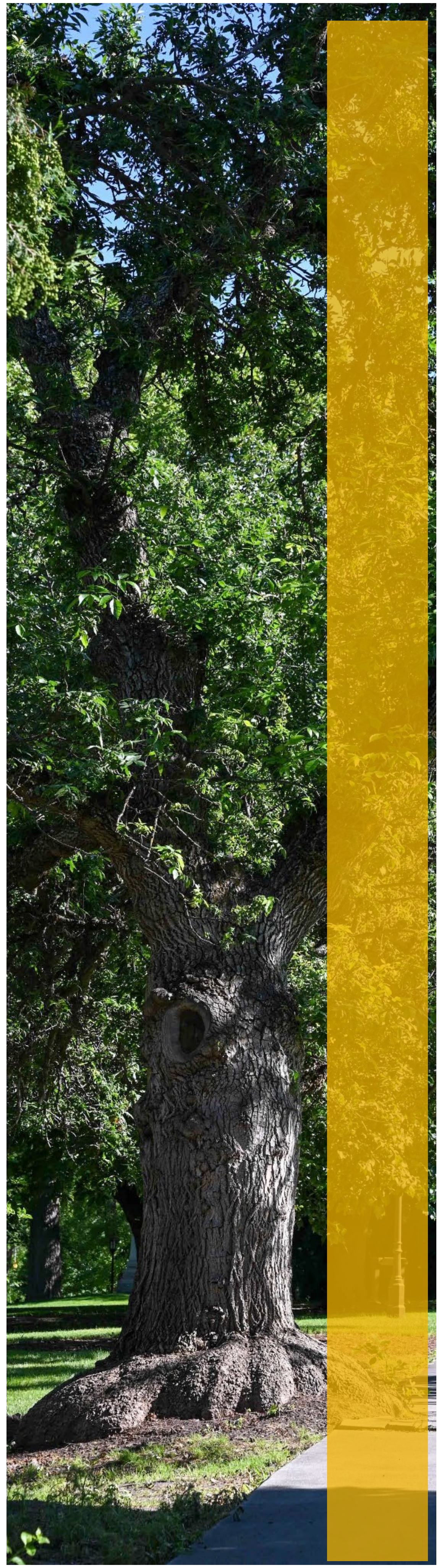
Financial Statements

For the Years Ended
June 30, 2023 and 2022
Reports of Independent Auditors



University of Idaho

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the University of Idaho (University), as of and for the years ended June 30, 2023 and 2022, and the aggregate remaining fund information of the University, a component unit of the State of Idaho, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the University of Idaho's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the 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 the University of Idaho, as of June 30, 2023 and 2022, and the aggregate remaining fund information of the University as of December 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Idaho Foundation, Inc., which represents 100% of the assets, net position, and revenues of the discretely presented component unit, or the University of Idaho Health Benefits Trust, which represents 19%, 15%, and 132%, respectively, of the assets, net position, and additions of the aggregate remaining fund information, respectively for December 31, 2022 and 15%, 11%, and 86% of the assets, net position, and additions of the aggregate remaining fund information, respectively for December 31, 2021. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Idaho Foundation, Inc., and the University of Idaho Health Benefits Trust, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits 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 the University of Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

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Emphasis of a Matter

As disclosed in Note 1, the University implemented the provisions of Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements*.

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 the University of Idaho'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 University of Idaho'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 University of Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of Idaho's basic financial statements. The combining statements of net position and changes in net position – fiduciary are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the supplementary is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the financial assets and liquidity resources schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023, on our consideration of the University of Idaho'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 the University of Idaho'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 University of Idaho's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
October 2, 2023

Management's Discussion and Analysis
For the Year Ended June 30, 2023

Introduction

The University of Idaho (University), a comprehensive land-grant, doctoral research-intensive institution founded in 1889, is the State of Idaho's oldest institution of higher learning. The University serves state, national and international communities by providing academic instruction and conducting research that advances fundamental knowledge. In addition to its main campus in Moscow, the University has instructional centers in Coeur d'Alene, Boise, and Idaho Falls as well as nine Research and Extension centers and Extension offices in 42 of Idaho's 44 counties.

The following Management's Discussion and Analysis (MD&A) is designed to provide an overview of the University's financial performance based on facts, decisions and conditions known at the date of the auditor's reports, June 30, 2023, and assist readers in understanding the accompanying financial statements and footnote disclosures.

About The Financial Statements

The University's financial statements are prepared using the accrual basis of accounting in accordance with principles and guidance from the Governmental Accounting Standards Board (GASB). The GASB develops and issues pronouncements setting the standards for external reporting for governmental entities, including public colleges and universities. The financial statements include those of the University as well as those of its discretely presented component unit, the University of Idaho Foundation, Inc (Foundation). The MD&A focuses only on the University of Idaho, information relating to the Foundation can be found in its separately issued financial statements.

The University's financial statements includes the Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; and Statement of Cash Flows. Immediately following the financial statements the University has included fiduciary financial statements for the Health Benefits Trust (HBT), Retirement Benefits Trust (RBT) and Death Benefits Trust (DBT). The trusts were created to manage the University's self funded health plan for employees and retirees. Separate audited financial statements are prepared for the HBT and may be obtained by contacting the Vice President for Finance and Administration for the University of Idaho. The RBT and DBT do not produce annual financial statements other than in summary form as part of the University's statements.

The University's financial statements include the Strategic Initiatives Fund (SIF) as a blended component unit. The SIF was formed in December 2020 to manage the proceeds from the $225M advance payment received at the close of the Utility Concession Agreement with Sacyr Plenary Utility Partners Idaho LLC (Concessionaire). After deducting issuance costs and the cost of defeasing bonds associated with the utility system, $190M was transferred to the SIF. The University requests annual distributions from the SIF to support its key strategic initiatives and to contribute to paying utility system costs. Under the Utility Concession, the University aims also to improve energy and operational efficiency and establish a disciplined reinvestment plan to address deferred maintenance of the utility system assets.

Student fall enrollment history and annual graduation statistics for the University's fall semesters for 2020 through 2022 are presented in the following table:

Enrollment and Graduation Statistics
Fall Semester

	2022	2021	2020
Enrollments			
Total Headcount	11,507	11,303	10,791
Total Full-time Equivalents (FTE)	8,886	8,736	8,618
Undergraduate Headcount:			
Full-time	6,828	6,538	6,323
Part-time	2,247	2,304	2,130
Graduate Headcount:			
Full-time	1,581	1,624	1,567
Part-time	851	837	771
Resident Student Percentage	65 %	68 %	72 %
First-year Undergraduate Enrollment Statistics Including Transfers:			
Applied	13,392	9,813	9,938
Admitted	9,891	7,987	7,398
Enrolled	1,951	1,656	1,425
SAT Combined Score Mean	1,120	1,096	1,106
Degrees Awarded:			
Bachelors	1,504	1,579	1,631
Masters	597	531	464
Doctoral	85	93	88
Law	119	171	137
Specialist	25	9	10
Academic Certificates, Undergraduate/Graduate	142	142	128

Statement of Net Position

The Statement of Net Position outlines the University's financial condition at fiscal year-end providing a picture of the net position (assets plus deferred outflows minus liabilities plus deferred inflows) and its availability for expenditure by the University. Trends in net position are a useful indicator of whether the entity's financial condition is improving or declining.

The Statement of Net Position is presented in a classified format, which differentiates between current and noncurrent assets and liabilities, and groups net position into four categories which are:

1. Net Investment in Capital Assets - the University's investment in property, plant, and equipment - net of depreciation and outstanding debt obligations related to those capital assets.

2. Restricted Nonexpendable - the corpus of nonexpendable restricted resources is available only for investment purposes. These assets are held in perpetuity.

3. Restricted Expendable - subject to external donor or grantor stipulations regarding their use. The University may expend these assets for purposes as determined by donors and/or external entities.

4. Unrestricted - may be expended for any lawful purpose of the University.

Condensed Statement of Net Position
As of June 30
(Dollars in Thousands)

	2023	2022	2021
ASSETS			
Current assets	$ 70,000	$ 74,782	$ 89,932
Capital assets - net	461,063	465,785	450,884
Other noncurrent assets	273,567	266,614	263,854
Total Assets	**804,630**	**807,181**	**804,670**
Deferred Outflows of Resources	42,031	26,343	18,158
Total Assets and Deferred Outflows of Resources	**$ 846,661**	**$ 833,524**	**$ 822,828**
LIABILITIES			
Current liabilities	$ 62,189	$ 58,347	$ 66,104
Noncurrent liabilities	224,308	175,087	426,614
Total Liabilities	**286,497**	**233,434**	**492,718**
Deferred Inflows of Resources	251,564	293,009	29,982
Total Liabilities and Deferred Inflows of Resources	**538,061**	**526,443**	**522,700**
NET POSITION			
Net investment in capital assets	281,885	299,434	281,876
Restricted expendable	38,071	40,050	20,191
Unrestricted	(11,356)	(32,403)	(1,939)
Total Net Position	**308,600**	**307,081**	**300,128**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 846,661**	**$ 833,524**	**$ 822,828**

FY 23 total assets decreased by $2.6M compared to the prior year due to the net difference between a collective increase of outstanding account receivable and unbilled charges of $5.2M, and a decrease in combined cash and investment balances. During the year, $10M of surplus operating cash was moved to investments. During the first half of the year, investments lost value as market interest rates rose, but balances began recovering before the end of the fiscal year.

FY 22 total assets increased by $2.5M compared to the prior year due to the net affect of the capitalization of several major construction projects in FY 22 exceeding the significant decrease in the fair market value of investments.

FY 23 total deferred outflows of resources increased by $15.7M compared to the prior year due primarily to a $13M increase in deferred outflows related to pension from the net difference in projected verses actual investment earnings during FY 23.

FY 22 total deferred outflows of resources increased by $8.2M compared to the prior year due to deferred outflows related to pensions increasing by $6.3M because of changes in assumptions or other inputs, such as a reduction in the long-term expected rate of return from 7.05% to 6.35%. Deferred outflows related to refunding of debt increased by $2.3M with the new 2022A refunding bonds.

FY 23 total liabilities increased by $53M compared to the prior year primarily due to the recognition of a $53.7M net pension liability that was previously recorded as a $1.1M net pension asset. The net pension asset became a liability during FY 23 due to the underperformance of investments as compared to actuarial assumptions.

FY 22 total liabilities decreased by $259.9M compared to the prior year primarily due to the $218.3M reclassification of the Advance from concessionaire from a noncurrent liability to deferred inflows related to public private partnership. In addition of the result of a $38.6M decrease from the FY 21 OPEB liability, along with a decrease in unearned revenue associated with recognizing the remaining Higher Education Emergency Relief Funds (HEERF) unearned in FY 21 in FY 22.

FY 23 total deferred inflows of resources decreased by $41.4M compared to the prior year as the result of an decrease in deferred pension plan inflows of $36.7M. Pension plan deferred inflows were impacted when actual earnings on pension plan assets did not exceed projections as in the prior year.

FY 22 total deferred inflows of resources increased by $44.8M compared to the prior year as the result of an increase in deferred pension plan inflows of $38M and $7M related to leases as implemented under GASB 87. Pension plan deferred inflows were impacted by actual earnings on pension plan assets exceeding projections, as well as a decrease in the University's proportional share of the total plan liability.

FY 23 net position increased by $1.5M from overall revenues exceeding expenses. This compares to an increase in FY 22 of $7M. Net position increased by $23M in FY 21. Refer to the next section on Statement of Revenues, Expenses and Changes in Net Position for analysis of these variances.

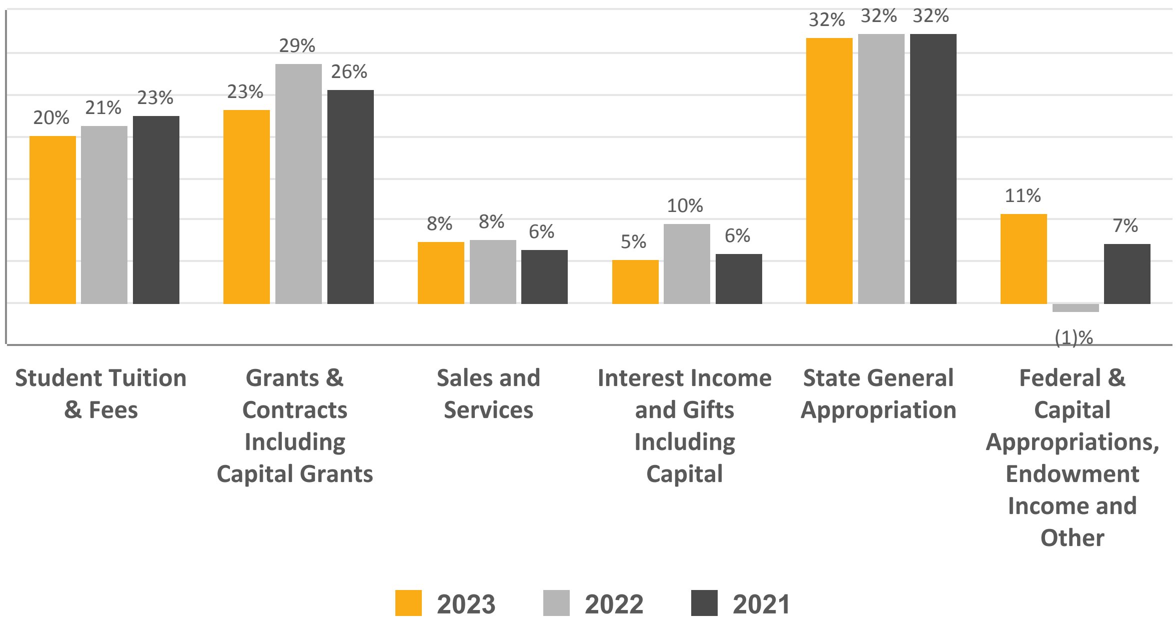
Statement Of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of this statement is to present the revenues earned and expenses incurred during the year, classifying activities as either operating or non-operating. Operating revenues are earned from exchange transaction activities associated with providing goods and services for instruction, research, public service or related support to entities separate from the University. Examples include student tuition and fees, sales and services, grants and contracts. Operating expenses are those expenses paid to acquire or produce the goods and services to carry out the functions of the University. Examples include salaries, benefits, scholarships, and purchases of supplies. Non-operating revenues as defined by the GASB 34 reporting model are derived from activities that are non-exchange transactions, such as gifts and contributions, investment income, state and federal appropriations. Without non-operating revenues, the University would not be able to cover its net cost of operations.

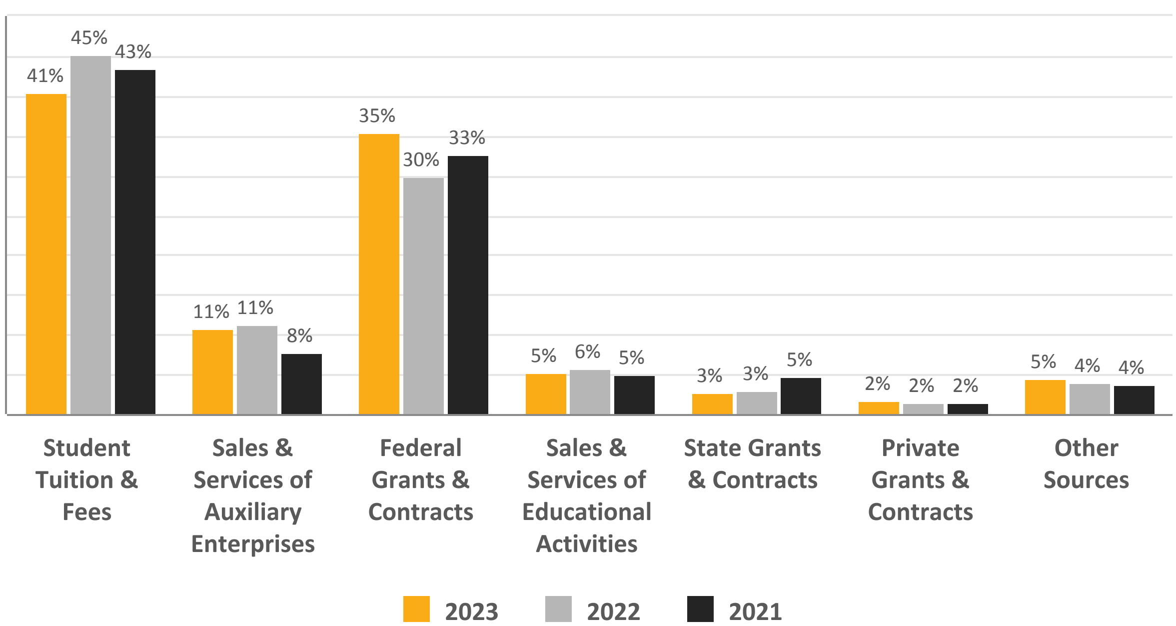
The Statement of Revenues, Expenses, and Changes in Net Position shows the activity that resulted in a $1.5M increase in net position for the year ended June 30, 2023.

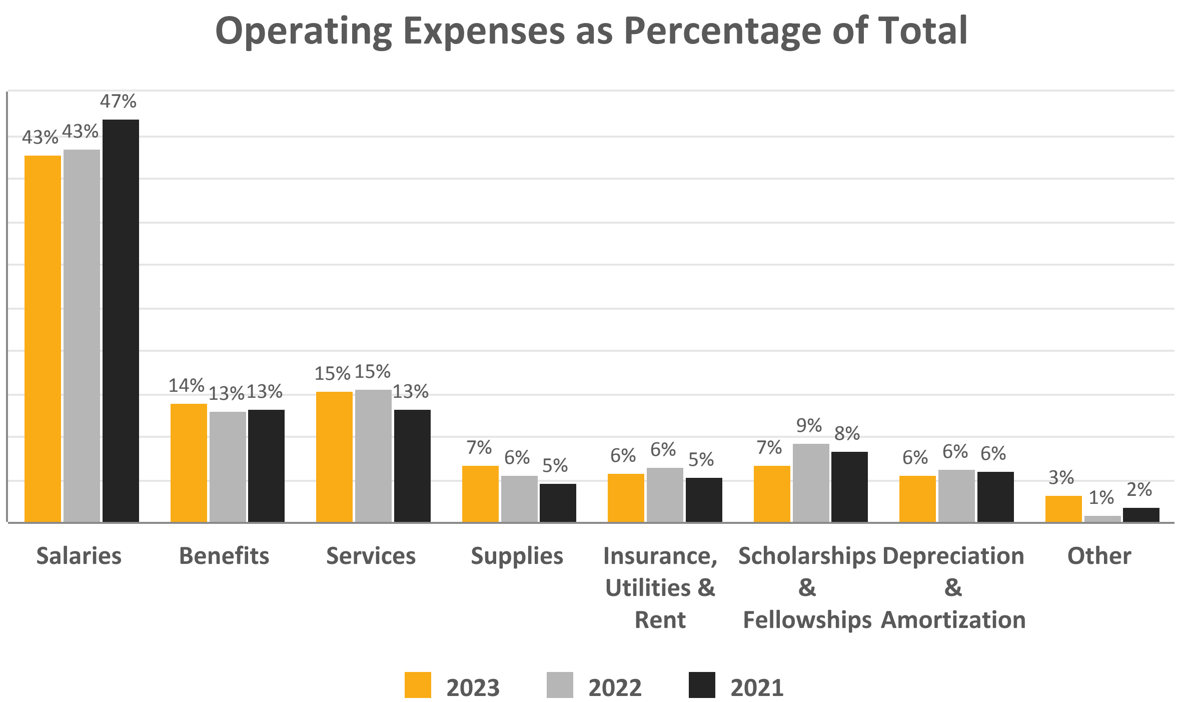
The graphs on the following pages show the composition of total revenues, operating revenues and operating expenses for fiscal years 2023, 2022, and 2021.

