



UNIVERSITY OF ALASKA

(A Component Unit of the State of Alaska)

Financial Statements

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

University of Alaska
(A Component Unit of the State of Alaska)
Financial Statements
June 30, 2015 and 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	2015	2014	2013
Assets:			
Current Assets	\$ 217,877	\$ 171,236	\$ 143,039
Other noncurrent assets	360,087	315,979	336,078
Capital assets, net of depreciation	1,544,665	1,447,301	1,280,298
Total assets	2,122,629	1,934,516	1,759,415
Deferred Outflow of Resources	18,018	1,369	1,491
Liabilities:			
Current liabilities	168,472	117,980	120,515
Noncurrent liabilities	421,557	186,679	196,427
Total liabilities	590,029	304,659	316,942

In fiscal year 2015, the most notable change in the statement of net position regards the recognition of a net pension liability totaling \$188.9 million. The net pension liability is now required to be reported in accordance with a new accounting standard referred to as GASB 68. It is important to note that the new standard does not affect the cash flows or budget of the University, but rather affects the timing of the recognition of pension expense for external financial reporting. More detailed information is available in Note 13 and Note 18 in the Notes to Financial Statements.

Overall, (and not including the effect of implementing GASB 68) total net position of the University increased \$91.5 million, or 5.6 percent. This increase was mainly due to net investment in capital assets increasing by \$104.0 million. The change in net investment in capital assets is discussed in more detail in the *Capital and Debt Activities* section below. The unrestricted net position (not including cumulative net pension expense) totaled \$172.2 million at June 30, 2015, representing a decrease of \$2.8 million over the prior year. At year end, \$138.5 million of the unrestricted net position was designated for specific purposes. See Note 7 of the financial statements for a detailed list of these designations.

Deposits and investments totaled \$435.3 million at June 30, 2015, as compared to \$329.6 million at June 30, 2014. These funds consist of operating funds, endowment funds, funds for capital, and for the Education Trust of Alaska. As discussed later under noncurrent liabilities, the primary reason for the increase relates to the receipt of capital appropriations for construction projects. More information is in Note 2 of the Notes to Financial Statements.

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

targeted for special programs or initiatives. In addition, the state made on-behalf pension payments of \$144.9 million and \$32.9 million directly to the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) defined benefit plans on behalf of the University for fiscal years 2015 and 2014, respectively. The state is paying the cost above the University's employer contribution rate to fully fund the plans at the actuarial computed rate and pay down the net pension liability. The University's employer contribution rates have been capped at 22 percent and 12.56 percent for PERS and TRS, respectively. The pension payments were made on-behalf of the University and are presented as revenue and expense in the University's financial statements in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

Gross student tuition and fee revenue totaled \$145.2 million in 2015 as compared to \$140.3 million in 2014. The Fall 2014 tuition rates increased \$6 per credit for undergraduate courses, \$12 per credit for graduate courses and \$12 per credit for the non-resident surcharge. However, an overall enrollment decline from Fall 2013 to Fall 2014 of approximately 3.6 percent offset the tuition rate increases.

Operating grant and contract revenue totaled \$189.6 million for 2015, as compared to \$197.0 million in the prior year. The University receives grant funding from a diverse group of federal agencies, the State of Alaska, and private sponsors, including the University of Alaska Foundation. Generally, grant revenue is recorded when expenditures of the grant award occur, so the revenue reported in the financial statements reflects the amount expended in the applicable fiscal year. Grants provide funding primarily for research pr

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

Operating Expenses*
Functional Classification (\$ in millions)

Instruction	\$ 216.3	26.4%	\$ 217.3	26.9%	\$ 214.2	27.0%
Student Services	53.4	6.5%	54.6	6.8%	54.9	6.9%
Student Aid	24.9	3.1%	26.9	3.3%	28.8	3.6%
Academic Support	64.0	7.8%	67.0	8.3%	65.1	8.2%
Student and Academic	358.6	43.8%	365.8	45.3%	363.0	45.7%
Research	124.0	15.2%	129.8	16.1%	132.9	16.6%
Public Service	48.6	6.0%	45.6	5.6%	41.4	5.2%
Auxiliary Enterprises	38.4	4.7%	35.7	4.4%	35.3	4.4%
Institutional Support	95.5	11.7%	95.8	11.9%	96.1	12.1%
Operations and Maintenance	67.2	8.4%	68.9	8.5%	63.4	8.0%
Depreciation	63.3	7.8%	66.6	8.2%	63.4	8.0%
Total Operating Expenses	\$ 815.6	100.0%	\$ 808.2	100.0%	\$ 795.5	100.0%

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Research 15%

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

Operating Expenses*						
Natural Classification (\$ in millions)						
	FY2015		FY2014		FY2013	
Salaries and benefits	\$ 502.2	61.4%	\$ 506.4	62.8%	\$ 494.1	62.2%
Contractual services	143.4	17.6%	149.5	18.5%	144.3	18.1%
Supplies and materials	55.1	6.9%	56.1	6.9%	63.2	7.9%
Student Aid	24.9	3.1%	26.9	3.3%	28.8	3.6%
Depreciation	83.3	10.2%	66.6	8.2%	63.4	8.0%
Other	6.7	0.8%	2.7	0.3%	1.7	0.2%
Total Operating Expenses	\$ 815.6	100.0%	\$ 808.2	100.0%	\$ 795.5	100.0%

