

Annual Comprehensive Financial Report

The Regents of the University of Idaho
For the Year Ended June 30, 2025



**University
of Idaho**

A Component Unit of the State of Idaho

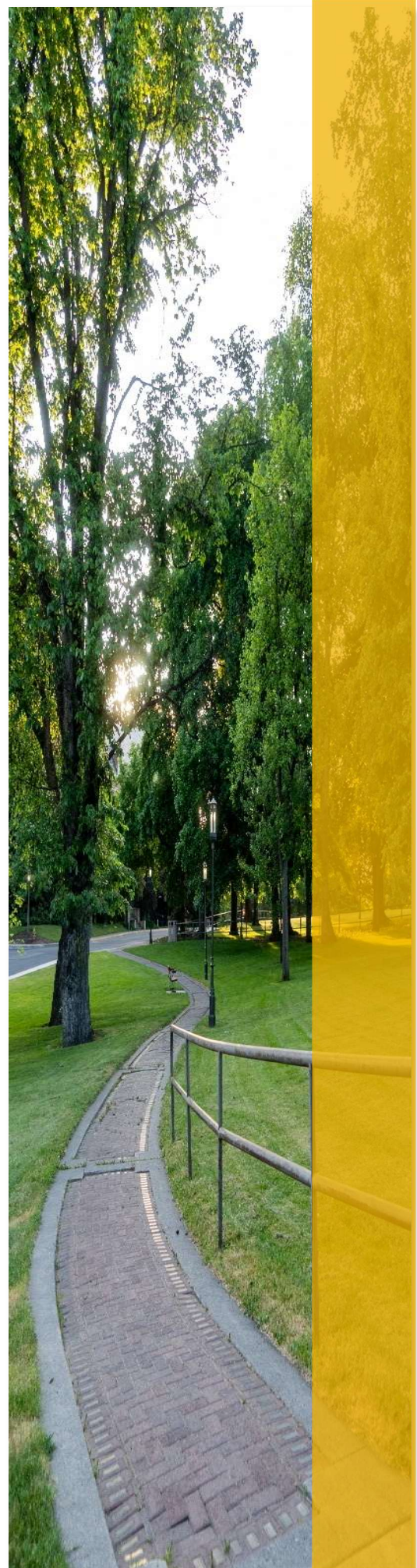


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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the University of Idaho (University), as of and for the year ended June 30, 2025, and the aggregate remaining fund information of the University, a component unit of the State of Idaho, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the University of Idaho's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University of Idaho, as of June 30, 2025, and the aggregate remaining fund information of the University as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Idaho Foundation, Inc., which represents 77%, 96% and 87% of the assets, net position, and revenues of the discretely presented component unit, or the University of Idaho Health Benefits Trust, which represents 16%, 10%, and 90%, respectively, of the assets, net position, and additions of the aggregate remaining fund information, respectively for December 31, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Idaho Foundation, Inc., and the University of Idaho Health Benefits Trust, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of a Matter

The Strategic Initiatives Fund (SIF) component unit was previously reported as a blended component unit. For the year ended June 30, 2025, the SIF is reported as a discretely presented component unit.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University of Idaho's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

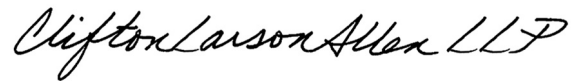
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2025, on our consideration of the University of Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University of Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University of Idaho's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Bellevue, Washington
October 20, 2025

LETTER FROM THE PRESIDENT 2025 FINANCIAL REPORT

The University of Idaho set new standards in several key performance measures in 2025, building a wave of momentum as a new era begins under a fresh strategic plan. The university surpassed goals and shattered records in enrollment, research and fundraising.

Students continue to seek out the U of I because they get an outstanding, yet affordable education. In Fall 2024 the U of I welcomed the largest freshman class in history. And overall enrollment continues to climb, with eight straight semesters of growth.

Our enrollment success fuels financial health. Our budget management has turned into an overwhelming strength thanks to the hard work of our employees and thoughtful stewardship of our finances.

Based on the financial success of fiscal year 2025, we distributed nearly \$2.4 million dollars through our Vandal Hybrid budget model to colleges and units. Those gen-ed revenues will be strategically invested across the university to support things like classroom improvements, employee retention, technology upgrades and student retention programs.

Despite state funding challenges, the U of I continues to produce well-equipped graduates and research that powers Idaho industries.

Our research enterprise continues to grow and thrive thanks to the hard work of our employees. We once again set a record for research expenditures, topping \$140 million dollars in 2024. As we deliver on our land grant mission of access for students and research for our state, we provide \$2.5 billion dollars in economic impact in Idaho each year.

In February, 2025 the University of Idaho joined the elite tier of research universities in the nation as a Carnegie R1 institution. As one of the top 4% of colleges and universities in the U.S., we are the first Idaho institution to join this prestigious group. The R1 designation embodies our land grant mission to elevate students and power our state through research.

Vandal alumni and supporters pushed us past \$500 million dollar goal for the Brave. Bold. Unstoppable campaign eight months before our December 31 deadline, capping the largest fundraising campaign in state history. Not only that, but the U of I set a new giving record in fiscal year 2025, with nearly \$68 million dollars raised over 12 months.

We've done an incredible job building momentum for our university. Now we're entering a new era, and we've built a 5-year strategic plan that helps us leverage our strengths, utilize technology and serve our students in a rapidly changing world.

We appreciate the many contributions of the Vandal Family to our success as a university. This year's annual report demonstrates the ways the University of Idaho enlightens students and powers our state. We look forward to building on our momentum and reaching even greater heights in the years to come.

Go Vandals!

President Green

Management's Discussion and Analysis For the Year Ended June 30, 2025

Introduction

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

The following Management's Discussion and Analysis (MD&A) is designed to provide an overview of the University's financial performance based on facts, decisions, and conditions known at the date of the auditor's reports, June 30, 2025, and assist readers in understanding the accompanying financial statements and footnote disclosures.

About The Financial Statements

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

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

Effective FY 25, the Strategic Initiatives Fund (SIF) is reported as a discretely presented component unit of the University, reflecting governance changes that transferred oversight to a three-member board appointed jointly by the University and the Foundation. The SIF was established in December 2020 to manage proceeds from the \$225M advance payment received under the Utility Concession Agreement with Sacyr Plenary Utility Partners Idaho LLC (Concessionaire). After deducting issuance costs and defeasing bonds associated with the utility system, \$190M was transferred to the SIF. The University requests annual distributions from the SIF to support key strategic initiatives and to contribute to paying utility system costs. Under the Utility Concession, the University also aims to improve energy and operational efficiency and to establish a disciplined reinvestment plan to address deferred maintenance of utility system assets.

Student fall enrollment history and annual graduation statistics for the University's fall semesters for 2024 and 2023 are presented in the following table:

Enrollment and Graduation Statistics Fall Semester		
	2024	2023
Enrollments		
Total Headcount	12,286	11,849
Total Full-time Equivalents (FTE)	9,724	9,216
Undergraduate Headcount:		
Full-time	7,409	6,960
Part-time	2,327	2,456
Graduate Headcount:		
Full-time	1,665	1,584
Part-time	885	849
Resident Student Percentage	65%	65%
First-year Undergraduate Enrollment Statistics Including Transfers:		
Applied	13,443	12,222
Admitted	10,154	9,666
Enrolled	2,025	1,869
SAT Combined Score Mean	1,109	1,076
Degrees Awarded:		
Bachelors	1,540	1,493
Masters	605	546
Doctoral	62	69
Law	135	120
Specialist	24	31
Academic Certificates, Undergraduate/Graduate	338	166
Associate	58	283

Fall 2024 enrollment increased to 12,286 total headcount (up from 11,849 in Fall 2023). Full-time equivalent (FTE) enrollment also grew to 9,724 compared to 9,216 the prior year. Undergraduate full-time enrollment increased by 449 students, while part-time enrollment declined slightly. Graduate enrollment rose to 2,550 (full-time and part-time combined), up from 2,433 the prior year. Degrees awarded in FY 25 increased across several categories, with bachelor's degrees up to 1,540 and master's degrees up to 605. Certificate awards more than doubled to 338.

Statement of Net Position

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

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

1. Net Investment in Capital Assets - the University's investment in property, plant, and equipment - net of depreciation and outstanding debt obligations related to those capital assets.
2. Restricted Nonexpendable - the corpus of nonexpendable restricted resources is available only for investment purposes. These assets are held in perpetuity.
3. Restricted Expendable - subject to external donor or grantor stipulations regarding their use. The University may expend these assets for purposes as determined by donors and/or external entities.
4. Unrestricted - may be expended for any lawful purpose of the University.

Condensed Statement of Net Position				
As of June 30				
(Dollars in Thousands)				
	2025		2024	
ASSETS				
Current assets	\$	108,939	\$	80,384
Capital assets - net		546,694		475,637
Other noncurrent assets		271,844		263,292
Total Assets		927,477		819,313
Deferred Outflows of Resources		23,598		33,720
Total Assets and Deferred Outflows of Resources	\$	951,075	\$	853,033
LIABILITIES				
Current liabilities	\$	127,539	\$	63,618
Noncurrent liabilities		224,341		226,666
Total Liabilities		351,880		290,284
Deferred Inflows of Resources		238,597		243,623
Total Liabilities and Deferred Inflows of Resources		590,477		533,907
NET POSITION				
Net investment in capital assets		325,362		305,236
Restricted expendable		22,456		31,443
Unrestricted		12,780		(17,553)
Total Net Position		360,597		319,126
Total Liabilities, Deferred Inflows of Resources and Net Position	\$	951,074	\$	853,033

At June 30, 2025, total assets reached \$927.5M, up \$108.2M from FY 24's \$819.3M. The increase was primarily driven by a \$13.3M increase in accounts receivable/unbilled charges (including \$12M of additional grants and contracts receivable), and a \$23.4M increase in net capital assets related to the Idaho Center for Plant and Soil Health (\$10.3M) and \$9.0M in building improvements.

FY 25 total deferred outflows of resources decreased \$10.1M driven by reductions in pension and OPEB balances.

FY 25 total liabilities rose to \$351.9M from \$290.3M largely from the \$35.5M increase in debt payable, higher accrued salaries/benefits (+\$7.8M), accounts payable (+\$7.0M) and Concession CapEx payables (+\$9.5M).

FY 25 total deferred inflows of resources decreased \$5.0M to \$238.6M due to recognition of \$4.5M from the public private partnership agreement and \$3.0M less in OPEB-related inflows.

FY 25 net position increased to \$360.6M (up from \$319.1M in FY 24), an increase of \$41.5M. This growth was driven primarily by revenues exceeding expenses, including a \$21.2M year-over-year increase in recognized revenue from Department of Public Works (DPW) capital projects, \$10.4M in capital gifts from the Foundation, and the one-time \$16.0M contract payment from the University of Phoenix.

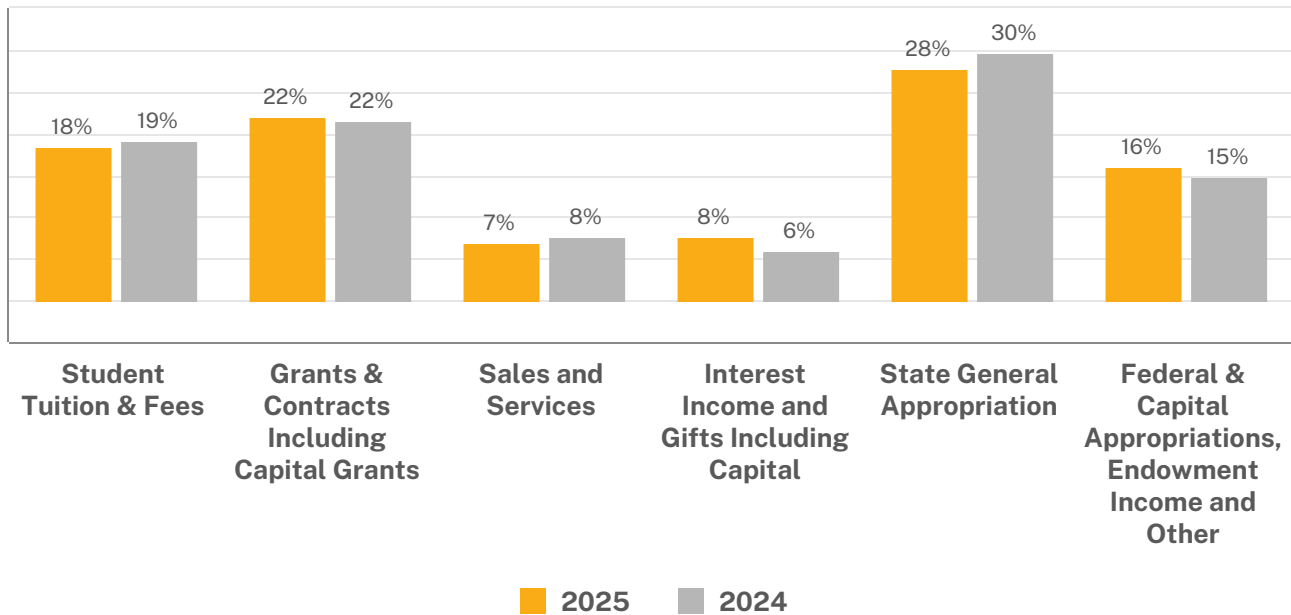
Statement Of Revenues, Expenses and Changes in Net Position