Revenue as Percentage of Total



Operating Revenues as Percentage of Total





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

	2023	2022	2021
Operating revenues	$ 242,077	$ 207,606	$ 204,121
Operating expenses	483,975	431,788	388,200
Operating loss	(241,898)	(224,182)	(184,079)
Net nonoperating revenues	237,486	211,261	200,131
Gain (loss) before other revenues	(4,412)	(12,921)	16,052
Other revenues	5,930	19,874	6,790
Increase (Decrease) In Net Position	1,518	6,953	22,842
Net Position - Beginning of year	307,081	300,128	277,286
Net Position - End of year	$ 308,599	$ 307,081	$ 300,128

The University ended FY 23 with an aggregate change in net position of $1.5M and an ending net position of $308.6M. This compares to a increase in total net position of $6.7M in FY 22 and an increase of $22.8M in FY 21. The University ended FY 22 with an aggregate net position of $307.1M compared to an ending aggregate net position of $300.1M in FY 21.

FY 23 operating revenues increased by $34.4M compared to the prior year due to net student tuition and fees increasing $4.2M and federal grants and contracts increasing $23.3M. This is due to an increase in year over year enrollment and tuition and related fees. The increase in federal grants and contracts due to an increase in sponsored research awards.

FY 22 operating revenues increased by $3.5M compared to the prior year due to net student tuition and fees revenues increasing $1.2M and a $7.5M increase in sales and services of auxiliary enterprises. Net tuition and fee revenue reflects an increase in gross tuition and fees of $2.6M from enrollment increases, offset by an increase in scholarship allowance of $1.4M. Auxiliary revenues improved as on-campus housing, dining and events returned to near pre-pandemic levels. Although there was an increase sales and tuition, the University also had a decrease of approximately $5M in grants and contract revenue due to the sunsetting of the Higher Education Emergency Relief Funds (HEERF).

FY 23 operating expenses increased by $52.2M compared to the prior year due to an increase in salaries and benefits of $29.2M and an increase of $11.3M of other expenses which $6.6M is related to the FY 22 bond redemption costs associated with the 2022 bonds. Salaries and benefits increased at a rate of 14.2% which is due to annual salary increases, higher hiring salaries, and an increase in employee headcount as the level of vacant positions declined compared to the prior year. Services increased by $7.7M and supplies expense increased by $8.8M due to spending associated with increased outside inflationary pressure.

FY 22 operating expenses increased by $43.6M compared to the prior year due to an increase in associated expenditures from the increase of students on campus post-pandemic. Year over year, salaries and benefits have increased approximately 3%, which is equivalent to the overall change in compensation approved by the state. In addition, supplies and services expenses increased by approximately $18M as operations, capital projects, and travel rebound back from the impacts of the COVID-19 pandemic.

FY 23 net nonoperating revenues increased by $26.2M compared to the prior year due largely to an increase in the fair market value of investments as both the fixed income and equity market performance improved in calendar year 2023.

FY 22 net nonoperating revenues increased by $11.1M compared to the prior year due to an increase in state appropriations over the prior year, as the state restored the FY 21 holdbacks and also funded a 3% change in employee compensation. In addition to the increase in appropriations, the University was able to absorb the significant loss in fair value of investments this fiscal year due to an increase in federal grants and contract revenue.

FY 23 other revenues decreased by $13.9M compared to the prior year due to a decrease of $10.3M in revenues from projects with Idaho Department of Public Works and decrease of $7M in capital gifts from the Foundation. FY 22 saw a higher than usual level of DPW projects, resulting in a lower than usual level in FY 23. FY 23 also saw a decline in charitable giving to the Foundation, likely due to the investment market disruptions in 2022 that resulted in a loss of wealth for individuals.

FY 22 other revenues increased by $13.1M compared to the prior year due to an increase in revenues recognized from projects funded by the Idaho Department of Public Works as follows: $5.7M related to the Seed Potato Germplasm facility; $1.7M for envelope repairs to the Pitman Center exterior; and $1.7M in improvements to Campus Drive & Pedestrian Mall. In addition, the university received an increase of $6.1M in capital gifts from the Foundation.

Statement of Cash Flows

The Statement of Cash Flows presents cash inflows and outflows of the University during the year ended June 30, 2023. The various sources of cash, along with their application and use, provides an analytical perspective that is useful in assessing the ability of the University to satisfy its financial obligations as they come due and to reconcile to the operating income or loss as reflected in the Statement of Revenues, Expenses and Changes in Net Position. The statement classifies the flow of cash in the following four categories.

Operating activities – Displays the net cash flow used to conduct the day-to day operating activities of the University.

Noncapital financing activities – Reflects the net cash flow of nonoperating transactions not related to investing or capital financing activities and includes funds provided by state appropriations.

Capital and related financing activities – Includes payments for the acquisition of capital assets, proceeds from long term debt, and debt repayment.

Investing activities – Details the funds involved in the purchase and sale of investments and reflects the change in rates of return on invested funds.

Condensed Statement of Cash Flows
Fiscal Years Ended June 30
(Dollars in Thousands)

	2023	2022	2021
Cash provided (used) by:			
Operating activities	$ (217,182)	$ (208,726)	$ 60,299
Noncapital financing activities	227,238	228,833	200,908
Capital and related financing activities	(26,739)	(37,377)	(69,262)
Investing activities	7,013	(15,562)	(188,285)
Net change in cash	**(9,670)**	**(32,832)**	**3,660**
Cash beginning of the year	24,981	57,813	54,153
Cash end of the year	**$ 15,311**	**$ 24,981**	**$ 57,813**

Cash decreased by $9.7Min FY 23 as compared to the prior year for the following reasons: cash used in operating activities decreased by $8.5M due to an increase in compensation to employees and payments rendered to service providers. Net cash generated by noncapital financing activities decreased $1.6M compared to FY 22 due to an increase in state appropriations of $15.4M, a increase in federal appropriations of $928K, a decrease in federal grants and contracts of $35.1M, an increase in gifts of $3.4M, and an increase of $13.8M in other receipts. Net cash used in capital and related financial activities decreased by $6.5M over the prior year. This is a result of a decrease in payments paid on capital debt of $5.5M netted with a decrease in purchases of capital assets and capital state appropriations. Cash generated by investing activities increased by $24.3M due primarily to an increase in unrealized gains/losses and sales of maturities of $37M netted with a decrease in investment income of $12.7M with regard to combining of investment portfolios.

Cash decreased by $32.8M in FY 22 as compared to the prior year for the following reasons: cash used in operating activities decreased by $269M compared to the prior year due to the University receiving a one-time upfront utility concession payment of $225M in FY 21 and increased operating expenses in FY 22 as the University returns to full on-campus operations post-pandemic. Net cash generated by noncapital financing activities increased by $27.9M compared to FY 21 due to increase of $9M from state appropriations and $18.4M from federal grants and contracts. Net cash used in capital and related financing activities increased by $31.9M over prior year. This is a result of proceeds from capital debt of $45.7M offset by decreases in bonds payable of $55.1M related to the issuance of the 2022A Bond Series as well as refunding of debt associated with the 2014 Bond Series ($39.9M) and the 2013B Bond Series ($3.9M). Cash generated by investing activities increased by $172.7M due primarily to the prior year's one-time investments purchased by the SIF from the balance of the utility concession proceeds.

Capital Assets
Fiscal Years Ended June 30
(Dollars in Thousands)

	2023	2022	2021
Capital Assets at Cost			
Buildings and improvements	$ 779,036	$ 769,274	$ 697,077
Equipment	121,685	117,426	112,299
Construction in progress	10,350	7,972	53,168
Library materials	65,654	64,894	57,564
Capitalized collections	2,715	2,607	2,529
Land	32,274	32,216	32,217
Total Capital Assets at Cost	$ 1,011,714	$ 994,389	$ 954,854
Accumulated Depreciation			
Buildings and improvements	$ (392,329)	$ (373,385)	$ (354,030)
Equipment	(101,070)	(99,305)	(95,342)
Library materials	(57,252)	(55,914)	(54,598)
Total Accumulated Depreciation	$ (550,651)	$ (528,604)	$ (503,970)
Total Capital Assets, Net	$ 461,063	$ 465,785	$ 450,884

Capital Assets decreased by $4.7M in FY 23, as a result of $17.3M in asset acquisitions, less disposals and transfers, during the year, offset by an increase of $22M in accumulated depreciation.

Significant projects completed and capitalized during FY 23 included included University Energy Plant Turbine of $3.1M, WWAMI Classroom 160 AV Upgrades of $1.2M, Kibbie Dome Main Floor Replacement of $933K, and Kibbie Dome Activity Center Event Lighting Upgrades of $663K.

Capital Assets increased $14.9M during FY22 as a result of $39.5M in asset acquisitions, less disposals and transfers, during the year, offset by an increase of $24.6M in accumulated depreciation.

Significant projects completed and capitalized during FY22 included Idaho Central Credit Union (ICCU) Arena ($49M), West Campus Utilities Expansion & improvement project ($3.8M), Seed Potato Storage Building ($2.2M). The remaining additions consisted of a significant number of other smaller scale projects on the Moscow campus and other University locations.

Capital Assets increased $13.2M during FY21 as a result of $32.3M in asset acquisitions, less disposals and transfers, during the year, offset by an increase of $19.1M in accumulated depreciation.

Significant projects completed and capitalized during FY21 included WWAMI Medical Education Building ($5.1M), North Idaho Education Facility ($2.0M), Nancy M. Cummings Research, Extension and Education Center Classroom & Office Building ($2.2M), College of Natural Resources Equipment Storage Building ($0.2M), renovations to Idaho Water Center, Niccolls Building, Caldwell Research & Extension Center, and South Campus Chiller Plant System (combined $0.8M). In June 2019, the University broke ground for the construction of the Idaho Central Credit Union (ICCU) Arena, a modern sports and events venue to be opened in October 2021. Costs for FY21 progress on the ICCU Arena construction were $20.6M and were reflected in capitalized construction in progress at year-end. Construction in progress increased $19.8M during FY21 with the ICCU Arena being the largest contributor, $1.0M for the Energy Plant Steam Turbine Power, $0.7M for the Student Activity Fields Infilled Turf System, $0.5M for the West Campus Utilities Expansion & Improvement Project and $0.5M for the Nuclear Seed Potato & Germplasm Storage Building. The remaining additions consisted of a significant number of other smaller scale projects on the Moscow campus and other University locations.

Bonds Payable Fiscal Years Ended June 30 (Dollars in Thousands)	2023	2022	2021
Total Bonds Payable	$ 160,231	$ 166,430	$ 173,037

At the end of FY 23, the University held $160M in outstanding bonds payable. This is a decrease of $6.2M due to principal payments and no new debt issued during the year.

The University issued the 2022A Bond Series in FY 22. This issuance refunded the 2013B Series in the amount of $3.9M and the remaining portion of the 2014 Series Bonds in the amount of $39.9M. Total debt of $166.4M, a decrease of $6.6M from prior year, reflects this issuance, the refunded debt and scheduled principal payments.

ECONOMIC OUTLOOK

Funding for the major activities of the University comes from a variety of sources including tuition and fees, state appropriations, private and governmental grants and contracts, auxiliary sales and services, donor gifts and investment income. Revenues are also generated through recovery of costs associated with federal grants and contracts activity, which serve to offset related administrative and facility costs of the University.

State of Idaho support for the University has increased steadily over the past several years, in whole dollars and as a percentage of revenues. After funding holdbacks occurred in fiscal year 2021 due to uncertainties of the impact of the coronavirus pandemic on state revenues, state funding for the University increased in both fiscal years 2022 and 2023. The State of Idaho closed the last three fiscal years, 2021 through 2023, with record general fund revenues. While conservative fiscal policies remain in place in order to build reserves at the state level, declines in University funding are not anticipated. State support continues to increase with funding for increases to employee compensation and other general fund needs. In addition, the University will receive record levels of investment from the State for deferred maintenance of plant in fiscal years 2024 and 2025. While normal annual investment in facilities averages around $5M, the total investment for these two years will be roughly $80M.

While tuition rates were held steady for three years (2019 - 2022) in order to support the State goal of increasing the rate of resident college attendance, the State Board of Education approved increases to the undergraduate resident tuition rate in fiscals year 2023 and 2024. Student enrollment increased in fiscal years 2022 and 2023 and set record highs for new first time freshman enrollments. University leadership has invested in recruitment and retention strategies that are resulting in increased enrollment. The University is ranked as one of the top best value public university in the West by U.S. News and World Report, in the top 9% of all colleges and universities in the Nation, and the campus is regularly recognized as among the safest in the country for college students.

Private support for the University from alumni and friends continues to be strong with three years of record fundraising: $54.5M in FY21, $64.6M in FY22, and $57.5M in FY23. In October 2022, the University launched phase II of its comprehensive fundraising campaign: *Brave. Bold. Unstoppable*. The campaign emphasizes our need for additional charitable contributions to support student scholarships; research that creates lasting solutions to meet economic, environmental and social goals; and Idaho's rural and urban communities with ready access to healthcare, affordable housing and education. The endowment held by the University of Idaho Foundation was valued at over $365M at the end of FY23. Gifts for endowments and current use continue to assist the University with its key strategic initiatives: student success, sustainable solutions, and a thriving Idaho for all.

The University continues to excel as a national leader in high-quality academic research. Classified by the Carnegie Foundation as a high research activity institution, the University was actively engaged in sponsored programs, grant and contract activities during fiscal year 2023, which resulted in $96M of grant revenue. Enhancing research activity and developing into a Carnegie R1 Institution is one of the primary strategic objectives of President C. Scott Green, who assumed leadership over the University in July 2019. President Green also seeks to enhance the regional and national profile of the University and improve on student success through access to online courses for remote students, scholarships and on-campus mental health services. The proceeds from the Utility Concession Agreement will provide a revenue stream for the University to invest in these and other strategic initiatives over a long time horizon and provide returns of increased enrollment, research growth and improved student success outcomes.

University of Idaho

Statement of Net Position
For the Years Ended June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022	University of Idaho Foundation (note 18) 2023	University of Idaho Foundation (note 18) 2022
ASSETS				
Current Assets				
Cash and cash equivalents	$ 9,440,640	$ 20,004,976	$ 22,503,623	$ 18,654,269
Prepaid expenses	3,515,161	2,457,424	—	—
Investments	—	—	6,113,564	10,849,682
Interest and other receivables	743,577	775,308	265,585	678,469
Student loans receivable - net	1,012,023	1,069,686	—	—
Accounts receivable & unbilled charges - net	46,853,379	41,699,324	—	—
Lease receivable - current portion	844,522	844,522	—	—
Inventories	1,740,866	1,226,354	—	—
Promises to give - net	—	—	3,065,410	2,661,929
Notes receivable	190,013	199,579	—	—
Total Current Assets	**64,340,181**	**68,277,173**	**31,948,182**	**32,844,349**
Noncurrent Assets				
Restricted cash and cash equivalents	5,870,034	4,975,872	15,881,073	14,327,131
Student loans receivable - net	1,864,352	2,957,932	—	—
Investments	238,743,704	231,741,270	407,314,525	380,089,811
Lease receivable - noncurrent portion	5,660,073	6,504,595	—	—
Promises to give - net	—	—	4,527,481	6,724,318
Real estate holdings	—	—	4,846,850	4,846,850
Non-depreciable capital assets	45,339,517	42,796,655	—	—
Depreciable capital assets - net	415,723,422	422,988,336	—	—
Intangible right-to-use assets - net	19,898,948	15,137,838	—	—
Net pension asset	—	1,127,431	—	—
Net OPEB asset	7,188,917	10,673,946	—	—
Other noncurrent assets	—	—	499,911	492,733
Total Noncurrent Assets	740,288,967	738,903,875	433,069,840	406,480,843
TOTAL ASSETS	**804,629,148**	**807,181,048**	**465,018,022**	**439,325,192**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to refunding of debt	1,832,013	3,586,619	—	—
Deferred outflows related to pension	33,982,094	21,025,806	—	—
Deferred outflows related to OPEB	6,217,160	1,730,765	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**42,031,267**	**26,343,190**	**—**	**—**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 846,660,415**	**$ 833,524,238**	**$ 465,018,022**	**$ 439,325,192**

Statement of Net Position
As of June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022	University of Idaho Foundation (note 18) 2023	University of Idaho Foundation (note 18) 2022
LIABILITIES				
Current Liabilities				
Accounts payable	$ 16,324,578	$ 9,526,038	$ 209,064	$ 228,740
Accrued salaries and benefits payable	11,108,849	19,999,010	—	—
Compensated absences payable	8,841,272	8,279,931	—	—
Endowment earnings payable to trust beneficiaries	—	—	14,618,584	13,334,866
Accrued interest payable	1,544,139	1,643,430	—	—
State teacher education loan advance	128,076	128,076	—	—
Deposits	393,136	766,768	—	—
Unearned revenue	10,911,562	9,215,430	—	—
Funds held in custody for others	980,805	840,208	—	—
Bonds payable - current portion	6,850,921	6,230,921	—	—
Concession CapEx payable - current portion	56,137	20,207	—	—
Other funds due to University of Idaho	—	—	—	483,107
Other liabilities	1,095,638	855,959	—	—
Lease and SBITA liabilities	3,126,117	840,930	—	—
Split interest agreements	—	—	695,944	803,919
Total Current Liabilities	**61,361,230**	**58,346,908**	15,523,592	**14,850,632**
Noncurrent Liabilities	—	—	—	—
Bonds payable	153,379,754	160,199,051	—	—
Net pension liability	53,732,105	—	—	—
Concession CapEx payable	1,046,394	373,498	—	—
Lease and SBITA liabilities	16,977,700	14,514,318	—	—
Split interest agreements	—	—	5,535,667	6,985,724
Total Noncurrent Liabilities	**225,135,953**	**175,086,867**	**5,535,667**	**6,985,724**
TOTAL LIABILITIES	**286,497,183**	**233,433,775**	**21,059,259**	**21,836,356**

