



UNIVERSITY  
*of* ALASKA

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*Many Traditions One Alaska*

**UNIVERSITY OF ALASKA**  
**(A Component Unit of the State of Alaska)**  
**Financial Statements**  
**June 30, 2021 and 2020**  
**(With Independent Auditors' Report Thereon)**

University of Alaska  
(A Component Unit of the State of Alaska)  
Financial Statements  
June 30, 2021 and 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

**Introduction**

The following discussion and analysis provide an overview of the financial position and activities of the University of Alaska (University) for the years ended June 30, 2021 (2021) and June 30, 2020 (2020), with selected comparative information for the year ended June 30, 2019 (2019). This discussion has been prepared by management and should be read in conjunction with the financial statements including the notes thereto, which follow this section.

**Using the Financial Statements**

The University's financial report includes the basic financial statements of the University and the financial statements of the University of Alaska Foundation (Foundation), a legally separate, nonprofit component unit. The three basic financial statements of the University are: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements are prepared in accordance with generally accepted accounting principles (Governmental Accounting Standards Board (GASB) pronouncements). The University is presented as a business-type activity. GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, establishes standards for external financial reporting for public colleges and universities and classifies resources into three net position categories – unrestricted, restricted, and net investment in capital assets.

The Foundation is presented as a component unit of the University in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Foundation's financial statements include the Statement of Financial Position and the Statement of Activities and these statements are presented according to U.S. generally accepted accounting principles and Financial Accounting Standards Board (FASB) pronouncements.

The Foundation was established to solicit donations and to hold and manage such assets for the exclusive benefit of the University. Resources managed by the Foundation and distributions made to the University are governed by the Foundation's Board of Trustees (operating independently and separately from the University's Board of Regents). The component unit status of the Foundation indicates that significant resources are held by the Foundation for the sole benefit of the University.

**Statement of Net Position**

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the University. The net position is one indicator of the financial condition of the University, while the change in net position is an indicator of whether the financial condition has improved or declined during the year.

A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2021, 2020 and 2019 follows (\$ in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current Assets	\$ 210,055	\$ 172,007	\$ 165,863
Other noncurrent assets	442,237	380,210	373,804
Capital assets, net of depreciation	<u>1,597,603</u>	<u>1,658,433</u>	<u>1,703,451</u>
Total assets	<u>2,249,895</u>	<u>2,210,650</u>	<u>2,243,118</u>
Deferred Outflow of Resources	<u>45,852</u>	<u>41,335</u>	<u>50,167</u>
Liabilities:			
Current liabilities	110,831	115,222	120,544
Noncurrent liabilities	<u>548,828</u>	<u>550,432</u>	<u>604,106</u>
Total liabilities	<u>659,659</u>	<u>665,654</u>	<u>724,650</u>
Deferred Inflow of Resources	<u>17,938</u>	<u>15,522</u>	<u>22,304</u>
Net position:			
Net investment in capital assets	1,291,644	1,335,188	1,364,079
Restricted – expendable	169,920	112,486	94,609
Restricted – nonexpendable	136,144	135,438	135,422
Unrestricted	<u>20,442</u>	<u>(12,303)</u>	<u>(47,779)</u>
Total net position	<u>\$1,618,150</u>	<u>\$1,570,809</u>	<u>\$1,546,331</u>

Overall, total net position of the University increased \$47.3 million, or 3 percent. The unrestricted net position totaled \$20.4 million at June 30, 2021, representing an increase of \$32.7 million over the prior year. The increase in net position is primarily a result of high investment earnings in endowment funds and the recording of other post-retirement benefits assets, as further shown in Note 7 of the financial statements. Without the pension and other post-employment liabilities, unrestricted net position would be \$248.2 million. As of June 30, 2021, \$191.9 million of the unrestricted net position was reserved for specific purposes, while \$56.2 million was unreserved.

Deposits and investments totaled \$450.8 million at June 30, 2021, as compared to \$399.9 million at June 30, 2020. These funds consist of operating funds, endowment funds, funds for capital, and for the Education Trust of Alaska. The increase of \$50.9 million primarily reflects the increase of operating funds as a result of the cost reduction measures implemented, the increase in endowment fund investment returns, and the growth of the Education Trust of Alaska. More information is in Note 2 of the Notes to Financial Statements.

Liabilities are categorized as either current liabilities or noncurrent liabilities on the Statement of Net Position. Current liabilities are those that are due or will likely be paid in the next fiscal year. They are primarily comprised of accounts payable, accrued payroll and other expenses, insurance and risk management payables, amounts due in the next year on debt, and student deposits.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

Noncurrent liabilities are comprised mostly of the net pension liability totaling \$249.2 million, and long-term debt of \$296 million.

Total debt outstanding, which includes capital lease obligations, decreased from \$321.5 million at June 30, 2020 to \$308.4 million at June 30, 2021. The decrease was primarily due to paying down debt principal. More information is available in the *Capital and Debt Activities* section that follows.

***Fiscal Year 2020 Comparisons (Statement of Net Position)***

Significant comments about changes between 2019 and 2020 that were noted in fiscal year 2020 *Management's Discussion and Analysis* are summarized below:

The Statement of Net Position reflected an overall increase in 1.6 percent, or \$24.5 million.

Total debt outstanding, which includes capital lease obligations, decreased from \$337.9 million at June 30, 2019 to \$321.5 million at June 30, 2020. The decrease was primarily due to paying down of debt principal.

Unrestricted net position totaled negative \$12.3 million at June 30, 2020, representing an increase of \$35.5 million over the prior year. At June 30, 2020, \$154.7 million was designated for specific purposes.

**Statement of Revenues, Expenses and Changes in Net Position**

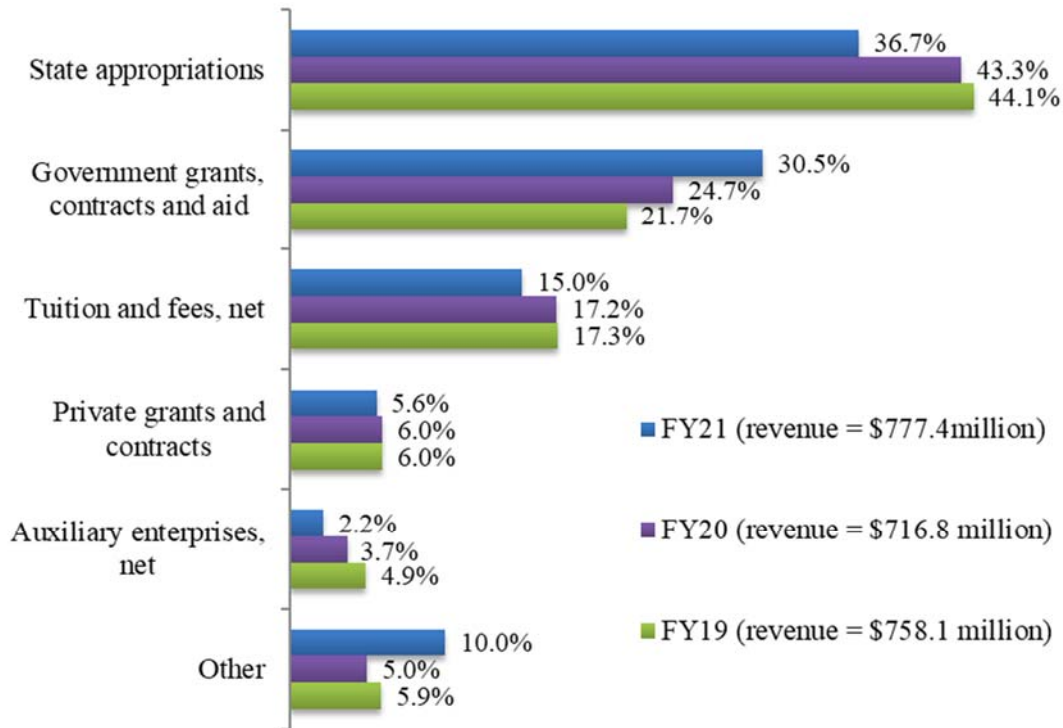
The Statement of Revenues, Expenses and Changes in Net Position presents the results of operations for the University as a whole. Revenues, expenses and other changes in net position are reported as either operating or non-operating. Significant recurring sources of University revenue, such as state appropriations and investment earnings, are defined by GASB Statement No. 35 as non-operating.

A summarized comparison of the University's revenues, expenses and changes in net position for the years ended June 30, 2021, 2020 and 2019 follows (\$ in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

	2021	2020	2019
Operating revenues	\$ 369,728	\$ 360,469	\$ 374,437
Operating expenses	(736,160)	(687,439)	(780,348)
Operating loss	(366,432)	(326,970)	(405,911)
Net nonoperating revenues	407,279	338,586	375,655
Gain (Loss) before other revenues, expenses, gains, or losses	40,847	11,616	(30,256)
Other revenues, expenses, gains or losses	6,494	12,862	33,337
Increase (decrease) in net position	47,341	24,478	3,081
Net position, beginning of year	1,570,809	1,546,331	1,543,250
Net position, end of year	<u>\$1,618,150</u>	<u>\$1,570,809</u>	<u>\$1,546,331</u>

**Operating and Nonoperating Revenues\* by Year**



\* Excludes capital appropriations, grants and contracts, and state on-behalf payments for pension

The fiscal year 2021 Statement of Revenues, Expenses and Changes in Net Position reflects an increase in net position of 3 percent, or \$47.3 million. Major changes in revenues and expenses in 2021 are described below.

State of Alaska general fund appropriations continue to be the single major source of revenue for the University, providing \$285.6 million in 2021, as compared to \$310.4 million in 2020. The appropriations are substantially for funding a portion of operations, and in some cases are targeted for special programs or initiatives. In addition, the state made on-behalf pension and post-employment health care benefit payments of \$9.9 million and \$4.6 million directly to the Public

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) defined benefit plans on behalf of the University for fiscal years 2021 and 2020, respectively. The state is paying the cost above the University's employer contribution rate to fully fund the plans at the actuarial computed rate and pay down the net pension liability. The University's employer contribution rates have been capped by state statutes at 22 percent and 12.56 percent of covered payroll for PERS and TRS, respectively.

Gross student tuition and fee revenue totaled \$133.5 million in 2021 as compared to \$143.4 million in 2020. The decrease was primarily due to a decrease in student enrollment as impacted by the pandemic.

Operating grant and contract revenue totaled \$220.1 million for 2021, as compared to \$191.1 million in the prior year. The University receives grant funding from a diverse group of federal agencies, the State of Alaska, and private sponsors, including the University of Alaska Foundation. Generally, grant revenue is recorded when expenditures of the grant award occur, so the revenue reported in the financial statements reflects the amount expended in the applicable fiscal year. Grants provide funding primarily for research projects, instructional programs, public service activities and student aid.

Capital appropriations and capital grant and contract revenue decreased from \$12.9 million in 2020 to \$6.5 million in 2021. The decrease reflects that the construction of the University of Alaska Fairbanks combined heat and power plant was completed, and State capital appropriations provided only \$0 and \$5 million to deferred maintenance in fiscal year 2021 and 2020. This revenue category consists mostly of funds appropriated from the State of Alaska's capital budget or from general obligation bonds issued by the State of Alaska for University capital projects. For a more detailed discussion on capital activity, see the *Capital and Debt Activities* section which follows.

Endowment investments produced a net income of \$49.3 million in 2021, as compared to \$3.8 million in 2020. Total return in 2021 from the consolidated endowment fund was 32.23 percent as compared to 1.56 percent in 2020. Endowment proceeds also includes yield from, or sales of, trust land, and mineral interests, the net proceeds of which are generally deposited to the land grant endowment trust fund.

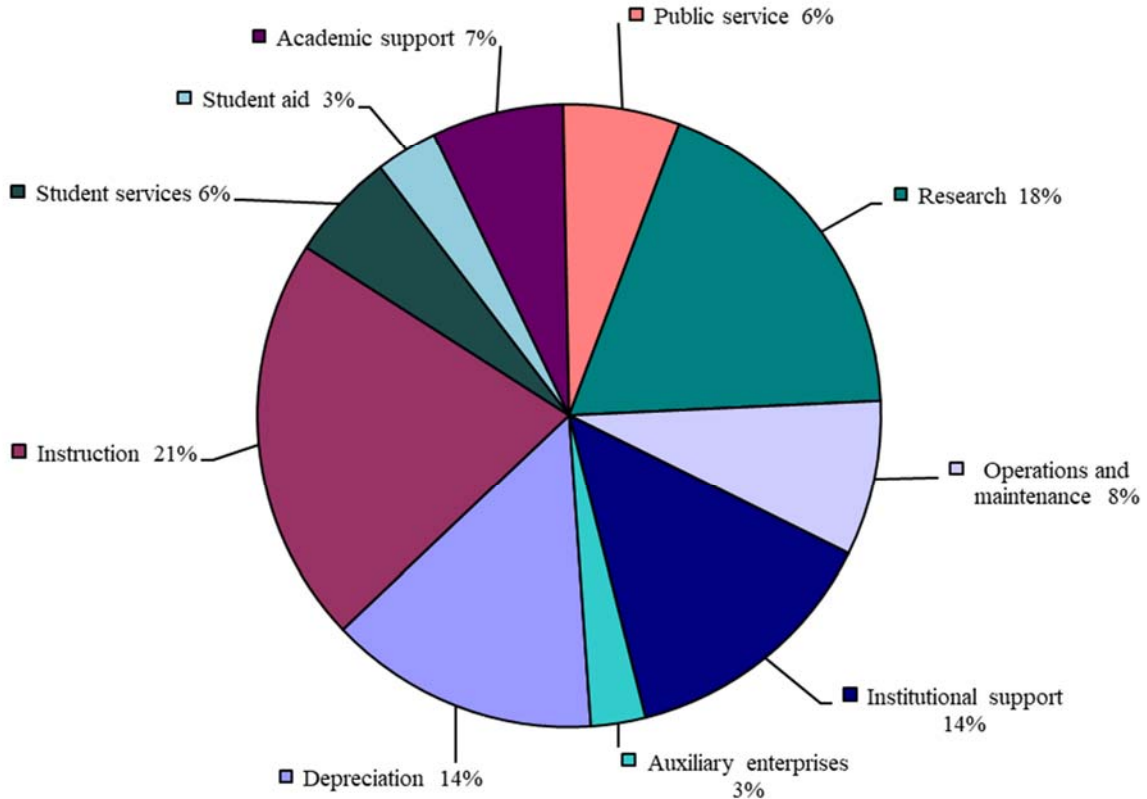
A comparison of operating expenses by functional and natural classification for selected fiscal years follows (see Note 18 of the financial statements for more information).

