)	-	25
Effect of assumption changes or inputs	-	(51)	2	9	-	(71)
Expected benefit payments	(189)	(134)	(135)	(33)	(17)	(23)
Ending OPEB liability	\$ 267	\$ 225	\$ 168	\$ 138	\$ 147	\$ 112
Annual covered payroll	\$ 178,494	\$ 191,278	\$ 202,330	\$ 217,519	\$ 211,516	\$ 231,295
OPEB liability as a percentage of covered payroll	0.1%	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	0.126238699



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	Fiscal Year 2023
Beginning OPEB liability	\$ 380	\$ 322	\$ 278	\$ 285	\$ -	\$ -
Changes for the year:						
Service cost	-	-	-	-	-	-
Interest	12	11	12	8	-	-
Effect of employer proportionate share changes	-	11	50	(248)	-	-
Effect of economic/demographic gains or losses	-	-	-	-	-	-
Effect of assumption changes or inputs	-	(5)	6	-	-	-
Expected benefit payments	(70)	(61)	(61)	(45)	-	-
Ending OPEB liability	\$ 322	\$ 278	\$ 285	\$ -	\$ -	\$ -
Annual covered payroll	\$ 178,494	\$ 191,278	\$ 202,330	\$ 217,519		
OPEB liability as a percentage of covered payroll	0.2%	0.1%	0.1%	0.0%		
Proportion of Total OPEB liability	0.115127006	0.118985639	0.140577686	0.124874627		

Other Post Employment Benefits Obligation Schedule of Funding Progress 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	Fiscal Year 2023
Beginning OPEB liability	\$ 20,552	\$ 21,655	\$ 21,396	\$ 23,756	\$ 29,329	\$ 31,289
Changes for the year:						
Service cost	754	777	714	845	1,339	1,394
Interest	755	795	833	859	673	696
Effect of employer proportionate share changes	-	1	(343)	190	-	(237)
Effect of economic/demographic gains or losses	-	(372)	-	(2,649)	-	1,530
Effect of assumption changes or inputs	-	(1,018)	1,624	6,840	345	(8,056)
Expected benefit payments	(406)	(442)	(468)	(512)	(397)	(433)
Ending OPEB liability	\$ 21,655	\$ 21,396	\$ 23,756	\$ 29,329	\$ 31,289	\$ 26,183
Annual covered payroll	\$ 178,494	\$ 191,278	\$ 202,330	\$ 217,519	\$ 211,516	\$ 231,295
OPEB liability as a percentage of covered payroll	12.1%	11.2%	11.7%	13.5%	14.8%	11.3%
Proportion of Total OPEB liability	0.459494310	0.459524097	0.452151543	0.455774293	0.455770920	0.452320331

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 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
2023	0.154414559	\$ 21,845	\$ -	0%	\$ 244,503	\$ 103,036	237.30%
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%

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)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.008329093	\$ 32,806	\$ 32,845	99.88%	83.09%	
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%	



REQUIRED SUPPLEMENTARY INFORMATION (Cont.)

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	Contributions in Relation to the			Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll		
	Statutorily Required Contribution	Statutorily Required Contribution	Contribution (Deficiency) Excess		Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll	
2023	\$ 4,396	\$ 4,396	\$ -	\$ 36,820	11.94%		
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.



**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, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Boise State University (the University), a component unit of the State of Idaho, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated January 22, 2024. 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.



