

**BUSINESS AFFAIRS AND HUMAN RESOURCES  
FEBRUARY 26-27, 2009**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>INTERCOLLEGIATE ATHLETICS</b> Financial Reports	Information item
<b>2</b>	<b>INTERCOLLEGIATE ATHLETICS</b> Employee Compensation Reports	Information item
<b>3</b>	<b>2008 FINANCIAL REVIEWS</b>	Information item
<b>4</b>	<b>BOISE STATE UNIVERSITY</b> Authorization for Issuance of General Revenue Bonds	Motion to approve
<b>5</b>	<b>BOISE STATE UNIVERSITY</b> Request to Purchase Furnishings, Fixtures & Equipment (FF&E) for Norco Building: Department of Nursing, University Health Services	Motion to approve
<b>6</b>	<b>IDAHO STATE UNIVERSITY</b> Follett Higher Education Contract - Outsource Management of Bookstore	Motion to approve
<b>7</b>	<b>IDAHO STATE UNIVERSITY</b> Escrow Account for Enterprise Resource Planning (ERP)	Motion to approve
<b>8</b>	<b>UNIVERSITY of IDAHO</b> Capital Project Authorization - Tenant Improvements at Legacy Point, Idaho Water Center	Motion to approve
<b>9</b>	<b>UNIVERSITY of IDAHO</b> Transfer of Real Property - Nez Perce County	Motion to approve

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>10</b>	<b>LEWIS-CLARK STATE COLLEGE</b> Proposed Financing - Purchase of Clearwater Hall	Motion to approve
<b>11</b>	<b>UNIVERSITY of IDAHO</b> Research Dairy	Motion to approve
<b>12</b>	<b>AMENDMENT TO BOARD POLICY</b> Section V.T., Tuition Waivers, 1st Reading	Motion to approve

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**FEBRUARY 26-27, 2009**

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**SUBJECT**

Intercollegiate Athletics Reports of revenues, expenditures, participation

**APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section III.T.4.

**BACKGROUND/DISCUSSION**

Responsibility, management, control and reporting requirements for Athletics are detailed in board policy. The four public higher education institutions are required to submit regular financial reports as specified by the Board office. The revenue and expenditures reported must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors.

Board policy establishes limits on the amount of general account and institutional funds an institution can allocate to athletics. These limits are adjusted annually at the same rate of change as the general education appropriation. Increases to the student activity fee supporting athletics are limited to the rate of increase for the total student activity fees. There is no limit on program funds. Appropriated funds above the limit can be allocated for additional women's programs, addressing gender equity issues.

The Gender Equity reports were last provided to the Board two years ago. Title IX of the Education Amendments of 1972 is the federal legislation that bans sex discrimination in schools, whether it is in academics or athletics. Title IX states: "No person in the U.S. shall, on the basis of sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal aid."

In regard to intercollegiate athletics, the US Department of Education's Office for Civil Rights (OCR) issued a **Clarification of Intercollegiate Athletics Policy Guidance: The Three-Part Test** in 1996 to analyze if an institution is in compliance:

**First**, financial assistance must be substantially proportionate to the ratio of male and female athletes.

**Second**, the selection of sports and the level of competition must accommodate the students' interests and abilities using the three factors listed below:

1. Participation opportunities for male and female students are provided in numbers substantially proportionate to their respective enrollments.
2. Where the members of one sex have been and are underrepresented among intercollegiate athletes, whether the institution can show a history and continuing practice of program expansion which is demonstrably responsive to the developing interests and abilities of that sex.

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3. Where the members of one sex are underrepresented among intercollegiate athletes and the institution cannot show a continuing practice of program expansion, whether it can be demonstrated that the interests and abilities of the members of that sex have been fully and effectively accommodated by the present program.

**Third**, all other benefits, opportunities, and treatments afforded sports participants are to be equivalent, but not necessarily identical including equipment and supplies, scheduling games and practices, travel expenses, availability and compensation of coaches, quality of facilities, medical services, housing, dining, and recruitment.

Appraisal of compliance is on a program-wide basis, not on a sport-by-sport basis.

**IMPACT**

The Athletics Reports present the financial status of the intercollegiate athletic programs and the participation of students in the various sport programs.

The Gender Equity Reports show an original base year of 1999, the current 2005 base year, and the number of years needed to attain equity. The reports also show the breakdown by gender of full-time students, athletes, and the annual student athlete aid. Finally, the gender equity reports show the participants by sport for both men's and women's programs which show the addition or elimination of any programs.