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

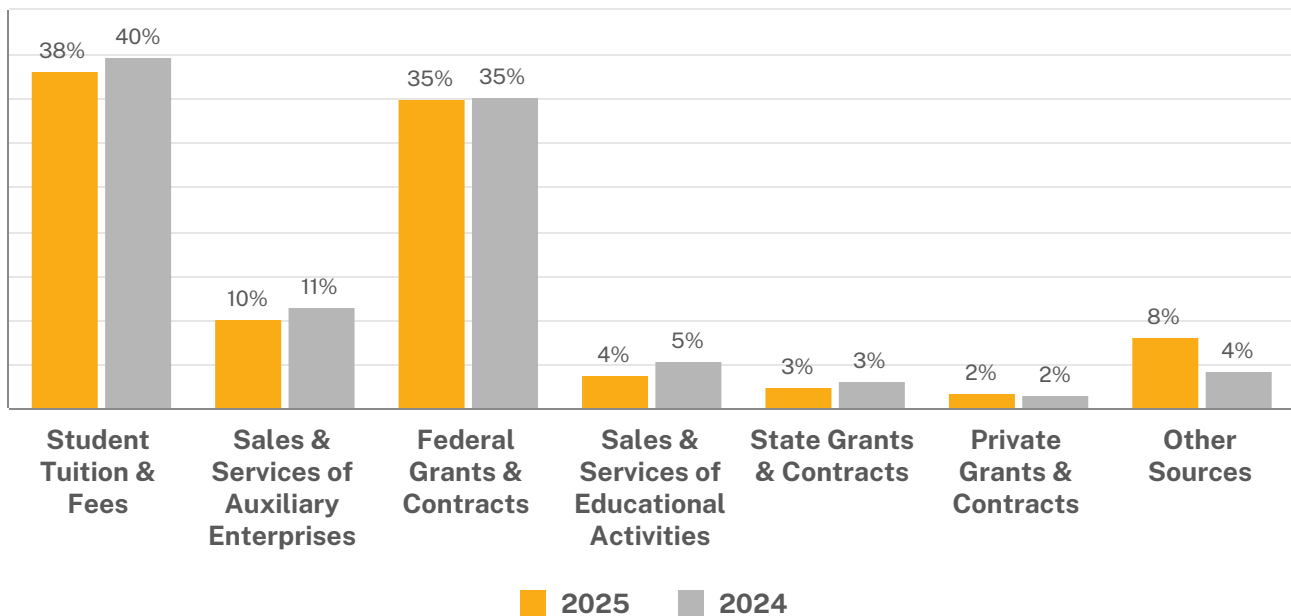
The Statement of Revenues, Expenses, and Changes in Net Position shows the activity that resulted in a \$41.5M increase in net position for the year ended June 30, 2025.

The graphs on the following pages show the composition of total revenues, operating revenues and operating expenses for fiscal years 2025, and 2024.

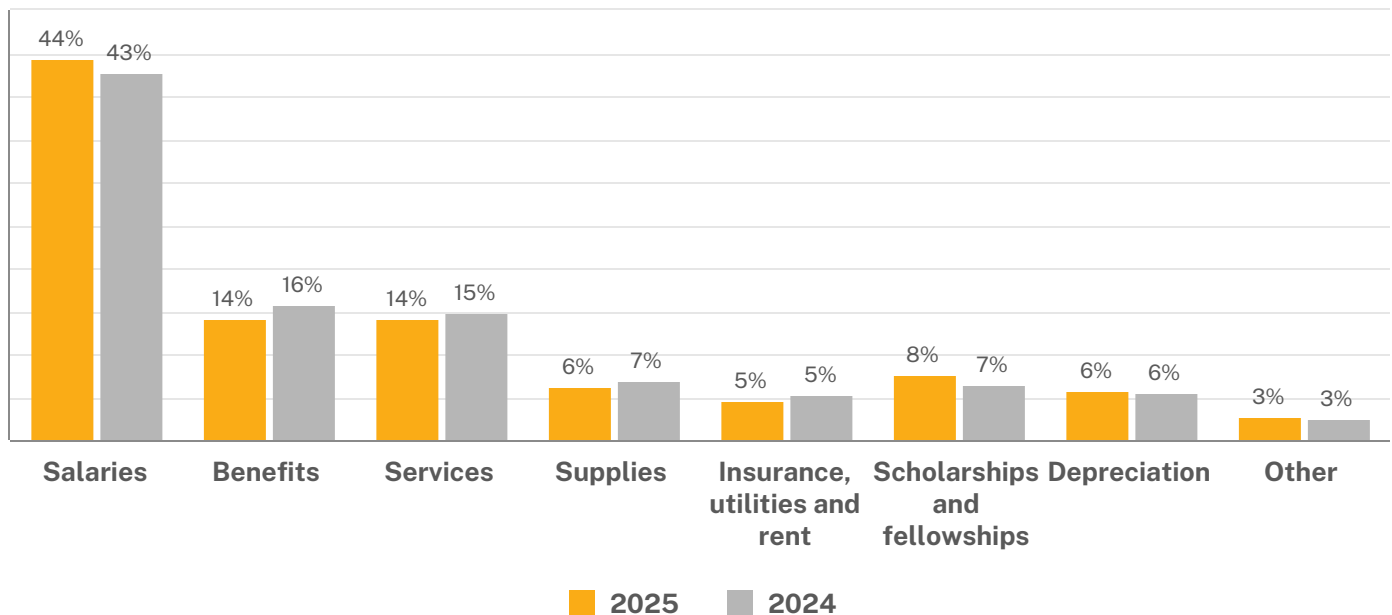
Revenue as Percentage of Total



Operating Revenues as Percentage of Total



Operating Expenses as Percentage of Total



Condensed Statement of Revenues, Expenses and Changes in Net Position			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2025	2024	
Operating revenues	\$ 284,421	\$ 253,156	
Operating expenses	528,125	512,668	
Operating loss	(243,705)	(259,512)	
Net nonoperating revenues	243,199	248,497	
Loss before other revenues	(506)	(11,015)	
Other revenues	53,239	21,542	
Increase in Net Position	52,733	10,527	
Net Position - Beginning of year	319,126	308,599	
Cumulative effect of change in reporting entity	(11,262)	—	
Net Position - End of year	\$ 360,597	\$ 319,126	

The University ended FY 25 with an aggregate change in net position of \$41.5M and an ending net position of \$360.6M. This compares to an increase in total net position of \$10.5M in FY 24.

FY 25 operating revenues increased by \$31.3M compared to the prior year due partially to net student tuition and fees increasing \$7.7M due to increased enrollment and tuition and related fees, an increase of \$10.4M in federal grants and contracts, and an increase of \$12.8M in other sources due to receipt of receivable due to University of Phoenix contract.

FY 25 operating expenses increased by \$15.5M compared to the prior year primarily due to an increase in salaries and benefits of \$9.0M. Salaries and benefits increased at a rate of 10.4% which is due to annual salary increases, an increase in unpaid compensated absence and required PERSI contributions, and an increase in employee headcount as the level of vacant positions declined prior to the prior year.

FY 25 net nonoperating revenues declined by \$5.3M year over year. Higher state appropriations (+\$6.1M) and gifts from the Foundation (+\$5.2M) were more than offset by lower net investment income (-\$1.8M), a \$13.6M net decrease in the fair value of investments—reflecting weaker market performance and other factors—and a \$4.6M reduction in miscellaneous other receipts.

FY 25 other revenues increased by \$31.7M compared to the prior year due to an increase in revenues from projects with Idaho Department of Public Works because of multiple large projects completed this year such as the Rinker Rock Creek Barn Renovation, Wallace Complex Suites 220 & 231 Renovations, and Security Modular relocation to Sheep Center improvements.

Statement of Cash Flows

The Statement of Cash Flows presents cash inflows and outflows of the University during the year ended June 30, 2025. The various sources of cash, along with their application and use, provides an analytical perspective that is useful in assessing the ability of the University to satisfy its financial obligations as they come due and to reconcile to the operating income or loss as reflected in the Statement of Revenues, Expenses and Changes in Net Position. The statement classifies the flow of cash in the following four categories.

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

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

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

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

Condensed Statement of Cash Flows Fiscal Years Ended June 30 (Dollars in Thousands)		
	2025	2024
Cash provided (used) by:		
Operating activities	\$ (182,573)	\$ (239,430)
Noncapital financing activities	237,612	232,283
Capital and related financing activities	(25,288)	(38,018)
Investing activities	(11,657)	43,191
Net change in cash	18,094	(1,973)
Cash beginning of the year	13,338	15,311
Cash end of the year	\$ 31,432	\$ 13,338

Cash increased by \$18.1M in FY 25 as compared to the prior year for the following reasons: cash spent on operating activities decreased by \$56.9M in part due to an increase of \$13.8M in receipts from sales and services and \$33.6M decrease in payments rendered to supply providers. Net cash generated by noncapital financing activities increased \$5.3M compared to FY 24 due to an increase in state appropriations of \$6.1M, an increase in gifts of \$5.2M, and an increase of \$3.9M in federal grants and contracts among other reasons. Net cash provided by capital and related financial activities decreased by \$12.7M over the prior year. This is in part due to a result of an increase in capital asset purchases of \$21.0M and increase in proceeds from capital debt of \$42.4M. Cash generated by investing activities decreased by \$54.8M due primarily due to the net effect of an increase in proceeds from sales and maturities of investments of \$(16.6)M and a decrease in the purchase price of investments in FY 25 of \$39.2M.

Capital Assets			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
		2025	2024
Capital Assets at Cost			
Buildings and improvements	\$	854,595	\$ 809,016
Equipment		129,507	125,510
Construction in progress		61,200	13,711
Library materials		66,892	66,078
Capitalized collections		2,715	2,715
Land		33,064	32,853
Total Capital Assets at Cost	\$	1,147,974	\$ 1,049,884
Accumulated Depreciation			
Buildings and improvements	\$	(434,805)	\$ (412,627)
Equipment		(106,569)	(103,050)
Library materials		(59,905)	(58,569)
Total Accumulated Depreciation	\$	(601,280)	\$ (574,246)
Total Capital Assets, Net	\$	546,694	\$ 475,637

Total Capital Assets increased by \$71.1M in FY 25, as a result of \$98.1M in asset acquisitions, less disposals and transfers during the year and offset by an increase of \$27.0M in accumulated depreciation.

Significant projects completed and capitalized during FY 25 included the CAFE Milking Parlor (\$19.8M), Agricultural Science Renovation (\$6.3M), Menard Law Building Renovation (\$3.6M), Campus HVAC Network Controls and Improvements (\$1.3M), ISUB Renovation (\$1.5M), Idaho Ave and Kibbie Dome access road improvements (\$994k), Kitchen Cooking Hood Improvements (\$880K), Rinker Rock Creek Barn Renovation (\$542K), Security Modular relocation to Sheep Center (\$504K), Art & Architecture North Renovations (\$473K).

Bonds Payable			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
		2025	2024
Total Bonds Payable	\$	188,819	\$ 153,310

At the end of FY 25 , the University held \$188.8M in outstanding bonds payable. This is an increase of \$35.5M due to a decrease of \$5.2M of principal payments and an increase of \$42.4M from bridge interim financing obtained during the year.

ECONOMIC OUTLOOK

The University's financial outlook continues to be supported by a combination of stable state appropriations, healthy enrollment growth, strong philanthropic support, and expanding research activity. The State of Idaho has maintained its commitment to higher education funding, including record allocations for deferred maintenance in FY 24 and FY 25. Tuition revenues increased with a 3% approved tuition rate adjustment in FY 25, while enrollment reached 12,286 headcount in Fall 2024, the third consecutive year of record first-year classes.

In July 2025, S&P Global Ratings assigned an "A" long-term rating with a stable outlook to the University's Series 2025A bonds and affirmed its "A" rating on existing debt. The rating reflects the University's strong enterprise risk profile, underpinned by its longstanding role as Idaho's flagship institution, recent achievement of Carnegie R1 research classification, and four consecutive years of full-time equivalent (FTE) enrollment growth. S&P also noted the University's very strong financial resource metrics relative to rating category medians and its manageable pro forma debt burden, even after the issuance of the 2025A bonds.

At the same time, S&P highlighted ongoing operating pressures. The University has reported negative full-accrual operating results in three of the past five years, though operating margins are expected to modestly improve with recent enrollment gains, slowing expense growth, and continued state support. Capital needs remain a consideration, as the University modernizes an aging physical plant and invests in new housing capacity.

The University's philanthropic campaign, *Brave. Bold. Unstoppable.*, surpassed its \$500M goal in FY 25, with more than \$511M raised to date, reflecting broad donor confidence in the University's trajectory. Research activity also continues to expand, with annual grant funding exceeding \$100M and supported by the Strategic Initiatives Fund's matching capacity.

Looking forward, management expects further enrollment growth in Fall 2025, including another record-breaking freshman class, coupled with stable appropriations and steady fundraising momentum. While federal funding environments remain uncertain, the University's diversified agency partnerships provide stability. Overall, the University is positioned to sustain its mission through balanced state support, research expansion, and prudent financial stewardship, even as it manages pressures from inflation, operating deficits, and capital investment needs.