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

Total operating expenses increased slightly from \$808.2 million in 2014 to \$815.7 million in 2015. Note that a \$4.8 million adjustment to decrease pension expense across functional categories was recorded in 2015 in connection with implementation of GASB 68. No corresponding adjustment was required or made in 2014. Expenditures related to the student and academic core mission, about 44 percent of all expenditures, showed a \$7.2 million decrease in 2015. For the same period, expenditures for research decreased \$5.8 million, primarily a result of the tapering off of available American Recovery and Reinvestment Act funds, competitive pressures on grant monies and federal sequestration. Amounts expended for institutional support decreased \$0.3 million while

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

expenditures for operations and maintenance of facilities decreased \$1.7 million as compared to 2014.

A portion of University resources applied to student accounts for tuition, fees, or room and board are not reported as student aid expense, but are reported in the financial statements as a scholarship allowance, directly offsetting student tuition and fee revenue or auxiliary revenue. Scholarship allowances totaled \$17.4 million in 2015 and \$15.2 million in 2014. In addition to the allowances, students participate in governmental financial aid loan programs. The loans are neither recorded as revenue or expense in the financial statements, but are recorded in the Statements of Cash Flows as direct lending receipts totaling \$73.3 million and \$74.8 million in 2015 and 2014, respectively.

Fiscal Year 2014 Comparisons (Statement of Revenues, Expenses and Changes in Net Position)

Significant comments about changes between 2013 and 2014 that were noted in fiscal year 2014 *Management's Discussion and Analysis* are summarized below:

The Statement of Revenues, Expenses and Changes in Net Position reflected an overall increase in net position of 17 percent, or \$187.3 million.

Gross student tuition and fee revenue totaled \$140.3 million in 2014 as compared to \$141.9 million in 2013. The decrease was primarily due to fall 2012 to fall 2013 enrollment declines of 2.6 percent.

State of Alaska general fund appropriations continue to be the single major source of revenue for the University, providing \$385.9 million in 2014, as compared to \$371.1 million in 2013.

Total operating expenses increased 1.6 percent in 2014 as compared to .2 percent in 2013. Expenditures related to the student and academic core mission, about 45 percent of all expenditures, showed a \$2.8 million increase in 2014. For the same period, expenditures for research decreased \$3.1 million, primarily a result of the tapering off of available American Recovery and Reinvestment Act funds, competitive pressures on grant monies and federal sequestration. Amounts expended for institutional support remained stable while expenditures for operations and maintenance of facilities increased \$5.5 million as compared to 2013.

Capital and Debt Activities

The University continued to modernize various facilities and build new facilities to address emerging state needs. Net capital asset increases (excluding accumulated depreciation) totaled \$177.4 million in 2015, as compared with \$224.9 million in 2014 and \$275.1 million in 2013. These capital additions primarily comprise replacement, renovation, code corrections and new construction of academic and research facilities, as well as investments in equipment and information technology. State capital appropriations for 2015 and 2014 were \$232.4 million and \$62.6 million, respectively. Major components of the 2015 appropriation included (1) \$162 million for the new University of Alaska Fairbanks combined heat and power plant, (2) \$50.6 million for

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

the Anchorage campus engineering building and the Fairbanks engineering building and (3) \$19.3 million for numerous high-priority deferred maintenance projects throughout the University system. The 2014 appropriation included \$30 million for deferred maintenance and \$30 million for the Anchorage and Fairbanks engineering buildings.

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

Other Economic and Financial Conditions

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

In fiscal year 2014, the State of Alaska derived approximately 88% of its general fund unrestricted revenue from the production of petroleum. The recent decline in oil prices has negatively impacted the State's operating budget. The University is a component unit of the State, and for fiscal year 2016 received a \$19.8 million, or 5.3%, decrease to its operating appropriation.

In anticipation of and in response to the appropriation decrease, the University has taken steps to maintain a structural balance through revenue enhancements, such as tuition and fee increases, and expenditure reductions, primarily through position control.

Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

The Board of Regents
University of Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Alaska (University), and its discretely presented component unit, the University of Alaska Foundation, Inc., as of and for the years ended June 30, 2015 and 2014, 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

REPORT OF INDEPENDENT AUDITORS
(continued)

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

Opinions

Assets	2015	2014
Current assets:		
Cash and cash equivalents	\$ 41,197	\$ 46,679

UNIVERSITY OF ALASKA FOUNDATION
(A Component Unit of the University of Alaska)
Statements of Financial Position
June 30, 2015 and 2014
(in thousands)