CliftonLarsonAllen LLP

Denver, Colorado
October 5, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for The Major Federal Program

Opinion on Each Major Federal Program

We have audited Boise State University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Boise State University's major federal program for the year ended June 30, 2023. Boise State University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

Basis for Opinion on The Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of Boise State University as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Boise State University's basic financial statements. We have issued our report thereon dated December 15, 2022, which contained an unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Denver, Colorado
January 22, 2024



BOISE STATE UNIVERSITY

Program Cluster / Program Title / Federal Grant	Federal Assistance Listing Number	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
Student Financial Assistance - Cluster					
US Department of Education Programs					
Federal Supplemental Educational Opportunity Grants	84.007			-	912,670
Federal Work Study Program	84.033			-	432,920
Federal Perkins Loan Program (Note 4)	84.038			-	3,762,306
Federal Pell Grant Program	84.063			-	20,727,868
Federal Direct Student Loans					
Subsidized	84.268			-	17,695,502
Unsubsidized	84.268			-	40,186,465
Parent	84.268			-	16,470,803
Total Federal Direct Student Loans				-	74,352,770
Total US Department of Education Programs				-	100,188,534
US Department of Health and Human Services					
Nursing Students Loans (Note 4)	93.364			-	5,039
Total US Department of Health and Human Services					5,039
Total Student Financial Assistance Cluster				-	100,193,573
Research and Development - Cluster					
US Department of Agriculture Programs					
Agricultural Research_Basic and Applied Research	10.001			-	287,632
Specialty Crop Block Grant Program - Farm Bill	10.170	Idaho State Department of Agriculture	2019 SCBGP-FB, 2020 SCBGP-FB, 2021 SCBGP-FB, 2021 SCBGP-FB	6,227	151,907
Sustainable Agriculture Research and Education	10.215	Montana State University	G405-22-W9209, Advance	-	97,898
Agriculture and Food Research Initiative (AFRI)	10.310			60,555	804,103
Crop Protection and Pest Management Competitive Grants Program	10.329	University of California Agriculture and Natural Resources	SA22-5974-05	-	8,520
Cooperative Extension Service	10.500	Oregon State University	C0543A-C	-	5,843
Department of Agriculture	10.NA			-	2,068
Agriculture Contracts	10.XXX			-	395,674
Total US Department of Agriculture Programs				66,782	1,753,645
US Department of Commerce					
State Digital Equity Planning Grants	11.032	Idaho Commission for Libraries	CPO20231471	-	265,657
Total US Department of Commerce Programs				-	265,657
US Department of Defense Programs					
Basic and Applied Scientific Research	12.300	Florida State University, Purdue University	R000002601, 13000988-049	-	1,788,666
Basic Scientific Research	12.431	University of Delaware	53520	-	124,787
Basic, Applied, and Advanced Research in Science and Engineering	12.630			-	81,752
Air Force Defense Research Sciences Program	12.800	University of California, Merced, Massachusetts Institute of Technology	A17-0044-S002, S4645, PO# 203761	116,258	378,032
CyberSecurity Core Curriculum	12.905			-	119,875
Research and Technology Development	12.910	Embry-Riddle Aeronautical University	61654-02	104,219	248,838
Department of Defense	12.NA	Confidential Sponsor	10127, 10670	163,290	1,182,516
DoD Contracts	12.XXX	Iris Light Technologies, Teledyne FLIR, LLC, ENBIORGANIC TECHNOLOGIES LLC, University of California, Santa Barbara, Matrix Research, Inc.	9630, 13101297668, Not Provided, ADVANCE, CRFR-0048-002-01, Task 001	-	379,712
Total US Department of Defense Programs				383,767	4,304,178
US Department of the Interior Programs					
Fish, Wildlife and Plant Conservation Resource Management	15.231			-	4,913
Joint Fire Science Program	15.232			-	40,230
Plant Conservation and Restoration Management	15.245			-	23,573
Threatened and Endangered Species	15.246			-	46,138
Wildlife Resource Management	15.247	Utah Department of Natural Resources/Division of Wildlife Resources	216362	-	192,617
National Landscape Conservation System	15.248			-	23,955
Fish and Wildlife Coordination Act	15.517			-	37,168
SECURE Water Act Research Agreements	15.560			-	20,662
Cooperative Endangered Species Conservation Fund	15.615	Idaho Department of Fish & Game	Not Provided, IDFG-FY22-368	-	28,538
State Wildlife Grants	15.634	Western Association of Fish & Wildlife Agencies	7617	-	13,526
Migratory Bird Monitoring, Assessment and Conservation	15.655			-	4,954
Endangered Species Conservation Recovery Implementation	15.657			-	14,928
Assistance to State Water Resources Research Institutes	15.805	University of Idaho	CW5722-881935, CW5722-881934	-	38,989
Earthquake Hazards Research and Monitoring Assistance	15.807			-	60,494
U.S. Geological Survey Research and Data Collection	15.808			-	603,701
National and Regional Climate Adaptation Science Centers	15.820	University of Washington	UWSC10161, UWSC13837 BPO67278, UWSC14197 BPO69964	-	21,759
Cooperative Research and Training Programs - Resources of the National Park System	15.945			27,305	191,039
Interior Contracts	15.XXX			-	5,759
Total US Department of the Interior Programs				27,305	1,372,943



