Western Oregon UNIVERSITY

Together we SUCCEED

2020 ANNUAL FINANCIAL REPORT

WESTERN OREGON UNIVERSITY

2020 ANNUAL FINANCIAL REPORT

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PRESIDENT'S CABINET

WOU BOARD OF TRUSTEES

MESSAGE FROM THE PRESIDENT

The year 2020 will be among the most stressful years we can remember. Across the globe, virtually every corner of society confronted a pandemic caused by the coronavirus that was heretofore unimaginable. While the university overcame many of the challenges wrought by the pandemic, it was not blind to the devastating loss of towns, neighborhoods, businesses, and homes by the firestorms across the Cascades and the coast range. We extend our gratitude to the firefighters, who have risked their own lives to save others, and our sympathies to those Oregonians that couldn't save their homes, business, and loved ones.

Since March 2020, WOU aggressively deployed resources to serve our faculty, staff, and students in order to accommodate the social distancing requirements and public health guidance by the state. I am grateful to all of WOU's employees in making these changes in a manner that kept our focus on our mission—namely, student success and campus health. To that end, I am pleased to see the achievements WOU's staff and faculty made in 2020 in spite of the myriad challenges over the last year. We extend our gratitude to the health care professionals who have risked their own lives to save others and control the spread of this disease.

Western Oregon University made significant progress in its commitment to student success, academic excellence, engagement, accountability, and stewardship. In the fourth year of the university's strategic plan, Forward Together, WOU reaffirms the same university values and vision that put it on the map for student success.

Our investment in student success is evident in the selection of the university by the American Council of Education as one of ten higher education institutions focused on learner success. Institutions in the cohort serve 67,000 undergraduate learners and comprise a diverse range of institutions and several current or emerging Hispanic Serving Institutions. The university equips and prepares Oregon high school students for higher education by providing college credit before they even graduate. The Willamette Promise program, currently in its sixth year, served over 2,000 Oregon high school students in 2020. The university awarded over 1,600 degrees and certificates in 2020.

Our branch campus in Salem, WOU:Salem, has completed nearly all of the renovations we committed to undertake last year. The branch will provide degree completion opportunities for adult learners and will be home to the MA in Organizational Leadership, which was first offered by WOU in fall 2019. The branch's offerings are an affirmative step in meeting the state's educational attainment goals, and we expect to offer classes at the branch campus as soon as public health measures are lifted.

Student affordability is one of our most important goals in our commitment to sustainability and stewardship. In the last year, the university provided nearly 6.6 million dollars in tuition waivers to

students. Our tuition increases from year-to-year rank among the lowest across all of Oregon's public universities, which reaffirms our goal and vision in becoming the most affordable public university in the state. Recognizing that access and affordability lead to meaningful opportunities, WOU is continually seeking ways to relieve expenses that increase a student's cost of attendance. Moreover, we regularly monitor the cost of attendance with respect to the median household income in Oregon.

In May 2020, the university awarded about 1.5 million dollars in emergency aid grants, provided by CARES Act, to nearly 800 students. Tuition equity students that applied for emergency aid were awarded grants from the WOU Foundation. Efforts such as these are vital as we continue to make progress on becoming the most affordable public university in Oregon. Another $660,000 will be dispersed before the end of calendar year 2020.

WOU launched an initiative to become a federally recognized Hispanic Serving Institution (HSI), which requires 25 percent of our full-time equivalent students to identify as Hispanic. According to the most recent data by the Higher Education Coordinating Commission, WOU has the largest share of Hispanic enrollment, with 26 percent of its enrollment, and is the second most diverse public university in Oregon. Over the last year, WOU earned recognition from the federal government for becoming an emerging HSI. The Office of Admissions has actively attracted and recruited Hispanic students across Oregon, especially in the greater Portland market.

We made significant improvements to our infrastructure in 2020. Renovations to both the WOU Welcome Center, formerly the Oregon Military Academy, and the Instructional Technology Center are nearing completion. Both buildings will meet the needs of the digital native students that have begun to emerge in higher education in order to support their learning and success at WOU.

These are just two of the many examples of our commitment to the Campus Master Plan, which was approved by the Board of Trustees in 2018 and will serve as WOU's guide in subsequent years. Above all else, the three leading concepts pledge to "Keep the core compact"; "Create active areas on campus"; and maintain "A walkable, sustainable campus."

In fiscal year 2020, the WOU Foundation received gifts totaling more than 2.6 million dollars. With pledged gifts, the committed grand total is nearly 5.7 million dollars. WOU reached yet another all-time high on Giving Day, raising over 140,000 dollars to fund student scholarships.

We are excited to see what the future holds for Western Oregon University. I am certain that we will continue to thrive and achieve our goals on all fronts. Our proactive approach to student success, opportunities for intellectual engagement, and a transformative education will continue to as our core message because together we succeed.

Thank you,

Rex Fuller

Rex Fuller

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Trustees
Western Oregon University
Monmouth, Oregon

Report on the Financial Statements
We have audited the accompanying financial statements of Western Oregon University (the University), a component unit of the State of Oregon, and the discretely presented component unit of as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University and the discretely presented component unit as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Relationship with the State of Oregon

As described in Note 1, the financial statements of the University are intended to present the financial position, changes in financial position, and cash flows attributable to the University. They do not purport to, and do not present fairly the financial position of the State of Oregon as of June 30, 2020 and 2019, and the changes in its financial position for the years then ended in conformity with accounting principles general accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of university contributions, schedule of university's proportionate share of net pension asset/(liability), schedule of university PERS RHIA OPEB employer contribution, schedule of university's proportionate share of the net PERS RHIA OPEB asset/(liability), schedule of university PERS RHIPA OPEB employer contribution, schedule of university's proportionate share of the net PERS RHIPA OPEB asset/(liability), and the schedule of university's proportionate share of the total PEBB OPEB liability as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2020, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
December 2, 2020

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Western Oregon University (WOU, the university) for the year ended June 30, 2020, with comparative data for the fiscal years ended June 30, 2019, and June 30, 2018. This discussion has been prepared by management to assist readers in understanding the accompanying financial statements and footnotes.

Annual Full Time Equivalent (FTE) Student Enrollment Summary:

2020	2019	2018	2017	2016
4,134	4,368	4,451	4,571	4,700

Understanding the Financial Statements

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

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

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

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

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

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

Financial Summary

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

The university's financial position improved during fiscal year 2019 with an increase in total net position as of June 30, 2019 of $5,653 thousand. During 2019, unrestricted net position decreased by $726 thousand. Unrestricted operations decreased by $2,160 thousand. Net pension and OPEB liabilities and their associated deferrals decreased slightly, which resulted in a slight increase to unrestricted operations. The decrease in unrestricted net position was offset by an increase of $3,562 thousand in net investment in capital assets and an increase in restricted expendable net position of $2,817 thousand.

Statement of Net Position

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

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

Condensed Statement of Net Position (in 000's)

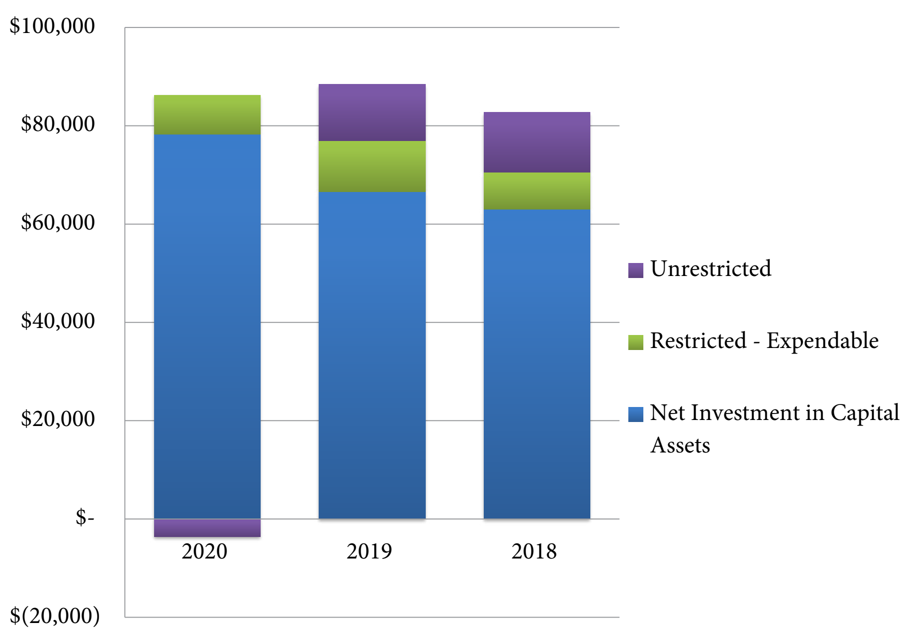
As of June 30,	2020	2019	2018
Current Assets	$ **39,066**	$ 40,492	$ 32,481
Noncurrent Assets	**15,383**	28,344	35,107
Capital Assets, Net	**127,437**	118,121	114,065
Total Assets	**181,886**	186,957	181,653
Deferred Outflows of Resources	**13,224**	13,055	13,009
Current Liabilities	**20,743**	20,746	21,136
Noncurrent Liabilities	**89,491**	88,816	90,372
Total Liabilities	**110,234**	109,562	111,508
Deferred Inflows of Resources	**2,193**	2,045	402
Net Investment in Capital Assets	**78,243**	66,611	63,049
Restricted - Expendable	**8,005**	10,349	7,532
Unrestricted	**(3,565)**	11,445	12,171
Total Net Position	$ **82,683**	$ 88,405	$ 82,752

Total Net Position

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

Total net position increased by $5,653 thousand, or 7 percent, during 2019. Increases in net investment in capital assets and restricted net position were somewhat offset by a decrease in unrestricted net position.

As illustrated by the following graph, the make-up of net position changed between 2020, 2019, and 2018 (in 000's):



Comparison of fiscal year 2020 to fiscal year 2019

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

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

See also Changes to Capital Assets on pages 16 and 17 and Note 5 Capital Assets for additional details.

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

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

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

- Unrestricted operations, which includes education, auxiliaries, and general business type activities, decreased unrestricted net position by $12,079 thousand.
- Changes associated with year-end accruals for the PERS net pension liability decreased unrestricted net position by $3,096 thousand.
- Changes associated with year-end accruals for the OPEB asset and liabilities decreased unrestricted net position by $60 thousand.
- Changes associated with year-end liability accruals for PERS state and local government rate pool (SLGRP), compensated absences, and faculty credit banking increased unrestricted net position by $225 thousand.

See Note 9 Unrestricted Net Position for additional information.

Comparison of fiscal year 2019 to fiscal year 2018

Net Investment in Capital Assets increased by $3,562 thousand, or 6 percent.

- Capital asset increases of $9,993 thousand were offset by a $5,937 thousand increase to accumulated depreciation for a net increase in capital assets of $4,056 thousand.
- Long-term debt outstanding attributable to the capital assets increased by $494 thousand. Decreases in debt due to debt service payments made on outstanding debt were mostly offset by an increase in contracts payable to the state resulting from a bond sale. *See Note 8 Long-Term Liabilities for additional information.*

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

Restricted Expendable Net Position increased by $2,817 thousand, or 37 percent.

- Net position related to gifts, grants and contracts increased by $66 thousand due primarily to an increase in year-end receivables somewhat offset by a decrease in cash.
- Net position related to student loans increased by $949 thousand. Cash on hand for student loans increased by $1,535 thousand while loans receivable, net, decreased by $586 thousand.
- Net position relating to the funding of capital projects increased by $1,834 thousand. A decrease in cash held for capital construction was offset by an increase in XI-F(1) bonds receivable from the state due to a new bond sale in spring, 2019.
- Net position relating to funds reserved for debt service decreased by $198 thousand primarily as the result of a decrease in cash held restricted for debt service at year end.