Statement of Net Position
For the Years Ended June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022	University of Idaho Foundation (note 18) 2023	University of Idaho Foundation (note 18) 2022
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to refunding of debt	2,803,481	—	—	—
Deferred inflows related to pension	4,339,725	41,028,326	—	—
Deferred inflows related to naming rights agreement	9,428,571	9,714,286	—	—
Deferred inflows related to OPEB	12,858,038	16,716,641	—	—
Deferred inflows related to leases	6,295,793	7,299,857	—	—
Deferred inflows related to public private partnership	213,750,000	218,250,000	—	—
Deferred inflows related to service concession arrangement	2,088,081	—	—	—
Split interest agreements	—	—	4,198,301	2,659,413
TOTAL DEFERRED INFLOWS OF RESOURCES	**251,563,689**	**293,009,110**	**4,198,301**	**2,659,413**
NET POSITION				
Net investment in capital assets	281,884,685	299,433,674	—	—
Restricted for:				
Nonexpendable	—	—	305,433,285	291,156,929
Expendable	38,071,297	40,050,480	126,615,395	117,428,476
Unrestricted	(11,356,439)	(32,402,801)	7,711,782	6,244,018
TOTAL NET POSITION	**308,599,543**	**307,081,353**	**439,760,462**	**414,829,423**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 846,660,415**	**$ 833,524,238**	**$ 465,018,022**	**$ 439,325,192**

Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022	University of Idaho Foundation (note 18) 2023	University of Idaho Foundation (note 18) 2022
OPERATING REVENUES				
Student tuition and fees	$ 121,392,876	$ 117,770,366	$ —	$ —
Less: Scholarship allowance	(23,265,092)	(23,868,976)	—	—
Student tuition and fees - net	98,127,784	93,901,390	—	—
Federal grants and contracts	85,524,793	62,207,715	—	—
State and local grants and contracts	6,760,945	6,172,809	—	—
Private grants and contracts	4,120,123	3,370,957	—	—
Sales and services of educational activities	10,512,673	10,180,527	—	—
Sales and services of auxiliary enterprises	25,930,123	23,517,262	—	—
Interest on loans receivable	188,473	532,869	—	—
Other sources	10,911,486	7,722,738	203,209	535,911
Gifts	—	—	28,211,033	47,443,089
Total operating revenue	**242,076,400**	**207,606,267**	**28,414,242**	**47,979,000**
OPERATING EXPENSES				
Salaries	206,019,496	187,164,342	—	—
Benefits	66,683,823	56,363,065	—	—
Services	74,259,113	66,604,136	—	—
Supplies	31,041,061	22,194,972	—	—
Insurance, utilities and rent	28,141,683	27,875,437	—	—
Scholarships and fellowships	32,562,341	39,604,998	—	—
Depreciation	26,863,130	26,696,213	—	—
Amortization	3,048,922	1,211,082	—	—
Other	15,355,271	4,073,880	647,453	214,980
Administrative expense	—	—	3,155,039	3,168,728
Total operating expenses	**483,974,840**	**431,788,125**	**3,802,492**	**3,383,708**
OPERATING (LOSS) INCOME	**(241,898,440)**	**(224,181,858)**	**24,611,750**	**44,595,292**

Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022	University of Idaho Foundation (note 18) 2023	University of Idaho Foundation (note 18) 2022
NONOPERATING REVENUES (EXPENSES)				
State appropriations	155,027,700	141,626,500	—	—
Land grant endowment income	14,480,100	12,497,500	—	—
Federal appropriations	7,154,208	6,226,054	—	—
Federal grants and contracts	11,041,581	53,148,971	—	—
Gifts from Foundation	27,624,173	24,218,386	—	—
Net investment income	2,893,949	15,136,784	8,355,485	7,134,729
Net increase (decrease) in fair value of investments	12,801,079	(41,944,289)	18,882,027	(32,743,553)
Distribution of endowment income to University and trust beneficiaries	—	—	(14,618,584)	(13,334,866)
Distribution to University and affiliates	—	—	(12,412,474)	(20,218,071)
Lease and rental income	—	—	112,834	106,999
Interest expense	(4,602,601)	(5,124,671)	—	—
Other Sources	11,066,041	5,475,227	—	—
Net nonoperating revenues	**237,486,230**	**211,260,462**	**319,288**	**(59,054,762)**
GAIN (LOSS) BEFORE OTHER REVENUES	**(4,412,210)**	**(12,921,396)**	**24,931,039**	**(14,459,470)**
OTHER REVENUES				
Capital grants and contracts	5,168,922	1,788,277	—	—
Projects with Idaho Department of Public Works	490,366	10,826,202	—	—
Capital gifts from Foundation	271,112	7,259,896	—	—
Total other revenues	**5,930,400**	**19,874,375**	**—**	**—**
INCREASE (DECREASE) IN NET POSITION	**1,518,190**	**6,952,979**	**24,931,039**	**(14,459,470)**
NET POSITION - Beginning of year	**307,081,353**	**300,128,374**	**414,829,423**	**429,288,893**
NET POSITION - End of year	**$ 308,599,543**	**$ 307,081,353**	**$ 439,760,462**	**$ 414,829,423**

Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts and disbursements:		
Tuition and fees	$ 98,262,753	$ 94,200,938
Grants and contracts	99,222,617	68,812,700
Sales and services - net	30,666,433	32,805,651
Payments to or for employees	(280,677,461)	(258,637,833)
Payments to suppliers	(137,323,893)	(111,275,808)
Scholarships disbursed	(32,562,341)	(39,604,998)
Funds held for others	140,597	(357,683)
Student loans collected	1,371,447	2,348,990
Student loans disbursed	—	(7,100)
Other receipts	6,179,103	2,988,660
Net cash used by operating activities	**(214,720,745)**	**(208,726,483)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Appropriated general education revenues:		
State general account	155,027,700	141,626,500
Land grant endowment income	14,480,100	12,497,500
Federal appropriations	7,154,208	6,226,054
Federal grants and contracts	11,041,581	46,138,552
Gifts	27,624,173	24,218,386
Other receipts	11,910,563	(1,873,890)
Net cash provided by noncapital financing activities	**227,238,325**	**228,833,102**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants and gifts	5,440,034	9,048,173
Capital asset purchases	(24,712,175)	(31,765,008)
Proceeds from capital debt	—	45,696,278
Principal paid on capital debt	(5,227,018)	(55,104,437)
Interest paid on capital debt	(6,381,189)	(5,251,775)
Net cash used by capital & related financing activities	**(30,880,348)**	**(37,376,769)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	113,512,142	9,135,127
Investment income	2,438,241	15,136,784
Purchase of investments	(107,257,789)	(39,834,008)
Net cash provided (used) by investing activities	**8,692,594**	**(15,562,097)**

Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	University of Idaho 2023	University of Idaho 2022
NET CHANGE IN CASH	(9,670,174)	(32,832,247)
Cash - Beginning of year	24,980,848	57,813,095
Cash - End of year	**$ 15,310,674**	**$ 24,980,848**
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and cash equivalents - current assets (unrestricted)	$ 9,440,640	20,004,976
Cash and cash equivalents - noncurrent assets (restricted)	5,870,034	4,975,872
Total cash and cash equivalents	**$ 15,310,674**	**$ 24,980,848**
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$(241,898,440)	$ (224,181,858)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	26,863,130	26,696,213
Amortization expense	3,048,922	1,211,082
Decrease (increase) in assets:		
Receivables, net	(3,961,515)	(2,075,434)
Inventories and prepaids	(1,572,249)	731,584
Net pension asset	1,127,431	(1,127,431)
Net other post-employment benefits assets	3,485,029	(6,729,238)
Deferred contributions and changes of assumptions to pension	(12,956,288)	(6,375,344)
Deferred contributions and changes to OPEB	(4,486,395)	480,768
Changes to refunding of debt	2,461,624	—
Increase (decrease) in liabilities:		
Accounts payable	6,798,540	1,247,680
Accrued payroll, benefits and compensated absences	(8,328,820)	(475,682)
Deposits and unearned revenues	1,322,500	11,015
Funds held in custody for others	140,597	(357,683)
Net pension liability	53,732,105	(38,646,668)
Concession CapEx payable	708,826	393,705
Other liabilities	239,679	193,496
Deferred inflows of resources	(41,445,421)	40,277,312
Net cash used by operating activities	**$(214,720,745)**	**$ (208,726,483)**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization of deferred amounts on refunding and bond premium	$ 1,805,791	$ 1,457,932
Donated assets	124,430	7,064,010
Change in fair value of investments (unrealized gains/(losses)	12,801,079	(41,944,289)
Total non-cash activities	**$ 14,731,300**	**$ (33,422,347)**

Statement of Fiduciary Funds Net Position
As of December 31, 2022

	Pension and other Employee Benefits	
	December 31, 2022	December 31, 2021
Assets		
Cash and short-term investments	$ 2,990,354	$ 3,267,811
Prepaid expenses	313,867	305,015
Accounts receivable	105,946	240,345
Interest receivable	42,745	25,487
Investments, at fair value:		
Fixed income securities	25,941,604	25,838,664
Equity securities	24,112,139	31,144,900
Total assets	**53,506,655**	**60,822,222**
Liabilities		
Accounts payable	237,335	495,695
IBNR liability	2,163,200	2,184,000
Total liabilities	2,400,535	2,679,695
Net position held in trust for benefits	**$ 51,106,120**	**$ 58,142,527**

	Pension and other Employee Benefits	
	December 31, 2022	December 31, 2021
Additions		
Contributions		
Employer	$ 24,990,134	$ 25,696,839
Plan members	6,698,270	6,962,652
Total contributions	**31,688,404**	**32,659,491**
Net investment (loss) income	(8,222,200)	5,077,766
Total additions	**23,466,204**	**37,737,257**
Deductions		
Insurance claim benefits	26,422,346	25,619,903
Change in IBNR	(20,800)	207,500
Premiums	125,974	123,609
Administrative expenses	3,975,091	3,873,959
Total deductions	**30,502,611**	**29,824,971**
Net increase (decrease) in assets held in trust	(7,036,407)	7,912,286
Benefit plan net position, beginning of year	58,142,527	50,230,242
Benefit plan net position, end of year	**$ 51,106,120**	**$ 58,142,527**

See notes to financial statements

Notes to Financial Statements
For the Year Ended June 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The University of Idaho (University) is a publicly-supported comprehensive land grant institution created in 1889 by a statute of the 15th territorial legislature and is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho's financial reporting entity. The State Board of Education, appointed by the Governor and confirmed by the State Senate, directs the University. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements to the reader.

The University is presenting its financial statements in accordance with the Governmental Accounting Standards Board (GASB) financial reporting standards. GASB statements are recognized as the authoritative standard for state and local governments. The University considers the University of Idaho Foundation, Inc (Foundation) as a material component unit and accordingly is discretely presented with the University's financial statements for all years presented. The Foundation was established in 1970 to solicit financial support for the University and to manage and invest the resulting charitable gifts. The Foundation is a separate 501(c)(3) corporation comprised of up to 25 members who serve as a self-perpetuating Board of Directors.

The University of Idaho Strategic Initiatives Fund (SIF) was established on December 18, 2020 as an Idaho non-profit corporation and is operated exclusively for charitable, educational and scientific purposes under Section 501(c)(3) of the Internal Revenue Code. The general purpose of the corporation is to hold and manage the up-front proceeds under the Long Term Lease and Concession Agreement for the University of Idaho Utility Systems executed in December 2020. The SIF is controlled by a Board of Directors appointed by the University, and the University serves as the sole member of the corporation. The SIF is reported as a blended component unit and included in the University's financial reporting entity.

The University of Idaho Health Benefits Trust (HBT) was established in June 2007 in accordance with the State of Idaho Department of Insurance (DOI) requirements. The HBT receives the employer, employee, and retiree contributions for the University's self-insured health plan, and pays the medical, dental, mental health and vision claims, and corresponding administrative processing fees, associated with the health plan. The University of Idaho Retiree Benefits Trust (RBT) was established in April 2008 to fund the University's actuarially-determined projected liability for its self-insured retiree health plan. The University of Idaho Death Benefits Trust (DBT) was established in January 2019 to self-insure the University's payment of sum-certain death benefits to designated beneficiaries of a fixed and unchanging class of current and future retirees pursuant to a 2010 settlement agreement. The liability for this death benefit obligation is actuarially-determined and recorded as part of the University's aggregate post-employment benefits other than pensions (OPEB) obligation. The HBT, RBT, and DBT all have December 31 fiscal year ends.

Basis of Accounting — For financial statement 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.

Cash and Cash Equivalents — The University considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Student Loans Receivable — Loans receivable from students bear interest at rates ranging from 3% to 7% and are generally repayable in installments to the University over a 5 to 10-year period commencing 6 or 9 months from the date of separation from the University.

Accounts Receivable — Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, including the University of Idaho Foundation, in connection with reimbursement of allowable expenditures made pursuant to the University's grants, contracts and gifts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories — All inventories are valued at the lower of first-in-first-out cost or market.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments — Investments are recorded at fair value. Unrealized gains or losses on the carrying value of investments are reported as a nonoperating revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

Restricted Cash and Cash Equivalents — Cash and cash equivalents that are restricted to make debt service payments and maintain sinking or reserve funds, except for currently due payments, and monies reserved for specific projects are classified as non-current assets in the statement of net position.

Capital Assets — Capital Assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated acquisition value at the date of gift. For equipment, the University's capitalization policy includes all tangible items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 40 years for buildings and building improvements, 20 years for improvements other than buildings, 10 years for library materials, and an average of 7 years for equipment. A full year of depreciation is recorded in the year an asset is placed into service. Depreciation is not computed on capitalized collections which include works of art, historical treasures, and various special collections comprising of anthropological, geological, entomological, musical, and wildlife subjects.

The University capitalizes intangible assets of $200,000 or greater in value that have an expected useful life of one year or longer. Depreciation on intangible assets is computed using the straight-line method over the estimated useful lives of the assets, primarily consisting of computer software and licenses that generally have a useful life of 5 years. A full year of depreciation is recorded in the year an asset is placed in service. The University adopted this policy in accordance with the State of Idaho guidelines. As of June 30, 2023, the University does not hold any intangible assets.

Right to Use Assets — Lease assets represent the University's control of the right to use another entity's nonfinancial asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direction costs. The University applies a capitalization threshold of $5,000 or more for right to use assets.

Compensated Absences — Employee vacation and compensatory time earned is accrued at year-end for financial statement purposes. Compensated absence costs are included in benefits expense in the statement of revenues, expenses, and changes in net position.

Unearned Revenue — Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

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

Pensions — For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources — In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents consumption of net position that apply to a future period and will be recognized as an outflow (expense) at that time.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represents acquisitions of net position that apply to a future period and will be recognized as an inflow (revenue) when received.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Investment In Capital Assets: This represents the University's investment in capital assets, net of depreciation and 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 offset against their corresponding net debt amount when included as a component of net investment in capital assets.

Restricted—Nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

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 resources derived from student tuition and fees, state appropriations, investment income, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board for any lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

Income and Unrelated Business Income Taxes — The University is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code, per letter dated November 7, 1945. The University is also considered a Section 501(c)(3) corporation via letter from the Internal Revenue Service dated August 29, 1961. The University is subject to unrelated business income tax.

Classification of Revenues and Expenses — The University has classified its revenues as either operating or non-operating according to the following criteria:

Operating Revenues and Expenses: Operating revenues and expenses include revenues and expenses from activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and their related expenses, (3) most federal, state and local grants and contracts revenues and expenditures (excluding federal Pell grant revenues and coronavirus relief funds which constitute nonoperating federal grants and contracts revenues), (4) interest on institutional student loans, and (5) administrative and other expenses associated with daily operations of the University, including its off-campus operations.

Nonoperating Revenues and Expenses: Nonoperating revenues and expenses include revenues and expenses from activities that have the characteristics of non-exchange transactions, such as private gifts, state appropriations, Pell and certain other federal grants, investment income, unrealized gains or losses in fair market value of investments and interest expense.

Scholarship Discounts and Allowances — Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or 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 nonoperating revenues. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net position and disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards —In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB 96 – *Subscription-Based Information Technology Arrangements* (SBITAs) with the objective of enhancing transparency through the recognition of SBITA-related assets and liabilities on the balance sheet. The requirements of GASB 96 were effective for reporting periods beginning after June 15, 2022. Accordingly, for governmental organizations with a June 30th fiscal year-end, the adoption date would be July 1, 2022 for the year ending June 30, 2023. GASB 96 requires a "full retrospective" adoption in which the standard is applied to all the periods presented in accordance with the guidance with the impact of adoption reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. The University of Idaho has adopted GASB 96 effective July 1, 2022 for the year ending June 30, 2023.

Effective for July 1, 2022 for the year ending June 30, 2023, the University adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, ("GASB 94") with the objective to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancellable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

As a result of the adoption of the two new standards, University of Idaho recorded the impacts as of the July 1, 2022 adoption date. The University has implemented both GASB 94 and GASB 96 effective July 1, 2022 for the year ending June 30, 2023. Changes adopted conform to the provisions of this Statement and are effective from July 1, 2022 forward. A restatement of the financial statements for all prior periods presented was not practicable and the cumulative effect of applying this Statement retroactively was not calculable to warrant a restatement of beginning net position.

Effective for the fiscal year end June 30, 2022, the University adopted GASB Statement No. 87, Leases, ("GASB 87"). This statement supersedes GASB No. 62 and establishes new requirements for calculating and reporting the University's lease activities. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financial obligations for the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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

Reclassifications — Certain items previously 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.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are deposited with various financial institutions. Custodial credit risk on deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. At June 30, 2023, $14,525,108 of the University's bank balance of $15,310,674 was exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2022, $20,595,284 of the University's bank balance of $24,980,856 was exposed to custodial credit risk because it was uninsured and uncollateralized.

03. INVESTMENTS

The general investment policy of the University as adopted is that investments in securities are to be made with the objectives of maximizing long-term total return, ensuring safety of principal, and providing necessary liquidity. The University is restricted by the State of Idaho statutes, Idaho State Board of Education policy and its own local adopted investment policy in the types of investments in which it may invest.

In accordance with established investment policy, the University may invest in various mortgage-backed securities, such as collateralized mortgage obligations. These securities are recorded at fair value in the Statement of Net Position. Investment income and the change in fair value of investments are recognized as nonoperating revenue in the Statement of Revenues, Expenses and Changes in Net Position.

The Strategic Initiatives Fund (SIF) investment policy is established by the SIF Board of Directors (Board) in order to guide the investment management of the assets toward the desired results., The investment philosophy of the Board is to create a management process with sufficient flexibility to capture investment opportunities yet maintain reasonable parameters to ensure prudence and care in the execution of the investment program. The purpose of the Fund is to provide financial support for University strategic initiatives over a 50-year horizon. The Board seeks a return on investment that is aligned with these spending objectives. No additional contributions to the Fund are expected, and the Fund holds four portfolios with different risk and return objectives.