Assets	2015	2014
Cash and cash equivalents	\$ 29,548	\$ 25,524
Interest and dividends receivable	415	253
Contributions receivable, net	6,367	8,237
Other receivables	9,279	2,573
Other investments	25,521	25,583
Pooled endowment funds	300,847	317,234
Remainder trusts receivable	1,969	1,901
Other assets	670	816
Total assets	374,616	382,121
 Liabilities		
Due to University of Alaska	2,751	1,372
Other liabilities	364	363
Split interest obligations	418	351
Term endowment liability	1,000	1,000
Assets held in trust for University of Alaska	140,572	146,213
Total liabilities	145,105	149,299
 Net Assets		
Unrestricted	25,951	26,800
Temporarily restricted	101,324	106,689
Permanently restricted	102,236	99,333
Total net assets	229,511	232,822
Total liabilities and net assets	\$ 374,616	\$ 382,121

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

UNIVERSITY OF ALASKA
(A Component Unit of the State of Alaska)
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2015 and 2014
(in thousands)

	2015		2014
Operating revenues			
Student tuition and fees	\$ 145,174	\$	140,325
less scholarship allowances	(17,397)		(15,221)
	127,777		125,104
Federal grants and contracts	121,251		123,078
State and local grants and contracts	27,246		27,778
Private grants and contracts	41,081		46,156
Sales and services, educational departments	5,874		5,255
Auxiliary enterprises, net of scholarship allowances of \$2,666 in 2015 and \$2,189 in 2014	41,602		37,717
Other	13,047		15,345
Total operating revenues	377,878		380,433
Operating expenses			
Instruction	216,257		217,287
Academic support	64,020		67,014
Research	124,030		129,842
Public service	48,586		45,631
Student services	53,350		54,576
Operations and maintenance	67,199		68,918
Institutional support	95,494		95,793
Student aid	24,948		26,872
Auxiliary			

UNIVERSITY OF ALASKA FOUNDATION
(A Component Unit of the University of Alaska)
Statements of Activities
For the years ended June 30, 2015 and 2014
(in thousands)

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains and other support				
Contributions	\$ 213	\$ 13,705	\$ 2,696	\$ 16,614
Investment income	403	485	-	888
Net realized and unrealized investment gains (losses)	(513)	(2,572)	-	(3,085)
Other revenues	-	443	-	443
Actuarial adjustment of remainder trust obligations	-	25	(6)	19
Gains (Losses) on disposition of other assets	-	(150)	(1)	(151)
Administrative assessments	2,376	(1,631)	(38)	707
Support from University of Alaska	600	-	-	600
Donor directed reclassifications	(45)	(207)	252	-
Net assets released from restriction	15,463	(15,463)	-	-
Total revenues, gains and other support	<u>18,497</u>	<u>(5,365)</u>	<u>2,903</u>	<u>16,035</u>
Expenses and distributions				
Operating expenses	2,895	-	-	2,895
Distributions for the benefit of University of Alaska	16,451	-	-	16,451
Total expenses and distributions	<u>19,346</u>	<u>-</u>	<u>-</u>	<u>19,346</u>
Excess (deficiency) of revenues over expenses	(849)	(5,365)	2,903	(3,311)
Transfers between net asset classes	-	-	-	-
Increase (decrease) in net assets	(849)	(5,365)	2,903	(3,311)
Net assets, beginning of year	26,800	106,689	99,333	232,822
Net assets, end of year	<u>\$ 25,951</u>	<u>\$ 101,324</u>	<u>\$ 102,236</u>	<u>\$ 229,511</u>

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

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 161	\$ 15,756	\$ 4,411	\$ 20,328
443	853	-	1,296
1,718	16,673	-	18,391
-	542	-	542
-	322	3	325
-	(30)	-	(30)
2,161	(1,457)	(53)	651
800	-	-	800
-	882	(882)	-
12,296	(12,296)	-	-
17,579	21,245	3,479	42,303
2,638	-	-	2,638
13,132	-	-	13,132
15,770	-	-	15,770
1,809	21,245	3,479	26,533
-	-	-	-
1,809	21,245	3,479	26,533
24,991	85,444	95,854	206,289
\$ 26,800	\$ 106,689	\$ 99,333	\$ 232,822

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

UNIVERSITY OF ALASKA
(A Component Unit of the State of Alaska)
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014
(in thousands)