**ATTACHMENTS**

Attachment 1	Chart identifying the Board limits from general education appropriated funds and from institutional funds. All institutions are within the limits.	Page 5
Attachment 2	Chart identifying the revenue by major source by institution	Page 7
Attachment 3	Chart identifying the revenue by major source as a percent of the total athletic revenue by institution	Page 8
Attachment 4	Chart identifying athletic departments fiscal year end fund balance by institution	Page 9
Attachment 5	Chart displaying total students participating in athletic programs and the number on full ride and partial scholarships by institution	Page 10

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<b>BSU Tab</b>	Intercollegiate Athletic Report	Pages 1-5
	Gender Equity Report	Page 7
<b>ISU Tab</b>	Intercollegiate Athletic Report	Pages 1-5
	Gender Equity Report	Page 7
<b>UI Tab</b>	Intercollegiate Athletic Report	Pages 1-5
	Gender Equity Report	Page 7
<b>LCSC Tab</b>	Intercollegiate Athletic Report	Pages 1-5
	Gender Equity Report	Page 7

**STAFF COMMENTS AND RECOMMENDATIONS**

The Athletics Reports show actual results for fiscal years 2004 through 2008 and the forecast for fiscal year 2009. The amount of general and institutional funds allocated to athletics compared to the limits is shown below:

<b>Institution</b>	<b>General Fund Limit</b>	<b>General Funds</b>
BSU	\$2,442,600	\$2,442,600
ISU	\$2,442,600	\$2,442,600
UI	\$2,442,600	\$2,102,929
LCSC	\$908,100	\$908,100

<b>Institution</b>	<b>Institution</b>	<b>Fund Limit</b>	<b>Institution Funds</b>
BSU		\$382,200	\$382,200
ISU		\$535,000	\$440,600
UI		\$764,400	\$743,900
LCSC		\$152,800	\$126,500

The institutions are examining the impact the fiscal year 2010 base reduction will have on the athletics budgets. The fiscal year 2010 general fund and institution fund limits are expected to fall due to the reduced general fund appropriation even though student fees are projected to rise by \$6M. The fiscal year 2010 Athletics Limits report will be presented to the Board in June. It is anticipated that the institutions may present to the Board any adjustments to the limits beyond those calculated by the formula.

The table below shows how many years it will take each institution to attain gender equity when comparing enrollment and financial aid to the number of varsity athletes. The table also shows the primary revenue source (sport revenues, student fees, boosters, or state support) which will be relied upon to fund this progress toward attainment:

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	<u>Athletes</u>	<u>Fin. Aid</u>	<u>Revenue Source</u>
Boise State University	5 years	+ 16 years	State Support
Idaho State University	+ 5 years	+ 5 years	State Support
University of Idaho	+ 4 years	+ 5 years	State Support
Lewis-Clark State College	+ 2 years	1 year	Fee Waivers

**BOARD ACTION**

This item is for informational purposes only. Any action will be at the Board's discretion.

# State Board of Education

## Intercollegiate Athletics Support Limits

Attachment 1

**Board Policy (III.T.3.) on funds allocated and used by athletic program from:**

**General Education Funds:**

"... In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans."

**Institutional Funds:**

"shall not exceed \$250,000 for Boise State University; \$350,000 for Idaho State University; \$500,000 for University of Idaho; and \$100,000 for Lewis-Clark State College for FY2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board."

**Student Fee Revenue:**

"shall not exceed revenue generated from student activity fee dedicated for the athletic program. Increases to the student fee for the athletic program shall be at the same rate of increase as the total student activity fees."

**Program Funds:**

"the institutions can use the program funds generated, without restriction."

1 <b>Calculation of Limits:</b>	FY05	FY06	FY07	FY08	FY09
<b>2 General Education Funds:</b>					
3 General Education Allocation:					
4 General Account	223,366,200	233,182,000	243,726,400	259,296,600	276,181,100
5 Endowment	10,020,500	9,519,600	7,624,800	7,851,500	8,595,000
6 Student Fee Revenue (08 Base)	97,207,800	107,907,800	119,823,900	124,329,300	127,108,700
6b					
7 Total	<u>330,594,500</u>	<u>350,609,400</u>	<u>371,175,100</u>	<u>391,477,400</u>	<u>411,884,800</u>
8 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.21%
9					
10 Limits:					
11 Universities	1,960,500	2,079,200	2,201,200	2,321,600	2,442,600
12 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.21%
13 Lewis-Clark State College	728,900	773,000	818,300	863,100	908,100
14 % Growth from Prior Year	5.87%	6.05%	5.86%	5.47%	5.21%
15					
16 <b>Institutional Funds:</b>					
17 Limits:					
18 Boise State University	306,800	325,400	344,500	363,300	382,200
19 % Growth from Prior Year	5.87%	6.06%	5.87%	5.46%	5.20%
20 Idaho State University	429,400	455,400	482,100	508,500	535,000
21 % Growth from Prior Year	5.87%	6.05%	5.86%	5.48%	5.21%
22 University of Idaho	613,500	650,600	688,800	726,500	764,400
23 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.22%
24 Lewis-Clark State College	122,700	130,100	137,700	145,200	152,800
25 % Growth from Prior Year	5.87%	6.03%	5.84%	5.45%	5.23%