BOISE STATE UNIVERSITY

Program Cluster / Program Title / Federal Grant	Federal Assistance Listing Number	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
US Department of Justice Programs					
National Institute of Justice Research, Evaluation, and Development					
Project Grants	16.560			-	868,791
National Sexual Assault Kit Initiative	16.833	Idaho State Police	15PBIA-22-GG-03846-SAKI, 11019	-	30,951
Total US Department of Justice Programs				-	899,742
US Department of Transportation Programs					
Federal Transit Capital Investment Grants	20.500			-	27,327
University Transportation Centers Program	20.701	University of Washington	UWSC9934 (BPO25544)	-	7,423
Total US Department of Transportation Programs				-	34,750
National Aeronautics & Space Administration Programs					
Science	43.001	University of Houston, Embry-Riddle Aeronautical University, Planetary Science Institute, University of Massachusetts, University of Wyoming, University of Michigan	R-18-0078, 61595-01, 1842-BSU, 22-016892 B 00, 1005618-BSU, SUBK00011785 - PO #3005843593	323,328	1,348,457
Aeronautics	43.002	University of South Carolina	17-3386 PO#2000034204, 21-4194	-	211,443
Office of Stem Engagement (OSTEM)	43.008	University of Idaho	ES6664-783947, FPK956-SB-001, ES1820-SB1-783981, ES3981-SB-783720, ES4527-783700, ES4527-783701, ES5043-783957, ES6671-783945, ES6671-783942, ES0666-SB-783741	-	549,217
NASA Contracts	43.XXX	California Institute of Technology, Space Foundry Inc.	16S3040, 16S7429, 1667127, 1688504, Not Provided	-	60,643
Total National Aeronautics & Space Administration Programs				323,328	2,169,760
National Foundation on the Arts and the Humanities Programs					
Promotion of the Arts Grants to Organizations and Individuals	45.024			-	38,706
Promotion of the Humanities Public Programs	45.164			-	2,909
Total National Foundation on the Arts and the Humanities Programs				-	41,615
National Science Foundation Programs					
Engineering	47.041	Iris Light Technologies, University of Pittsburgh	10061, AWD00006510 (012854-2)	15,146	1,451,550
Mathematical and Physical Sciences	47.049			-	1,015,292
Geosciences	47.050	University of Alaska, Fairbanks, The University of Texas at El Paso, Oregon State University, Idaho State University, University of Wisconsin-Madison	USF 19-0069, 226101047C, S2192A-C, 13-221B, 801K172	3,453	1,255,068
Computer and Information Science and Engineering	47.070			-	1,300,595
Biological Sciences	47.074	University of Colorado, Boulder	1559568	24,110	1,021,039
Social, Behavioral, and Economic Sciences	47.075	Utah State University	203856-773	-	380,549
STEM Education (formerly Education and Human Resources)	47.076	University of Washington, North Carolina State University, The Peregrine Fund, Inc.	UWSC11097; BPO 39223, 2019-1755-01, 2005869-BSU2021	298,636	2,957,231
Polar Programs	47.078			-	165,199
Office of International Science and Engineering	47.079			85,315	100,341
Integrative Activities	47.083	University of Idaho, University of Oregon, Louisiana Tech University	CE2559-SB-873904, 2017H0A, AWD-30000260, Advance	884,534	2,807,288
NSF Technology, Innovation, and Partnerships	47.084	Arizona State University	ASUB00001202	13,652	176,281
NSF Contracts	47.XXX			-	273,484
Total National Science Foundation Programs				1,324,846	12,903,917
Environmental Protection Agency Programs					
EPA Contracts	66.XXX	Jacobs	EPATP-0000004403, EPATP-0000003855	-	24,975
Total Environmental Protection Agency Programs				-	24,975
US Department of Energy Programs					
Office of Science Financial Assistance Program	81.049	Applied Nanotech, Inc, Advanced Materials Scientia, LLC	10487, 10592, 9317	23,978	3,062,466
Renewable Energy Research and Development	81.087	University of Tulsa, Utah State University	14-2-1206764-94802, 14-2-1206782-94802-01, 14071101-235	-	47,393
Fossil Energy Research and Development	81.089	University of Utah	DE-FE0029160 (10043039-BSU)	-	25
Nuclear Energy Research, Development and Demonstration	81.121	The University of Texas at San Antonio, North Carolina State University	1000004526, 2021-2281-01	-	234,135
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	University of Texas San Antonio	1000005201	-	19,007
Energy Contracts	81.XXX	UT-Battelle, LLC, Battelle Energy Alliance	4000192555, 4000193571, 154754-55, 154754-59, 154754-63, 154754-68, 154754-69, 154754-70, 154754-71, 154754-72, 154754-73, 154754-76, 257540, 154754-85, 154754-88, 154754-91, 268948-2, 268948-1, 268948-3, 268948-4, 268948-5, 154754-4, 154754, Release 21, 154754-33, Release 49, 154754-15, 4000179201, 154754-67, 154754-74, 154754-75, 154754-80, 154754-77, 154754-79, 154754-78, 154754-83	-	789,286
Total US Department of Energy Programs				23,978	4,152,312



