Western Oregon UNIVERSITY

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2021 ANNUAL FINANCIAL REPORT

WESTERN OREGON UNIVERSITY

2021 ANNUAL FINANCIAL REPORT

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PRESIDENT'S CABINET

Dr. Jay Kenton, Interim President

Dr. Gary Dukes, Vice President for Student Affairs

Dr. Rob Winningham, Provost & Vice President, Academic Affairs

Ryan Hagemann, Vice President and General Counsel; Board Secretary

Erin McDonough, Executive Director, Advancement Division

Randi Lydum, Interim Executive Director, Intercollegiate Athletics

Dr. Tatyana Karaman, Vice President, Finance & Administration

LouAnn Vickers, Executive Assistant to the President

WOU BOARD OF TRUSTEES

MESSAGE FROM THE INTERIM PRESIDENT

Fiscal year 2020-21 was a difficult year for the university, our employees and students. The pandemic continued throughout the year and although many staff and administrators continued to come to campus every day, most of our faculty and employees worked remotely from home or other locations. Being an institution that serves many first generation and non-traditional students, many did not fare well in an on-line learning environment and most missed the high touch, high service associated with both in-person instruction and services.

WOU's enrollment has continued to decline throughout the pandemic, and we have now experienced ten straight years of enrollment declines. This has obviously impacted our tuition and fee revenues and has had a significant impact on auxiliary income from housing, food services, athletic events (which were mostly cancelled), and other revenues causing us to use reserves and otherwise reduce expenditures, including cutting academic programs and laying off both faculty and staff to maintain a balanced budget.

Thankfully, we had Federal funds associated with the American Recovery Plan Act (ARPA) and Higher Education Emergency Relief Fund (HEERF); these funds have proven crucial to the university and its students in weathering the pandemic. These funds were used to purchase masks, lab and studio supplies for at home kits, air filtration equipment, video and conference call enabled classroom upgrades, amplifiers for faculty using masks and other related safety equipment. Over the 2020-21 academic year, we disbursed $2.9 million to students and used about $3.6 million to reimburse salaries and other costs associated with the pandemic. These federal funds have been absolutely instrumental in maintaining the fiscal integrity of the institution as well as preserving many jobs for our employees.

Additionally, the 2021-23 Oregon biennial State budget is one of the best in our history. The Legislature appropriated $900M to support the seven Oregon public university campuses. In addition, we received added funding for a Strong Start precollege program for freshmen with special emphasis on math and writing. We also received added funding for bilingual teachers, sports lottery funding for athletics and student aid and received capital funding for a new $21.3M Student Success Center which is needed on campus. Thus, although enrollment continues to be down from past years, we are able to sustain operations and invest in multiple initiatives aimed at growing our enrollment for the future.

This Federal and State funding has also allowed WOU to keep tuition affordable for our students. Tuition was increased by 2% over the prior year and fee remissions are budgeted at 16% of gross tuition, thus we have been able to preserve affordability for our most vulnerable student populations.

The WOU Salem campus opened in September 2021 and is now being used to teach classes to graduate and returning undergraduate students—markets that were challenging in the past without this kind of facility in the heart of a thriving city. It is mostly programmed in the evening to be a convenient alternative for working adult students. However, it has also opened the doors to some innovative partnerships with the State for workforce development training and other professional development opportunities.

We continue to emphasize becoming a Hispanic Serving Institution and are reaching out to the Latino communities with increased advertising, meeting with leadership groups and working to add Spanish speakers to departments that directly serve either students or employees whose native language is Spanish. In addition, we have added a bilingual admissions director and have gone to great lengths to retain our Spanish speaking financial aid counselors as this is a critical requisite to our success in serving more Hispanic students and their families.

We have launched multiple initiatives to reverse our enrollment decline and rebuild our finances. These initiatives include the following: investing in new faculty in high demand programs; hiring a partnership specialist to market our programs to broader audiences; investments in marketing in multiple venues; adding a men's soccer program; hiring the Education Advisory Board (EAB) on a multi-year contract to help us recruit non-traditional and graduate students; launching new graduate programs; offering additional professional development and training programs possibly with micro-credentials and badges; and strengthening our articulation and partnerships with nearby community colleges.

We have also had great success in obtaining added research and sponsored project funding recently. Our total funding for the coming year is up 50% over the prior year and our indirect cost recoveries have doubled. In addition, we are making investments in continuing this growth by using indirect cost recoveries to cover a contract with a firm to assist us in developing a grant seeking culture on campus and to assist us in developing large institutional grants.

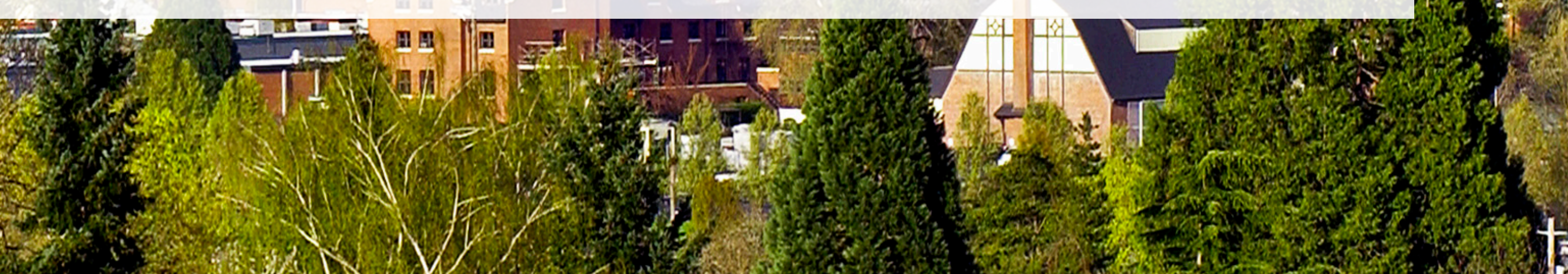
The WOU Foundation has engaged CCS Fundraising and is launching a $25 million comprehensive campaign for the university with the majority of the funds earmarked to scholarships, fields and facilities among other things. Significant donations have already been received as we ramp up this campaign with a goal to complete in 2026 which will mark the 170th anniversary of the campus which was founded in 1856.

I am happy to report that the university has recently renewed its commitment to diversity, equity and inclusion. Our students opened a new Freedom Center in our student center, we are recruiting our first executive director of Diversity, Equity and Inclusion and all students and employees are attending compulsory diversity training in order to create a more respectful and welcoming environment for all.

This year, we are recruiting a new president for the university. President Fuller retired on June 30, 2021 and I accepted the interim role until a new president can be found. This is yet another major opportunity for Western Oregon University. Our board has hired Anthem Executive to lead the search and board member Gayle Evans who is the chief human resources officer for Unitas Credit Union will chair the 21-member search committee. Our goal is to have candidates on campus in the late winter/early spring with a selection shortly thereafter. I will stay until that person is chosen and ready to on-board.

In sum, despite the challenges resulting from the shrinking high school graduating classes and the pandemic the university is continuing to adapt and change to remain sustainable now and into the future.

Jay Kenton, Interim President



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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Trustees
Western Oregon University
Monmouth, Oregon

Report on the Financial Statements
We have audited the accompanying financial statements of Western Oregon University (the University), a component unit of the State of Oregon, and the discretely presented component unit of 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'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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 opinion.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University and the discretely presented component unit as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Relationship with the State of Oregon

As described in Note 1, the financial statements of the University are intended to present the financial position, changes in financial position, and cash flows attributable to the University. They do not purport to, and do not present fairly the financial position of the State of Oregon as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in conformity with accounting principles general accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of university contributions, schedule of university's proportionate share of net pension asset/(liability), schedule of university PERS RHIA OPEB employer contribution, schedule of university's proportionate share of the net PERS RHIA OPEB asset/(liability), schedule of university PERS RHIPA OPEB employer contribution, schedule of university's proportionate share of the net PERS RHIPA OPEB asset/(liability), and the schedule of university's proportionate share of the total PEBB OPEB liability as noted 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's financial statements. The WOU Board of Trustees, President's Cabinet, the Message from the President, and the Financial Ratios are presented for purposes of additional analysis and are not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
December 15, 2021

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Western Oregon University (WOU, the university) for the year ended June 30, 2021, with comparative data for the fiscal years ended June 30, 2020, and June 30, 2019. This discussion has been prepared by management to assist readers in understanding the accompanying financial statements and footnotes.

Annual Full Time Equivalent (FTE) Student Enrollment Summary:

2021	2020	2019	2018	2017
3,829	4,134	4,368	4,451	4,571

Understanding the Financial Statements

The MD&A focuses on WOU as a whole and is intended to foster a greater understanding of WOU's financial activities. Since this presentation includes summarized formats, it should be read in conjunction with the financial statements which have the following components.

Statement of Net Position (SNP) presents a snapshot of WOU assets, deferred outflows, liabilities and deferred inflows under the accrual basis of accounting as of June 30, for each fiscal year presented. The SNP helps the reader understand the types and amounts of assets available to support operations, how much WOU owes to vendors and the State of Oregon; and net position delineated based upon their availability for future expenditures.

Statement of Revenues, Expenses, and Changes in Net Position (SRE) presents WOU revenues and expenses categorized between operating, nonoperating and other related activities. The SRE reports the WOU operating results for each fiscal year presented.

Statement of Cash Flows (SCF) provides information about WOU's sources (receipts) and uses (payments) of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories, and assists in determining whether WOU has the ability to generate future net cash flows to meet its obligations as they come due.

Notes to the Financial Statements (Notes) provide additional information to clarify and expand on the financial statements.

The MD&A provides an objective analysis of WOU's financial activities based on currently known facts, decisions, and conditions. The MD&A discusses the current and prior year results in comparison to the current and two previous fiscal years. Unless otherwise stated, all years refer to the fiscal year ended June 30.

Financial Summary

The university's financial position increased during fiscal year 2021 with an increase in total net position as of June 30, 2021, of $5,162 thousand. During 2021, unrestricted net position decreased by $6,863 thousand due to a continued enrollment decline. Net investment in capital assets increased by $7,011 thousand. Restricted expendable net position increased by $5,014 thousand.

The university's financial position decreased during fiscal year 2020 with a decrease in total net position as of June 30, 2020, of $5,722 thousand. During 2020, unrestricted net position decreased by $15,010 thousand. A decrease in unrestricted net position resulted from a continued enrollment decline as well as a significant increase in net investment in capital assets of $11,632 thousand. Restricted expendable net position decreased by $2,344 thousand.

Statement of Net Position

The term "Net Position" refers to the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, and is an indicator of WOU's current financial condition. Changes in net position that occur over time indicate improvement or deterioration in WOU's financial condition.

The following summarizes WOU assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position:

Condensed Statement of Net Position (in 000's)

As of June 30,	**2021**	2020	2019
Current Assets	**$ 35,147**	$ 39,066	$ 40,492
Noncurrent Assets	**22,479**	15,383	28,344
Capital Assets, Net	**132,915**	127,437	118,121
Total Assets	**190,541**	181,886	186,957
Deferred Outflows of Resources	**18,552**	13,224	13,055
Current Liabilities	**18,990**	20,743	20,746
Noncurrent Liabilities	**100,122**	89,491	88,816
Total Liabilities	**119,112**	110,234	109,562
Deferred Inflows of Resources	**2,137**	2,193	2,045
Net Investment in Capital Assets	**85,254**	78,243	66,611
Restricted - Expendable	**13,019**	8,005	10,349
Unrestricted	**(10,428)**	(3,565)	11,445
Total Net Position	**$ 87,845**	$ 82,683	$ 88,405

Total Net Position

Total net position increased by $5,162 thousand, or 6 percent, during 2021. Decreases in unrestricted net position were offset by increases in net investment in capital assets and restricted - expendable.

Total net position decreased by $5,722 thousand, or 6 percent, during 2020. Decreases in unrestricted net position and restricted position were partially offset by an increase in net investment in capital assets.

Comparison of fiscal year 2021 to fiscal year 2020

Net Investment in Capital Assets increased by $7,011 thousand, or 9 percent.

- Capital asset increases of $11,648 thousand were offset by a $6,170 thousand increase to accumulated depreciation for a net increase in capital assets of $5,478 thousand.
- Long-term debt outstanding attributable to the capital assets decreased by $1,285 thousand due primarily to debt service payments made on outstanding debt. *See Note 8 Long-Term Liabilities for additional information.*

See also Capital Assets later in this MD&A and Note 5 Capital Assets for additional details.

Restricted Expendable Net Position increased by $5,014 thousand, or 63 percent.

- Net position related to gifts, grants and contracts increased by $898 thousand.
- Net position related to student loans decreased by $482 thousand.
- Net position relating to the funding of capital projects decreased by $459 thousand primarily as the result of progress and completion of multiple capital projects.
- Net position relating to funds reserved for debt service decreased by $64 thousand.
- Net position restricted expendable for the OPEB asset increased by $5,121 thousand.

Unrestricted Net Position decreased by $6,863 thousand, or 193 percent.

- Unrestricted operations, which includes education, auxiliaries, and general business type activities, decreased unrestricted net position by $1,235 thousand.
- Changes associated with year-end accruals for the PERS net pension liability decreased unrestricted net position by $12,188 thousand.

- Changes associated with year-end accruals for the OPEB asset and liabilities increased unrestricted net position by $4,040 thousand.
- Changes associated with year-end liability accruals for PERS state and local government rate pool (SLGRP), compensated absences, and faculty credit banking increased unrestricted net position by $50 thousand.

See Note 9 Unrestricted Net Position for additional information.

Comparison of fiscal year 2020 to fiscal year 2019

Net Investment in Capital Assets increased by $11,632 thousand, or 17 percent.

- Capital asset increases of $15,231 thousand were offset by a $5,915 thousand increase to accumulated depreciation for a net increase in capital assets of $9,316 thousand.
- Long-term debt outstanding attributable to the capital assets decreased by $2,316 thousand due primarily to debt service payments made on outstanding debt. *See Note 8 Long-Term Liabilities for additional information.*

See also Changes to Capital Assets later in this MD&A and Note 5 Capital Assets for additional details.

Restricted Expendable Net Position decreased by $2,344 thousand, or 23 percent.

- Net position related to gifts, grants and contracts decrease by $378 thousand due primarily to a decrease in State of Oregon restricted funds at year end.
- Net position related to student loans decreased by $1,052 thousand.
- Net position relating to the funding of capital projects decreased by $1,218 thousand primarily as the result of progress and completion of multiple capital projects.
- Net position relating to funds reserved for debt service increased by $68 thousand primarily as the result of an increase in cash held restricted for debt service at year end.
- Net position restricted expendable for the OPEB asset increased by $236 thousand. The restricted expendable OPEB asset is equal to the Net OPEB Asset reported in noncurrent assets.

Unrestricted Net Position decreased by $15,010 thousand, or 131 percent.

- Unrestricted operations, which includes education, auxiliaries, and general business type activities, decreased unrestricted net position by $2,160 thousand.
- The WOU Board of Trustees created a new unrestricted quasi-endowment for the purpose of providing student financial aid. The corpus of the endowment is $1,000 thousand and current earnings total $21 thousand.
- Changes associated with year-end accruals for the PERS net pension liability were $17 thousand less than last year, thus causing an increase unrestricted net position.
- Changes associated with year-end accruals for the OPEB asset and liabilities increased unrestricted net position by $100 thousand.
- Changes associated with year-end liability accruals for PERS state and local government rate pool (SLGRP), compensated absences, and faculty credit banking increased unrestricted net position by $296 thousand.

See Note 9 Unrestricted Net Position for additional information.

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total Assets increased by $8,655 thousand, or 5 percent, during the year ended June 30, 2021. Total Assets decreased by $5,071 thousand, or 3 percent, during the year ended June 30, 2020.

Comparison of fiscal year 2021 to fiscal year 2020

Current Assets decreased by $3,919 thousand, or 10 percent, primarily due to:

- Current cash and cash equivalents decreased by $7,768 thousand. Cash held for operations decreased by $10,199 thousand. This decrease was partially offset by increases in debt service cash reserve and quasi-endowment.
- Accounts receivable increased by $4,001 thousand. Increases in receivables were observed in federal grants and contracts and were offset by a decrease in state capital construction grants and contracts. *See Note 3 Accounts Receivable for additional information.*
- Current notes receivable decreased by $151 thousand due to a decrease in receivables for institutional and federal student loans. *See Note 4 Notes Receivable for additional information.*

Noncurrent Assets increased by $7,096 thousand, or 46 percent, primarily due to:

- Investments increased by $4,010 thousand. See Note 2 Cash and Investments for additional information.
- Net OPEB asset increased by $3,599 thousand. *See Note 14 Other Postemployment Benefits (OPEB) for additional details.*

Capital Assets, Net increased by $5,478 thousand, or 4 percent. Capitalized acquisitions net of disposals and adjustments added $11,648 thousand, which was offset by an increase of $6,170 thousand in accumulated depreciation. *See Capital Assets in this MD&A and Note 5 Capital Assets for additional information.*

Deferred Outflows of Resources increased by $5,328 thousand, or 40 percent.