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

Operating Expenses*						
Functional Classification (\$ in millions)						
	FY2021		FY2020		FY2019	
Instruction	\$ 154.1	21.1%	\$ 162.3	23.3%	\$ 186.8	24.9%
Student Services	40.8	5.6%	44.2	6.3%	49.4	6.2%
Student aid	23.6	3.2%	22.8	3.3%	23.7	3.1%
Academic Support	49.8	6.8%	51.6	7.4%	58.3	7.1%
Student and Academic	268.3	36.7%	280.9	40.3%	318.2	41.3%
Research	135.2	18.5%	122.0	17.5%	131.3	16.0%
Public Service	44.1	6.0%	37.0	5.3%	40.8	5.5%
Auxiliary Enterprises	20.7	2.8%	27.2	3.9%	33.7	4.9%
Institutional Support	100.2	13.7%	83.0	11.9%	91.2	11.5%
Operations and Maintenance	58.9	8.1%	59.4	8.6%	68.8	8.7%
Depreciation	102.4	14.2%	87.0	12.5%	88.5	12.1%
<b>Total Operating Expenses</b>	<b>\$ 729.8</b>	<b>100.0%</b>	<b>\$ 696.5</b>	<b>100.0%</b>	<b>\$ 772.5</b>	<b>100.0%</b>

\* Does not include On-Behalf payments made by State of Alaska for pension

**Fiscal Year 2021  
Functional Classification**



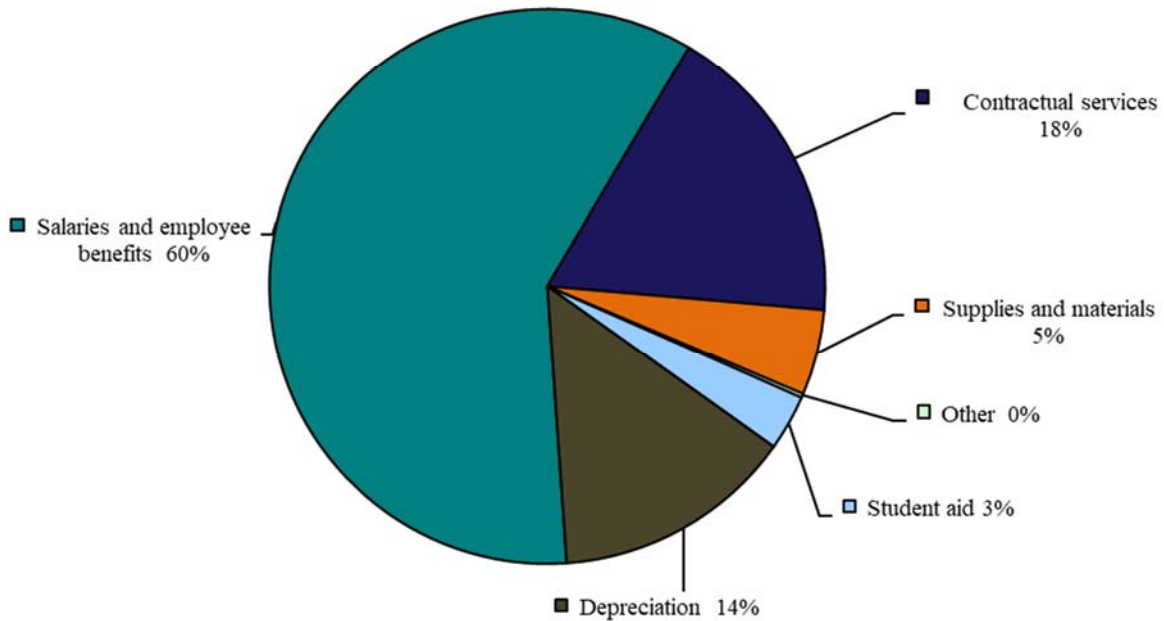


MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

	Operating Expenses*					
	Natural Classification (\$ in millions)					
	FY2021		FY2020		FY2019	
Compensation and benefits	\$ 435.1	59.6%	\$ 407.0	58.4%	\$ 452.3	58.7%
Contractual services	130.3	17.9%	137.3	19.7%	157.0	19.4%
Materials	36.6	5.0%	40.3	5.8%	49.0	6.3%
Student aid	23.6	3.2%	22.8	3.3%	23.7	3.1%
Depreciation	102.4	14.0%	87.0	12.5%	88.5	12.1%
Other	1.8	0.3%	2.1	0.3%	2.0	0.4%
<b>Total Operating Expenses</b>	<b>\$ 729.8</b>	<b>100.0%</b>	<b>\$ 696.5</b>	<b>100.0%</b>	<b>\$ 772.5</b>	<b>100.0%</b>

\* Does not include On-Behalf payments made by State of Alaska for pension

**Fiscal Year 2021 Natural Classification**



Total operating expenses (excludes on-behalf payments to PERS and TRS made by State of Alaska) increased from \$696.5 million in 2020 to \$729.8 million in 2021. Expenditures related to the student and academic core mission, about 36.7 percent of all expenditures, showed a \$12.6 million decrease in 2021. For the same period, expenditures for research increased \$13.2 million reflecting increase in federal awards. Amounts expended for institutional support increased \$17.2 million, and amounts expended for public services increased \$7.1 million due to funding received and spent on COVID related assistance and relief. Expenditures for auxiliary enterprises decreased \$6.5

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

million due to decreased on campus activities, as many courses were online during the fiscal year 2021 as a result of the pandemic.

In looking at the change in operating expenses from a natural classification view, the majority of the increase is due to the compensation and benefits increasing \$28.1 million from \$407 million in fiscal year 2020 to \$435.1 million in fiscal year 2021, and contractual services decreasing \$7 million from \$137.3 million in fiscal year 2020 to \$130.3 million in fiscal year 2021. Depreciation increased \$15.4 million due to the combined heat and power plant put into service in fiscal year 2021. The overall increase in expenses is primarily due to the increase in research funding and the COVID assistance and relief funding from the federal and state governments.

GASB Statements 68 and 75 do not impact the cash flow and budget of the University, nor do they impact the nature and amount of pension benefits or pension funding provisions. Therefore, the following table shows operating expenditures with and without the effect of GASB 68 and 75 (\$ in thousands).

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

For the Year Ended June 30, 2021	As Reported	Without GASB 68 &75	Difference
Instruction	\$ 154,121	\$ 158,332	\$ (4,211)
Academic support	49,808	50,946	(1,138)
Research	135,167	136,693	(1,526)
Public service	44,139	44,654	(515)
Student services	40,767	41,150	(383)
Operations and maintenance	58,897	59,270	(373)
Institutional support	100,171	101,098	(927)
Auxiliary enterprises	20,662	20,739	(77)
<b>Total Operating Expense</b>	<b>\$ 603,732</b>	<b>\$ 612,882</b>	<b>\$ (9,150)</b>

For the Year Ended June 30, 2020	As Reported	Without GASB 68 &75	Difference
Instruction	\$ 162,278	\$ 169,517	\$ (7,239)
Academic support	51,594	56,273	(4,679)
Research	121,981	127,782	(5,801)
Public service	37,025	39,238	(2,213)
Student services	44,161	46,786	(2,625)
Operations and maintenance	59,500	62,537	(3,037)
Institutional support	82,952	89,547	(6,595)
Auxiliary enterprises	27,190	27,796	(606)
<b>Total Operating Expense</b>	<b>\$ 586,681</b>	<b>\$ 619,476</b>	<b>\$ (32,795)</b>

For the Year Ended June 30, 2019	As Reported	Without GASB 68 &75	Difference
Instruction	\$ 186,757	\$ 191,050	\$ (4,293)
Academic support	58,315	59,854	(1,539)
Research	131,255	133,141	(1,886)
Public service	40,886	41,649	(763)
Student services	49,390	50,182	(792)
Operations and maintenance	68,777	69,673	(896)
Institutional support	91,189	93,113	(1,924)
Auxiliary enterprises	33,759	33,950	(191)
<b>Total Operating Expense</b>	<b>\$ 660,328</b>	<b>\$ 672,612</b>	<b>\$ (12,284)</b>

Without the adjustment to compensation and benefits required under GASB Statement 68 and 75, total operating expenses would have decreased \$6.6 million or one percent during fiscal year 2021 and would have decreased \$53.1 million or 8 percent during fiscal year 2020.

A portion of University resources applied to student accounts for tuition, fees, or room and board are not reported as student aid expense, but are reported in the financial statements as a scholarship

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

allowance, directly offsetting student tuition and fee revenue or auxiliary revenue. Scholarship allowances totaled \$16.9 million in 2021 and \$20.1 million in 2020. In addition to the allowances, students participate in governmental financial aid loan programs. The loans are neither recorded as revenue or expense in the financial statements, but are recorded in the Statements of Cash Flows as direct lending receipts totaling \$53.1 million and \$44.3 million in 2021 and 2020, respectively.

***Fiscal Year 2020 Comparisons (Statement of Revenues, Expenses and Changes in Net Position)***

Significant comments about changes between 2019 and 2020 that were noted in fiscal year 2019 *Management's Discussion and Analysis* are summarized below:

The Statement of Revenues, Expenses and Changes in Net Position reflected an overall increase in net position of 1.6 percent, or \$24.5 million.

Gross student tuition and fee revenue totaled \$143.4 million in 2020 as compared to \$152.9 million in 2019. The decrease was primarily due to decrease in overall student enrollment.

State of Alaska general fund appropriations continued to be the single major source of revenue for the University, providing \$310.4 million in 2020, as compared to \$334.6 million in 2019.

Total operating expenses decreased 9.8 percent in 2020 as compared to 3.4 percent increase in 2019. Expenditures related to the student and academic core mission, about 40.3 percent of all expenditures, showed a \$37.3 million decrease in 2020. For the same period, expenditures for research decreased \$9.3 million. Amounts expended for institutional support decreased \$8.2 million while expenditures for operations and maintenance of facilities decreased \$9.4 million as compared to 2019.

**Capital and Debt Activities**

The University continued to invest in its facilities to meet program and state needs. Net capital assets decreased (excluding accumulated depreciation) \$60.8 million in 2021, as compared with a decrease of \$45 million in 2020 and decrease of \$26.8 million in 2019. Capital activity primarily comprise replacement, renovation, code corrections and new construction of academic and research facilities, as well as investments in equipment and information technology. State capital appropriations for 2021 and 2020 were \$0 and \$5 million for deferred maintenance, respectively.

Construction in progress at June 30, 2021 totaled \$15.7 million, a decrease of \$277.4 million from June 30, 2020. The decrease is due to a major construction project, the new combined heat and power plant, that was completed and put in to service in fiscal year 2021. More information about the debt is in Note 8 of the *Notes to Financial Statements*.

***Debt and Capital Leases***

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

At June 30, 2021, total debt outstanding, including capital leases, totaled \$308.4 million. The University traditionally issues general revenue bond tax-exempt debt, and secures the repayment via a master trust indenture with a broad pledge of university receipts.

In July 2020, the University issued General Revenue Refunding Bonds 2020 Series W with a par amount of \$55,080,000, and a 12-year term. Average annual debt service is \$5.3 million. The bonds refunded General Revenue Bonds 2009 Series P, 2011 Series Q and 2012 Series R. The economic gain from the refunding was \$416,557 in present value.

In previous years, other bonds were issued to finance construction of student residences at three campuses, the West Ridge Research Building, student recreation centers, a research facility to house the International Arctic Research Center, the acquisition and renovation of several properties adjacent to or near the University's campuses, additions to the University's self-operated power, heat, water and telephone utility systems in Fairbanks, purchase of the University Center Building in Anchorage, deferred maintenance projects, and to refund previously issued general revenue bonds and other contractual obligations in order to realize debt service savings.

Moody's Investors Service has assigned ratings of "Baa1", and a "negative outlook" to the rating of the University and reaffirmed that rating in June 2020. Standard and Poor's assigned "A+" and a "negative outlook" in June 2020.

The University has traditionally utilized tax exempt financings to provide for its capital needs or to facilitate systematic renewals. Working capital is available to provide interim cash flow financing for facilities intended to be funded with general revenue bond proceeds or other debt arrangements.

*Capital Activities – Looking Ahead and Subsequent to Year End*

For fiscal year 2022, the University did not receive any capital appropriation from the State of Alaska for deferred maintenance.

**Other Economic and Financial Conditions**

The following is a description of currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the University.

During fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease a worldwide pandemic. The COVID-19 has had significant effects on global markets, supply chains, business, and communities. Specific to the University, COVID-19 impacted several of its fiscal year operations and financial results, such as decline in enrollment and loss of auxiliary revenue. Since the beginning of the pandemic, the University has been awarded various COVID assistance and relief funding totaling \$91.2 million from federal, state and local governments, of which \$43.3 was recognized as revenue in fiscal year 2021. This funding covers COVID related costs incurred to mitigate the pandemic impact, in addition to lost tuition revenue and lost auxiliary revenue, and emergency financial aid passed on directly to students. The University has and continues operating classes and other on-site services at each of our universities since the beginning of fall 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – see accompanying accountants' report)

Looking ahead to fiscal year 2022 and beyond, the University has approximately \$27.6 million of available institutional COVID relief funding and \$15.8 million of student COVID relief funding.

## Independent Auditors' Report



## INDEPENDENT AUDITORS' REPORT

Board of Regents  
University of Alaska  
Fairbanks, Alaska

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activity and discretely presented component unit of the University of Alaska, collectively a component unit of the State of Alaska, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University of Alaska's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the University of Alaska Foundation Consolidated Endowment Fund, LP, an affiliated entity, whose statements reflect total assets of \$477,339,799 and \$356,722,498 as of June 30, 2021 and 2020, respectively, and net increase in partners' capital from operations of \$113,516,629 and \$4,690,918, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Alaska Foundation Consolidated Endowment Fund, LP, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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



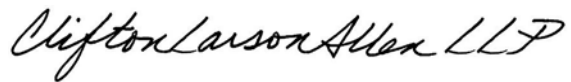
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and discretely presented component unit of the University of Alaska as of June 30, 2021 and 2020, 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.

***Required Supplementary Information***

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



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
October 22, 2021

**UNIVERSITY OF ALASKA**  
**(A Component Unit of the State of Alaska)**  
**Statements of Net Position**  
**June 30, 2021 and 2020**  
**(in thousands)**

<b>Assets</b>	2021	2020
Current assets:		
Cash and cash equivalents	\$ 74,159	\$ 51,220
Short-term investments	21,908	33,221
Accounts receivable, net	108,144	80,910
Inventories	4,617	5,465
Other assets	1,227	1,191
Total current assets	210,055	172,007
Noncurrent assets:		
Restricted cash and cash equivalents	1,932	1,824
Notes receivable	475	699
Bond funds held with trustee	-	12,553
Endowment investments	187,322	148,751
Land Grant Trust property and other endowment assets	64,136	64,057
Long-term investments	116,454	111,820
Education Trust of Alaska investments	49,064	40,506
Net other post employment benefit asset	22,854	-
Capital assets, net	1,597,603	1,658,433
Total noncurrent assets	2,039,840	2,038,643
Total assets	2,249,895	2,210,650
<b>Deferred Outflows of Resources</b>	45,852	41,335
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	20,288	17,672
Accrued payroll and annual leave	41,940	40,553
Unearned revenue and deposits	22,560	26,348
Long-term debt - current portion	11,736	16,249
Capital lease obligation - current portion	630	606
Insurance and risk management	13,677	13,794
Total current liabilities	110,831	115,222
Noncurrent liabilities:		
Long-term debt	273,905	281,927
Capital lease obligation	22,079	22,709
Net pension and other post employment benefit liability	249,151	238,716
Other noncurrent liabilities	3,693	7,080
Total noncurrent liabilities	548,828	550,432
Total liabilities	659,659	665,654
<b>Deferred Inflows of Resources</b>	17,938	15,522
<b>Net Position</b>		
Net investment in capital assets	1,291,644	1,335,188
Restricted:		
Expendable	169,920	112,486
Nonexpendable	136,144	135,438
Unrestricted	20,442	(12,303)
Total net position	\$ 1,618,150	\$ 1,570,809

The accompanying notes are an integral part of the financial statements.

**UNIVERSITY OF ALASKA FOUNDATION**  
**(A Component Unit of the University of Alaska)**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**  
**(in thousands)**

<b>Assets</b>	2021	2020
Cash and cash equivalents	\$ 8,181	\$ 6,923
Interest and dividends receivable	259	289
Contributions receivable, net	5,783	6,982
Other receivables	929	32
Other investments	64,373	59,705
Pooled endowment funds	476,706	356,263
Remainder trusts receivable	3,245	2,797
Bequests receivable	5,000	175
Other assets	311	254
Total assets	\$ 564,787	\$ 433,420
 <b>Liabilities</b>		
Due to University of Alaska	\$ 6,215	\$ 6,316
Payable for Unsettled Trades	4,500	-
Other liabilities	1,372	25
Split interest obligations	232	226
Term endowment liability	1,000	1,000
Assets held in trust for University of Alaska	184,180	144,284
Total liabilities	197,499	151,851
 <b>Net Assets</b>		
Without Donor Restrictions	32,111	28,001
With Donor Restrictions	335,177	253,568
Total net assets	367,288	281,569
Total liabilities and net assets	\$ 564,787	\$ 433,420

The accompanying notes are an integral part of the financial statements.