- Net position restricted expendable for the OPEB asset increased by $166 thousand. The restricted expendable OPEB asset is equal to the Net OPEB Asset reported in noncurrent assets.

Unrestricted Net Position decreased by $726 thousand, or 6 percent.

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

See Note 9 Unrestricted Net Position for additional information.

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total Assets decreased by $5,071 thousand, or 3 percent, during the year ended June 30, 2020. Total Assets increased by $5,304 thousand, or 3 percent, during the year ended June 30, 2019.

Comparison of fiscal year 2020 to fiscal year 2019

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

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

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

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

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

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

- Deferred outflows related to changes in accruals for the net pension liability increased by $152 thousand.
- Deferred outflows related to the OPEB net asset and liabilities increased by $17.

See Note 6 Deferred Outflows and Deferred Inflows of Resources for detailed information on this change.

Comparison of fiscal year 2019 to fiscal year 2018

Current Assets increased by $8,011 thousand, or 25 percent, primarily due to:

- Current cash and cash equivalents increased by $2,017 thousand. Cash held for operations decreased by $5,286 thousand. Cash held in restricted gift, grant and contract funds decreased by $1,709 thousand. There was a decrease of $5,724 thousand in the amount of cash converted to investments, which caused an increase in cash at year end.
- Accounts receivable increased by $6,851 thousand. Receivables for state capital construction grants, state research grants and student tuition and fees, net of allowances increased considerably. *See 3 Accounts Receivable for additional information.*

- Current notes receivable decreased by $178 thousand due to decreases in receivables for both federal Perkins and institutional student loans somewhat offset by a decrease in the allowance for doubtful accounts.
- Prepaid expenses increased by $84 thousand.

Noncurrent Assets decreased by $6,763 thousand, or 19 percent, primarily due to:

- Noncurrent cash and cash equivalents decreased by $850 thousand to zero due to cash no longer being classified as noncurrent.
- Investments decreased by $5,670 thousand due to an overall decrease in cash balances which allowed for less cash to be converted to investments.
- Noncurrent notes receivable decreased by $409 thousand due primarily to a decrease in notes receivable related to federal Perkins loans.
- Net OPEB asset increased by $166 thousand. *See Note 14 Other Postemployment Benefits (OPEB) for additional details.*

Capital Assets, Net increased by $4,056 thousand, or 4 percent. Capitalized acquisitions net of disposals and adjustments added $9,993 thousand, which was somewhat offset by an increase of $5,937 thousand in accumulated depreciation. *See Capital Assets later in this MD&A and Note 5 Capital Assets for additional information.*

Deferred Outflows of Resources increased by $46 thousand, or less than 1 percent.

- Deferred outflows related to changes in accruals for the net pension liability decreased by $14 thousand.
- Deferred outflows related to the OPEB net asset and liabilities increased by $60 thousand.

See Note 6 for detailed information on this change.

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Total liabilities increased by $672 thousand, or 1 percent, during the year ended June 30, 2020. Total liabilities decreased by $1,946 thousand, or 4 percent, during the year ended June 30, 2019. During fiscal year 2019, decreases in the net pension liability, long-term liabilities, and accounts payable and accrued liabilities were somewhat offset by the recording of $2,361 thousand in net OPEB liability due to the implementation of GASB Statement No. 75.

Comparison of fiscal year 2020 to fiscal year 2019

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

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

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

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

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

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

See Note 6 for additional information.

Comparison of fiscal year 2019 to fiscal year 2018

Current Liabilities decreased by $390 thousand, or 2 percent, due primarily to:

- The current portion of long-term liabilities decreased by $155 thousand primarily due to debt service payments and a decrease in the amount of previously issued debt coming due in the next year. *See Debt Administration later in this MD&A and Note 8 Long-Term Liabilities.*

- Accounts payable and accrued liabilities increased by $1,126 thousand due primarily to increases in contract retainage payable, construction project invoices payable and payroll related deductions payable at year end. *See Note 7 Accounts Payable and Accrued Liabilities for additional information.*
- Unearned revenue decreased by $484 thousand due primarily to decreases in prepaid tuition and fees and grant and contract unearned revenue at year-end.

Noncurrent Liabilities decreased by $1,556 thousand, or 2 percent.

- Noncurrent long-term liabilities increased by $158 thousand due primarily to an increase in contracts payable to the state resulting from an XI-F(1) bond sale made by the state on behalf of WOU. *See Debt Administration later in this MD&A and Note 8.*
- Net pension liability decreased by $1,637 thousand. *See Note 13 Employee Retirement Plans.*
- OPEB liabilities decreased by $77 thousand. *See Note 14 for additional details.*

Deferred Inflows of Resources increased by $1,643 thousand, or 409 percent.

- Deferred inflows related to the net pension liability increased by $1,605 thousand.
- Deferred inflows related to the OPEB net asset and liabilities increased by $38 thousand.

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

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

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

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

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

For the Year Ended June 30,	**2020**	2019	2018
Operating Revenues	**$ 51,243**	$ 64,507	$ 68,552
Operating Expenses	**113,982**	107,904	108,080
Operating Loss	**(62,739)**	(43,397)	(39,528)
Nonoperating Revenues,			
Net of Expenses	**46,480**	41,162	37,441
Other Revenues	**10,537**	7,888	7,547
Increase in Net Position	(5,722)	5,653	5,460
Net Position, Beginning of Year	**88,405**	82,752	77,292
Net Position, End of Year	**82,683**	88,405	82,752

Net position decreased by $5,722 thousand, or 6 percent, in 2020 compared to an increase of $5,653 thousand, or 7 percent, in 2019. During 2020, a decrease in operating revenue was further aggravated by an increase in operating expenses. During 2019, an increase in operating revenue was further enhanced by a decrease in operating expenses.

Total Revenues

Total revenues decreased by $5,194 thousand, or 4 percent, in 2020 over 2019. Decreases in total operating revenues were partially offset by increases in state appropriations, financial aid grants, capital grants and gifts, and an award under the CARES Act.

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

For the Year Ended June 30,		**2020**		2019		2018
Student Tuition and Fees	**$**	**25,578**	$	32,253	$	34,304
Grants and Contracts		**7,250**		8,034		9,085
Auxiliary Enterprises		**15,481**		20,025		20,943
Educational and Other		**2,934**		4,195		4,220
Total Operating Revenues		**51,243**		64,507		68,552
Appropriations		**28,584**		25,929		25,087
Federal and State Grants		**17,116**		14,284		13,954
Gifts		**1,482**		1,050		984
Investment Activity		**1,831**		2,487		401
Capital Grants and Gifts		**10,155**		7,506		7,165
Gain (Loss) on Sale of Assets, Net		**80**		(41)		0
Other nonoperating items		**37**		0		0
Total Nonoperating Revenues		**59,285**		51,215		47,591
Total Revenues	**$**	**110,528**	$	115,722	$	116,143

Operating Revenues

Total operating revenues decreased by $13,264 thousand in 2020, or 21 percent, over 2019, to $51,243 thousand. All categories of operating revenue decreased during 2020. Total operating revenues decreased by $4,045 thousand in 2019, or 6 percent, over 2018, to $64,507 thousand. All categories of operating revenue decreased during 2019.

Comparison of fiscal year 2020 to fiscal year 2019

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

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

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

- Federal grant and contract revenues decreased by $291 thousand primarily due to decreased U.S. Department of Education grants and decreased U.S. Department of Justice cooperative agreements.
- State grant and contract activity decreased by $385 thousand primarily due to decreased grants from the State of Oregon's Department of Education, Department of Human Services, Department of Transportation and the Higher Education Coordinating Commission.
- Nongovernmental grant and contract activity decreased by $108 thousand primarily due to decreased grants and contracts from commercial businesses, foundations and associations.

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

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

- Student centers and activities revenues decreased by $64 thousand primarily due to decreased revenue from rentals and ticket sales.
- Other auxiliary revenues decreased by $569 thousand primarily due to decreased recreation center student fees, incidental fees, and service revenue.

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

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

Comparison of fiscal year 2019 to fiscal year 2018

Net Student Tuition and Fees decreased by $2,051 thousand, or 5 percent.

- Tuition and fees decreased by $1,054 thousand due primarily to an enrollment decrease.
- Fee remissions and scholarship allowances reduced tuition and fees by $1,120 thousand more than in the prior period.
- Bad debt expense, primarily related to the maintenance of the allowance for bad debt, decreased by $123 thousand resulting in an increase in net tuition and fees.

Federal, State and Nongovernmental Grants and Contracts *decreased by $1,051 thousand, or 12 percent.*

- Federal grant and contract revenues decreased by $1,361 thousand primarily due to decreased U.S. Department of Education grants.
- State grant and contract activity increased by $111 thousand primarily due to increased grants from the Department of Education and Department of Transportation offset by decreased grants from the Higher Education Coordinating Commission and other state agencies.
- Nongovernmental grant and contract activity increased by $199 thousand primarily due to increased grants and contracts from local governments and non-affiliated foundations.

Auxiliary Enterprises revenues decreased by $918 thousand, or 4 percent.

- Student health services revenues decreased by $53 thousand due primarily to decreased student health fee revenue slightly offset by increased office visit income.
- Housing and dining revenues decreased by $555 thousand. Decreased room and board revenue was slightly offset by increased conference revenue.
- Athletics revenues decreased by $73 thousand. Decreased revenues from ticket sales, guarantees and miscellaneous other sources were offset by increased revenues from other event income.
- Parking revenues decreased by $35 thousand primarily due to decreased parking fines and parking fee revenues.
- Bookstore revenues decreased by $118 thousand due primarily to decreased revenues from textbooks sales and other sales.
- Student centers and activities revenues decreased by $38 thousand primarily due to decreased revenue from rentals and ticket sales.
- Other auxiliary revenues decreased by $46 thousand primarily due to decreased recreation center and health counseling building student fees, incidental fees and vending machine revenue.

Educational Department Sales and Services and Other Operating *revenues decreased by $25 thousand, or 1 percent.*

- Educational department sales and services decreased by $169 thousand primarily due to decreased revenue from services, event hosting and miscellaneous sales and services.
- Other operating revenue increased by $144 thousand. Increased interest income and collection charges on student accounts were somewhat offset by decreases in financial aid administration cost recovery and reimbursements from outside entities.

Nonoperating and Other Revenues

Nonoperating revenues increased by $8,070 thousand, or 16 percent, during 2020 resulting mainly from increased capital grants and gifts and appropriations. Nonoperating revenues increased by $5,029 thousand, or 12 percent, during 2019 resulting mainly from increased capital grants and gifts and appropriations.

Comparison of fiscal year 2020 to fiscal year 2019

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

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

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

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

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

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

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

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

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

Comparison of fiscal year 2019 to fiscal year 2018

Government Appropriations increased by $842 thousand, or 3 percent.

- State appropriations in support of university operations increased by $842 thousand.
- State appropriations for SELP debt service and from lottery were unchanged.

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

Financial and State Grants increased by $330 thousand, or 2 percent. A decrease in federal PELL grants was offset by increases in state opportunity grants and student aid from non-affiliated foundations.

Gifts increased by $66 thousand, or 7 percent, due primarily to continued increases in gifts from the WOU Development Foundation.

Investment Activity revenues increased by $2,086 thousand, or 520 percent due primarily to a substantial increase in net appreciation of investments as well as increases in investment earnings and gain on sale of investments. *See Note 10 Investment Activity for additional information.*

Capital Grants and Gifts increased by $341 thousand, or 5 percent. A decrease in revenue from state reimbursable capital construction grants was offset by capital appropriations used to backfill a shortfall of bond proceeds from the XI-F(1) bond sale.