INVESTMENTS MEASURED AT FAIR VALUE

Per GASB Statement No. 72, fair value is described as an exit price. Fair value measurements assume a transaction takes place in a government's principal market or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value does not take into consideration transaction costs.

The tables on the following page classify the fair value of the University's investments at June 30, 2023 and June 30, 2022 respectively:

Investment Securities Measured at Fair Value at June 30, 2023

	Fair Value Measurements Using				
Investments by fair value level	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Net Asset Value (NAV)**	**Total Fair Value**
Fixed Income:					
U.S Government agencies	$ —	$ 9,987,919	$ —	$ —	$ 9,987,919
U.S. Government treasuries	13,873,649	—	—	—	13,873,649
Foreign governments	—	1,245,072	—	—	1,245,072
Mortgage/asset backed securities	—	60,313,871	—	—	60,313,871
Corporate obligations	—	14,825,469	—	—	14,825,469
Mutual funds	42,683,533	—	—	—	42,683,533
Equity and Other:					
Mutual funds - domestic equity	50,430,177	—	—	—	50,430,177
Mutual funds - international equity	26,829,242	—	—	—	26,829,242
Private equity	—	—	—	3,523,080	3,523,080
Private debt	—	—	—	7,199,517	7,199,517
Commingled funds	—	—	—	5,318,450	5,318,450
Subtotal	133,816,601	86,372,331	—	16,041,047	236,229,979
Money market funds/cash sweeps					2,513,725
Total investments by fair value					**$ 238,743,704**

3. INVESTMENTS (CONTINUED)

Investment Securities Measured at Fair Value at June 30, 2022

Investments by fair value level	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total Fair Value
Fixed Income:					
U.S. Government agencies	$ —	$ 2,825,052	$ —	$ —	$ 2,825,052
U.S. Government treasuries	13,210,940	—	—	—	13,210,940
Foreign governments	—	—	—	—	—
Mortgage/asset backed securities	—	14,370,734	—	—	14,370,734
Corporate obligations	—	61,405,408	—	—	61,405,408
Mutual funds	45,650,528	—	—	—	45,650,528
Equity and Other:					
Mutual funds	79,439,707	—	—	—	79,439,707
Private Equity	—	—		1,353,081	1,353,081
Commingled Funds	—	—		1,853,375	1,853,375
Subtotal	138,301,175	78,601,194	—	3,206,456	220,108,825
Money market funds/cash sweeps					11,632,445
Total investments by fair value					**$ 231,741,270**

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a variety of pricing techniques, including but not limited to fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price. The University does not hold any securities that would be classified as Level 3, significant unobservable inputs, for fair value measurement at June 30, 2023.

Investments in certain entities that calculate NAV per share are as follows:

	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
As of June 30, 2023					
Private debt	2	$ 7,199,517	$ 1,731,204	Illiquid and does not allow for redemption before the fund is fully wound down	N/A
Real estate	2	4,498,446	2,550,000	Quarterly Liquidity	Between 2-3 months
Private equity	2	4,343,084	10,148,719	Illiquid and does not allow for redemption before the fund is fully wound down	N/A
Total		**$ 16,041,047**	**$ 14,429,923**		

3. **INVESTMENTS (CONTINUED)**

	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
As of June 30, 2022					
Private debt	1	$ 788,468	$ 2,002,000	Illiquid and does not allow for redemption before the fund is fully wound down	N/A
Real estate	1	2,054,613	—	Quarterly Liquidity	Between 2-3 months
Private equity	1	363,375	9,836,625	Illiquid and does not allow for redemption before the fund is fully wound down	N/A
Total		**$ 3,206,456**	**$ 11,838,625**		

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the University believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Interest Rate Risk

Interest rate risk is defined as the risk a government may face should interest rate variances affect the fair value of investments. The University has an investment policy that addresses interest rate risk by incorporating weighted average maturity methodology in selecting and reporting its investments. As of June 30, 2023 and June 30, 2022 respectively, the University had the following investments subject to interest rate risk:

Investment Securities Subject to Interest Rate Risk at June 30, 2023

		Investment Maturities in Years				
Investment Type	**Total Fair Value**	**<1**	**1-5**	**6-10**	**11-15**	**>15**
Corporate bonds	$ 60,313,871	$ 4,976,128	$ 40,440,231	$14,897,512	$ —	$ —
U.S.and foreign government agency securities	11,232,991	—	9,929,880	1,303,111	—	—
U.S. government treasuries	13,873,649	4,889,798	8,983,851	—	—	—
Mortgage-backed securities	14,825,469	2,243,948	11,366,337	1,215,184	—	—
Money market mutual funds	2,513,725	2,513,725	—	—	—	—
Total	**$ 102,759,705**	**$ 14,623,599**	**$ 70,720,299**	**$17,415,807**	**$ —**	**$ —**

Investment Securities Subject to Interest Rate Risk at June 30, 2022

		Investment Maturities in Years				
Investment Type	**Total Fair Value**	**<1**	**1-5**	**6-10**	**11-15**	**>15**
Corporate bonds	$ 61,405,408	$ 8,533,237	$ 40,624,617	$12,247,554	$ —	$ —
U.S. and foreign government agency securities	2,825,052	—	1,762,392	1,062,660	—	—
U.S. government treasuries	13,210,940	12,943,669	267,271	—	—	—
Mortgage-backed securities	14,370,734	1,245,949	9,630,185	1,942,325	520,726	1,031,549
Money market mutual funds	11,632,445	11,632,445	—	—	—	—
Total	**$ 103,444,579**	**$ 34,355,300**	**$ 52,284,465**	**$15,252,539**	**$ 520,726**	**$1,031,549**

3. INVESTMENTS (CONTINUED)

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The University does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.)

As of June 30, 2023 and June 30, 2022 respectively, the University had the following investment credit risk:

Investment Securities Subject to Credit Risk at June 30, 2023

Credit Rating	Corporate Bonds	U.S. and Foreign Government Agency Securities	Mortgage-Backed Securities	Money Market Funds	Total Investments
AAA	$ 1,822,624	$ 11,232,991	$ 14,152,431	$ 1,684,205	$ 28,892,251
AA	13,965,769	—	—	829,520	14,795,289
A	44,067,310	—	—	—	44,067,310
BBB	458,169	—	—	—	458,169
Not rated	—	—	673,038	—	673,038
Total	**$ 60,313,872**	**$ 11,232,991**	**$ 14,825,469**	**$ 2,513,725**	**$ 88,886,057**

Investment Securities Subject to Credit Risk at June 30, 2022

T	Corporate Bonds	U.S. and Foreign Government Agency Securities	Mortgage-Backed Securities	Money Market Funds	Total Investments
AAA	$ 4,050,073	$ 2,825,052	$ 12,589,889	$ 752,382	$ 20,217,396
AA	11,801,179	—	1,780,845	119,413	13,701,437
A	42,686,204	—	—	—	42,686,204
BBB	2,867,953	—	—	—	2,867,953
Not rated	—	—	—	10,760,647	10,760,647
Total	**$ 61,405,409**	**$ 2,825,052**	**$ 14,370,734**	**$ 11,632,442**	**$ 90,233,637**

Concentration of Credit Risk

Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. The University does not have a formal policy that addresses concentration of risk for University holdings. The SIF investment policy does address concentration risk. As of June 30, 2023 and June 30, 2022, the University has the following concentration of credit risk as shown as following:

Investment Securities Subject to Concentration of Credit Risk

	As of June 30, 2023		As of June 30, 2022	
	Total Fair Value	Percentage of Total Investments	Total Fair Value	Percentage of Total Investments
JPMorgan Chase & Co.	$ 2,540,352	3.20%	$ 4,391,573	6.37%
Deutsche Bank Aktiengesellschaft	3,536,708	4.45%	4,406,516	6.39 %
Federal Home Loan Mortgage Corporation	4,540,496	5.71%	1,177,691	1.71 %
Morgan Stanley	4,266,261	5.37%	2,730,074	3.96 %

3. INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the University will not be able to recover the value of its investments that are in the possession of an outside party. The University investment policies do not address custodial credit risk. The University minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to University ownership and, further to the extent possible, be held in the University's name. At June 30, 2023 and June 30, 2022, all investments were held by the University or its counterparty in the University's name.

Risk and Uncertainties

The University invests in various types of investment securities rated A grade or better, although ratings of individual securities may change during the holding period, which is allowed under the policies. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investment securities may occur in the near term and such changes could affect the amounts reported in the statements of financial position.

There is always risk and volatility in the domestic and international investment markets. Consequently, the fair value of the University's investments may be exposed to higher than typical price volatility which could result in a subsequent reduction in fair value of certain investments from the amounts reported as of June 30, 2023.

4. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Receivables and unbilled charges consisted of the following at June 30, 2023 and June 30, 2022 respectively:

	2023	2022
Student tuition and fees, including Federal financial aid funds	$ 8,134,151	$ 8,502,341
Auxiliary enterprises	2,662,803	1,528,260
Educational activities	5,047,623	817,932
Grants and contracts	16,755,869	17,890,490
Due from Foundation	14,604,333	13,325,401
	47,204,779	42,064,424
Less allowance for doubtful accounts	(351,400)	(365,100)
Net accounts receivable and unbilled charges	$ 46,853,379	$ 41,699,324

5. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (Program) comprise a substantial portion of the loans receivable at June 30, 2023 and June 30, 2022. Under the Program, the Federal government provided approximately 67% of the funding for the Program, with the University providing the balance. The Program provides for the cancellation of a loan at rates of 12.5% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The federal government reimburses the University for amounts cancelled under these provisions.

The Program has been suspended by federal law, preventing universities from issuing any new loans after September 30, 2017. Final disbursements for existing loans as of that date were permitted through June 30, 2018. The University will continue to manage repayments of existing loans through its loan servicer.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans was $835,625 at June 30, 2023 and $1,069,779 at June 30, 2022.

6. LEASE RECEIVABLE & ARRANGEMENTS

The University's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under certain lease agreements, the University receives 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. For the years ending June 30, 2023 and June 30, 2022, the University received no variable lease payments.

The deferred inflow of resources is recorded 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 respective leases.

Future deferred inflows on noncancellable leases at June 30, 2023 are as follows:

Year Ending June 30	Principal Payments	Interest payments	Total
2024	$ 909,073	$ 214,707	$ 1,123,780
2025	728,681	195,462	924,143
2026	427,650	182,308	609,958
2027	352,649	172,087	524,736
2028	346,511	160,655	507,166
2029-2033	1,732,557	613,718	2,346,275
2034-2038	1,326,876	245,785	1,572,661
2039-2043	74,221	146,789	221,010
2044-2048	74,221	141,115	215,336
2049-2053	72,414	130,142	202,556
2054-2058	69,705	113,264	182,969
2059-2063	69,705	87,625	157,330
2064-2068	69,705	50,502	120,207
2069-2073	41,825	6,594	48,419
	$ 6,295,793	$ 2,460,753	$ 8,756,546

Lessor Arrangements:

The University leases space on buildings to cellular companies, in addition to land and office space to external parties with lease terms ending between June 30, 2027 through June 30, 2071. In accordance with GASB 87, the University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease, if available, or based on the University's incremental borrowing rate. During the years ended June 30, 2023 and June 30, 2022, the University recognized revenues related to these lease agreements totaling $1,004,064 and $1,073,621, respectively. Additionally during the years ended June 30, 2023 and June 30, 2022 the University recognized interest revenue related to these lease agreements totaling $235,787 and $257,861, respectively. During the year ended June 30, 2023, the University did not have any lease revenue related to variable receipts that were not previously included int he measurement of the lease receivable.

7. CAPITAL ASSETS & LEASED ASSETS

Capital assets at June 30, 2023 and 2022 consisted of the following:

Capital Assets: Year ended June 30, 2023

	Balance June 30, 2022	Additions	Transfers	Retirements	Balance June 30, 2023
Capital assets not being depreciated:					
Land	$ 32,216,479	$ 57,600	$ —	$ —	$ 32,274,079
Capitalized collections	2,606,686	108,720	—	—	2,715,406
Equipment construction in progress	710,830	4,553,693	(212,553)	(131,203)	4,920,767
Construction in progress	7,262,660	7,798,189	(9,631,584)	—	5,429,265
Total capital assets not being depreciated	**$ 42,796,655**	**$ 12,518,202**	**$ (9,844,137)**	**$ (131,203)**	**$ 45,339,517**
Other capital assets:					
Buildings	$ 692,176,817	$ 721,856	$ 8,484,355	$ (684,668)	$ 700,698,360
Other improvements	77,097,177	93,032	1,147,229		78,337,438
Furniture and equipment	117,423,846	8,495,230	212,553	(4,447,040)	121,684,589
Library materials	64,894,250	759,906	—	—	65,654,156
Total other capital assets	**$ 951,592,091**	**$ 10,070,024**	**$ 9,844,137**	**$ (5,131,708)**	**$ 966,374,543**
Less accumulated depreciation:					
Buildings	$ (320,451,590)	$ (17,255,117)	$ —	$ 490,489	$ (337,216,217)
Other improvements	(52,933,025)	(2,179,715)	—	—	(55,112,740)
Furniture and equipment	(99,305,450)	(6,089,881)	—	4,325,275	(101,070,056)
Library materials	(55,913,690)	(1,338,418)	—	—	(57,252,108)
Total accumulated depreciation	**$ (528,603,755)**	**$ (26,863,131)**	**$ —**	**$ 4,815,764**	**$ (550,651,121)**
Other capital assets — net	**$ 422,988,336**	**$ (16,793,107)**	**$ 9,844,137**	**$ (315,944)**	**$ 415,723,422**
Capital assets summary:					
Capital assets not being depreciated	$ 42,796,655	$ 12,518,202	$ (9,844,137)	$ (131,203)	$ 45,339,517
Other capital assets - at cost	951,592,091	10,070,024	9,844,137	(5,131,708)	966,374,543
Total cost of capital assets	**$ 994,388,746**	**$ 22,588,226**	**$ —**	**$ (5,262,911)**	**$ 1,011,714,060**
Less accumulated depreciation	**$ (528,603,755)**	**$ (26,863,131)**	**$ —**	**$ 4,815,764**	**$ (550,651,121)**
Capital assets — net	**$ 465,784,991**	**$ (4,274,905)**	**$ —**	**$ (447,147)**	**$ 461,062,939**

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2023 is approximately $42.6M. These CIP costs will be borne by the University and supplemented with additional funds provided by state appropriations, gifts, grants and contracts, and/or long-term borrowings.

7. CAPITAL ASSETS & LEASED ASSETS (CONTINUED)

Capital Assets: Year ended June 30, 2022

	Balance June 30, 2021	Additions	Transfers	Retirements	Balance June 30, 2022
Capital assets not being depreciated:					
Land	$ 32,216,479	$ —	$ —	$ —	$ 32,216,479
Capitalized collections	2,528,631	109,555	—	(31,500)	2,606,686
Equipment construction in progress	1,404,782	1,116,806	(1,257,430)	(553,328)	710,830
Construction in progress	51,763,779	5,531,382	(49,950,894)	(81,607)	7,262,660
Total capital assets not being depreciated	**$ 87,913,672**	**$ 6,757,743**	**$ (51,208,324)**	**$ (666,436)**	**$ 42,796,655**
Other capital assets:					
Buildings	$ 627,817,630	$ 64,551,158	$ —	$ (191,971)	$ 692,176,817
Other improvements	69,259,552	7,837,625	—	—	77,097,177
Furniture and equipment	112,299,143	7,103,442	—	(1,978,739)	117,423,846
Library materials	57,564,155	7,330,095	—	—	64,894,250
Total other capital assets	**$ 866,940,480**	**$ 86,822,320**	**$ —**	**$ (2,170,709)**	**$ 951,592,091**
Less accumulated depreciation:					
Buildings	(303,417,083)	(17,219,912)	—	185,405	(320,451,590)
Other improvements	(50,613,296)	(2,319,729)	—	—	(52,933,025)
Furniture and equipment	(95,341,663)	(5,836,166)	—	1,872,378	(99,305,450)
Library materials	(54,598,444)	(1,315,246)	—		(55,913,690)
Total accumulated depreciation	**$ (503,970,486)**	**$ (26,691,053)**	**$ —**	**$ 2,057,784**	**$ (528,603,755)**
Other capital assets — net	**$ 362,969,994**	**$ 60,131,267**	**$ —**	**$ (112,925)**	**$ 422,988,336**
Capital assets summary:					
Capital assets not being depreciated	$ 87,913,672	$ 6,757,743	$ (51,208,324)	$ (666,436)	$ 42,796,655
Other capital assets - at cost	866,940,480	86,822,320	—	(2,170,709)	951,592,091
Total cost of capital assets	**954,854,152**	**93,580,063**	**(51,208,324)**	**(2,837,145)**	**994,388,746**
Less accumulated depreciation	**(503,970,486)**	**(26,691,053)**	**—**	**2,057,784**	**(528,603,755)**
Capital assets — net	**$ 450,883,666**	**$ 66,889,010**	**$ (51,208,324)**	**$ (779,361)**	**$ 465,784,991**

7. CAPITAL ASSETS & INTANGIBLE ASSETS (CONTINUED)

The amount of leased assets by major classes of underlying assets at June 30, 2023 and 2022, respectively, are as follows:

Leased Assets: Year ended June 30, 2023

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Leased Assets Being Amortized				
Leased - Equipment	$ —	$ 28,083	$ —	$ 28,083
Leased - Buildings	15,422,226	135,640	(26,947)	15,530,919
Leased - Land	46,485	—	—	46,485
Leased - Office Equipment	880,209	—	(41,011)	839,198
IT Subscriptions	—	7,667,076	—	7,667,076
Total Leased Assets Being Amortized	**$ 16,348,920**	**$ 7,830,799**	**$ (67,958)**	**$ 24,111,761**
Less Accumulated Amortization:				
Leased - Equipment Amortization	$ —	$ (3,451)	$ —	$ (3,451)
Leased - Buildings Amortization	(929,794)	(943,510)	6,180	(1,867,124)
Leased - Land Amortization	(6,366)	(6,366)	—	(12,732)
Leased - Office Equipment Amortization	(274,922)	(269,843)	41,011	(503,754)
IT Subscriptions - Amortization	—	(1,825,753)	—	(1,825,753)
Total Amortization	**$ (1,211,082)**	**$ (3,048,923)**	**$ 47,191**	**$ (4,212,814)**
Total cost of Leased Assets Being Amortized	$ 16,348,920	$ 7,830,799	$ (67,958)	$ 24,111,761
Less Accumulated Amortization	(1,211,082)	(3,048,923)	47,191	(4,212,814)
Leased Assets — net	**$ 15,137,838**	**$ 4,781,876**	**$ (20,767)**	**$ 19,898,946**

7. CAPITAL ASSETS & INTANGIBLE ASSETS (CONTINUED)

Leased Assets: Year ended June 30, 2022

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Leased Assets Being Amortized				
Leased - Buildings	—	15,422,226	—	15,422,226
Leased - Land	—	46,485	—	46,485
Leased -Office Equipment	—	880,209	—	880,209
Total Leased Assets Being Amortized	**$ —**	**$ 16,348,920**	**$ —**	**$ 16,348,920**
Less Accumulated Amortization:				
Leased - Buildings Expense	—	(929,794)	—	(929,794)
Leased - Land Expense	—	(6,366)	—	(6,366)
Leased -Office Equipment Expense	—	(274,922)	—	(274,922)
Total Amortization	**$ —**	**$ (1,211,082)**	**$ —**	**$ (1,211,082)**
Total cost of Leased Assets Being Amortized	$ —	$ 16,348,920	$ —	$ 16,348,920
Less Accumulated Amortization	—	(1,211,082)	—	(1,211,082)
Leased Assets — net	**$ —**	**$ 15,137,838**	**$ —**	**$ 15,137,838**

8. ACCOUNTS PAYABLE

Accounts payable consisted of the following at June 30, 2023 and 2022:

	2023	2022
Operating activities	$ 16,221,476	$ 9,498,075
Sales and use tax payable	103,102	27,963
Total accounts payable	$ 16,324,578	$ 9,526,038

9. LEASES LIABILITY & SUBSCRIPTION BASED IT ARRANGEMENTS (SBITAs)

Future minimum lease payments on noncancellable leases and SBITAs at June 30, 2023 are as follows:

	LEASE LIABILITY		SBITA		TOTAL	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	812,330	529,219	2,313,787	122,151	3,126,117	651,370
2025	460,544	511,993	1,881,982	58,085	2,342,526	570,078
2026	387,975	499,538	1,010,573	15,938	1,398,548	515,476
2027	430,796	487,220	249,069	3,085	679,865	490,305
2028	451,626	473,283	—	—	451,626	473,283
2029-2033	1,194,861	2,240,204	—	—	1,194,861	2,240,204
2034-2038	1,824,447	1,949,267	—	—	1,824,447	1,949,267
2039-2043	2,626,914	1,519,864	—	—	2,626,914	1,519,864
2044-2048	3,646,403	914,269	—	—	3,646,403	914,269
2049-2053	2,812,510	166,932	—	—	2,812,510	166,932
	$ 14,648,406	$ 9,291,789	$ 5,455,411	$ 199,259	$ 20,103,817	$ 9,491,048

Lessee Arrangements:

The University leases real estate, land and equipment from external parties with lease terms ending between August 4, 2025 through July 31, 2051. In accordance with GASB 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the term of the respective leases. Refer to the long-term table within Footnote 10 for leased liability at June 30, 2023.