	2015	2014
Cash flows from operating activities		
Student tuition and fees	\$ 146,680	\$ 141,337
less scholarship allowances	(17,397)	(15,221)
	129,283	126,116
Grants and contracts	201,395	185,566
Sales and services, educational departments	5,874	5,255
Sales and services, auxiliary enterprises	40,879	37,864
Other operating receipts	12,991	14,384
Payments to employees for salaries and benefits	(505,473)	(506,107)
Payments to suppliers	(213,345)	(203,818)
Payments to students for financial aid	(24,791)	(26,874)
Net cash used for operating activities	(353,187)	(367,614)
Cash flows from noncapital financing activities		
State appropriations	383,412	385,895
Other revenue	22,570	23,225
Direct lending receipts	73,291	74,768
Direct lending payments	(73,155)	(74,760)
Net cash provided by noncapital financing activities	406,118	409,128
Cash flows from capital and related financing activities		
Capital appropriations, grants and contracts	237,017	184,623
Proceeds from issuance of capital debt	2,500	-
Purchases of capital assets	(177,414)	(238,248)
Principal paid on capital debt	(10,651)	(10,296)
Interest paid on capital debt	(5,938)	(6,214)
Net cash used for capital and related financing activities	45,514	(70,135)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	40,830	63,445
Purchases of investments	(151,741)	(39,595)
Interest received on investments	4,867	2,476
Interest and other sales receipts from endowment assets	1,494	4,007
Net cash provided by investing activities	(104,550)	30,333
Net increase in cash and cash equivalents	(6,105)	1,712
Cash and cash equivalents, beginning of the year	50,694	48,982
Cash and cash equivalents, end of the year	\$ 44,589	\$ 50,694
Cash and cash equivalents (current)	\$ 41,197	\$ 46,679
Restricted cash and cash equivalents (noncurrent)	3,392	4,015
Total cash and cash equivalents	\$ 44,589	\$ 50,694

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

UNIVERSITY OF ALASKA
(A Component Unit of the State of Alaska)
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014
(in thousands)

Reconciliation of operating loss to net cash used for

operating activities:	2015	2014
Operating loss	\$ (582,627)	\$ (460,705)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	83,313	66,618
State on-behalf payments - pension	144,896	32,873
Real and personal property contributions	20	36
Pension expense	(4,839)	-
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable, net	6,804	(10,941)
Other assets	(2,094)	(1,628)
Inventories	356	562
Accounts payable and accrued expenses	(6,841)	5,832
Accrued payroll	1,841	47
Unearned revenue, deposits from students and others	6,116	654
Accrued annual leave	42	412

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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

Organization:

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

The University is a component unit of the State of Alaska for purposes of financial reporting. As an instrumentality of the State of Alaska, the University is exempt from federal income tax under Internal Revenue Code Section 115, except for unrelated business activities as covered under Internal Revenue Code Sections 511 to 514. The University of Alaska Foundation (Foundation) is a legally separate, nonprofit component unit of the University. The Foundation was established to solicit donations and to hold and manage such assets for the exclusive benefit of the University. Resources managed by the Foundation and distributions made to the University are governed by the Foundation's Board of Trustees. Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, an amendment of GASB Statement No. 14 and No. 34, require the University to include the Foundation as part of its financial statements to better report resources benefiting the University. The University is not accountable for, nor has ownership of, the Foundation's resources. The Foundation's financial statements include the Statement of Financial Position and the Statement of Activities and these statements are presented in their original audited format according to Financial Accounting Standards Board (FASB) pronouncements.

The Nanook Innovation Corporation (NIC) and Seawolf Holdings, LLC were established in fiscal year 2013 for the purpose of supporting the University of Alaska through commercialization of University generated intellectual properties. The Nanook Innovation Corporation operates as a non-profit organization under the

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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

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

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

x *Unrestricted net position* is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position may be designated for specific purposes by the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

x *Restricted net position:*

Expendable net position is subject to externally-imposed restrictions that may or will be met by actions of the University and/or that expire with the passage of time.

Non-expendable net position is subject to externally-imposed restrictions requiring that they be maintained permanently by the University.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Investments

Investments are stated at fair value. Investments in fixed income and equity marketable securities are stated at fair value based on quoted market prices. Investments in private partnership interests are valued using the most

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Operating Activities

The University's policy for defining operating activities as reported on the statement of revenues, expenses and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Certain significant revenue streams relied

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

In June 2015, the GASB issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting of Pensions*. This standard is effective for the fiscal years beginning after June 15, 2015.

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement addresses accounting and financial reporting for Other Post Retirement Benefits (OPEB) that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. This standard is effective for the fiscal years beginning after June 15, 2017.

In June 2015, the GASB issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement establishes the hierarchy of GAAP for state and local governments. This new standard is effective for fiscal years beginning after June 15, 2015.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

2. Deposits and Investments

Deposits and investments at June 30, 2015 were as follows (\$ in thousands):

Investment Type	Operating	Capital Funds	Endowment	Education Trust of Alaska	Total
Cash and Deposits	\$ 20,192	\$ -	\$ 12	\$ -	\$ 20,204
Certificates of Deposit	3,795	-	-	-	3,795
Money Market Mutual Funds	40,171	11,270	7,375	782	59,598
Equities:					
Domestic	-	-	6,949	-	6,949
Domestic Funds	-	-	18,647	8,171	26,818
Global Funds	-	-	10,022	-	10,022
Exchange Traded Funds - Domestic	-	-	3,899	-	3,899
Emerging Markets Funds	-	-	8,080	-	8,080
Debt-related:					
Corporate	69,368	39,733	4,903	-	114,004
Mutual Fund	-	-	4	-	4
Federal Agency	52,404	8,011	-	-	60,415
U.S. Treasuries	22,174	2,011	2,343	-	26,528
U.S. Municipals	-	-	292	-	292
International Government	1,511	-	-	-	1,511
Fixed Income Funds	-	-	-	12,697	12,697
Asset Backed Securities	-	-	2,178	-	2,178
Mortgage Backed Securities	-	-	1,870	-	1,870
Alternative Investments:					
Private Equity	-	-	14,884	-	14,884
Futures and Depository Receipts	-	-	463	-	463
Global Private Equity Fund	-	-	313	-	313
Hedge Funds	-	-	56,752	-	56,752
Other	-	-	4,070	-	4,070
	\$ 209,615	\$ 61,025	\$ 143,056	\$ 21,650	\$ 435,346