Loss on Sale of Assets, Net increased by $41 thousand from zero during fiscal year 2018.

Operating Expenses

Operating expenses increased by $6,078 thousand in 2020, or 6 percent, compared to 2019, to $113,982 thousand. Increases in expenses related to compensation and benefits, scholarships and fellowships and depreciation were only partially offset by a decrease in services and supplies. Operating expenses increased by $176 thousand in 2019, or less than 1 percent, compared to 2018, to $107,904 thousand. Decreases in expenses related to compensation and benefits, scholarships and fellowships, depreciation and amortization, and other expenses, were offset by an increase in services and supplies expense.

The following summarizes operating expenses by functional classification:

Operating Expenses by Function (in 000's)

For the Year Ended June 30,	**2020**	2019	2018
Instruction	**41,185**	39,915	40,852
Research	**624**	810	912
Public Service	**1,217**	360	532
Academic Support	**10,258**	10,245	10,248
Student Services	**8,340**	7,410	7,641
Auxiliary Programs	**23,199**	23,527	24,225
Institutional Support	**7,973**	7,377	6,996
Operation and Maintenance of Plant	**5,446**	5,371	5,166
Student Aid	**8,997**	6,007	6,584
Other Operating Expenses	**6,743**	6,882	4,924
Total Operating Expenses	**113,982**	107,904	108,080

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

For the Year Ended June 30, 2020	As Reported	Without GASB 68/71 & 75	Difference
Instruction	$ 41,185	$ 39,950	$ 1,235
Research	624	601	23
Public Service	1,217	1,179	38
Academic Support	10,258	9,904	354
Student Services	8,340	8,062	278
Auxiliary Programs	23,199	22,797	402
Institutional Support	7,973	7,701	272
Operations & Maint. of Plant	5,446	5,195	251
Student Aid	8,997	8,997	0
Other Operating Expenses	6,743	6,678	65
Total Operating Expenses	**$ 113,982**	**$ 111,064**	**$ 2,918**

For the Year Ended June 30, 2019	As Reported	Without GASB 68/71 & 75	Difference
Instruction	39,915	40,016	(101)
Research	810	815	(5)
Public Service	360	366	(6)
Academic Support	10,245	10,271	(26)
Student Services	7,410	7,441	(31)
Auxiliary Programs	23,527	23,573	(46)
Institutional Support	7,377	7,407	(30)
Operations & Maint. of Plant	5,371	5,401	(30)
Student Aid	6,007	6,007	0
Other Operating Expenses	6,882	6,889	(7)
Total Operating Expenses	107,904	108,186	(282)

For the Year Ended June 30, 2018	As Reported	Without GASB 68/71 & 75	Difference
Instruction	40,852	39,138	1,714
Research	912	876	36
Public Service	532	511	21
Academic Support	10,248	9,837	411
Student Services	7,641	7,294	347
Auxiliary Programs	24,225	23,678	547
Institutional Support	6,996	6,647	349
Operations & Maint. of Plant	5,166	4,828	338
Student Aid	6,584	6,584	0
Other Operating Expenses	4,924	4,844	80
Total Operating Expenses	108,080	104,237	3,843

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

Without the adjustments to compensation and benefits required under GASB Statement Nos. 68, 71 and 75, total operating expenses for WOU would have decreased by $2,918 thousand, or 3 percent, during 2020 and would have increased by $282 thousand, or 1 percent, during 2019.

Operating Expenses by Nature

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

The following summarizes operating expenses by natural classification:

Operating Expenses by Natural Classification (in 000's)

For the Year Ended June 30,		**2020**		2019		2018
Compensation and Benefits	**$**	**80,462**	$	74,642	$	74,685
Services and Supplies		**17,418**		20,109		19,635
Scholarships and Fellowships		**8,573**		6,789		7,075
Depreciation and Amortization		**6,465**		6,371		6,555
Other Expenses		**1,064**		(7)		130
Total Operating Expenses	**$**	**113,982**	$	107,904	$	108,080

Comparison of fiscal year 2020 to fiscal year 2019

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

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

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

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

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

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

Comparison of fiscal year 2019 to fiscal year 2018

Compensation and Benefits costs decreased by $43 thousand, or less than 1 percent.

- Salary and wage costs increased by $3,055 thousand due to increased wages and increases in faculty and staff employees.
- Retirement and health insurance costs increased by $367 thousand due to rate increases and additional faculty and staff employees.
- Other payroll expenses increased by $393 thousand.
- Other costs associated with compensation and benefits decreased by $76 thousand.
- Adjustments and accruals associated with the net pension liability reporting requirement of GASB Statement Nos. 68 and 71 decreased by $4,041 thousand. *See table on the previous page and Note 14 Employee Retirement Plans for additional information on this variance.*
- Adjustments and accruals associated with the OPEB asset/(liability) reporting requirements of GASB Statement No. 75 decreased by $85 thousand. *See table on the previous page and Note 15 Other Postemployment Benefits (OPEB) for additional information on this variance.*
- Other year end accruals associated with payroll, including hourly wages payable and compensated absences, increased by $344 thousand.

Services and Supplies expense increased by $474 thousand, or 2 percent, during 2019. Decrease in waste disposal, maintenance and repairs, and subcontract expenses were offset by increases in supplies, utilities, travel, and other services and supplies expenses.

Scholarships and Fellowships expenses decreased by $286 thousand, or 4 percent. This net decrease corresponds to a decrease in federal PELL, SEOG and TEACH grants only somewhat offset by increases in state opportunity grants and private aid. This expense category does not include fee remissions, which are reported as reductions to student tuition and fee revenues.

Depreciation and Amortization expense decreased by $184 thousand, or 3 percent, primarily due to asset retirements and some buildings now being fully depreciated.

Nonoperating Expenses

Comparison of fiscal year 2020 to fiscal year 2019

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

Comparison of fiscal year 2019 to fiscal year 2018

Interest Expense decreased by $242 thousand, or 10 percent, due primarily to decreas*ed bond interest expense.*

Other Nonoperating Items increased by $196 thousand, or 84 percent, due primarily to the recording of the return of Perkins contributed capital in the prior year.

CAPITAL ASSETS AND RELATED FINANCING ACTIVITIES

Capital Assets

At June 30, 2020, WOU had $232,673 thousand in capital assets, less accumulated depreciation of $105,236 thousand, for net capital assets of $127,437 thousand. At June 30, 2019, WOU had $217,442 thousand in capital assets, less accumulated depreciation of $99,321 thousand, for net capital assets of $118,121 thousand. WOU is committed to a comprehensive program of capital investment and facility maintenance that includes addressing current maintenance needs and minimizing WOU's deferred maintenance backlog. State, federal, private, debt, and internal WOU funding are all used to accomplish WOU's capital objectives.

Capital additions totaled $15,781 thousand for 2020, $10,470 thousand for 2019, and $8,147 thousand for 2018.

Capital asset additions for 2020 primarily included $10,309 thousand for construction in progress for buildings; $1,097 thousand for equipment and library materials; and $4,375 thousand for buildings. Capital asset additions for 2019 primarily included $7,495 thousand for construction in progress for buildings; $1,008 thousand for equipment; $1,227 thousand for buildings; and $618 thousand for land improvements.

See Note 5 Capital Assets for additional information.

Debt Administration

During 2020, long-term debt held by WOU decreased by $2,514 thousand, or 5 percent, from $51,861 thousand to $49,347 thousand.

- WOU made debt service principal payments totaling $2,316 thousand on outstanding long-term debt.
- WOU's obligation for accreted interest on outstanding debt decreased by a net $198 thousand.

During 2019, long-term debt held by WOU increased by $300 thousand, or 1 percent, from $51,561 thousand to $51,861 thousand.

- WOU made debt service principal payments totaling $2,525 thousand on outstanding long-term debt.
- WOU's outstanding debt increased by $3,020 thousand as the result of the state selling XI-F(1) bonds on behalf of the university. The debt is repayable to the state.

See Note 8 Long-Term Liabilities for additional details.

- WOU's obligation for accreted interest on outstanding debt decreased by a net $195 thousand.

Economic Outlook

As Western Oregon University continues on its path to becoming Oregon's first public university to attain Hispanic Serving Institution (HSI) status, we are also working to address enrollment challenges that are both systemic and alignment driven. Systemic issues include the demographic shift where there are fewer high school graduates and the affordability cliff that is preventing too many low and middle-income students and families from even considering a university education. Our growth in the number of Latinx students on campus reflects strong outreach efforts and continued success in retention and graduation rates of Latinx students. Alignment issues are centered upon the degrees offered and campus efforts to connect with and support K-12 and community college partners. The university is in the midst of a multi-year effort to add undergraduate and graduate degrees that meet current and emerging workforce needs for the state. Quality academic program development requires adequate time to conduct thorough needs analysis, develop a strong and relevant curriculum and create a strong connection to external partners.

COVID-19 presented unique challenges to campus operations in FY2020. In interests of health and safety and in accordance with Governor Brown's executive orders, WOU shifter to remote learning for Spring 2020 and encourage students to leave student housing and to return to their primary residencies. As a result, auxiliary services were significantly impacted by lost revenues.

Overall personnel costs comprise the largest factor in Western's operating budget representing more than 80 percent of expenses. Reduction in tuition and fee revenues as well as a significant decline in auxiliary revenues created serious fiscal challenges and necessitated personnel reduction in FY2020 in addition to cuts in services and supplies expenses.

The WOU Board of Trustees and university leadership remain committed to addressing the challenges of declining enrollment and COVID19 to ensure a sustainable future for the institution while providing an affordable education that meets our students' unique needs.

We move forward with a focus on student success that comes as the result of the hard work and dedication of outstanding faculty, staff, and academic leaders who place the needs of our students first.

	2020	2019	2018
Viability Ratio (expendable net position to long-term debt)	0.21	0.48	0.46
Primary Reserve Ratio (expendable net position to operating expenses)	0.09	0.24	0.23
Net Revenues Ratio (total net income to total revenues)	-16.08%	-1.28%	-1.78%
Return on Net Assets Ratio (change in net position to beginning net position)	-0.98%	7.16%	7.18%
Debt Burden Ratio (debt service to total expenditures)	3.61%	4.03%	3.94%

VIABILITY RATIO

The Viability Ratio is a measure of clear financial health; the availability of expendable net position to cover debt should the university need to settle its obligations as of the fiscal year end. Expendable net position is the balance in total net position excluding investment in capital assets and non-expendable endowments of the university plus the unrestricted and temporarily restricted net assets of the component unit. Long-term debt includes bonds, loans and capital leases payable by the university as well as the long-term liabilities of the component unit. A ratio of 1.00 or greater indicates an institution has sufficient expendable net position to satisfy debt requirements. WOU's Viability Ratio was 0.21 for fiscal year 2020.

PRIMARY RESERVE RATIO

The Primary Reserve Ratio, calculated by dividing expendable net position by operating expenses, measures the ability of the University to continue operating at current levels, within current restrictions, without future revenues. Total operating expenses include the operating expenses and interest expenses of both the university and the component unit. Proof of an adequate reserve ratio is often required to secure long-term financing. A ratio of 1.0 denotes that an institution would have the ability to cover its expenses for one year without a revenue stream. WOU's Primary Reserve Ratio was 0.09 for fiscal year 2020.

NET REVENUES RATIO

The Net Revenues Ratio indicates whether the university has an operating surplus or deficit for the year. Total net income includes operating income (loss) plus net nonoperating revenues of the university, excluding capital gifts and debt service appropriations, plus total change in unrestricted net assets of the component unit. Total revenues include operating and net nonoperating revenues of the University plus unrestricted revenues, gains and other support of the component unit. A positive ratio indicates that the university experienced an operating surplus for the year. WOU's Net Revenues Ratio was -16.08 percent for fiscal year 2020.