Subscription Based IT Arrangements (SBITAs):

The University entered into subscription based IT arrangements from external parties ranging with lease terms between July 1, 2022 through June 29, 2028. In accordance with GASB 96, the University records these subscriptions and liabilities based on the present value of expected payments over the term of the respective leases.

The expected payments are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases subject to a residual value guarantee. The intangible right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life. Intangible right-to-use assets total $24,111,761 and $16,348,920 for June 30, 2023 and 2022, respectively. Accumulated amortization totaled $4,212,813 and $1,211,082 for June 30, 2023 and 2022, respectively. Refer to leased asset table within Footnote 7 for leased assets by major classes of underlying assets at June 30, 2023.

10. LONG-TERM LIABILITIES

Long-term liability activity for years ended June 30, 2023 and 2022 is as follows:

	Ending Balance June 30, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
Accrued salary incentives	$ 2,414,545	$ —	$ 2,414,545	$ —	$ —
Net pension liability	—	53,732,105	—	53,732,105	—
Bonds payable	134,505,000		4,520,000	129,985,000	5,140,000
Concession CapEx Payable	393,705	729,033	20,207	1,102,531	56,137
Lease and SBITA liabilities	14,514,318	6,430,429	840,930	20,103,817	3,126,117
	$ 151,827,568	$ 60,891,567	$ 7,795,682	$ 204,923,453	$ 8,322,254
Premium on bonds	31,924,972	—	1,679,297	30,245,675	1,710,921
Totals	$ 183,752,540	$ 60,891,567	$ 9,474,979	$ 235,169,128	$ 10,033,175

	Ending Balance June 30, 2021	Additions	Reductions	Ending Balance June 30, 2022	Amounts Due Within One Year
Accrued salary incentives	$ 4,823,090	$ —	$ 2,408,545	$ 2,414,545	$ 2,414,545
Net pension liability	38,646,668	—	38,646,668	—	—
Bonds payable	144,865,000	38,075,000	48,435,000	134,505,000	4,520,000
Capital lease obligations	510,378	—	510,378	—	—
Concession CapEx Payable	—	393,705	—	393,705	20,207
Lease and SBITA liabilities	—	14,514,318	—	14,514,318	840,930
	$ 188,845,136	$ 52,983,023	$ 90,000,591	$ 151,827,568	$ 7,795,682
Premium on bonds	28,172,497	7,621,278	3,868,801	31,924,972	1,679,297
Totals	$ 217,017,633	$ 60,604,301	$ 93,869,392	$ 183,752,540	$ 9,474,979

11. BONDS PAYABLE

Bonds payable consisted of the following at June 30, 2023 and 2022:

Bonds Payable
As of June 30, 2023

Bond Issue	Original Face Value	Range of Semi-Annual Interest Percentages	Original Maturity Date	Outstanding Balance 2023	Outstanding Balance 2022
General Revenue and Refunding Bonds, Series 2013A, range of annual principal payments $85,000 - 1,570,000	$ 8,745,000	2.00% - 5.00%	2033	$ 1,040,000	$ 1,125,000
General Revenue Refunding Bonds, Series 2015A, range of annual principal payments $1,210,000 - 2,055,000	16,280,000	2.00% - 5.00%	2026	3,970,000	5,180,000
General Revenue Refunding Bonds, Series 2018A, range of annual principal payments $100,000 - 2,470,000	29,145,000	2.00% - 5.00%	2041	9,585,000	9,625,000
General Revenue and Refunding Bonds, Series 2020A, range of annual principal payments $390,000 - 2,395,000	44,015,000	4.00% - 5.00%	2050	42,145,000	43,215,000
General Revenue Refunding Bonds, Series 2021A, range of annual principal payments $1,010,000 - 2,890,000	38,295,000	5.00%	2041	36,035,000	37,285,000
General Revenue and Refunding Bonds, Series 2022A, range of annual principal payments $865,000 - 1,990,000	38,075,000	4.00% - 5.00%	2042	37,210,000	38,075,000
Bonds before premium				129,985,000	134,505,000
Premium on bonds				30,245,675	31,924,972
Total bonds outstanding				$ 160,230,675	$ 166,429,972

11. BONDS PAYABLE (CONTINUED)

Principal and interest maturities on bonds payable, excluding amortization of bond premium and principal and interest on bonds subject to an in-substance debt defeasance, are as follows for the years ending June 30:

	Bonds Payable	
	Principal	**Interest**
2024	$ 5,140,000	$ 6,210,493
2025	5,375,000	5,956,493
2026	5,635,000	5,690,558
2027	4,900,000	5,411,788
2028	5,120,000	5,181,850
2029-2033	28,395,000	21,917,131
2034-2038	32,305,000	14,551,600
2039-2043	29,275,000	6,554,550
2044-2048	10,805,000	2,017,450
2049-2053	3,035,000	229,500
	$ 129,985,000	$ 73,721,413

Pledged Revenues – As stated in the bond descriptions above, the University has pledged certain revenues as collateral for debt instruments comprised of all outstanding University bond issuances. The pledged revenue amounts for the years ended June 30, 2023 and 2022 are as follows:

	2023	**2022**
Source of Pledged Revenues		
Student Fees	$ 98,127,784	$ 93,901,390
Sales and Services Revenues	36,442,796	33,697,789
Other Operating Revenues	10,811,951	6,565,730
Investment Income	2,893,949	1,648,131
F&A Recovery Revenues	14,035,177	14,272,981
Total Pledged Revenues	$ 162,311,657	$ 150,086,021
Revenues Available for Debt Service	$ 162,813,708	$ 150,086,021
Debt Service on Bonds	$ 11,438,536	$ 11,867,051
Debt Service Coverage	14.20	12.60

Debt Defeased Through Refunding – During the fiscal year ending June 30, 2022, the University legally defeased the 2013B & 2014 Series bonds through a current refunding. The 2022A Series refunding bonds achieved debt service savings of $11.7M over the next 20 years and obtained an economic gain of $9.3M (the net present value of the debt service savings). The specific debt, principal payments, refunded amounts and remaining balances for the refunded bonds are as follows:

Refunded Issue	**Original Issue Amount**	**Principal Payments & Defeasance**	**Refunded Amount**	**Balance 6/30/2022**
General Revenue Refunding Bonds, Series 2013B	$ 6,325,000	$ 2,430,000	$ 3,895,000	—
General Revenue Refunding Bonds, Series 2014	$ 48,660,000	$ 8,715,000	$39,945,000	—
Totals	$ 54,985,000	$11,145,000	$43,840,000	$ —

11. BONDS PAYABLE (CONTINUED)

Debt Defeased - On December 30, 2020 The Regents of the University of Idaho defeased a portion of the Issuer's outstanding General Revenue Bonds, Series 2014 and a portion of the Issuer's outstanding General Revenue Refunding Bonds, Series 2018A, as described below:

Series Defeased		Original Issue Amount	Dated		Defeased Amount	Defeased Maturities	
Series 2014	$	48,660,000	7/10/2014	$	3,325,000	4/1/2021 through 4/1/2045	(*)
Series 2018A	$	29,145,000	2/13/2018	$	19,210,000	4/1/2021 through 4/1/2041	(**)

(*) The Defeased 2014 Bonds include portions of the term bonds maturing on April 1, 2035, April 1, 2039, and April 1, 2045 and the sinking fund installment payments occurring on April 1, 2034 through and including April 1, 2045. The Defeased 2014 Bonds maturing on April 1, 2021 and April 1, 2022 will be paid as scheduled at 100% of par and will not be redeemed prior to their stated maturity dates.

(**) The Defeased 2018A Bonds maturing on April 1, 2021 through and including April 1, 2028 will be paid as scheduled at 100% of par and will not be redeemed prior to their stated maturity dates.

The General Revenue Bonds, Series 2014 were issued for the purpose of providing funds to: 1) finance the construction and equipping of a research center to be referred to as the Integrated Research and Innovation Center; 2) finance the renovation of the College of Education Building and other improvements at the University; 3) finance improvements to portions of the University's utility system; and 4) pay the costs incurred in connection with the issuance and sale of the Series 2014 Bonds.

The General Revenue Bonds, Series 2018A were issued for the purpose of providing funds to: 1) defease and redeem certain of the University's outstanding bonds; 2) finance improvements to portions of the University's utility system; and 3) pay the costs incurred in connection with the issuance and sale of the Series 2018A Bonds.

The University has entered into a 50-year lease and concession agreement with Sacyr Plenary Utility Partners Idaho LLC for its steam plant and utility system, see Note 20. A portion of the upfront payment to the University was applied towards the defeasance and redemption of the defeased bonds.

The University deposited $28,533,490 into irrevocable escrow funds, proceeds of which will be applied to pay the principal and interest on the defeased bonds through and including their respective redemption dates. The Issuer transferred the Defeasance Amount on December 30, 2020 to Wells Fargo Bank, N.A., the escrow agent. Computershare Corporate Trust acquired Wells Fargo's corporate trust business in November 2021 with Wells Fargo Bank, N.A. remaining as the cash custodian for this account. Computershare Corporate Trust has selected J.P. Morgan as the custodian bank for the escrow as of October 2023.

Events of Default – Certain conditions detailed in the University's bond agreements constitute events of default. Such conditions include failure to make punctual payment of principal and interest payments on its bonds, failure to perform or observe any of its covenants, agreements or conditions identified as the responsibility of the University in its bond resolutions, failure to pay any rendered judgement against the University within 120 days of the entry of such judgement, dissolution or liquidation of the University or any filing by the University of a voluntary petition in bankruptcy, or the failure within 90 days to vacate or discharge upon entry of any order or decree, with consent of the University, appointing a receiver or receivers of the project being financed by the bond issue. If an event of default is not remedied by the University, the outstanding bonds and accrued interest as of that date will become immediately due and payable.

Lines of Credit – The University currently maintains no used or unused lines of credit.

12. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST

The University of Idaho (University) is self-insured for the health insurance benefits provided to employees and retirees. In June 2007, the University established an affiliated but independent trust for the purpose of funding and paying its medical, mental health, dental and vision claims and their associated administrative costs under its health insurance plan for both active and retired employees. This trust, known as the University of Idaho Health Benefits Trust (HBT), was established as a tax-exempt entity under Section 115(1) of the Internal Revenue Code of 1986, as amended. The HBT is administered by a board of trustees who are members of the University's active staff and faculty. The trust is maintained under the sole control of the HBT board of trustees. The University as employer retains authority for establishing and amending benefits under this self-insured health plan.

The HBT receives its funding for claims through a combination of employer, employee, and retiree contributions. These contribution amounts are established by the University in advance of the health plan year based upon independent actuarial valuation, which takes into account health plan participant demographics, health plan design, expected health claim costs, and expected investment returns on HBT reserves.

Employee contributions are made to the HBT on a bi-weekly basis corresponding to the University's payroll schedule. Retiree contributions are billed, collected, and remitted to the University by a third-party administrator on a monthly basis and are submitted to the HBT when received. Employer contributions are made monthly in advance in an amount equal to 1/12th the projected employer cost for the plan year. Additional employer funding may be provided by the University to the HBT as necessary to ensure the solvency of the HBT. Deposits into the HBT are irrevocable and may only be utilized for the payment of participating employee and retiree health plan claims, the associated administrative costs of such claims, and other necessary incidental costs attributable to the administration of the HBT.

Payments under the HBT are initiated via electronic request by University personnel on a weekly basis based upon processed claim information provided to the University by its contracted claim administrators. All retiree-related costs incurred on an annual basis within the HBT apply toward the calculation of the actuarially-determined contribution for each fiscal year, as determined under the requirements of Governmental Accounting Standards Board (GASB) Statement 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Additional contributions required for the funding of the University's OPEB obligation are deposited to the University of Idaho Retiree Benefits Trust (RBT) and Death Benefits Trust (DBT) as disclosed in Footnote 14 of these financial statements. The RBT and DBT only reports University resources transferred to it and held to make future benefit payments of the University's net OPEB liability.

12. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST (CONTINUED)

Investments Measured at Fair Value

Investments are stated at fair value. The following table represents cash and cash equivalents and investments by type as of December 31, 2022 and December 31, 2021, respectively:

December 31, 2022

Investment Type	12/31/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds/cash sweeps	$ 1,660,441	$ 1,660,441	$ —	$ —
Debt securities				
U.S. government agency securities	430,673	—	430,673	—
U.S. government treasury	4,066,271	4,066,271	—	—
Corporate certificates of deposit	2,457,805	—	2,457,805	—
Mutual Funds	863,535	863,535	—	—
Total debt securities	7,818,284	4,066,271	2,888,478	—
Total investments by fair value	$ 9,478,725	$ 6,590,247	$ 2,888,478	$ —

December 31, 2021

Investment Type	12/31/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds/cash sweeps	$ 1,611,572	$ 1,611,572	$ —	$ —
Debt securities				
U.S. government agency securities	460,610	—	460,610	—
U.S. government treasury	3,238,101	3,238,101	—	—
Corporate certificates of deposit	3,270,441	—	3,270,441	—
Total debt securities	6,969,152	3,238,101	3,731,051	—
Total investments by fair value	$ 8,580,724	$ 4,849,673	$ 3,731,051	$ —

Interest Rate Risk

Interest rate risk is defined as the risk a government may face should interest rate variances affect the fair value of investments. The HBT does not presently have a formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments.

12. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST (CONTINUED)

HBT Investments subject to interest rate risk were as follows at December 31, 2022 and 2021:

December 31, 2022

Investment Type	Total Fair Value	Investment Maturity in Years <1	1-5	6-10	>10
Money market funds/cash sweeps	$ 1,660,441	$ 1,660,441	$ —	$ —	$ —
U.S. government agency securities	430,673	—	430,673	—	—
U.S. government agency treasury	4,066,271	495,350	3,570,921	—	—
Corporate certificates of deposit	2,457,805	—	2,457,805	—	—
Mutual Funds	863,535	863,535	—	—	—
Total	$ 9,478,725	$ 3,019,326	$ 6,459,399	$ —	$ —

December 31, 2021

Investment Type	Total Fair Value	Investment Maturity in Years <1	1-5	6-10	>10
Money market funds/cash sweeps	$ 1,611,572	$ 1,611,572	$ —	$ —	$ —
U.S. government agency securities	3,698,711	—	2,834,197	864,514	—
Corporate certificates of deposit	3,270,441	—	3,270,441	—	—
Total	$ 8,580,724	$ 1,611,572	$ 6,104,638	$ 864,514	$ —

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB 40 requires disclosure of credit quality ratings for investments in debt securities. The HBT does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.)

HBT Investments subject to credit risk were as follows at December 31, 2022 and 2021:

December 31, 2022

Credit Rating	U.S. Government Agency Securities	Corporate Certificates of Deposit	Total Debt Securities
AA+	$ 430,673	$ —	$ 430,673
Not Rated	—	2,457,805	2,457,805
	$ 430,673	**$ 2,457,805**	**$ 2,888,478**

December 31, 2021

Credit Rating	U.S. Government Agency Securities	Corporate Certificates of Deposit	Total Debt Securities
AA+	$ 460,610	$ —	$ 460,610
Not Rated	—	3,270,441	3,270,441
	$ 460,610	**$ 3,270,441**	**$ 3,731,051**

12. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST (CONTINUED)

Concentration of Credit Risk

Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5% of the investments are concentrated in any one issuer.

As of December 31, 2022 and 2021, the HBT had the following investments which exceeded 5% concentration in any one issuer:

Investment Securities Subject to Concentration of Credit Risk at December 31, 2022 and 2021

	2022	2021
Federal Farm Credit Bank	6%	7%

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the HBT will not be able to recover the value of its investments that are in the possession of an outside party. The HBT minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to HBT ownership and further to the extent possible, be held in the HBT's name. At December 31, 2022 and 2021, respectively, all HBT funds were insured or registered investments, or investments held by the HBT or their agent in the HBT's name.

The financial statements of the HBT are audited annually on a calendar-year basis and are publicly available via public records request through the Vice President for Finance and Administration at the University of Idaho.