- Deferred outflows related to changes in accruals for the net pension liability increased by $3,319 thousand.
- Deferred outflows related to the OPEB net asset and liabilities increased by $2,009 thousand. *See Note 6 Deferred Outflows and Deferred Inflows of Resources for detailed information on this change.*

Comparison of fiscal year 2020 to fiscal year 2019

Current Assets increased by $1,426 thousand, or 4 percent, primarily due to:

- Current cash and cash equivalents increased by $1,914 thousand. Cash held for operations decreased by $8,648 thousand. Cash held in restricted gift, grant and contract funds increased by $1,385 thousand. Cash held for other restricted purposes decreased by $3,760 thousand. These increases were a result of converting investments to cash.
- Accounts receivable decreased by $2,530 thousand. Decreases in receivables were mostly observed in student tuition and fees as a result of writing-off aging balances. *See Note 3 Accounts Receivable for additional information.*
- Current notes receivable decreased by $204 thousand due to a decrease in receivables for institutional student loans and a decrease in the allowance for doubtful accounts. *See Note 4 Notes Receivable for additional information.*

Noncurrent Assets decreased by $12,961 thousand, or 46 percent, primarily due to:

- Investments decreased by $12,792 thousand due to a conversion to cash.
- Net OPEB asset increased by $236 thousand. See Note 14 Other Postemployment Benefits (OPEB) for additional details. *See Note 14 Other Postemployment Benefits (OPEB) for additional details.*

Capital Assets, Net increasedby $9,316 thousand, or 8 percent. Capitalized acquisitions net of disposals and adjustments added $15,230 thousand, which was offset by an increase of $5,915 thousand in accumulated depreciation. *See Capital Assets later in this MD&A and Note 5 Capital Assets for additional information.*

Deferred Outflows of Resources increased by $169 thousand, or 1 percent.

- Deferred outflows related to changes in accruals for the net pension liability increased by $152 thousand.
- Deferred outflows related to the OPEB net asset and liabilities increased by $17. *See Note 6 for detailed information on this change.*

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Total liabilities increased by $8,878 thousand, or 8 percent, during the year ended June 30, 2021. Total liabilities increased by $672 thousand, or 1 percent, during the year ended June 30, 2020

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Comparison of fiscal year 2021 to fiscal year 2020

Current Liabilities decreased bby $1,753 thousand, or 8 percent, due primarily to :

- The• Accounts payable and accrued liabilities decreased by $807 thousand due primarily to no longer deferring payment of employer-owed payroll taxes, as was done in 2020 provided by the CARES Act. *See Note 7 Accounts Payable and Accrued Liabilities for additional information.*
- The current portion of long-term liabilities decreased by $294 thousand. *See Debt Administration later in this MD&A and Note 8 Long-Term Liabilities.*
- Unearned revenue decreased by $411 thousand due primarily to a decrease in prepaid tuition and fees.

Noncurrent Liabilities increased by $675 thousand, or 1 percent.

- Noncurrent long-term liabilities decreased by $1,379 thousand due primarily to debt service payments made during the year. *See Debt Administration later in this MD&A and Note 8.*
- Net pension liability increased by $12,188 thousand. *See Note 13 Employee Retirement Plans.*
- OPEB liabilities decreased by $178. *See Note 14 Other Postemployment Benefits (OPEB) for additional detail*s

Deferred Inflows of Resources decreased by $56 thousand, or 3 percent.

- Deferred inflows related to the net pension liability decreased by $652 thousand.
- Deferred inflows related to the OPEB net asset and liabilities increased by $596 thousand.

See Note 6 Deferred Outflows and Deferred Inflows of Resources for additional information.

Comparison of fiscal year 2020 to fiscal year 2019

Current Liabilities decreased by $3 thousand, or 0 percent, due primarily to:

- The current portion of long-term liabilities increased by $63 thousand primarily due to previously issued debt coming due in the next year. *See Debt Administration later in this MD&A and Note 8 Long-Term Liabilities.*
- Accounts payable and accrued liabilities increased by $867 thousand due primarily to deferred payment of employer-owed payroll taxes, as provided by the CARES Act of 2020. *See Note 7 Accounts Payable and Accrued Liabilities for additional information.*
- Unearned revenue decreased by $45 thousand due primarily to a decrease in prepaid tuition and fees, which was mostly offset by increased grant and contract unearned revenue at year-end.

Noncurrent Liabilities increased by $675 thousand, or 1 percent.

- Noncurrent long-term liabilities decreased by $2,502 thousand due primarily to debt service payments made during the year. *See Debt Administration later in this MD&A and Note 8.*
- Net pension liability increased by $3,375 thousand. *See Note 13 Employee Retirement Plans.*
- OPEB liabilities decreased by $198 thousand. *See Note 14 for additional details.*

Deferred Inflows of Resources increased by $148 thousand, or 7 percent.

- Deferred inflows related to the net pension liability decreased by $127 thousand.
- Deferred inflows related to the OPEB net asset and liabilities increased by $275 thousand

See Note 6 Deferred Outflows and Deferred Inflows of Resources for additional information.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (SRE)

Due to the classification of certain revenues as nonoperating revenue, WOU shows a loss from operations. State general fund appropriations, nonexchange grants and non-capital gifts, although considered nonoperating revenue under GASB Statement No. 35, Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34, and reflected accordingly in the nonoperating section of the SRE, are used solely for operating purposes.

The chart below summarizes the revenue and expense activity of WOU.

Condensed Statement of Revenues, Expenses, and Changes in Net Position (in 000's)

For the Year Ended June 30,	**2021**	2020	2019
Operating Revenues	**$ 46,810**	$ 51,243	$ 64,507
Operating Expenses	**102,867**	113,982	107,904
Operating Loss	**(56,057)**	(62,739)	(43,397)
Nonoperating Revenues,			
Net of Expenses	**52,590**	46,480	41,162
Other Revenues	**8,629**	10,537	7,888
Increase in Net Position	**5,162**	(5,722)	5,653
Net Position, Beginning of Year	**82,683**	88,405	82,752
Net Position, End of Year	**$ 87,845**	$ 82,683	$ 88,405

Net position increased by $5,162 thousand, or 6 percent, in 2021 compared to a decrease of $5,722 thousand, or 6 percent, in 2020. During 2021, a decrease in operating revenue was offset by a more significant decrease in operating expenses. During 2020, a decrease in operating revenue was further aggravated by an increase in operating expenses.

Total Revenues

Total revenues decreased by $811 thousand, or 1 percent, in 2021 from 2020, compared to a decrease of $5,194, or 4 percent, in 2020 from 2019. Decreases in total operating revenues were partially offset by increases in state appropriations, and an award under the Higher Education Emergency Relief Funds (HEERF).

Total Operating, Nonoperating, and Other Revenues (in 000's)

Total Operating and Nonoperating Revenues

For the Year Ended June 30,	**2021**	2020	2019
Student Tuition and Fees	**$ 29,037**	$ 25,578	$ 32,253
Grants and Contracts	**7,530**	7,250	8,034
Auxiliary Enterprises	**7,082**	15,481	20,025
Educational and Other	**3,161**	2,934	4,195
Total Operating Revenues	**46,810**	51,243	64,507
Appropriations	**30,363**	28,584	25,929
Federal and State Grants	**21,318**	17,116	14,284
Gifts	**1,843**	1,482	1,050
Investment Activity	**805**	1,831	2,487
Capital Grants and Gifts	**8,247**	10,155	7,506
Gain (Loss) on Sale of Assets, Net	**2**	80	(41)
Other nonoperating items	**329**	37	-
Total Nonoperating Revenues	**62,907**	59,285	51,215
Total Revenues	**$ 109,717**	$ 110,528	$ 115,722

Operating Revenues

Total operating revenues decreased by $4,433 thousand in 2021, or 9 percent, from 2020, to $46,810 thousand. Increases in student tuition and fees, grants and contract, and educational and other revenues were offset by a significant decrease in auxiliary enterprises. Total operating revenues decreased by $13,264 thousand in 2020, or 21 percent, from 2019, to $51,243 thousand. All categories of operating revenue decreased during 2020.

Comparison of fiscal year 2021 to fiscal year 2020

Net Student Tuition and Fees increased by $3,459 thousand, or 14 percent.

- Tuition and fees increased by $3,002 thousand despite a continued decline in enrollment due primarily to an increase in online course fees resulting from nearly all courses being offered online due to the pandemic.
- Fee remissions and scholarship allowances reduced tuition and fees by $345 thousand less than in the prior year.
- Bad debt expense, primarily related to the maintenance of the allowance for bad debt, decreased by $112 thousand resulting in an increase in net tuition and fees.

Federal, State and Nongovernmental Grants and Contracts increased by $280 thousand, or 4 percent.

- Federal grant and contract revenues decreased by $171 thousand.
- State grant and contract activity increased by $702 thousand primarily due to increased grants from the State of Oregon's Department of Education, Department of Human Services, Department of Transportation and the Higher Education Coordinating Commission.
- Nongovernmental grant and contract activity decreased by $251 thousand primarily due to decreased grants and contracts from commercial businesses, foundations and associations.

Auxiliary Enterprises revenues decreased by $8,399 thousand, or 54 percent.

- Student health services revenues decreased by $1,545 thousand due primarily to nearly all courses being offered online due to the pandemic, resulting in minimal on-campus fees being assessed.
- Housing and dining revenues decreased by $2,098 thousand due primarily to decreased room and board and conference housing revenue as a result of fewer students being on campus due to the pandemic.
- Athletics revenues decreased by $228 thousand. Decreased revenues from ticket sales and miscellaneous other sources were attributed to event cancellations due to the novel coronavirus.
- Parking revenues decreased by $253 thousand primarily due to decreased parking fines and student and employee parking permit revenues.
- Bookstore revenues decreased by $462 thousand due primarily to decreased revenues from textbooks sales and sales commissions.
- Student centers and activities revenues decreased by $127 thousand primarily due to decreased revenue from rentals and ticket sales.
- Other auxiliary revenues decreased by $3,686 thousand primarily due to decreased recreation center student fees, and incidental fees as a result of nearly all courses being offered online due to the pandemic, resulting in minimal on-campus fees being assessed.

Educational Department Sales and Services and Other Operating revenues increased by $227 thousand, or 8 percent.

Comparison of fiscal year 2020 to fiscal year 2019

Net Student Tuition and Fees decreased by $6,675 thousand, or 21 percent.

- Tuition and fees decreased by $3,456 thousand due primarily to a decrease in enrollment.
- Fee remissions and scholarship allowances reduced tuition and fees by $1,944 thousand more than in the prior period.
- Bad debt expense, primarily related to the maintenance of the allowance for bad debt, increased by $1,275 thousand resulting in a decrease in net tuition and fees.

Federal, State and Nongovernmental Grants and Contracts decreased by $784 thousand, or 10 percent.

- Federal grant and contract revenues decreased by $291 thousand primarily due to decreased U.S. Department of Education grants and decreased U.S. Department of Justice cooperative agreements.

- State grant and contract activity decreased by $385 thousand primarily due to decreased grants from the State of Oregon's Department of Education, Department of Human Services, Department of Transportation and the Higher Education Coordinating Commission.
- Nongovernmental grant and contract activity decreased by $108 thousand primarily due to decreased grants and contracts from commercial businesses, foundations and associations.

Auxiliary Enterprises revenues decreased by by $4,544 thousand, or 23 percent.

- Student health services revenues decreased by $225 thousand due primarily to decreased student health fee revenue and decreased office visit income.
- Housing and dining revenues decreased by $2,994 thousand due primarily to decreased room and board revenue, conference housing revenue and an increase in the bad debt allowance.
- Athletics revenues decreased by $237 thousand. Decreased revenues from ticket sales and miscellaneous other sources were attributed to event cancellations due to the novel coronavirus.
- Parking revenues increased by $1 thousand primarily due to increased parking fines and student and employee parking permit revenues.
- Bookstore revenues decreased by $456 thousand due primarily to decreased revenues from textbooks sales and sales commissions.
- Student centers and activities revenues decreased by $64 thousand primarily due to decreased revenue from rentals and ticket sales.
- Other auxiliary revenues decreased by $569 thousand primarily due to decreased recreation center student fees, incidental fees, and service revenue.

Educational Department Sales and Services and Other Operating revenues decreased by $1,261 thousand, or 30 percent.

- Educational department sales and services decreased by $123 thousand primarily due to increased event income and miscellaneous sales and services.
- Other operating revenue decreased by $1,138 thousand. Increased interest income was somewhat reduced by decreases in collection charges on student accounts, reimbursements from outside entities and other miscellaneous revenue.

Nonoperating and Other Revenues

Nonoperating revenues increased by $3,622 thousand, or 6 percent, during 2021 resulting mainly from increased appropriations and federal and state grants items. Nonoperating revenues increased by $8,070 thousand, or 16 percent, during 2020 resulting mainly from increased capital grants and gifts and appropriations.

Comparison of fiscal year 2021 to fiscal year 2020

Government Appropriations increased by $1,779 thousand, or 6 percent.

- State appropriations in support of university operations increased by $1,474 thousand.
- State appropriations from lottery funds increased by $305 thousand.

See Note 12 Government Appropriations for additional information relating to changes in appropriations.

Federal and State Grants increased by $4,202 thousand, or 25 percent, primarily as a result of receiving continuing HEERF.

Gifts increased by $361 thousand, or 24 percent, due primarily to an increase in gifts from the WOU Development Foundation.

Investment Activity revenues decreased by $1,026 thousand, or 56 percent, primarily due to a decrease in investment earning. A loss on sale of investments was partially offset by increased investment earning. *See Note 10 Investment Activity for additional information.*

Capital Grants and Gifts decreased by $1,908 thousand, or 19 percent, due primarily to a decrease related to revenue from state reimbursable capital construction grants.

Gain on Sale of Assets, Net decreased by $78 thousand, or 98 percent, to $2 thousand during fiscal year 2021.

Other Nonoperating Items increased by $292 thousand.

Comparison of fiscal year 2020 to fiscal year 2019

Government Appropriations increased by $2,655 thousand, or 10 percent.

- State appropriations in support of university operations increased by $2,168 thousand.
- State appropriations from lottery funds increased by $487 thousand.

See Note 12 Government Appropriations for additional information relating to changes in appropriations.

Financial and State Grants increased by $2,832 thousand, or 20 percent. An increase in financial aid assistance was attributed to emergency awards to students and to the institutional support from section 18004(a) of the CARES Act (Pub. L. No. 116-136 (2020)) and partially offset by decreases in state and federal awards.

Gifts increased by $432 thousand, or 41 percent, due primarily to an increase in gifts from the WOU Development Foundation.

Investment Activity rrevenues decreased by $656 thousand, or 26 percent. A loss on sale of investments was partially offset by increased investment earning. *See Note 10 Investment Activity for additional information.*

Capital Grants and Gifts increased by $2,649 thousand, or 35 percent, due primarily to an increase related to revenue from state reimbursable capital construction grants.

Gain on Sale of Assets, Net increased by $121 thousand, or 295 percent, to $80 thousand during fiscal year 2020.

Other Nonoperating Items increased by $74 thousand, or 200 percent, to $37 thousand during fiscal year 2020.

Operating Expenses

Operating expenses decreased by $11,115 thousand in 2021, or 10 percent, compared to 2020, to $102,867 thousand. Decreases in expenses related to compensation and benefits, services and supplies, and other expenses were only partially offset by increases in scholarships and fellowships and depreciation and amortization. Operating expenses increased by $6,078 thousand in 2020, or 6 percent, compared to 2019, to $113,982 thousand. Increases in expenses related to compensation and benefits, scholarships and fellowships and depreciation were only partially offset by a decrease in services and supplies.