**UNIVERSITY OF ALASKA**  
**(A Component Unit of the State of Alaska)**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2021 and 2020**  
**(in thousands)**

	2021	2020
<b>Operating revenues</b>		
Student tuition and fees	\$ 133,460	\$ 143,445
less scholarship allowances	(16,890)	(20,133)
	116,570	123,312
Federal grants and contracts	153,457	129,705
State and local grants and contracts	22,963	18,082
Private grants and contracts	43,674	43,339
Sales and services, educational departments	3,309	4,531
Auxiliary enterprises, net of scholarship allowances of \$1,430 in 2021 and \$2,298 in 2020	17,013	26,243
Other	12,742	15,257
Total operating revenues	369,728	360,469
<b>Operating expenses</b>		
Instruction	154,121	162,278
Academic support	49,808	51,594
Research	135,167	121,981
Public service	44,139	37,025
Student services	40,767	44,161
Operations and maintenance	58,897	59,500
Institutional support	100,171	82,952
Student aid	23,571	22,771
Auxiliary enterprises	20,662	27,190
Depreciation	102,465	86,999
State on-behalf payments - pension and OPEB	6,392	(9,012)
Total operating expenses	736,160	687,439
Operating loss	(366,432)	(326,970)
<b>Nonoperating revenues (expenses)</b>		
State appropriations	285,582	310,439
State on-behalf contributions - pension and OPEB	6,392	(9,012)
Investment earnings	12,457	12,970
Endowment proceeds and investment income	49,259	3,755
Federal student financial aid	17,063	20,523
Interest expense	(4,010)	(5,386)
COVID related funding	43,332	8,653
Other nonoperating revenue (expenses)	(2,796)	(3,356)
Net nonoperating revenues	407,279	338,586
Income (loss) before other revenues	40,847	11,616
Capital appropriations, grants and contracts	6,494	12,862
Increase (decrease) in net position	47,341	24,478
<b>Net Position</b>		
Net position - beginning of year	1,570,809	1,546,331
Net position - end of year	\$ 1,618,150	\$ 1,570,809

The accompanying notes are an integral part of the financial statements.

**UNIVERSITY OF ALASKA FOUNDATION**  
**(A Component Unit of the University of Alaska)**  
**Statements of Activities**  
**For the years ended June 30, 2021 and 2020**  
**(in thousands)**

	2021		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
<b>Revenues, gains and other support</b>			
Contributions	\$ 94	\$ 32,804	\$ 32,898
Investment income	1,017	608	1,625
Net realized and unrealized investment gains	4,996	62,208	67,204
Other revenues	-	25	25
Actuarial adjustment of remainder trust obligations	-	714	714
Administrative assessments	3,059	(2,294)	765
Support from University of Alaska	922	-	922
Net assets released from restriction	12,456	(12,456)	-
Total revenues, gains and other support	<u>22,544</u>	<u>81,609</u>	<u>104,153</u>
<b>Expenses and distributions</b>			
Program Expenses	13,833	-	13,833
Management and General	1,364	-	1,364
Fundraising	3,237	-	3,237
Total expenses and distributions	<u>18,434</u>	<u>-</u>	<u>18,434</u>
<b>Increase in net assets</b>	4,110	81,609	85,719
Net assets, beginning of year	<u>28,001</u>	<u>253,568</u>	<u>281,569</u>
Net assets, end of year	<u>\$ 32,111</u>	<u>\$ 335,177</u>	<u>\$ 367,288</u>

2020

Without Donor		With Donor			
Restrictions		Restrictions		Total	
\$	54	18,084	\$	18,138	
	1,202	922		2,124	
	1,163	1,780		2,943	
	-	89		89	
	-	(84)		(84)	
	2,796	(2,110)		686	
	934	-		934	
	12,050	(12,050)		-	
	18,199	6,631		24,830	
	12,692	-		12,692	
	2,368	-		2,368	
	2,060	-		2,060	
	17,120	-		17,120	
	1,079	6,631		7,710	
	26,922	246,937		273,859	
\$	28,001	\$ 253,568	\$	281,569	

**UNIVERSITY OF ALASKA**  
**(A Component Unit of the State of Alaska)**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**  
**(in thousands)**

	2021	2020
<b>Cash flows from operating activities</b>		
Student tuition and fees	\$ 126,880	\$ 149,965
less scholarship allowances	(16,890)	(20,133)
	109,990	129,832
Grants and contracts	199,357	180,984
Sales and services, educational departments	3,309	4,531
Sales and services, auxiliary enterprises	17,411	25,472
Other operating receipts	12,742	15,257
Payments to employees for salaries and benefits	(442,975)	(436,433)
Payments to suppliers	(166,589)	(180,409)
Payments to students for financial aid	(28,312)	(17,433)
Net cash used for operating activities	(295,067)	(278,199)
<b>Cash flows from noncapital financing activities</b>		
State appropriations	285,559	310,338
Other revenue	54,618	25,587
Direct lending receipts	53,113	44,288
Direct lending payments	(48,363)	(49,616)
Net cash provided by noncapital financing activities	344,927	330,597
<b>Cash flows from capital and related financing activities</b>		
Capital appropriations, grants and contracts	2,344	7,437
Proceeds from issuance of capital debt	55,080	-
Purchases of capital assets	(40,075)	(37,181)
Principal paid on capital debt	(64,078)	(15,414)
Interest paid on capital debt	(14,608)	(13,602)
Net cash used for capital and related financing activities	(61,337)	(58,760)
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	136,690	112,988
Purchases of investments	(112,600)	(102,990)
Interest received on investments	6,007	6,256
Interest and other sales receipts from endowment assets	4,427	1,773
Net cash provided by investing activities	34,524	18,027
Net increase (decrease) in cash and cash equivalents	23,047	11,665
Cash and cash equivalents, beginning of the year	53,044	41,379
Cash and cash equivalents, end of the year	\$ 76,091	\$ 53,044
Cash and cash equivalents (current)	\$ 74,159	\$ 51,220
Restricted cash and cash equivalents (noncurrent)	1,932	1,824
Total cash and cash equivalents	\$ 76,091	\$ 53,044

The accompanying notes are an integral part of the financial statements.

**UNIVERSITY OF ALASKA**  
**(A Component Unit of the State of Alaska)**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**  
**(in thousands)**

**Reconciliation of operating loss to net cash used for operating activities:**

	2021	2020
Operating loss	\$ (366,432)	\$ (326,970)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	102,465	86,999
State on-behalf payments - pension & OPEB	6,392	(9,012)
Pension expense (credit)	8,834	15,667
OPEB expense (credit)	(17,983)	(48,462)
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable, net	(31,208)	2,713
Other assets	(319)	(266)
Inventories	848	34
Accounts payable and accrued expenses	1,519	(236)
Accrued payroll	(217)	1,923
Unearned revenue, deposits from students and others	(451)	(1,272)
Accrued annual leave	1,603	1,301
Insurance and risk management	(118)	(618)
Net cash used for operating activities	\$ (295,067)	\$ (278,199)

**Schedule of Noncash Investing, Noncapital Financing, Capital and Related Financing Activities:**

**For the Year Ended June 30, 2021**

Decrease in accounts payable for capital assets is \$0.8 million.

**For the Year Ended June 30, 2020**

Decrease in accounts payable for capital assets is \$0.7 million.

The accompanying notes are an integral part of the financial statements.



## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### 1. Organization and Summary of Significant Accounting Policies

#### Organization:

The University of Alaska (University) is a constitutionally created corporation of the State of Alaska which is authorized to hold title to real and personal property and to issue debt in its own name. The University is the only public institution of higher learning in Alaska. It is a statewide system that consists of three universities located in Anchorage, Fairbanks, and Juneau, with each having extended satellite colleges and sites throughout Alaska. The University is governed by an eleven-member Board of Regents, which is appointed by the governor.

The University is a component unit of the State of Alaska for purposes of financial reporting. As an instrumentality of the State of Alaska, the University is exempt from federal income tax under Internal Revenue Code Section 115, except for unrelated business activities as covered under Internal Revenue Code Sections 511 to 514. The University of Alaska Foundation (Foundation) is a legally separate, nonprofit component unit of the University. The Foundation was established to solicit donations and to hold and manage such assets for the exclusive benefit of the University. Resources managed by the Foundation and distributions made to the University are governed by the Foundation's Board of Trustees. Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, an amendment of GASB Statement No. 14 and No. 34, require the University to include the Foundation as part of its financial statements to better report resources benefiting the University. The Foundation's financial statements include the Statement of Financial Position and the Statement of Activities and these statements are presented in their original audited format according to Financial Accounting Standards Board (FASB) pronouncements.

The Nanook Innovation Corporation (NIC) and Seawolf Holdings, LLC were established in fiscal year 2013 for the purpose of supporting the University of Alaska through commercialization of University generated intellectual properties. The Nanook Innovation Corporation operates as a non-profit organization under Internal Revenue Code 501(c) (3). The Board of Directors of NIC are appointed by the University. Seawolf Holdings, LLC is a limited liability company with the University being the sole member of the LLC. The Nanook Innovation Corporation and Seawolf Holdings, LLC are considered component units of the University according to GASB Statements No. 39 and No. 61. These entities had no significant activity in fiscal years 2021 and 2020.

#### Basis of Presentation:

The University's financial statements are presented in accordance with U.S. generally accepted accounting principles as prescribed in applicable pronouncements of the Governmental Accounting Standards Board. The Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows report the financial activities of the University of Alaska.

*Deferred outflows of resources* represent the consumption of net assets by the University in one period that is applicable to future periods.

*Deferred inflows of resources* represent the acquisition of net assets in one period that is applicable to future periods.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

*Net position* represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources and is required to be classified for accounting and reporting purposes into the following categories:

- *Unrestricted net position* is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position may be designated for specific purposes by the Board of Regents or may otherwise be limited by contractual agreements with outside parties.
- *Restricted net position:*
  - Expendable net position* is subject to externally-imposed restrictions that may or will be met by actions of the University and/or that expire with the passage of time.
  - Non-expendable net position* is subject to externally-imposed restrictions requiring that they be maintained permanently by the University.
- *Net investment in capital assets* – Capital assets, net of accumulated depreciation, reduced by outstanding balances of debt attributable to the acquisition, construction or improvement of those assets.

When both restricted and unrestricted funds are available for the same purpose, the University's policy is to use the restricted funds first, unless it is not advisable based on all the facts and circumstances.

In preparing the financial statements, management is required to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of net position. Actual results could differ from those estimates. The more significant accounting and reporting policies and estimates applied in the preparation of the accompanying financial statements are discussed below.

### Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared on the economic resources measurement focus and the accrual basis of accounting. All significant intra-university transactions have been eliminated. The University reports as a business type activity, as defined by GASB Statement No. 35. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

#### *Cash and Cash Equivalents*

All highly liquid investments, not held for long-term investment, with original maturities of three months or less are reported as cash and cash equivalents.

#### *Inventories*

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories consist of parts, fuel, books, shop stock, etc.

#### *Investments*

Investments are stated at fair value. Investments in fixed income and equity marketable securities are stated at fair value based on quoted market prices. Investments in private partnership interests are valued using the most current information provided by the general partner. Valuations provided by the general partners and investment

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

managers are evaluated by management and management believes such values are reasonable at June 30, 2021 and 2020. When, in the opinion of management, there has been a permanent impairment in the asset value, the asset is written down to its fair value. Income from other investments is recognized when received.

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, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position. Investments also include securities with contractual cash flows such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities. The value, liquidity and related income of these securities are sensitive to economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates. Long-term investments include those restricted by outside parties as to withdrawal or use for other than current operations, or are designated for expenditure in the acquisition or construction of noncurrent assets or held with an intent not to be used for operations within the next fiscal year.

### *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, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

### *Capital Assets*

Capital assets are stated at cost when purchased and at fair value when donated. Equipment with a unit value of \$5,000 or greater is capitalized. Buildings and infrastructure with a unit value of \$100,000 or greater are capitalized. Other capital assets with a unit value of \$50,000 or greater are capitalized. Certain land and other resources acquired through land grants and donated museum collections for which fair value at date of acquisition was not determinable are reported at zero basis in the financial statements.

Depreciation is computed on a straight-line basis with useful lives ranging from 12 to 50 years for building and building components, 10 to 35 years for infrastructure and other improvements, 5 to 40 years for equipment and 20 years for library books. Museum collections are not depreciated because they are preserved and cared for and have an extraordinarily long useful life.

### *Endowments*

The University's endowments consist of the Land Grant Endowment Trust Fund (LGETF) established pursuant to the 1929 federal land grant legislation, its related Inflation Proofing Fund (IPF) and several smaller "other" endowments. Alaska Statute 14.40.400 provides that the net income from the sale or use of grant lands must be held in trust in perpetuity.

Alaska Statute 14.40.400 provides the Board of Regents with authority to manage the LGETF under the total return principles which intends to preserve and maintain the purchasing power of the endowment principal. The investable resources of the LGETF and IPF are invested in the Consolidated Endowment Fund, a unitized investment fund. The annual spending allowance is currently based on 4.5 percent of a five-year moving average of the invested balance. Withdrawals of net earnings appreciation to meet the spending allowance are limited to the unexpended accumulated net earnings balance of the preceding December 31.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### *Operating Activities*

The University's policy for defining operating activities as reported on the statement of revenues, expenses and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations and investment earnings.

### *Non-operating Revenues*

Non-operating revenues and expenses include revenues and expenses from activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue and expense sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

### *Scholarship Allowances*

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for tuition and room and board provided by the University and the amount paid by the student and/or third parties making payments on the students' behalf.

### *Lapse of State Appropriations*

Alaska Statutes provide that unexpended balances of one-year appropriations will lapse on June 30 of the fiscal year of the appropriation; however, the University receipts in excess of expenditures may be expended by the University in the next fiscal year. University receipts include student tuition and fees, donations, sales, rentals, facilities and administrative cost recovery, investment earnings, auxiliary and restricted revenues. The unexpended balances of capital appropriations generally lapse after five years or upon determination that the funds are no longer necessary for the project.

### *Compensated Absences*

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

### *Pensions*

For purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plans of the Public Employees Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/deductions from these pension plans' fiduciary net position have been determined on the same basis they are reported by PERS and TRS defined benefit plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### *Postemployment Benefits Other Than Pensions (OPEB)*

For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the defined benefit plans of the Public Employees Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/deductions from these OPEB plans' fiduciary net position have been determined on the same basis they are reported by PERS and TRS defined benefit plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Unearned Revenue*

Unearned revenue consists of tuition, fees and certain auxiliary funds received prior to the end of the fiscal year, but related to the subsequent accounting period. It also consists of funds received from grants, sponsors and State capital appropriations which have not yet been earned. State capital appropriations are subject to five year lapse provisions per State Statute. The period may be extended.

### *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 affected the reported amounts of assets, liabilities, net position and disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates.

### *Recently Issued Accounting Standards*

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Statement is effective for reporting periods beginning after December 15, 2019 (fiscal year 2021). The effective date was postponed by one year to fiscal year 2022 in GASB Statement No. 95.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement required that interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Statement is effective for reporting periods beginning after December 15, 2020 (fiscal year 2022).

The University is currently evaluating the impact the adoption of these GASB Statements will have on its financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

**2. Deposits and Investments**

Deposits and investments at June 30, 2021 were as follows (\$ in thousands):

Investment Type	Operating	Endowment	Education Trust of Alaska	Total
Cash and Deposits	\$ 24,631	\$ 276	\$ -	\$ 24,907
Money Market Mutual Funds	82,187	42,832	403	125,422
Equities:				
Domestic	-	10,479	-	10,479
International	-	491	-	491
Domestic Funds	-	-	18,663	18,663
Global Funds	-	32,574	-	32,574
Exchange Traded Funds	-	5,068	-	5,068
Debt-related:				
Corporate	68,097	-	-	68,097
Corporate - International	5,103	-	-	5,103
Federal Agency	12,099	-	-	12,099
U.S. Treasuries	14,397	11,063	-	25,460
U.S. Treasuries Fund	-	-	677	677
International Government	7,939	-	-	7,939
Fixed Income Funds	-	-	29,321	29,321
Depository Receipts	-	403	-	403
Alternative Investments:				
Private Equity Fund	-	40,521	-	40,521
Global Private Equity Fund	-	3,152	-	3,152
Hedge Funds	-	42,093	-	42,093
Other	-	(1,630)	-	(1,630)
	\$ 214,453	\$ 187,322	\$ 49,064	\$ 450,839

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Deposits and investments at June 30, 2020 were as follows (\$ in thousands):

Investment Type	Operating	Capital Funds	Endowment	Education Trust of Alaska	Total
Cash and Deposits	\$ 13,717	\$ -	\$ 76	\$ -	\$ 13,793
Money Market Mutual Funds	85,321	12,553	42,995	364	141,233
Equities:					
Domestic	-	-	6,752	-	6,752
International	-	-	343	-	343
Domestic Funds	-	-	-	16,482	16,482
Global Funds	-	-	25,715	-	25,715
Exchange Traded Funds	-	-	4,603	-	4,603
Debt-related:					
Corporate	54,406	-	-	-	54,406
Corporate - International	1,024	-	-	-	1,024
Federal Agency	14,871	-	-	-	14,871
U.S. Treasuries	21,671	-	344	-	22,015
U.S. Treasuries Fund	-	-	-	289	289
International Government	7,075	-	-	-	7,075
Fixed Income Funds	-	-	-	23,371	23,371
Depository Receipts	-	-	635	-	635
Alternative Investments:					
Private Equity Fund	-	-	29,320	-	29,320
Hedge Funds	-	-	37,902	-	37,902
Other	-	-	66	-	66
	\$ 198,085	\$ 12,553	\$ 148,751	\$ 40,506	\$ 399,895

Operating funds consist of cash on hand (including overnight repurchase agreements), time deposits, money market funds and bonds. Alaska Statutes and Board of Regents' policy provide the University with broad authority to invest funds. Generally, operating funds are invested according to the University's liquidity needs. The University has operating fund investment guidelines, which set forth the objectives, structure and acceptable investments for the University's operating funds.