Statement of Net Position
For the Year Ended June 30, 2025

	University of Idaho
	2025
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 24,557,805
Prepaid expenses	4,520,155
Investments	1,310
Interest and other receivables	447,692
Student loans receivable - net	882,772
Accounts receivable & unbilled charges - net	76,237,373
Lease receivable - current portion	212,855
Inventories	1,920,709
Notes receivable	158,329
Total Current Assets	108,939,000
Noncurrent Assets	
Restricted cash and cash equivalents	6,458,772
Student loans receivable - net	658,089
Investments	71,808,294
Lease receivable - noncurrent portion	10,807,862
Non-depreciable capital assets	96,979,435
Depreciable capital assets - net	449,714,527
Intangible right-to-use assets - net	24,233,149
Net OPEB asset	15,589,820
Receivable from the SIF	142,287,766
Total Noncurrent Assets	818,537,714
TOTAL ASSETS	927,476,714
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to refunding of debt	1,545,911
Deferred outflows related to pension	17,631,450
Deferred outflows related to OPEB	4,420,550
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,597,911
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 951,074,625

Statement of Net Position
For the Year Ended June 30, 2025

University of Idaho
2025

LIABILITIES

Current Liabilities

Accounts payable	15,744,098
Accrued salaries and benefits payable	25,917,200
Compensated absences payable	9,345,524
Accrued interest payable	1,414,865
State teacher education loan advance	128,076
Deposits	462,711
Unearned revenue	13,972,308
Funds held in custody for others	712,491
Debt payable - current portion	49,720,337
Concession CapEx payable	980,028
Other liabilities	3,771,610
Lease and SBITA liabilities - current portion	5,369,260

Total Current Liabilities

127,538,508

Noncurrent Liabilities

Debt payable	139,098,495
Net pension liability	47,916,559
Concession CapEx payable	17,707,366
Lease and SBITA liabilities	19,618,651

Total Noncurrent Liabilities

224,341,071

TOTAL LIABILITIES

351,879,579

Statement of Net Position
For the Year Ended June 30, 2025

	University of Idaho
	2025
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to refunding of debt	2,396,116
Deferred inflows related to pension	3,500,752
Deferred inflows related to naming rights agreement	8,857,143
Deferred inflows related to OPEB	6,872,314
Deferred inflows related to leases	9,231,958
Deferred inflows related to public private partnership	204,750,000
Deferred inflows related to service concession arrangement	2,988,895
TOTAL DEFERRED INFLOWS OF RESOURCES	238,597,178
NET POSITION	
Net investment in capital assets	325,361,916
Restricted for:	
Expendable	22,455,857
Unrestricted	12,780,095
TOTAL NET POSITION	360,597,868
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 951,074,625

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2025

	University of Idaho
	2025
OPERATING REVENUES	
Student tuition and fees	\$ 139,875,089
Less: Scholarship allowance	(31,396,365)
Student tuition and fees - net	108,478,724
Federal grants and contracts	99,892,008
State and local grants and contracts	7,295,932
Private grants and contracts	5,088,723
Sales and services of educational activities	11,006,856
Sales and services of auxiliary enterprises	29,259,577
Interest on loans receivable	96,214
Other sources	23,302,475
Total operating revenue	284,420,509
OPERATING EXPENSES	
Salaries	234,939,558
Benefits	75,133,587
Services	74,388,294
Supplies	32,600,640
Insurance, utilities, and rent	24,760,370
Scholarships and fellowships	40,767,570
Depreciation	30,502,200
Amortization	6,506,238
Other	8,526,677
Total operating expenses	528,125,134
OPERATING (LOSS) INCOME	(243,704,625)

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2025

	University of Idaho 2025
NONOPERATING REVENUES (EXPENSES)	
State appropriations	163,403,483
Land grant endowment income	14,862,000
Federal appropriations	6,334,345
Federal grants and contracts	16,793,672
Gifts from Foundation	36,042,656
Net investment income	4,458,326
Net increase (decrease) in fair value of investments	2,190,572
Interest expense	(6,352,008)
Other Sources	5,465,534
Net nonoperating revenues	243,198,580
GAIN (LOSS) BEFORE OTHER REVENUES	(506,045)
OTHER REVENUES	
Capital grants and contracts	80,898
Projects with Idaho Department of Public Works	42,729,710
Capital gifts from Foundation	10,428,776
Total other revenues	53,239,384
INCREASE (DECREASE) IN NET POSITION	52,733,339
NET POSITION - Beginning of year	319,126,073
Cumulative effect of change in reporting entity (Note 21)	(11,261,545)
Net assets - Beginning of year, as restated	307,864,528
NET POSITION - End of year	360,597,867

Statement of Cash Flows

For the Year Ended June 30, 2025

	University of Idaho 2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts and disbursements	
Tuition and fees	\$ 88,549,705
Grants and contracts	98,965,025
Sales and services - net	48,483,607
Payments to or for employees	(304,799,959)
Payments to suppliers	(124,713,987)
Scholarships disbursed	(40,767,570)
Funds held for others	11,760,348
Student loans collected	631,395
Student loans disbursed	5,476
Other receipts	39,313,277
Fiduciary activities: direct student loan receipts	49,145,860
Fiduciary activities: direct student loan disbursements	(49,145,860)
Net cash used by operating activities	\$ (182,572,683)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Appropriated general education revenues	
State general account	163,403,483
Land grant endowment income	14,862,000
Federal appropriations	6,334,345
Federal grants and contracts	16,793,672
Gifts	36,042,656
Other receipts	176,328
Net cash provided by noncapital financing activities	\$ 237,612,484
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset purchases	(48,038,372)
Proceeds from capital debt	42,440,000
Principal paid on capital debt	(10,565,238)
Interest paid on capital debt	(9,124,774)
Net cash used by capital & related financing activities	\$ (25,288,384)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	46,756,286
Investment income	1,586,686
Purchase of investments	(60,000,000)
Net cash provided by investing activities	\$ (11,657,028)
NET CHANGE IN CASH	18,094,389
Cash - Beginning of year	12,922,188
Cash - End of year	\$ 31,016,577

See accompanying Notes to Financial Statements

Statement of Cash Flows
For the Year Ended June 30, 2025

University of Idaho
2025

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET POSITION**

Cash and cash equivalents - current assets (unrestricted)	\$ 24,557,805
Cash and cash equivalents - noncurrent assets (restricted)	6,458,772
Total cash and cash equivalents	\$ 31,016,577

**RECONCILIATION OF OPERATING LOSS TO NET CASH
(USED) PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$ (243,704,625)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation expense	30,502,200
Amortization expense	6,506,238
Decrease (increase) in assets:	
Receivables, net	(1,822,368)
Inventories and prepaid expenses	2,387,769
Net other post-employment benefits assets	(3,992,857)
Deferred contributions and changes of assumptions to pension	9,364,462
Deferred contributions and changes to OPEB	614,783
Increase (decrease) in liabilities:	
Accounts payable	7,031,624
Accrued payroll, benefits and compensated absences	7,889,192
Deposits and unearned revenues	3,830,788
Funds held in custody for others	(613,964)
Net pension liability	(6,718,410)
Concession CapEx payable	9,531,525
Other liabilities	1,442,779
Deferred inflows of resources	(4,821,819)
Net cash used by operating activities	\$ (182,572,683)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Amortization of deferred amounts on refunding and bond premium	\$ 1,710,921
Donated assets	53,239,384
Lease and SBITA additions	9,795,148
Change in fair value of investments (unrealized gains/(losses))	2,190,572
Total non-cash activities	\$ 66,936,025

Statement of Fiduciary Funds Net Position As of December 31, 2024

	Pension and other Employee Benefits Trust Funds as of December 31, 2024
Assets	
Cash and short-term investments	\$ 4,040,160
Accounts receivable	103,686
Interest receivable	54,291
Investments, at fair value:	
Fixed income securities	17,366,189
Equity securities	42,679,362
Total assets	64,243,688
Liabilities	
Accounts payable	1,072,218
IBNR liability	3,375,100
Total liabilities	4,447,318
Net position held in trust for benefits	\$ 59,796,370
	Pension and other Employee Benefits Trust Funds as of December 31, 2024
Additions	
Contributions	
Employer	\$ 29,135,731
Plan members	7,457,797
Total contributions	36,593,528
Net investment (loss) income	5,126,921
Total additions	41,720,449
Deductions	
Insurance claim benefits	34,535,024
Change in IBNR	719,500
Premiums	148,584
Administrative expenses	4,500,469
Total deductions	39,903,577
Net increase (decrease) in assets held in trust for benefits	1,816,872
Benefit plan net position, beginning of year	57,979,498
Benefit plan net position, end of year	\$ 59,796,370

See accompanying Notes to Financial Statements

Statement of Financial Position - Component Units

As of June 30, 2025

	Current Year 2025
Current Assets	
Cash and cash equivalents	\$ 50,726,294
Accrued interest and other receivables	533,314
Promises to give, net	10,891,920
Total Current Assets	62,151,528
Noncurrent Assets	
Investments	651,859,167
Beneficial Interests	10,626,471
Real estate holdings	7,034,000
Other assets	576,264
Total Noncurrent Assets	670,095,902
Total Assets	\$ 732,247,430
Current Liabilities	
Accounts payable	\$ 142,513,003
Other funds due to University of Idaho	5,316,963
Liability for split-interest trusts	6,568,127
Endowment earnings payable to trust beneficiaries	16,505,442
Other liabilities	21,393
Total Current Liabilities	170,924,928
Total Liabilities	170,924,928
Net Assets	
Without donor restrictions	
Undesignated	37,827,077
Total without donor restrictions	37,827,077
With donor restrictions	
Restricted for purpose or time	172,908,121
Restricted in perpetuity	350,587,304
Total with donor restrictions	523,495,425
Total Net Assets	561,322,502
Total Liabilities and Net Assets	\$ 732,247,430

Statement of Activities - Component Units

As of June 30, 2025

	Current Year 2025
Support and Revenue	
Contributions	\$ 45,193,534
Return on investments, net	24,680,912
Change in fair value of investments	36,121,984
Change in fair value of split-interest agreements	1,090,730
Change in fair value of beneficial interests	(201,147)
Lease and rental income	107,390
Other	581,431
Total support and revenue	107,574,834
Releases from restrictions	—
Expenses	
Program Expenses	
Distribution of endowment income to trust beneficiaries	16,505,442
Distribution to University and affiliates	28,664,518
Total Program Expenses	45,169,960
Support Services	
Administrative expenses	6,454,625
Other expenses	4,434,976
Services	144,005
Insurance, utilities, and rent	53,652
Total Support Services	11,087,258
Total Expenses	56,257,218
Changes in Net Assets	51,317,616
Net Assets, beginning of year	481,195,745
Cumulative effect of change in reporting entity (Note 21)	28,809,141
Net Assets, beginning of year, as restated	510,004,886
Net Assets, end of year	\$ 561,322,502

See accompanying Notes to Financial Statements

Notes to Financial Statements For the Years Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements to the reader. The University presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) standards, recognized as the authoritative framework for state and local governments.

Component Units — The University reports certain legally separate organizations as component units in accordance with GASB requirements. Component units are included in the University's financial statements if the University is financially accountable for the organization or the nature and significance of their relationship with the University is such that exclusion would cause the University's financial statements to be misleading or incomplete. Depending on governance structure and reporting standards, component units may be presented discretely or blended with the University's financial statements, depending on governance and financial accountability. For FY 25, both the Foundation and SIF are reported as discretely presented component units.

University of Idaho Foundation, Inc. (Foundation). Established in 1970, the Foundation solicits financial support for the University and manages charitable gifts. Effective FY 25, the University's Advancement team was merged into the Foundation, with shared employees under a service agreement. The Foundation is reported as a discretely presented component unit of the University. The Foundation prepares financial statements in accordance with Financial Accounting Standards Board (FASB) requirements.

University of Idaho Strategic Initiatives Fund, Inc. (SIF). Established December 18, 2020, as an Idaho non-profit corporation, the SIF manages the proceeds of the Long-Term Lease and Concession Agreement for the University's utility systems. Effective December 2024, governance transitioned to a three-member Board of Directors: one appointed by the University, one appointed by the University of Idaho Foundation, and one jointly appointed by both entities. As a result of this change, the University is no longer the sole corporate member of SIF. For FY 25, SIF is reported as a discretely presented component unit of the University, and its standalone financial statements are prepared in accordance with Financial Accounting Standards Board (FASB) requirements.

Fiduciary Activities — The University administers two fiduciary trusts: the Health Benefits Trust (established in 2007) and the Retiree Benefits Trust (established in 2008). These trusts hold resources in a trustee capacity for employees and retirees; as such, the resources are not available to support the University's programs or general operations. Each trust has a December 31 fiscal year end and is reported in the University's fiduciary fund financial statements in accordance with GASB.

Basis of Accounting — For financial statement purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The University capitalizes fully owned intangible assets of \$200,000 or greater in value that have an expected useful life of one year or longer. Depreciation on intangible assets is computed using the straight-line method over the estimated useful lives of the assets, primarily consisting of computer software and licenses that generally have a useful life of 5 years. A full year of depreciation is recorded in the year an asset is placed in service. The University adopted this policy in accordance with the State of Idaho guidelines.

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions — For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

Net Investment In Capital Assets: This represents the University's investment in capital assets, net of depreciation, amortization, and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are offset against their corresponding net debt amount when included as a component of net investment in capital assets.

Restricted - Expendable: Restricted expendable net position includes resources for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. These include gifts restricted for a specific purpose, OPEB asset, sponsored programs and student aid funds.

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Discounts and Allowances — Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Federal, state and nongovernmental student aid grants are recorded as operating revenues in the University's financial statements, except for federal Pell grants which are recorded in nonoperating revenues. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

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

Reclassifications — Certain items previously reported in the 2024 financial statements have been reclassified to conform to the current 2025 financial statement presentation. Such reclassifications had no effect on the previously reported change in net position.

Subsequent Events — The Series 2025 bonds closed on September 10, 2025, and the proceeds were used to retire the bridge financing in full. See Note 22 for further information.