RETURN ON NET ASSETS RATIO

The Return on Net Assets Ratio determines whether the university is financially better off than in previous years by measuring total economic return. Total change in net position includes the change in net position for the University plus the change in total net assets for the component unit. Total beginning net position includes the beginning net position of the university plus the total beginning net assets of the component unit. A positive ratio indicates a net increase in total net position at the end of the year. WOU's Return on Net Assets Ratio for fiscal year 2019 was -0.98 percent.

DEBT BURDEN RATIO

This ratio examines the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. It compares the level of current debt service with the institution's total expenditures. Total debt service includes the interest and principal payments on capital debt of both the university and the component unit. Total expenditures includes total expenses, including any loss on sale of assets and transfers, less depreciation plus debt service principal payments of both the University and the component unit. WOU's Debt Burden Ratio for fiscal year 2020 was 3.61 percent.

STATEMENTS OF NET POSITION
Western Oregon University

As of June 30,	2020	2019
	(In thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	**$23,281**	$21,367
Collateral from Securities Lending (Note 2)	**491**	1,408
Accounts Receivable, Net (Note 3)	**12,843**	15,373
Notes Receivable, Net (Note 4)	**535**	739
Inventories	**1,385**	1,232
Prepaid Expenses	**531**	373
Total Current Assets	**39,066**	40,492
Noncurrent Assets		
Investments (Note 2)	**12,744**	25,536
Notes Receivable, Net (Note 4)	**2,113**	2,518
Net OPEB Asset (Note 15)	**526**	290
Capital Assets, Net of Accumulated Depreciation (Note 5)	**127,437**	118,121
Total Noncurrent Assets	**142,820**	146,465
Total Assets	**181,886**	186,957
DEFERRED OUTFLOWS OF RESOURCES (Note 6)	**13,224**	13,055
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	**11,764**	10,897
Deposits	**241**	212
Obligations Under Securities Lending (Note 2)	**491**	1,408
Current Portion of Long-Term Liabilities (Note 9)	**4,854**	4,791
Unearned Revenues	**3,393**	3,438
Total Current Liabilities	**20,743**	20,746
Noncurrent Liabilities		
Long-Term Liabilities (Note 9)	**50,129**	52,631
Net Pension Liability (Note 14)	**37,199**	33,824
OPEB Liability (Note 15)	**2,163**	2,361
Total Noncurrent Liabilities	**89,491**	88,816
Total Liabilities	**110,234**	109,562
DEFERRED INFLOWS OF RESOURCES (Note 6)	**2,193**	2,045
NET POSITION		
Net Investment in Capital Assets	**78,243**	66,611
Restricted Expendable For:		
Gifts, Grants and Contracts	**345**	723
Student Loans	**6,323**	7,375
Capital Projects	**627**	1,845
Debt Service	**184**	116
OPEB Asset	**526**	290
Unrestricted (Note 10)	**(3,565)**	11,445
Total Net Position	**$82,683**	$88,405

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

As of June 30,	2020	2019
	(In thousands)	
ASSETS		
Cash and Cash Equivalents	**451**	503
Pledges Receivable	**61**	37
Contributions receivable	**2,833**	0
Investments (Note 2)	**18,590**	17,004
Due from WOU	**108**	245
Property and Equipment, Net	**140**	214
Total Assets	**22,183**	18,003
LIABILITIES		
Accounts Payable and Accrued Liabilities	**26**	76
Annuities Payable	**847**	892
Notes Payable	**0**	76
Total Liabilities	**873**	1,044
NET ASSETS		
Without Donor Restrictions	**1,613**	2,164
With Donor Restrictions	**19,697**	14,795
Total Net Assets	**21,310**	16,959
Total Net Assets & Liabilities	**22,183**	18,003

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Western Oregon University

For the Years Ended June 30,	2020	2019
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of $16,557 and $13,338, respectively)	$ **25,578**	$ 32,253
Federal Grants and Contracts	**6,186**	6,477
State and Local Grants and Contracts	**813**	1,198
Nongovernmental Grants and Contracts	**251**	359
Educational Department Sales and Services	**565**	688
Auxiliary Enterprises Revenues (Net of Allowances of $1,556 and $1,494, respectively)	**15,481**	20,025
Other Operating Revenues	**2,369**	3,507
Total Operating Revenues	**51,243**	64,507
OPERATING EXPENSES		
Instruction	**41,185**	40,291
Research	**624**	810
Public Service	**1,217**	360
Academic Support	**10,258**	9,869
Student Services	**8,340**	7,410
Auxiliary Programs	**23,199**	23,527
Institutional Support	**7,973**	7,377
Operation and Maintenance of Plant	**5,446**	5,371
Student Aid	**8,997**	6,007
Other Operating Expenses	**6,743**	6,882
Total Operating Expenses (Note 12)	**113,982**	107,904
Operating Loss	**(62,739)**	(43,397)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations (Note 13)	**28,202**	25,547
Federal and State Grants	**17,116**	14,284
Gifts	**1,482**	1,050
Investment Activity (Note 11)	**1,831**	2,487
Gain/(Loss) on Sale of Assets, Net	**80**	(41)
Interest Expense	**(2,268)**	(2,128)
Other Nonoperating Items	**37**	(37)
Net Nonoperating Revenues	**46,480**	41,162
Loss Before Other Nonoperating Revenues	**(16,259)**	(2,235)
Debt Service Appropriations (Note 13)	**382**	382
Capital Grants and Gifts	**10,155**	7,506
Total Other Nonoperating Revenues	**10,537**	7,888
Increase/(Decrease) In Net Position	**(5,722)**	5,653
NET POSITION		
Beginning Balance	**88,405**	82,752
Ending Balance	$ **82,683**	$ 88,405

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

For the Years Ended June 30,		2020		2019
		(In thousands)		
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUES				
Contributions	$	**800**	$	650
Net Investment Returns		**35**		79
Net Assets Released From Restrictions		**1,273**		2,177
Other Revenues		**11**		35
Total Revenues		**2,119**		2,941
EXPENSES				
University and Scholarships Program		**1,826**		1,509
Managerial and General		**400**		409
Fundraising		**444**		207
Total Expenses		**2,670**		2,125
Increase In Net Assets Without Donor Restrictions		**(551)**		816
Beginning Net Assets Without Donor Restrictions		**2,164**		1,348
Ending Net Assets Without Donor Restrictions	$	**1,613**	$	2,164
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS				
REVENUES				
Contributions	$	**5,353**	$	1,652
Net Investment Returns		**591**		815
Other Revenues		**230**		285
Net Assets Released From Restrictions		**(1,273)**		(2,177)
Increase In Net Assets With Donor Restrictions		**4,901**		575
Beginning Net Assets With Donor Restrictions		**14,795**		14,221
Ending Net Assets With Donor Restrictions		**19,696**		14,796
Beginning Balance		**16,959**		15,569
Increase In Total Net Assets		**4,350**		1,391
Ending Balance	$	**21,310**	$	16,960

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

STATEMENT OF CASH FLOWS
Western Oregon University

For the Years Ended June 30,	2020	2019
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	**$ 26,994**	$ 30,565
Grants and Contracts	**8,911**	6,636
Educational Department Sales and Services	**565**	688
Auxiliary Enterprises Operations	**15,860**	19,464
Payments to Employees for Compensation and Benefits	**(76,894)**	(74,804)
Payments to Suppliers	**(19,087)**	(19,705)
Student Financial Aid	**(8,297)**	(6,789)
Other Operating Receipts	**2,202**	3,435
Net Cash Used by Operating Activities	**(49,746)**	(40,510)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Government Appropriations	**28,202**	25,547
Federal and State Grants	**17,116**	14,284
Other Gifts and Private Contracts	**1,284**	1,012
Net Internal Agency Fund Payments	**29**	(96)
Net Cash Provided by Noncapital Financing Activities	**46,631**	40,747
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt Service Appropriations	**382**	382
Capital Grants and Gifts	**10,158**	4,515
Bond Proceeds from Capital Debt	**-**	3,020
Sales of Capital Assets	**80**	2
Purchases of Capital Assets	**(15,736)**	(10,197)
Interest Payments on Capital Debt	**(2,199)**	(2,229)
Principal Payments on Capital Debt	**(2,279)**	(2,720)
Net Cash Used by Capital and Related Financing Activities	**(9,594)**	(7,227)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Sales (Purchases) of Investments	**12,626**	6,781
Income on Investments and Cash Balances	**1,997**	1,376
Net Cash Provided (Used) by Investing Activities	**14,623**	8,157
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,914**	1,167
CASH AND CASH EQUIVALENTS		
Beginning Balance	**21,367**	20,200
Ending Balance	**$ 23,281**	$ 21,367

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

For the Years Ended June 30,		2020		2019
		(In thousands)		
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Loss	**$**	**(62,739)**	$	(43,397)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:				
Depreciation Expense		**6,465**		6,371
Changes in Assets and Liabilities:				
Accounts Receivable		**2,527**		(3,860)
Notes Receivable		**610**		587
Inventories		**(153)**		(18)
Prepaid Expenses		**(158)**		(84)
Accounts Payable and Accrued Liabilities		**785**		917
Long-Term Liabilities		**(155)**		(297)
Unearned Revenue		**153**		(446)
Net Pension Liability and Related Deferrals		**3,095**		(17)
OPEB (Asset)/Liability and Related Deferrals		**(176)**		(266)
NET CASH USED BY OPERATING ACTIVITIES	**$**	**(49,746)**	$	(40,510)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS				
Increase (Decrease) in Fair Value of Investments Recognized as a Component of Investment Activity		**(166)**		1,111
Capital assets acquired through capital lease		**399**		

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Financial Statement Presentation

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

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

Financial statements of the foundation for the fiscal years ended June 30, 2020, and 2019 are discretely presented because of the difference in its reporting model. The foundation's financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the university. No modifications have been made to the foundation's financial information included in the university's financial report.

C. Basis of Accounting

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

NEWLY IMPLEMENTED ACCOUNTING STANDARDS

There were no new GASB standards effective for fiscal year 2020 that had a significant impact on WOU.

UPCOMING ACCOUNTING STANDARDS

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. GASB Statement No 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and guidance on how to report activities meeting the criteria in a fiduciary fund in the basic financial statements. The Statement is effective for the fiscal year ending June 30, 2021, and may apply to custodial funds, primarily for student groups, held by the university.

In June 2017, GASB issued Statement No. 87, Leases. GASB Statement No. 87 improves the accounting and financial reporting for leases and is effective for the fiscal year ended June 30, 2022. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. This Statement will substantially impact the university's lease accounting and reporting.

Notwithstanding the previously adopted effective dates as set forth by GASB, Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, issued on May 8, 2020. GASB Statement No. 95 provides relief to governments and stakeholders in light of the COVID-19 pandemic. The guidance postpones by one year the effective date of certain provisions in Statement No. 84; and postpones the effective date of Statement No. 87 by eighteen months.

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

D. Cash and Cash Equivalents

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

E. Investments

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

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

F. Receivables

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

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

G. Inventories

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

H. Capital Assets

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

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

I. Unearned Revenues

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

J. Compensated Absences

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

Sick leave is recorded as an expense when paid.

K. Net Pension Liability

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

L. Other Postemployment Benefits (OPEB) Liabilities and Asset

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

M. Deferred Outflows and Deferred Inflows of Resources

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

N. Net Position

WOU's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS

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

RESTRICTED – EXPENDABLE

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

UNRESTRICTED

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

O. Restricted/Unrestricted Resources

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

P. Endowments

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

The Board established a quasi-enowment in 2019. The quasi-endowment was funded with $1,000 thousand.