BOISE STATE UNIVERSITY

Program Cluster / Program Title / Federal Grant	Federal Assistance Listing Number	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
US Department of Education Programs					
Education Research, Development and Dissemination	84.305A			-	188,071
Total US Department of Education Programs				-	188,071
US Consumer Product Safety Commission Programs					
Baby Biomechanics and Suffocation Research	87.XXX			57,333	302,581
Total US Consumer Product Safety Commission Programs				57,333	302,581
US Department of Health and Human Services Programs					
Environmental Health	93.113			-	11,580
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	West Virginia University Research Corporation	14-197-BSU	-	101,593
Mental Health Research Grants	93.242	Trustees of the University of Pennsylvania	582255	308,054	623,755
Occupational Safety and Health Program	93.262	University of Washington	UWSC13187, UWSC14145, UWSC12280 - BPO51774	-	31,841
Alcohol Research Programs	93.273	West Virginia University Research Corporation	18-558-BSU	-	64,165
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			-	143,868
Minority Health and Health Disparities Research	93.307	Klein Buendel	0337-0185-000	-	255,926
National Center for Advancing Translational Sciences	93.350	University of Washington	UWSC13582	-	27,382
Research Infrastructure Programs	93.351			-	27,198
Nursing Research	93.361	University of California, Los Angeles, University of Utah	1900 G LA892, 10065641-01-BSU	-	23,292
Cancer Treatment Research	93.395			-	235,231
Cardiovascular Diseases Research	93.837	University of Washington	UWSC12019	-	122,897
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Colorado Seminary, dba University of Denver, University of North Carolina, Chapel Hill	SC37780-01-02 (P0161992), 5117080	-	273,005
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			-	459,508
Allergy and Infectious Diseases Research	93.855	Emory University	A699233	-	113,453
Biomedical Research and Research Training	93.859	Texas State University, University of Nevada Las Vegas, University of Idaho	20005-83399-1, GR11255, SI3394-825909, GR14555, GR14554, GR09454 (Amendment No. 01), GR14556, GR14893, SI3394-825873, SI3394-825910 / SI3394-825874, SI3394-825852, SI3394-825853 / SI3394-825814, GR16008, GR16635, GR16634, GR16746, SI3394-825830, SI3394-825818, SI3394-825817, SI3394-825816, SI3394-SB-825967/SI3394-825933, SI3394-SB-825955/SI3394-825924, SI3394-SB-825949, SI3394-825919, SI3394-SB-825951/SI3394-825920	22,505	4,406,850
Aging Research	93.866			-	490,150
Vision Research	93.867			-	259,579
Maternal and Child Health Services Block Grant to the States	93.994	Idaho Department of Education	23-7809	-	42,802
Total US Department of Health and Human Services Programs				330,559	7,714,075
US Department of Homeland Security Programs					
Cooperating Technical Partners	97.045			-	534,102
Financial Assistance for Targeted Violence and Terrorism Prevention	97.132			-	74,742
Total US Department of Homeland Security Programs				-	608,844
Total Research and Development Cluster				2,537,898	36,737,065
SNAP - Cluster					
US Department of Agriculture Programs					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Idaho Department of Health and Welfare	WC108300	-	119,123
Total US Department of Agriculture				-	119,123
Total SNAP Cluster				-	119,123
Forest Service Schools and Roads - Cluster					
US Department of Agriculture Programs					
Schools and Roads - Grants to Counties	10.666			-	2,130
Total US Department of Agriculture Programs				-	2,130
Total Forest Service Schools and Roads Cluster				-	2,130
Economic Development - Cluster					
US Department of Commerce Programs					
Economic Adjustment Assistance	11.307			-	11,355
Total US Department of Commerce Programs				-	11,355
Total Economic Development Cluster				-	11,355