Recently Adopted Accounting Guidance — For the year ended June 30, 2025, there were two new GASB statements that became effective. The adoption of the statement has the following effect for the university:

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

GASB Statement No. 102, Certain Risk Disclosures - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. See Note 17 for the university's risk disclosure related to concentration of risk, constraints on resources, and uncertain risk.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are deposited with various financial institutions. Custodial credit risk on deposits is the risk that in the event of a bank failure the University's deposits may not be returned to it. At June 30, 2025, \$24,266,220 of the University's bank balance of \$31,016,577 was exposed to custodial credit risk because it was uninsured and uncollateralized.

3. INVESTMENTS

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

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

3. INVESTMENTS (CONTINUED)

Investments Measured at Fair Value

Per GASB Statement No. 72, fair value is described as an exit price. Fair value measurements assume a transaction takes place in a government's principal market or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value does not take into consideration transaction costs. As of June 30, 2025, the University classifies its investment securities at the following fair values:

Investment Securities Measured at Fair Value at June 30, 2025

Investments by fair value level	Fair Value Measurements Using				Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	
Fixed Income:					
U.S. Government agencies	\$ —	\$ 433,759	\$ —	\$ —	\$ 433,759
U.S. Government treasuries	—	4,878,054	—	—	4,878,054
Foreign governments	—	5,578,709	—	—	5,578,709
Mortgage/asset backed securities	—	24,111,175	—	—	24,111,175
Corporate obligations	—	36,559,882	—	—	36,559,882
Subtotal	\$ —	\$ 71,561,579	\$ —	\$ —	\$ 71,561,579
Money market funds/cash sweeps					248,025
Total investments by fair value					<u>\$ 71,809,604</u>

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a variety of pricing techniques, including but not limited to, fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price. The University does not hold any securities that would be classified as Level 3, significant unobservable inputs, for fair value measurement at June 30, 2025.

Interest Rate Risk

Interest rate risk is defined as the risk a government may face should interest rate variances affect the fair value of investments. The University has an investment policy that addresses interest rate risk by incorporating a weighted average maturity methodology in selecting and reporting its investments. As of June 30, 2025, the University had the following investments subject to interest rate risk:

3. INVESTMENTS (CONTINUED)

Investment Securities Subject to Interest Rate Risk at June 30, 2025

Investment Type	Total Fair Value	Investment Maturities in Years				
		<1	1-5	6-10	11-15	>15
Corporate bonds	\$ 36,559,882	\$ 2,944,478	\$ 19,627,322	\$ 13,988,082	\$ —	\$ —
U.S. agency securities	433,759	—	433,759	—	—	—
U.S. government treasuries	4,878,054	—	1,409,806	3,468,248	—	—
Foreign governments	5,578,709	3,508,071	2,070,638	—	—	—
Mortgage-backed securities	24,111,175	5,198,628	16,635,600	1,756,242	—	520,705
Money market mutual funds	248,025	248,025	—	—	—	—
Total	\$ 71,809,604	\$ 11,899,202	\$ 40,177,125	\$ 19,212,572	\$ —	\$ 520,705

Credit Risk

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

As of June 30, 2025, the University had the following investment credit risk:

Investment Securities Subject to Credit Risk at June 30, 2025

Credit Rating	Corporate Bonds	U.S. Agency Securities	Foreign Governments	Mortgage-Backed Securities	Money Market Funds	Total Investments
AAA	\$ 473,982	\$ —	\$ —	\$ 11,766,950	\$ 4,058	\$ 12,244,990
AA	12,837,863	5,311,813	2,070,638	11,823,520	—	32,043,834
A	23,248,037	—	3,508,071	—	—	26,756,108
BBB	—	—	—	—	—	—
Not rated	—	—	—	520,705	243,967	764,672
Total	\$ 36,559,882	\$ 5,311,813	\$ 5,578,709	\$ 24,111,175	\$ 248,025	\$ 71,809,604

Concentration of Credit Risk

Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. The University does not have a formal policy addressing the risk concentration for University holdings. As of June 30, 2025, the University has the following concentration of credit risk as shown as follows:

Investment Securities Subject to Concentration of Credit Risk

	As of June 30, 2025	
	Total Fair Value	Percentage of Total Investments
Federal National Mortgage Association	\$ 7,367,452	10.26%
Government of The United States	6,644,524	9.25%
Royal Bank of Canada	3,508,071	4.88%
Morgan Stanley	3,497,553	4.87%
Total	\$ 21,017,600	29.26%

3. INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the University will not be able to recover the value of its investments that are in the possession of an outside party. The University's investment policies do not address custodial credit risk. The University minimizes exposure to custodial credit risk by requiring that investments, to the highest extent possible, be clearly marked as to University ownership and, further to the extent possible, be held in the University's name. At June 30, 2025, all investments were held by the University or its counterparty in the University's name.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its obligations as they come due without incurring significant losses. The University has evaluated its investment portfolio and determined it is not subject to significant liquidity risk. The majority of investments are readily marketable, and no redemption restrictions were in place at June 30, 2025.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments or deposits denominated in foreign currencies. The University held no investments or deposits denominated in foreign currencies as of June 30, 2025.

Risk and Uncertainties

The University invests in a diversified portfolio that includes equities, fixed income, and alternative investments. These securities are subject to various risks, including interest rate, credit, market, concentration, custodial, liquidity, and foreign currency risks, as described in the Investments Note. Changes in market conditions, credit ratings, or other economic factors could result in material fluctuations in investment values in the near term. Domestic and international investment markets are inherently volatile, and the fair value of the University's investments may be subject to higher-than-typical price fluctuations, potentially resulting in reductions in reported fair values subsequent to June 30, 2025.

4. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Receivables and unbilled charges consisted of the following at June 30, 2025:

	<u>2025</u>
Student tuition and fees, including federal financial aid funds	\$13,468,961
Auxiliary enterprises	3,104,408
Educational activities	1,262,417
Grants and contracts	42,405,495
Due from Foundation	<u>16,540,892</u>
	76,782,173
Less allowance for doubtful accounts	<u>(544,800)</u>
Net accounts receivable and unbilled charges	<u><u>\$76,237,373</u></u>

5. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (Program) comprise a substantial portion of the loans receivable at June 30, 2025. Under the Program, the federal government provided approximately 51% of the funding for the Program, with the university providing the balance. The Program provides for the cancellation of a loan at rates of 12.5% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The federal government reimburses the university for amounts cancelled under these provisions.

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

As the university determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans was \$678,524 at June 30, 2025.

6. LEASE RECEIVABLE & ARRANGEMENTS

The University's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under certain lease agreements, the University receives variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. For the year ending June 30, 2025, the University received no variable lease payments.

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

Future deferred inflows on noncancellable leases at June 30, 2025 are as follows:

Year Ending June 30	Principal Payments	Interest payments	Total
2026	\$ 212,856	\$ 407,052	\$ 619,908
2027	191,303	400,817	592,120
2028	198,351	393,769	592,120
2029	203,260	386,460	589,720
2030	217,642	378,903	596,545
2031 - 2035	1,583,992	1,742,427	3,326,419
2036 - 2040	1,957,144	1,426,869	3,384,013
2041 - 2045	2,385,565	1,023,581	3,409,146
2046 - 2050	2,755,399	538,385	3,293,784
2051 - 2055	699,832	137,603	837,435
2056 - 2060	123,342	104,606	227,948
2061 - 2065	180,407	74,897	255,304
2066 - 2070	253,374	32,565	285,939
2071	58,250	189	58,439
	<u>\$ 11,020,717</u>	<u>\$ 7,048,123</u>	<u>\$ 18,068,840</u>

6. LEASE RECEIVABLE & ARRANGEMENTS (CONTINUED)

Lessor Arrangements

The University leases space on buildings to cellular companies, in addition to land and office space to external parties with lease terms ending between June 30, 2027 through June 30, 2071. In accordance with GASB 87, the University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease, if available, or based on the University's incremental borrowing rate. During the year ended June 30, 2025, the University recognized revenues related to these lease agreements totaling \$782,558. Additionally, during the year ended June 30, 2025, the University recognized interest revenue related to these lease agreements totaling \$406,461. During the year ended June 30, 2025, the University did not have any lease revenue related to variable receipts that were not previously included in the measurement of the lease receivable.

7. CAPITAL ASSETS & LEASED ASSETS

Capital assets at June 30, 2025 consisted of the following:

Capital Assets: Year ended June 30, 2025

	Balance				Balance
	June 30, 2024	Additions	Transfers	Retirements	June 30, 2025
Capital assets not being depreciated:					
Land	\$ 32,853,379	\$ 211,000	\$ —	\$ —	\$ 33,064,379
Capitalized collections	2,715,406	—	—	—	2,715,406
Equipment construction in progress	5,897,161	6,672,263	(486,183)	—	12,083,241
Construction in progress	7,813,346	44,591,856	(3,288,793)	—	49,116,409
Total capital assets not being depreciated	\$ 49,279,292	\$ 51,475,119	\$ (3,774,976)	\$ —	\$ 96,979,435
Other capital assets:					
Buildings	\$ 726,643,575	\$ 33,436,969	\$ 2,625,001	\$ —	\$ 762,705,545
Other improvements	82,372,917	8,982,594	534,118	—	91,889,629
Furniture and equipment	125,510,339	6,609,049	615,857	(3,227,931)	129,507,314
Library materials	66,077,569	814,027	—	—	66,891,596
Total other capital assets	\$1,000,604,400	\$ 49,842,639	\$ 3,774,976	\$ (3,227,931)	\$1,050,994,084
Less accumulated depreciation:					
Buildings	\$ (355,208,713)	\$ (19,375,084)	\$ —	\$ —	\$ (374,583,797)
Other improvements	(57,418,299)	(2,802,733)	—	—	(60,221,032)
Furniture and equipment	(103,050,292)	(6,707,010)	—	3,187,929	(106,569,373)
Library materials	(58,569,192)	(1,336,163)	—	—	(59,905,355)
Total accumulated depreciation	\$(574,246,496)	\$(30,220,990)	\$ —	\$ 3,187,929	\$(601,279,557)
Other capital assets — net	\$ 426,357,904	\$ 19,621,649	\$ 3,774,976	\$ (40,002)	\$ 449,714,527
Capital assets summary:					
Capital assets not being depreciated	\$ 49,279,292	\$ 51,475,119	\$ (3,774,976)	\$ —	\$ 96,979,435
Other capital assets - at cost	1,000,604,400	49,842,639	3,774,976	(3,227,931)	1,050,994,084
Total cost of capital assets	\$1,049,883,692	\$ 101,317,758	\$ —	\$ (3,227,931)	\$1,147,973,519
Less accumulated depreciation	\$(574,246,496)	\$(30,220,990)	\$ —	\$ 3,187,929	\$(601,279,557)
Capital assets — net	\$ 475,637,196	\$ 71,096,768	\$ —	\$ (40,002)	\$546,693,962

7. CAPITAL ASSETS & LEASED ASSETS (CONTINUED)

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2025 is approximately \$13.9M. These CIP costs will be borne by the University and supplemented with additional funds provided by state appropriations, gifts, grants and contracts, and/or long-term borrowings.

The amount of leased assets by major classes of underlying assets at June 30, 2025, respectively, are as follows:

Leased Assets: Year ended June 30, 2025				
	Balance			Balance
	June 30, 2024	Additions	Deductions	June 30, 2025
Leased Assets Being Amortized				
Leased - Equipment	\$ 28,083	\$ 106,265	\$ (18,104)	\$ 116,244
Leased - Buildings	17,872,042	496,780	(747,093)	17,621,729
Leased - Land	46,485	—	(731)	45,754
Leased - Office Equipment	703,878	—	(703,878)	—
IT Subscriptions	10,857,733	9,192,103	(273,942)	19,775,894
Total Leased Assets Being Amortized	\$ 29,508,221	\$ 9,795,148	\$ (1,743,748)	\$ 37,559,621
Less Accumulated Amortization:				
Leased - Equipment Amortization	\$ (11,017)	\$ (24,086)	\$ 9,296	\$ (25,807)
Leased - Buildings Amortization	(3,273,921)	(1,338,444)	653,428	(3,958,937)
Leased - Land Amortization	(19,098)	(7,052)	—	(26,150)
Leased - Office Equipment Amortization	(560,361)	(143,517)	703,878	—
IT Subscriptions - Amortization	(4,666,063)	(4,993,139)	343,624	(9,315,578)
Total Amortization	\$ (8,530,460)	\$ (6,506,238)	\$ 1,710,226	\$ (13,326,472)
Total cost of Leased Assets Being Amortized	\$ 29,508,221	\$ 9,795,148	\$ (1,743,748)	\$ 37,559,621
Less Accumulated Amortization	(8,530,460)	(6,506,238)	1,710,226	(13,326,472)
Leased Assets — net	\$ 20,977,761	\$ 3,288,910	\$ (33,522)	\$ 24,233,149

8. ACCOUNTS PAYABLE

Accounts payable consisted of the following at June 30, 2025:

	2025
Operating activities	\$15,439,426
Sales and use tax payable	304,672
Total accounts payable	<u>\$15,744,098</u>

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

Future minimum lease payments on noncancellable leases and SBITAs at June 30, 2025 are as follows:

Year Ending June 30	<u>LEASE LIABILITY</u>		<u>SBITA</u>		<u>TOTAL</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,056,210	\$ 545,542	\$ 4,313,050	\$ 272,543	\$ 5,369,260	\$ 818,085
2027	1,115,932	515,021	2,893,051	152,862	4,008,983	667,883
2028	981,973	482,574	2,279,766	70,073	3,261,739	552,647
2029	215,817	466,224	236,337	6,745	452,154	472,969
2030	204,579	458,118	24,624	776	229,203	458,894
2031-2035	1,423,162	2,142,903	—	—	1,423,162	2,142,903
2036-2040	2,114,382	1,802,820	—	—	2,114,382	1,802,820
2041-2045	2,994,982	1,310,804	—	—	2,994,982	1,310,804
2046-2050	4,110,592	625,773	—	—	4,110,592	625,773
2051-2052	1,023,454	23,374	—	—	1,023,454	23,374
Total	<u>\$ 15,241,083</u>	<u>\$ 8,373,153</u>	<u>\$ 9,746,828</u>	<u>\$ 502,999</u>	<u>\$ 24,987,911</u>	<u>\$ 8,876,152</u>

Lessee Arrangements

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

Subscription Based IT Arrangements (SBITAs)

The University entered into subscription based IT arrangements from external parties ranging with lease terms ending between July 1, 2025 through October 31, 2030. In accordance with GASB 96, the University records these subscriptions and liabilities based on the present value of expected payments over the term of the respective leases.