13. RETIREMENT PLANS

Pension Plan

Plan Description

The University contributes to the Base Plan, which is a cost-sharing multiple-employer defined benefit pension plan, administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

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

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2022 and 2021 were:

	2022	2021
Retirees and beneficiaries	53,190	50,891
Terminated employees and vested	15,489	14,539
Terminated employees and non-vested	34,714	31,179
Active plan members	74,409	73,563
Total system members	**177,802**	**170,172**

13. RETIREMENT PLANS (CONTINUED)

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

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 and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2022, it was 7.16% of their annual pay. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% of covered compensation. The University's contributions were $6,950,460 and $6,452,144 for the years ended June 30, 2023 and 2022, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the University reported a liability of $53,732,105 for its proportional share of the net pension liability. At June 30, 2022, the University reported an asset of $1,127,431 for its proportionate share of the net pension asset. The net pension asset or liability for each year was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension asset or liability for each year was based on the University's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022 and 2021, the University's proportion was 1.36 and 1.43 percent, respectively.

For the years ended June 30, 2023 and 2022, respectively, the University recognized pension expense of $5,214,647 and $(1,971,157). At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,908,570	$ 239,825
Changes in assumptions or other inputs	8,759,942	—
Net difference between projected and actual earnings on pension plan investments	12,363,122	—
Changes in the University's proportion and differences between the University's contributions and the University's proportionate contributions	—	4,099,900
University contributions subsequent to the measurement date	6,950,460	—
Total	**$ 33,982,094**	**$ 4,339,725**

13. RETIREMENT PLANS (CONTINUED)

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,661,113	$ 655,340
Changes in assumptions or other inputs	12,941,447	—
Net difference between projected and actual earnings on pension plan investments	—	35,411,724
Changes in the University's proportion and differences between the University's contributions and the University's proportionate contributions	—	4,961,262
University contributions subsequent to the measurement date	6,423,246	—
Total	**$ 21,025,806**	**$ 41,028,326**

The June 30, 2023 amount of $6,950,460 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The $6,423,246 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date at June 30, 2022 were recognized as a reduction of the net pension liability in the year ending June 30, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021, the beginning of the measurement period ended June 30, 2021, is 4.6, and is 4.6 for the measurement period June 30, 2022.

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

Year Ended June 30	Pension Expense (Revenue)
2024	$ 4,697,411
2025	5,468,892
2026	2,430,513
2027	10,095,095
Thereafter*	—
	22,691,910

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

Actuarial Assumptions

Valuations are based on actuarial assumptions, benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years on an open basis.

13. RETIREMENT PLANS (CONTINUED)

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

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return - net of investment fees	6.35%
Cost-of-living adjustments	1.00%

Assumptions used to calculate the enclosed figures are described in our 2021 Experience Study. The Total Pension Liability as of June 30, 2021 is based on the results of an actuarial valuation date 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 that the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility ad correlation. The capital market assumptions are as of 2022.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	0.00 %	0.00 %
Large Cap	18.00 %	4.50 %
Small/Mid Cap	11.00 %	4.70 %
International Equity	15.00 %	4.50 %
Emerging Markets Equity	10.00 %	4.90 %
Domestic Fixed	20.00 %	(0.25)%
TIPS	10.00 %	(0.30)%
Real Estate	8.00 %	3.75 %
Private Equity	8.00 %	6.00 %

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense, but without reduction for administrative expense.

13. RETIREMENT PLANS (CONTINUED)

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 calculated using the discount rate of 6.35%, as well as what the Employer's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate, as follows:

	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
Employer's proportionate share of the net pension liability (asset)	$94,818,763	$ 53,732,105	$ 20,090,200

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

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

Payables to the pension plan

At June 30, 2023 the University had no payables related to legally-required employer or employee contributions due the defined benefit pension plan for fiscal year 2022 and 2021 that had not been remitted to PERSI as of that date.

Other Retirement Plans

Optional Retirement Plan – Effective July 1, 1990, the Idaho State Legislature authorized the Board of Regents to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by and may be amended by the State of Idaho.

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options include Teachers Insurance and Annuity Association – College Retirement Equities Fund and Variable Annuity Life Insurance Company.

Participants are fully vested in the ORP immediately. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. The contribution requirements (and amounts paid) for the three years ended June 30, 2023, 2022 and 2021 were as follows:

ORP Contributions

	2023	2022	2021
Employer	$ 15,009,915	$ 10,108,806	$ 9,215,057
Employee	11,285,781	7,597,028	6,928,688
Total Contributions	**$ 26,295,696**	**$ 17,705,834**	**$ 16,143,745**

For the ORP enrollees who opted to irrevocably migrate from PERSI to the ORP plan when the ORP was first implemented, although such enrollees in the ORP no longer belong to PERSI, the University is required by the State of Idaho to contribute supplemental payments to PERSI for these enrollees in the amount of 1.49% of the annual covered payroll. The University will be required to make these annual supplemental payments through July 1, 2025. These supplemental amounts are not included in the regular University PERSI contribution discussed previously. During the three years ended June 30, 2023, 2022, and 2021, these supplemental funding payments made to PERSI were as follows:

13. RETIREMENT PLANS (CONTINUED)

ORP Supplemental Contributions to PERSI

	2023	2022	2021
Employer	$ 1,733,236	$ 1,624,127	$ 1,481,169

In addition to the University's Optional Retirement Program, the University has a disability benefit for ORP participants and makes payments to Standard Insurance on behalf of these ORP participants. Should an employee become unable to work and is transitioned into long-term disability (LTD), the insurance will continue to pay into their retirement account. The amounts paid for the three years ended June 30, 2023, 2022 and 2021 were as follows:

ORP Disability Contributions

	2023	2022	2021
Employer	$ 85,086	$ 80,013	$ 79,670

The University also contributes to the federal Civil Service and Thrift Savings retirement programs on behalf of its federal employees. The contribution requirements (and amounts paid) for the three years ended June 30, 2023, 2022 and 2021 were as follows:

Federal Civil Service and Thrift Savings Contributions

	2023	2022	2021
Employer	$ 74,671	$ 80,699	$ 74,633
Employee	17,166	19,588	19,131
Total Contributions	**$ 91,837**	**$ 100,287**	**$ 93,764**

The University also sponsors 401(k), 403(b), and 457(b) supplemental retirement plans for its employees. Contributions to these plans are strictly voluntary for employees and such contributions are subject to the applicable plan limitations. The University does not provide any matching or discretionary contributions for these plans.

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST

Plan Description

Plan Administration:

The University of Idaho administers the OPEB plan that is used to provide post employment benefits other than pensions (OPEB) for permanent full-time general employees. Management of the OPEB plan is overseen by University of Idaho Administration.

Plan membership: At December 31, 2022, the University of Idaho plan membership consisted of the following:

	Medical	Life	Sick-Leave
Retired members or beneficiaries currently receiving benefits	755	518	62
Vested terminated members entitled to but not yet receiving benefits	N/A	N/A	N/A
Active members	502	12	1,312
Total	**1,257**	**530**	**1,374**

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

Benefits provided:

The University provides medical benefits to eligible retirees, disabled employees, spouses, and survivors. The University also provides life insurance benefits to eligible retirees. Long-term disabled employees are treated as retirees and eligible for these same retiree benefits. The benefits represent a single-employer defined benefit plan administered by the University.

Under certain conditions the University pays a portion of the coverage for retirees and disabled employees and the retiree or disabled employee pays the remainder. Spouses and survivors are required to pay 100% of the cost for these benefits. 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. Employees who were hired on or after January 1, 2002 are not eligible for this benefit. Employees hired between January 1, 2002 and June 30, 2020 are eligible to participate in the University's health insurance plan, but the University does not cover any portion of their premiums, deductibles, or coinsurance; those costs are the sole responsibility of the employee. However, these employees are eligible to convert 50% of unused accrued sick time, up to 600 hours, to pay for their medical premiums. Unless the employee was eligible to retire by January 1, 2021, then once the employee reaches Medicare age, the benefit phases out between 2021 and 2024. In addition, participation in the plan is closed to employees hired after June 30, 2020. All University post-employment benefits may be further established or amended by the University or the Idaho State Board of Education.
The University offers a death benefit only to retirees who qualify for and are enrolled in the Tier I retiree health plan, and were hired by the University on or prior to January 1, 2002. The death benefit plan pays a benefit to a spouse or other designated beneficiary upon the death of a Tier I retiree. Retirees who are disabled, using sick leave conversion or are enrolled in the University's Retiree Health Plan on a self-pay basis or who retire under Tier II, III or IV eligibility criteria are not eligible for death benefits. Tier I Federal University retirees with Federal Employees Group Life Insurance are also not eligible for the death benefit.

University of Idaho Contributions:

The University makes an annual determination of funding needs for the OPEB liability. After the University has paid off the entire Net OPEB Liability contributions will be equal to the annual normal cost.

OPEB Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the years ended June 30, 2023 and 2022 respectively, the University recognized OPEB expense of $(2,094,273) and $(3,683,057). At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of assumptions or other inputs	$ —	$ 9,599,608
Net difference between projected and actual earnings on OPEB plan investments	4,967,163	—
Difference between expected and actual experience in the Total OPEB Liability	1,249,997	3,258,430
Total	**$ 6,217,160**	**$ 12,858,038**

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ —	$ 9,670,862
Net difference between projected and actual earnings on OPEB plan investments	—	5,136,722
Difference between expected and actual experience in the Total OPEB Liability	1,730,765	1,909,057
Total	**$ 1,730,765**	**$ 16,716,641**

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

Year Ended June 30	OPEB Expense (Revenue)
2024	$ (2,434,343)
2025	(1,556,702)
2026	(519,128)
2027	291,749
2028	(1,206,799)
Thereafter:	(1,215,655)
	$ (6,640,878)

University of Idaho Retiree Benefits Trust and Death Benefits Trust:

The University established the Retiree Benefits Trust (RBT) in 2008 and the Death Benefits Trust (DBT) in 2019 to fund the future payments required for its OPEB obligation. The RBT and DBT are independent, irrevocable trusts administered on behalf of the University by Wells Fargo Bank as trustee. Funding and payment of the annual, ongoing retiree benefits through the HBT as described in note 12 of these financial statements apply toward the ongoing annual funding requirements of the RBT and DBT.

The RBT and DBT operate on a calendar-year basis and the financial statements are audited as an integral part of the University's annual audit as represented in these statements.

The investments held in the RBT are summarized in the *Retiree Benefits Basis of Accounting and Valuation of Trust Assets* section of this note.

The University of Idaho OPEB liability has been calculated and reported combined for both RBT and DBT trusts.

Sensitivity

The following presents the Net OPEB Liability (NOL) of the University as well as what the University's NOL would be if it were calculated using a discount rate that is 1-percentage point lower (4.75%) or 1-percentage point higher (6.75%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage point lower or 1-percentage point higher that the current healthcare trend rates.

	1% Decrease in Discount Rate (4.75%)	Current Discount Rate (5.75%)	1% Increase in Discount Rate (6.75%)
Net OPEB Liability	$ (3,911,070)	$ (7,188,917)	$ (10,034,311)

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Net OPEB Liability	$ (9,593,220)	$ (7,188,917)	$ (4,460,679)

Net OPEB Liability

Reporting date for Employer under GASB 75	June 30, 2023
Reporting date for Trust under GASB 74	December 31, 2022
Measurement date for Employer under GASB 74 & 75	December 31, 2022

The components of the NET OPEB Liability (Asset) are as follows:

	December 31, 2022	December 31, 2021
Total OPEB Liability	$ 36,376,455	$ 40,875,556
Plan Fiduciary Net Position (Plan Assets)	43,565,372	51,549,502
Net OPEB Liability (Asset)	**$ (7,188,917)**	**$(10,673,946)**
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	119.76%	126.11%

The Net OPEB Liability (Asset) was measured as of December 31, 2022 and 2021. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of December 31, 2022 and December 31, 2021 using standard actuarial techniques, respectively.

Actuarial Assumptions

The Total OPEB Liability was measured by an actuarial valuation as of December 31, 2022 using the actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumptions	
Inflation	2.50%
Salary increases	3.00%, including inflation
Discount rate (effective December 31, 2022)	5.75%
Healthcare cost trend rates:	
Non-Medicare medical & prescription drug rates	7.25% graded to 4.50% over 10 years
Medicare medical	5.00% graded to 4.50% over 10 years
Medicare prescription drugs	8.50% graded to 4.50% over 10 years
Mortality rates (effective December 31, 2022):	
Healthy	PUB-2010 General Healthy Retiree Headcount-Weighted Mortality Tables, projected generationally with Scale MP-2021 from 2010
Disabled	PUB-2010 Disabled Retiree Headcount-Weighted Mortality Tables, projected generationally with Scale MP-2021 from 2010

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

Development of Long-Term Rate:

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The current allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

Determination of Discount Rate and Investment Rates of Return

Asset Class	Allocation at Allocation at December 31, 2022	Long-Term Expected Real Rate of Return	Money-Weighted Real Rate of Return
Domestic equity	41.25%	5.93%	2.45%
International equity, developed markets	11.00%	5.80%	0.64%
International equity, emerging markets	2.75%	6.90%	0.19%
Fixed income, core	42.00%	1.30%	0.55%
Short term governmental money market	3.00%	(0.40)%	(0.01)%
Total	**100.00%**		**3.82%**
Inflation			2.50%
Investment Rate of Return (Gross)			6.31%
Investment Expenses			(0.25)%
Investment Rate of Return (Net)			**6.06%**
Long-Term Rate of Return Used in Valuation			5.75%

Discount Rate:

The projection of cash flow used to determine the discount rate assumed that the University of Idaho's contributions would be made at rates equal to the actuarial determined contribution rates. Based on these assumptions, the OPEB Plan's fiduciary 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 of 5.75% on plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

Retiree Benefits Trust Basis of Accounting and Valuation of Trust Assets

Basis of accounting – Financial statements of the RBT and DBT are prepared using the accrual basis of accounting. University contributions are recorded and recognized in the period in which they are paid into the RBT and DBT.

Valuation of investments – Investments are reported at fair value. Changes in unrealized gain (loss) on the carrying value of the investments are reported as a component of the net change in fair value of investments in the RBT Statement of Changes in Fiduciary Funds Net Position. Valuation of investments does not include DBT funds, as the balance consists of cash as of December 31, 2022.

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

Investments Measure at Fair Value

The fair value of the RBT investments as of December 31, 2022 and December 31, 2021 were as disclosed below:

Investments at Fair Value at December 31, 2022

Investment Type	12/31/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds/cash sweeps	$ 1,329,910	$ —	$ 1,329,910	$ —
Bond/fixed income mutual funds	18,123,320	4,524,839	13,598,481	—
Stock mutual funds	24,112,138	3,429,840	20,682,298	—
Combined mutual funds	42,235,458	7,954,679	34,280,779	—
Total investments by fair value	**$43,565,368**	**$ 7,954,679**	**$ 35,610,689**	**$ —**

Investments at Fair Value at December 31, 2021

Investment Type	12/31/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds/cash sweeps	$ 1,525,010	$ —	$ 1,525,010	$ —
Bond/fixed income mutual funds	18,869,512	4,716,422	14,153,090	—
Stock mutual funds	31,144,900	4,428,808	26,716,092	—
Combined mutual funds	50,014,412	9,145,230	40,869,182	—
Total investments by fair value	**$51,539,422**	**$ 9,145,230**	**$ 42,394,192**	**$ —**

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as the risk a government may face should interest rate variances affect the fair value of investments. The RBT does not presently have as formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments.

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

The investments of the RBT subject to interest rate risk as of December 31, 2022 and December 31, 2021 are as follows:

Investment Securities Subject to Interest Rate Risk at December 31, 2022

		Investment Maturities in Years				
Investment Type	**Total Fair Value**	**<1**	**1-5**	**6-10**	**11-15**	**>15**
Money market funds/cash sweeps	$ 1,329,910	$ 1,329,910	$ —	$ —	$ —	$ —
Bond mutual funds	18,123,320	237,499	3,812,071	3,398,037	2,819,248	7,856,465
Total	**$ 19,453,230**	**$ 1,567,409**	**$ 3,812,071**	**$ 3,398,037**	**$2,819,248**	**$ 7,856,465**

Investment Securities Subject to Interest Rate Risk at December 31, 2021

		Investment Maturities in Years				
Investment Type	**Total Fair Value**	**<1**	**1-5**	**6-10**	**11-15**	**>15**
Money market funds/cash sweeps	$ 1,525,010	$ 1,525,010	$ —	$ —	$ —	$ —
Bond mutual funds	18,869,512	518,898	6,603,848	5,802,858	1,650,855	4,293,053
Total	**$ 20,394,522**	**$ 2,043,908**	**$ 6,603,848**	**$ 5,802,858**	**$1,650,855**	**$ 4,293,053**

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the RBT will not be able to recover the value of its investments that are in the possession of an outside party. The RBT does not presently have an investment policy that addresses custodial credit risk. At December 31, 2022 and December 31, 2021, all investments were held by the RBT or its counterparty in the RBT's name.

OPEB Accounting and Reporting

The University adopted GASB Statements 74 and 75 in fiscal year 2018. Statement 74 requires the University to disclose and report its net OPEB plan liability and associated components and assumptions in specific OPEB financial statements, footnotes, and required supplementary information. With the adoption of GASB 75, the University is now required to report within its own financial statements the impact of the net OPEB liability as calculated under Statement 74 along with deferred inflows and outflows relating to changes in the net OPEB liability.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The University does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.)