The following summarizes operating expenses by functional classification:

Operating Expenses by Function (in 000's)

For the Year Ended June 30,	**2021**	2020	2019
Instruction	**$ 35,628**	$ 41,185	$ 39,915
Research	**1,028**	624	810
Public Service	**3,419**	1,217	360
Academic Support	**8,861**	10,258	10,245
Student Services	**7,917**	8,340	7,410
Auxiliary Programs	**17,487**	23,199	23,527
Institutional Support	**8,327**	7,973	7,377
Operation and Maintenance of Plant	**4,426**	5,446	5,371
Student Aid	**9,979**	8,997	6,007
Other Operating Expenses	**5,795**	6,743	6,882
Total Operating Expenses	**$ 102,867**	$ 113,982	$ 107,904

Effect of GASB Nos. 68 and 71 on Expense by Function (in 000's)

For the Year Ended June 30, 2021	As Reported	Without GASB 68/71 & 75	Difference
Instruction	$ 35,628	$ 34,336	$ 1,292
Research	1,028	992	36
Public Service	3,419	3,296	123
Academic Support	8,861	8,566	295
Student Services	7,917	7,642	275
Auxiliary Programs	17,487	17,255	232
Institutional Support	8,327	8,164	163
Operations & Maint. of Plant	4,426	3,850	576
Student Aid	9,979	9,979	-
Other Operating Expenses	5,795	5,753	42
Total Operating Expenses	**$ 102,867**	**$ 99,833**	**$ 3,034**

For the Year Ended June 30, 2020	As Reported	Without GASB 68/71 & 75	Difference
Instruction	$ 41,185	$ 39,950	$ 1,235
Research	624	601	23
Public Service	1,217	1,179	38
Academic Support	10,258	9,904	354
Student Services	8,340	8,062	278
Auxiliary Programs	23,199	22,797	402
Institutional Support	7,973	7,701	272
Operations & Maint. of Plant	5,446	5,195	251
Student Aid	8,997	8,997	-
Other Operating Expenses	6,743	6,678	65
Total Operating Expenses	$ 113,982	$ 111,064	$ 2,918

For the Year Ended June 30, 2019	As Reported	Without GASB 68/71 & 75	Difference
Instruction	$ 39,915	$ 40,016	$ (101)
Research	810	815	(5)
Public Service	360	366	(6)
Academic Support	10,245	10,271	(26)
Student Services	7,410	7,441	(31)
Auxiliary Programs	23,527	23,573	(46)
Institutional Support	7,377	7,407	(30)
Operations & Maint. of Plant	5,371	5,401	(30)
Student Aid	6,007	6,007	-
Other Operating Expenses	6,882	6,889	(7)
Total Operating Expenses	$ 107,904	$ 108,186	$ (282)

The implementation of GASB Statement Nos. 68 and 71 beginning with fiscal year 2015 and GASB Statement No. 75 in fiscal year 2018, has had a significant impact on the operating expenses reported by WOU. The tables on the next page show the effect of GASB Statement Nos. 68, 71 and 75 on operating expenses across the functional classifications.

Without the adjustments to compensation and benefits required under GASB Statement Nos. 68, 71 and 75, total operating expenses for WOU would have decreased by $3,034 thousand, or 3 percent, during 2021 and would have decreased by $2,918 thousand, or 3 percent, during 2020.

Operating Expenses by Nature

Due to the way in which expenses are incurred by WOU, variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied to many of the functional expense caption items.

The following summarizes operating expenses by natural classification:

Operating Expenses by Natural Classification (in 000's)

For the Year Ended June 30,	**2021**	2020	2019
Compensation and Benefits	**$ 71,758**	$ 80,462	$ 74,642
Services and Supplies	**13,607**	17,418	20,109
Scholarships and Fellowships	**10,112**	8,573	6,789
Depreciation and Amortization	**6,636**	6,465	6,371
Other Expenses	**754**	1,064	(7)
Total Operating Expenses	**$ 102,867**	$ 113,982	$ 107,904

Comparison of fiscal year 2021 to fiscal year 2020

Compensation and Benefits costs decreased by $8,704 thousand, or 11 percent.

- Salary and wage costs decreased by $5,228 thousand due to a decrease in the number of employees and savings resulting from placing employees on leave without pay and furlough.
- Other payroll expenses decreased by $2,160 thousand as a result of the reduction in personnel.
- Student pay decreased by $1,355 thousand as a result of having minimal on-campus operations due to the pandemic.
- Other costs associated with compensation and benefits decreased by $140 thousand.
- Adjustments and accruals associated with the net pension liability reporting requirement of GASB Statement Nos. 68 and 71 increased by $5,122 thousand. *See table on the previous page and Note 13 Employee Retirement Plans for additional information on this variance.*
- Adjustments and accruals associated with the OPEB asset/(liability) reporting requirements of GASB Statement No. 75 decreased by $5,007 thousand. *See table on the previous page and Note 14 Other Postemployment Benefits (OPEB) for additional information on this variance.*
- Other year end accruals associated with payroll, including hourly wages payable and compensated absences, increased by $64 thousand.

Services and Supplies expense decreased by $3,811 thousand, or 22 percent, during 2021. The decrease was seen in virtually every category including general supplies, maintenance and repairs, other professional services, hosting expenses, and travel. These decreases were slightly offset by increases in medical services and insurance premiums.

Scholarships and Fellowships expenses increased by $1,539 thousand, or 18 percent. This is primarily a result of an increase in CARES and CRRSAA funds distributed to students. This expense category does not include fee remissions, which are reported as reductions to student tuition and fee revenues.

Depreciation and Amortization expense increased by $171 thousand, or 3 percent, primarily due to recently constructed or refurbished buildings being placed in service during 2021.

Other expenses decreased by $310 thousand.

Comparison of fiscal year 2020 to fiscal year 2019

Compensation and Benefits costs increased by $5,820 thousand, or 8 percent.

- Salary and wage costs increased by $299 thousand due to increased wages, offset by a decrease in the number of employees.
- Retirement and health insurance costs increased by $1,986 thousand due in large part to an increase in the PERS contribution rate for employers.
- Other payroll expenses increased by $282 thousand.
- Other costs associated with compensation and benefits increased by $169 thousand.
- Adjustments and accruals associated with the net pension liability reporting requirement of GASB Statement Nos. 68 and 71 increased by $3,113 thousand. *See table on the previous page and Note 13 Employee Retirement Plans for additional information on this variance.*
- Adjustments and accruals associated with the OPEB asset/(liability) reporting requirements of GASB Statement No. 75 increased by $89 thousand. *See table on the previous page and Note 14 Other Postemployment Benefits (OPEB) for additional information on this variance.*
- Other year end accruals associated with payroll, including hourly wages payable and compensated absences, decreased by $118 thousand.

Services and Supplies expense decreased by $2,691 thousand, or 13 percent, during 2020. The decrease was seen in virtually every category including general supplies, communications, maintenance and repairs, other services and supplies, travel and sub-contracts. These decreases were slightly offset by increases in rentals, leases, and fees and services.

Scholarships and Fellowships expenses increased by $1,784 thousand, or 26 percent. This net increase corresponds to increases in federal, state and athletic aid in additional to increases in federal PELL, state, affiliated foundation, institutional, and private aid. This expense category does not include fee remissions, which are reported as reductions to student tuition and fee revenues.

Depreciation and Amortization expense expense increased by $94 thousand, or 1 percent, primarily due to recently constructed or refurbished buildings being placed in service during 2020. Completed projects placed in service include the Natural Science renovation.

Other Expenses increased by $1,071 thousand primarily due to the reimbursement of the Perkins' federal capital contribution and other Perkins' cancellations.

Nonoperating Expenses

Comparison of fiscal year 2021 to fiscal year 2020

Interest Expense decreased by $580 thousand, or 26 percent, due primarily to decreased bond interest expense.

Comparison of fiscal year 2020 to fiscal year 2019

Interest Expense increased by $140 thousand, or 7 percent, due primarily to increased bond interest expense.

CAPITAL ASSETS AND RELATED FINANCING ACTIVITIES

Capital Assets

At June 30, 2021, WOU had $244,320 thousand in capital assets, less accumulated depreciation of $111,405 thousand, for net capital assets of $132,915 thousand. At June 30, 2020, WOU had $232,672 thousand in capital assets, less accumulated depreciation of $105,236 thousand, for net capital assets of $127,437 thousand. WOU is committed to a comprehensive program of capital investment and facility maintenance that includes addressing current maintenance needs and minimizing WOU's deferred maintenance backlog. State, federal, private, debt, and internal WOU funding are all used to accomplish WOU's capital objectives.

Capital additions totaled $12,143 thousand for 2021, and $15,781 thousand for 2020.

Capital asset additions for 2021 primarily included $11,043 thousand for construction in progress for buildings; $780 thousand for equipment; and $320 thousand in miscellaneous additions. Capital asset additions for 2020 primarily included $10,309 thousand for construction in progress for buildings; $1,097 thousand for equipment and library materials; and $4,375 thousand for buildings and infrastructure.

See Note 5 Capital Assets for additional information.

Debt Administration

During 2021, long-term debt held by WOU decreased by $1,544 thousand from $49,347 thousand to $47,803 thousand.

- WOU made debt service principal payments totaling $2,150 thousand on outstanding long-term debt.
- WOU's outstanding principal increased by $876 thousand as the result of the state issuing bonds for refunding of previously held debt.
- During 2020, long-term debt held by WOU decreased by $2,514 thousand, or 5 percent, from $51,861 thousand to $49,347 thousand.
- WOU made debt service principal payments totaling $2,316 thousand on outstanding long-term debt.
- WOU's obligation for accreted interest on outstanding debt decreased by a net $198 thousand.

See Note 8 Long-Term Liabilities for additional details.

Economic Outlook

As Western Oregon University continues on its path to becoming Oregon's first public university to attain Hispanic Serving Institution (HSI) status, we are also working to address enrollment challenges that are both systemic and alignment driven. Systemic issues include the demographic shift where there are fewer high school graduates and the affordability cliff that is preventing too many low and middle-income students and families from even considering a university education. Our growth in the number of Latinx students on campus reflects strong outreach efforts and continued success in retention and graduation rates of Latinx students. Several exciting initiatives are underway, those include enrollment-specific contracts with Ruffalo Noel Levitz (RNL) to optimize financial aid offer, EAB to strengthen enrollment in graduate programs and degree completion for adult learners with special emphasis on WOU:Salem. In addition, the university continues to expand its academic offerings and partnerships, including an agreement with Willamette Law School and recent approval of applied doctoral degrees in October 2021, including Doctorate of Physical Therapy (DPT). On retention efforts, the university received Governor's Emergency Education Relief (GEER) grant to develop Destination Western, a program designed to get students ready for college. Finally, WOU is excited to add Men's Soccer beginning Fall 2022.

COVID-19 presented unique challenges to campus operations in fiscal years 2020 and 2021. Federal funds have been provided under the Higher Education Emergency Relief Funds in three separate rounds, each including student ($2,141 thousand CARES, $2,141 thousand CRRSAA, $6,187 thousand ARP) and institutional awards ($2,141 thousand CARES, $4,919 thousand CRRSAA, $6,125 thousand ARP). WOU is looking forward to returning to predominantly in-person modality of undergraduate courses beginning Fall 2021. The WOU Board of Trustees and university leadership remain committed to addressing the challenges of declining enrollment and COVID-19 to ensure a sustainable future for the institution while providing an affordable education that meets our students' unique needs.

	2021	2020	2019
Viability Ratio (expendable net position to long-term debt)	**0.27**	0.21	0.48
Primary Reserve Ratio (expendable net position to operating expenses)	**0.13**	0.09	0.24
Net Revenues Ratio (total net income to total revenues)	**-0.58%**	-16.08%	-1.28%
Return on Net Assets Ratio (change in net position to beginning net position)	**9.16%**	-0.98%	7.16%
Debt Burden Ratio (debt service to total expenditures)	**4.02%**	3.61%	4.03%

VIABILITY RATIO

The Viability Ratio is a measure of clear financial health; the availability of expendable net position to cover debt should the university need to settle its obligations as of the fiscal year end. Expendable net position is the balance in total net position excluding investment in capital assets and non-expendable endowments of the university plus the unrestricted and temporarily restricted net assets of the component unit. Long-term debt includes bonds, loans and capital leases payable by the university as well as the long-term liabilities of the component unit. A ratio of 1.00 or greater indicates an institution has sufficient expendable net position to satisfy debt requirements. WOU's Viability Ratio was 0.27 for fiscal year 2021.

PRIMARY RESERVE RATIO

The Primary Reserve Ratio, calculated by dividing expendable net position by operating expenses, measures the ability of the University to continue operating at current levels, within current restrictions, without future revenues. Total operating expenses include the operating expenses and interest expenses of both the university and the component unit. Proof of an adequate reserve ratio is often required to secure long-term financing. A ratio of 1.0 denotes that an institution would have the ability to cover its expenses for one year without a revenue stream. WOU's Primary Reserve Ratio was 0.13 for fiscal year 2021.

NET REVENUES RATIO

The Net Revenues Ratio indicates whether the university has an operating surplus or deficit for the year. Total net income includes operating income (loss) plus net nonoperating revenues of the university, excluding capital gifts and debt service appropriations, plus total change in unrestricted net assets of the component unit. Total revenues include operating and net nonoperating revenues of the university plus unrestricted revenues, gains and other support of the component unit. A positive ratio indicates that the university experienced an operating surplus for the year. WOU's Net Revenues Ratio was -0.58 percent for fiscal year 2021.

RETURN ON NET ASSETS RATIO

The Return on Net Assets Ratio determines whether the university is financially better off than in previous years by measuring total economic return. Total change in net position includes the change in net position for the University plus the change in total net assets for the component unit. Total beginning net position includes the beginning net position of the university plus the total beginning net assets of the component unit. A positive ratio indicates a net increase in total net position at the end of the year. WOU's Return on Net Assets Ratio for fiscal year 2021 was 9.16 percent.

DEBT BURDEN RATIO

This ratio examines the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. It compares the level of current debt service with the institution's total expenditures. Total debt service includes the interest and principal payments on capital debt of both the university and the component unit. Total expenditures include total expenses, including any loss on sale of assets and transfers, less depreciation plus debt service principal payments of both the university and the component unit. WOU's Debt Burden Ratio for fiscal year 2021 was 4.02 percent.

As of June 30,		2021		2020
		(In thousands)		
ASSETS				
Current Assets				
Cash and Cash Equivalents (Note 2)	$	**15,513**	$	23,281
Collateral from Securities Lending (Note 2)		**264**		491
Accounts Receivable, Net (Note 3)		**16,844**		12,843
Notes Receivable, Net (Note 4)		**384**		535
Inventories		**1,358**		1,385
Prepaid Expenses		**784**		531
Total Current Assets		**35,147**		39,066
Noncurrent Assets				
Investments (Note 2)		**16,754**		12,744
Notes Receivable, Net (Note 4)		**1,600**		2,113
Net OPEB Asset (Note 14)		**4,125**		526
Capital Assets, Net of Accumulated Depreciation (Note 5)		**132,915**		127,437
Total Noncurrent Assets		**155,394**		142,820
Total Assets	$	**190,541**	$	181,886
DEFERRED OUTFLOWS OF RESOURCES (Note 6)	$	**18,552**	$	13,224
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities (Note 7)	$	**10,957**	$	11,764
Deposits		**227**		241
Obligations Under Securities Lending (Note 2)		**264**		491
Current Portion of Long-Term Liabilities (Note 8)		**4,560**		4,854
Unearned Revenues		**2,982**		3,393
Total Current Liabilities		**18,990**		20,743
Noncurrent Liabilities				
Long-Term Liabilities (Note 8)		**48,750**		50,129
Net Pension Liability (Note 13)		**49,387**		37,199
OPEB Liability (Note 14)		**1,985**		2,163
Total Noncurrent Liabilities		**100,122**		89,491
Total Liabilities	$	**119,112**	$	110,234
DEFERRED INFLOWS OF RESOURCES (Note 6)	$	**2,137**	$	2,193
NET POSITION				
Net Investment in Capital Assets	$	**85,254**	$	78,243
Restricted Expendable For:				
Expendable:				
Gifts, Grants and Contracts		**1,243**		345
Student Loans		**5,841**		6,323
Capital Projects		**168**		627
Debt Service		**120**		184
OPEB Asset		**5,647**		526
Unrestricted (Note 9)		**(10,428)**		(3,565)
Total Net Position	$	**87,845**	$	82,683

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

STATEMENTS OF FINANCIAL POSITION
Western Oregon University Development Foundation - Component Unit

As of June 30,		2021		2020 (restated)
		(In thousands)		
ASSETS				
Cash and Cash Equivalents	**$**	**543**	$	451
Investments (Note 2)		**23,638**		18,590
Pledges Receivable		**44**		61
Contributions receivable		**1,833**		2,833
Due from WOU		**446**		108
Property and Equipment, Net		**135**		140
Total Assets	**$**	**26,639**	$	22,183
LIABILITIES				
Accounts Payable and Accrued Liabilities	**$**	**30**	$	26
Annuities Payable		**939**		847
Total Liabilities		**969**		873
NET ASSETS				
Without Donor Restrictions				
Undesignated		**3,669**		522
Designated		**634**		929
With Donor Restrictions				
Purpose Restrictions		**6,781**		5,617
Perpetual Restrictions		**14,586**		14,242
Total Net Assets		**25,670**		21,310
Total Liabilities & Net Assets	**$**	**26,639**	$	22,183

