

December 9, 2003

UNIVERSITY OF IDAHO MANAGEMENT REVIEW REPORT TO BE RELEASED DECEMBER 9 AT 1 P.M. IN ITS ENTIRETY

The report will be available in hard copy form, compact disk and posted to web site

(Boise) The Idaho State Board of Education is releasing to the public the summary of the management review of the University Place-Boise project at 1 p.m. at the office of the State Board of Education. The 600 page document will be available on a compact disk, hard copy form and posted to the SBOE website. The report has not been redacted and will be released in its entirety.

The Board committed to undertake a full financial and management review including all respects of the personnel issues related to the University of Idaho (UI) and the University of Idaho Foundation (UIF) in the \$136 million University Place- Boise project in April. University officials authorized loans to the foundation, however the State Board of Education was not notified nor did the Board approve the transactions. The scope of work for the investigation is attached.

"We are pleased that the public can view this report in its complete form. Larry Prince conducted a complete and thorough analysis as directed by the Board," State Board of Education President Blake Hall said. "The Board appreciates the Attorney General's quick turn around and that none of the report was redacted. The public will have full-access to this report via either the Internet, purchasing a compact disk or hard-copy."

REPORT RELEASE

Date Tuesday, December 9, 2003

Time: 1:00 p.m.

Place: Office of the State Board of Education, Room 307

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The State Board of Education is the constitutional entity charged with oversight of Idaho's Public and Higher education systems.

University Place - Management Review Scope of Work

The Board established the following scope of work for the investigation.

Provide the Board with a chronology of events for the Project and a report on what and when UI and UIF's management knew about these events, including associated financial transactions and their impact on, UI and UIF.

Review and prepare a report to the State Board on the management of the Project including information regarding the following;

Whether UIF's loans from UI and the Consolidated Investment Trust Account (CIT) violated Board policies, UIF policies, policies relating the CIT Account and use of CIT funds, and/or state law;

UI's use of, and transactions involving, agency accounts for loans to UIF;

Identification of the source of the funds loaned from UI to UIF through the agency account;

The development costs incurred by UI and UIF for the Project, including amounts advanced, the purpose for which they were advanced and whether the management and use of funds for these costs was appropriate;

The Propriety of UIF's borrowing of funds from UI and the CIT Account to finance the Project's development costs.

Review and make recommendations to the Board for changes, if any;

to UI's internal-management controls with respect to financial transaction by and between UI and UIF.

UI's internal financial management controls particularly with respect to development projects.

to the Board's policies concerning the relationship of state universities and their foundations.

Review and report to the Board on the adequacy of the disclosures made by UI, UIF, and other entities to the state legislature and the Board concerning the Project.

Review and report to the Board on the audit reports and the audit process for UI and UIF and the adequacy of the disclosures made by the auditors to the Board concerning financial transactions related to the Project.

Review and make recommendation to the Board for changes, if any, the internal and external audit policies and procedures of UI and the Board.

Report to the State Board on any apparent violations of either state law or the Board's policies on which became apparent during the review.