As of December 31, 2022 and December 31, 2021 respectively, the University had the following investment credit risk:

Investment Securities Subject to Credit Risk at December 31, 2022

		Investment Maturity in Years							
Investment Type	**Total Fair Value**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**Below B**	**Not Rated**
Money market funds/cash sweeps	$ 1,329,910	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,329,910
Bond mutual funds	18,123,320	11,105,346	577,067	1,738,387	3,193,630	727,652	281,929	245,831	253,478
Total	**$ 19,453,230**	**$ 11,105,346**	**$ 577,067**	**$ 1,738,387**	**$ 3,193,630**	**$ 727,652**	**$ 281,929**	**$ 245,831**	**$ 1,583,388**

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS), RETIREE BENEFITS TRUST, AND DEATH BENEFITS TRUST (CONTINUED)

Investment Securities Subject to Credit Risk at December 31, 2021

		Investment Maturity in Years							
Investment Type	**Total Fair Value**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**Below B**	**Not Rated**
Money market funds/cash sweeps	$ 1,525,010	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,525,010
Bond mutual funds	18,869,512	11,555,301	407,590	1,516,415	3,694,853	995,239	400,076	300,038	—
Total	**$ 20,394,522**	**$ 11,555,301**	**$ 407,590**	**$ 1,516,415**	**$ 3,694,853**	**$ 995,239**	**$ 400,076**	**$ 300,038**	**$ 1,525,010**

15. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

The following table shows the University's operating expenses by natural classifications within their functional classifications for the years ending June 30, 2023 and 2022:

Expenses 2023	Salaries	Benefits	Services	Supplies	Ins, utilities & rent	Scholarships & Fellowships	Depreciation & Amortization	Other	Totals
Instruction	$ 73,039,908	$23,460,611	$ 6,249,357	$ 4,205,983	$ 753,833	$ 6,638,139	$ —	$ 1,213,124	$ 115,560,955
Research	41,210,826	10,178,984	16,660,446	10,976,975	914,772	3,637,060	—	150,085	83,729,148
Public Service	23,431,330	7,471,857	11,169,288	2,829,286	681,639	1,830,956	—	1,104,134	48,518,490
Academic Support	11,978,182	4,156,983	3,355,678	1,109,100	1,335,246	209,362	—	590,732	22,735,283
Libraries	2,426,139	765,099	3,754,918	127,604	3,453	—	—	3,164	7,080,377
Student Services	7,644,850	2,815,859	2,255,082	849,282	254,012	174,171	—	892,481	14,885,737
Institutional Support	20,470,202	10,926,522	19,172,131	1,690,042	1,115,481	—	—	1,620,539	54,994,917
Plant Operations	7,072,548	2,529,278	3,428,090	5,031,445	20,061,536	975	29,912,052	8,779,066	76,814,990
Scholarships & Fellowships	6,397,664	611,056	627,628	15,458	1,182	15,911,805	—	26,886	23,591,679
Auxiliary Enterprises	12,347,847	3,767,574	7,586,495	4,205,886	3,020,529	4,159,873	—	975,060	36,063,264
	$206,019,496	**$66,683,823**	**$74,259,113**	**$31,041,061**	**$28,141,683**	**$32,562,341**	**$29,912,052**	**$ 15,355,271**	**$ 483,974,840**

Expenses 2022	Salaries	Benefits	Services	Supplies	Ins, utilities & rent	Scholarships & Fellowships	Depreciation & Amortization	Other	Totals
Instruction	$ 59,239,633	$21,482,875	$ 4,541,856	$ 7,266,541	$ 716,612	$ 6,181,448	$ —	$ 2,086,878	$ 101,515,843
Research	39,015,262	8,707,497	15,480,551	4,748,013	1,042,210	4,136,307	—	1,286,067	74,415,907
Public Service	22,234,269	5,869,899	14,608,776	2,664,147	599,353	1,246,237	—	664,244	47,886,925
Academic Support	12,086,768	3,599,800	2,500,666	370,790	73,209	178,755	—	420,565	19,230,553
Libraries	2,536,098	682,778	3,621,191	121,977	2,910	334,649	—	23,401	7,323,004
Student Services	7,762,054	2,495,094	2,006,396	229,162	217,194	135,017	—	598,198	13,443,115
Institutional Support	20,380,962	7,891,282	12,512,335	4,307,795	1,967,629	—	—	257,973	47,317,976
Plant Operations	7,156,215	2,231,111	2,717,322	1,614,162	20,622,004	—	27,907,295	(950,335)	61,297,774
Scholarships & Fellowships	5,681,458	207,418	1,840,829	25,223	—	23,413,477	—	(782,661)	30,385,744
Auxiliary Enterprises	11,071,623	3,195,310	6,774,214	847,162	2,634,316	3,979,108	—	469,550	28,971,283
	$187,164,342	**$56,363,065**	**$66,604,136**	**$22,194,972**	**$27,875,437**	**$39,604,998**	**$27,907,295**	**$ 4,073,880**	**$ 431,788,125**

16. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes 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. The University considers any such potential refunds likely to be immaterial.

The University is a defendant in litigation arising from the normal course of operations. Based on present knowledge, the University's administration believes any ultimate liability in these legal matters will not materially affect the financial position of the University.

17. RISK MANAGEMENT

The University participates in the State of Idaho's risk and insurance program, which includes liability and property coverage. The State of Idaho's Retained Risk Fund has a $500,000 cap for tort claims. The University's premiums are based on the State's actuarial calculations and are weighted for losses sustained by the University. Deductibles for the programs include $5,000 for property losses under $50,000, and $10,000 for losses over $50,000, $1,000 for auto physical damage, $5,000 for boiler and machinery losses, and $500 for fine art losses. There are no casualty deductibles. During the past three fiscal years, no settled claims have exceeded insurance coverage levels, and there has been no significant reduction in coverage.

In July 2014, the University became self-insured for its Worker's Compensation coverage. The University utilizes a third-party administrator to adjudicate its claims and make payments under this coverage. The University maintains two separate bank accounts for its self-insured program, a $500,000 reserve account as well as a separate account for ongoing claims processing and payments. On a monthly basis, the University receives standard industry reports from the TPA that track data related to incurred losses, medical only, indemnity claims, and closed and open status. None of the Workers Compensation claims have triggered the retention level of the Excess Workers Compensation policy.

Self-insured Worker's Compensation liability balances, which are included in accrued salaries and benefits payable on the Statement of Net Position, at year-end June 30, 2023 and 2022 were as seen on the following page:

Self-Insured Outstanding Liability at June 30, 2023

Accident Year	Projected Ultimate Loss	Paid-to-Date at 5/31/2023	Case Reserves at 5/31/2023	IBNR at 5/31/2023	Unpaid at 5/31/2023	Projected Paid 6/1/23 - 6/30/23	Outstanding Liability at 6/30/2023	Discounted at 4.25% Liability at 6/30/2023
7/1/2014	$ 643,601	$ 641,145	$ —	$ 2,456	$ 2,456	$ 19	$ 2,437	$ 1,942
7/1/2015	661,008	572,302	58,386	30,320	88,706	780	87,926	69,195
7/1/2016	747,715	732,001	0	15,714	15,714	170	15,544	12,182
7/1/2017	702,542	681,666	0	20,876	20,876	245	20,631	16,166
7/1/2018	869,130	831,986	0	37,144	37,144	513	36,631	28,902
7/1/2019	696,196	546,059	81,024	69,113	150,137	2,417	147,720	118,093
7/1/2020	526,597	366,989	67,058	92,550	159,608	3,116	156,492	127,713
7/1/2021	396,329	189,973	33,012	173,344	206,356	4,367	201,989	168,152
7/1/2022	782,154	200,954	263,216	317,984	581,200	18,752	562,448	487,813
	$ 6,025,272	**$ 4,763,075**	**$ 502,696**	**$ 759,501**	**$ 1,262,197**	**$ 30,379**	**$ 1,231,818**	**$ 1,030,158**

a. For 7/1/2022 year includes accident period from 6/1/2023 to 6/30/2023.
b. Equals unpaid at 5/31/2023 minus projected paid from 6/1/2023 to 6/30/2023.

17. RISK MANAGEMENT (CONTINUED)

Self-Insured Outstanding Liability at June 30, 2022

Accident Year	Projected Ultimate Loss	Paid-to-Date at 5/31/2022	Case Reserves at 5/31/2022	IBNR at 5/31/2022	Unpaid at 5/31/2022	Projected Paid 6/1/22 - 6/30/22	Outstanding Liability at 6/30/2022	Discounted at .25% Liability at 6/30/2022
7/1/2014	$ 659,758	$ 639,526	$ 8,691	$ 11,541	$ 20,232	$ 176	$ 20,056	$ 16,866
7/1/2015	652,366	550,155	52,247	49,964	102,211	1,036	101,175	84,666
7/1/2016	603,262	582,866	—	20,396	20,396	213	20,183	16,834
7/1/2017	756,332	674,839	27,047	54,446	81,493	1,025	80,468	67,268
7/1/2018	966,942	826,800	48,272	91,870	140,142	2,061	138,081	116,260
7/1/2019	671,633	473,507	89,690	108,436	198,126	3,128	194,998	165,571
7/1/2020	654,085	287,966	221,175	144,944	366,119	7,257	358,862	309,390
7/1/2021	571,895	109,040	151,443	311,412	462,855	14,480	448,375	399,773
	$ 5,536,273	**$ 4,144,699**	**$ 598,565**	**$ 793,009**	**$ 1,391,574**	**$ 29,376**	**$ 1,362,198**	**$ 1,176,628**

a. For 7/1/2021 year includes accident period from 6/1/2022 to 6/30/2022.
b. Equals unpaid at 5/31/2022 minus projected paid from 6/1/2022 to 6/30/2022.

18. COMPONENT UNITS

Discretely Presented Component Unit

The University of Idaho Foundation, Inc. (Foundation) is a legally separate 501(c)(3) component unit of the University of Idaho (University) which was established in 1970. The mission of the University of Idaho Foundation, Inc. is to inspire, manage, and distribute private support to enhance the excellence of the University of Idaho. A Board of Directors comprised of up to 25 members governs and conducts the business of the Foundation, meeting three to four times each fiscal year. The officers of the Foundation are Chairman, Vice-Chairman, Treasurer, Secretary, and Past Chairman. Committees include: Executive Committee, Committee on Directors, Operations Committee, Investment Committee, Audit Committee, Gift Acceptance Committee, and other committees appointed by the Chairman as necessary to carry out the business of the Foundation. Foundation business is conducted via regular meetings of the Board of Directors and its Executive Committee as well as through ongoing communications with committees and staff. Members of the Foundation's Board of Directors provide strong leadership and expertise in a variety of areas relative to its mission. In addition, directors also advise University leadership as requested, advocate for higher education, serve on various college advisory committees, and personally provide major private funding support for the University. Located in Moscow, the Foundation professional staff work collaboratively with the University development team, donors, and their advisors. The Foundation strategically partners with the leadership team at the University of Idaho including the President, Vice President of University Advancement, and the Vice President for Finance and Administration. Separate audited financial statements are prepared by the Foundation and may be obtained by contacting the University of Idaho Foundation.

The majority of the resources, or income earned from those resources, that the Foundation holds and invests are restricted to the activities of the University by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University and because these resources provide a significant amount of support to the University, the Foundation has been determined to be a component unit of the University and is discretely presented in the University's financial statements.

INVESTMENTS— Investments represent the largest asset of the Foundation making up 89% and 89% of the total assets at June 30, 2023 and 2022, respectively. Of those investments, 86%, are endowed and therefore held by the Consolidated Investment Trust (CIT) which was established by the Regents of the University of Idaho in 1959 to pool the endowment funds.

18. COMPONENT UNITS (CONTINUED)

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

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

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

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

A significant portion of the Foundation's investment assets are classified within Level 1 because they are comprised of open-ended mutual funds and stocks with readily determinable fair values based on daily redemption values. The Foundation invests in debt securities, which are traded in the financial markets. The U.S. Government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions. Debt securities and U.S. Government obligations are classified within Level 2. There are no investments within Level 3.

The Foundation's commingled debt funds are held in an investment trust with the objective to outperform the Barclays U.S. Government/Credit Index. The trust may invest in out-of-benchmark securities in order to provide value and diversification. The CIT's commingled international equity funds are held in an investment trust which invests in global markets excluding the U.S. The trust is not index-oriented and is designed to protect in down markets. The fair values of these funds have been determined using the net asset value (NAV) per share.

The Foundation's private equity limited partnerships are invested in real estate, venture funds and international funds. The fair values have been determined using the NAV per share. The fair values of the private equity limited partnerships have no readily ascertainable market prices. Similar to real estate, costs closely approximate fair value of recent acquisitions. Therefore, the fair values of private equity limited partnership investments are based on the valuations as presented in the fund's March 31st audited financial statements and adjusted for any cash calls and distributions through June 30th. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing, and other relevant factors. The fair value may differ significantly form the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual Foundation values, private equity represents 14.74% and 16.34%, of total investments as of June 30, 2023 and 2022, respectively.

18. COMPONENT UNITS (CONTINUED)

Investments in certain entities that calculate NAV per share are as follows:

As of June 30, 2023	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds					
Debt funds	1	$ 11,892,495	$ —	Daily	None
International equity	2	25,271,501	—	Monthly	15 days
Private equity	23	60,931,753	31,433,319	Illiquid	N/A
Total		**$ 98,095,749**	**$ 31,433,319**		

As of June 30, 2022	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds					
Debt funds	1	$ 11,475,034	$ —	Daily	None
International equity	1	11,651,070	—	Monthly	15 days
Private equity	23	63,881,266	31,271,525	Illiquid	N/A
Total		**$ 87,007,370**	**$ 31,271,525**		

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At June 30, 2023 the fair value of restricted and unrestricted investments was $404,676,367 and $8,751,721, respectively. At June 30, 2022, the fair value of restricted and unrestricted investments was $381,184,999 and $9,754,494, respectively.

18. COMPONENT UNITS (CONTINUED)

The following table represents the fair value of investments by type at June 30, 2023 and 2022 respectively on the following page:

Investment Type	2023	2022
U.S. government agency obligations	$ 8,247,466	$ 8,350,116
Corporate debt	25,445,473	31,424,734
U.S. treasuries	10,282,386	11,410,322
Common stock	77,593,687	67,071,420
Mutual funds		
U.S. equity	98,805,352	84,171,264
Debt	22,361,465	16,920,556
Real Estate	8,089,070	8,419,416
International/Emerging markets	39,689,711	49,968,509
Inflation protected	15,221,570	16,246,939
U.S. treasury	9,581,879	9,948,847
Comingled funds	37,163,996	23,126,104
Private equity	60,931,753	63,881,266
Preferred stock	14,281	—
	$ 413,428,089	**$ 390,939,493**

The related fair value of assets not valued at NAV are determined as follows:

As of As of June 30, 2023	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity Investments			
Common stock	$ 77,593,687	$ —	$ —
Preferred stock	—	—	—
Mutual funds	146,584,133	—	—
Fixed income investments			
Corporate bonds	—	25,445,473	—
Foreign governments	—	—	—
U.S. government agency obligations	—	18,529,852	—
Mutual funds	47,164,914	—	—
	$ 271,342,734	$ 43,975,325	$ —

18. COMPONENT UNITS (CONTINUED)

As of As of June 30, 2022	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity Investments			
Common stock	$ 67,071,420	$ —	$ —
Preferred stock	—	—	—
Mutual funds	142,559,176	—	—
Fixed income investments			
Corporate bonds	—	31,424,734	—
U.S. government agency obligations	—	—	—
Mutual funds	43,116,343	19,760,439	—
	$ 252,746,939	$ 51,185,173	$ —

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40 as the risk a government may face should interest rate variances affect the fair value of investments. 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. The Foundation does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2023, The Foundation had the following investments subject to interest rate risk:

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate debt	$ 25,445,472	$ 4,003,340	$ 20,547,975	$ 447,522	$ 446,636
U.S. government agency obligations	8,247,465	491,145	6,695,632	442,672	618,016
U.S. treasuries	10,282,387	5,105,269	5,177,118	—	—
	$ 43,975,324	$ 9,599,754	$ 32,420,724	$ 890,194	$ 1,064,652

As of June 30, 2022, The Foundation had the following investments subject to interest rate risk:

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Corporate debt	$ 31,424,734	$ 7,831,931	$ 22,465,690	$ 565,861	$ 561,252
U.S. government agency obligations	8,350,116	545,516	6,450,568	565,034	788,998
U.S. treasuries	11,410,322	2,392,476	9,017,846	—	—
	$ 51,185,172	$ 10,769,923	$ 37,934,104	$ 1,130,895	$ 1,350,250

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40 requires disclosure of credit quality ratings for investments in debt securities. The Foundation does not have a formal policy that limits its investment choices. The credit risk ratings listed below are issued upon standards set by Standard and Poor's.

18. COMPONENT UNITS (CONTINUED)

At June 30, 2023, the Foundation had the investment credit risk as shown on the following page:

Credit Rating	U.S. Government Agency Obligations	Corporate Debt	Total
		Investment Type	
AAA	$ 942,150	$ 647,792	$ 1,589,942
AA	7,305,316	3,876,990	11,182,306
A	—	15,041,477	15,041,477
BBB	—	5,454,900	5,454,900
BB	—	377,855	377,855
CCC	—	13,501	13,501
Not Rated	—	32,957	32,957
Total	**$ 8,247,466**	**$ 25,445,473**	**$ 33,692,939**

At June 30, 2022, the Foundation had the following investment credit risk:

Credit Rating	U.S. Government Agency Obligations	Corporate Debt	Total
		Investment Type	
AAA	$ 945,020	$ 1,136,122	$ 2,081,142
AA	6,859,580	5,173,135	12,032,715
A	545,516	18,207,338	18,752,854
BBB	—	6,262,932	6,262,932
BB	—	448,958	448,958
CCC	—	14,643	14,643
Not Rated	—	181,606	181,606
Total	**$ 8,350,116**	**$ 31,424,734**	**$ 39,774,850**

Concentration of Credit Risk

Per GASB Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation has a formal policy addressing concentration of credit risk. Investments shall be diversified with the intent to minimize the risk of large realized and unrealized losses to the invested assets. The total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holding in individual issues, corporations, or industries.

- Not more than 5% of the total equity portfolio valued at market may be invested in the common stock of any one corporation.
- Debt securities of any one issuer shall not exceed 5% of the market value of the total bond portfolio at the time of purchase (except U.S. Treasury or other federal agencies).
- With the exception of passively managed portfolios, not more than 20% of the total portfolio may be invested in any one investment manager, fund, or pool.
- With the exception of passively managed portfolios, not more than 30% of the total portfolio may be invested with any one investment manager regardless of the number of funds with that manager.

At the end of 2023 and 2022, the Foundation was in compliance with the policy addressing concentration of credit risk.

18. COMPONENT UNITS (CONTINUED)

Custodial Credit Risk

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 minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. At June 30, 2023 and 2022 all Foundation funds were held in the name of the counterparty for benefit of the Foundation.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation investment policy limits the exposure to foreign investment holdings in the portfolio.

The Foundation is exposed to foreign currency risk in foreign stocks that it holds as follows:

Currency Type		June 30, 2023 Fair Value	June 30, 2022 Fair Value
AUD	Australia	$ 559,347	$ 601,309
CAD	Canada	775,368	638,712
CHF	Switzerland	1,931,227	1,812,732
DKK	Denmark	1,099,564	1,132,741
EUR	Euro	5,245,668	3,620,825
GBP	Great Britain	1,504,065	1,581,832
HKD	Hong Kong	511,830	582,069
JPY	Japan	2,529,285	2,050,814
SEK	Sweden	155,363	—
SGD	Singapore	252,477	257,254
		$ 14,564,194	**$ 12,278,288**

DISTRIBUTIONS TO UNIVERSITY OF IDAHO AND AFFILIATES

During fiscal years 2023 and 2022, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2023		**2022**	
	CIT Endowment Income	Gifts and Other Revenues	CIT Endowment Income	Gifts and Other Revenues
Scholarships	$ 9,019,383	$ 2,163,648	$ 8,106,087	$ 1,742,555
Student loans	203,659	—	195,417	—
Building funds	—	215,905	—	331,775
University of Idaho College and Department Operating Accounts	5,388,169	10,016,084	5,024,446	18,123,382
Life beneficiaries	7,371	—	8,916	—
University of Idaho affiliates	—	16,838	—	20,359
Total Distributions	**$ 14,618,584**	**$ 12,412,474**	**$ 13,334,866**	**$ 20,218,071**

18. COMPONENT UNITS (CONTINUED)

DONOR RESTRICTED ENDOWMENTS

The Foundation receives certain gift assets that are restricted for endowment purposes, and by definition the original gift amount is in perpetuity for the benefit of the University. Restriction requirements for principal preservation are addressed by Idaho statute, and are applicable lacking any further guidance from the individual gift agreement. During the fiscal years ended June 30, 2023 and 2022, $13,817,735 and $23,152,009 were contributed to endowments, respectively.