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

For the Years Ended June 30,	2021	2020
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of $16,101 and $16,557, respectively)	$ **29,037**	$ 25,578
Federal Grants and Contracts	**6,015**	6,186
State and Local Grants and Contracts	**1,515**	813
Nongovernmental Grants and Contracts	-	251
Educational Department Sales and Services	**484**	565
Auxiliary Enterprises Revenues (Net of Allowances of $1,004 and $1,556, respectively	**7,082**	15,481
Other Operating Revenues	**2,677**	2,369
Total Operating Revenues	**46,810**	51,243
OPERATING EXPENSES		
Instruction	**35,628**	41,185
Research	**1,028**	624
Public Service	**3,419**	1,217
Academic Support	**8,861**	10,258
Student Services	**7,917**	8,340
Auxiliary Programs	**17,487**	23,199
Institutional Support	**8,327**	7,973
Operation and Maintenance of Plant	**4,426**	5,446
Student Aid	**9,979**	8,997
Other Operating Expenses	**5,795**	6,743
Total Operating Expenses (Note 11)	**102,867**	113,982
Operating Loss	**(56,057)**	(62,739)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations (Note 12)	**29,981**	28,202
Federal and State Grants	**21,318**	17,116
Gifts	**1,843**	1,482
Investment Activity (Note 10)	**805**	1,831
Gain/(Loss) on Sale of Assets	**2**	80
Interest Expense	**(1,688)**	(2,268)
Other Nonoperating Items	**329**	37
Net Nonoperating Revenues	**52,590**	46,480
Loss Before Other Nonoperating Revenues	**(3,467)**	(16,259)
Debt Service Appropriations (Note 13)	**382**	382
Capital Grants and Gifts	**8,247**	10,155
Total Other Nonoperating Revenues	**8,629**	10,537
Increase/(Decrease) In Net Position	**5,162**	(5,722)
NET POSITION		
Beginning Balance	**82,683**	88,405
Ending Balance	$ **87,845**	$ 82,683

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

STATEMENTS OF ACTIVITIES

Western Oregon University Development Foundation - Component Unit

For the Years Ended June 30,	2021			2020 (restated)		
	(In thousands)					
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	**$ 684**	**$ 1,360**	**$ 2,044**	$ 800	$ 5,353	$ 6,153
Net Investment Return	**207**	**4,383**	**4,590**	35	591	626
Miscellaneous	**14**	**72**	**86**	11	231	242
Total Revenues	**905**	**5,815**	**6,720**	846	6,175	7,021
NET ASSETS RELEASED FROM RESTRICTIONS	**4,307**	**(4,307)**	**-**	1,260	(1,260)	-
EXPENSES						
University and Scholarships Program	**1,758**	**-**	**1,758**	1,826	-	1,826
Managerial and General	**291**	**-**	**291**	400	-	400
Fundraising	**311**	**-**	**311**	444	-	444
Total Expenses	**2,360**	**-**	**2,360**	2,670	-	2,670
CHANGE IN NET ASSETS	**2,852**	**1,508**	**4,360**	(564)	4,915	4,351
NET ASSETS, Beginning of Year	**1,451**	**19,859**	**21,310**	2,015	14,944	16,959
NET ASSETS, End of Year	**$ 4,303**	**$ 21,367**	**$ 25,670**	$ 1,451	$ 19,859	$ 21,310

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

For the Years Ended June 30,	2021	2020
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	**$ 30,017**	$ 26,994
Grants and Contracts	**5,756**	8,911
Educational Department Sales and Services	**483**	565
Auxiliary Enterprises Operations	**7,058**	15,860
Payments to Employees for Compensation and Benefits	**(69,029)**	(76,894)
Payments to Suppliers	**(15,433)**	(19,087)
Student Financial Aid	**(9,694)**	(8,297)
Other Operating Receipts	**2,631**	2,202
Net Cash Used by Operating Activities	**(48,211)**	(49,746)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Government Appropriations	**29,981**	28,202
Federal and State Grants	**16,247**	17,116
Other Gifts and Private Contracts	**1,843**	1,284
Net Internal Agency Fund Payments	**(14)**	29
Net Cash Provided by Noncapital Financing Activities	**48,057**	46,631
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt Service Appropriations	**382**	382
Capital Grants and Gifts	**10,435**	10,158
Bond Proceeds from Capital Debt	**-**	-
Sales of Capital Assets	**28**	80
Purchases of Capital Assets	**(11,756)**	(15,736)
Interest Payments on Capital Debt	**(1,938)**	(2,199)
Principal Payments on Capital Debt	**(1,560)**	(2,279)
Net Cash Used by Capital and Related Financing Activities	**(4,409)**	(9,594)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Sales (Purchases) of Investments	**(3,964)**	12,626
Income on Investments and Cash Balances	**759**	1,997
Net Cash Provided (Used) by Investing Activities	**(3,205)**	14,623
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(7,768)**	1,914
CASH AND CASH EQUIVALENTS		
Beginning Balance	**23,281**	21,367
Ending Balance	**$ 15,513**	$ 23,281

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

For the Years Ended June 30,		2021		2020
		(In thousands)		
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Loss		**(56,057)**	$	(62,739)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:				
Depreciation Expense		**6,637**		6,465
Changes in Assets and Liabilities:				
Accounts Receivable		**(1,119)**		2,527
Notes Receivable		**664**		610
Inventories		**27**		(153)
Prepaid Expenses		**(253)**		(158)
Accounts Payable and Accrued Liabilities		**(614)**		785
Long-Term Liabilities		**(113)**		(155)
Unearned Revenue		**(411)**		153
Net Pension Liability and Related Deferrals		**8,219**		3,095
OPEB (Asset)/Liability and Related Deferrals		**(5,191)**		(176)
NET CASH USED BY OPERATING ACTIVITIES	**$**	**(48,211)**	$	(49,746)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS				
Increase (Decrease) in Fair Value of Investments Recognized as a Component of Investment Activity	**$**	**(46)**	$	(166)
Capital assets acquired through capital lease	**$**	**110**	$	399
Refunding				
New bonds issued	**$**	**12,015**	$	-
Old bonds refunded	**$**	**(11,138)**	$	-

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Western Oregon University (WOU or university) is governed by the Western Oregon University Board of Trustees (Board), a citizen board appointed by the Governor with confirmation by the State Senate. WOU is located in Monmouth, Oregon.

The financial reporting entity includes WOU and the Western Oregon University Development Foundation (foundation), which is reported as a discretely presented component unit under the guidelines established by the Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Discretely presented means that the statements are included separately in the financial report. See Note 19 for additional information relating to this component unit. The Governor of the State of Oregon (state) appoints the WOU Board, and because WOU receives some financial support from the state, WOU is a discretely presented component unit of the state and is included in the state's comprehensive annual financial report.

B. Financial Statement Presentation

WOU's financial accounting records are maintained in accordance with U.S. generally accepted accounting principles as prescribed in applicable pronouncements of the GASB. The financial statement presentation required by GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34, modified by GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, provides a comprehensive, entity-wide perspective of WOU's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

In preparing the financial statements, interfund transfers between university funds and internal revenues and expenses associated with self-supporting auxiliary and service center operations have been eliminated. Unless otherwise stated, dollars are presented in thousands.

Financial statements of the foundation are discretely presented because of the difference in its reporting model. The foundation's financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the university. No modifications have been made to the foundation's financial information included in the university's financial report.

C. Basis of Accounting

For financial reporting purposes, WOU is considered a special-purpose government engaged only in business-type activities. Accordingly, the WOU financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when incurred.

NEWLY IMPLEMENTED ACCOUNTING STANDARDS

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. GASB Statement No 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and guidance on how to report activities meeting the criteria in a fiduciary fund in the basic financial statements. The Statement is effective for the fiscal year ending June 30, 2021. The implementation of GASB 84 does not have a significant impact on the financial statements of the university.

UPCOMING ACCOUNTING STANDARDS

In June 2017, GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 improves the accounting and financial reporting for leases and is effective for the fiscal year ending June 30, 2022. 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, thereby enhancing the relevance and consistency of information about leasing activities. This Statement will substantially impact the university's lease accounting and reporting.

Between July 2019 and June 2020, GASB issued the following statements which do not currently apply to WOU, but may under certain circumstances: Statement No. 92, *Omnibus 2020*; Statement No. 93, *Replacement of Interbank Offered Rates*; Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements; Statement No. 96, Subscription-Based Information Technology Arrangements*.

D. Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. Cash and cash equivalents consist of: cash on hand, cash and investments held by the state in the Oregon Short-Term Fund (OSTF), and cash held by U.S. Bank as required by the U.S. Department of Education for Title IV funds.

E. Investments

Investments are reported at fair value as determined by market prices. Unrealized gains or losses on investments are reported as investment activity in the Statement of Revenues, Expenses, and Changes in Net Position.

Investments are classified as noncurrent assets in the Statement of Net Position.

F. Receivables

Accounts receivable consists primarily of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable for tuition and fee charges are recorded net of estimated uncollectable amounts in accordance with generally accepted accounting principles. Grants and contracts receivable include amounts due from federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the university's grants and contracts. Capital construction receivables include amounts due from the state in connection with reimbursement of allowable expenditures made pursuant to the grant agreements between the university and the state for facilities projects funded by the state.

Notes receivable consist primarily of student loans receivable due from the federal Perkins Loan Program and from other loans administered by the university. Construction reimbursements loan receivables are amounts receivable from the state in connection with reimbursement of allowable expenditures made pursuant to the contracts between the university and the state for facilities projects funded by the university. Construction Reimbursements can be current or long-term depending on the estimated timing of completion of construction projects. WOU does not currently hold any notes receivable from the state related to construction reimbursements.

G. Inventories

Inventories are recorded at cost, with cost being generally determined by a first-in, first-out or average basis. Inventories consist primarily of supplies in storerooms and physical plant stores.

H. Capital Assets

Capital assets are recorded at cost on the date acquired or at acquisition value on the date donated. WOU capitalizes equipment with unit costs of $5 thousand or more and an estimated useful life of greater than one year. WOU capitalizes real property expenditures that increase the functionality and/or extend the useful life of the real property if total expenditures meet or exceed $50 thousand, depending on the type of real property.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings, 10 to 20 years for infrastructure and land improvements, 10 years for library books and 5 to 11 years for equipment. Amortization terms of intangible assets vary depending on the factors relating to the specific asset. Depreciation is not applied to land, museum collections, works of art or historical treasures, or library special collections.

I. Unearned Revenues

Unearned revenues include amounts received for tuition and fees, grants and contracts, and auxiliary enterprises activities in which cash has been received, but revenues will be earned in subsequent fiscal year(s).

J. Compensated Absences

WOU accrues a liability for vacation leave and other compensated absences that were earned but not used during the current or prior fiscal year for which employees can receive compensation in a future period. An estimate is made to allocate this liability between its current and noncurrent components.

Sick leave is recorded as an expense when paid.

K. Net Pension Liability

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, are actuarially determined at the system-wide Plan level and are allocated to employers based on their proportionate share. WOU is included in the proportionate share for all state agencies. The university's proportionate share of all state agencies is allocated to WOU by the Oregon State Department of Administrative Services. Investments are reported at fair value.

L. Other Postemployment Benefits (OPEB) Liabilities and Asset

The OPEB liabilities and asset, deferred outflows of resources and deferred inflows of resources related to PERS, PEBB, OPEB, and OPEB expense, are actuarially determined at the system-wide Plan level and are allocated to employers based on their proportionate share. WOU is included in the proportionate share for all state agencies. The university's proportionate share of all state agencies is allocated to WOU by the State of Oregon Department of Administrative Services. Investments are reported at fair value.

M. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods. These deferred outflows have a positive effect on net position that is similar to assets, but they are not considered assets. Deferred inflows of resources represent the acquisition of net position that is applicable to future periods. These deferred inflows have a negative effect on net position, but they are not considered liabilities. Deferred outflows and inflows are related to defined benefit pension plans and defined benefit OPEB plans. *See Note 6 Deferred Inflows and Deferred Outflows of Resources, Note 13 Employee Retirement Plans and Note 14 Other Postemployment Benefit Plans (OPEB) for additional information.*

N. Net Position

WOU's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets represents the total investment in capital assets, net of accumulated depreciation and amortization, less outstanding debt obligations related to those capital assets.

RESTRICTED – EXPENDABLE

Restricted expendable includes resources which WOU is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

UNRESTRICTED

Unrestricted are resources that may be used at the discretion of the Board.

O. Restricted/Unrestricted Resources

The university has no formal policy addressing which resources to use when both restricted and unrestricted net position are available for the same purpose. University personnel decide which resources to use at the time expenses are incurred. Factors used to determine which resources to use include relative priorities of the university in accordance with the university's strategic initiatives and externally imposed matching requirements of certain restricted funds. Major capital purchases are many times split funded from multiple restricted and unrestricted funding sources.

P. Endowments

There are no amounts reported as Nonexpendable Endowments on the Statement of Net Position. Endowments that benefit WOU are owned and reported by the WOU Development Foundation.

The Board established a quasi-endowment in 2019. The quasi-endowment was funded with $1 million.

The foundation policy is to annually distribute, for spending purposes to the university, four percent of the preceding 20 quarter moving average of the market value of the endowment funds and to maintain the purchasing power of the funds as nearly as prudent investment permits.

Q. Income Taxes

WOU is treated as a governmental entity for tax purposes. As such, WOU is generally not subject to federal and state income taxes. However, WOU remains subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which it was granted exemption from income taxes. No income tax is recorded for the years ended June 30, 2021 or 2020, because there is no significant amount of taxes on such unrelated business income for WOU.

R. Revenues and Expenses

WOU has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses generally have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services. Examples of operating revenues include student tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts, and other operating revenues. Examples of operating expenses include employee compensation and benefits, scholarships and fellowships, utilities, supplies and other services, professional fees, and depreciation.

Nonoperating revenues and expenses generally have the characteristics of nonexchange transactions. In a nonexchange transaction, WOU receives value without directly giving equal value in exchange. Examples of nonoperating revenues include state appropriations, nonexchange grants, gifts, investment activity, and contributions. Nonoperating expenses are defined in 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, *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments*. Examples of nonoperating expenses include interest on capital debt and loss on sale of assets.

S. State Support

WOU receives support from the state in the form of general fund and lottery appropriations and debt service appropriations for some Oregon Department of Energy loans. See Note 12 Government Appropriations for details on appropriations.

In addition to appropriations, the state provides funding for plant facilities on the university's campus. Capital projects for new facilities and capital improvements and repair are funded by philanthropy, campus paid debt and resources, and state-paid debt. The state legislature considers projects from all seven public universities for allocation of Oregon's bonding capacity. Funds for capital projects funded by state-paid debt are provided through grant agreements between WOU and the State. Revenue is recorded as Capital Grants in the Statement of Revenues, Expenses and Changes in Net Position when appropriate expenditures are reimbursable per the grant agreements. Funds for capital projects funded by campus paid debt can also be funded through Oregon's bonding capacity. At the time that the bonds are sold the state instructs WOU to record a liability for the debt and a receivable for construction reimbursements. The receivable is reduced as expenditures on the capital project are completed and reimbursed by the State.

Facilities funded by philanthropy, state-paid debt and campus paid debt are reflected as completed assets or construction in progress in the Statement of Net Position. The obligations for the bonds issued by the state are not obligations of WOU. WOU is obligated to pay contracts for projects funded by campus paid debt. These contracts are included as current and long-term liabilities in the Statement of Net Position.

T. Allowances

Student tuition and fees and campus housing fees included in auxiliary enterprises revenues are reported net of scholarship allowances. A scholarship allowance is the difference between the university's stated rates and charges, and the amounts actually paid by students and/or third parties making payments on behalf of the students. Under this approach, scholarships awarded by the university are considered as reductions in tuition and fee revenues rather than as expenses. Additionally, certain governmental grants, such as Pell grants, and payments from other federal, state or nongovernmental programs, are required to be recorded as either operating or nonoperating revenues in the university's financial statement. To the extent that revenues from such programs are applied to tuition, fees, and other student charges, the university has reported a corresponding scholarship allowance.