The expected payments are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases subject to a residual value guarantee. The intangible right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life. Intangible right-to-use assets total \$37,559,621 for June 30, 2025. Accumulated amortization totaled \$13,326,472 for June 30, 2025. Refer to leased asset table within Footnote 7 for leased assets by major classes of underlying assets at June 30, 2025.

10. LONG-TERM LIABILITIES

Long-term liability activity for years ended June 30, 2025 is as follows:

	Ending Balance June 30, 2024	Additions	Reductions	Ending Balance June 30, 2025	Amounts Due Within One Year
Net pension liability	\$ 54,634,969	\$ —	\$ 6,718,410	\$ 47,916,559	\$ —
Bonds payable	124,775,000	—	5,220,000	119,555,000	5,635,000
Notes Payable	—	42,440,000	—	42,440,000	42,440,000
Concession CapEx Payable	9,155,869	9,531,525	—	18,687,394	980,028
Lease and SBITA liabilities	21,225,407	9,107,742	5,345,238	24,987,911	5,369,260
	\$ 209,791,245	\$61,079,267	\$17,283,648	\$ 253,586,864	\$ 54,424,288
Premium on bonds	28,534,754	—	1,710,922	26,823,832	1,645,337
Totals	\$ 238,325,999	\$61,079,267	\$18,994,570	\$ 280,410,696	\$ 56,069,625

11. BONDS PAYABLE

Bonds payable consisted of the following at June 30, 2025:

Bonds Payable As of June 30, 2025				
Bond Issue	Original Face Value	Range of Semi-Annual Interest Percentages	Original Maturity Date	Outstanding Balance 2025
General Revenue and Refunding Bonds, Series 2013A, range of annual principal payments \$85,000 - 1,570,000	\$8,745,000	2.00% - 5.00%	2033	\$ 860,000
General Revenue Refunding Bonds, Series 2015A, range of annual principal payments \$1,210,000 - 2,055,000	16,280,000	2.00% - 5.00%	2026	1,385,000
General Revenue Refunding Bonds, Series 2018A, range of annual principal payments \$100,000 - 2,470,000	29,145,000	2.00% - 5.00%	2041	9,595,000
General Revenue and Refunding Bonds, Series 2020A, range of annual principal payments \$390,000 - 2,395,000	44,015,000	4.00% - 5.00%	2050	39,840,000
General Revenue Refunding Bonds, Series 2021A, range of annual principal payments \$1,010,000 - 2,890,000	38,295,000	5.00%	2041	33,350,000
General Revenue and Refunding Bonds, Series 2022A, range of annual principal payments \$865,000 - 1,990,000	38,075,000	4.00% - 5.00%	2045	34,525,000
Bonds before premium				\$ 119,555,000
Notes payable				\$ 42,440,000
Premium on bonds				26,823,832
Total bonds outstanding				\$ 188,818,832

11. BONDS PAYABLE (CONTINUED)

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

	Bonds Payable	
	Principal	Interest
2026	\$ 5,635,000	\$ 5,690,558
2027	4,900,000	5,411,788
2028	5,120,000	5,181,850
2029	5,375,000	4,927,850
2030	5,375,000	4,660,806
2031-2035	29,680,000	19,069,125
2036-2040	35,375,000	11,383,700
2041-2045	21,025,000	4,134,000
2046-2050	7,070,000	1,094,750
	<u>\$119,555,000</u>	<u>\$ 61,554,427</u>

Bridge Financing – Series 2025 Bonds

In December 2024, the University entered into a \$42.4M interim bridge financing arrangement, recorded as a note payable at June 30, 2025, to provide funding in advance of the closing of the University's General Revenue Bonds, Series 2025. The Series 2025 bonds closed on September 10, 2025, and the proceeds were used to retire the bridge financing in full.

Pledged Revenues

As stated in the bond descriptions above, the University has pledged certain revenues as collateral for debt instruments comprised of all outstanding University bond issuances. The pledged revenue amounts for the year ended June 30, 2025 is as follows:

Source of Pledged Revenues	2025
Student Fees	\$ 88,750,930
Sales and Services Revenues	40,266,433
Other Operating Revenues	23,302,475
Investment Income	4,063,921
F&A Recovery Revenues	<u>17,025,426</u>
Total Pledged Revenues	<u>\$ 173,409,185</u>
Revenues Available for Debt Service	\$ 173,409,185
Debt Service on Bonds	\$ 11,331,493
Debt Service Coverage	15.30

11. BONDS PAYABLE (CONTINUED)

Debt Defeased

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

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

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

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

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

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

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

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

Events of Default

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

Lines of Credit

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

12. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST

The University of Idaho (University) is self-insured for the health insurance benefits provided to employees and retirees. The Health Benefits Trust (HBT) was established in 2007 to comply with State of Idaho Department of Insurance requirements for the University's self-insured health plan. The Trust is administered through a governing board that oversees investment management and claims processing; however, the University retains ultimate responsibility for the plan's design, benefits, and funding. Accordingly, the HBT is reported as a fiduciary activity of the University within these financial statements. The University as employer retains authority for establishing and amending benefits under this self-insured health plan.

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

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

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

Investments Measured at Fair Value

Investments are stated at fair value. The following table represents cash and cash equivalents and investments by type as of December 31, 2024:

December 31, 2024

		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level	12/31/2024	(Level 1)	(Level 2)	(Level 3)
Money Market Mutual Funds	\$ 3,389,825	\$ 3,389,825	\$ —	\$ —
Corporate Issues	3,858,371	—	3,858,371	—
Mutual Funds	608,886	608,886	—	—
U.S. Government Issues	2,287,348	2,189,953	97,395	—
Foreign Issues	258,175	—	258,175	—
Total Investments	\$ 10,402,605	\$ 6,188,664	\$ 4,213,941	\$ —

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

Interest Rate Risk

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

HBT Investments subject to interest rate risk were as follows at December 31, 2024:

December 31, 2024

Investment Type	Total Fair Value	Investment Maturity in Years			
		<1	1-5	6-10	>10
Money Market Funds	\$ 3,389,825	\$ 3,389,825	\$ —	\$ —	\$ —
Corporate Issues	3,858,371	706,069	3,152,302	—	—
Mutual Funds	608,886	608,886	—	—	—
U.S. Government Securities	2,287,348	890,686	1,396,662	—	—
Foreign Issues	258,175	258,175	—	—	—
Total Investments	\$10,402,605	\$ 5,853,641	\$ 4,548,964	\$ —	\$ —

Credit Risk

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

HBT Investments subject to credit risk were as follows at December 31, 2024:

December 31, 2024

Credit Rating	Mutual Funds	Corporate Issues	U.S. Government Agency Securities	Foreign Issues	Total
AA+	\$ —	\$ —	\$ 97,395	\$ —	\$ 97,395
A	—	—	—	258,175	258,175
A-	—	808,704	—	—	808,704
BBB+	—	426,294	—	—	426,294
BBB	—	1,418,557	—	—	1,418,557
Not Rated	608,886	1,204,816	2,189,953	—	4,003,655
Total	\$ 608,886	\$ 3,858,371	\$ 2,287,348	\$ 258,175	\$ 7,012,780

Concentration of Credit Risk

Per GASB 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5% of the investments are concentrated in any one issuer.

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

As of December 31, 2024, the HBT had the following investments which exceeded 5% concentration in any one issuer:

Investment Securities Subject to Concentration of Credit Risk at December 31, 2024

	<u>12/31/2024</u>
Fidelity	9%
US Treasury Notes	31%

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the HBT will not be able to recover the value of its investments that are in the possession of an outside party. The HBT minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to HBT ownership and further to the extent possible, be held in the HBT's name. At December 31, 2024 all HBT funds were insured or registered investments, or investments held by the HBT or their agent in the HBT's name.

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

13. RETIREMENT PLANS

Pension Plan

Plan Description

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

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

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

Employee membership data related to the PERSI Base Plan as of June 30, 2024 was:

	<u>2024</u>
Retirees and beneficiaries	56,084
Terminated employees and vested	16,546
Terminated employees and non-vested	38,508
Active plan members	78,354
Total system members	<u>189,492</u>

13. RETIREMENT PLANS (CONTINUED)

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2024, it was 6.71% of their annual pay. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% of covered compensation. The University's contribution was \$8,051,936 for the year ended June 30, 2025.

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

At June 30, 2025, the University reported a liability of \$47,916,559 for its proportional share of the net pension liability. The net pension asset or liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension asset or liability for each year was based on the University's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the University's proportion was 1.28.

For the year ended June 30, 2025, the University recognized pension expense of \$3,756,395. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,628,759	\$ —
Changes in assumptions or other inputs	1,898,206	—
Net difference between projected and actual earnings on pension plan investments	—	869,766
Changes in the University's proportion and differences between the University's contributions and the University's proportionate contributions	52,549	2,630,986
University contributions subsequent to the measurement date	8,051,936	—
Total	\$ 17,631,450	\$ 3,500,752

13. RETIREMENT PLANS (CONTINUED)

The June 30, 2025 amount of \$8,051,936 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Year Ended June 30	Pension Expense (Revenue)
2026	\$ 1,092,618
2027	8,330,431
2028	(2,039,859)
2029	(1,304,426)
Thereafter*	—
	<u>6,078,764</u>

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

Actuarial Assumptions

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

The total pension liability in the June 30, 2024 actuarial valuation was determined using the actuarial assumptions on the following page, applied to all periods included in the measurement:

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

Assumptions used to calculate the enclosed figures are described in our 2020 Experience Study. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

13. RETIREMENT PLANS (CONTINUED)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

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

Discount Rate

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

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35%, as well as what the Employer's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for 2025, as follows:

2025	1% Decrease 5.35%	Current Discount Rate 6.35%	1% Increase 7.35%
Employer's proportionate share of the net pension liability (asset)	\$ 91,056,388	\$ 47,916,559	\$ 12,682,312

Pension plan fiduciary net position

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

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

13. RETIREMENT PLANS (CONTINUED)

Payables to the pension plan

At June 30, 2025 the University had no payables related to legally-required employer or employee contributions due the defined benefit pension plan for fiscal year 2024 that had not been remitted to PERSI as of that date.

Other Retirement Plans

Optional Retirement Plan

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

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

Participants are fully vested in the ORP immediately. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. The contribution requirements (and amounts paid) for the year ended June 30, 2025 were as follows:

ORP Contributions

	<u>2025</u>
Employer	\$12,122,442
Employee	9,114,719
Total Contributions	<u><u>\$21,237,161</u></u>

For the ORP enrollees who opted to irrevocably migrate from PERSI to the ORP plan when the ORP was first implemented, although such enrollees in the ORP no longer belong to PERSI, the University is required by the State of Idaho to contribute supplemental payments to PERSI for these enrollees in the amount of 1.49% of the annual covered payroll. The University will be required to make these annual supplemental payments through July 1, 2026. These supplemental amounts are not included in the regular University PERSI contribution discussed previously. During the year ended June 30, 2025, these supplemental funding payments made to PERSI were as follows:

ORP Supplemental Contributions to PERSI

	<u>2025</u>
Employer	\$1,948,484

In addition to the University's Optional Retirement Program, the University has a disability benefit for ORP participants and makes payments to Standard Insurance on behalf of these ORP participants. Should an employee become unable to work and is transitioned into long-term disability (LTD), the insurance will continue to pay into their retirement account. The amount paid for the year ended June 30, 2025 is as follows:

ORP Disability Contributions

	<u>2025</u>
Employer	\$ 95,581

13. RETIREMENT PLANS (CONTINUED)

The University also contributes to the federal Civil Service and Thrift Savings retirement programs on behalf of its federal employees. The contribution requirements (and amounts paid) for the year ended June 30, 2025 is as follows:

Federal Civil Service and Thrift Savings Contributions

	<u>2025</u>
Employer	\$ 32,240
Employee	7,256
Total Contributions	<u><u>\$39,496</u></u>

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

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

Plan Description

Plan Administration

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

The plan is valued on an annual basis by an external actuarial. Data disclosed within the footnote is based on actuarial valuation and review of Other Postemployment Benefits (OPEB) as of December 31, 2024 in accordance with: (1) GASB Statement No. 74 Reporting for Fiscal Year Ending December 31, 2024, and (2) GASB Statement No. 75 for Fiscal Year Ending June 30, 2025. Study uses a December 31, 2024 Measurement date.