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Deposits and investments at June 30, 2014 were as follows (\$ in thousands):

	Operating	Capital Funds	Endowment	Education Trust of Alaska	Total
Cash and Deposits	\$21,688	\$ -	\$685	\$ -	\$22,373
Certificates of Deposit	3,791	-	-	-	3,791

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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. GASB Statement No. 40 requires disclosure when the amount invested with a single issuer exceeds five percent of the University's total investments. At June 30, 2015, the University did not have any material concentrations of credit risk.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Hedge funds totaling \$56.8 million are

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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

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

Land Grant Trust (LGT) property and other assets consist of real property and timber and other rights. By Acts of Congress in 1915 and 1929, approximately 110,000 acres of land was granted to the territory of Alaska to be held in trust for the benefit of the University. The lands were managed by the territory, and later the State of Alaska. In accordance with a 1982 agreement, the lands were subsequently transferred to the Board of Regents, as trustee. In 1982 and 1988 certain state lands including timber and other rights were transferred to the trust as replacement for lands disposed of or adversely affected during the period of administration by the territory and the state. These lands and property interests were recorded at their fair value as of the date of transfer. The net proceeds from land sales and other rights are deposited in the Land Grant Endowment Trust Fund as described in the Endowment section in Note 1 above. At June 30, 2015 and 2014, approximately 82,223 acres were held in trust at zero basis because fair value at the time of transfer was not determinable.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

6. Capital Assets

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

			Additions		Retirements			
Capital assets not depreciated:								
Land	\$	39,376	\$	159	\$	-	\$	39,535
Construction in progress		528,128		166,859		474,206		220,781
Museum collection		6,642		527		-		7,169
Other capital assets:								
Buildings & Vessel		1,475,990		412,947(a).uc781				

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

7. Unrestricted and Restricted Net Position

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

Unrestricted:	2015	2014
Auxiliaries	\$ 10,846	\$ 11,843
Working capital fund	4,340	4,464
Working capital advances	(5,758)	(3,579)
Service centers	27,509	22,453
Debt service funds	13,655	13,992
Renewal and replacement funds	17,127	15,304
Quasi-endowment funds	36,453	36,333
Employee benefit funds	11,270	25,846
Endowment earnings	14,009	13,444
Encumbrances	9,046	8,703
Cumulative net pension expense	(195,160)	-
Undesignated	33,708	26,228
Total unrestricted net position	(22,955)	175,031

Restricted:	2015	2014
Expendable:		
Restricted funds	\$ 592	\$ 555
Student loan funds	194	194
Education Trust of Alaska	17,154	15,742
Capital project funds	14,358	18,938
Debt service funds	7,102	7,102
Endowment accumulated earnings	19,952	27,456
Nonexpendable:		
Endowment corpus	102,650	101,326
Land Grant Trust property	29,140	29,527
Total restricted net position	\$ 191,142	\$ 200,840

Unrestricted net position includes non-lapsing University receipts of \$70.3 million at June 30, 2015. Non-lapsing University receipts of \$57.4 million from fiscal year 2014 were fully expended in fiscal year 2015.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

At June 30, 2015 and 2014, the following funds were pledged as collateral for the University's general revenue bonds, as calculated under the terms of the 1992 General Revenue Bonds Trust Indenture (\$ in thousands).

	Pledged Revenue			
	2015		2014	
Auxiliaries	\$	10,846	\$	11,843
Service centers		27,509		22,453
Encumbrances		9,046		8,703
Undesignated		33,708		26,228
Total	\$	81,109	\$	69,227

8. Long-term Debt

Debt service requirements at June 30, 2015 were as follows (\$ in thousands):

Years Ending June 30,	Principal	Interest	Total
2016	\$ 10,335	\$ 5,637	\$ 15,972
2017	10,400	5,427	15,827
2018	10,664	5,050	15,714
2019	9,963	4,656	14,619
2020	10,270	4,234	14,504
2021-2025	52,887	14,403	67,290
2026-2030	34,230	4,362	38,592
2031-2035	9,250	695	9,945
2036	285	4	289
Total	\$ 148,284	\$ 44,468	\$ 192,752

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Long-term debt consisted of the following at June 30, 2015 and 2014 (\$ in thousands):

	2015	2014
Revenue bonds payable: 2.00% to 5.00% general revenue bonds due serially to 2036, secured by a pledge of unrestricted current fund revenue generated from tuition, fees, recovery of facilities and		

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Future minimum lease payments under this capital lease and the present value of the minimum lease payments as of June 30, 2015 are as follows:

Years Ending June 30,	Future Payments (\$ in thousands)
2016	\$ 1,389
2017	1,390
2018	1,389
2019	1,385
2020	1,384
2021-2025	6,917
2026-2030	6,891
2031-2035	6,855
2036-2040	6,840
2041-2045	6,889
Total lease obligations	41,329
Less: amount representing interest costs	(15,252)
Present value of minimum lease obligations	\$ 26,077

10. Operating Leases

The University has various operating lease agreements for facilities. The expense for operating leases was \$4.8 million and \$5.2 million for the years ended June 30, 2015 and 2014, respectively.