BOISE STATE UNIVERSITY

Program Cluster / Program Title / Federal Grant	Federal Assistance Listing Number	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
477-Cluster					
US Department of the Interior Programs					
Indian Education_Assistance to Schools	15.130	Idaho Humanities Council	2021838	-	3,118
Total US Department of the Interior Programs				-	3,118
Total 477 Cluster				-	3,118
Federal Transit - Cluster					
US Department of Transportation Programs					
Federal Transit_Formula Grants	20.507	Valley Regional Transit	10668	-	519,014
Total US Department of Transportation Programs				-	519,014
Total Federal Transit Clusters				-	519,014
IDEA - Cluster					
US Department of Education Programs					
Special Education_Grants to States	84.027A	Idaho Department of Education	22-5003, 23-5003, 23-5001, 20-5006	-	1,494,271
Total US Department of Education Programs				-	1,494,271
Total IDEA Cluster				-	1,494,271
TRIO - Cluster					
US Department of Education Programs					
TRIO Student Support Services	84.042A			-	1,348,239
TRIO Talent Search	84.044A			-	789,258
TRIO Upward Bound	84.047V			-	1,426,784
TRIO McNair Post-Baccalaureate Achievement	84.217A			-	266,958
Total US Department of Education				-	3,831,239
Total TRIO Cluster				-	3,831,239
Education Stabilization Fund - Cluster					
US Department of Education Programs					
Governor's Emergency Education Relief Fund	84.425C	Idaho State Board of Education	Not provided, S425C00043, 10969	-	1,122,835
Total US Department of Education Programs				-	1,122,835
Total Education Stabilization Fund Cluster				-	1,122,835
CCDF - Cluster					
US Department of Health and Human Services Programs					
Child Care and Development Block Grant	93.575	Idaho Association for the Education of Young Children (AEYC)	11002	-	750
Total US Department of Health and Human Services Programs				-	750
Total CCDF Cluster				-	750
Other Programs					
US Department of Agriculture Programs					
Specialty Crop Block Grant Program - Farm Bill	10.170	State of Idaho Wine Commission	61151/SPEC22 22	-	18,881
Rural Business Development Grant	10.351			-	47,670
Child Nutrition Discretionary Grants Limited Availability	10.579			-	28,056
Agriculture Contracts	10.XXX			-	6,191
Total US Department of Agriculture Programs				-	100,798
US Department of Commerce Programs					
Cluster Grants	11.020			-	483,983
Economic Development Technical Assistance	11.303			-	112,046
Manufacturing Extension Partnership	11.611	Georgia Institute of Technology, Oregon Manufacturing Extension Partnership, Inc., Montana State University	T8685-G2, 9612, G132-19-W7395	565,850	1,325,465
Total US Department of Commerce Programs				565,850	1,921,494
US Department of Defense Programs					
Procurement Technical Assistance For Business Firms	12.002			-	584,724
GenCyber Grants Program	12.903			-	180,985
CyberSecurity Core Curriculum	12.905			-	57,408
Total US Department of Defense Programs				-	823,117