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

Q. Income Taxes

WOU is treated as a governmental entity for tax purposes. As such, WOU is generally not subject to federal and state income taxes. However, WOU remains subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which it was granted exemption from income taxes. No income tax is recorded for the years ended June 30, 2020 or 2019, because there is no significant amount of taxes on such unrelated business income for WOU.

R. Revenues and Expenses

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

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

Nonoperating revenues and expenses generally have the characteristics of nonexchange transactions. In a nonexchange transaction, WOU receives value without directly giving equal value in exchange. Examples of nonoperating revenues include state appropriations, nonexchange grants, gifts, investment activity, and contributions. Nonoperating expenses are defined in GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB Statement No. 34, Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments. Examples of nonoperating expenses include interest on capital debt and loss on sale of assets.

S. State Support

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

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

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

T. Allowances

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

WOU has three types of allowances that net into tuition and fees. Tuition and housing waivers, provided directly by WOU, amounted to $6,615 and $5,145 for the fiscal years ended 2020 and 2019, respectively. Revenues from financial aid programs (e.g. Pell Grants, Supplemental Educational Opportunity Grants, and Oregon Opportunity Grants) used for paying student tuition and fees and campus housing was estimated to be $9,894 and $9,367 for the fiscal years ended 2020 and 2019, respectively. Bad debt expense is included as an allowance to operating revenues and is estimated to be $1,604 and $320 for the fiscal years ended 2020 and 2019, respectively.

U. Federal Student Loan Programs

WOU receives proceeds from the Federal Direct Student Loan Program. Since WOU transmits these grantor supplied moneys without having administrative or direct financial involvement in the program, these loans are reported in an internal agency fund. Federal student loans received by WOU students but not reported in operations was $23,745 and $26,430 for the fiscal years ended 2020 and 2019, respectively.

For the years ended June 30, 2020 and 2019 (dollars in thousands)

V. Deposit Liabilities

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

W. Use of Estimates

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

X. Reclassifications

Certain amounts within the June 30, 2019, financial statements have been reclassified to conform to the June 30, 2020, presentation. The reclassifications had no effect on the previously reported total net position and do not constitute a restatement of prior periods.

2. CASH AND INVESTMENTS

At June 30, 2020, and 2019, the majority of WOU's cash and investments were held in custody with the Oregon State Treasury (OST). The OST manages these invested assets through several commingled investment pools. The operating funds of WOU are commingled with cash and investments from other public universities in Oregon and referred to collectively as the Public University Fund (PUF). The investments held in the PUF are managed by the OST and administered by the statutorily defined designated university, currently Oregon State University. WOU is a participant in the PUF investment pools along with other public universities from the State. Each underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the respective investment pool. OST invests these deposits in high grade, dollar-denominated, short and intermediate-term fixed income securities. The Oregon Investment Council (OIC) provides oversight and counsel on the investment policies for each investment pool held in the PUF.

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

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

A. Cash and Cash Equivalents

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

	June 30, 2020	June 30, 2019
Current		
Unrestricted	**$ 13,710**	$ 11,949
Unrestricted Cash Reserve	**570**	1,076
Debt Service Cash Reserve	**887**	695
Quasi-Endowment	**56**	364
Restricted For:		
Student Aid	**2,104**	1,906
Debt Service	**303**	240
Payroll Vendor Payments	**4,634**	3,935
Student Groups and Campus Organizations	**186**	196
Title IV Perkins Loan Cash	**812**	985
Petty Cash	**20**	21
Total	**23,281**	21,367

For the years ended June 30, 2020 and 2019 (dollars in thousands)

DEPOSITS WITH OREGON STATE TREASURY

WOU maintains the majority of its cash balances on deposit with OST. These deposits at the OST are held, on a pooled basis as described above, in the Oregon Short-Term Fund (OSTF). The OSTF is a short-term cash and investment pool available for use by all state agencies or by agreement for related state agencies, such as WOU. The OST invests these deposits in high-grade short-term investment securities. While WOU is not required by statute to collateralize deposits, the university has a contractual obligation with the OST to collateralize deposits within 24 hours of receipt. At the fiscal year ended June 30, 2020 and 2019, WOU cash and cash equivalents on deposit at OST were $22,449 and $20,361, respectively.

CUSTODIAL CREDIT RISK—DEPOSITS

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

FOREIGN CURRENCY RISK—DEPOSITS

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

OTHER DEPOSITS

For the years ended June 30, 2020, and 2019, WOU had cash at US Bank held for Title IV Perkins Loans of $812 and $985, respectively. Additionally, for the years ended June 30, 2020 and 2019, WOU had vault and petty cash balances of $20 and $21, respectively.

B. Investments

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

During 2019, WOU established a quasi-endowment, funded with an initial investment of $1 million. The WOU quasi-endowment assets are managed separately by the State Treasury, invested in mutual and/or index funds, and directed by external investment managers who are under contract to the OIC. Per policy, the endowment assets have a medium to long-term time horizon. As such, the assets are invested with a medium-term horizon while maintaining a prudent level of risk.

All investments are managed as a prudent investor would do, exercising reasonable care, skill and caution. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the Statement of Net Position.

Significant events in domestic and international investment markets or aggressive action by the Federal Open Market Committee to influence both short and long-term interest rates contribute to price volatility. Consequently, the fair value of WOU's investments is exposed to price volatility which could result in a substantial change in the fair value of certain investments from the amounts reported as of June 30, 2020 and 2019.

	June 30, 2020	June 30, 2019
Investment Type:		
Marketable Securities	**$ 17,632**	$ 16,702
Money Market Funds and Cash	**912**	259
Cash Value of Life Insurance Policies	**46**	42
Total Investments	**$ 18,590**	$ 17,003

Investments are all classified as noncurrent and include both restricted and unrestricted funds. At June 30, 2020 and 2019, WOU had a total of $12,744 and $25,536 in investments, respectively.

Investments of the WOU discretely presented component unit are summarized at fair value, shown at left.

CREDIT RISK

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. WOU has an investment policy for each segment of its investment portfolio. As of June 30, 2020, approximately 91.5 percent of investments in the CBF were subject to credit risk reporting. Fixed income securities rated by the credit agencies as BBB to AAA, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $120,344, or 62.6 percent of the PUF Core Bond Fund. Fixed income securities which have not been evaluated by the rating agencies totaled $55,753, or 29 percent of the PUF Core Bond Fund. The PUF Core Bond Fund totaled $192,396, of which WOU owned $11,737, or 6.1 percent. As of June 30, 2020, WOU's endowment assets managed by the State Treasury are invested in commingled funds and do not have independently published ratings.

As of June 30, 2019, approximately 93.3 percent of investments in the CBF were subject to credit risk reporting. Fixed income securities rated by the credit agencies as BBB to AAA, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $209,190, or 61.8 percent of the PUF Core Bond Fund. Fixed income securities which have not been evaluated by the rating agencies totaled $106,502, or 31.5 percent of the PUF Core Bond Fund. The PUF Core Bond Fund totaled $338,348, of which WOU owned $24,879 or 7.4 percent.

CUSTODIAL CREDIT RISK

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the university will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The OIC has no formal policy regarding the holding of securities by a custodian or counterparty. For the years ended June 30, 2020, and 2019, the university's investments were exposed to custodial credit risk indirectly through the OST.

CONCENTRATION OF CREDIT RISK

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

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. Per PUF investment policy, all investments are to be in U.S. dollar denominated securities, therefore no amounts of the PUF CBF investments had reportable foreign currency risk at June 30, 2020 or 2019.

As of June 30, 2020, approximately 28.9 percent or $291 of WOU endowments managed by the State Treasury were subject to foreign currency risk. As of June 30, 2019, $40, or 6.1 percent, of the quasi-endowment investments were held subject to foreign currency risk.

INTEREST RATE RISK

Investments in fixed income securities are subject to the risk that changes in interest rates will adversely affect the fair value of the investments. As of June 30, 2020, securities in the CBF held subject to interest rate risk totaling $176,097 had an average duration of 3.77 years. As of June 30, 2020, WOU endowments managed through the State Treasury held subject to interest rate risk totaling $280 had an average duration of 6.2 years. As of June 30, 2019, securities in the CBF held subject to interest rate risk totaling $316,692 had an average duration of 3.39 years. As of June 30, 2019, WOU endowments managed through the State Treasury held subject to interest rate risk totaling $280 had an average duration of 6.2 years. Duration measures the change in the value of a fixed income security that will result from a 1% change in interest rates.

FAIR VALUE MEASUREMENT

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

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

The fair value of WOU's investments in the PUF are based on the investments' net asset value (NAV) per share provided by the Treasury. Fair value measurements for the university's investments in the CBF at June 30, 2020 and 2019 totaled $11,737 and $24,879, respectively.

The value of WOU's quasi-endowment managed by the State Treasury totaled $1,007 and $657 at June 30, 2020, and June 30, 2019, respectively.

C. Securities Lending

In accordance with the state investment policies, the state participates in securities lending transactions. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the State's securities pursuant to a form of loan agreement. Both the state and borrowers maintain the right to terminate all securities lending transactions on demand. WOU's cash on deposit with the OST is subject to securities lending. There were no significant violations of the provisions of securities lending agreements during the years ended June 30, 2020, and 2019.

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

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

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

The maturities of investments made with the cash collateral generally do not match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2020, and 2019, is effectively one day. As of June 30, 2020, and 2019, the state had no credit risk exposure to borrowers because the amounts owed to borrowers exceeded the amounts borrowers owed to the State.

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

	June 30, 2020	June 30, 2019
Investment Type		
U.S. Treasury and Agency Securities	**$ 764**	$ 1,990
Domestic Fixed Income Securities	**77**	453
Total	**$ 841**	$ 2,443

For the years ended June 30, 2020 and 2019 (dollars in thousands)

3. ACCOUNTS RECEIVABLE

Accounts Receivable comprised the following:

	June 30, 2020	June 30, 2019
Student Tuition and Fees	**$ 13,306**	$ 18,487
Federal Grants and Contracts	**2,319**	2,816
State Capital Construction Grants and Contracts	**3,298**	3,301
Auxiliary Enterprises and Other Operating Activities	**1,923**	2,464
State, Other Government, and Private Gifts, Grants and Contracts	**73**	1,052
Other	**420**	241
	21,339	28,361
Less: Allowance for Doubtful Accounts	**(8,496)**	(12,988)
Accounts Receivable, Net	**$ 12,843**	$ 15,373

4. NOTES RECEIVABLE

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

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

	June 30, 2020			June 30, 2019		
	Current	**Noncurrent**	**Total**	Current	Noncurrent	Total
Institutional and Other Student Loans	**$ 438**	**$ 4**	**$ 442**	$ 768	$ 5	$ 773
Federal Student Loans	**545**	**2,454**	**2,999**	666	2,996	3,662
	983	**2,458**	**3,441**	1,434	3,001	4,435
Less: Allowance for Doubtful Accounts	**(450)**	**(346)**	**(794)**	(695)	(483)	(1,178)
Notes Receivable, Net	**$ 533**	**$ 2,113**	**$ 2,647**	$ 739	$ 2,518	$ 3,257

For the years ended June 30, 2020 and 2019 (dollars in thousands)

5. CAPITAL ASSETS

The following schedule reflects the changes in capital assets:

	Balance July 1, 2018	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2019	**Additions**	**Transfer Completed Assets**	**Retirements and Adjustments**	**Balance June 30, 2020**
Capital Assets,									
Non-depreciable/Non-amortizable:									
Land	$ 5,680	$ -	$ -	$ -	$ 5,680	**$ -**	**$ -**	**$ -**	**$ 5,679**
Capitalized Collections	667	-	-	-	667	**-**	**-**	**-**	**667**
Construction in Progress	973	7,495	(25)	-	8,443	**10,309**	**(9,974)**	**-**	**8,779**
Total Capital Assets, Non-depreciable/Non-amortizable	7,320	7,495	(25)	-	14,790	**10,309**	**(9,974)**	**-**	**15,125**
Capital Assets, Depreciable/ Amortizable:									
Equipment	10,649	1,008	-	(461)	11,196	**$ 1,055**	**$ -**	**$ (417)**	**$ 11,835**
Library Materials	5,543	64	-	(16)	5,591	**41**	**-**	**(134)**	**5,498**
Buildings	167,531	1,227	25	-	168,783	**4,013**	**9,974**	**-**	**182,771**
Land Improvements	4,811	618	-	-	5,429	**-**	**-**	**-**	**5,429**
Improvements Other Than Buildings	2,861	58	-	-	2,919	**-**	**-**	**-**	**2,919**
Infrastructure	6,864	-	-	-	6,864	**362**	**-**	**-**	**7,225**
Intangible Assets	1,870	-	-	-	1,870	**-**	**-**	**-**	**1,870**
Total Capital Assets, Depreciable/Amortizable	200,129	2,975	25	(477)	202,652	**5,472**	**9,974**	**(551)**	**217,548**
Less Accumulated Depreciation/ Amortization for:									
Equipment	(7,885)	(1,032)	-	418	(8,499)	**(974)**	**-**	**417**	**(9,057)**
Library Materials	(5,067)	(126)	-	16	(5,177)	**(101)**	**-**	**134**	**(5,143)**
Buildings	(70,179)	(4,440)	-	-	(74,619)	**(4,623)**	**-**	**-**	**(79,242)**
Land Improvements	(3,122)	(236)	-	-	(3,358)	**(242)**	**-**	**-**	**(3,601)**
Improvements Other Than Buildings	(1,570)	(247)	-	-	(1,817)	**(226)**	**-**	**-**	**(2,043)**
Infrastructure	(3,690)	(290)	-	-	(3,980)	**(299)**	**-**	**-**	**(4,280)**
Intangible Assets	(1,871)	-	-	-	(1,871)	**-**	**-**	**-**	**(1,870)**
Total Accumulated Depreciation/ Amortization	(93,384)	(6,371)	-	434	(99,321)	**(6,465)**	**-**	**551**	**(105,236)**
Total Capital Assets, Net	$114,065	$ 4,099	$ -	$ (43)	$ 118,121	**$ 9,316**	**$ -**	**$ -**	**$ 127,437**
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	$ 7,320	$ 7,495	$ (25)	$ -	$ 14,790	**$ 10,309**	**$ (9,974)**	**$ -**	**$ 15,125**
Capital Assets, Depreciable/ Amortizable	200,129	2,975	25	(477)	202,652	**5,472**	**9,974**	**(551)**	**217,548**
Total Cost of Capital Assets	207,449	10,470	-	(477)	217,442	**15,781**	**-**	**(551)**	**232,673**
Less Accumulated Depreciation/ Amortization	(93,384)	(6,371)	-	434	(99,321)	**(6,465)**	**-**	**551**	**(105,236)**
Total Capital Assets, Net	$114,065	$ 4,099	$ -	$ (43)	$ 118,121	**$ 9,316**	**$ -**	**$ -**	**$ 127,437**

For the years ended June 30, 2020 and 2019 (dollars in thousands)

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

	June 30, 2020	June 30, 2019
Deferred Outflows of Resources		
Pension		
Contributions Subsequent to the Measurement Date	**$ 4,432**	$ 3,028
Changes in Assumptions	**5,047**	7,864
Net Difference Between Projected and Actual Earnings on Plan Investments	**-**	-
Differences Between Contributions and Proportionate Share of Contributions	**39**	69
Change in Proportionate Share	**1,326**	631
Difference Between Expected and Actual Experience	**2,051**	1,151
OPEB		
Contributions Subsequent to the Measurement Date	**275**	250
Changes in Assumptions	**52**	59
Change in Proportionate Share	**2**	3
Total Deferred Outflows	**$ 13,224**	$ 13,055
Deferred Inflows of Resources		
Pension		
Differences Between Contributions and Proportionate Share of Contributions	**$ 548**	$ 154
Change in Proportionate Share	**171**	245
Net difference Between Projected and Actual Earnings on Plan Investments	**1,055**	1,502
OPEB		
Net difference Between Projected and Actual Earnings on Plan Investments	**34**	68
Difference Between Expected and Actual Experience	**100**	40
Changes in Assumptions	**285**	36
Total Deferred Inflows	**$ 2,193**	$ 2,045

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts Payable and Accrued Liabilities comprised the following:

	June 30, 2020	June 30, 2019
Services and Supplies	**$ 1,942**	$ 2,234
Salaries and Wages	**3,359**	3,194
Payroll Related	**4,545**	3,909
Accrued Interest	**1,054**	980
Perkins FCC Payable	**535**	259
Contract Retainage	**329**	321
	$ 11,764	$ 10,897

For the years ended June 30, 2020 and 2019 (dollars in thousands)

8. LONG-TERM LIABILITIES

Long-term liability activity was as follows:

	Balance June 30, 2019	Additions	Reductions	**Balance June 30, 2020**	**Amount Due Within One Year**	**Long-Term Portion**
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	$ 48,249	$ **12**	$ **(2,279)**	$ **45,982**	$ **2,342**	$ **43,640**
Oregon Department of Energy Loans (SELP)	3,612	**-**	**(247)**	**3,365**	**262**	**3,103**
Total Long-Term Debt	51,861	**12**	**(2,526)**	**49,347**	**2,604**	**46,743**
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	3,344	**-**	**(321)**	**3,024**	**329**	**2,695**
Compensated Absences	2,157	**2,048**	**(1,882)**	**2,323**	**1,746**	**577**
Faculty Banked Credits	60	**-**	**-**	**60**	**60**	**-**
Capital Lease Payable	-	**399**	**(170)**	**229**	**115**	**114**
Total Other Noncurrent Liabilities	5,561	**2,447**	**(2,373)**	**5,636**	**2,250**	**3,386**
Total Long-Term Liabilities	$ 57,422	$ **2,459**	$ **(4,899)**	$ **54,982**	$ **4,854**	$ **50,129**

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	$ 47,713	$ 3,048	$ (2,512)	$ 48,249	$ 2,279	$ 45,970
Oregon Department of Energy Loans (SELP)	3,848	-	(236)	3,612	243	3,369
Total Long-Term Debt	51,561	3,048	(2,748)	51,861	2,522	49,339
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	3,623	-	(279)	3,344	317	3,027
Compensated Absences	2,132	1,734	(1,709)	2,157	1,892	265
Faculty Banked Credits	103	60	(103)	60	60	-
Total Other Noncurrent Liabilities	5,858	1,794	(2,091)	5,561	2,269	3,292
Total Long-Term Liabilities	$ 57,419	$ 4,842	$ (4,839)	$ 57,422	$ 4,791	$ 52,631

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

For the Year Ending June 30,	Contracts Payable	SELP	Total Payments	Principal	Interest
2021	$ 4,368	$ 397	$ 4,765	$ 2,581	$ 2,184
2022	4,303	398	4,701	2,486	2,215
2023	4,352	397	4,749	2,745	2,004
2024	4,308	398	4,706	2,823	1,883
2025	4,298	397	4,695	2,940	1,755
2026-2030	20,194	1,963	22,157	15,509	6,648
2031-2035	13,895	212	14,107	10,508	3,599
2036-2040	10,286	0	10,286	9,058	1,228
2041-2045	573	0	573	545	27
Accreted Interest				153	(153)
				$ 49,347	$ 21,390
Total Future Debt Service	**66,577**	**4,162**	**70,739**		
Less: Interest Component of Future Payments	(20,593)	(797)	(21,390)		
Principal Portion of Future Payments	**$ 45,982**	**$ 3,365**	**$ 49,347**		

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

A. Contracts Payable

WOU has entered into loan agreements with the state for repayment of bonds issued by the state on behalf of WOU for capital construction and refunding of previously issued debt. WOU makes loan payments (principal and interest) to the state in accordance with the loan agreements. Loans, with effective yields ranging from 1.78 percent to 7.0 percent, are due serially through 2042. No bonds were issued by the state on behalf of WOU during fiscal year ended June 30, 2020.

During the fiscal year ended June 30, 2019, the state issued, on behalf of WOU, $3,020 of Series 2019E XI-F(1) Tax Exempt bonds with an effective rate of 5.00 percent, due serially through 2040 for capital construction. The issuance resulted in an increase to WOU's contracts payable to the state.

B. Oregon Department of Energy Loans

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

C. State and Local Government Rate Pool

Prior to the formation of the PERS state and local government rate pool (SLGRP), the state and community colleges were pooled together in the state and community college pool (SCCP), and local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002, at which time a transitional, pre-SLGRP liability was created. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the state is being amortized over the period ending December 31, 2027. The liability is allocated by the State, based on salaries and wages, to all public universities, state proprietary funds and the government-wide reporting fund in the state's comprehensive annual financial report. Interest expense was paid by WOU in the amount of $246 and $240 for June 30, 2020, and 2019, respectively. Principal payments of $321 and $279 were applied to the liability for June 30, 2020, and 2019, respectively.

For the years ended June 30, 2020 and 2019 (dollars in thousands)

D. Faculty Banked Credits

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

E. Revolving Line of Credit

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

9. UNRESTRICTED NET POSITION

Unrestricted net position is comprised of the following:

	June 30, 2020	June 30, 2019
University Operations	**$ 29,048**	$ 41,127
Unrestricted Quasi-Endowment	**1,062**	-
Net Pension Liability (See Note 14)	**(37,199)**	(33,824)
Other Post-Employment Benefits (OPEB) Liability (see Note 15)	**(2,163)**	(2,361)
Pension & OPEB Related Deferred Outflows (See Note 6)	**13,224**	13,055
Pension & OPEB Related Deferred Inflows (See Note 6)	**(2,193)**	(2,045)
State and Local Government Rate Pool Liability (see Note 9)	**(3,023)**	(3,344)
Compensated Absences Liability	**(2,261)**	(2,124)
Faculty Credit Banking Liability (See Note 9)	**(60)**	(60)
Total Unrestricted Net Position	**$ (3,565)**	$ 10,424

For the years ended June 30, 2020 and 2019 (dollars in thousands)

10. INVESTMENT ACTIVITY

Investment Activity details are as follows:

	June 30, 2020	June 30, 2019
Investment Earnings	**$ 1,436**	$ 1,432
Net Appreciation (Depreciation) of Investments	**$ (166)**	1,111
Royalties and Technology Transfer Income	**$ 16**	12
Interest Income	**$ 37**	12
Gain (Loss) on Sale of Investment	**$ 508**	(80)
Total Investment Activity	**$ 1,831**	$ 2,487

11. OPERATING EXPENSES BY NATURAL CLASSIFICATION

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

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

June 30, 2019	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 35,951	$ 3,511	$ 445	$ -	$ 8	$ 39,915
Research	595	213	-	1	1	810
Public Services	230	122	-	-	8	360
Academic Support	7,526	2,719	-	-	-	10,245
Student Services	6,187	1,123	69	8	23	7,410
Auxiliary Services	10,717	10,404	(21)	2,427	-	23,527
Institutional Support	6,721	656	-	-	-	7,377
Operation & Maint. Of Plant	4,964	407	-	-	-	5,371
Student Aid	-	(242)	6,296	-	(47)	6,007
Other	1,751	1,196	-	3,935	-	6,882
Total	$ 74,642	$ 20,109	$ 6,789	$ 6,371	$ (7)	$ 107,904

For the years ended June 30, 2020 and 2019 (dollars in thousands)