Note: In FY 2005 and 2006, additional salary increases were funded by the Legislature for eligible employees. For compliance with these statutes, the institutions expended the following amounts in addition to the established limits for General Education at lines 11 and 13, and Institutional Limits between lines 18 and 25.

Institution	FY 2005 HB 805		FY 2006 HB 395	
	General Fund Limit Increases	Institutional Funds Limit Increases	General Fund Limit Increases	Institutional Funds Limit Increases
Boise State University	\$15,418	\$27,701	\$25,531	\$37,826
Idaho State University	\$15,359	\$0	\$17,350	\$0
University of Idaho	\$13,971	\$8,087	\$18,000	\$8,000
Lewis Clark State College	\$3,634	\$0	\$3,549	\$0

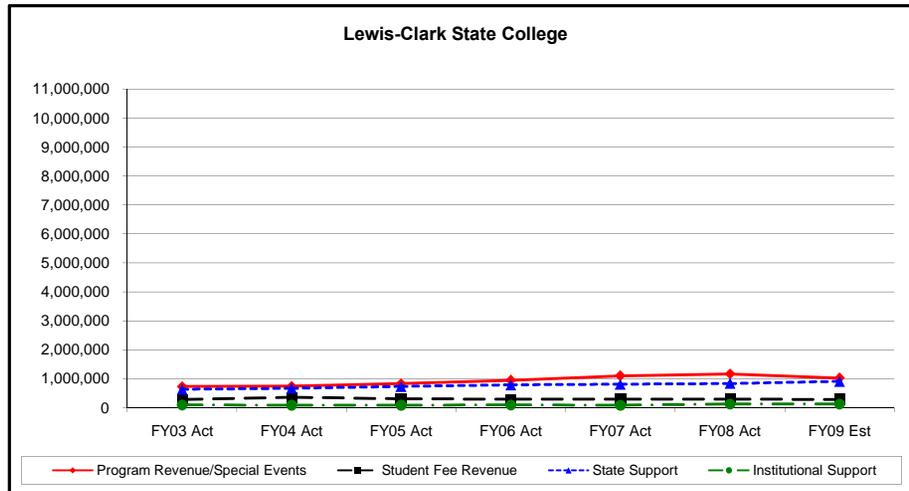
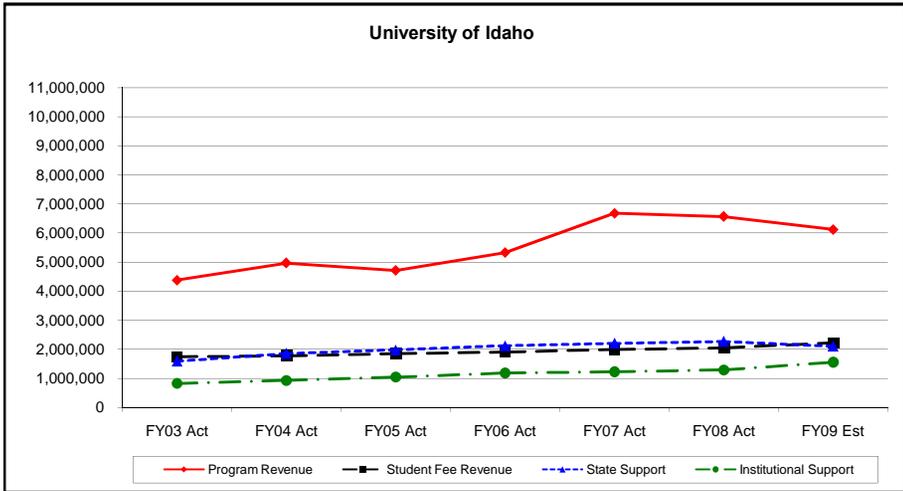
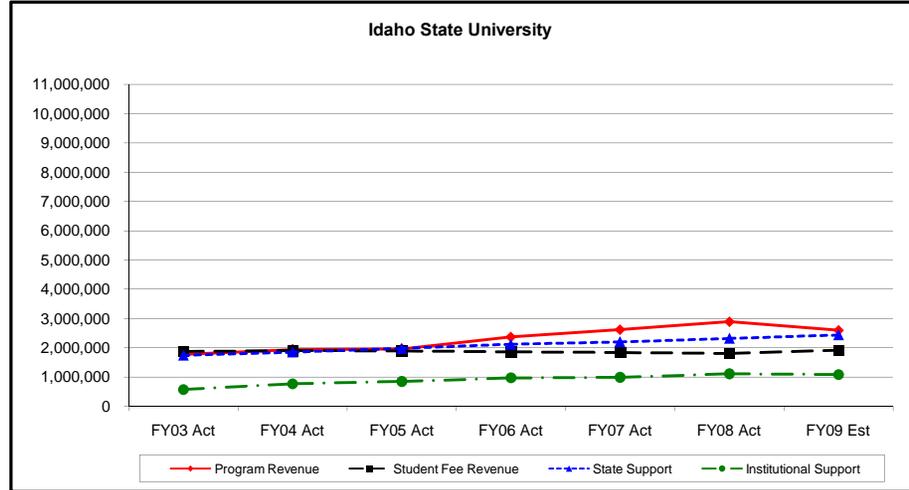
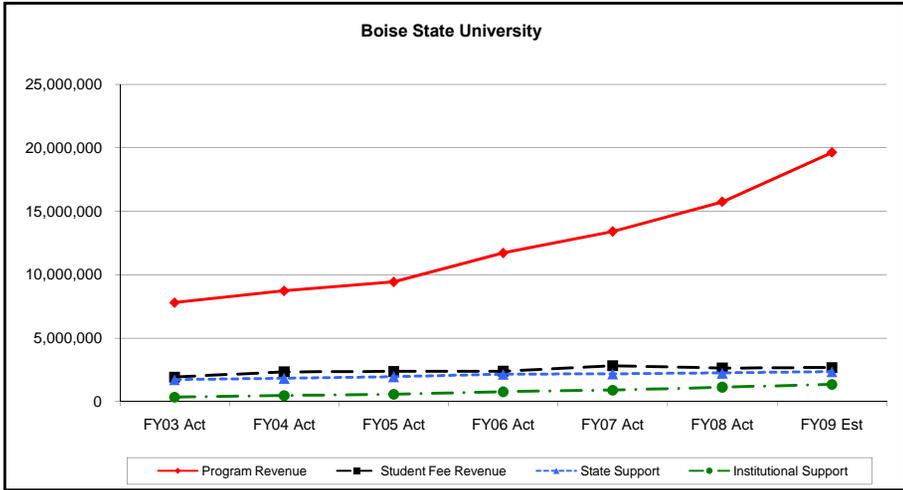
Institution	FY 2006 SB 1263	
	General Fund Limit Increases	Institutional Funds Limit Increases
Boise State University	\$11,534	\$0
Idaho State University	\$23,662	\$0
University of Idaho	\$21,600	\$13,700
Lewis Clark State College	\$7,240	\$0