WOU has three types of allowances that net into tuition and fees and auxiliary enterprise revenues. Tuition and housing waivers, provided directly by WOU, amounted to $6,692 and $6,615 for the fiscal years ended 2021 and 2020, respectively. Revenues from financial aid programs (e.g. Pell Grants, Supplemental Educational Opportunity Grants, and Oregon Opportunity Grants) used for paying student tuition and fees and campus housing was estimated to be $8,853 and $9,894 for the fiscal years ended 2021 and 2020, respectively. Bad debt expense is included as an allowance to operating revenues and is estimated to be $1,560 and $1,604 for the fiscal years ended 2021 and 2020, respectively.

U. Federal Student Loan Programs

WOU receives proceeds from the Federal Direct Student Loan Program. Since WOU transmits this grantor supplied moneys without having administrative or direct financial involvement in the program, these loans are reported in an internal agency fund. Federal student loans received by WOU students but not reported in operations was $18,987 and $23,745 for the fiscal years ended 2021 and 2020, respectively.

V. Deposit Liabilities

Deposit Liabilities primarily consist of fund balances held by WOU on behalf of student groups and organizations that account for activities in the WOU accounting system and whose cash is part of the cash held on deposit with the Oregon State Treasury.

W. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that could affect the reported amounts of assets and deferred outflow of resources, liabilities and deferred inflow of resources, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

2. CASH AND INVESTMENTS

At June 30, 2021, and 2020, the majority of WOU's cash and investments were held in custody with the Oregon State Treasury (OST). The OST manages these invested assets through several commingled investment pools. The operating funds of WOU are commingled with cash and investments from other public universities in Oregon and referred to collectively as the Public University Fund (PUF). The investments held in the PUF are managed by the OST and administered by the statutorily defined designated university, currently Oregon State University. WOU is a participant in the PUF investment pools along with other public universities from the State. Each underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the respective investment pool. The OST invests these deposits in high grade, dollar-denominated, short and intermediate-term fixed income securities. The Oregon Investment Council (OIC) provides oversight and counsel on the investment policies for each investment pool held in the PUF.

In general, deposits and investment securities as described below are exposed to various risks such as credit, concentration of credit, custodial credit, interest rate and foreign currency. Although the objective of each investment pool is to preserve capital within defined risk parameters, it is likely that the value of the investment securities will fluctuate during short periods of time, and it is possible that such changes could materially affect the amounts reported in the financial statements. For more information on the investment risk exposure, see Note 2.B below.

For full disclosure regarding cash and investments managed by the OST, a copy of the OST audited annual financial report may be obtained by writing to the Oregon State Treasury, 350 Winter St, NE, Suite 100, Salem, OR 97301-3896 or by linking via the internet at: www.oregon.gov/treasury/Reports/Pages/Annual-Reports.aspx

A. Cash and Cash Equivalents

Cash and Cash Equivalents are classified as current and noncurrent which include both restricted and unrestricted cash and are summarized as follows:

	June 30, 2021	June 30, 2020
Current		
Unrestricted	$ 3,511	$ 13,710
Unrestricted Cash Reserve	588	570
Debt Service Cash Reserve	2,249	887
Quasi-Endowment	911	56
Restricted For:		
Student Aid	1,711	2,104
Debt Service	639	303
Payroll Vendor Payments	4,992	4,634
Student Groups and Campus Organizations	84	186
Title IV Perkins Loan Cash	815	812
Petty Cash	13	19
Total	$ 15,513	$ 23,281

DEPOSITS WITH OREGON STATE TREASURY

WOU maintains the majority of its cash balances on deposit with OST. These deposits at the OST are held, on a pooled basis as described above, in the Oregon Short-Term Fund (OSTF). The OSTF is a short-term cash and investment pool available for use by all state agencies or by agreement for related state agencies, such as WOU. The OST invests these deposits in high-grade short-term investment securities. While WOU is not required by statute to collateralize deposits, the university has a contractual obligation with the OST to collateralize deposits within 24 hours of receipt. At the fiscal year ended June 30, 2021 and 2020, WOU cash and cash equivalents on deposit at OST were $14,685 and $22,449, respectively.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

CUSTODIAL CREDIT RISK—DEPOSITS

Custodial credit risk is the risk that, in the event of a financial institution failure, cash deposits will not be returned to a depositor. The university and the state do not have formal policies regarding custodial credit risk for deposits. However, banking regulations and Oregon Revised Statute (ORS) Chapter 295 establish the insurance and collateral requirements for deposits in the OSTF. WOU cash balances held on deposit at the OST are invested continuously, therefore custodial credit risk exposure to the OST is low. Additionally, cash balances on deposit with US Bank are collateralized, therefore invested continuously, resulting in low custodial credit risk.

FOREIGN CURRENCY RISK—DEPOSITS

Deposits in foreign currency run the risk of changing value due to fluctuations in foreign exchange rates. Per PUF policy, all deposits are in U.S. currency and therefore not exposed to foreign currency risk.

OTHER DEPOSITS

For the years ended June 30, 2021, and 2020, WOU had cash at US Bank held for Title IV Perkins Loans of $815 and $812, respectively. Additionally, for the years ended June 30, 2021 and 2020, WOU had vault and petty cash balances of $13 and $19, respectively.

B. Investments

The majority of WOU's operating funds are invested in the PUF. University investments in the PUF are invested in the Core Bond Fund (CBF) managed by the OST. The CBF invests primarily in intermediate-term fixed income securities and is managed with an investment objective to maximize total return (i.e., principal and income) over an intermediate time horizon within stipulated risk parameters. The CBF is actively managed to maintain an average duration of four to five years, through a diversified portfolio of quality, investment grade fixed income securities as defined in the portfolio guidelines.

Additionally, board designated quasi-endowment assets are managed separately by the State Treasury, invested in mutual and/or index funds, and directed by external investment managers who are under contract to the OIC. Per policy, the endowment assets have a medium to long-term time horizon. As such, the assets are invested with a medium-term horizon while maintaining a prudent level of risk.

All investments are managed as a prudent investor would do, exercising reasonable care, skill and caution. 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 could occur in the near term and such changes could materially affect the amounts reported in the Statement of Net Position.

Significant events in domestic and international investment markets or aggressive action by the Federal Open Market Committee to influence both short and long-term interest rates contribute to price volatility. Consequently, the fair value of WOU's investments is exposed to price volatility which could result in a substantial change in the fair value of certain investments from the amounts reported as of June 30, 2021 and 2020.

Investments are all classified as noncurrent and include both restricted and unrestricted funds. At June 30, 2021 and 2020, WOU had a total of $16,754 and $12,744 in investments, respectively.

Investments of the WOU discretely presented component unit are summarized at fair value as follows:

	June 30, 2021	June 30, 2020
Investment Type:		
Marketable Securities	**$ 23,353**	$ 17,632
Money Market Funds and Cash	**236**	912
Cash Value of Life Insurance Policies	**49**	46
Total Investments	**$ 23,638**	$ 18,590

CREDIT RISK

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. WOU has an investment policy for each segment of its investment portfolio. As of June 30, 2021, approximately 94.5 percent of investments in the CBF were subject to credit risk reporting. Fixed income securities rated by the credit agencies as BBB to AAA, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $223,564, or 82.8 percent of the PUF Core Bond

Fund. Fixed income securities which have not been evaluated by the rating agencies totaled $31,546, or 11.7 percent of the PUF Core Bond Fund. The PUF Core Bond Fund totaled $255,110, of which WOU owned $15,509, or 5.7 percent. As of June 30, 2021, WOU's endowment assets managed by the State Treasury are invested in commingled funds and do not have independently published ratings.

As of June 30, 2020, approximately 91.5 percent of investments in the CBF were subject to credit risk reporting. Fixed income securities rated by the credit agencies as BBB to AAA, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $120,344, or 62.6 percent of the PUF Core Bond Fund. Fixed income securities which have not been evaluated by the rating agencies totaled $55,753, or 29 percent of the PUF Core Bond Fund. The PUF Core Bond Fund totaled $192,396, of which WOU owned $11,737, or 6.1 percent.

CUSTODIAL CREDIT RISK

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the university will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The OIC has no formal policy regarding the holding of securities by a custodian or counterparty. For the years ended June 30, 2021, and 2020, the university's investments were exposed to custodial credit risk indirectly through the OST. At June 30, 2021 and 2020, none of the investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the university's name.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers. The PUF policy for reducing this risk for fixed income securities is that, with the exception of U.S. Government and Agency issues, no more than five percent of the bond portfolio, at par value, will be invested in securities of a single issuer or no more than three percent of the individual issue. The PUF held no securities from a single issuer that exceeded five percent of the bond portfolio.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. Per PUF investment policy, all investments are to be in U.S. dollar denominated securities, therefore no amounts of the PUF CBF investments had reportable foreign currency risk at June 30, 2021 or 2020.

As of June 30, 2021, approximately 32.3 percent or $403 of WOU endowments managed by the State Treasury were subject to foreign currency risk. As of June 30, 2020, 28.9 percent or $291, of the quasi-endowment investments were held subject to foreign currency risk.

INTEREST RATE RISK

Investments in fixed income securities are subject to the risk that changes in interest rates will adversely affect the fair value of the investments. As of June 30, 2021, securities in the CBF held subject to interest rate risk totaling $255,110 had an average duration of 4.04 years. As of June 30, 2021, WOU quasi-endowments managed through the State Treasury held subject to interest rate risk totaling $485 had an average duration of 7.06 years. As of June 30, 2020, securities in the CBF held subject to interest rate risk totaling $176,097 had an average duration of 3.77 years. As of June 30, 2020, WOU quasi-endowments managed through the State Treasury held subject to interest rate risk totaling $280 had an average duration of 6.20 years. Duration measures the change in the value of a fixed income security that will result from a 1% change in interest rates.

FAIR VALUE MEASUREMENT

Investments are reported at fair value as determined by OST, based on a fair value hierarchy which prioritizes the input techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted market prices that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 – Inputs that are unobservable. These are only used if relevant Level 1 and Level 2 inputs are not available.

Inputs are used in applying valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. In addition to the underlying reported net asset values (NAV), which generally serve as the primary valuation input, other inputs may include liquidity factors and broad credit data. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The fair value of WOU's investments in the PUF are based on the investments' net asset value (NAV) per share provided by the Treasury. Fair value measurements for the university's investments in the CBF at June 30, 2021 and 2020 totaled $15,509 and $11,737, respectively.

WOU's quasi-endowment assets are based upon the investments' fair value measurements and are as follows:

	June 30, 2021	June 30, 2020
Level 1	**$ 485**	$ 443
Level 2	**760**	563
Total	**$ 1,245**	$ 1,006

C. Securities Lending

State's securities pursuant to a form of loan agreement. Both the state and borrowers maintain the right to terminate all securities lending transactions on demand. WOU's cash on deposit with the OST is subject to securities lending. There were no significant violations of the provisions of securities lending agreements during the years ended June 30, 2021, and 2020.

During the year, State Street had the authority to lend short-term, fixed income, and equity securities and receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned U.S. security. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the year the state did impose restrictions on the amount of the loans that the custodian made on its behalf. The OST is fully indemnified by the custodian against losses due to borrower default. There were no losses during the year from the failure of borrowers to return loaned securities.

State Street, as lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF and Oregon state agencies and related agencies, including WOU. As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at $1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the statement of net position.

The fair value of investments held by the fund is based upon valuations provided by a recognized pricing service. These funds are not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the funds was assigned to any other funds.

The maturities of investments made with the cash collateral generally do not match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2021, and 2020, is effectively one day. As of June 30, 2021, and 2020, the state had no credit risk exposure to borrowers because the amounts owed to borrowers exceeded the amounts borrowers owed to the State.

The fair value of the university's share of securities lending balances on loan comprised the following:

	June 30, 2021	June 30, 2020
Investment Type		
U.S. Treasury and Agency Securities	**$ 329**	$ 764
Domestic Fixed Income Securities	**253**	77
Total	**$ 582**	$ 841

The fair value of the university's share of total cash and securities collateral received as of June 30, 2021, and 2020 was $594 and $858, respectively. The fair value of the university's share of investments purchased with cash collateral as of June 30, 2021, and 2020 was $264 and $491, respectively.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

3. ACCOUNTS RECEIVABLE

Accounts Receivable comprised the following:

	June 30, 2021	June 30, 2020
Student Tuition and Fees	**$ 13,095**	$ 13,306
Federal Grants and Contracts	**8,679**	2,319
State Capital Construction Grants and Contracts	**1,109**	3,298
Auxiliary Enterprises and Other Operating Activities	**1,996**	1,923
State, Other Government, and Private Gifts, Grants and Contracts	**493**	73
Other	**156**	420
	25,528	21,339
Less: Allowance for Doubtful Accounts	**(8,684)**	(8,496)
Accounts Receivable, Net	**$ 16,844**	$ 12,843

4. NOTES RECEIVABLE

Student loans made through the Federal Perkins Loan Program are funded through interest earnings and repayment of loans. Federal Perkins loans deemed uncollectable are assigned to the U.S. Department of Education for collection. WOU has provided an allowance for uncollectable loans, which in management's opinion, will absorb loans that will ultimately be written off.

Institutional and Other Student Loans include loans offered through the university itself and other various forms of non-federal loans programs. Notes Receivable comprised the following:

	June 30, 2021			June 30, 2020		
	Current	**Noncurrent**	**Total**	Current	Noncurrent	Total
Institutional and Other Student Loans	**$ 229**	**$ 4**	$ 233	$ 439	$ 4	$ 443
Federal Student Loans	**424**	**1,908**	2,332	546	2,455	3,001
	653	**1,912**	2,565	985	2,459	3,444
Less: Allowance for Doubtful Accounts	**(269)**	**(312)**	(581)	(450)	(346)	(796)
Notes Receivable, Net	**$ 384**	**$ 1,600**	$ 1,984	$ 535	$ 2,113	$ 2,648

For the years ended June 30, 2021 and 2020 (dollars in thousands)

5. CAPITAL ASSETS

The following schedule reflects the changes in capital assets:

	Balance July 1, 2019	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2020	**Additions**	**Transfer Completed Assets**	**Retirements and Adjustments**	**Balance June 30, 2021**
Capital Assets,									
Non-depreciable/Non-amortizable:									
Land	$ 5,680	$ -	$ -	$ -	$ 5,680	**$ -**	**$ -**	**$ -**	**$ 5,680**
Capitalized Collections	667	-	-	-	667	**1**	**-**	**-**	**668**
Construction in Progress	8,443	10,309	(9,974)	-	8,778	**11,043**	**(430)**	**-**	**19,391**
Total Capital Assets, Non-depreciable/Non-amortizable	14,790	10,309	(9,974)	-	15,125	**11,044**	**(430)**	**-**	**25,739**
Capital Assets, Depreciable/ Amortizable:									
Equipment	11,196	1,056	-	(417)	11,835	**780**	**-**	**(163)**	**12,452**
Library Materials	5,591	41	-	(134)	5,498	**44**	**-**	**(332)**	**5,210**
Buildings	168,783	4,013	9,974	-	182,770	**-**	**430**	**-**	**183,200**
Land Improvements	5,429	-	-	-	5,429	**-**	**-**	**-**	**5,429**
Improvements Other Than Buildings	2,919	-	-	-	2,919	**165**	**-**	**-**	**3,084**
Infrastructure	6,864	362	-	-	7,226	**-**	**-**	**-**	**7,226**
Intangible Assets	1,870	-	-	-	1,870	**110**	**-**	**-**	**1,980**
Total Capital Assets, Depreciable/Amortizable	202,652	5,472	9,974	(551)	217,547	**1,099**	**430**	**(495)**	**218,581**
Less Accumulated Depreciation/ Amortization for:									
Equipment	(8,499)	(974)	-	417	(9,056)	**(979)**	**-**	**-**	**(10,035)**
Library Materials	(5,177)	(101)	-	134	(5,144)	**(81)**	**-**	**136**	**(5,089)**
Buildings	(74,619)	(4,623)	-	-	(79,242)	**(4,841)**	**-**	**332**	**(83,751)**
Land Improvements	(3,358)	(242)	-	-	(3,600)	**(243)**	**-**	**-**	**(3,843)**
Improvements Other Than Buildings	(1,817)	(226)	-	-	(2,043)	**(201)**	**-**	**-**	**(2,244)**
Infrastructure	(3,980)	(299)	-	-	(4,279)	**(286)**	**-**	**-**	**(4,565)**
Intangible Assets	(1,871)	-	-	-	(1,871)	**(7)**	**-**	**-**	**(1,878)**
Total Accumulated Depreciation/ Amortization	(99,321)	(6,465)	-	551	(105,235)	**(6,638)**	**-**	**468**	**(111,405)**
Total Capital Assets, Net	$118,121	$ 9,316	$ -	$ -	$ 127,437	**$ 5,505**	**$ -**	**$ (27)**	**$ 132,915**
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	$ 14,790	$ 10,309	$ (9,974)	$ -	$ 15,125	**$ 11,044**	**$ (430)**	**$ -**	**$ 25,739**
Capital Assets, Depreciable/ Amortizable	202,652	5,472	9,974	(551)	217,547	**1,099**	**430**	**(495)**	**218,581**
Total Cost of Capital Assets	217,442	15,781	-	(551)	232,672	**12,143**	**-**	**(495)**	**244,320**
Less Accumulated Depreciation/ Amortization	(99,321)	(6,465)	-	551	(105,235)	**(6,638)**	**-**	**468**	**(111,405)**
Total Capital Assets, Net	$118,121	$ 9,316	$ -	$ -	$ 127,437	**$ 5,505**	**$ -**	**$ (27)**	**$ 132,915**