12. GOVERNMENT APPROPRIATIONS

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

	June 30, 2020	June 30, 2019
General Fund - Operations	**$ 27,134**	$ 24,966
General Fund - SELP Debt Service	**382**	382
Lottery Funding	**1,068**	581
Total State Appropriations	**$ 28,584**	$ 25,929

13. EMPLOYEE RETIREMENT PLANS

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

A. PUBLIC EMPLOYEES RETIREMENT PLAN (PERS)

Organization

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

Plan Membership

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

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

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

Pension Plan Report

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

Summary of Significant Accounting Policies

Employers participating in the Plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

Basis of Accounting

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

Proportionate Share Allocation Methodology

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

Pension Plan Liability

The components of the Plan's collective net pension liability as of the measurement dates of June 30, 2019, and 2018, are as follows (dollars in millions)

	June 30, 2020	June 30, 2019
Total Pension Liability	**$ 87,501**	$ 84,476
Plan Fiduciary Net Position	**70,204**	69,327
Plan Net Pension Liability	**$ 17,298**	$ 15,149

Changes Subsequent to the Measurement Date

The university is not aware of any changes to benefit terms subsequent to the June 30, 2019, measurement date

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

Pension Benefits

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

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

Death Benefits

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

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

Disability Benefits

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

Benefit Changes After Retirement

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

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

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP DB) PENSION PROGRAM

Pension Benefits

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

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

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP IAP) PENSION PROGRAM

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

PENSION PLAN CONTRIBUTIONS

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

Employer contributions rates for the fiscal year ended June 30, 2020, were based on the December 31, 2017, actuarial valuation. Employer contribution rates for the fiscal year ended June 30, 2019, were based on the December 31, 2015, actuarial valuation. The employer contribution rates for the PERS and OPSRP are as follows:

	2020	2019
PERS Tiers One/Two	**21.21%**	17.84%
OPSRP	**14.75%**	10.78%

NET PENSION LIABILITY

At June 30, 2020, the university reported a liability of $37,199 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2020, was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. At June 30, 2019, the university reported a liability of $33,824 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2019, was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The PERS system does not provide WOU an audited proportionate share as a separate employer; the university is a proportionate share of PERS employer state agencies which includes all state agencies. The State Department of Administrative Services calculated WOU's proportional share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The State Audits Division performed a review of this internal calculation. At June 30, 2020, WOU's proportion was 0.22 percent of the statewide pension plan, and 0.75 percent of employer state agencies. At June 30, 2019, WOU's proportion was 0.22 percent of the statewide pension plan, and 0.83 percent of employer state agencies.

For the years ended June 30, 2020, and 2019, WOU recorded total pension expense of $7,527 and $3,011, respectively, due to the changes in net pension liability, deferred inflows and deferred outflows.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the fiscal years ending June 30, 2020, and 2019, deferred items include:

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

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

- Measurement period ended June 30, 2019 – 5.2 years
- Measurement period ended June 30, 2018 – 5.2 years
- Measurement period ended June 30, 2017 – 5.3 years
- Measurement period ended June 30, 2016 – 5.3 years
- Measurement period ended June 30, 2015 – 5.4 years
- Measurement period ended June 30, 2014 – 5.6 years

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

One year of amortization is recognized in the university's total pension expense for fiscal years 2020 and 2019.

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

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

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

At June 30, 2019, WOU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,151	$ -
Changes of assumptions	7,864	-
Net difference between projected and actual earnings on pension plan investments	-	1,502
Differences between System's contributions and proportionate share of contributions	69	154
Change in Proportionate Share	631	245
Total	$ 9,715	$ 1,901
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	7,814	
Contributions Subsequent to the MD	3,028	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 10,842	

For the years ended June 30, 2020 and 2019 (dollars in thousands)

Of the amount reported as deferred outflows of resources, $3,028 are related to pensions resulting from WOU contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Deferred Outflow/ (Inflow) of Resources		
Year Ended June 30:		
2021	$	3,837
2022		554
2023		1,201
2024		1,007
2025		90
	$	**6,689**

Actuarial Methods and Assumptions

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

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

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2020, and 2019, was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The sensitivity analysis shows the sensitivity of the university's proportionate share of the net pension asset to changes in the discount rate. The following presents the university's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent as of June 30, 2020, and 7.20 percent as of June 30, 2019, as well as what the university's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2020	June 30, 2019
1% Decrease 6.20%	**$ 59,572**	$ 56,526
Current Discount Rate 7.20%	**37,199**	33,824
1% Increase 8.20%	**18,477**	15,085

Depletion Date Projection

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

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

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

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

Assumed Asset Allocation

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table on the following page shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

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

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

BOND DEBT

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

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

The payroll assessment for the pension obligation bond began in May 2004. The assessment rate for fiscal year 2020 was 5.6 percent. The assessment rate for fiscal year 2019 was 6.2 percent through October 31, 2017. Payroll assessments for the fiscal years ended June 30, 2020, and 2019, were $1,702 and $1,764, respectively.

B. OTHER RETIREMENT PLANS

OPTIONAL RETIREMENT PLAN

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

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

The employer contribution rates for the ORP are as follows:

	2020	2019
Tiers One/Two	**23.68%**	23.68%
Tier Three	**9.29%**	9.29%
Tier Four	**8.00%**	8.00%

OREGON PUBLIC UNIVERSITIES 401(A) DEFINED CONTRIBUTION PLAN

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

SUMMARY OF OTHER PENSION PAYMENTS

WOU's total payroll for the year ended June 30, 2020, was $50,237, of which $12,293 was subject to defined contribution retirement plan contributions. The following schedule lists payments made by WOU for the fiscal year:

June 30, 2020

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

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

WOU's total payroll for the year ended June 30, 2019, was $50,156, of which $12,569 was subject to defined contribution retirement plan contributions.

The following schedule lists payments made by WOU for the fiscal year:

June 30, 2019

	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
ORP	$ 1,728	13.75%	$ 877	6.98%
TIAA	8	0.06%	8	0.06%
Total	$ 1,736	13.81%	$ 885	7.04%

Of the employee share, WOU paid $877 of the ORP and $8 of the TIAA employee contribution amounts on behalf of their employees during the fiscal year ended June 30, 2019.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PLAN DESCRIPTIONS

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other postemployment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA and RHIPA plans. *(Refer to Note 14 for details concerning Tier One and Tier Two membership in PERS.)*

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

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

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

OPEB PLANS REPORT

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in PERS are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

BASIS OF ACCOUNTING

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

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

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

OPEB PLAN (ASSET)/LIABILITY

The components of the collective Net OPEB liability (asset) for the OPEB plans as of the measurement dates of June 30, 2019, and 2018, are as follows (in millions):

Net OPEB - RHIA (Asset)	**June 30, 2019**	June 30, 2018
Total OPEB - RHIA Liability	$ 435.6	$ 465.2
Plan Fiduciary Net Position	628.9	576.8
Plan Net OPEB - RHIA (Asset)	**$ (193.3)**	$ (111.6)

Net OPEB - RHIPA Liability	**June 30, 2019**	June 30, 2018
Total OPEB - RHIPA Liability	$ 72.0	$ 70.3
Plan Fiduciary Net Position	46.7	35.0
Plan Net OPEB - RHIA Liability	**$ 25.3**	$ 35.3

CHANGES SUBSEQUENT TO THE MEASUREMENT DATE

The university is not aware of any changes to benefit terms subsequent to the June 30, 2019, measurement date.

CONTRIBUTIONS

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

For the fiscal years ended June 30, 2020, and 2019, the university contributed 0.07 percent and 0.07 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. In addition, the university contributed 0.43 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The required employer contribution were approximately $142 and $130 for the years ended June 30, 2020 and 2019, respectively. The actual contribution equaled the annual required contribution for the fiscal year.

For the fiscal years ended June 30, 2020, and 2019, the university contributed 0.11 percent and 0.11 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits. In addition, the university contributed 0.38 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The required employer contribution were approximately $130 and $120 for the years ended June 30, 2020, and 2019, respectively. The actual contribution equaled the annual required contribution for the fiscal year.

NET OPEB ASSET – PERS RHIA

At June 30, 2020, the university reported an asset of $526 for its proportionate share of the PERS RHIA net OPEB asset. The net OPEB asset as of June 30, 2020, was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. At June 30, 2019, the university reported an asset of $290 for its proportionate share of the PERS RHIA net OPEB asset. The net OPEB asset as of June 30, 2019, was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016. The PERS system does not provide WOU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. The State Department of Administrative Services (DAS) calculated WOU's proportionate share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2020, WOU's proportion was 0.27 percent of the statewide OPEB plan and 0.90 percent of employer state agencies. At June 30, 2019, WOU's proportion was 0.26 percent of the statewide OPEB plan and 0.87 percent of employer state agencies.

For the years ended June 30, 2020, and 2019, WOU recorded total OPEB expense of ($80) and ($15), respectively, due to changes in the net PERS RHIA OPEB asset, deferred outflows and deferred inflows and amortization of previously deferred amounts.

NET OPEB LIABILITY – PERS RHIPA

At June 30, 2020, the university reported a liability of $229 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2020, was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. At June 30, 2019, the university reported a liability of $314 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2019, was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The PERS system does not provide WOU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. DAS calculated WOU's proportionate share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2020, and 2019, WOU's proportion was 0.87 and 0.89 percent, respectively, of the statewide OPEB plan.

For the years ended June 30, 2020, and 2019, WOU recorded total OPEB expense of $26 and $5, respectively, due to changes in the net PERS RHIPA OPEB liability, deferred outflows and deferred inflows and amortization of previously deferred amounts.

DEFERRED ITEMS - RHIA

Deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2019 and 2018, deferred items included:

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

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

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

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

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2020 and 2019.

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

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

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

At June 30, 2019, WOU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 16
Change in Assumptions	-	1
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	63
Change in Proportion	3	-
Total	3	80
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (77)	
Contributions Subsequent to the MD	130	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 53	

Of the amount reported as deferred outflows of resources, $130 are related to contributions subsequent to the measurement date and are recognized as an increase of the net OPEB asset in the year ended June 30, 2020.

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows (in thousands):

	Deferred Outflow/ (Inflow) of Resources
Year Ended June 30:	
2,021	$ (52)
2,022	(48)
2,023	(6)
2,024	6
	$ (100)

DEFERRED ITEMS - RHIPA

Deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2018 and 2017, deferred items included:

- No difference due to changes in assumptions
- Changes between expected and actual experience
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Net difference between projected and actual OPEB plan investment earnings

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

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

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

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

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2020 and 2019.

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

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

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

At June 30, 2019, WOU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 24
Change in Assumptions	3	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	5
Total	$ 3	$ 29
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (26)	
Contributions Subsequent to the MD	120	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 94	

Of the amount reported as deferred outflows of resources, $120 are related to contributions subsequent to the measurement date and are recognized as a reduction of the net OPEB liability in the year ended June 30, 2020.

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB will be recognized in OPEB expense as follows (in thousands)

Deferred Outflow/ (Inflow) of Resources	
Year Ended June 30:	
2021	$ (5)
2022	(5)
2023	(3)
2024	(3)
2025	(3)
2026	0
	$ (19)

ACTUARIAL METHODS AND ASSUMPTIONS

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

Actuarial Methods and Assumptions:		
	June 30, 2020	**June 30, 2019**
Valuation Date	December 31, 2017	December 31, 2016
Measurement Date	June 30, 2019	June 30, 2018
Experience Study Report	2016, published July 2017	2016, published July 2017
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	7.20 percent
Discount Rate	7.20 percent	7.20 percent
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Healthy retirees: 35%; Disabled retirees: 20%	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable	
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2014 Healthy annuitant, sex-distinct, generational Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.
	Active members:	
	RP-2014 Healthy annuitant, sex-distinct, generational Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.
	Disabled retirees:	
	RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale	Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per scale BB, disabled mortality table.