BOISE STATE UNIVERSITY

Program Cluster / Program Title / Federal Grant	Federal Assistance Listing Number	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
US Department of Housing and Urban Development					
Eviction Protection Grant Program	14.537	Idaho Legal Aid Services, Inc.	10212	-	39,471
Total US Department of Housing and Urban Development Programs				-	39,471
US Department of the Interior Programs					
Department of the Interior	15.NA			-	54
Interior Contracts	15.XXX			-	2,414
Total US Department of the Interior Programs				-	2,468
US Department of Justice Programs					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault and Stalking on Campus	16.525			-	98,447
Capital Case Litigation Initiative	16.746			-	94,872
Postconviction Testing of DNA Evidence	16.820			-	109,607
Total US Department of Justice Programs				-	302,926
US Department of Labor Programs					
Labor Force Statistics	17.002			-	399
Consultation Agreements	17.504	Occupational Safety and Health Administration/ U.S. Department of Labor	CS35588CS1, CS36886CS2, CS39025CS3	-	525,648
Total US Department of Labor Programs				-	526,047
US Department of State Programs					
Academic Exchange Programs - Undergraduate Programs	19.009	World Learning Inc.	CBPSA20-BoiseState01	-	22,190
Public Diplomacy Programs	19.040	Partners of the Americas	100K-DOS259-BSU FCA	-	25,000
Total US Department of State Programs				-	47,190
US Department of the Treasury Programs					
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009			7,500	23,504
Total US Department of the Treasury Programs				7,500	23,504
National Aeronautics & Space Administration Programs					
Science	43.001			37,678	307,701
Total National Aeronautics & Space Administration Programs				37,678	307,701
National Endowment for the Humanities Programs					
Promotion of the Arts Partnership Agreements	45.025	Idaho Commission on the Arts	1886869-61-21, 5628, 4937	-	48,775
Promotion of the Humanities Federal/State Partnership	45.129	Idaho Humanities Council	2021890, 2021027	-	13,529
Promotion of the Humanities Public Programs	45.164	National Writing Project	05-ID02-2022BMPU	-	22,047
Promotion of the Humanities Office of Digital Humanities	45.169			-	65,925
Total National Endowment for the Humanities Programs				-	150,276
US Small Business Administration Programs					
Small Business Development Centers	59.037			556,992	926,955
Shuttered Venue Operators Grant Program	59.075			-	85,198
Total US Small Business Administration Programs				556,992	1,012,153
Environmental Protection Agency Programs					
Pollution Prevention Grants Program	66.708	Idaho Department of Environmental Quality	S680, S707, S774	-	60,282
Hazardous Waste Management State Program Support	66.801	Idaho Department of Environmental Quality	S708	-	24,458
Total Environmental Protection Agency Programs				-	84,740
US Department of Energy Programs					
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			-	2
Nuclear Energy Research, Development and Demonstration	81.121			-	126,516
Energy Contracts	81.XXX	Battelle Energy Alliance, Alliance for Sustainable Energy	154754-37, 246816-2, 246816-1, 257541, 154754-86, 154754-87, SUB-2022-10121, 154754-90, 154754-89, 154754-71, 268948-7, 154754-82	-	2,239,193
Total US Department of Energy Programs				-	2,365,711