For the years ended June 30, 2021 and 2020 (dollars in thousands)

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

	June 30, 2021	June 30, 2020
Deferred Outflows of Resources		
Pension		
Contributions Subsequent to the Measurement Date	**$ 3,993**	$ 4,432
Changes in Assumptions	**2,651**	5,047
Net Difference Between Projected and Actual Earnings on Plan Investments	**5,807**	-
Differences Between Contributions and Proportionate Share of Contributions	-	39
Change in Proportionate Share	**1,589**	1,326
Difference Between Expected and Actual Experience	**2,174**	2,051
OPEB		
Contributions Subsequent to the Measurement Date	**91**	275
Changes in Assumptions	**48**	52
Change in Proportionate Share	**1,715**	2
Difference Between Expected and Actual Earnings	**484**	-
Total Deferred Outflows	**$ 18,552**	$ 13,224
Deferred Inflows of Resources		
Pension		
Differences Between Contributions and Proportionate Share of Contributions	**$ 1,029**	$ 548
Changes in Assumptions	**93**	-
Change in Proportionate Share	-	171
Net difference Between Projected and Actual Earnings on Plan Investments	-	1,055
OPEB		
Net difference Between Projected and Actual Earnings on Plan Investments	-	34
Change in Proportionate Share	**16**	
Difference Between Expected and Actual Experience	**473**	100
Changes in Assumptions	**526**	285
Total Deferred Inflows	**$ 2,137**	$ 2,193

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts Payable and Accrued Liabilities comprised the following:

	June 30, 2021	June 30, 2020
Services and Supplies	**$ 1,096**	$ 1,942
Payroll and Related	**7,718**	7,904
Accrued Interest	**804**	1,054
Perkins FCC Payable	**592**	535
Contract Retainage	**747**	329
	$ 10,957	$ 11,764

For the years ended June 30, 2021 and 2020 (dollars in thousands)

8. LONG-TERM LIABILITIES

Long-term liability activity was as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	$ 45,982	$ 12,026	$ (13,311)	$ 44,697	$ 1,969	$ 42,728
Oregon Department of Energy Loans (SELP)	3,365	-	(259)	3,106	273	2,833
Total Long-Term Debt	49,347	12,026	(13,570)	47,803	2,242	45,561
Other Noncurrent Liabilities						
PERS pre-SLGRP Pooled Liability	3,024	-	(378)	2,646	347	2,299
Compensated Absences	2,323	1,995	(1,730)	2,588	1,788	800
Faculty Banked Credits	60	-	-	60	60	-
Capital Lease Payable	229	110	(126)	213	123	90
Total Other Noncurrent Liabilities	5,636	2,105	(2,234)	5,507	2,318	3,189
Total Long-Term Liabilities	$ 54,983	$ 14,131	$ (15,804)	$ 53,310	$ 4,560	$ 48,750

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	$ 48,249	$ 12	$ (2,279)	$ 45,982	$ 2,342	$ 43,640
Oregon Department of Energy Loans (SELP)	3,612	-	(247)	3,365	262	3,103
Total Long-Term Debt	51,861	12	(2,526)	49,347	2,604	46,743
Other Noncurrent Liabilities						
PERS pre-SLGRP Pooled Liability	3,344	-	(321)	3,023	329	2,695
Compensated Absences	2,157	2,048	(1,882)	2,323	1,746	577
Faculty Banked Credits	60	-	-	60	60	-
Capital Lease Payable	-	399	(170)	229	115	114
Total Other Noncurrent Liabilities	5,561	2,447	(2,373)	5,635	2,250	3,386
Total Long-Term Liabilities	$ 57,422	$ 2,459	$ (4,899)	$ 54,982	$ 4,854	$ 50,129

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The schedule of principal and interest payments for WOU debt is as follows:

For the Year Ending June 30,	Contracts Payable	SELP	Total Payments	Principal	Interest
2022	$ 3,625	$ 398	$ 4,023	$ 2,100	$ 1,923
2023	4,003	397	4,400	2,687	1,713
2024	4,261	398	4,659	3,050	1,609
2025	4,247	397	4,644	3,141	1,503
2026	4,267	398	4,665	3,272	1,393
2027-2031	19,222	1,781	21,003	15,748	5,255
2032-2036	12,656	-	12,656	9,836	2,820
2037-2041	8,272	-	8,272	7,552	720
2042-2046	278	-	278	276	2
Accreted Interest				142	(142)
				$ 47,803	$ 16,796
Total Future Debt Service	**60,831**	**3,769**	**64,600**		
Less: Interest Component of Future Payments	(16,134)	(663)	(16,797)		
Principal Portion of Future Payments	**$ 44,697**	**$ 3,106**	**$ 47,803**		

The state periodically issues bonded debt which it then loans to the university for capital construction. WOU has entered into contract loan agreements with the state for the principal and interest amounts due. In addition, WOU also borrows funds from the Oregon Department of Energy. The state may periodically issue new debt to refund previously held debt. Per the contract and loan agreements, when this happens the state is required to pass the savings on to the university.

A. Contracts Payable

WOU has entered into loan agreements with the state for repayment of bonds issued by the state on behalf of WOU for capital construction and refunding of previously issued debt. WOU makes loan payments (principal and interest) to the state in accordance with the loan agreements. Loans, with effective yields ranging from 1.78 percent to 7.0 percent, are due serially through 2042.

During the fiscal year ended June 30, 2021, the state issued bonds for refunding of previously held debt which resulted in a net increase in WOU's contracts payable of $876.

During the fiscal year ended June 30, 2020, the state did not issue any bonds which resulted in neither an increase or decrease to WOU's contracts payable.

B. Oregon Department of Energy Loans

WOU has entered into loan agreements with the state Department of Energy (DOE) Small-Scale Energy Loan Program (SELP) for energy conservation projects at WOU. WOU makes monthly loan payments (principal and interest) to the DOE in accordance with the loan agreements. SELP loans, with interest rates ranging from 4.33 percent to 4.64 percent, are due through 2031.

C. State and Local Government Rate Pool

Prior to the formation of the PERS state and local government rate pool (SLGRP), the state and community colleges were pooled together in the state and community college pool (SCCP), and local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002, at which time a transitional, pre-SLGRP liability was created. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the state is being amortized over the period ending December 31, 2027. The liability is allocated by the State, based on salaries and wages, to all public universities, state proprietary funds and the government-wide reporting fund in the state's comprehensive annual financial report. Interest expense was paid by WOU in the amount of $219 and $246 for June 30, 2021, and 2020, respectively. Principal payments of $378 and $321 were applied to the liability for June 30, 2021, and 2020, respectively. ly. Principal payments of $321 and $279 were applied to the liability for June 30, 2020, and 2019, respectively.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

D. Faculty Banked Credits

Per the collective bargaining agreement (CBA) between the WOU Federation of Teachers and the university effective July 1, 2017, tenured or tenure-track faculty who teach individually designed courses outside of their tenured or tenure-track regular teaching load are eligible for credit banking compensation adjustments, subject to conditions in the CBA. Currently there are 20 eligible faculty members with banked credits who either may request a cash payment or paid faculty release time, which must be cashed out or used within the next five years. The total liability as of June 30, 2021 and 2020, was $60.

E. Revolving Line of Credit

The university has an unused $5,000 line of credit payable from all legally available university revenues, including tuition, fees, charges, rents, and other income to the extent they are not restricted in their use by law. The rate is fixed at 2.68 percent. The line of credit matures on December 31, 2024 and may be extended for one two-year period. In the event of default, the financial institution may exercise all rights, powers, and remedies as allowed by law.

9. UNRESTRICTED NET POSITION

Unrestricted net position is comprised of the following:

	June 30, 2021	June 30, 2020
University Operations	**$ 27,668**	$ 29,048
Unrestricted Quasi-Endowment	**2,155**	1,062
Net Pension Liability (See Note 14)	**(49,387)**	(37,199)
Other Post-Employment Benefits (OPEB) Liability (See Note 15)	**(1,985)**	(2,163)
Pension & OPEB Related Deferred Outflows (See Note 6)	**18,552**	13,224
Pension & OPEB Related Deferred Inflows (See Note 6)	**(2,137)**	(2,193)
State and Local Government Rate Pool Liability (See Note 8)	**(2,646)**	(3,023)
Compensated Absences Liability (See Note 8)	**(2,588)**	(2,261)
Faculty Credit Banking Liability (See Note 8)	**(60)**	(60)
Total Unrestricted Net Position	**$ (10,428)**	$ (3,565)

For the years ended June 30, 2021 and 2020 (dollars in thousands)

10. INVESTMENT ACTIVITY

Investment Activity details are as follows:

	June 30, 2021	June 30, 2020
Investment Earnings	$ 486	$ 1,436
Net Appreciation (Depreciation) of Investments	46	(166)
Royalties and Technology Transfer Incom	5	16
Interest Income	20	37
Gain (Loss) on Sale of Investment	248	508
Total Investment Activity	$ 805	$ 1,831

11. OPERATING EXPENSES BY NATURAL CLASSIFICATION

The Statement of Revenues, Expenses and Changes in Net Position reports operating expenses by their functional classification. The following displays operating expenses by both the functional and natural classifications. The reporting of the net pension liability and OPEB asset and liabilities, as required by GASB Statement Nos. 68, 71 and 75, affects the reported compensation and benefit expenses of WOU.

June 30, 2021	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 33,601	$ 1,714	$ 313	$ -	$ -	$ 35,628
Research	831	179	17	1	-	1,028
Public Services	2,859	555	3	-	2	3,419
Academic Support	6,881	1,980	-	-	-	8,861
Student Services	6,698	1,129	65	2	23	7,917
Auxiliary Services	8,322	6,265	480	2,420	-	17,487
Institutional Support	7,651	676	-	-	-	8,327
Operation & Maint. of Plant	4,237	189	-	-	-	4,426
Student Aid	15	1	9,234	-	729	9,979
Other	663	919	-	4,213	-	5,795
Total	**$ 71,758**	**$ 13,607**	**$ 10,112**	**$ 6,636**	**$ 754**	**$ 102,867**

June 30, 2020	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 37,246	$ 3,591	$ 343	$ -	$ 5	$ 41,185
Research	555	66	-	1	2	624
Public Services	1,009	197	-	-	11	1,217
Academic Support	8,177	2,081	-	-	-	10,258
Student Services	7,128	1,108	72	8	24	8,340
Auxiliary Services	11,581	9,009	186	2,423	-	23,199
Institutional Support	7,695	278	-	-	-	7,973
Operation & Maint. Of Plant	5,470	(24)	-	-	-	5,446
Student Aid	-	2	7,973	-	1,022	8,997
Other	1,602	1,109	-	4,032	-	6,743
Total	$ 80,463	$ 17,417	$ 8,574	$ 6,464	$ 1,064	$ 113,982

For the years ended June 30, 2021 and 2020 (dollars in thousands)

12. GOVERNMENT APPROPRIATIONS

WOU receives support from the state in the form of general fund and lottery appropriations. These appropriations are in support of the operations of the university and debt service of SELP loans. Appropriations for SELP debt service are based on the loan agreements between the university and the Oregon Department of Energy. Government appropriations comprised the following:

	2021	2020
General Fund - Operations	**$ 28,608**	$ 27,134
Lottery Funding	**1,373**	1,068
Government Appropriations	**29,981**	28,202
General Fund - SELP Debt Service	**382**	382
Total State Appropriations	**$ 30,363**	$ 28,584

13. EMPLOYEE RETIREMENT PLANS

Western Oregon University offers various retirement plans to qualified employees as described below.

A. PUBLIC EMPLOYEES RETIREMENT PLAN (PERS)

Organization

The university participates with other state agencies in the Oregon Public Employees Retirement System (System), which is a cost-sharing multiple employer defined benefit plan. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

Plan Membership

The 1995 Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. Membership prior to January 1, 1996 are Tier One members. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans.

The 2003 Legislature enacted House Bill (HB) 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program defined benefit (DB) program and the Individual Account Program (IAP). The IAP is a defined contribution plan. Membership includes public employees hired on or after August 29, 2003.

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of IAP of OPSRP. PERS members retain their existing Defined Benefit Plan accounts, but member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses, net of administrative expenses. OPSRP is part of PERS and is administered by the PERS Board.

Pension Plan Report

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the State's Comprehensive Annual Financial Report. PERS issues a separate, publicly available financial report that includes an audit opinion that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Basis of Accounting

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

Proportionate Share Allocation Methodology

The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

Pension Plan Liability

The components of the Plan's collective net pension liability as of the measurement dates of June 30, 2020, and 2019, are as follows (dollars in millions)

	June 30, 2021	June 30, 2020
Total Pension Liability	**$ 90,143**	$ 87,501
Plan Fiduciary Net Position	**68,319**	70,204
Plan Net Pension Liability	**$ 21,823**	$ 17,298

Changes Subsequent to the Measurement Date

The university is not aware of any changes to benefit terms subsequent to the June 30, 2020, measurement date.

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) PENSION (CHAPTER 238) PROGRAM

Pension Benefits

The PERS retirement allowance is payable monthly for life. There are 13 retirement benefit options a retiring employee may select from. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance provided one or more of the following conditions are met:

- The member was employed by a PERS employer at the time of death.
- The member died within 120 days after termination of PERS-covered employment.
- The member died as a result of injury sustained while employed in a PERS-covered job.
- The member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected cause may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLAs). The COLA is capped at 2.0 percent.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP DB) PENSION PROGRAM

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through COLAs. The cap on the COLA varies based on 1.25 percent on the first $60 of annual benefit and 0.15 percent on annual benefits above $60.

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP IAP) PENSION PROGRAM

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a $200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

PENSION PLAN CONTRIBUTIONS

PERS and OPSRP employee contribution requirements are established by IRS 238.200 and ORS 238A.330, respectively, and are credited to an employee's account in the Individual Account Program and may be amended by an act of the Oregon Legislature. PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contributions rates for the fiscal years ended June 30, 2021 and 2020, were based on the December 31, 2017, actuarial valuation. The employer contribution rates for the PERS and OPSRP are as follows:

	2021	2020
PERS Tiers One/Two	**21.21%**	21.21%
OPSRP	**14.75%**	14.75%

NET PENSION LIABILITY

At June 30, 2021, the university reported a liability of $49,387 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2021, 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 December 31, 2018. At June 30, 2020, the university reported a liability of $37,199 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2020, was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The PERS system does not provide WOU an audited proportionate share as a separate employer; the university is a proportionate share of PERS employer state agencies which includes all state agencies. The State Department of Administrative Services calculated WOU's proportional share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The State Audits Division performed a review of this internal calculation. At June 30, 2021, WOU's proportion was 0.23 percent of the statewide pension plan, and 0.80 percent of employer state agencies. At June 30, 2020, WOU's proportion was 0.22 percent of the statewide pension plan, and 0.75 percent of employer state agencies. At June 30, 2019, WOU's proportion was 0.22 percent of the statewide pension plan, and 0.83 percent of employer state agencies.