The University's operating funds include investments in high quality bonds, including U.S. treasuries, federal agency bonds, international government bonds, and corporate bonds. These investments are held under the name of the University. Bonds comprise the largest portion of operating funds. The University has a \$7 million compensating balance with its checking and depository financial institution.

Capital funds include unexpended general revenue bond proceeds, related reserves and advances from state capital appropriations. At June 30, 2021 and 2020, general revenue bond reserves totaled \$0 and \$12.5 million, respectively. During fiscal year 2021, the general revenue bond reserve requirement was eliminated and the

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

reserve account was liquidated according to the supplemental trust indenture of General Revenue Refunding Bond Series W.

Endowment investments totaling \$187.3 million and \$148.8 million in 2021 and 2020, respectively, primarily consisted of \$184.2 million and \$144.3 million in investable resources of the University's Land Grant Endowment Trust Fund at June 30, 2021 and 2020, respectively, and are invested in a Consolidated Endowment Fund managed by the Foundation. These resources are combined with the Foundation's pooled endowment funds for investment purposes, and managed by the University of Alaska Foundation Consolidated Endowment Fund in accordance with an investment policy approved by the Board of Regents. A copy of the Consolidated Endowment Fund's investment policy and guidelines may be obtained by contacting the University Controller's Office.

Education Trust of Alaska investments include the operating funds and retained earnings of the college savings program, established pursuant to state statute by the Board of Regents and Internal Revenue Code Section 529. Program investments are in mutual funds of T. Rowe Price Associates, Inc., the program manager. See Note 4 for further information.

Certain funds held in trust for the benefit of the University are not included in the financial statements as the University has only limited control over their administration. These funds are in the custody of independent fiduciaries and at June 30, 2021 and 2020 had an estimated fair value of \$5.8 million and \$4.8 million, respectively.

At June 30, 2021, the University has \$277.1 million in investments that are not actively traded, compared to \$221.2 million at June 30, 2020. These investment instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependency upon key individuals, and nondisclosure of portfolio composition. Because these investments are not actively traded, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investment existed. Such difference could be material.

### Fair Value

In fiscal year 2016, the University implemented GASB Statement No. 72, *Fair Value Measurement and Application*. The University measures and records its investments using fair value measurement requirements established by the Statement. The University categorized the inputs to valuation techniques used to measure fair value into the following three levels.

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

Level 2 - Quoted prices that are observable for an asset or liability, either directly or indirectly.

Level 3 - Pricing inputs are unobservable for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level.



NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

At June 30, 2021, the University has the following recurring fair value measurements (\$ in thousands):

	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 83,834	\$ 83,834	\$ -	\$ -
Debt-related:				
U.S. Treasuries	14,399	14,399	-	-
U.S. Treasuries fund	677	677	-	-
Fixed income mutual funds	29,321	29,321	-	-
Corporate	68,097	-	68,097	-
International corporate	5,103	-	5,103	-
Federal agency	12,099	-	12,099	-
International government	7,939	-	7,939	-
Endowment Fund	68,991	-	68,991	-
Equity:				
Domestic mutual funds	18,663	18,663	-	-
Total investments by fair value	\$ 309,123	\$ 146,894	\$ 162,229	\$ -

At June 30, 2020, the University has the following recurring fair value measurements (\$ in thousands):

	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 100,916	\$ 100,916	\$ -	\$ -
Debt-related:				
U.S. Treasuries	22,016	22,016	-	-
U.S. Treasuries fund	289	289	-	-
Fixed income mutual funds	23,371	23,371	-	-
Corporate	54,406	-	54,406	-
International corporate	1,023	-	1,023	-
Federal agency	14,871	-	14,871	-
International government	7,075	-	7,075	-
Endowment Fund	53,549	-	53,549	-
Equity:				
Domestic mutual funds	16,481	16,481	-	-
Total investments by fair value	\$ 293,997	\$ 163,073	\$ 130,924	\$ -

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Money market mutual funds, U.S. treasuries, fixed income and domestic mutual funds are valued using quoted prices for identical securities in the active markets. Debt securities are valued using quoted prices for similar securities in active markets. Endowment funds of \$184.2 million are investments in the Consolidated Endowment Fund which consisted of various type of investments that are valued using level 1, level 2 inputs and net assets value measurement in the separate University of Alaska Foundation financial statements. Of the total endowment, \$69 million has a level 2 measurement input and \$115.2 million are measured at net asset value.

Disclosures for deposits and investments are presented according to GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Accordingly, the following information addresses various risk categories for University deposits and investments and the investment policies for managing that risk.

### Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The operating fund investment guidelines require that at the time of purchase, short term instruments must be rated A2 or better by Standard & Poor's (S & P), and P2 or better by Moody's. Long term instruments must be rated BBB- or better by S & P and Baa3 or better by Moody's. The average credit rating of any separately managed account portfolio shall be no lower than A by S & P and A2 by Moody's.

At June 30, 2021, investments consisted of securities with credit quality ratings issued by nationally recognized statistical rating organizations as follows (\$ in thousands):

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Investment Type	Rating	Operating	Endowment	Education Trust of Alaska
Money Market Mututal Funds	Aaa/AAA	\$ 80,289	\$ 3,142	\$ -
Money Market Mututal Funds	Not Rated	1,898	39,690	403
Debt-related:				
Corporate	Aaa/AAA	3,488	-	-
Corporate	Aa1/AA+	991	-	-
Corporate	Aa2/AA	2,614	-	-
Corporate - International	Aa2/AA	1,009	-	-
Corporate	Aa3/AA-	6,950	-	-
Corporate	A1/A+	13,280	-	-
Corporate - International	A1/A+	3,095	-	-
Corporate	A2/A	14,044	-	-
Corporate	A3/A-	9,405	-	-
Corporate - International	A3/A-	998	-	-
Corporate	Baa1/BBB+	8,568	-	-
Corporate	Baa2/BBB	8,757	-	-
Federal Agency	Aaa/AAA	9,134	-	-
Federal Agency	Not Rated	2,965	-	-
U.S. Treasuries	Aaa/AAA	14,399	11,063	-
U.S. Treasuries fund	Not Rated	-	-	677
International Government	Aaa/AAA	3,019	-	-
International Government	Aa2/AA	1,926	-	-
International Government	Aa3/AA-	2,994	-	-
Fixed incocme funds	Not Rated	-	-	29,321
Hedge Funds	Not Rated	-	42,094	-

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. GASB Statement No. 40 requires disclosure when the amount invested with a single issuer exceeds five percent of the University's total investments. At June 30, 2021, the University did not have any material concentrations of credit risk.

The operating fund investment guidelines limits the aggregate fair value of the portfolio that may be invested in any combination of instruments from one issuer to four percent and callable bonds are limited to 15 percent of the total portfolio value, with exceptions for federally backed securities.

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the University will not be able to recover deposits or will not be able to recover collateral securities in the possession of an outside party. For investments, custodial credit risk is the risk that, in the event of failure of the counterparty

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

to a transaction, the University will not be able to recover the value of investment or collateral securities in the possession of an outside party.

At June 30, 2021, the University does not have custodial credit risk. Deposits of the University are covered by Federal Depository Insurance or securities pledged by the University's counterparty to its repurchase agreement held at a third party bank. The collateral is held in the name of the University and at June 30, 2021, provided \$8.9 million coverage in excess of deposits.

### Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University uses the modified duration measurement to evaluate interest rate risk. Modified duration measures a debt investment's exposure to fair value changes arising from changing interest rates. For example, a modified duration of 2 means that for a rise in interest rates of one percent, the value of the security would decrease two percent. The University does not have a policy regarding interest rate risk.

At June 30, 2021, the University had the following debt investments and corresponding duration (\$ in thousands):

<u>Investment Type</u>	<u>Operating</u>	<u>Endowment</u>	<u>Education</u>	<u>Trust of</u>	<u>Duration</u>
<u>Debt-related:</u>					
International Government	\$ 7,893	\$ -	-	-	2.27
Federal Agency	8,489	-	-	-	1.92
Corporate	72,744	-	-	-	4.26
Unite States Treasury	14,324	-	-	-	3.51

Hedge funds totaling \$42.1 million are exposed to interest rate risk; however, underlying fund data is not available to measure the interest rate risk.

### Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates could have an adverse effect on an investment's value for investments denominated in foreign currencies. GASB Statement No. 40 requires disclosure of value in U.S. dollars by foreign currency denomination and investment type. At June 30, 2021, the University's foreign currency risk consisted of the Consolidated Endowment Fund's investments with fair value of \$45,726 in British Pounds, \$1.4 million in Canadian Dollars, \$1.6 million in Euros, \$0.2 million in Danish Krone and \$0.3 million in Swedish Krone.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

**3. Accounts Receivable**

Accounts receivable consisted of the following at June 30, 2021 and 2020 (\$ in thousands):

June 30, 2021	Gross	Allowance	Net
Student tuition and fees	\$ 21,269	\$ (2,580)	\$ 18,689
Sponsored programs	84,946	(424)	84,522
Auxiliary services and other operating activities	1,285	(102)	1,183
Capital appropriations, grants and contracts	3,750	-	3,750
<b>Total</b>	<b>\$ 111,250</b>	<b>\$ (3,106)</b>	<b>\$ 108,144</b>

June 30, 2020	Gross	Allowance	Net
Student tuition and fees	\$ 22,092	\$ (2,909)	\$ 19,183
Sponsored programs	57,154	(439)	56,715
Auxiliary services and other operating activities	2,029	(64)	1,965
Capital appropriations, grants and contracts	3,047	-	3,047
<b>Total</b>	<b>\$ 84,322</b>	<b>\$ (3,412)</b>	<b>\$ 80,910</b>

**4. Education Trust of Alaska**

Assets held in trust include operating funds and retained earnings of the Education Trust of Alaska (Trust). The Trust was established pursuant to State of Alaska statute on April 20, 2001 by the Board of Regents to facilitate administration of the State’s Internal Revenue Code (IRC) Section 529 College Savings Program. The program is a nationally marketed college savings program developed in accordance with IRC Section 529. Participant account balances of approximately \$11.0 billion and \$9.0 billion at June 30, 2021 and 2020, respectively, are not included in the financial statements. Separately audited Trust financial statements are available upon request from the University of Alaska Controller’s office.

Assets of the Trust are invested in various mutual funds at the direction of T. Rowe Price Associates, Inc., the program manager. The net assets of the Trust, which include a reserve for University of Alaska (UA) Tuition Value Guarantees, are available for payment of program administrative costs, benefits and other purposes of the Trust. Based on an actuarial study, management estimates reserve requirements for the UA Tuition Value Guarantees to be approximately \$3.1 million and \$6.5 million at June 30, 2021 and 2020, respectively. The Tuition Value Guarantees are recorded in the Statements of Net Position in Other Noncurrent Liabilities.

**5. Endowments, Land Grant Trust Property and Other Endowment Assets**

The University’s endowments consist of the Land Grant Endowment Trust Fund (LGETF) established pursuant to the 1929 federal land grant legislation, its related Inflation Proofing Fund (IPF) and several smaller “other” endowments.

Land Grant Trust (LGT) property and other assets consist of real property and timber and other rights. By Acts of Congress in 1915 and 1929, approximately 110,000 acres of land was granted to the territory of Alaska to be held in trust for the benefit of the University. The lands were managed by the territory, and later the State of

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Alaska. In accordance with a 1982 agreement, the lands were subsequently transferred to the Board of Regents, as trustee. In 1982 and 1988 certain state lands including timber and other rights were transferred to the trust as replacement for lands disposed of or adversely affected during the period of administration by the territory and the state. These lands and property interests were recorded at their fair value as of the date of transfer. The net proceeds from land sales and other rights are deposited in the Land Grant Endowment Trust Fund as described in the Endowment section in Note 1 above. At June 30, 2021 and 2020, approximately 80,295 and 80,770 acres, respectively, were held in trust at zero basis because fair value at the time of transfer was not determinable.

A summary of the endowments and Land Grant Trust property for the years ended June 30, 2021 and 2020 follows (\$ in thousands):

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

June 30, 2021	LGETF and			Total
	LGT	IPF	Other	
<b>Assets:</b>				
Notes receivable	\$ 402	\$ -		\$ 402
Investments	159,374	27,138	811	187,323
Property, rights and other assets	30,157	32,544	1,435	64,136
<b>Total assets</b>	<b>189,933</b>	<b>59,682</b>	<b>2,246</b>	<b>251,861</b>
<b>Liabilities (interfund)</b>	<b>4,883</b>	<b>12,706</b>	<b>-</b>	<b>17,589</b>
<b>Net Position:</b>				
Unrestricted	-	46,976	65	47,041
Restricted - Expendable	51,086	-	-	51,086
Restricted - Non-expendable:				
Endowment corpus	106,112	-	2,181	108,293
Land Grant Trust Property	27,851	-	-	27,851
<b>Total non-expendable</b>	<b>133,963</b>	<b>-</b>	<b>2,181</b>	<b>136,144</b>
<b>Total net position</b>	<b>\$ 185,049</b>	<b>\$ 46,976</b>	<b>\$ 2,246</b>	<b>\$ 234,271</b>

June 30, 2020	LGETF and			Total
	LGT	IPF	Other	
<b>Assets:</b>				
Notes receivable	\$ 553	\$ -	\$ -	\$ 553
Investments	124,687	23,253	811	148,751
Property, rights and other assets	30,278	32,199	1,579	64,056
<b>Total assets</b>	<b>155,518</b>	<b>55,452</b>	<b>2,390</b>	<b>213,360</b>
<b>Liabilities (interfund)</b>	<b>4,303</b>	<b>15,860</b>	<b>-</b>	<b>20,163</b>
<b>Net Position:</b>				
Unrestricted	-	39,592	64	39,656
Restricted - Expendable	18,103	-	-	18,103
Restricted - Non-expendable:				
Endowment corpus	104,988	-	2,326	107,314
Land Grant Trust Property	28,124	-	-	28,124
<b>Total non-expendable</b>	<b>133,112</b>	<b>-</b>	<b>2,326</b>	<b>135,438</b>
<b>Total net position</b>	<b>\$ 151,215</b>	<b>\$ 39,592</b>	<b>\$ 2,390</b>	<b>\$ 193,197</b>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

**6. Capital Assets**

A summary of capital assets follows (\$ in thousands):

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets not depreciated:				
Land	\$ 38,922	\$ 2	\$ -	\$ 38,924
Construction in progress	293,147	26,176	303,598	15,725
Museum collection	7,376	23	-	7,399
Other capital assets:				
Buildings	2,089,921	301,781	61	2,391,641
Infrastructure	169,060	1,731	-	170,791
Equipment and vessel	421,210	15,409	4,080	432,539
Library books	56,373	346	1,685	55,034
Leasehold improvements	25,424	-	-	25,424
Other improvements	36,846	84	-	36,930
Total	3,138,279	345,552	309,424	3,174,407
Less accumulated depreciation:				
Buildings	1,079,524	73,527	61	1,152,990
Infrastructure	72,336	6,205	-	78,541
Equipment and vessel	233,627	19,907	3,761	249,773
Library books	49,112	906	1,685	48,333
Leasehold improvements	17,318	772	-	18,090
Other improvements	27,929	1,148	-	29,077
Total accumulated depreciation	1,479,846	102,465	5,507	1,576,804
Capital assets, net	\$ 1,658,433	\$ 243,087	\$ 303,917	\$ 1,597,603