The future minimum lease payments are as follows:

Years Ending June 30,	Future Payments (\$ in thousands)
2016	\$ 2,245
2017	1,852
2018	1,361
2019	840
2020	154
2021-2025	766
2026-2030	520
2031-2035	520
2036-2040	503
Total lease obligations	\$ 8,761

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

11.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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

Each fiscal year, PERS issues a publicly available financial report which includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460.

Funding Policy and Annual Pension Cost

Employee contribution rates are 6.75 percent (7.5 percent for peace officers and firefighters). The funding policy for PERS-DB provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate the assets to pay benefits when due. The 2015 and 2014 actuarially determined rates were 44.03 percent and 35.68 percent of applicable gross pay, respectively. However, the employer contribution rate for the University was capped by the state at 22 percent for fiscal years 2015 and 2014.

The state appropriated funding directly to the PERS-DB plan as a relief payment to employers' contributions for fiscal year 2015. The University recognized \$48,895,116, \$16,444,951 and \$16,761,931 for fiscal years 2015, 2014 and 2013, respectively, in state on-behalf pension payments for the PERS-DB plan.

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

Years Ended June 30,	PERS-DB Annual Required Contributions			Pension percentage contributed	Postemployment healthcare percentage contributed
	Pension	Postemployment healthcare	Total		
2015	\$ 14,483	\$ 10,926	\$ 25,409	100%	100%
2014	\$ 12,375	\$ 13,213	\$ 25,588	100%	100%
2013	\$ 11,406	\$ 14,544	\$ 25,950	100%	100%

Alaska Statutes require the University contribute to PERS-DB and DC plans a minimum each year of 22 percent of the University's fiscal year 2008 PERS covered payroll. The annual required contributions table above includes the additional University contributions of \$3,841,271, \$2,270,876 and \$1,831,664 for fiscal years 2015, 2014, and 2013, respectively, which were required to adhere to the minimum contribution levels per the statutes.

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

At June 30, 2015, the University reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the University. The amount recognized by the University as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the University were as follows (\$ in thousands):

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

University's proportionate share of the net pension liability	\$	159,853
State's proportionate share of the net pension liability associated with the University		113,146
<hr/>		
Total	\$	272,999
<hr/>		

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2014, the University's portion was 3.427%, which was a decrease of 0.034% from the University's portion measured as of June 30, 2013.

For the year ended June 30, 2015, the University recognized pension expense and revenue of \$48.9 million for support provided by the State. At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to PERS-DB from the following sources (\$ in thousands):

Deferred Outflows of

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

<u>Years Ending June 30,</u>		
2016	\$	(5,392)
2017	\$	(4,849)
2018	\$	(4,617)
2019	\$	(4,617)

Actuarial Assumptions. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of June 30, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of June 30, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.12% per year
Salary increases	Graded by service, from 6.36% to 4.12% for Peace Officer/Firefighter Graded by age and service, from 9.60% to 3.62% for All Others
Investment rate of return	8.00%, net of pension plan investment expenses. This is based on average inflation rate of 3.12% and a real rate of return of 4.88%

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Asset Class	Long-term Expected Real Rate of Return
Equities:	
Broad domestic equity	5.40%
Large cap	5.25%
Small/mid cap	5.60%
Inter-12(t)fan015 Tc 0603 eq031an0	5.2 Tc 05%
Emerging markets equity	5.65%
Global ex-U.S. equity	5.55%
Fixed income:	
Domestic fixed Tc 603(0)34(.7)40(5)34(%)TJ0.0358 Tc 0 Tw T† T)7(I)15(P)20(S)-16623(0)33(
Pn0riv03uian0	6.4030%

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

According to GASB Statement No. 68, the University is reporting under a special funding situation. The special funding situation indicates that the State of Alaska is legally responsible for making contributions directly to the PERS-DB plan for the University as further described in Alaska Statute 39.35.280. If the law did not exist or was eliminated, the University may no longer record as a special funding situation. For example, in a non-special funding situation, the University would be required to recognize additional net pension liability of \$113.1 million, and deferred inflows of resources of \$18.1 million as of June 30, 2015.

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

Plan Description

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

Each fiscal year, TRS-DB issues a publicly available financial report which includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460.

Funding Policy and Annual Pension Cost

Employees contribute 8.65 percent of their base salary as required by state statute. The funding policy for TRS-DB provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate the assets to pay benefits when due. During fiscal year 2015, contractually required employee and employer contribution rates were 8.65 percent and 12.56 percent, respectively.