For the years ended June 30, 2021, and 2020, WOU recorded total pension expense of $8,218 and $7,527, respectively, due to the changes in net pension liability, deferred inflows and deferred outflows.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the fiscal years ending June 30, 2021, and 2020, deferred items include:

- Difference between expected and actual experience
- Changes in assumptions
- Net difference between projected and actual pension plan investment earnings
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2020 – 5.3 years
- Measurement period ended June 30, 2019 – 5.2 years
- Measurement period ended June 30, 2018 – 5.2 years
- Measurement period ended June 30, 2017 – 5.3 years
- Measurement period ended June 30, 2016 – 5.3 years

The difference between projected and actual pension plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total pension expense for fiscal years 2021 and 2020.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

At June 30, 2021, WOU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,174	$ -
Changes of assumptions	2,651	93
Net difference between projected and actual earnings on pension plan investments	5,807	-
Differences between System's contributions and proportionate share of contributions	1,563	909
Change in Proportionate Share	26	120
Total	$ 12,221	$ 1,122
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 11,099	
Contributions Subsequent to the MD	3,993	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 15,092	

Of the amount reported as deferred outflows of resources, $3,993 are related to pensions resulting from WOU contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

At June 30, 2020, WOU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,051	$ -
Changes of assumptions	5,047	-
Net difference between projected and actual earnings on pension plan investments	-	1,055
Differences between System's contributions and proportionate share of contributions	39	548
Change in Proportionate Share	1,326	171
Total	$ 8,463	$ 1,774
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 6,689	
Contributions Subsequent to the MD	4,432	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 11,121	

Of the amount reported as deferred outflows of resources, $4,432 are related to pensions resulting from WOU contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Deferred Outflow/ (Inflow) of Resources	
Year Ended June 30:	
2022	$ 2,591
2023	3,274
2024	3,070
2025	2,107
2026	57
	$ 11,099

For the years ended June 30, 2021 and 2020 (dollars in thousands)

Actuarial Methods and Assumptions
Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The following methods and assumptions were used in the development of the total pension liability:

<table>
<tr><td colspan="3">Actuarial Methods:</td></tr>
<tr><td>As of:</td><td>June 30, 2021</td><td>June 30, 2020</td></tr>
<tr><td>Valuation Date</td><td>December 31, 2018</td><td>December 31, 2017</td></tr>
<tr><td>Measurement Date</td><td>June 30, 2020</td><td>June 30, 2019</td></tr>
<tr><td>Experience Study Report</td><td>2018, published July 2019</td><td>2016, published July 2017</td></tr>
<tr><td>Actuarial Cost Method</td><td colspan="2">Entry Age Normal</td></tr>
<tr><td colspan="3">Actuarial Assumptions:</td></tr>
<tr><td>Inflation Rate</td><td colspan="2">2.50 percent</td></tr>
<tr><td>Long-Term Expected Rate of Return</td><td colspan="2">7.20 percent</td></tr>
<tr><td>Discount Rate</td><td colspan="2">7.20 percent</td></tr>
<tr><td>Projected Salary Increases</td><td colspan="2">3.50 percent</td></tr>
<tr><td>Cost of Living Adjustments (COLA)</td><td colspan="2">Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service</td></tr>
<tr><td rowspan="6">Mortality</td><td colspan="2">Healthy retirees and beneficiaries:</td></tr>
<tr><td>Pub-2010 Healthy Retriee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</td><td>RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</td></tr>
<tr><td colspan="2">Active members:</td></tr>
<tr><td>Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</td><td>RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</td></tr>
<tr><td colspan="2">Disabled retirees:</td></tr>
<tr><td>Pub-2010 Disabled Retriee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</td><td>RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale</td></tr>
</table>

For the years ended June 30, 2021 and 2020 (dollars in thousands)

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2021, and 2020, was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The sensitivity analysis shows the sensitivity of the university's proportionate share of the net pension asset 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 7.20 percent as of June 30, 2021 and 2020, 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 one percentage point lower or one percentage point higher than the current rate:

	June 30, 2021	June 30, 2020
1% Decrease 6.20%	**$ 73,336**	$ 59,572
Current Discount Rate 7.20%	**49,387**	37,199
1% Increase 8.20%	**29,305**	18,477

Depletion Date Projection

GASB Statement No. 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the Plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB Statement No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience, which might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

Assumed Asset Allocation as of June 30, 2021

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	27.50	37.50	32.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternative Investments	7.50	17.50	15.00
Opportunity Portfolio	0.00	3.00	0.00
Risk Parity	0.00	2.50	2.50
Total			100 %

Assumed Asset Allocation as of June 30, 2020

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	32.50	42.50	37.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternatives Portfolio	0.00	12.50	12.50
Opportunity Portfolio	0.00	3.00	0.00
Total			100 %

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table on the following page shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The following table shows the long-term expected rate of return by asset class as of June 30, 2021:

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation – Mean		2.50%

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The following table shows the long-term expected rate of return by asset class as of June 30, 2020:

Asset Class	Target	Compound Annual Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50%

BOND DEBT

The retirement bond debt service assessment was authorized by the Oregon Legislature in 2003 to sell general obligation bonds in the amount of $2 billion to pay a PERS unfunded actuarial liability. This action reduced the PERS contribution rate for PERS covered employers in the state actuarial pool in November 2003.

The Oregon Department of Administrative Services coordinates the debt service assessments to PERS employers to cover the bond debt service payments. PERS employers are assessed a percentage of PERS-subject payroll to fund the payments. The assessment rate is adjusted periodically over the life of the twenty-four-year debt repayment schedule.

The payroll assessment for the pension obligation bond began in May 2004. The assessment rate for fiscal year 2021 was 5.6 percent. The assessment rate for fiscal year 2020 was 6.2 percent through October 31, 2019. The 2020 rate was reduced to 5.6 percent effective November 1, 2019. Payroll assessments for the fiscal years ended June 30, 2021, and 2020, were $1,571 and $1,702, respectively.

B. OTHER RETIREMENT PLANS

OPTIONAL RETIREMENT PLAN

The 1995, Oregon Legislature enacted legislation that authorized WOU to offer a defined contribution retirement plan as an alternative to PERS. A Retirement Plan Committee was appointed to administer the Optional Retirement Plan (ORP) and named trustees to manage plan assets placed with mutual funds and insurance companies. Beginning April 1, 1996, the ORP was made available to university academic and administrative faculty. Employees choosing the ORP may invest the employee and employer contributions in one of two investment companies, either Fidelity or the Teacher's Insurance and Annuity Association (TIAA).

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The ORP consists of four tiers. Membership under ORP Tier One and Tier Two is determined using the same date of entry criteria as PERS. The third tier is determined by the date of entry applicable to the OPSRP. Employees hired on or after July 1, 2014, who elected the ORP are Tier Four members. The first contributions for Tier Four were payable January 2015 after six-months of qualifying service. Tier Four is a departure from the other three tiers. The employee is entitled to an employer contribution plus a "match" contribution based on the employee's participation in the voluntary 403(b) investment plan. The employer contribution is fixed at 8 percent by plan rules and is unaffected by PERS rates, unlike the other tiers. The employer provides an ORP match contribution equal to 403(b) deferrals up to a 4 percent maximum. Under the ORP Tiers One, Two and Three, the employee's contribution rate is 6 percent and is paid by the employer.

The employer contribution rates for the ORP are as follows:

	2021	2020
Tiers One/Two	**27.20%**	27.20%
Tier Three	**9.85%**	9.85%
Tier Four	**8.00%**	8.00%

OREGON PUBLIC UNIVERSITIES 401(A) DEFINED CONTRIBUTION PLAN

Eligible ranked faculty participate in the TIAA retirement program, a defined contribution plan, on all salary in excess of forty-eight hundred dollars per calendar year. Employee and employer contributions are directed to PERS on the first forty-eight hundred dollars. The contribution to TIAA annuities is supplemental to PERS. To participate in this retirement option, employees must have been hired on or before September 9, 1995. This plan was closed to new enrollment at the time the ORP started in 1996. The legacy plan, Oregon University System 401(a) Defined Contribution Plan, document was amended and restated July 1, 2015, and the plan sponsor is now the Board of Trustees for the University of Oregon.

SUMMARY OF OTHER PENSION PAYMENTS

WOU's total payroll for the year ended June 30, 2021, was $43,866 of which $11,495 was subject to defined contribution retirement plan contributions. The following schedule lists payments made by WOU for the fiscal year:

	June 30, 2021			
	Employer Contribution	**As a % of Covered Payroll**	**Employee Contribution**	**As a % of Covered Payroll**
ORP	**$ 1,686**	**14.67%**	**$ 822**	**7.15%**
TIAA	**6**	**0.05%**	**6**	**0.05%**
Total	**$ 1,692**	**14.72%**	**$ 828**	**7.20%**

	June 30, 2020			
	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
ORP	$ 1,846	15.02%	$ 779	6.34%
TIAA	8	0.07%	8	0.07%
Total	$ 1,854	15.09%	$ 787	6.40%

Of the employee share, WOU paid $779 of the ORP and $8 of the TIAA employee contribution amounts on behalf of their employees during the fiscal year ended June 30, 2020.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PLAN DESCRIPTIONS

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other postemployment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA and RHIPA plans. (Refer to Note 13 for details concerning Tier One and Tier Two membership in PERS.)

The RHIA is a cost-sharing multiple-employer defined benefit OPEB plan in which the university participates. Established under Oregon Revised Statute (ORS) 238.420, the plan provides a payment of up to $60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive the RHIA subsidy, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations for the RHIA plan.

Established under ORS 238.415, the RHIPA is considered a single-employer defined benefit OPEB plan for financial reporting purposes. The plan provides payment of the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. PERS members are qualified to receive the RHIPA subsidy if they have eight or more years of qualifying service in PERS at the time of retirement or receive a disability pension calculated as if they had eight or more years of qualifying service, but are not eligible for federal Medicare coverage. A surviving spouse or dependent of a deceased retired state employee is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired on or after September 29, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations of the RHIPA plan.

Both RHIA and RHIPA are closed to employees hired on or after August 29, 2003, who had not established PERS membership prior to that date.

OPEB PLANS REPORT

The PERS RHIA and RHIPA defined benefit OPEB plans are reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the state's Comprehensive Annual financial Report. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

BASIS OF ACCOUNTING

The financial statements for the PERS OPEB plans are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Plan investments are reported at fair value.

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers.

OPEB PLAN (ASSET)/LIABILITY

The components of the collective Net OPEB liability (asset) for the OPEB plans as of the measurement dates of June 30, 2020, and 2019, are as follows (in millions):

Net OPEB - RHIA (Asset)	**June 30, 2020**	June 30, 2019
Total OPEB - RHIA Liability	$ 406.9	$ 435.6
Plan Fiduciary Net Position	610.7	628.9
Plan Net OPEB - RHIA (Asset)	**$ (203.8)**	$ (193.3)

Net OPEB - RHIPA Liability	**June 30, 2020**	June 30, 2019
Total OPEB - RHIPA Liability	$ 64.3	$ 72.0
Plan Fiduciary Net Position	54.3	46.7
Plan Net OPEB - RHIA Liability	**$ 10.0**	$ 25.3

CHANGES SUBSEQUENT TO THE MEASUREMENT DATE

The university is not aware of any changes to benefit terms subsequent to the June 30, 2020, measurement date.

CONTRIBUTIONS

Both of the OPEB plans administered by PERS are funded through actuarially determined employer contributions.

For the fiscal years ended June 30, 2021, and 2020, the university contributed 0.06 and 0.07 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. The required employer contributions were approximately $5 and $142 for the years ended June 30, 2021 and 2020, respectively. The actual contribution equaled the annual required contribution for the fiscal year.

For the fiscal years ended June 30, 2021, and 2020, the university contributed 0.12 and 0.11 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits. In addition, the university contributed 0.27 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The required employer contributions were approximately $86 and $130 for the years ended June 30, 2021, and 2020, respectively. The actual contribution equaled the annual required contribution for the fiscal year.

NET OPEB ASSET – PERS RHIA

At June 30, 2021, the university reported an asset of $4,125 for its proportionate share of the PERS RHIA net OPEB asset. The net OPEB asset as of June 30, 2021, 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 December 31, 2018. At June 30, 2020, the university reported an asset of $526 for its proportionate share of the PERS RHIA net OPEB asset. The net OPEB asset as of June 30, 2020, was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The PERS system does not provide WOU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. The State Department of Administrative Services (DAS) calculated WOU's proportionate share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2021, WOU's proportion was 2.02 percent of the statewide OPEB plan and 12.28 percent of employer state agencies. At June 30, 2020, WOU's proportion was 0.27 percent of the statewide OPEB plan and 0.90 percent of employer state agencies. At June 30, 2019, WOU's proportion was 0.26 percent of the statewide OPEB plan and 0.87 percent of employer state agencies.

For the years ended June 30, 2021, and 2020, WOU recorded total OPEB expense of ($5,081) and ($80), respectively, due to changes in the net PERS RHIA OPEB asset, deferred outflows and deferred inflows and amortization of previously deferred amounts.

NET OPEB LIABILITY – PERS RHIPA

At June 30, 2021, the university reported a liability of $114 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2021, was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. At June 30, 2020, the university reported a liability of $229 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2020, was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The PERS system does not provide WOU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. DAS calculated WOU's proportionate share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2021, and 2020, WOU's proportion was 1.15 and 0.87 percent, respectively, of the statewide OPEB plan.

For the years ended June 30, 2021, and 2020, WOU recorded total OPEB expense of $10 and $26, respectively, due to changes in the net PERS RHIPA OPEB liability, deferred outflows and deferred inflows and amortization of previously deferred amounts.

DEFERRED ITEMS - RHIA

Deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2020 and 2019, deferred items included:

- Difference between expected and actual experience
- Difference due to changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2020 – 2.9 years
- Measurement period ended June 30, 2019 – 3.1 years
- Measurement period ended June 30, 2018 – 3.3 years
- Measurement period ended June 30, 2017 – 3.7 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2021 and 2020.

At June 30, 2021, WOU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 422
Change in Assumptions	-	219
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	459	-
Change in Proportionate Share	1,715	16
Total	$ 2,174	$ 657
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 1,517	
Contributions Subsequent to the MD	5	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 1,522	

Of the amount reported as deferred outflows of resources, $5 are related to contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ended June 30, 2022.

At June 30, 2020, WOU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 1
Change in Assumptions	-	69
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	32
Change in Proportionate Share	2	-
Total	$ 2	$ 102
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (100)	
Contributions Subsequent to the MD	144	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 44	

Of the amount reported as deferred outflows of resources, $144 are related to contributions subsequent to the measurement date and are recognized as an increase of the net OPEB asset in the year ended June 30, 2021.

As of June 30, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows (in thousands):

Deferred Outflow/ (Inflow) of Resources		
Year Ended June 30:		
2022	$	478
2023		724
2024		170
2025		145
	$	**1,517**

DEFERRED ITEMS - RHIPA

Deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2020 and 2019, deferred items included:

- Difference due to changes in assumptions
- Changes between expected and actual experience
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Net difference between projected and actual OPEB plan investment earnings

Differences between expected and actual experience, changes in assumption, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2020 – 6.4 years
- Measurement period ended June 30, 2019 – 6.7 years
- Measurement period ended June 30, 2018 – 6.9 years
- Measurement period ended June 30, 2017 – 7.2 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2021 and 2020.

At June 30, 2021, WOU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 43
Change in Assumptions	3	77
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	26	-
Total	$ 29	$ 120
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (91)	
Contributions Subsequent to the MD	86	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ (5)	

Of the amount reported as deferred outflows of resources, $86 are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022.