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Capital assets not depreciated:				
Land	\$ 38,966	\$ -	\$ 44	\$ 38,922
Construction in progress	281,538	33,357	21,748	293,147
Museum collection	7,358	18	-	7,376
Other capital assets:				
Buildings	2,073,697	19,971	3,747	2,089,921
Infrastructure	167,541	1,519	-	169,060
Equipment and vessel	417,202	11,255	7,247	421,210
Library books	56,617	574	818	56,373
Leasehold improvements	25,424	-	-	25,424
Other improvements	36,622	224	-	36,846
Total	3,104,965	66,918	33,604	3,138,279
Less accumulated depreciation:				
Buildings	1,022,493	59,082	2,051	1,079,524
Infrastructure	67,929	4,407	-	72,336
Equipment and vessel	218,926	20,499	5,798	233,627
Library books	48,837	1,093	818	49,112
Leasehold improvements	16,542	776	-	17,318
Other improvements	26,787	1,142	-	27,929
Total accumulated depreciation	1,401,514	86,999	8,667	1,479,846
Capital assets, net	\$ 1,703,451	\$ (20,081)	\$ 24,937	\$ 1,658,433



## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

As of June 30, 2015 the University completed construction of the research vessel named “Sikuliaq”. Title of the vessel is retained by the National Science Foundation, the agency that funded the construction, but managed and operated by the University of Alaska Fairbanks, as part of the U.S. academic research fleet. It is used by scientists in the United States and international oceanographic community through the University-National Oceanographic Laboratory System. The vessel was put into unrestricted science operations in fiscal year 2015 and is home ported in Alaska at the Seward Marine Center. The cost of the vessel is \$194.1 million and is included in the Equipment and Vessel category in the preceding table. Accumulated depreciation at June 30, 2021, was \$57.8 million with a current year depreciation expense of \$8.4 million.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

**7. Unrestricted and Restricted Net Position**

At June 30, unrestricted and restricted net position included the following (\$ in thousands):

Unrestricted:	2021	2020
Auxiliaries	\$ 8,985	\$ 8,828
Strategic reserve fund	12,564	-
Working capital fund	2,000	4,035
Working capital advances	(856)	(439)
Service centers	9,300	10,637
Debt service funds	28,169	33,306
Renewal and replacement funds	32,902	28,034
Quasi-endowment funds	47,041	39,657
Employee benefit funds	27,331	6,505
Endowment earnings	13,034	11,824
Encumbrances	10,884	10,321
Cumulative net pension expense (GASB 68)	(222,230)	(219,541)
Cumulative net OPEB expense (GASB 75)	(5,501)	5,514
Matching funds	578	2,018
Unreserved	56,241	46,998
<b>Total unrestricted net position</b>	<b>\$ 20,442</b>	<b>\$ (12,303)</b>
<b>Restricted:</b>	<b>2021</b>	<b>2020</b>
Expendable:		
Restricted funds	\$ 4,577	\$ 1,832
Student loan funds	170	170
Education Trust of Alaska	45,310	33,741
Capital project funds	45,923	46,087
Debt service funds	-	12,553
Endowment accumulated earnings	51,086	18,103
Net OPEB assets	22,854	-
Nonexpendable:		
Endowment corpus	108,293	107,314
Land Grant Trust property	27,851	28,124
<b>Total restricted net position</b>	<b>\$ 306,064</b>	<b>\$ 247,924</b>

Unrestricted net position includes non-lapsing University receipts of \$77.0 million at June 30, 2021. Non-lapsing University receipts of \$70.0 million from fiscal year 2020 were fully expended in fiscal year 2021.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

At June 30, 2021 and 2020, the following funds were pledged as collateral for the University's general revenue bonds, as calculated under the terms of the 1992 General Revenue Bonds Trust Indenture (\$ in thousands).

	Pledged Revenue	
	June 30, 2021	June 30, 2020
Auxiliaries	\$ 8,985	\$ 8,828
Service centers	9,300	10,637
Matching funds	578	2,018
Encumbrances	10,884	10,321
Unreserved	56,241	46,998
<b>Total</b>	<b>\$ 85,988</b>	<b>\$ 78,802</b>

**8. Long-term Debt**

Debt service requirements at June 30, 2021 were as follows (\$ in thousands):

Years Ending June 30	Bonds			Notes From Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 10,965	\$ 10,466	\$ 21,431	\$ 944	\$ 556	\$ 1,500
2023	11,405	10,045	21,450	981	519	1,500
2024	11,585	9,614	21,199	1,021	479	1,500
2025	11,995	9,159	21,154	1,062	438	1,500
2026	12,480	8,672	21,152	1,105	395	1,500
2027-2031	64,425	35,781	100,206	6,228	1,272	7,500
2032-2036	53,540	23,182	76,722	2,857	144	3,000
2037-2041	46,720	11,412	58,132	-	-	-
2042-2045	28,345	2,487	30,832	-	-	-
<b>Total</b>	<b>\$ 251,460</b>	<b>\$ 120,817</b>	<b>\$ 372,277</b>	<b>\$ 14,198</b>	<b>\$ 3,803</b>	<b>\$ 18,000</b>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Long-term debt consisted of the following at June 30, 2021 and 2020 (\$ in thousands):

	2021	2020
<b>General revenue bonds payable:</b> 2.00% to 5.25% general revenue bonds due serially to 2045, secured by a pledge of unrestricted current fund revenue generated from tuition, fees, recovery of facilities and administrative costs, sales and services of educational departments, miscellaneous receipts and auxiliaries.	\$ 251,460	\$ 258,575
<b>Direct Borrowing - Note payable:</b> 3.985% note payable to the Alaska Housing Finance Corporation (AHFC) to finance Anchorage campus housing, due semiannually through February 2033. Some of the financed housing property is held as collateral of the note.	14,198	14,377
<b>Direct Borrowing - Equipment financings:</b> 2.18% to 3.29% notes payable for the purchase of equipment and vehicles due in quarterly installments through July 2020, secured by title liens.	-	321
	\$ 265,658	\$ 273,273
Premium on bonds	19,983	24,903
<b>Long-term debt</b>	<b>\$ 285,641</b>	<b>\$ 298,176</b>

The General Revenue Bonds trust indenture contains a provision that in an event of default, the bond trustee will enforce all rights of the bond owners or the trustee, including the right to require the University to receive and collect revenues, and declaring all outstanding bonds are due and payable.

The direct borrowing note payable to AHFC and the equipment financing notes contain a provision that in an event of default, the unpaid balance of these loans may become due and payable immediately.

In fiscal year 2021 and 2020, the state reimbursed the University \$1.2 million and \$1.2 million respectively, for debt service on certain projects originally financed in the 2002 Series K general revenue bonds. The reimbursement is included in state appropriations. Subject to annual appropriation, future annual state reimbursement for the projects are approximately \$1.2 million.

In July 2020, the University issued General Revenue Refunding Bonds 2020 Series W with a par amount of \$55,080,000, and a 12 year term. Average annual debt service is \$5.3 million. The bonds refunded General Revenue Bonds 2009 Series P, 2011 Series Q and 2012 Series R. The defeased bonds aggregating \$51,205,000 remain outstanding and the debt service payments are administered by the Bank of New York Mellon as third party custodian. The economic gain from the refunding was \$416,557 in present value. The refunding debt provides \$3.1 million cash flow savings over the prior debt service.

Under the terms of the 1992 General Revenue Bonds Trust Indenture, the University was required to maintain a reserve account with a trustee at an amount equal to one-half of the maximum annual general revenue bond debt service. The 2013 Series S bonds' supplemental indenture includes a springing amendment that eliminates the reserve fund once all bonds issued prior to 2013 Series S have been retired. The balance in the reserve account at June 30, 2020 was \$12.5 million. When 2020 Series W was issued in July 2020, the reserve requirement was eliminated and funds in the reserve account were liquidated.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

For fiscal year 2021 and 2020, total interest expense is \$4 million and \$5.4 million, respectively. Total interest capitalized is \$0 million and \$6.4 million.

**9. Capital Lease Obligation**

In fiscal year 2013, the University entered into a long term lease agreement with Community Properties of Alaska, Inc. (CPA), an Alaska non-profit corporation, to lease a new student dining facility on the University of Alaska Fairbanks Campus. CPA completed construction of the student dining facility in fiscal year 2014 using proceeds from its Lease Revenue Bonds 2012. CPA is leasing the underlying land from the University. Security for the Lease Revenue Bonds 2012 is the University's lease payments to CPA, paid from dining and other university receipts. The University operates the facility. The University receives title to the facility when the bonds are fully paid off, which may be done at any time. The lease is recorded as a capital lease and the obligation is recorded at the present value of future minimum lease payments. The dining facility has a capitalized cost of \$24.5 million and is included in capital assets with accumulated depreciation of \$4.3 million. At June 30, 2021, the gross capital lease liability is \$33 million, the accumulated amortization is \$10.3 million, and the net capital lease liability is \$22.7 million.

The Indenture of Trust contains a provision that in the event of default, the trustee may foreclose the Leasehold Deed of Trust and enforce all rights of the owners of the bonds, including declaring all outstanding bonds and accrued interest shall be due and payable immediately.

Future minimum lease payments under this capital lease and the present value of the minimum lease payments as of June 30, 2021 are as follows:

Years Ending June 30,	Future Payments (\$ in thousands)
2022	\$ 1,385
2023	1,382
2024	1,384
2025	1,382
2026	1,382
2027-2031	6,882
2032-2036	6,852
2037-2041	6,831
2042-2046	5,529
Total lease obligations	33,009
Less: accumulated amortization	(10,300)
Present value of minimum lease obligations	\$ 22,709

**10. Operating Leases**

The University has various operating lease agreements for facilities. The expense for operating leases was \$2.7 million and \$2.8 million for the years ended June 30, 2021 and 2020, respectively.

The future minimum lease payments are as follows:

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Years Ending June 30,	Future Payments (\$ in thousands)
2022	\$ 1,387
2023	879
2024	501
2025	491
2026	131
2027-2031	657
2032-2036	561
2037-2039	139
<b>Total lease obligations</b>	<b>\$ 4,746</b>

**11. Long-term Liabilities**

Long-term liability activity was as follows (\$ in thousands):

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Balance due within one year
Capital lease obligation	\$ 23,315	\$ 777	\$ 1,383	\$ 22,709	\$ 630
Long-term debt	298,176	55,080	67,615	285,641	11,736
Net pension liability	235,622	13,529	-	249,151	-
Net OPEB liability	3,094	-	3,094	-	-
Other noncurrent liabilities	7,080	3	3,390	3,693	-
<b>Total</b>	<b>\$ 567,287</b>	<b>\$ 69,389</b>	<b>\$ 75,482</b>	<b>\$ 561,194</b>	<b>\$ 12,366</b>

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Balance due within one year
Capital lease obligation	\$ 23,902	\$ 797	\$ 1,384	\$ 23,315	\$ 606
Long-term debt	314,016	-	15,840	298,176	16,249
Net pension liability	228,091	7,531	-	235,622	-
Net OPEB Liability	45,310	-	42,216	3,094	-
Other noncurrent liabilities	9,055	6	1,981	7,080	-
<b>Total</b>	<b>\$ 620,374</b>	<b>\$ 8,334</b>	<b>\$ 61,421</b>	<b>\$ 567,287</b>	<b>\$ 16,855</b>

**12. Capital Appropriations and Construction Commitments**

Major construction projects of the University are funded primarily by State of Alaska appropriations and general obligation bonds, University general revenue bonds and federal grants. Unexpended and unbilled capital funds

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appropriated by the State of Alaska in prior years, which are not reflected as appropriation revenue or receivables on the University's books at June 30, 2021 and 2020, totaled \$3.4 million and \$6.7 million, respectively.

Construction commitments at June 30, 2021 aggregated \$11.7 million. At June 30, 2021, the University had received \$3.2 million from State of Alaska capital appropriations and other sources in advance of expenditures. The advances are included in unearned revenue and deposits.

### **13. Retirement Plans**

Participation in one of the various retirement plans generally depends on when an employee was originally hired. Substantially all regular employees hired before July 1, 2006 participate in one of the following retirement plans:

- The State of Alaska Public Employees' Retirement System – Defined Benefit (PERS-DB), a cost-sharing, multiple-employer public employee retirement plan,
- The State of Alaska Teachers' Retirement System – Defined Benefit (TRS-DB), a cost-sharing, multiple-employer public employee retirement plan,
- The University of Alaska Optional Retirement Plan (ORP) Tier 1 or Tier 2, a single-employer defined contribution plan.

In addition, substantially all eligible employees participate in the University of Alaska Pension Plan, a supplemental single-employer defined contribution plan. Employees hired on or after July 1, 2006 have a choice to participate in the University of Alaska Retirement Program or the applicable state defined contribution plan. The University of Alaska Retirement Program consists of ORP (Tier 3) and the University of Alaska Pension Plan. However, certain staff hired July 1, 2015 and later are not eligible for the ORP. The State's defined contribution plans are the Public Employees' Retirement System – Defined Contribution (PERS-DC) or the Teachers' Retirement System-Defined Contribution (TRS-DC).

The University provides elective deferral options for employee contributions to deferred annuity plans in accordance with Internal Revenue Code sections 403(b) and 457(b), subject to eligibility criteria.

Each of the plans noted above are described in more detail in the sections that follow. None of the retirement systems or plans own any notes, bonds or other instruments of the University.

#### Actuarial Assumptions for State of Alaska PERS-DB and TRS-DB pension and OPEB plans

The total pension and OPEB liabilities for the June 30, 2020 measurement date were determined by actuarial valuations as of June 30, 2019, which were rolled forward to June 30, 2020. The actuarial valuations used the following actuarial assumptions:

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Inflation rate	2.50% per year
Salary increases PERS-DB	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Salary increases TRS-DB	Graded by service, from 6.75% to 2.75%
Investment rate of return	7.38% net of plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 8.0% grading down to 4.5% Employee Group Waiver Plan (EGWP): 8.0% grading down to 4.5%
Participation in OPEB plans	100% of system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible 20% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible

*Mortality for PERS-DB pension and OPEB plans:* Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.

*Mortality for TRS-DB pension and OPEB plans:* Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 white-collar employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 93% of male and 90% of female rates of the RP-2014 white-collar healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. For the OPEB plan, disability mortality is in accordance with the RP-2014 disabled table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.

The actuarial assumptions used in the June 30, 2020 actuarial valuations were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, with the following exceptions:

For both the pension and OPEB plans, the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from Plan assets.

For OPEB plans, in addition to the changes in assumptions regarding administrative expenses, the following assumption changes have been made since the prior valuation: 1. Per capita claims costs were updated to reflect recent experience. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions, and



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2. The Further Consolidated Appropriations Act, 2020 that was signed into laws in December 2019 made several changes, including the repeal of the Cadillac Tax.

*Long-term expected rate of return.* The long-term expected rate of return on pension and OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the pension and OPEB Plans' target asset allocation is summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	6.24%
Global equity (non-U.S.)	6.67%
Aggregate bonds	-0.16%
Opportunistic	3.01%
Real assets	3.82%
Private equity	10.00%
Cash equivalents	-1.09%

*Discount Rate.* The discount rate used to measure the total pension and OPEB liabilities was 7.38 percent. The projection of cash flows used to determine the discount rate assumed that employer and non-employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the fiduciary net position for the pension and OPEB Plans were 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 and OPEB Plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

State of Alaska Public Employees' Retirement System - Defined Benefit (PERS-DB)

*Plan Description*

PERS-DB is a defined benefit, cost-sharing, multiple-employer public employee retirement plan established and administered by the State of Alaska. The plan was originally established as an agent multiple-employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. This change provided for an integrated system of accounting for all employers. Under the integrated system, the PERS-DB plans' unfunded liability will be shared among all employers with each contributing 22 percent of their covered payroll.

PERS provides pension, postemployment health care, death and disability benefits to eligible participants. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. Effective July 1, 2006, the state legislature closed PERS-DB to new members and created a Public Employees' Retirement System Defined Contribution Retirement Plan (PERS-DC), disclosed later in this note.