The Foundation Board of Directors establishes a spending rate annually for endowments. The approved fiscal year 2023 and 2022 spending rate was set at 4.3% of the 3 year rolling average of the CIT's monthly fair market value.

During the fiscal years ended June 30, 2023 and 2022, the endowments held by the Foundation had net appreciation (depreciation) on endowments of $19,234,227 and $(17,219,812), respectively. Unrealized appreciation (depreciation) is included with the "Restricted–expendable" Net Position.

Blended component unit

University of Idaho Strategic Initiatives Fund

The University of Idaho Strategic Initiatives Fund is an Idaho non-profit corporation established on December 18, 2020 and operated exclusively for charitable, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code for the benefit of the University of Idaho (University). See Note 1 for additional information.

Significant financial data for University of Idaho Strategic Initiatives Fund for the year ended June 30, 2023 are presented below:

CONDENSED STATEMENT OF NET POSITION

	2023	2022
Assets		
Cash and other assets	$ 160,104,323	$ 163,308,798
Total Assets	**160,104,323**	**163,308,798**
Liabilities		
Accounts payable and other current liabilities	$ 165,538,554	$ 179,866,138
Total Liabilities	**165,538,554**	**179,866,138**
Net Position		
Unrestricted	$ (5,434,231)	$ (16,557,340)
Total Net Position	**$ 160,104,323**	**$ 163,308,798**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2023	2022
Program Expenses		
General expense	$ 54,403	$ 68,239
Total Program Expenses	**54,403**	**68,239**
Program Revenues		
Net Investment Income	(1,000,966)	10,848,784
Net increase (decrease) in fair value of investments	12,178,423	(32,658,328)
Total Program Revenues	**11,177,457**	**(21,809,544)**
Change in Net Position	11,123,054	(21,877,783)
Net Position, beginning of year	(16,557,340)	5,320,443
Net Position, end of year	**$ (5,434,231)**	**$ (16,557,340)**

19. RELATED ORGANIZATIONS

The Vandal Boosters, Inc. (Boosters) is a fund raising organization that provides financial assistance and services to the University of Idaho intercollegiate athletic department. Contributions received by the University from this organization are recorded as gifts. It does not provide significant financial resources to the University and is not reported as a component unit.

The University of Idaho Alumni Association (Association) was established to develop and maintain a positive relationship with alumni, parents, and friends of the University. The Association is a legally separate organization which provides a valuable service to the University. It does not provide significant financial resources to the University and is not reported as a component unit.

Four Three Education, Inc (Four Three) was created on June 21, 2023 as a legally separate Idaho nonprofit corporation to establish, operate, conduct, and administer a degree granting and credit bearing institution of higher education affiliated with The Regents of the University of Idaho. Four Three executed an Asset Purchase Agreement (APA) on May 31, 2023 to acquire the assets of the University of Phoenix. Four Three received approval from the Internal Revenue Service on July 21, 2023 to operate as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The purchase of the University of Phoenix is expected to close in early-2024, subject to certain terms, conditions and contingencies as outlined in the APA. As of June 30, 2023, Four Three held no assets nor had any financial activity to report for the year ended June 30, 2023. At this time, management is assessing the post-closing reporting treatment for the new entity.

20. UTILITY SYSTEM LEASE AND CONCESSION AGREEMENT

On November 2, 2020, the University's Board of Regents approved the University entering into a 50-year agreement, a public-private partnership (P3) with Sacyr Plenary Utility Partners Idaho LLC (SPUPI), and grant it the right to provide utility services to the University of Idaho campus and the exclusive right to operate the University of Idaho utility system. On December 30, 2020, the University received an upfront payment of $225,000,000. The upfront payment Is reported as Deferred inflows related to public private partnership and Is being amortized to lease Income on a straight-line basis over the term of the agreement. Deferred inflows related to the P3 are $213,750,000 in FY23 and $218,250,000 in FY22

Under the agreement, SPUPI operates, maintains, and makes capital Investments In the utility system and charges the University a Utility Fee, which includes fixed, variable, and operating and maintenance (O&M) components. SPUPI capital investments in the utility system are recognized as capital assets and a related long-term payable to the concessionaire. As of June 30, 2023 and June 30, 2022 $1,628,561 and $404,136 respectively in capital improvements have been made related to the P3. The balance of construction in progress related to the P3 agreement was $1,675,655 in FY23 and $0 in FY22 The fixed and O&M components of the Utility Fee are recognized as operating expense. The variable component of the Utility Fee will be recognized as a reduction in the long-term payable to the concessionaire and interest expense.

The University recognized fixed and O&M utility fee expenses totaling $11,976,286 for the year ended June 30, 2023 and $12,229,045 for the year ended June 30, 2022.

SUPPLEMENTARY INFORMATION
AND
OTHER INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION – Pension Plan

Schedule of University's Proportionate Share of Net Pension Liability

PERSI – Base Plan

Year ended June 30,	University's portion of net pension liability	University's proportionate share of the net pension liability (asset)	University's covered payroll	University's proportional share of the net pension liability as a percentage of it's covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	1.83 %	$ 13,469,341	$ 50,667,755	26.58 %	94.95 %
2016	1.81 %	23,973,741	52,317,861	45.82 %	26.58 %
2017	1.79 %	36,275,764	57,486,009	63.10 %	87.26 %
2018	1.85 %	29,092,164	59,160,024	49.18 %	90.68 %
2019	1.84 %	27,122,978	63,480,316	42.73 %	91.69 %
2020	1.80 %	20,569,074	59,445,025	34.60 %	93.79 %
2021	1.70 %	38,646,668	53,160,460	72.70 %	88.22 %
2022	1.43 %	(1,127,431)	53,939,963	(2.09)%	100.36 %
2023	1.36 %	53,732,105	58,649,133	91.62 %	83.09 %

Schedule of University Contributions

PERSI – Base Plan

Year ended June 30,	Statutorial-required contribution	Contributions in relation to the statutorily-required contribution	Contribution (deficiency) excess	University's covered payroll	Contributions as a percentage of covered payroll
2015	$ 5,735,586	$ 5,735,586	$ —	$ 50,667,755	11.32 %
2016	5,917,860	5,917,860	—	52,317,861	11.31 %
2017	6,507,425	6,507,425	—	57,486,009	11.32 %
2018	6,696,913	6,696,913	—	59,160,024	11.32 %
2019	7,185,973	7,185,973	—	63,480,316	11.32 %
2020	7,069,224	7,069,224	—	59,445,025	11.89 %
2021	6,360,836	6,360,836	—	53,160,460	11.94 %
2022	6,423,246	6,423,246	—	53,939,963	11.91 %
2023	6,950,460	6,950,460	—	58,649,133	11.85 %

REQUIRED SUPPLEMENTARY INFORMATION – Postemployment Benefits

(Other Than Pensions) – (OPEB)

Schedule of Changes in Net OPEB Liability - Last Six Fiscal Years[1]

Reporting date for Employer under GASB 75	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Reporting date for Employer under GASB 74	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Measurement Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability						
Service cost	$ 131,641	$ 144,947	$ 569,060	$ 578,929	$ 505,261	$ 505,073
Interest	2,282,996	2,494,254	3,347,242	3,837,295	3,697,710	3,606,077
Change of benefit terms	—	—	(12,709,415)	(3,256,044)	—	—
Differences between expected and actual experience	(1,914,015)	(798,490)	(833,697)	(917,763)	3,653,835	—
Changes of assumptions	(2,356,966)	(1,150,768)	(1,481,712)	(5,688,728)	(8,337,551)	—
Benefit payments, including refunds of member contributions	(2,642,757)	(2,445,062)	(2,915,743)	(2,549,475)	(3,188,730)	(2,676,167)
Net change in Total OPEB Liability	(4,499,101)	(1,755,119)	(14,024,265)	(7,995,786)	(3,669,475)	1,434,983
Total OPEB Liability - beginning	40,875,556	42,630,675	56,654,940	64,650,726	68,320,201	66,885,217
Total OPEB Liability - ending	**36,376,455**	**40,875,556**	**42,630,675**	**56,654,940**	**64,650,726**	**68,320,201**
Plan Fiduciary Net Position						
Contributions - employer	2,765,696	2,556,560	3,040,902	2,659,639	3,895,180	2,961,065
Contributions - employee	—	—	—	—	—	—
Net investment income	(7,974,018)	4,999,319	6,366,769	6,413,776	(1,839,891)	3,527,768
Benefit payments, including refunds of member contributions	(2,642,757)	(2,445,062)	(2,915,743)	(2,549,475)	(3,188,730)	(2,676,167)
Administrative expense	(133,051)	(136,698)	(125,159)	(110,164)	(91,450)	(74,899)
Other[2]	—	—	35,358	—	—	—
Net change in Plan Fiduciary Net Position	(7,984,130)	4,974,119	6,402,127	6,413,776	(1,224,891)	3,737,767
Plan Fiduciary Net Position - beginning	51,549,502	46,575,383	40,173,256	33,759,480	34,984,371	31,246,603
Plan Fiduciary Net Position - ending	43,565,372	51,549,502	46,575,383	40,173,256	33,759,480	34,984,370
Net OPEB Liability - ending	**(7,188,917)**	**(10,673,946)**	**(3,944,708)**	**16,481,684**	**30,891,246**	**33,335,830**
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	119.76%	126.11%	109.25%	70.91%	52.22%	51.21%
Covered payroll	$ 133,814,282	$ 137,069,380	$ 153,290,912	$ 170,117,886	$ 165,468,096	$ 159,935,268
University's net OPEB liability as a percentage of covered payroll	(5.37)%	(7.79)%	(2.57)%	9.69%	18.67%	20.84%

1 The above information is required beginning in 2017. A full 10-year trend will be compiled in future

[2] Includes Death Benefit Payments Trust assets as of December 31, 2020.

University of Idaho

REQUIRED SUPPLEMENTARY INFORMATION – Postemployment Benefits

(Other Than Pensions) – (OPEB)

Schedule of OPEB Contributions - Last Ten Fiscal Years[1]

Year Ended June 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contributions Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	3,177,000	3,233,000	(56,000)	140,728,000	2.30 %
2016	2,711,000	2,751,000	(40,000)	150,995,000	1.82 %
2017	3,321,000	3,157,000	164,000	152,999,000	2.06 %
2018	3,537,000	3,592,000	(55,000)	157,589,000	2.28 %
2019	3,451,000	2,937,000	514,000	162,317,000	1.81 %
2020	3,285,000	3,048,000	237,000	172,651,000	1.77 %
2021	2,151,000	3,179,000	(1,028,000)	155,573,000	2.04 %
2022	(442,000)	N/A	N/A	139,110,000	N/A
2023	1,203,000	N/A	N/A	128,516,000	N/A
2024	(855,000)	N/A	N/A	126,134,000	N/A

See accompanying notes to this schedule

[1] All the numbers shown above are rounded to the nearest thousand.

For years prior to the year ended June 30, 2017, the Actuarial Determined Contribution (ADC) was assumed to be equal to the Annual Required Contribution (ARC) as reported under GASB Statement No. 45 for each applicable year.

Notes to Schedule:
Methods and assumptions used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Measurement date	June 30, 2023
Actuarial cost method	Entry Age, Level Percentage of Payroll
Amortization method	Level Dollar, Closed
Remaining amortization period	19 years remaining for the year ending June 30, 2018
	18 years remaining for the year ending June 30, 2019
	17 years remaining for the year ending June 30, 2020
	16 years remaining for the year ending June 30, 2021
	15 years remaining for the year ending June 30, 2022
	14 years remaining for the year ending June 30, 2023
	13 years remaining for the year ending June 30, 2024
Asset valuation method	The market Value of assets as of December 31, 2022 projected to the measurement date

SUPPLEMENTARY INFORMATION –STATEMENTS OF OTHER EMPLOYEE BENEFITS TRUST FUNDS

STATEMENTS OF OTHER EMPLOYEE BENEFITS TRUST FUNDS NET POSITION
AS OF DECEMBER 31, 2022 (unaudited)

	Retiree Benefits Trust 2022	Health Benefits Trust 2022	Death Benefits Trust 2022	Total
Assets				
Cash and short-term investments	$ 1,329,910	$ 1,660,441	$ 3	$ 2,990,354
Prepaid Expenses	—	313,867	—	313,867
Accounts receivable	—	105,946	—	105,946
Interest receivable	—	42,745	—	42,745
Investments, at fair value:				
Fixed income securities	18,123,320	7,818,284	—	25,941,604
Equity securities	24,112,139	—	—	24,112,139
Total assets	**43,565,369**	**9,941,283**	**3**	**53,506,655**
Liabilities				
Accounts payable	—	237,335	—	237,335
IBNR liability	—	2,163,200	—	2,163,200
Total liabilities	**—**	**2,400,535**	**—**	**2,400,535**
Net position held in trust for benefits	**$ 43,565,369**	**$ 7,540,748**	**$ 3**	**$ 51,106,120**

	Retiree Benefits Trust 2022	Health Benefits Trust 2022	Death Benefits Trust 2022	Total
Additions				
Contributions				
Employer	$ —	$ 24,722,246	$ 267,888	$ 24,990,134
Plan members	—	6,698,270	—	6,698,270
Total contributions	**—**	**31,420,516**	**267,888**	**31,688,404**
Net investment (loss) income	(7,848,711)	(373,556)	67	(8,222,200)
Total additions	**(7,848,711)**	**31,046,960**	**267,955**	**23,466,204**
Deductions				
Insurance claim benefits	—	26,144,346	278,000	26,422,346
Change in IBNR	—	(20,800)	—	(20,800)
Premiums	—	125,974	—	125,974
Administrative expenses	125,341	3,849,719	31	3,975,091
Total deductions	**125,341**	**30,099,239**	**278,031**	**30,502,611**
Net increase (decrease) in assets held in trust for benefits	**(7,974,052)**	**947,721**	**(10,076)**	**(7,036,407)**
Benefit plan net position, beginning of year	51,539,421	6,593,027	10,079	58,142,527
Benefit plan net position, end of year	$ 43,565,369	$ 7,540,748	$ 3	$ 51,106,120

SUPPLEMENTARY INFORMATION –STATEMENTS OF OTHER EMPLOYEE BENEFITS TRUST FUNDS

STATEMENTS OF OTHER EMPLOYEE BENEFITS TRUST FUNDS NET POSITION
AS OF DECEMBER 31, 2021 (unaudited)

	Retiree Benefits Trust 2021	Health Benefits Trust 2021	Death Benefits Trust 2021	Total
Assets				
Cash and short-term investments	$ 1,525,009	$ 1,732,730	$ 10,072	$ 3,267,811
Prepaid Expenses		305,015		305,015
Accounts receivable		240,345	—	240,345
Interest receivable		25,479	8	25,487
Investments, at fair value				
Fixed income securities	18,869,512	6,969,152	—	25,838,664
Equity securities	31,144,900	—	—	31,144,900
Pooled securities	—	—	—	—
Total assets	**51,539,421**	**9,272,721**	**10,080**	**60,822,222**
Liabilities				
Accounts payable	—	495,695	—	495,695
IBNR liability	—	2,184,000	—	2,184,000
Total liabilities	**—**	**2,679,695**	**—**	**2,679,695**
Net position held in trust for benefits	**$ 51,539,421**	**$ 6,593,026**	**$ 10,080**	**$ 58,142,527**

	Retiree Benefits Trust 2021	Health Benefits Trust 2021	Death Benefits Trust 2021	Total
Additions				
Contributions				
Employer	$ —	$ 25,456,539	$ 240,300	$ 25,696,839
Plan members	—	6,962,652	—	6,962,652
Total contributions	**—**	**32,419,191**	**240,300**	**32,659,491**
Net investment (loss) income	5,143,221	(65,463)	8	5,077,766
Total additions	**5,143,221**	**32,353,728**	**240,308**	**37,737,257**
Deductions				
Insurance claim benefits		25,354,403	265,500	25,619,903
Change in IBNR		207,500	—	207,500
Premiums		123,609	—	123,609
Administrative expenses	143,825	3,730,050	85	3,873,960
Total deductions	**143,825**	**29,415,562**	**265,585**	**29,824,972**
Net increase (decrease) in assets held in trust for benefits	**4,999,396**	**2,938,166**	**(25,277)**	**7,912,285**
Benefit plan net position, beginning of year	46,540,025	3,654,860	35,357	50,230,242
Benefit plan net position, end of year	**$ 51,539,421**	**$ 6,593,026**	**$ 10,080**	**$ 58,142,527**

OTHER INFORMATION - FINANCIAL ASSETS AND LIQUIDITY RESOURCES (unaudited)

The following table reflects the University's financial assets, reduced by amounts not available for general expenditures within one year. Financial assets are unavailable when illiquid or not convertible to cash within one year, or when restricted for purposes such as bond funded projects, loan funds, or grants and contracts. The University considers all expenditures related to its operating activities that are incurred in the course of normal business operations to be general expenditures.

	Year Ended June 30, 2023	Year Ended June 30, 2022
Financial assets:		
Cash and short-term investments, unrestricted	$ 9,440,640	$ 20,004,976
Cash and short-term investments, restricted	5,870,034	4,975,872
Due from state agencies	—	—
Investments available for general purposes	238,743,704	231,741,270
Accounts receivable and unbilled charges, net	46,853,379	41,699,324
Student loans receivable	2,876,375	4,027,618
Interest and other receivables	933,590	974,887
Total financial assets	**$ 304,717,721**	**$ 303,423,947**
Financial assets unavailable for general expenditures within one year:		
Accounts receivable beyond one year	$ —	$ —
Student loans receivable beyond one year or restricted for Perkins	2,876,375	4,027,618
Accounts receivable restricted by grants and contracts or UI Foundation	29,019,620	31,215,891
Cash restricted for capital projects, Perkins, or grants and contracts	5,870,034	4,975,872
Investments not available within one year	160,104,323	162,765,163
Total financial assets unavailable for general expenditures within one year	**$ 197,870,352**	**$ 202,984,544**
Financial assets available to meet cash needs for general expenditure within one year	**$ 106,847,370**	**$ 100,439,403**

The University's practice is to structure its financial assets to be available as its general expenses, liabilities, and obligations come due. in addition to financial assets available to meet general expenditures over the next year, the University's goal is to operate with a balanced budget and anticipates collecting sufficient revenues to cover general expenditures. Refer to the statement of cash flows, which illustrates the sources and uses of the University's cash generated by operating activities and noncapital financing activities for the years ended June 30, 2023 and 2022. Noncapital financing activities include revenues classified under GASB 34 as non-operating revenue and include state and federal appropriations, federal grants and contracts, gift and other revenues, which are all considered ongoing revenues necessary to cover general expenditures.