At June 30, 2020, WOU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 21
Change in Assumptions	3	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	1
Total	$ 3	$ 22
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (19)	
Contributions Subsequent to the MD	130	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 111	

Of the amount reported as deferred outflows of resources, $130 are related to contributions subsequent to the measurement date and are recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

As of June 30, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB will be recognized in OPEB expense as follows (in thousands):

Deferred Outflow/ (Inflow) of Resources		
Year Ended June 30:		
2022	$	(18)
2023		(16)
2024		(16)
2025		(16)
2026		(18)
2027		(7)
	$	**(91)**

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The following key methods and assumptions were used to measure the total RHIA OPEB liability:

Actuarial Methods and Assumptions:		
	June 30, 2021	June 30, 2020
Valuation Date	December 31, 2018	December 31, 2017
Measurement Date	June 30, 2020	June 30, 2019
Experience Study Report	2018, published July 2019	2016, published July 2017
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	
Discount Rate	7.20 percent	
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Healthy retirees: 32%; Disabled retirees: 20%	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable	
Mortality	*Healthy retirees and beneficiaries:*	
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	RP-2014 Healthy annuitant, sex-distinct, generational Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.
	Active members:	
	Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	RP-2014 Healthy annuitant, sex-distinct, generational Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.
	Disabled retirees:	
	Pub-2010 Disabled Retriee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The following key methods and assumptions were used to measure the total RHIPA OPEB liability:

Actuarial Methods and Assumptions:		
	June 30, 2021	June 30, 2020
Valuation Date	December 31, 2018	December 31, 2017
Measurement Date	June 30, 2020	June 30, 2019
Experience Study Report	2018, published July 2019	2016, published July 2017
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	
Discount Rate	7.20 percent	
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	8-14 Years of Service: 10% 15-19 Years of Servie: 15% 20-24 Years of Service: 19% 25-29 Years of Service: 26% 30+ Years of Service: 34%	8-14 Years of Service: 10% 15-19 Years of Servie: 18% 20-24 Years of Service: 23% 25-29 Years of Service: 29% 30+ Years of Service: 38%
Healthcare Cost Trend Rate	Applied at beginning of plan year, starting with 7.1% for 2019, decreasing to 5.0% for 2022, increasing to 5.9% for 2031, and decreasing to an ultimate rate of 4.1% for 2094 and beyond.	Applied at beginning of plan year, starting with 7.5% for 2017, decreasing to 5.2% for 2024, increasing to 6.2% for 2029, and decreasing to an ultimate rate of 4.2% for 2093 and beyond.
Mortality	*Healthy retirees and beneficiaries:*	
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale, with collar adjustments and setpbacks as described in the valuation
	Active members:	
	Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setpbacks as described in the valuation
	Disabled retirees:	
	Pub-2010 Disabled Retriee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale

DISCOUNT RATE

The discount rate used to measure the total OPEB liability/(asset) at June 30, 2021, and 2020, was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plans' 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 OPEB plan investments for the OPEB Plans was applied to all periods of projected benefit payments to determine the total OPEB liability.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

SENSITIVITY ANALYSIS

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent as of June 30, 2021, and 2020, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	RHIA		RHIPA	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
1% Decrease 6.20%	**($3,331)**	($408)	**$160**	$262
Current Discount Rate 7.20%	**(4,125)**	(526)	**114**	229
1% Increase 8.20%	**(4,805)**	(627)	**71**	182

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the current healthcare cost trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

Healthcare Cost Rate	RHIA		RHIPA	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
1% Decrease	**$ (4,125)**	$ (526)	**$ 80**	$ 166
Current Trend Rate	**(4,125)**	(526)	**114**	229
1% Increase	**(4,125)**	(526)	**157**	282

ASSUMED ASSET ALLOCATION AS OF JUNE 30, 2021

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	27.50	37.50	32.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternative Investments	7.50	17.50	15.00
Opportunity Portfolio	0.00	3.00	0.00
Risk Parity	0.00	2.50	2.50
Total			100 %

ASSUMED ASSET ALLOCATION AS OF JUNE 30, 2020

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	32.50	42.50	37.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternatives Portfolio	0.00	12.50	12.50
Opportunity Portfolio	0.00	3.00	0.00
Total			100 %

For the years ended June 30, 2021 and 2020 (dollars in thousands)

LONG-TERM EXPECTED RATE OF RETURN

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

LONG-TERM EXPECTED RATE OF RETURN AS OF JUNE 30, 2021

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation – Mean		2.50%

For the years ended June 30, 2021 and 2020 (dollars in thousands)

LONG-TERM EXPECTED RATE OF RETURN AS OF JUNE 30, 2020

Asset Class	Target	Compound Annual Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50%

DEPLETION DATE PROJECTION

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 75 (paragraph 39) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an actuarially determined contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

B. PUBLIC EMPLOYEES' BENEFIT BOARD PLAN (PEBB)

WOU participates in a defined benefit postemployment healthcare plan administered by the Public Employees Benefit Board (PEBB). This plan offers healthcare assistance to eligible retired employees and their beneficiaries. Chapter 243 of the Oregon Revised Statutes (ORS) gives PEBB the authority to establish and amend the benefit provisions of the PEBB Plan. The PEBB Plan is considered a cost-sharing multiple-employer defined benefit plan for financial reporting purposes and is not administered through a trust. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for the purpose of paying benefits. PEBB does not issue a separate, publicly available financial report.

The PEBB Plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. However, the premium amount is based on a blended rate that is determined b y pooling the qualifying retirees with active employees, thus, creating an "implicit rate subsidy."

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

The basis for the employer's proportion is determined by comparing the employer's actual contributions made during the fiscal year with the total actual contributions made in the fiscal year of all employers.

TOTAL OPEB LIABILITY

At June 30, 2021, the university reported a liability of $1,871 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2021, was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. At June 30, 2020, the university reported a liability of $1,933 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2020 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019. PEBB does not provide WOU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PEBB employer state agencies. DAS calculated WOU's proportionate share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2021, 2020, and 2019, WOU's proportion was 1.24, 1.31, and 1.27 percent, respectively, of the statewide OPEB plan.

For the years ended June 30, 2021 and 2020, WOU recorded total OPEB expense of $113 and $250, respectively, due to changes in the total OPEB liability, deferred inflows and amortization of previously deferred amounts.

DEFERRED ITEMS

Deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2021, and 2020, deferred items included:

- Difference due to changes in assumptions
- Changes between expected and actual experience

Changes in assumption and changes in proportion are amortized over the closed period equal to the average expected remaining service lives of all covered active and inactive participants. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The weighted average expected remaining service lives, assuming zero years for all retirees, determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2020 – 8.6 years
- Measurement period ended June 30, 2019 – 8.6 years
- Measurement period ended June 30, 2018 – 8.2 years
- Measurement period ended June 30, 2017 – 8.2 years

For the years ended June 30, 2021 and 2020 (dollars in thousands)

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2021 and 2020.

At June 30, 2021, WOU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 7
Change in Assumptions	45	230
Total	45	237
Net Deferred Outflow/(Inflow) of Resources	$ (192)	

At June 30, 2020, WOU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 9
Change in Assumptions	49	284
Total	49	293
Net Deferred Outflow/(Inflow) of Resources	$ (244)	

As of June 30, 2021, amounts reported as deferred outflows of resources and deferred inflows of resources related to PEBB OPEB will be recognized in OPEB expense as follows:

	Deferred Outflow/ (Inflow) of Resources
Year Ended June 30:	
2022	$ (30)
2023	(30)
2024	(30)
2025	(29)
2026	(25)
Thereafter	(48)
	$ (192)

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The following key methods and assumptions were used to measure the total OPEB liability:

Actuarial Methods and Assumptions:		
Measurement Date	**June 30, 2021**	June 30, 2020
Valuation Date	July 1, 2019	July 1, 2019
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Nomal	
Inflation Rate	2.50 percent	
Discount Rate	2.16 percent	2.21 percent
Projected Salary Increases	3.50 percent	
Withdrawal, retirement, and mortality rates	December 31, 2018, Oregon PERS valuation	
Healthcare Cost Trend Rate	*Medical and vision cost increases:*	
	Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumend to be 3.40% per year	
	Dental cost changes:	
	Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumend to be 3.40% per year	
Election and lapse rates	30% of eligible employees	
	60% spouse coverage for males, 35% for females	
	7% annual lapse rate	

DISCOUNT RATE

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2021, and 2020, reporting dates was 2.16 and 2.21 percent, respectively.

SENSITIVITY ANALYSIS

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the total OPEB liability to changes in the discount rate. The following presents the university's proportionate share of the total OPEB liability calculated using the discount rate of 2.16 and 2.21 percent as of June 30, 2021, and 2020, respectively, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	**June 30, 2021**	June 30, 2020
1% Decrease 1.16%/1.21%	**$2,006**	$2,072
Current Discount Rate 2.16%/2.21%	**1,871**	1,932
1% Increase 3.16%/3.21%	**1,745**	1,803

For the years ended June 30, 2021 and 2020 (dollars in thousands)

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the total OPEB liability calculated using the current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

Healthcare Rate	June 30, 2021	June 30, 2020
1% Decrease	$1,683	$1,740
Current Trend Rate	1,871	1,932
1% Increase	2,092	2,161

15. FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others, for which WOU is an income beneficiary, are not recorded in the financial records. The approximate value of such trust funds at June 30, 2021, and 2020, were $1,944 and $1,554, respectively.

16. RISK FINANCING

WOU is a member of the Public Universities Risk Management and Insurance Trust (Trust). The Trust is a separate legal entity which operates for the benefit of the member universities (Member). The Trust is governed by a Board of Trustees comprised of a representative of each Member of the Trust. The Trustees administer an insurance program wherein the Members share risk by pooling their losses and claims and jointly purchasing insurance and administrative services through the Trust. In exchange, Members pay annual assessments and provide the Trustees with information or assistance as necessary for the Trustees to determine annual assessments and to purchase insurance or reinsurance. By participating, WOU transfers the following risk to the Trust:

- Real property loss for university owned building, equipment, automobiles and other types of property
- Tort liability claims brought against the university, its officers, employees or agents
- Workers' compensation and employers' liability
- Crime, Fiduciary
- Specialty lines of business including medical practicums, international travel, fine art, camps, clinics and other items.

WOU retains risk for losses under $5, which is the deductible per claim not covered by insurance purchased through the Trust.

WOU is charged an assessment to cover the Trust's cost of servicing claims and payments based on the Risk Allocation Model and actuarial estimates of the amounts needed to pay prior and current-year claims. The amount of settlements has not exceeded insurance coverage for the past three years.

In addition, WOU purchases various commercial insurance policies to cover the deductible amounts of intercollegiate athletics insurance provided through the National Collegiate Athletics Association (NCAA) and to provide coverage for special events and student liability.

17. COMMITMENTS AND CONTINGENT LIABILITIES

Outstanding commitments on partially completed and planned but not initiated construction projects totaled approximately $4,187 at June 30, 2021. These commitments will be primarily funded from gifts, grants, and university funds.

CONSTRUCTION COMMITMENTS AS OF JUNE 30, 2021

	Total Commitment	Completed to Date	Outstanding Commitment
ITC Renovation	$ 9,641	$ 9,466	$ 175
OMA Renovation	8,685	8,674	12
Capital Repairs	4,721	1,113	3,608
Project Budgets <$1M	1,115	722	393
	$ 24,162	$ 19,975	$ 4,187

WOU is contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Management is of the opinion that the outcome of such matters will not have a material effect on the financial statements.

WOU participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor for expenditures disallowed under terms of the grant. Management believes that disallowances, if any, will not have a material effect on the financial statements.

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS Chapter 657. WOU reimburses the Oregon Employment Division on a quarterly basis for actual benefits paid. Each year resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to WOU cannot be reasonably determined at June 30, 2021.

19. WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION

Under policies approved by the Board, individual university foundations may be established to provide assistance in fund raising, public outreach and other support for the mission of WOU. The WOU Development Foundation is a legally separate, tax-exempt entity with an independent governing board. Although WOU does not control the timing or amount of receipts from the foundation, the majority of resources, or income thereon, that the foundation holds and invests are restricted to the activities of the university by the donors. Because these restricted resources held by the foundation can only be used by, or for the benefit of, the university, the foundation is considered a component unit of WOU and is discretely presented in the financial statements. The financial activity is reported for the years ended June 30, 2021, and 2020. The foundation is audited annually and received an unmodified audit opinion.

During the years ended June 30, 2021, and 2020, gifts of $1,839 and $1,467, respectively, were transferred from the foundation to WOU.

Please see the financial statements for the WOU component unit on pages 22 and 24 of this report.

Complete financial statements for the foundation may be obtained by writing to the following:

- Western Oregon University Foundation, 345 N. Monmouth Ave., Monmouth, OR 97361

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY CONTRIBUTIONS
Public Employees Retirement System

For Fiscal Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 3,993	$ 4,432	$ 3,028	$ 3,125	$ 2,362	$ 2,337	$ 1,846	$ 1,807	$ 1,687
Contributions in Relation to the Contractually Required Contribution	3,993	4,432	3,028	3,125	2,362	2,337	1,846	1,807	1,687
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 28,904	$ 31,552	$ 28,646	$ 28,155	$ 28,527	$ 27,229	$ 25,618	$ 24,368	$ 23,462
Contributions as a Percentage of Covered Payroll	13.8%	14.0%	10.6%	11.1%	8.3%	8.6%	7.2%	7.4%	7.2%

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)*
Public Employees Retirement System

As of the Measurement Date June 30,	2020	2019	2018	2017	2016	2015
University's Proportion of the Net Pension Asset/(Liability)	0.23%	0.22%	0.22%	0.26%	0.26%	0.23%
University's Proportionate Share of the Net Pension Asset/(Liability)	$ (49,387)	$ (37,199)	$ (33,824)	$ (35,461)	$ (39,513)	$ (13,285)
University's Covered Payroll	$ 31,552	$ 28,646	$ 28,155	$ 28,527	$ 27,229	$ 25,618
University's Proportionate Share of the Net Pension Asset/(Liability) as a Percentage of Covered Payroll	156.5%	129.9%	120.1%	124.3%	145.1%	51.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/(Liability)	75.8%	80.2%	82.1%	83.1%	80.5%	91.9%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date, which is a date one year earlier than the fiscal year-end date above. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend has been compiled, information is presented only for the years for which the require supplementary information is available.

Employer's covered payroll is equal to the amount reported to PERS in the preceding year.

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contributions [1]	$ 5	$ 142	$ 130	$ 129	$ 138	$ 133	$ 138	$ 132	$ 126	$ 123
Contributions in Relation to the Actuarially Determined Contributions	5	142	130	129	138	133	138	132	126	123
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 28,189	$ 31,552	$ 28,641	$ 28,150	$ 28,522	$ 27,224	$ 25,614	$ 24,363	$ 22,902	$ 22,168
Contributions as a Percentage of Covered Payroll	0.02%	0.45%	0.45%	0.46%	0.48%	0.49%	0.54%	0.54%	0.55%	0.55%

[1] For Actuarial Assumptions and Methods, see table in Note 14.

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PERS RHIA OPEB ASSET/(LIABILITY)*

As of the Measurement Date June 30,	2020	2019	2018	2017	2016
University's Allocation of the Net RHIA OPEB Asset/(Liability)	0.27%	0.27%	0.26%	0.30%	0.29%
University's Proportionate Share of the Net RHIA OPEB Asset/(Liability)	$ 4,125	$ (526)	$ 290	$ 124	$ (79)
University's Covered Payroll	$ 31,552	$ 28,641	$ 28,150	$ 28,522	$ 27,224
University's Proportionate Share of the Net RHIA OPEB Asset/(Liability) as a Percentage of Covered Payroll	13.07%	-1.84%	1.03%	0.43%	0.29%
Plan Fiduciary Net Position as a Percentage of the Total RHIA OPEB Asset/(Liability)	150.09%	144.38%	123.99%	108.88%	94.15%

Employer's covered payroll is equal to the amount reported to PERS in the preceding year.

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contributions[1]	$ 86	$ 130	$ 120	$ 120	$ 111	$ 107	$ 60	$ 58	$ 32	$ 31
Contributions in Relation to the Actuarially Determined Contributions	86	130	120	120	111	107	60	58	32	31
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 28,189	$ 31,552	$ 28,641	$ 28,150	$ 28,522	$ 27,224	$ 25,614	$ 24,363	$ 22,902	$ 22,168
Contributions as a Percentage of Covered Payroll	0.31%	0.41%	0.42%	0.43%	0.39%	0.39%	0.23%	0.24%	0.14%	0.14%

[1] For Actuarial Assumptions and Methods, see table in Note 14.

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PERS RHIPA OPEB ASSET/(LIABILITY)*

As of the Measurement Date June 30,	2020	2019	2018	2017	2016
University's Allocation of the Net RHIPA OPEB Asset/(Liability)	1.15%	0.87%	0.89%	0.96%	0.98%
University's Proportionate Share of the Net RHIPA OPEB Asset/(Liability)	$ (114)	$ (229)	$ (314)	$ (448)	$ (527)
University's Covered Payroll	$ 31,552	$ 28,641	$ 28,150	$ 28,522	$ 27,224
University's Proportionate Share of the Net RHIPA OPEB Asset/(Liability) as a Percentage of Covered Payroll	0.36%	0.80%	1.12%	1.57%	1.94%
Plan Fiduciary Net Position as a Percentage of the Total RHIPA OPEB Asset/(Liability)	84.45%	64.86%	49.79%	34.25%	21.87%

Employer's covered payroll is equal to the amount reported to PERS in the preceding year.

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL PEBB OPEB LIABILITY*

As of June 30,	2021	2020	2019	2018	2017
University's Allocation of the Total OPEB Liability	1.24%	1.32%	1.27%	1.34%	1.38%
University's Proportionate Share of the Total OPEB Liability	$ 1,871	$ 1,933	$ 2,047	$ 1,990	$ 1,993
University's Covered Payroll	$ 38,090	$ 41,539	$ 39,703	$38,966	$38,929
University's Proportionate Share of the Total OPEB Liability as a Percentage of University Covered Payroll	4.91%	4.65%	5.16%	5.11%	5.12%
Total OPEB Liability as a % of Total Covered Payroll	3.72%	3.77%	4.31%	4.42%	4.45%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for the purpose of paying benefits.

Employer's covered payroll is equal to the amount reported to PERS in the preceding year.

OFFICE OF THE PRESIDENT

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