The PERS-DB Plan is a plan within the Public Employees' Retirement System (PERS). PERS includes the PERS-DB and Alaska Retiree Healthcare Trust (ARHCT). Senate Bill 123 was passed during the 2007

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legislative session and created the ARHCT. ARHCT is self-funded and provides major medical coverage to retirees of PERS. PERS retains the risk of loss of allowable claims for eligible members. ARHCT began paying member healthcare claims on March 1, 2008. Prior to that time, healthcare claims were paid for by the Retiree Health Fund (RHF).

Each fiscal year, PERS issues a publicly available financial report which includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460. The report is available on the website <http://doa.alaska.gov/drb>.

*Funding Policy and Annual Pension Cost*

Employee contribution rates are 6.75 percent (7.5 percent for peace officers and firefighters). The funding policy for PERS-DB provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate the assets to pay benefits when due. The 2021 and 2020 actuarially determined rates were 30.85 percent and 27.58 percent of applicable gross pay, respectively. However, the employer contribution rate for the University was capped by the state at 22 percent for fiscal years 2021 and 2020.

The University’s Schedule of Required Contributions follows (\$ in thousands):

Years Ended June 30,	PERS-DB Annual Required Contributions			Pension percentage contributed	Postemployment healthcare percentage contributed
	Pension	Postemployment healthcare	Total		
2021	\$ 9,873	\$ 5,035	\$ 14,908	100%	100%
2020	\$ 11,783	\$ 4,707	\$ 16,490	100%	100%
2019	\$ 13,023	\$ 4,695	\$ 17,718	100%	100%

Alaska Statutes require the University contribute to PERS-DB and DC plans a minimum each year of 22 percent of the University’s fiscal year PERS covered payroll. The annual required contributions table above includes the following additional University contributions of \$1.4 million, \$1.9 million and \$1.7 million for fiscal year 2021, 2020 and 2019, respectively, which were required to adhere to the minimum contribution levels per the statutes.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2021, the University reported a liability for its proportionate share of the net pension liability. The amount recognized by the University as its proportionate share of the net pension liability and the State’s proportionate share of the net pension liability associated with the University were as follows (\$ in thousands):

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	June 30, 2021	June 30, 2020
University's proportionate share of the net pension liability - PERS	\$ 220,350	\$ 205,670
State's proportionate share of the net pension liability associated with the University (unaudited)	91,182	81,669
<b>Total</b>	<b>\$ 311,532</b>	<b>\$ 287,339</b>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The University's proportion of the net pension liability was based on a projection of the University's share of present value of future contributions to the pension plan relative to the projected present value of future contributions of all participating employers and the State, actuarially determined. At June 30, 2021, the University's portion was 3.734 percent, which was a decrease of 0.023 percentage points from the University's portion measured as of June 30, 2020.

For the year ended June 30, 2021, the University recognized pension expense of \$32.9 million and revenue of \$11.8 million for support provided by the State of Alaska. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to PERS-DB pension plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 699	\$ -
Difference between projected and actual investment earnings	8,968	-
Changes in assumptions	-	-
Changes in proportion and differences between employer contributions	-	412
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 9,667</b>	<b>\$ 412</b>

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The contributions of \$9.9 million reported as deferred outflows of resources related to the PERS-DB pension plan resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS-DB will be recognized in pension expense as follows (\$ in thousands):

<u>Years Ending June 30,</u>	
2022	\$ 3,154
2023	\$ 3,334
2024	\$ 2,322
Thereafter	-

*Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate.* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.38 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate (\$ in thousands):

	1% Decrease	Discount Rate	1% Increase
	6.38%	7.38%	8.38%
University's proportionate share of the net pension liability	\$ 286,502	\$ 220,350	\$ 164,867

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

According to GASB Statement No. 68, the University is reporting under a special funding situation. The special funding situation indicates that the State of Alaska is legally responsible for making contributions directly to the PERS-DB plan for the University as further described in Alaska Statute 39.35.280. If the law did not exist or was eliminated, the University would no longer report under a special funding situation. For example, in a non-special funding situation, the University would be required to recognize an additional net pension liability of \$91.2 million (unaudited) as of June 30, 2021.

*Postemployment Benefits Other Than Pensions (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2021, the University reported an asset for its proportionate share of the net Postemployment Benefits Other Than Pensions (OPEB) asset. The amount recognized by the University as its proportionate share of the net OPEB (asset) liability and the State's proportionate share of the net PERS OPEB (asset) liability associated with the University were as follows (\$ in thousands):

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	June 30, 2021	June 30, 2020
University's proportionate share of the net OPEB liability	\$ (16,903)	\$ 5,575
State's proportionate share of the net OPEB liability associated with the University (unaudited)	(7,012)	2,217
<b>Total</b>	<b>\$ (23,915)</b>	<b>\$ 7,792</b>

The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2019. The University's proportion of the net OPEB asset was based on a projection of the University's share of present value of future contributions to the OPEB plan relative to the projected present value of future contributions of all participating employers and the State, actuarially determined. At June 30, 2021, the University's portion was 3.757 percent, which was a decrease of 0.025 percentage points from the University's portion measured as of June 30, 2020.

For the year ended June 30, 2021, the University recognized OPEB expense of negative \$14.0 million and revenue of negative \$4.5 million for support provided by the State of Alaska. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to the PERS-DB OPEB plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,356
Difference between projected and actual investment earnings	6,782	-
Changes in assumptions		11,782
Changes in proportion and differences between employer contributions	864	-
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 7,646</b>	<b>\$ 13,138</b>

The contributions of \$5.0 million reported as deferred outflows of resources related to the PERS-DB OPEB plan resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources

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and deferred inflows of resources related to PERS-DB OPEB plan will be recognized in OPEB expense as follows (\$ in thousands):

<u>Years Ending June 30,</u>	
2022	\$ 2,414
2023	\$ 2,592
2024	\$ 1,831
Thereafter	-

*Sensitivity of the University's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the University's proportionate share of the net OPEB (asset) liability calculated using the discount rate of 7.38 percent, as well as what the University's proportionate share of the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate (\$ in thousands):

	1% Decrease	Discount Rate	1% Increase
	6.38%	7.38%	8.38%
University's proportionate share of the net OPEB (asset) liability	\$ 17,638	\$ (16,903)	\$ (45,513)

*OPEB Plan Fiduciary Net Position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS-OPEB financial report.

According to GASB Statement No. 75, the University is reporting under a special funding situation. The special funding situation indicates that the State of Alaska is legally responsible for making contributions directly to the PERS-DB plan for the University as further described in Alaska Statute 39.35.280. If the law did not exist or was eliminated, the University would no longer report under a special funding situation. For example, in a non-special funding situation, the University would be required to recognize an additional net OPEB asset of \$7.0 million (unaudited) as of June 30, 2021.

State of Alaska Teachers' Retirement System - Defined Benefit (TRS-DB)

*Plan Description*

TRS-DB is a defined benefit, cost-sharing, multiple employer public employee retirement plan established and administered by the State of Alaska. TRS-DB provides pension, postemployment health care, death and disability benefits to participants. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. Effective July 1, 2006, the state legislature closed TRS-DB to new members and created a Teachers' Retirement System Defined Contribution Retirement Plan (TRS-DC), disclosed later in this note.

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Each fiscal year, TRS-DB issues a publicly available financial report which includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460. The report is available on the website <http://doa.alaska.gov/drb>.

*Funding Policy and Annual Pension Cost*

Employees contribute 8.65 percent of their base salary as required by state statute. The funding policy for TRS-DB provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate the assets to pay benefits when due. During fiscal year 2021, contractually required employee and employer contribution rates were 8.65 percent and 12.56 percent, respectively. The actuarially determined employer contribution rate for both 2021 and 2020 was 30.47 percent of applicable gross pay.

The University's Schedule of Required Contributions follows (\$ in thousands):

Years Ended June 30,	TRS-DB Annual Required Contributions			Pension percentage contributed	Postemployment healthcare percentage contributed
	Pension	Postemployment healthcare	Total		
2021	\$ 907	\$ 1,109	\$ 2,016	100%	100%
2020	\$ 1,465	\$ 827	\$ 2,292	100%	100%
2019	\$ 1,735	\$ 856	\$ 2,591	100%	100%

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2021, the University reported a liability for its proportionate share of the net pension liability. The amount recognized by the University as its proportionate share of the net pension liability and the State's proportionate share of the net TRS-DB pension liability associated with the University were as follows (\$ in thousands):

	June 30, 2021	June 30, 2020
University's proportionate share of the net pension liability - TRS	\$ 28,801	\$ 29,951
State's proportionate share of the net pension liability associated with the University (unaudited)	49,978	44,422
<b>Total</b>	<b>\$ 78,779</b>	<b>\$ 74,373</b>

The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers

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and the State, actuarially determined. At June 30, 2021 the University's portion was 1.417 percent which was a decrease of 0.186 percentage points from the University's portion measured as of June 30, 2020.

For the year ended June 30, 2021, the University recognized pension expense of \$2.9 million and revenue of \$4.4 million for support provided by the State of Alaska. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to the TRS-DB pension plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 33	\$ -
Difference between projected and actual investment earnings	1,984	-
Change in assumptions	-	-
Changes in proportion and differences between employer contributions	-	1,275
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 2,017</b>	<b>\$ 1,275</b>

The contributions of \$0.9 million reported as deferred outflows of resources related to pensions resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the TRS-DB pension plan will be recognized in pension expense as follows (\$ in thousands):

<u>Years Ending June 30,</u>	
2022	\$ 701
2023	\$ 746
2024	\$ 515
Thereafter	\$ -

*Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate.* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.38 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate (\$ in thousands):



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	1% Decrease	Discount Rate	1% Increase
	6.38%	7.38%	8.38%
University's proportionate share of the net pension liability	\$ 40,416	\$ 28,801	\$ 19,032

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

According to GASB Statement No. 68, the University is reporting under a special funding situation. The special funding situation indicates that the State of Alaska is legally responsible for making contributions directly to the TRS-DB plan for the University as further described in Alaska Statute 14.25.085. If the law did not exist or was eliminated, the University would no longer report under a special funding situation. For example, in a non-special funding situation, the University would be required to recognize additional net pension liability of \$50.0 million (unaudited) as of June 30, 2021.

*Postemployment Benefits Other Than Pensions (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2021, the University reported an asset for its proportionate share of the net Postemployment Benefits Other Than Pensions (OPEB) asset. The amount recognized by the University as its proportionate share of the net OPEB asset and the state's proportionate share of the net TRS-DB OPEB asset associated with the University were as follows (\$ in thousands):

	June 30, 2021	June 30, 2020
University's proportionate share of the net OPEB liability (asset) - TRS	\$ (5,054)	\$ (2,445)
State's proportionate share of the net OPEB liability (asset) associated with the University (unaudited)	(8,807)	(3,638)
<b>Total</b>	<b>\$ (13,861)</b>	<b>\$ (6,083)</b>

The University's proportion of the net OPEB liability (asset) was based on a projection of the University's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2021 the University's portion was 1.413 percent which was a decrease of 0.187 percentage points from the University's portion measured as of June 30, 2020.

For the year ended June 30, 2021, the University recognized OPEB expense of negative \$7.7 million and revenue of negative \$5.3 million for support provided by the State of Alaska. At June 30, 2021, the University reported

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deferred outflows of resources and deferred inflows of resources related to the TRS-DB OPEB plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 135
Difference between projected and actual investment earnings	977	-
Change in assumptions	-	1,590
Changes in proportion and differences between employer contributions	298	-
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 1,275</b>	<b>\$ 1,725</b>

The contributions of \$1.1 million reported as deferred outflows of resources related to OPEB resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the TRS-DB OPEB plan will be recognized in OPEB expense as follows (\$ in thousands):

<u>Years Ending June 30,</u>	
2022	\$ 346
2023	\$ 371
2024	\$ 262
Thereafter	\$ -

*Sensitivity of the University's proportionate share of the net OPEB (asset) liability to changes in the discount rate.* The following presents the University's proportionate share of the net OPEB asset calculated using the discount rate of 7.38 percent, as well as what the University's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate (\$ in thousands):

	1% Decrease 6.38%	Discount Rate 7.38%	1% Increase 8.38%
University's proportionate share of the net OPEB liability (asset) - TRS	\$ (279)	\$ (5,054)	\$ (8,993)

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*OPEB Plan Fiduciary Net Position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS-DB financial report.

According to GASB Statement No. 75, the University is reporting under a special funding situation. The special funding situation indicates that the State of Alaska is legally responsible for making contributions directly to the TRS-DB plan for the University as further described in Alaska Statute 14.25.085. If the law did not exist or was eliminated, the University would no longer report under a special funding situation. For example, in a non-special funding situation, the University would be required to recognize additional net OPEB asset of \$8.8 million (unaudited) as of June 30, 2021.

### Actuarial Assumptions for the OPEB plans provided by the State of Alaska PERS and TRS Defined Contribution retirement plans:

*Actuarial Assumptions.* The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.50% per year
Salary increases PERS-DC	Graded by service, from 7.75% to 2.75% for peace officer/firefighter Graded by service, from 6.75% to 2.75% for all others
Salary increases TRS-DC	Graded by service, from 6.75% to 2.75%
Investment rate of return	7.38%, net of plan investment expenses This is based on average inflation rate of 2.50% and a real rate of return of 4.88%
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65: medical: 5.4% grading down to 4.5% Prescription drug: 8.0% grading down to 4.5% Employer Group Waiver Plan (EGWP): 8.0% grading down to 4.5%

*Mortality for PERS-DC plans:* Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. For the Occupational Death and Disability (ODD) Plan, deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others. Disability mortality in accordance with the RP-2014 Disabled Table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.

*Mortality for TRS-DC plans:* Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 white-collar employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 93% of male and 90% of female rates of the RP-2014 white-collar healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-

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2017 generational improvement. Deaths are assumed to be occupational 15% of the time. Disability mortality in accordance with the RP-2014 disabled table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

For the ODD plans, the assumptions used in the June 30, 2019 actuarial are the same as those used in the June 30, 2018 valuation with the following exception: 1. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

For the Retiree Medical plans, the assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions: 1. Per capita claims costs were updated to reflect recent experience. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions, 2. The Further Consolidated Appropriations Act, 2020 that was signed into law in December 2019 made several changes, including the repeal of the Cadillac Tax, and 3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

The change of benefit terms is significantly impacted by the adoption of the EGWP program effective January 1, 2019. Under the EGWP program, certain prescription drug benefits previously provided by the Plan are now provided directly by Medicare.

*Long-term expected rate of return.* The long-term expected rate of return on Plans' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the Plans' target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	6.24%
Global equity (non-U.S.)	6.67%
Aggregate bonds	-0.16%
Opportunistic	3.01%
Real assets	3.82%
Private equity	10.00%
Cash equivalents	-1.09%

*Discount Rate.* The discount rate used to measure the total OPEB liability as of June 30, 2020 was 7.38%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue

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to follow the current funding policy, which meets State Statutes. Based on those assumptions, the 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 on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

State of Alaska Public Employees’ Retirement System - Defined Contribution (PERS-DC)

*Plan Description*

PERS-DC is a defined contribution, cost-sharing, multiple-employer public employee retirement plan established and administered by the State of Alaska to provide pension and postemployment healthcare benefits for eligible employees. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. PERS-DC was created by the state effective July 1, 2006. Plan savings are accumulated in individual retirement accounts for the exclusive benefit of each member or beneficiary.

*Funding Policy and Annual Pension Cost*

The employee contribution rate is 8 percent and the employer effective contribution rate is 22 percent of covered payroll. For the years ended June 30, 2021 and 2020, the University’s total covered payroll for the PERS-DC plan was approximately \$60.3 million and \$53.3 million, respectively. Contributions made by the University follows (\$ in thousands):

PERS-DC University Contributions					
Years Ended	Pension		Postemployment Healthcare		Total Contributions
June 30,					
2021	\$	9,988	\$	3,285	\$ 13,273
2020	\$	7,080	\$	4,650	\$ 11,730

On July 1, 2006, three pension trust sub-funds were created within PERS, the Retiree Major Medical Insurance (RMP), Health Reimbursement Arrangement (HRA), and Occupation Death and Disability (OD&D). RMP allows eligible members who retire directly from the plan to obtain medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides employees with benefits as a result of death or disability on the job. PERS-DC participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds. The employer RMP contribution rates for fiscal years 2021 and 2020 are 1.27 and 1.32 percent, respectively, for medical coverage and 0.31 and 0.26 percent, respectively (0.70 and 0.72 percent, respectively, for peace officers and firefighters) for occupational death and disability benefit contributions. For fiscal years 2021 and 2020, the HRA employer contributions are \$179.92 and \$176.80 per month, respectively, for full time employees and \$1.38 and \$1.36 per hour for part time employees, respectively.