Plan membership

At December 31, 2024, the University of Idaho plan membership consisted of the following:

	<u>Medical</u>	<u>Life</u>	<u>Sick-Leave</u>
Retired members or beneficiaries currently receiving benefits	705	470	71
Vested terminated members entitled to but not yet receiving benefits	—	—	—
Active members	443	7	1,203
Total	<u><u>1,148</u></u>	<u><u>477</u></u>	<u><u>1,274</u></u>

Benefits provided

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

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

Under certain conditions the University pays a portion of the coverage for retirees and disabled employees and the retiree or disabled employee pays the remainder. Spouses and survivors are required to pay 100% of the cost for these benefits. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Employees who were hired on or after January 1, 2002 are not eligible for this benefit. Employees hired between January 1, 2002 and June 30, 2020 are eligible to participate in the University's health insurance plan, but the University does not cover any portion of their premiums, deductibles, or coinsurance; those costs are the sole responsibility of the employee. However, these employees are eligible to convert 50% of unused accrued sick time, up to 600 hours, to pay for their medical premiums. Unless the employee was eligible to retire by January 1, 2021, then once the employee reaches Medicare age, the benefit phases out between 2021 and 2024. In addition, participation in the plan is closed to employees hired after June 30, 2020. All University post-employment benefits may be further established or amended by the University or the Idaho State Board of Education.

The University offers a death benefit only to retirees who qualify for and are enrolled in the Tier I retiree health plan and were hired by the University on or prior to January 1, 2002. The death benefit plan pays a benefit to a spouse or other designated beneficiary upon the death of a Tier I retiree. Retirees who are disabled, using sick leave conversion, are enrolled in the University's Retiree Health Plan on a self-pay basis or who retire under Tier II, III, or IV eligibility criteria are not eligible for death benefits. Tier I Federal University retirees with Federal Employees Group Life Insurance are also not eligible for the death benefit.

University of Idaho Contributions

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

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

For the years ended June 30, 2025, the University recognized OPEB expense of \$(2,484,673). At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 2,361,389	\$ 4,743,168
Net difference between projected and actual earnings on OPEB plan investments	550,577	—
Difference between expected and actual experience in the Total OPEB Liability	1,508,584	2,129,146
Total	\$ 4,420,550	\$ 6,872,314

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

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

Year Ended June 30	OPEB Expense (Revenue)
2026	\$ (956,224)
2027	(145,347)
2028	(1,643,895)
2029	(514,470)
2030	220,555
Thereafter	587,617
	\$ (2,451,764)

University of Idaho Retiree Benefits Trust and Death Benefits Trust

The Retiree Benefits Trust (RBT) was established in 2008 to provide funding for the University's actuarially determined liability associated with retiree health benefits. The Trust is administered through a governing board that oversees investment of trust assets and payment of retiree claims; however, the University retains ultimate responsibility for the plan's design, benefits, and funding. Accordingly, the RBT is reported as a fiduciary activity of the University within these financial statements.

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

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

The University of Idaho's OPEB liability is calculated and reported in connection with the RBT.

The following presents the Net OPEB Liability (NOL) of the University as well as what the University's NOL for 2025 would be if it were calculated using a discount rate that is 1-percentage point lower (4.75%) or 1-percentage point higher (6.75%) than the current rate. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage point lower or 1-percentage point higher than the current healthcare trend rates.

2025	1% Decrease in Discount Rate (4.75%)	Current Discount Rate (5.75%)	1% Increase in Discount Rate (6.75%)
Net OPEB Liability/(Asset)	\$ (12,327,487)	\$ (15,589,820)	\$ (18,442,285)

2025	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Net OPEB Liability/(Asset)	\$ (17,981,412)	\$ (15,589,820)	\$ (12,894,903)

Net OPEB Liability

Reporting date for Employer under GASB 75	June 30, 2025
Reporting date for Trust under GASB 74	December 31, 2024
Measurement date for Employer under GASB 74 & 75	December 31, 2024

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

The components of the NET OPEB Liability are as follows:

	December 31, 2024
Total OPEB Liability	\$ 38,093,287
Plan Fiduciary Net Position (Plan Assets)	(53,683,106)
Net OPEB Liability (Asset)	\$ (15,589,819)
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	(140.93%)

The Net OPEB Liability (Asset) was measured as of December 31, 2024. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of December 31, 2024 using standard actuarial techniques.

Actuarial Assumptions

The Total OPEB Liability was measured by an actuarial valuation as of December 31, 2024 using the actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. Valuation assumption changes decrease of the NOL by \$3,992,857, resulting in the NOL of \$(15,589,820).

Actuarial Assumptions

Inflation	2.50%
Salary increases	3.50%, including inflation
Discount rate	0.0575
Healthcare cost trend rates:	
Non-Medicare Medical & Prescription Drugs	8.25% graded to 4.50% over 10 years
Medicare Medical	6.50% graded to 4.50% over 10 years
Medicare Prescription Drugs Tier I	11.00% graded to 4.50% over 10 years
Medicare Prescription Drugs Tiers II & III	6.00% for 8 years, then 5.80% graded to 4.50% over 2 years

Mortality rates

Healthy	PUB-2010 General Healthy Retiree Headcount-Weighted Mortality Tables, projected generationally with Scale MP-2021 from 2010
Disabled	PUB-2010 Disabled Retiree Headcount-Weighted Mortality Tables, projected generationally with Scale MP-2021 from 2010

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

Development of Long-Term Rate

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

Determination of Discount Rate and Investment Rates of Return

Asset Class	Allocation at December 31, 2024	Long-Term Expected Real Rate of Return	Money-Weighted Real Rate of Return
Domestic equity	37.50%	6.00%	2.25%
International equity, developed markets	10.00%	6.10%	0.61%
International equity, emerging markets	2.50%	7.30%	0.18%
Fixed income, core	49.00%	1.80%	0.88%
Short term governmental money market	1.00%	1.00%	0.01%
Total	100.00%		3.93%
Money weighted real rate of return			3.94%
Inflation			2.50%
Investment Rate of Return (Gross)			6.44%
Investment Expenses			(0.25)%
Investment Rate of Return (Net)			6.19%
Long-Term Rate of Return Used in Valuation			5.75%

Discount Rate

The projection of cash flow used to determine the discount rate assumed that the University of Idaho's contributions would be made at rates equal to the actuarial determined contribution rates. Based on these assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 5.75% on plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

Retiree Benefits Trust Basis of Accounting and Valuation of Trust Assets

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

Valuation of investments – Investments are reported at fair value. Changes in unrealized gain (loss) on the carrying value of the investments are reported as a component of the net change in fair value of investments in the RBT Statement of Changes in Fiduciary Funds Net Position.

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

Investments Measure at Fair Value

Fair value of RBT investments is calculated as the total amount of investments, less any pending trades, plus or minus the change in accrued income year over year. The fair value of the RBT investments as of December 31, 2024 was as disclosed below:

Investments at Fair Value at December 31, 2024

Investment Type	12/31/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds/cash sweeps	\$ 625,404		\$ 625,404	\$ —
Bond/fixed income mutual funds	26,588,285	6,620,119	19,968,166	—
Stock mutual funds	26,444,486	3,733,290	22,711,196	—
Total investments by fair value	\$53,658,176	\$ 10,353,409	\$ 43,304,766	\$ —

Interest Rate Risk

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

The investments of the RBT subject to interest rate risk as of December 31, 2024 is as follows:

Investment Securities Subject to Interest Rate Risk at December 31, 2024

Investment Type	Total Fair Value	Investment Maturities in Years				
		<1	1-5	6-10	11-15	>15
Money market funds/cash sweeps	\$ 625,404	\$ 625,404	\$ —	\$ —	\$ —	\$ —
Bond mutual funds	26,588,285	225,498,203	388,234,014	413,796,043	376,918,269	1,254,210,623
Total	\$ 27,213,689	\$ 226,123,607	\$ 388,234,014	\$ 413,796,043	\$ 376,918,269	\$ 1,254,210,623

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty the RBT will not be able to recover the value of its investments that are in the possession of an outside party. The RBT does not presently have an investment policy that addresses custodial credit risk. At December 31, 2024 all investments were held by the RBT or its counterparty in the RBT's name.

OPEB Accounting and Reporting

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

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

Credit Risk

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

As of December 31, 2024, the University had the following investment credit risk:

Investment Securities Subject to Credit Risk at December 31, 2024

Investment Credit Rating	Investment Type			Total Fair Value
	Money market funds/cash sweeps	Bond mutual funds		
AAA	\$ —	\$ 14,417,377	\$	14,417,377
AA	—	4,992,730		4,992,730
A	—	2,375,288		2,375,288
BBB	—	3,916,787		3,916,787
BB	—	378,909		378,909
B	—	124,532		124,532
Below B	—	366,093		366,093
Not Rated	625,404	16,570		641,974
Total	\$ 625,404	\$ 26,588,286	\$	27,213,690

15. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

The following table shows the University's operating expenses by natural classifications within their functional classifications for the year ending June 30, 2025:

Expenses 2025	Salaries	Benefits	Services	Supplies	Ins, utilities & rent	Scholarships & Fellowships	Depreciation & Amortization	Other	Totals
Instruction	\$ 75,558,440	\$ 24,359,781	\$ 4,894,012	\$ —	\$ 726,992	\$ 7,605,726	\$ —	\$ 2,254,791	\$ 115,399,742
Research	47,499,704	13,187,792	18,480,311	7,918,696	1,042,437	4,261,333	—	—	92,390,273
Public Service	27,014,851	8,969,463	9,501,697	1,931,340	650,861	1,635,151	—	—	49,703,363
Academic Support	15,614,976	5,582,348	3,282,239	1,126,401	1,358,329	334,407	—	412,565	27,711,265
Libraries	3,039,966	986,242	3,833,287	1,119	3,239	—	—	6,942	7,870,795
Student Services	9,873,779	3,724,050	4,135,047	7,689,444	373,142	220,662	—	1,075,424	27,091,548
Institutional Support	23,691,343	9,169,426	19,496,096	6,576,136	1,301,800	34,525	—	1,283,688	61,553,014
Plant Operations	9,131,314	3,344,824	2,169,035	2,478,746	15,571,885	1,500	37,008,438	2,238,941	71,944,683
Scholarships & Fellowships	7,037,098	619,192	195,997	1,865	4,904	26,674,266	—	957	34,534,279
Auxiliary Enterprises	16,478,087	5,190,469	8,400,573	4,876,893	3,726,781	—	—	1,253,369	39,926,172
	\$ 234,939,558	\$ 75,133,587	\$ 74,388,294	\$ 32,600,640	\$ 24,760,370	\$ 40,767,570	\$ 37,008,438	\$ 8,526,677	\$ 528,125,134

16. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the federal government. The University considers any such potential refunds likely to be immaterial.

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

17. RISK MANAGEMENT

Self-Insurance Risk

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

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

Self-insured Worker's Compensation liability balances, which are included in accrued salaries and benefits payable on the Statement of Net Position, at year-end June 30, 2025 was as seen on the following pages:

Self-Insured Outstanding Liability at June 30, 2025

Accident Year	Projected Ultimate Loss	Paid-to-Date at 5/31/2025	Case Reserves at 5/31/2025	IBNR at 5/31/2025 (a)	Unpaid at 5/31/2025 (a)	Projected Paid 6/1/25 - 6/30/25	Outstanding Liability at 6/30/2025 (b)	Discounted at 4.25% Liability at 6/30/2025
7/1/2014	\$ 650,355	\$ 648,844	\$ —	\$ 1,511	\$ 1,511	\$ 15	\$ 1,496	\$ 1,273
7/1/2015	637,524	620,068	10,621	6,835	17,456	162	17,294	14,469
7/1/2016	734,443	732,001	—	2,442	2,442	24	2,418	1,996
7/1/2017	686,995	681,666	—	5,329	5,329	59	5,270	4,312
7/1/2018	866,248	850,488	719	15,041	15,760	194	15,566	12,694
7/1/2019	789,513	770,117	27,401	19,396	19,396	254	19,142	15,599
7/1/2020	512,252	457,183	1,173	27,668	55,069	825	54,244	44,408
7/1/2021	233,671	204,115		28,383	29,556	511	29,045	24,019
7/1/2022	821,313	701,401	35,672	84,240	119,912	2,383	117,529	98,607
7/1/2023	569,971	480,248	506	89,217	89,723	1,817	87,906	74,626
7/1/2024	619,798	86,604	143,098	390,096	533,194	17,149	516,045	453,317
	\$7,122,083	\$ 6,232,735	\$ 219,190	\$ 670,158	\$ 889,348	\$ 23,393	\$ 865,955	\$ 745,320

a. The 7/1/2024 year includes accident period from 6/1/2025 to 6/30/2025.

b. Equals unpaid at 5/31/2025 minus projected paid from 6/1/2025 to 6/30/2025

17. RISK MANAGEMENT (CONTINUED)

Concentration Risks

The University of Idaho (University) is subject to certain risks and uncertainties that could have a material effect on future operations and financial condition. State appropriations, tuition and fees, and federal grants and contracts comprise approximately 74% of the University's revenues for the year ended June 30, 2025. The University's ability to maintain current levels of operations is therefore sensitive to legislative appropriations, enrollment levels, and the availability of federal funding. The University also maintains investments subject to market and credit risk. Concentrations in certain asset classes and balances in excess of federally insured limits expose the University to potential losses. While investment and cash management policies are designed to mitigate these risks, adverse economic conditions could result in losses or reduced investment income. Auxiliary enterprises are a concentration risk as well; the University operates housing, dining, athletics, and other auxiliaries. Revenues from these operations are sensitive to enrollment, consumer demand, and economic conditions.

Constraints on Resources

As a land-grant institution, the University is dependent upon federal and state funding to support its research, agricultural, and extension missions. These programs are subject to complex compliance requirements and periodic audits. Disallowances or funding reductions could constrain resources available for instruction, research, and public service. The University also participates in statewide pension and other postemployment benefit plans. The related obligations are sensitive to actuarial assumptions such as discount rates, mortality, and health care cost trends. Changes in assumptions or adverse plan experience could result in higher future contribution requirements, reducing resources available for other purposes.