BOISE STATE UNIVERSITY

Program Cluster / Program Title / Federal Grant	Federal Assistance Listing Number	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
US Department of Education Programs					
Title I Grants to Local Educational Agencies	84.010	Idaho State Board of Education, Idaho Department of Education	ID #22-4421, 23-4002, ID#21-4400	-	943,393
Overseas Programs - Group Projects Abroad	84.021			-	98,467
Migrant Education_High School Equivalency Program	84.141A			-	389,568
Migrant Education_College Assistance Migrant Program	84.149A			-	429,335
Statewide Family Engagement Centers	84.310A	West Virginia University Research Corporation	19-819-BSU	-	80,263
Special Education - State Personnel Development	84.323	Idaho Department of Education	21-5029, 22-5029	-	761
English Language Acquisition State Grants	84.365			-	112,994
Total US Department of Education Programs				-	2,054,781
US Department of Health and Human Services Programs					
Lifespan Respite Care Program	93.072	Idaho Commission on Aging	90RLI0024-03 B102020	-	117,302
Injury Prevention and Control Research and State and Community Based Programs	93.136	Idaho Department of Health and Welfare	HC333900	-	96,106
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	Comagine Health	4300.HIE.02.0001	-	144,453
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			-	101,743
Occupational Safety and Health Program	93.262	West Virginia University Research Corporation	19-294-BSU, 16-376-BSU	-	58,194
Immunization Cooperative Agreements	93.268	Idaho Department of Health and Welfare	HC309800	-	54,817
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Idaho Department of Health and Welfare	HC269800	-	519,172
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	Idaho Department of Health and Welfare	HC279700	-	351,892
Money Follows the Person Rebalancing Demonstration	93.791	Idaho Department of Health and Welfare	RC084300	-	484,128
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	Central District Health Department	Not Provided	-	45,906
Grants to States for Operation of Offices of Rural Health	93.913	University of North Dakota	25881S1, 27069S1	-	7,212
Department of Health and Human Services	93.NA	Idaho STARS	10940	-	1,651
DHHS Contracts	93.XXX	Idaho Department of Health and Welfare, Idaho Commission on Aging	10133, 10455, 90RLI0014	-	387,281
Total US Department of Health and Human Services Programs				-	2,369,857
US Department of Homeland Security Programs					
Cooperating Technical Partners	97.045			-	66,555
Total US Department of Homeland Security Programs				-	66,555
Total Other Programs				1,168,020	12,198,789
Total Expenditures				3,705,918	156,233,262



**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes federal award activity of the University under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. UNIVERSITY ADMINISTERED LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by the University, and balances and transactions relating to these programs are included in the University’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2023 consists of:

CFDA Number	Program Name	Outstanding Balance at June 30, 2023
84.038	Perkins	\$ 2,474,234
93.364	Nursing Student Loans	\$ 3,440

**BOISE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

- Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
- Type of auditors’ report issued on compliance for major federal programs: Unmodified
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? x yes _____ no

**BOISE STATE UNIVERSITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001 – Cash Management

Federal Agency: U.S. Federal Government

Federal Program Title: Research and Development Cluster

Assistance Listing Number: Various

Federal Award Identification Number and Year: Multiple

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Other Matters
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Federal Government requires that when the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper (2 CFR section 200.305(b)(3)). Per Uniform Guidance 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The University did not make payment to Subrecipients within the required 30 calendar days after receipt of the billing.

**BOISE STATE UNIVERSITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Context: Nine exceptions were identified in a sample of forty subrecipient draw requests. Of the nine exceptions noted, exceptions ranged from 31 days to 90 days.

Questioned costs: None.

Cause: There was a misunderstanding of processes from backup staff. Additionally, there were delays in the department resulting in invoices not being processed timely. Lastly, approvals from the respective Principal Investigators were not being routed correctly.