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

Actuarial Methods and Assumptions:		
	June 30, 2020	**June 30, 2019**
Valuation Date	December 31, 2017	December 31, 2016
Measurement Date	June 30, 2019	June 30, 2018
Experience Study Report	2016, published July 2017	2016, published July 2017
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	7.20 percent
Discount Rate	7.20 percent	7.20 percent
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Healthy retirees: 35%; Disabled retirees: 20%	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Varies by service at decrement, increasing from 10% at eight years of service to 38% at 30 years of service.	Varies by service at decrement, increasing from 10% at eight years of service to 38% at 30 years of service.
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale, with collar adjustments and setpbacks as described in the valuation	
	Active members:	
	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale, with collar adjustments and setpbacks as described in the valuation	
	Disabled retirees:	
	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale	

DISCOUNT RATE

The discount rate used to measure the total OPEB liability/(asset) at June 30, 2020, and 2019, was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plans was applied to all periods of projected benefit payments to determine the total OPEB liability.

SENSITIVITY ANALYSIS

The sensitivity analysis on the next page shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent as of June 30, 2020, and 2019, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate.

For the years ended June 30, 2020 and 2019 (dollars in thousands)

Discount Rate	RHIA		RHIPA	
	June 30, 2020	June 30, 2019	**June 30, 2020**	June 30, 2019
1% Decrease 6.2%/6.2%	**$ (408)**	$ (169)	**$ 262**	$ 352
Current Discount Rate 7.2%/7.5%	**(526)**	(290)	**229**	313
1% Increase 8.2%/8.5%	**(627)**	(393)	**182**	270

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

Healthcare Cost Rate	RHIA		RHIPA	
	June 30, 2020	June 30, 2019	**June 30, 2020**	June 30, 2019
1% Decrease	**$ (526)**	$ (290)	**$ 166**	$ 254
Current Trend Rate	**(526)**	(290)	**229**	313
1% Increase	**(526)**	(290)	**282**	372

ASSUMED ASSET ALLOCATION

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

LONG-TERM EXPECTED RATE OF RETURN

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

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

DEPLETION DATE PROJECTION

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

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

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

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

B. PUBLIC EMPLOYEES' BENEFIT BOARD PLAN (PEBB)

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in PEBB are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

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

TOTAL OPEB LIABILITY

At June 30, 2020, the university reported a liability of $1,933 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2020, was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019. At June 30, 2019, the university reported a liability of $2,047 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2019 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018. PEBB does not provide WOU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PEBB employer state agencies. DAS calculated WOU's proportionate share of all state agencies internally based on actual contributions by WOU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2020, and 2019, WOU's proportion was 1.31 and 1.27 percent, respectively, of the statewide OPEB plan.

For the years ended June 30, 2020 and 2019, WOU recorded total OPEB expense of $250 and $94, respectively, due to changes in the total OPEB liability, deferred inflows and amortization of previously deferred amounts.

DEFERRED ITEMS

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

Changes in assumption are amortized over the closed period equal to the average expected remaining service lives of all covered active and inactive participants. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The weighted average expected remaining service lives, assuming zero years for all retirees, determined as of the beginning of each measurement periods ended June 30, 2018, and 2017, was 8.2 years.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2020 and 2019.

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

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

At June 30, 2019, WOU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	$ 56	$ 35
Total	56	35
Net Deferred Outflow/(Inflow) of Resources	$ 21	

As of June 30, 2020, amounts reported as deferred outflows of resources and deferred inflows of resources related to PEBB OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2021	$ (32)
2022	(32)
2023	(32)
2024	(32)
2025	(32)
Thereafter	(81)
	$ (244)

ACTUARIAL METHODS AND ASSUMPTIONS

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

<table>
<tr><td colspan="3">Actuarial Methods and Assumptions:</td></tr>
<tr><td>Valuation Date</td><td>July 1, 2019</td><td>July 1, 2017</td></tr>
<tr><td>Measurement Date</td><td>June 30, 2020</td><td>June 30, 2019</td></tr>
<tr><td colspan="3">Actuarial Assumptions:</td></tr>
<tr><td>Actuarial Cost Method</td><td colspan="2">Entry Age Normal</td></tr>
<tr><td>Inflation Rate</td><td colspan="2">2.50 percent</td></tr>
<tr><td>Discount Rate</td><td>2.21 percent</td><td>3.50 percent</td></tr>
<tr><td>Projected Salary Increases</td><td colspan="2">3.50 percent</td></tr>
<tr><td>Withdrawal, retirement, and mortality rates</td><td colspan="2">December 31, 2018, Oregon PERS valuation</td></tr>
<tr><td rowspan="4">Healthcare Cost Trend Rate</td><td colspan="2">Medical and vision cost increases:</td></tr>
<tr><td>Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumend to be 3.40% per year</td><td>0.80% in the first year; 5.10% in the second year; 5.30% in the third year; varying from 6.20% to 4.20% over the remainder of the projection period</td></tr>
<tr><td colspan="2">Dental cost changes:</td></tr>
<tr><td>Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumend to be 3.40% per year</td><td>Decrease 1.10% in the first year;
Increase 3.10% in the second year;
Increase 4.00% per year thereafter</td></tr>
<tr><td rowspan="3">Election and lapse rates</td><td colspan="2">30% of eligible employees</td></tr>
<tr><td colspan="2">60% spouse coverage for males, 35% for females</td></tr>
<tr><td colspan="2">7% annual lapse rate</td></tr>
</table>

DISCOUNT RATE

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2020, and 2019, reporting dates was 2.21 and 3.50 percent, respectively.

SENSITIVITY ANALYSIS

The sensitivity analysis on the next page shows the sensitivity of the university's proportionate share of the total OPEB liability to changes in the discount rate. The following presents the university's proportionate share of the total OPEB liability calculated using the discount rate of 2.21 and 3.50 percent as of June 30, 2020, and 2019, respectively, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate.

Discount Rate	**June 30, 2020**	June 30, 2019
1% Decrease 1.21%/3.50%	$2,072	$2,228
Current Discount Rate 2.21%/3.50%	1,932	2,048
1% Increase 3.21%/4.50%	1,803	1,882

For the years ended June 30, 2020 and 2019 (dollars in thousands)

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

Healthcare Rate	**June 30, 2020**	June 30, 2019
1% Decrease	$ 1,740	$ 1,784
Current Trend Rate	1,932	2,048
1% Increase	2,161	2,364

15. FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others, for which WOU is an income beneficiary, are not recorded in the financial records. The approximate value of such trust funds at June 30, 2020, and 2019, were $1,554 and $1,558, respectively.

16. RISK FINANCING

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

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

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

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

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

For the years ended June 30, 2020 and 2019 (dollars in thousands)

17. COMMITMENTS AND CONTINGENT LIABILITIES

Outstanding commitments on partially completed and planned but not initiated construction projects totaled approximately $11,696 at June 30, 2020. These commitments will be primarily funded from gifts, grants, and university funds.

CONSTRUCTION COMMITMENTS AS OF JUNE 30, 2020

	Total Commitment	Completed to Date	Outstanding Commitment
ITC Renovation	$ 8,610	$ 3,325	$ 5,285
OMA Renovation	8,600	4,667	3,933
Capital Repairs	2,283	426	1,857
Project Budgets <$1M	1,115	494	621
	$ 20,608	$ 8,912	$ 11,696

- WOU is contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Management is of the opinion that the outcome of such matters will not have a material effect on the financial statements.
- WOU participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor for expenditures disallowed under terms of the grant. Management believes that disallowances, if any, will not have a material effect on the financial statements.
- Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS Chapter 657. WOU reimburses the Oregon Employment Division on a quarterly basis for actual benefits paid. Each year resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to WOU cannot be reasonably determined at June 30, 2020.

18. SUBSEQUENT EVENTS AND FINANCIAL CONDITION

During 2020, the University has been negatively impacted by the effects of the world-wide coronavirus pandemic. As of the date of the issuance of these financial statements, the full impact of the University's financial position is not known. The University is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and and future impact of this unprecendented situation.

19. WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION

Under policies approved by the Board, individual university foundations may be established to provide assistance in fund raising, public outreach and other support for the mission of WOU. The WOU Development Foundation is a legally separate, tax-exempt entity with an independent governing board. Although WOU does not control the timing or amount of receipts from the foundation, the majority of resources, or income thereon, that the foundation holds and invests are restricted to the activities of the university by the donors. Because these restricted resources held by the foundation can only be used by, or for the benefit of, the university, the foundation is considered a component unit of WOU and is discretely presented in the financial statements. The financial activity is reported for the years ended June 30, 2020, and 2019. The foundation is audited annually and received an unmodified audit opinion.

During the years ended June 30, 2020, and 2019, gifts of $1,467 and $1,002, respectively, were transferred from the foundation to WOU.

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY CONTRIBUTIONS*
Public Employees Retirement System

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

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

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

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

Employer’s covered payroll is equal to the amount reported to PERS in the proceeding year.

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contributions[1]	$ 142	$ 130	$ 129	$ 138	$ 133	$ 138	$ 132	$ 126	$ 123	$ 50
Contributions in Relation to the Actuarially Determined Contributions	142	130	129	138	133	138	132	126	123	50
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 31,552	$ 28,641	$ 28,150	$ 28,522	$ 27,224	$ 25,614	$ 24,363	$ 22,902	$ 22,168	$ 20,256
Contributions as a Percentage of Covered Payroll	0.45%	0.45%	0.46%	0.48%	0.49%	0.54%	0.54%	0.55%	0.55%	0.25%

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

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

As of the Measurement Date June 30,	2019	2018	2017	2016
University's Allocation of the Net RHIA OPEB Asset/(Liability)	0.27%	0.26%	0.30%	0.29%
University's Proportionate Share of the Net RHIA OPEB Asset/(Liability)	$ (526)	$ 290	$ 124	$ (79)
University's Covered Payroll	$ 31,552	$ 28,150	$ 28,522	$ 27,224
University's Proportionate Share of the Net RHIA OPEB Asset/(Liability) as a Percentage of Covered Payroll	-1.67%	1.03%	0.43%	0.29%
Plan Fiduciary Net Position as a Percentage of the Total RHIA OPEB Asset/(Liability)	144.38%	123.99%	108.88%	94.15%

Employer’s covered payroll is equal to the amount reported to PERS in the proceeding year.

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

SCHEDULE OF UNIVERSITY PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contributions[1]	$ 130	$ 120	$ 120	$ 111	$ 107	$ 60	$ 58	$ 32	$ 31	$ 11
Contributions in Relation to the Actuarially Determined Contributions	130	120	120	111	107	60	58	32	31	11
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 31,552	$ 28,641	$ 28,150	$ 28,522	$ 27,224	$ 25,614	$ 24,363	$ 22,902	$ 22,168	$ 20,256
Contributions as a Percentage of Covered Payroll	0.41%	0.42%	0.43%	0.39%	0.39%	0.23%	0.24%	0.14%	0.14%	0.05%

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

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

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

Employer’s covered payroll is equal to the amount reported to PERS in the proceeding year.

REQUIRED SUPPLEMENTARY INFORMATION (dollars in thousands)

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

As of June 30,	2020	2019	2018
University's Allocation of the Total OPEB Liability	1.32%	1.27%	1.34%
University's Proportionate Share of the Total OPEB Liability	$ 1,933	$ 2,047	$ 1,990
University's Covered Payroll	$ 41,539	$ 39,703	$ 38,966
University's Proportionate Share of the Total OPEB Liability as a Percentage of University Covered Payroll	4.65%	5.16%	5.11%
Total OPEB Liability as a % of Total Covered Payroll	3.77%	4.31%	4.42%

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

Employer’s covered payroll is equal to the amount reported to PERS in the proceeding year.

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