*Postemployment Benefits Other Than Pensions (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2021, the University reported the following balances for its proportionate share of the net OPEB (assets) liabilities related to the PERS-DC Occupational Death & Disability and Retiree Medical plans (\$ in thousands):

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	June 30, 2021	June 30, 2020
University's proportionate share of the net OPEB liability (asset) - Occupational Death & Disability	\$ (839)	\$ (743)
University's proportionate share of the net OPEB liability - Retiree Medical	267	901
<b>Total</b>	<b>\$ (572)</b>	<b>\$ 158</b>

The University's proportion of the net OPEB (asset) liability was based on a projection of the University's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021 the University's portion of PERS-DC Occupational Death & Disability plan was 3.077 percent which was an increase of 0.011 percentage points from the University's portion measured as of June 30, 2020. At June 30, 2021 the University's portion of PERS-DC Retiree Medical plan was 3.764 percent which was a decrease of 0.001 percentage points from the University's portion measured as of June 30, 2020.

At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to the PERS-DC Occupational Death and Disability plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 282
Difference between projected and actual investment earnings	29	-
Change in assumptions	-	12
Changes in proportion and differences between employer contributions	8	108
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 37</b>	<b>\$ 402</b>

At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to the PERS-DC Retiree Medical plan from the following sources (\$ in thousands):

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	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1	\$ 58
Difference between projected and actual investment earnings	120	-
Change in assumptions	375	690
Changes in proportion and differences between employer contributions	105	-
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 601</b>	<b>\$ 748</b>

The contributions of \$187,024 to the PERS-DC Occupational Death & Disability plan and \$766,197 to the PERS-DC Retiree Medical plan reported as deferred outflow of resources resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PERS OPEB plans will be recognized in OPEB expense as follows (\$ in thousands):

Years Ending June 30,	PERS-DC ODD	PERS-DC RM
2022	\$ (55)	\$ 12
2023	(55)	12
2024	(57)	3
2025	(64)	(26)
thereafter	(73)	(137)

*Sensitivity of the University's proportionate share of the net OPEB (asset) liability to changes in the discount rate.* The following presents the University's proportionate share of the net OPEB (asset) liability calculated using the discount rate of 7.38 percent, as well as what the University's proportionate share of the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate(\$ in thousands):

	1% Decrease 6.38%	Discount Rate 7.38%	1% Increase 8.38%
University's proportionate share of the net OPEB liability (asset) related to PERS-DC ODD	\$ (788)	\$ (839)	\$ (879)
University's proportionate share of the net OPEB liability (asset) related to PERS-DC Retiree Medical	\$ 1,654	\$ 267	\$ (783)

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*OPEB Plan Fiduciary Net Position.* Detailed information about each of the OPEB plan’s fiduciary net positions are available in separately issued PERS-DC-financial reports.

Each fiscal year, PERS-DC issues a publicly available financial report which includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460. The report is available on the website <http://doa.alaska.gov/drb>.

State of Alaska Teachers’ Retirement System -Defined Contribution (TRS-DC)

*Plan Description*

TRS-DC is a defined contribution, cost-sharing, multiple-employer public employee retirement plan established and administered by the State of Alaska to provide pension and postemployment healthcare benefits for teachers and other eligible employees. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. TRS-DC was created by the state effective July 1, 2006. Plan savings are accumulated in individual retirement accounts for the exclusive benefit of members or beneficiaries.

*Funding Policy and Annual Pension Cost*

The employee contribution rate is 8 percent and the effective employer contribution rate is 12.56 percent of covered payroll. For the years ended June 30, 2021 and 2020, the University’s total covered payroll for the TRS-DC plan was approximately \$11.1 million and \$9.8 million, respectively. Contributions made by the University follows (\$ in thousands):

Years Ended June 30,	TRS-DC University Contributions		
	Pension	Postemployment Healthcare	Total Contributions
2021	\$ 986	\$ 414	\$ 1,400
2020	\$ 783	\$ 443	\$ 1,226

On July 1, 2006, two pension trust sub-funds were created in TRS, the Retiree Major Medical Insurance (RMP) and Health Reimbursement Arrangement (HRA). The TRS Occupational Death and Disability (OD&D) trust sub-fund was created on July 1, 2007. RMP allows eligible members who retire directly from the plan to obtain medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides employees with benefits as a result of death or disability on the job. TRS-DC participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds. The employer contribution rates for fiscal years 2021 and 2020 were 0.93 and 1.09 percent, respectively, for medical coverage and 0.08 percent and 0.08 percent, respectively, for occupational death and disability benefit contributions. For fiscal years 2021 and 2020, the HRA employer contributions are \$179.92 and \$176.80 per month, respectively, for full time employees. For TRS part-time employees, the HRA rate is based on the contract percentage worked multiplied by the rate monthly rate. For example, a 70% employee paid monthly would have a contribution to the HRA of \$125.94 per pay period (monthly HRA amount \$179.92 multiplied by 70%) for fiscal year 2021, and \$123.76 per pay period (monthly HRA amount \$176.80 multiplied by 70%) for fiscal year 2020.



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*Postemployment Benefits Other Than Pensions (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2021, the University reported the following balances for its proportionate share of the net OPEB liabilities (assets) related to the TRS-DC Occupational Death & Disability and Retiree Medical plans (\$ in thousands):

	June 30, 2021	June 30, 2020
University's proportionate share of the net OPEB liability (asset) - TRS Occupational Death & Disability	\$ (99)	\$ (99)
University's proportionate share of the net OPEB liability (asset) - TRS Retiree Medical	(227)	(94)
<b>Total</b>	<b>\$ (326)</b>	<b>\$ (193)</b>

The University's proportion of the net OPEB (asset) liability was based on a projection of the University's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021 the University's portion of TRS-DC Occupational Death & Disability plan was 2.295 percent which was a decrease of 0.171 percentage points from the University's portion measured as of June 30, 2020. At June 30, 2021 the University's portion of TRS-DC Retiree Medical plan was 2.299 percent which was a decrease of 0.163 percentage points from the University's portion measured as of June 30, 2020.

At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to the TRS-DC Occupational Death and Disability plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 11
Difference between projected and actual investment earnings	2	
Changes in assumptions	-	-
Changes in proportion and differences between employer contributions	6	5
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 8</b>	<b>\$ 16</b>

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At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to the TRS-DC Retiree Medical plan from the following sources (\$ in thousands):

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 48	\$ 17
Difference between projected and actual investment earnings	26	-
Changes in assumptions	35	197
Changes in proportion and differences between employer contributions	6	6
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 115</b>	<b>\$ 220</b>

The contributions of \$8,916 to the TRS-DC Occupational Death & Disability plan and \$103,646 to the TRS-DC Retiree Medical plan reported as deferred outflow of resources resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the TRS-DC OPEB plans will be recognized in OPEB expense as follows (\$ in thousands):

Years Ending June 30,	TRS-DC ODD	TRS-DC RM
2022	\$ (1)	\$ (8)
2023	(1)	(8)
2024	(1)	(10)
2025	(2)	(16)
thereafter	(3)	(48)

*Sensitivity of the University's proportionate share of the net OPEB (asset) liability to changes in the discount rate.* The following presents the University's proportionate share of the net OPEB (asset) liability calculated using the discount rate of 7.38 percent, as well as what the University's proportionate share of the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate (\$ in thousands):

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	1% Decrease 6.38%	Discount Rate 7.38%	1% Increase 8.38%
University's proportionate share of the net OPEB (asset) liability related to TRS-DC ODD	\$ (99)	\$ (99)	\$ (99)
University's proportionate share of the net OPEB (asset) liability related to TRS-DC Retiree Medical	\$ 12	\$ (227)	\$ (405)

*OPEB Plan Fiduciary Net Position.* Detailed information about each of the OPEB plan's fiduciary net positions are available in separately issued TRS-DC-financial reports.

Each fiscal year, TRS-DC issues a publicly available financial report which includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460. The report is available on the website <http://doa.alaska.gov/drb>.

University of Alaska Optional Retirement Plan - Defined Contribution (ORP)

*Plan Description*

The ORP is an employer funded defined contribution plan which operates in conjunction with a companion mandatory tax-deferred annuity plan. The ORP is comprised of three layers of participants: the original ORP or ORP Tier 1 which was created for participants hired prior to July 1, 2005, ORP Tier 2 which was created for participants hired between July 1, 2005 and June 30, 2006, and ORP Tier 3 which was created for participants hired on or after July 1, 2006. For ORP Tier 1 and ORP Tier 2, faculty classified as regular and certain administrators made a one-time election to participate in the ORP as an alternative to participation in the defined benefit plans, PERS-DB or TRS-DB. The ORP Tier 2 plan was available for new ORP benefit-eligible employees hired in fiscal year 2006. As of July 1, 2006, the ORP Tier 2 plan was no longer available to newly-hired ORP benefit-eligible employees. For ORP Tier 3, each new eligible employee was able to make a one-time election to participate in the University of Alaska Retirement Program (includes ORP Tier 3 and the University of Alaska Pension Plan) as an alternative to participation in the State of Alaska defined contribution plans, PERS-DC or TRS-DC. Beginning July 1, 2015 the ORP was closed to new hired regular staff, but is still available for faculty and certain administrators.

*Funding Policy and Annual Pension Cost*

University contributions are remitted to the plan's authorized employee-selected annuity providers or investment managers. The contribution rates and amounts for fiscal years 2021 and 2020 were as follows (\$ in thousands):

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	<u>ORP Tier 1</u>		<u>ORP Tier 2</u>		<u>ORP Tier 3</u>	
	2021	2020	2021	2020	2021	2020
Employee Contribution Rates	8.65%	8.65%	8.65%	8.65%	8.00%	8.00%
University Contribution Rates	14.00%	14.00%	12.00%	12.00%	12.00%	12.00%
Covered Payroll	\$28,312	\$ 30,703	\$ 2,328	\$ 2,516	\$ 102,524	\$ 103,626
University Contributions	\$ 3,964	\$ 4,298	\$ 279	\$ 302	\$ 12,303	\$ 12,435

*Plan Assets*

At June 30, 2021 and 2020, plan assets (participants' accounts attributable to employer contributions) for ORP Tier 1, Tier 2 and Tier 3 had a net value of \$477.9 million and \$373.1 million, respectively. ORP Tier 1 and ORP Tier 2 participants are 100 percent vested at all times. University contributions for ORP Tier 3 participants are 100 percent vested after three years of service.

University of Alaska Pension Plan (Pension)

*Plan Description*

In addition to the other retirement plans, substantially all regular employees (hired before July 1, 2006) and certain faculty classified as temporary, participate in the Pension plan which was established January 1, 1982, when the University withdrew from the federal social security program. Eligible employees, hired on or after July 1, 2006, who elected to participate in the University of Alaska Retirement Program also participate in the Pension plan.

*Funding Policy and Annual Pension Cost*

For fiscal years 2021 and 2020, employer contributions for regular employees was 7.65 percent of covered wages up to \$42,000. For certain faculty classified as temporary, the employer contributions were 7.65 percent of covered wages up to \$142,800 and \$137,700 for fiscal years 2021 and 2020, respectively. The plan provides for employer contributions to be invested in accordance with participant-directed investment elections. Participants hired before July 1, 2006 are 100 percent vested at all times. University contributions for participants hired on or after July 1, 2006 are 100 percent vested after three years of service. Regular staff hired on or after July 1, 2015 are also 100 percent vested after three years of service of the employer contributions of the pension plan.

*Plan Assets*

In fiscal years 2021 and 2020, the University's total covered payroll for the Pension plan was \$146.2 million and \$148.9 million, respectively. The University's gross costs to fund and administer the plan totaled \$11.2 million and \$11.4 million for the years ended June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, plan assets (participants' accounts) had a net value of \$549.1 million and \$451.8 million, respectively.

NOTES TO FINANCIAL STATEMENTS

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**14. Insurance and Risk Management**

The University is exposed to a wide variety of risks including property loss, bodily and personal injury, intellectual property, errors and omissions, cyber-attacks, aviation and marine. Exposures are handled with a combination of self-insurance and commercial insurance.

The University is self-insured up to the maximum of \$2.0 million per occurrence for casualty claims and \$250,000 for property claims. Commercial carriers provide coverage in excess of these amounts. Health care, workers' compensation and unemployment claims are fully self-insured. Liabilities have been established using actuarial analysis to cover estimates for specific reported losses, estimates for unreported losses based upon past experience modified for current trends, and estimates of expenses for investigating and settling claims. Settled claims have not exceeded the coverages for any of the past three years.

Changes in applicable self-insured liability amounts follow (\$ in thousands):

	Balance July 1, 2020	Provision for Claims	Claims Payments	Balance June 30, 2021
Health	\$ 5,317	\$ 50,568	\$ (50,636)	\$ 5,249
General liability	4,550	110	-	4,660
Workers' compensation	3,873	975	(1,179)	3,669
Unemployment	54	914	(869)	99
	<u>\$ 13,794</u>	<u>\$ 52,567</u>	<u>\$ (52,684)</u>	<u>\$ 13,677</u>

	Balance July 1, 2019	Provision for Claims	Claims Payments	Balance June 30, 2020
Health	\$ 5,943	\$ 46,696	\$ (47,322)	\$ 5,317
General liability	3,120	-	1,430	4,550
Workers' compensation	5,243	(1,241)	(129)	3,873
Unemployment	107	159	(212)	54
	<u>\$ 14,413</u>	<u>\$ 45,614</u>	<u>\$ (46,233)</u>	<u>\$ 13,794</u>

**15. Commitments and Contingencies**

Amounts received and expended by the University under various federal and state grants, contracts and other programs are subject to audit and potential disallowance. From time to time the University is named as a defendant in legal proceedings or cited in regulatory actions related to the conduct of its operations.

In the normal course of business, the University also has various other commitments and contingent liabilities which are not reflected in the accompanying financial statements. In the opinion of management, the University will not be affected materially by the final outcome of any of these proceedings, or insufficient information exists to make an opinion.

The University received a Potentially Responsible Party (PRP) letter from the Alaska Department of Environmental Conservation (ADEC) in July 2019. The letter identified the University as the potential party that may be responsible for cleanup costs of soil contamination found due to pipeline failure in Kenai, Alaska. During

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fiscal year 2021, the University of Alaska Fairbanks has developed the excavation and post excavation sampling plan and the plan has been approved by the Department of Environmental Conservation. The cleanup of the site is planned for June 2022 and the estimated cost is \$1.1 million based on the scope of the work.

In fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the University, COVID-19 may impact various parts of its 2022 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, costs for increased use of technology, or potential shortages of personnel. Management believes the University is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

### **16. University of Alaska Foundation**

The University of Alaska Foundation (Foundation) is a legally separate, nonprofit organization formed in 1974 to solicit donations for the exclusive benefit of the University of Alaska. During the fiscal years 2021 and 2020, the University transferred \$0.9 million and \$0.9 million for general support, respectively. For the same periods, the Foundation reimbursed the University for operating expenses totaling \$4.2 million and \$3.9 million, respectively.

For the years ended June 30, 2021 and 2020, distributions and expenditures by the Foundation for the benefit of the University totaled \$13.7 million and \$12.6 million, of which \$13.6 million and \$12.4 million were direct reimbursements to the University, respectively. Additionally, the University had a receivable from the Foundation of \$5.9 million and \$6.3 million at June 30, 2021 and 2020, respectively, primarily for unreimbursed expenditures incurred on Foundation awards made to the University.

The investable resources of the University's Land Grant Endowment Trust Fund and the Foundation's pooled endowment funds are combined into a Consolidated Endowment Fund for investment purposes. At June 30, 2021 and 2020, the fair value of the fund was \$472.2 million and \$356.3 million, respectively. The University's share of this fund was \$184.2 million and \$144.3 million, respectively, which is reflected in endowment investments.

The fund is managed by the Foundation's investment committee on a total return basis in accordance with an investment policy approved by the Board of Regents. The net assets and related activity for the University's Land Grant Endowment Trust and Inflation Proofing Funds' investment in the fund is reflected in the University's financial statements.