Unrecognized Risks

The University is exposed to other uncertainties that may not be fully recognized in the financial statements:

- Potential litigation and claims arising in the normal course of operations, the outcomes of which cannot be predicted with certainty.
- Enrollment and demographic trends that could affect tuition revenue.
- Broader economic conditions, including inflation and labor market constraints, that may increase costs or limit revenues.

Management monitors these risks through governance and risk management processes. While policies and controls are in place to mitigate exposures, future events beyond the University's control could materially affect its financial condition or results of operations.

18. COMPONENT UNITS

Discretely Presented Component Unit

University of Idaho Foundation

The University of Idaho Foundation, Inc. (Foundation) is discretely presented within the financial statements as a component unit. The Foundation is a legally separate, tax-exempt entity with an independent governing board. The majority of resources, or income thereon, which the Foundation holds and invests, are restricted to the activities of the University by the donors and not controlled directly by the University. 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 the University and is discretely presented in the financial statements.

The financial activity is reported for the year ended June 30, 2025.

During the fiscal year 2025, gifts of \$10,428,776 were transferred from the Foundation to the University. The Foundation is audited annually and received an unmodified audit opinion in 2025.

18. COMPONENT UNITS (CONTINUED)

Investments

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

As of June 30, 2025	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity Investments			
Common stock	98,875,317	—	—
Preferred stock	22,138	—	—
Mutual funds	165,785,738	—	—
Fixed income investments			
Corporate bonds	—	30,270,028	—
U.S. Government Agency Obligations and	—	24,321,677	—
Municipal Debt	—	2,383,976	—
Mutual Funds	61,174,456	—	—
Real estate holdings	—	—	7,034,000
Beneficial interest held by third parties	—	—	10,626,471
Total	\$ 325,857,649	\$ 56,975,681	\$ 17,660,471

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

As of June 30, 2025	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	2	\$ 33,821,448	—	Monthly	15 days
Private equity	25	68,335,435	44,174,227	Non-Liquid	N/A
Total		\$ 102,156,882	\$ 44,174,227		

Distributions to University of Idaho and Affiliates

During fiscal years 2024 and 2023, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2025	
	CIT Endowment Income	Gifts and Other Revenues
Scholarships	\$ 10,155,052	\$ 2,088,288
Student loans	211,403	—
Building funds	—	13,081,470
University of Idaho College and Department Operating Accounts	6,131,335	13,470,035
Life beneficiaries	7,652	—
University of Idaho affiliates	—	24,725
Total Distributions	\$16,505,442	\$28,664,518

18. COMPONENT UNITS (CONTINUED)

Please see the significant financial information for the Foundation in the Supplemental Information section, on pages 67 and 68 of this report.

Complete audited financial statements are prepared for the Foundation and may be obtained in their entirety by writing to the following:

University of Idaho Foundation
875 Perimeter Drive MS3143
Moscow, ID 83844-3143

University of Idaho Strategic Initiatives Fund

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

Significant financial data for University of Idaho Strategic Initiatives Fund for the year ended June 30, 2025 are presented on pages 67 and 68.

Cash and Cash Equivalents

Cash and cash equivalents are deposited with Principal Financial Management. Custodial credit risk on deposits is the risk that, in the event of a bank failure, the SIF's deposits may not be returned. At June 30, 2025, \$39,020 of the SIF's bank balance of \$289,020 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

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

Investments Measured at Fair Value

Investments are measured at fair value in accordance with ASC 820, Fair Value Measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The SIF uses observable inputs when available and applies valuation techniques consistent with market participant assumptions.

18. COMPONENT UNITS (CONTINUED)

The tables below classify the fair value of the SIF's investments by the fair value hierarchy (Level 1, Level 2, and Level 3) as of June 30, 2025. The SIF does not hold any securities that would be classified as Level 3.

Investment Securities Measured at Fair Value at June 30, 2025

As of June 30, 2025	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Fixed Income:				
Foreign governments	—	244,879	—	244,879
U.S. Government treasuries	4,739,433	12,235,842	—	16,975,275
U.S. Government agencies	1,202,475	791,645	—	1,994,120
Corporate obligations	—	18,841,309	—	18,841,309
Mortgage/asset backed	—	21,579,328	—	21,579,328
Mutual Funds - fixed income	—	—	—	—
Total fixed income:	5,941,908	53,693,003	—	59,634,911
Equity and Other:				
Mutual Funds - domestic equity	76,364,139	—	—	76,364,139
Mutual Funds - international	—	—	—	—
Total equity and other	76,364,139	—	—	101,647,531
Money market funds/cash	—	—	—	5,586,512
Total	82,306,047	53,693,003	—	166,868,954

If applicable, investments in certain entities are measured at net asset value (NAV) per share (or its equivalent). These investments are not classified in the fair value hierarchy but are included in the reconciliation of total investments.

Investments in Entities Measured at Net Asset Value (NAV) at June 30, 2025

As of June 30, 2025	Number of Investments	Principal Valuation Fair	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	4	\$ 7,647,243	—	Quarterly	2-3 months
Private equity	2	\$ 9,415,718	7,705,572	Non-Liquid	N/A
Private debt	2	\$ 8,220,431	620,000	Non-Liquid	N/A
Total		<u>25,283,391</u>	<u>8,325,572</u>		

The methods described above may produce a fair value calculation that may not indicate net realizable value or reflect future fair values. Furthermore, while the SIF believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions could result in a different fair value measurement at the reporting date.

Risk and Uncertainties

The SIF invests in a diversified portfolio that includes equities, fixed income, alternatives, and real assets. Fixed income holdings are required by policy to be investment-grade, although credit ratings may change during the holding period. Investments are exposed to various risks, including interest rate, credit, market, and concentration risks. The SIF's investment policy incorporates diversification guidelines, issuer and sector limits, and custodial safeguards to mitigate these risks; however, changes in the fair value of investments may occur in the near term and could materially affect amounts reported in the statements of financial position. Domestic and international investment markets are inherently volatile, and the fair value of the SIF's holdings may be subject to higher-than-typical price fluctuations, potentially resulting in reductions in reported fair values subsequent to June 30, 2025.

18. COMPONENT UNITS (CONTINUED)

Due to the University of Idaho

As of June 30, 2025, the SIF reported a liability of \$142,339,773 “Due to the University of Idaho,” representing the University’s continuing beneficial interest in funds originally transferred to the SIF in connection with the utility concession agreement (see Note 1). This liability reflects the contractual obligation of the SIF to return the funds to the University over the term of the concession agreement. Disbursements approved by the SIF Board and made to the University are recorded as reductions of this liability until the original \$190M obligation has been fully satisfied. Any future disbursements beyond this amount will be recognized by the University as nonexchange contributions.

19. RELATED ORGANIZATIONS

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

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

20. UTILITY SYSTEM LEASE AND CONCESSION AGREEMENT

On November 2, 2020, the University’s Board of Regents approved a 50-year public-private partnership (P3) agreement with Sacyr Plenary Utility Partners Idaho LLC (SPUPI). Under this agreement, SPUPI was granted the exclusive right to operate the University of Idaho utility system and to provide utility services to the University’s campus.

On December 30, 2020, the University received an upfront payment of \$225,000,000. This payment is reported as deferred inflows of resources related to the P3 and is being amortized to lease income on a straight-line basis over the term of the agreement. Deferred inflows related to the P3 totaled \$204,750,000 as of June 30, 2025.

In accordance with the agreement, SPUPI is responsible for operating, maintaining, and making capital investments in the utility system. The University records SPUPI’s capital investments as capital assets, along with a corresponding long-term payable to the concessionaire. As of June 30, 2025, no capital improvements had been made in connection with the P3; however, construction in progress related to the agreement totaled \$11,993,120.

The University pays SPUPI a utility fee that includes fixed, variable, and operations and maintenance (O&M) components. The fixed and O&M components are recognized as operating expenses. The variable component is recognized as interest expense and as a reduction of the long-term payable to the concessionaire. For the year ended June 30, 2025, the University recognized fixed and O&M utility fee expenses of \$12,172,474.

21. COMPONENT UNIT CHANGE IN REPORTING ENTITY AND CHANGE IN ACCOUNTING PRINCIPLE

Effective December 2024, governance changes were implemented that altered the Strategic Initiative Fund’s (SIF) structure and its relationship with the University based on a change in Idaho regulations. The SIF was previously reported as a blended component unit, and under the new structure, the SIF is presented as a discretely presented component unit. This change in how the SIF is reported resulted in a reduction in the University’s beginning net position in the amount of \$11,261,545. This represents a change within the reporting entity, affecting the beginning fund balance of the University funds. The SIF had a fund balance of \$11,261,545 as of June 30, 2024, therefore a fund balance restatement is required.

21. COMPONENT UNIT CHANGE IN REPORTING ENTITY AND CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

Effective July 1, 2024, the Foundation implemented a change in reporting entity by transitioning from accounting and reporting standards established by the Governmental Accounting Standards Board (GASB) to those prescribed by the Financial Accounting Standards Board (FASB). This change is made in recognition of the Foundation's status as a nongovernmental entity, which aligns more appropriately with FASB standards. The Foundation determined the implementation should have occurred prior to the beginning of July 1, 2024 which is considered an error in reporting. The adoption of FASB standards has been applied retrospectively, and the financial statements for the prior periods have been restated to conform to the new accounting principles.

The change from GASB to FASB is considered a correction of an error since it should have been applied prior to July 1, 2024. The result of applying the transition resulted in an understatement of revenues for split-interest agreements. Additionally, the Foundation identified beneficial interests in trusts held by third parties and endowment promises to give were not previously recognized, which resulted in an understatement of the related assets and contribution revenue accordingly. The following sets forth previously reported and restated amounts of selected items within the statements of financial position as of June 30, 2024:

Selected Statement of Financial Position	As Previously Reported	Restatement	As Restated
Data as of June 30, 2024			
Cash and Cash Equivalents	\$ 28,992,798	\$ 18,615,237	\$ 47,608,035
Restricted cash and cash	18,615,237	(18,615,237)	—
Promises to give, net	7,907,812	2,197,134	10,104,946
Beneficial interest held by third	—	10,827,619	10,827,619
Total Assets	\$ 508,865,928	\$ 13,024,753	\$ 521,890,681
Total deferred inflows	4,522,843	(4,522,843)	—
Net assets with donor restrictions	470,753,850	17,547,596	488,301,446
Total net assets	481,195,745	17,547,596	498,743,341
Total liabilities and net assets	\$ 508,865,928	\$ 13,024,753	\$ 521,890,681

22. SUBSEQUENT EVENTS

On September 10, 2025, the University issued \$137,500,000 in 20-year general revenue bonds with interest rates ranging from 5.0% to 5.5%. Interest will be paid semi-annually on October 1 and April 1. The bonds were issued above par and will mature on April 1, 2047. The proceeds from the issuance are intended to be used to fund the housing project. This transaction occurred subsequent to the June 30, 2025 fiscal year-end and, accordingly, is not reflected in the accompanying financial statements. This issuance will increase the University's outstanding long-term debt by \$137.5 million and will be reported as such in the fiscal year ending June 30, 2026.

**SUPPLEMENTARY INFORMATION
AND
OTHER INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION – Pension Plan
Schedule of University's Proportionate Share of Net Pension Liability
PERSI – Base Plan

Year ended June 30,	University's portion of net pension liability	University's proportionate share of the net pension liability (asset)	University's covered payroll	University's proportional share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	1.81 %	\$ 23,973,741	\$ 52,317,861	45.82 %	26.58 %
2017	1.79 %	36,275,764	57,486,009	63.10 %	87.26 %
2018	1.85 %	29,092,164	59,160,024	49.18 %	90.68 %
2019	1.84 %	27,122,978	63,480,316	42.73 %	91.69 %
2020	1.80 %	20,569,074	59,445,025	34.60 %	93.79 %
2021	1.70 %	38,646,668	53,160,460	72.70 %	88.22 %
2022	1.43 %	(1,127,431)	53,939,963	(2.09)%	100.36 %
2023	1.36 %	53,732,105	58,649,133	91.62 %	83.09 %
2024	1.37 %	54,634,969	62,673,284	87.17 %	83.83 %
2025	1.28 %	47,916,559	67,623,973	70.86 %	85.54 %

Schedule of University Contributions
PERSI – Base Plan

Year ended June 30,	Statutorial-required contribution	Contributions in relation to the statutorially-required contribution	Contribution (deficiency) excess	University's covered payroll	Contributions as a percentage of covered payroll
2016	\$ 5,917,860	\$ 5,917,860	\$ —	\$ 52,317,861	11.31 %
2017	6,507,425	6,507,425	—	57,486,009	11.32 %
2018	6,696,913	6,696,913	—	59,160,024	11.32 %
2019	7,185,973	7,185,973	—	63,480,316	11.32 %
2020	7,069,224	7,069,224	—	59,445,025	11.89 %
2021	6,360,836	6,360,836	—	53,160,460	11.94 %
2022	6,423,246	6,423,246	—	53,939,963	11.91 %
2023	6,950,460	6,950,460	—	62,673,284	11.09 %
2024	7,018,314	7,018,314	—	62,673,284	11.20 %
2025	8,051,936	8,051,936	—	67,623,973	11.91 %

REQUIRED SUPPLEMENTARY INFORMATION – Postemployment Benefits

(Other Than Pensions) – (OPEB)