Effect: Subrecipients did not receive their reimbursement timely and in accordance with federal regulations.

Repeat finding: No

Recommendation: We recommend the University evaluate its procedures and implement an additional control to review and approve the subrecipient reimbursements timely.

Views of responsible officials: Management agrees with the finding and has developed a plan to correct the finding.

2023 – 002 – Allowable Costs/Cost Principles

Federal Agency: U.S. Federal Government

Federal Program Title: Research and Development Cluster

Assistance Listing Number: Various

Federal Award Identification Number and Year: Multiple

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Other Matters
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Entities receiving federal awards must identify in its accounts all federal awards expended and report those amounts on the Schedule of Expenditures of Federal Awards for the period the federal award was expended. Specifically, in accordance with Uniform Administrative Requirements outlined in 2 CFR 200, the guidance states:

- Per 2 CFR 200.502, The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs.

**BOISE STATE UNIVERSITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

- Per 2 CFR 200.303, entities must establish and maintain internal controls which provide reasonable assurance that federal award expenditures are in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- In addition, per 2 CFR 200.510, the Schedule of Expenditures of Federal Awards (SEFA) must be prepared to reflect the awards for the period covered by the auditee's financial statements.

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

- Lastly, section 2 CFR 200.510 states that for costs to be allowable, they should be determined in accordance with generally accepted accounting principles (with exceptions provided in that part).

Condition: The University's year-end cutoff controls allowed for certain costs from Fiscal Year 2022 to not be reported in the Fiscal Year 2022 SEFA but rather reported in the Fiscal Year 2023 SEFA.

Context: During our testing of 40 payroll transactions, we found one instance of 2022 fringe benefits being charged to a federal program in 2023. In addition, during our testing of 40 general disbursements transactions, we identified four instances of 2022 costs being charged to federal programs in 2023.

Questioned costs: Known amounts of 2022 costs included in the 2023 SEFA was \$3,214. (ALNs: 47.041, 47.083, 93.866, and 10.310 Award Numbers: 1663642, 1757324, R01AG059923, and 2022-67020-36410)

Cause: Per the University, the cause for the five exceptions were due to:

- The one payroll exception was due to the 2021-2022 Human Capital Management (HCM) implementation and the issues that implementation brought about. As disclosed in a direct communication with the University's cognizant agency, the initial custom software used for the allocation of fringe benefit costs did not work appropriately. As a result, throughout 2022, the University dedicated significant resources to address the HCM shortcomings. Then, in 2023, various corrections were made (again, as disclosed to the cognizant agency.) This sample was one of those costs that was identified as not properly being allocated to the federal program in the prior year; thus, was charged to the federal government in the current fiscal year.
- Three of the four general disbursement exceptions related to the University's procurement card accrual policy. Currently, the University's accrues for procurement card purchases through June 23, which leaves seven days of activity that flows into the next fiscal year. Three of our samples relate to procurement card charges incurred during these seven days.
- The last of the four general disbursements that related to a prior year but reported in the Fiscal Year 2023 was due to a staffing issue. A key employee responsible for monitoring specific departmental charges fell ill and was out for a period of time. Upon the employee's return, the employee spent time analyzing charges and identified the cost that should have been recorded as a federal charge in the prior year; thus, then charged the federal agency in Fiscal Year 2023.

Effect: The University was out of compliance as it relates to identifying and reporting federal costs in the period incurred.

Repeat finding: No

**BOISE STATE UNIVERSITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Recommendation: We recommend the University evaluate its cutoff procedures to ensure federal costs are identified and reported in the correct fiscal year.

Views of responsible officials: Management agrees with the finding and has developed a plan to correct the finding.

**BOISE STATE UNIVERSITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section IV – Prior Year Findings

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2022 – 001 R2T4

Condition: The University calculated R2T4 for modular students that had completed more than 49% of the days in the payment period. In addition, the University calculated one student's return using the incorrect completed percentage.

Status: Corrected.