On June 17, 2013, the Foundation entered into a partnership agreement with Cambridge Associates, LLC to form the University of Alaska Foundation Consolidated Endowment Fund, L.P. (the partnership) and assume management of the fund effective July 1, 2013. The partnership is a single investor fund with Cambridge Associates, LLC serving as general partner, and the University of Alaska Foundation serving as the sole limited partner. This relationship does not affect the ownership of units in the Consolidated Endowment Fund by the University or the Foundation. Effective July 1, 2013, all assets of the fund were transferred to the partnership.

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The investment committee of the Foundation has retained authority for setting investment policy, guidelines and philosophy, and approving asset allocation targets and benchmarks. Under the restructuring plan for the fund, the general partner has been delegated discretionary authority by the investment committee for manager selection and termination, management of cash flows to and from investments of the partnership, due diligence on underlying managers and investments, and performance reporting.

The financial statements of Foundation may be obtained by writing to University of Alaska Foundation, P.O. Box 755080, Fairbanks, Alaska 99775 or by calling (907) 450-8030.

### **17. COVID Related Funding**

The federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in December 2020, and the American Rescue Plan Act (ARP) in March 2021. These funds were awarded to institutions of higher education in primarily two allotments; institutional aid to provide support for pivoting instruction to online delivery and other COVID related costs, and a student portion for emergency financial aid grants to students. The University also received COVID related funding support from the State of Alaska through the Coronavirus Relief Fund, and other funding passed through local municipalities. The University recognized \$43.3 million in COVID related funding during fiscal year 2021. Both the institutional aid portion and the student aid portion of the federal awards are reported as nonoperating revenue, the institutional aid portion of the expense is reported as an operating expense and the student aid portion is reported as a nonoperating expense in the Statement of Revenues, Expenses, and Changes in Net Position.

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18. Functional and Natural Expense Classifications

The University's operating expenses by functional and natural classification for fiscal years 2021 and 2020 were as follows (\$ in thousands):

FY 2021	Compensation & Benefits	Contractual Services	Materials	Other	Student Aid	Depreciation	Total
Instruction	\$ 136,543	\$ 12,732	\$ 4,645	\$ 201	\$ -	\$ -	\$ 154,121
Academic support	41,273	4,227	4,298	10	-	-	49,808
Research	87,846	38,462	8,794	65	-	-	135,167
Public service	32,190	9,653	2,313	(17)	-	-	44,139
Student services	33,883	5,071	1,743	70	-	-	40,767
Operations and maintenance	25,053	22,940	10,453	451	-	-	58,897
Institutional support	70,776	25,659	2,951	785	-	-	100,171
Student aid	-	-	-	-	23,571	-	23,571
Auxiliary enterprises	7,548	11,538	1,414	162	-	-	20,662
Depreciation	-	-	-	-	-	102,465	102,465
State on-behalf payments	-	-	-	6,392	-	-	6,392
<b>Total</b>	<b>\$ 435,112</b>	<b>\$ 130,282</b>	<b>\$ 36,611</b>	<b>\$ 8,119</b>	<b>\$ 23,571</b>	<b>\$ 102,465</b>	<b>\$ 736,160</b>

FY 2020	Compensation & Benefits	Contractual Services	Materials	Other	Student Aid	Depreciation	Total
Instruction	\$ 140,909	\$ 15,865	\$ 4,542	\$ 962	\$ -	\$ -	\$ 162,278
Academic support	39,421	5,966	6,122	85	-	-	51,594
Research	80,591	33,030	8,432	(72)	-	-	121,981
Public service	24,849	10,187	1,810	179	-	-	37,025
Student services	33,186	8,400	2,410	165	-	-	44,161
Operations and maintenance	21,936	26,268	10,798	498	-	-	59,500
Institutional support	57,698	23,056	2,022	176	-	-	82,952
Student aid	-	-	-	-	22,771	-	22,771
Auxiliary enterprises	8,325	14,571	4,152	142	-	-	27,190
Depreciation	-	-	-	-	-	86,999	86,999
State on-behalf payments	-	-	-	(9,012)	-	-	(9,012)
<b>Total</b>	<b>\$ 406,915</b>	<b>\$ 137,343</b>	<b>\$ 40,288</b>	<b>\$ (6,877)</b>	<b>\$ 22,771</b>	<b>\$ 86,999</b>	<b>\$ 687,439</b>



**REQUIRED SUPPLEMENTAL INFORMATION**

**Schedule of the University's Proportionate Share of the Net Pension Liability**  
**PERS-DB Pension Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018	2017	2016	2015
University's proportion of net pension liability	3.734%	3.757%	3.945%	3.579%	4.247%	4.162%	3.427%
University's proportionate share of the net pension liability	\$ 220,350	\$ 205,670	\$ 196,025	\$ 185,021	\$ 237,381	\$ 201,845	\$ 159,853
State's proportionate share of the net pension liability associated with the University	\$ 91,182	\$ 81,669	\$ 56,774	\$ 68,931	\$ 29,912	\$ 54,062	113,146
<b>Total</b>	<b>\$ 311,532</b>	<b>\$ 287,339</b>	<b>\$ 252,799</b>	<b>\$ 253,952</b>	<b>\$ 267,293</b>	<b>\$ 255,907</b>	<b>\$ 272,999</b>
University's covered employee payroll	\$ 67,763	\$ 74,955	\$ 80,537	\$ 91,917	\$ 84,191	\$ 90,340	\$ 98,033
University's proportionate share of the net pension liability as of percentage of its covered payroll	325.2%	274.4%	243.4%	201.3%	282.0%	223.4%	163.1%
Plan fiduciary net position as a percentage of the total pension liability	61.6%	63.0%	65.0%	63.4%	59.6%	64.0%	62.4%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Data reported is measured as of July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014.

**Schedule of the University's Proportionate Share of the Net OPEB Liability**  
**PERS-DB OPEB Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018
University's proportion of net OPEB liability	3.733%	3.757%	3.944%	3.579%
University's proportionate share of the net OPEB liability (assets)	\$ (16,903)	\$ 5,575	\$ 40,478	\$ 30,239
State's proportionate share of the net OPEB liability (assets) associated with the University	\$ (7,012)	\$ 2,217	\$ 11,750	\$ 11,274
<b>Total</b>	<b>\$ (23,915)</b>	<b>\$ 7,792</b>	<b>\$ 52,228</b>	<b>\$ 41,513</b>
University's covered employee payroll	\$ 67,763	\$ 74,955	\$ 80,537	\$ 91,917
University's proportionate share of the net OPEB liability as of percentage of its covered payroll	0.0%	7.4%	50.3%	32.9%
Plan fiduciary net position as a percentage of the total OPEB liability	106.2%	98.1%	88.1%	89.7%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.

**Schedule of the University's Proportionate Share of the Net OPEB Liability**  
**PERS-DC Occidental Death and Disability Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018
University's proportion of OPEB liability	3.077%	3.066%	3.147%	2.598%
University's proportionate share of the net OPEB liability (asset)	\$ (838)	\$ (743)	\$ (611)	\$ (369)
University's covered employee payroll	\$ 60,330	\$ 53,317	\$ 47,150	\$ 35,779
University's proportionate share of the net OPEB liability as of percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	283.8%	297.4%	270.6%	213.0%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017

**Schedule of the University's Proportionate Share of the Net OPEB Liability**  
**PERS-DC Retiree Medical Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018
University's proportion of OPEB liability	3.764%	3.765%	3.147%	2.598%
University's proportionate share of the net OPEB liability	\$ 267	\$ 901	\$ 400	\$ 135
University's covered employee payroll	\$ 60,330	\$ 53,317	\$ 47,150	\$ 35,779
University's proportionate share of the net OPEB liability as of percentage of its covered payroll	0.4%	1.7%	0.8%	0.4%
Plan fiduciary net position as a percentage of the total OPEB liability	95.2%	83.2%	88.7%	94.0%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017

**Schedule of the University's Proportionate Share of the Net Pension Liability**  
**TRS-DB Pension Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018	2017	2016	2015
University's proportion of net pension liability	1.417%	1.603%	1.675%	1.612%	2.139%	2.025%	0.968%
University's proportionate share of the net pension liability	\$ 28,801	\$ 29,951	\$ 32,065	\$ 32,661	\$ 48,846	\$ 37,680	\$ 29,024
State's proportionate share of the net pension liability associated with the University	\$ 49,978	\$ 44,422	\$ 47,669	\$ 56,996	\$ 58,055	\$ 60,230	131,789
<b>Total</b>	<b>\$ 78,779</b>	<b>\$ 74,373</b>	<b>\$ 79,734</b>	<b>\$ 89,657</b>	<b>\$ 106,901</b>	<b>\$ 97,910</b>	<b>\$ 160,813</b>
University's covered employee payroll	\$ 16,049	\$ 18,249	\$ 20,625	\$ 22,128	\$ 25,212	\$ 27,848	\$ 31,575
University's proportionate share of the net pension liability as of percentage of its covered payroll	179.5%	164.1%	155.5%	147.6%	193.7%	135.3%	91.9%
Plan fiduciary net position as a percentage of the total pension liability	72.8%	74.7%	74.1%	72.4%	68.4%	73.8%	55.7%

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Data reported is measured as of July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014.

**Schedule of the University's Proportionate Share of Net OPEB Liability**  
**TRS-DB OPEB Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018
University's proportion of net OPEB liability	1.413%	1.600%	1.671%	1.606%
University's proportionate share of the net OPEB liability (asset)	\$ (5,054)	\$ (2,445)	\$ 5,196	\$ 2,955
State's proportionate share of the net OPEB liability (asset) associated with the University	\$ (8,807)	\$ (3,638)	\$ 7,755	\$ 5,182
<b>Total</b>	<b>\$ (13,861)</b>	<b>\$ (6,083)</b>	<b>\$ 12,951</b>	<b>\$ 8,137</b>
University's covered employee payroll	\$ 16,049	\$ 18,249	\$ 20,625	\$ 22,128
University's proportionate share of the net OPEB liability as of percentage of its covered payroll	0.0%	0.0%	25.2%	13.4%
Plan fiduciary net position as a percentage of the total OPEB liability	113.8%	105.5%	90.2%	93.8%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.

**Schedule of the University's Proportionate Share of the Net OPEB Liability  
 TRS-DC Occidental Death & Disability Plan  
 Last 10 Fiscal Years\*  
 (\$ in thousands)**

	2021	2020	2019	2018
University's proportion of OPEB liability	2.295%	2.465%	2.280%	2.296%
University's proportionate share of the net OPEB liability (asset)	\$ (99)	\$ (99)	\$ (80)	\$ (75)
University's covered employee payroll	\$ 11,145	\$ 9,766	\$ 9,653	\$ 8,200
University's proportionate share of the net OPEB liability as of percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	931.1%	1409.8%	1304.8%	1342.5%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017



**Schedule of the University's Proportionate Share of the Net OPEB Liability**  
**TRS-DC Retiree Medical Plan**  
**Last 10 Fiscal Years\***  
**(\$ in thousands)**

	2021	2020	2019	2018
University's proportion of OPEB liability	2.300%	2.462%	2.280%	2.296%
University's proportionate share of the net OPEB liability (asset)	\$ (227)	\$ (94)	\$ (73)	\$ (109)
University's covered employee payroll	\$ 11,145	\$ 9,766	\$ 9,653	\$ 8,200
University's proportionate share of the net pension liability as of percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	126.0%	110.0%	109.6%	118.2%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.

**Schedule of the University's Contribution  
PERS-DB Pension Plan  
Last 10 Fiscal Years\*  
(\$ in thousands)**

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 9,873	\$ 11,783	\$ 13,022	\$ 15,736	\$ 15,082	\$ 13,699	\$ 14,483
Contributions in relation to the statutorily required contribution	\$ 9,873	\$ 11,783	\$ 13,022	\$ 15,736	\$ 15,082	\$ 13,699	\$ 14,483
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 67,763	\$ 74,955	\$ 80,537	\$ 91,917	\$ 84,191	\$ 90,340	\$ 98,033
Contribution as a percentage of covered-University payroll	14.6%	15.7%	16.2%	17.1%	17.9%	15.2%	14.8%

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Data reported is measured as of July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014.

**Schedule of the University's Contribution  
PERS-DB OPEB Plan  
Last 10 Fiscal Years\*  
(\$ in thousands)**

	2021	2020	2019	2018
Statutorily required contribution	\$ 5,035	\$ 4,707	\$ 4,695	\$ 4,486
Contributions in relation to the statutorily required contribution	\$ 5,035	\$ 4,707	\$ 4,695	\$ 4,486
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 67,763	\$ 74,955	\$ 80,537	\$ 91,917
Contribution as a percentage of covered-University payroll	7.4%	6.3%	5.8%	4.9%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.

**Schedule of the University's Contribution  
PERS-DC Occidental Death & Disability Plan  
Last 10 Fiscal Years\*  
(\$ in thousands)**

	2021	2020	2019	2018
Statutorily required contribution	\$ 187	\$ 139	\$ 123	\$ 57
Contributions in relation to the statutorily required contribution	\$ 187	\$ 139	\$ 123	\$ 57
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 60,330	\$ 53,317	\$ 47,150	\$ 35,779
Contribution as a percentage of covered-University payroll	0.31%	0.26%	0.26%	0.16%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.

**Schedule of the University's Contribution  
PERS-DC Retiree Medical Plan  
Last 10 Fiscal Years\*  
(\$ in thousands)**

	2021	2020	2019	2018
Statutorily required contribution	\$ 766	\$ 704	\$ 443	\$ 369
Contributions in relation to the statutorily required contribution	\$ 766	\$ 704	\$ 443	\$ 369
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 60,330	\$ 53,317	\$ 47,150	\$ 35,779
Contribution as a percentage of covered-University payroll	1.27%	1.32%	0.94%	1.03%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.

**Schedule of the University's Contribution  
 TRS-DB Pension Plan  
 Last 10 Fiscal Years\*  
 (\$ in thousands)**

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 907	\$ 1,465	\$ 1,735	\$ 1,859	\$ 1,911	\$ 2,011	\$ 2,280
Contributions in relation to the statutorily required contribution	\$ 907	\$ 1,465	\$ 1,735	\$ 1,859	\$ 1,911	\$ 2,011	\$ 2,280
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 16,049	\$ 18,249	\$ 20,625	\$ 22,128	\$ 25,212	\$ 27,848	\$ 31,575
Contribution as a percentage of covered- University payroll	5.7%	8.0%	8.4%	8.4%	7.6%	7.2%	7.2%

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Data reported is measured as of July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014.

**Schedule of the University's Contribution  
TRS-DB OPEB Plan  
Last 10 Fiscal Years\*  
(\$ in thousands)**

	2021	2020	2019	2018
Statutorily required contribution	\$ 1,109	\$ 827	\$ 856	\$ 921
Contributions in relation to the statutorily required contribution	\$ 1,109	\$ 827	\$ 856	\$ 921
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 16,049	\$ 18,249	\$ 20,625	\$ 22,128
Contribution as a percentage of covered-University payroll	6.9%	4.5%	4.2%	4.2%

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Data reported is measured as of July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014.

**Schedule of the University's Contribution  
 TRS-DC Occidental Death & Disability Plan  
 Last 10 Fiscal Years\*  
 (\$ in thousands)**

	2021	2020	2019	2018
Statutorily required contribution	\$ 9	\$ 8	\$ 8	-
Contributions in relation to the statutorily required contribution	\$ 9	\$ 8	\$ 8	-
Contribution (deficiency) excess	\$ -	\$ -	\$ -	-
University's covered employee payroll	\$ 11,145	\$ 9,766	\$ 9,654	\$ 8,200
Contribution as a percentage of covered-University payroll	0%	0%	0%	0%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.



**Schedule of the University's Contribution  
 TRS-DC Retiree Medical Plan  
 Last 10 Fiscal Years\*  
 (\$ in thousands)**

	2021	2020	2019	2018
Statutorily required contribution	\$ 104	\$ 106	\$ 76	\$ 75
Contributions in relation to the statutorily required contribution	\$ 104	\$ 106	\$ 76	\$ 75
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
University's covered employee payroll	\$ 11,145	\$ 9,766	\$ 9,654	\$ 8,200
Contribution as a percentage of covered-University payroll	0.9%	1.1%	0.8%	0.9%

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Data reported is measured as of July 1, 2020, 2019, 2018 and 2017.