Schedule of Changes in Net OPEB Liability - Last Eight Fiscal Years¹

Reporting date for Employer under GASB 75	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Reporting date for Employer under GASB 74	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Measurement Date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total OPEB Liability					
Service cost	\$ 128,405	\$ 125,369	\$ 131,641	\$ 144,947	\$ 569,060
Interest	2,084,003	2,007,149	2,282,996	2,494,254	3,347,242
Change of benefit terms	—	—	—	—	(12,709,415)
Differences between expected and actual experience	1,099,846	359,804	(1,914,015)	(798,490)	(833,697)
Changes of assumptions	663,525	2,423,872	(2,356,966)	(1,150,768)	(1,481,712)
Benefit payments, including refunds of member contributions	(3,940,156)	(3,234,985)	(2,642,757)	(2,445,062)	(2,915,743)
Net change in Total OPEB Liability	\$ 35,623	\$ 1,681,209	\$ (4,499,101)	\$ (1,755,119)	\$ (14,024,265)
Total OPEB Liability - beginning	38,057,663	36,376,454	40,875,555	42,630,674	56,654,939
Total OPEB Liability - ending	\$ 38,093,286	\$ 38,057,663	\$ 36,376,454	\$ 40,875,555	\$ 42,630,674
Plan Fiduciary Net Position					
Contributions - employer	\$ 3,886,263	\$ 3,174,782	\$ 2,765,696	\$ 2,556,560	\$ 3,040,902
Contributions - employee	—	—	—	—	—
Net investment income	4,228,480	6,299,255	(7,974,018)	4,999,319	6,366,769
Benefit payments, including refunds of member contributions	(3,940,156)	(3,234,985)	(2,642,757)	(2,445,062)	(2,915,743)
Administrative expense	(146,107)	(149,797)	(133,051)	(136,698)	(125,159)
Other ²	—	—	—	—	35,358
Net change in Plan Fiduciary Net Position	\$ 4,028,480	\$ 6,089,255	\$ (7,984,130)	\$ 4,974,119	\$ 6,402,127
Plan Fiduciary Net Position - beginning	49,654,627	43,565,372	51,549,502	46,575,383	40,173,256
Plan Fiduciary Net Position - ending	\$ 53,683,106	\$ 49,654,627	\$ 43,565,372	\$ 51,549,502	\$ 46,575,383
Net OPEB Liability - ending	\$ (15,589,819)	\$ (11,596,964)	\$ (7,188,918)	\$ (10,673,947)	\$ (3,944,709)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	140.93%	130.47%	119.76%	126.11%	109.25%
Covered payroll	\$ 132,387,784	\$ 133,963,345	\$ 133,814,282	\$ 137,069,380	\$ 153,290,912
University's net OPEB liability as a percentage of covered payroll	(11.78)%	(8.66)%	(5.37)%	(7.79)%	(2.57)%

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

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

REQUIRED SUPPLEMENTARY INFORMATION – Postemployment Benefits
(Other Than Pensions) – (OPEB)

Schedule of Changes in Net OPEB Liability - Last Eight Fiscal Years¹ (Continued)

Reporting date for Employer under GASB 75	June 30, 2020	June 30, 2019	June 30, 2018
Reporting date for Employer under GASB 74	December 31, 2019	December 31, 2018	December 31, 2017
Measurement Date	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability			
Service cost	\$ 578,929	\$ 505,261	\$ 505,073
Interest	3,837,295	3,697,710	3,606,077
Change of benefit terms	(3,256,044)	—	—
Differences between expected and actual experience	(917,763)	3,653,835	—
Changes of assumptions	(5,688,728)	(8,337,551)	—
Benefit payments, including refunds of member contributions	(2,549,475)	(3,188,730)	(2,676,167)
Net change in Total OPEB Liability	\$ (7,995,786)	\$ (3,669,475)	\$ 1,434,983
Total OPEB Liability - beginning	64,650,725	68,320,200	66,885,217
Total OPEB Liability - ending	\$ 56,654,939	\$ 64,650,725	\$ 68,320,200
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,659,639	\$ 3,895,180	\$ 2,961,065
Contributions - employee	—	—	—
Net investment income	6,413,776	(1,839,891)	3,527,768
Benefit payments, including refunds of member contributions	(2,549,475)	(3,188,730)	(2,676,167)
Administrative expense	(110,164)	(91,450)	(74,899)
Other ²	—	—	—
Net change in Plan Fiduciary Net Position	\$ 6,413,776	\$ (1,224,891)	\$ 3,737,767
Plan Fiduciary Net Position - beginning	33,759,480	34,984,370	31,246,603
Plan Fiduciary Net Position - ending	\$ 40,173,256	\$ 33,759,480	\$ 34,984,370
Net OPEB Liability - ending	\$ 16,481,683	\$ 30,891,246	\$ 33,335,830
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	70.91%	52.22%	51.21%
Covered payroll	\$ 170,117,886	\$ 165,468,096	\$ 159,935,268
University's net OPEB liability as a percentage of covered payroll	9.69%	18.67%	20.84%

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

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

REQUIRED SUPPLEMENTARY INFORMATION – Postemployment Benefits

(Other Than Pensions) – (OPEB)

Schedule of OPEB Contributions - Last Ten Fiscal Years¹

Year Ended June 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contributions Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 3,321,000	\$ 3,157,000	\$ 164,000	\$ 152,999,000	2.06 %
2018	3,537,000	3,592,000	(55,000)	157,589,000	2.28 %
2019	3,451,000	2,937,000	514,000	162,317,000	1.81 %
2020	3,285,000	3,048,000	237,000	172,651,000	1.77 %
2021	2,151,000	3,179,000	(1,028,000)	155,573,000	2.04 %
2022	(442,000)	N/A	N/A	139,110,000	N/A
2023	(1,203,000)	N/A	N/A	128,516,000	N/A
2024	(855,000)	N/A	N/A	126,134,000	N/A
2025	(1,264,995)	N/A	N/A	126,612,000	N/A
2026	(1,870,712)	N/A	N/A	125,352,000	N/A

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

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

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Measurement date	June 30, 2025
Actuarial cost method	Entry Age, Level Percentage of Payroll
Amortization method	Level Dollar, Closed
Remaining amortization period	18 years remaining for the year ending June 30, 2019 17 years remaining for the year ending June 30, 2020 16 years remaining for the year ending June 30, 2021 15 years remaining for the year ending June 30, 2022 14 years remaining for the year ending June 30, 2023 13 years remaining for the year ending June 30, 2024 12 years remaining for the year ending June 30, 2025 11 years remaining for the year ending June 30, 2026
Asset valuation method	The Market Value of assets as of December 31, 2024 projected to the measurement date

SUPPLEMENTARY INFORMATION

Statement of Financial Position - Component Units
(University of Idaho Foundation & Strategic Initiatives Fund (SIF))
As of June 30, 2025

	Current Year Foundation 2025	Current Year SIF 2025	Current Year Total 2025
Current Assets			
Cash and cash equivalents	\$ 50,437,274	\$ 289,020	\$ 50,726,294
Accrued interest and other receivables	533,314	—	533,314
Promises to give, net	10,891,920	—	10,891,920
Total Current Assets	61,862,508	289,020	62,151,528
Noncurrent Assets			
Investments	484,990,213	166,868,954	651,859,167
Beneficial Interests	10,626,471	—	10,626,471
Real estate holdings	7,034,000	—	7,034,000
Other assets	576,264	—	576,264
Total Noncurrent Assets	503,226,948	166,868,954	670,095,902
Total Assets	\$ 565,089,456	\$ 167,157,974	\$ 732,247,430
Current Liabilities			
Accounts payable	\$ 173,230	\$ 142,339,773	\$ 142,513,003
Other funds due to University of Idaho	5,316,963	—	5,316,963
Liability for split-interest trusts	6,568,127	—	6,568,127
Endowment earnings payable to trust beneficiaries	16,505,442	—	16,505,442
Other liabilities		21,393	21,393
Total Current Liabilities	28,563,762	142,361,166	170,924,928
Total Liabilities	28,563,762	142,361,166	170,924,928
Net Assets			
Without donor restrictions			
Undesignated	13,030,269	24,796,808	37,827,077
Total without donor restrictions	13,030,269	24,796,808	37,827,077
With donor restrictions			
Restricted for purpose or time	172,908,121	—	172,908,121
Restricted in perpetuity	350,587,304	—	350,587,304
Total with donor restrictions	523,495,425	—	523,495,425
Total Net Assets	536,525,694	24,796,808	561,322,502
Total Liabilities and Net Assets	\$ 565,089,456	\$ 167,157,974	\$ 732,247,430

SUPPLEMENTARY INFORMATION

Statement of Activities - Component Units

(University of Idaho Foundation & Strategic Initiatives Fund (SIF))

As of June 30, 2025

	Current Year Foundation 2025	Current Year SIF 2025	Current Year Total 2025
Support and Revenue			
Contributions	\$ 45,193,534	\$ —	\$ 45,193,534
Return on investments, net	9,670,059	15,010,853	24,680,912
Change in fair value of investments	37,399,667	(1,277,683)	36,121,984
Change in fair value of split-interest agreements	1,090,730	—	1,090,730
Change in fair value of beneficial interests	(201,147)	—	(201,147)
Lease and rental income	107,390	—	107,390
Other	581,431	—	581,431
Total support and revenue	93,841,664	13,733,170	107,574,834
Releases from restrictions	—	—	—
Expenses			
Program Expenses			
Distribution of endowment income to trust beneficiaries	16,505,442	—	16,505,442
Distribution to University and affiliates	28,664,518	—	28,664,518
Total Program Expenses	45,169,960	—	45,169,960
Support Services			
Administrative expenses	6,454,625	—	6,454,625
Other expenses	4,434,726	250	4,434,976
Services	—	144,005	144,005
Insurance, utilities, and rent	—	53,652	53,652
Total Support Services	10,889,351	197,907	11,087,258
Total Expenses	56,059,311	197,907	56,257,218
Changes in Net Assets	37,782,353	13,535,263	51,317,616
Net Assets, beginning of year	481,195,745	—	481,195,745
Cumulative effect of change in reporting entity (Note 21)	17,547,596	11,261,545	28,809,141
Net Assets, beginning of year, as restated	498,743,341	11,261,545	510,004,886
Net Assets, end of year	\$ 536,525,694	\$ 24,796,808	\$ 561,322,502

SUPPLEMENTARY INFORMATION – STATEMENTS OF OTHER EMPLOYEE BENEFITS TRUST FUNDS

STATEMENTS OF OTHER EMPLOYEE BENEFITS TRUST FUNDS NET POSITION

AS OF DECEMBER 31, 2024 (unaudited)

	Retiree Benefits Trust	Health Benefits Trust	Total
	2024	2024	
Assets			
Cash and short-term investments	\$ 650,335	\$ 3,389,825	\$ 4,040,160
Accounts receivable	—	103,686	103,686
Interest receivable	—	54,291	54,291
Investments, at fair value:			
Fixed income securities	10,353,409	7,012,780	17,366,189
Equity securities	42,679,362	—	42,679,362
Total assets	53,683,106	10,560,582	64,243,688
Liabilities			
Accounts payable	—	1,072,218	1,072,218
IBNR liability	—	3,375,100	3,375,100
Total liabilities	—	4,447,318	4,447,318
Net position held in trust for benefits	\$ 53,683,106	\$ 6,113,264	\$ 59,796,370
	Retiree Benefits Trust	Health Benefits Trust	Total
	2024	2024	
Additions			
Contributions			
Employer	\$ —	\$ 29,135,731	\$ 29,135,731
Plan members	—	7,457,797	7,457,797
Total contributions	—	36,593,528	36,593,528
Net investment (loss) income	4,379,575	747,346	5,126,921
Total additions	4,379,575	37,340,874	41,720,449
Deductions			
Insurance claim benefits	200,000	34,335,024	34,535,024
Change in IBNR	—	719,500	719,500
Premiums	—	148,584	148,584
Administrative expenses	151,096	4,349,373	4,500,469
Total deductions	351,096	39,552,481	39,903,577
Net increase (decrease) in assets held in trust for benefits	4,028,479	(2,211,607)	1,816,872
Benefit plan net position, beginning of year	49,654,627	8,324,871	57,979,498
Benefit plan net position, end of year	\$ 53,683,106	\$ 6,113,264	\$ 59,796,370

OTHER INFORMATION - FINANCIAL ASSETS AND LIQUIDITY RESOURCES (unaudited)

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

	Year Ended June 30, 2025
Financial assets:	
Cash and short-term investments, unrestricted	\$ 24,557,805
Cash and short-term investments, restricted	6,458,772
Liquidity investment balance	1,310
Investments available for general purposes	71,808,294
Accounts receivable and unbilled charges, net	76,237,373
Student loans receivable	1,540,861
Interest and other receivables	606,021
Total financial assets	\$ 181,210,436
Financial assets unavailable for general expenditures within one year:	
Student loans receivable beyond one year or restricted for Perkins	658,089
Accounts receivable restricted by grants and contracts or UI Foundation	58,946,387
Cash restricted for capital projects, Perkins, or grants and contracts	6,458,772
Total financial assets unavailable for general expenditures within one year	\$ 66,063,248
Financial assets available to meet cash needs for general expenditure within one year	\$ 115,147,188

The University's practice is to structure its financial assets to be available as its general expenses, liabilities, and obligations come due. In addition to financial assets available to meet general expenditures over the next year, the University's goal is to operate with a balanced budget and anticipates collecting sufficient revenues to cover general expenditures. Refer to the statement of cash flows which illustrates the sources and uses of the University's cash generated by operating activities and noncapital financing activities for the year ended June 30, 2025. Noncapital financing activities include revenues classified under GASB 34 as non-operating revenue and include state and federal appropriations, federal grants and contracts, gift, and other revenues which are all considered ongoing revenues necessary to cover general expenditures.