The actuarially determined employer contribution rate for 2015 and 2014 was 70.75 percent and 53.62 percent, respectively. The state appropriated funding directly to the TRS-DB plan to augment employer contributions for 2015. For fiscal years 2015, 2014 and 2013, the University recognized \$96,000,927, \$16,427,624 and \$16,228,064 respectively, in state on-behalf pension payments for the TRS-DB plan.

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

Years Ended June 30,	TRS-DB Annual Required Contributions			Postemployment	
	Pension	Postemployment healthcare	Total	Pension percentage contributed	healthcare percentage contributed
2015	\$ 2,280	\$ 1,686	\$ 3,966	100%	100%
2014	\$ 2,297	\$ 2,035	\$ 4,332	100%	100%
2013	\$ 2,335	\$ 2,205	\$ 4,540	100%	100%

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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

At June 30, 2015, the University reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the University. The amount recognized by the University as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the University were as follows (\$ in thousands):

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

<u>Years Ending June 30,</u>		
2016	\$	(1,401)
2017	\$	(874)
2018	\$	(648)
2019	\$	(648)

Actuarial Assumptions

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

Asset Class	Long-term Expected Real Rate of Return
Equities:	
Broad domestic equity	5.40%
Large cap	5.25%
Small/mid cap	5.60%
International equity	5.25%
Emerging market equity	5.65%
Global ex-U.S. equity	5.55%
Fixed income:	
Domestic fixed	0.75%
TIPS	0.75%
Other:	
Real estate	3.95%

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

TRS-DB plan for the University as further described in Alaska Statute 14.25.085. If the law did not exist or was eliminated, the University may no longer record as a special funding situation. For example, in a non-special funding situation, the University would be required to recognize additional net pension liability of \$131.8 million, and deferred inflows of resources of \$13.8 million as of June 30, 2015.

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

Plan Description

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

Funding Policy and Annual Pension Cost

The employee contribution rate is 8 percent and the employer effective contribution rate is 22 percent of covered payroll. For the years ended June 30, 2015 and 2014, the University's total covered payroll for the PERS-DC plan was approximately \$12.4 million and \$11.7 million. Contributions made by the University follows (\$ in thousands):

PERS-DC University Contributions					
Years Ended June 30,	Pension		Postemployment Healthcare		Total Contributions
2015	\$	1,411	\$	1,325	\$ 2,736
2014	\$	1,400	\$	1,172	\$ 2,572

On July 1, 2006, three pension trust sub-funds were created within PERS, the Retiree Major Medical Insurance (RMP), Health Reimbursement Arrangement (HRA), and Occupation Death and Disability (OD&D). RMP allows eligible members who retire directly from the plan to obtain medical benefits. The HRA allows medical care expenses to be reimbursed from individual savings accounts established for eligible persons. OD&D provides employees with benefits as a result of death or disability on the job. PERS-DC participants are eligible members of RMP and HRA and their postemployment healthcare benefits are paid out of these funds. The employer RMP contribution rates for fiscal years 2015 and 2014 are 1.66 and 0.48 percent, respectively, for medical coverage and 0.22 and 0.20 percent, respectively, (1.06 percent for peace officers and firefighters) for

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

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

Plan Description

TRS-DC is a defined contribution, cost-sharing, multiple-employer public employee retirement plan established and administered by the State of Alaska to provide pension and postemployment healthcare benefits for teachers and other eligible employees. Benefit and contribution provisions are established by state law and may be

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

participants hired between July 1, 2005 and June 30, 2006, and ORP Tier 3 which was created for participants hired on or after July 1, 2006. For ORP Tier 1 and ORP Tier 2, faculty classified as regular and certain administrators made a one-time election to participate in the ORP as an alternative to participation in the defined benefit plans, PERS-DB or TRS-DB. The ORP Tier 2 plan was available for new ORP benefit-eligible employees hired in fiscal year 2006. As of July 1, 2006, the ORP Tier 2 plan was no longer available to newly-hired ORP benefit-eligible employees. For ORP Tier 3, each new eligible employee may make a one-time election to participate in the University of Alaska Re

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

before July 1, 2006 are 100 percent vested at all times. University contributions for participants hired on or after July 1, 2006 are 100 percent vested after three years of service. Regular staff hired on or after July 1, 2015 are also 100 percent vested after three years of service of the employer contributions of the pension plan.

Plan Assets

In fiscal years 2015 and 2014, the University's total covered payroll for the Pension plan was \$170.6 million and \$176.3 million, respectively. The University's gross costs to fund and administer the plan totaled \$13.0 million and \$13.5 million for the years ended June 30, 2015 and 2014, respectively. At June 30, 2015 and 2014, plan assets (participants' accounts) had a net value of \$391.7 million and \$386.1 million, respectively.

14. Insurance and Risk Management

The University is exposed to a wide variety of risks including property loss, bodily and personal injury,

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

defendant in legal proceedings or cited in regulatory actions related to the conduct of its operations.

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

The University received a Potentially Responsible Party (PRP) letter from the Alaska Department of Environmental Conservation (ADEC) in August 2006. The letter identified the University as one of the potential parties that may be responsible for cleanup costs of soil contamination found during a water line improvement project next to Northwest Campus property. The extent of the contamination source, the number of potentially responsible parties, and remediation costs are being assessed but the outcome is unknown.

16. University of Alaska Foundation

The University of Alaska Foundation (Foundation) is a legally separate, nonprofit organization formed in 1974 to solicit donations for the exclusive benefit of the University of Alaska. During the fiscal years 2015 and 2014, the University transferred \$0.6 million and \$0.8 million for general support, respectively. For the same periods, the Foundation reimbursed the University for operating expenses totaling \$2.9 million and \$2.6 million, respectively.

For the years ended June 30, 2015 and 2014, distributions and expenditures by the Foundation for the benefit of the University totaled \$16.5 million and \$13.1 million, of which \$16.1 million and \$12.9 million were direct reimbursements to the University, respectively. Additionally, the University had a receivable from the Foundation of \$2.8 million and \$1.4 million at June 30, 2015 and 2014, respectively, primarily for unreimbursed expenditures incurred on Foundation awards made to the University.

The investable resources of the University's Land Grant Endowment Trust Fund and the Foundation's pooled endowment funds are combined into a Consolidated Endowment Fund for investment purposes. At June 30, 2015 and 2014, the fair value of the fund was \$309.8 million and \$319.4 million, respectively. The University's share of this fund was \$140.6 million and \$146.2 million, respectively, which is reflected in endowment investments.

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

NOTES TO FINANCIAL STATEMENTS

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manager selection and termination, management of cash flows to and from investments of the partnership, due diligence on underlying managers and investments, and performance reporting.

As a result of the partnership formation, the Foundation changed its presentation of the Statement of Financial Position. In fiscal years 2013 and before, the University and the Foundation reported their respective shares of

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

19. Functional and Natural Expense Classifications

The University's operating expenses by functional and natural classification for fiscal years 2015 and 2014 were as follows (\$ in thousands):

FY 2015	Compensation & Benefits	Contractual Services	Materials	Other	Student Aid	Depreciation	Total
Instruction	\$ 184,238	\$ 22,560	\$ 9,165	\$ 294	\$ -	\$ -	\$ 216,257
Academic support	50,362	6,101	7,471	86	-	-	64,020
Research	86,803	27,239	9,955	33	-	-	124,030
Public service	27,399	16,652	4,169	366	-	-	48,586
Student services	39,140	11,229	2,793	188	-	-	53,350
Operations and maintenance	30,622	20,605	13,476	2,496	-	-	67,199
Institutional support	73,613	16,283	3,103	2,495	-	-	95,494
Student aid	-	-	-	-	24,948	-	24,948
Auxiliary enterprises	10,019	22,754	4,975	664	-	-	38,412
Depreciation	-	-	-	-	-	83,313	83,313
State on-behalf payments	-	-	-	144,896	-	-	144,896
Total	\$ 502,196	\$ 143,423	\$ 55,107	\$ 151,518	\$ 24,948	\$ 83,313	\$ 960,505

FY2014	Compensation & Benefits	Contractual Services	Materials	Other	Student Aid	Depreciation	Total
Instruction	\$ 183,163	\$ 24,463	\$ 9,146	\$ 515	\$ -	\$ -	\$ 217,287
Academic support	52,117	6,706	8,120	71	-	-	67,014
Research	88,540	34,238	7,052	12	-	-	129,842
Public service	26,813	15,639	2,913	266	-	-	45,631
Student service	39,740	11,746	2,959	131	-	-	54,576
Operations and maintenance	30,547	22,671	14,511	1,189	-	-	68,918
Institutional support	75,231						

REQUIRED SUPPLEMENTAL INFORMATION

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

		2015
University's proportion of net pension liability		3.427%
University's proportionate share of the net pension liability	\$	159,853
State's proportionate share of the net pension liability associated with the University		113,146
Total	\$	272,999

University's covered employee payroll	\$	98,033
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University's proportionate share of the net pension liability as of percentage of its covered payroll		163.1%
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Plan fiduciary net position as a percentage of the total pension liability		62.40%
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* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Data reported is measured as of July 1, 2014.

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

		2015
University's proportion of net pension liability		0.968%
University's proportionate share of the net pension liability	\$	29,024
State's proportionate share of the net pension liability associated with the University		131,789
Total	\$	160,813
University's covered employee payroll	\$	31,575
University's proportionate share of the net pension liability as of percentage of its covered payroll		91.9%
Plan fiduciary net position as a percentage of the total pension liability		55.7%

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

Data reported is measured as of July 1, 2014.

Schedule of the University's Contribution
PERS-DB Plan

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

		2015
Statutorily required contribution	\$	2,280
Contributions in relation to the statutorily required contribution	\$	2,280
Contribution (deficiency) excess		-
University's covered employee payroll	\$	31,575
Contribution as a percentage of covered-University payroll		7.2%

Data reported is measured as of July 1, 2014.