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# Intercollegiate Athletics Report

## Revenue by Major Source

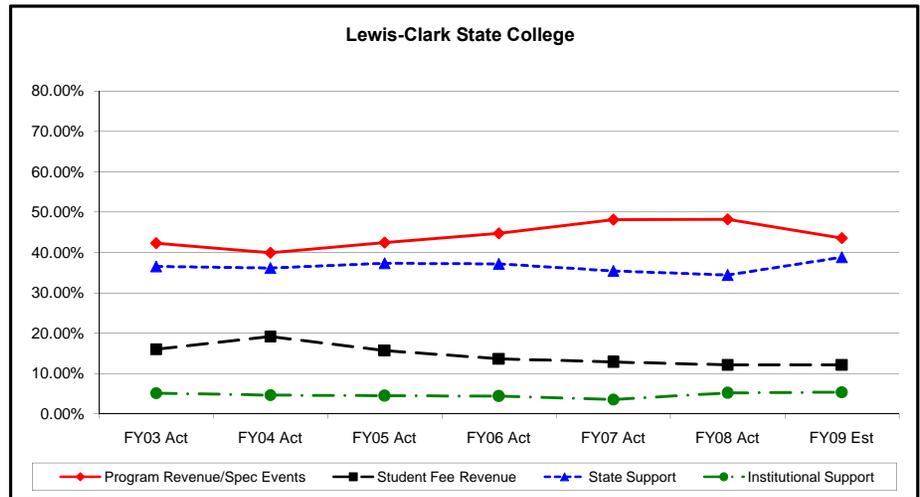
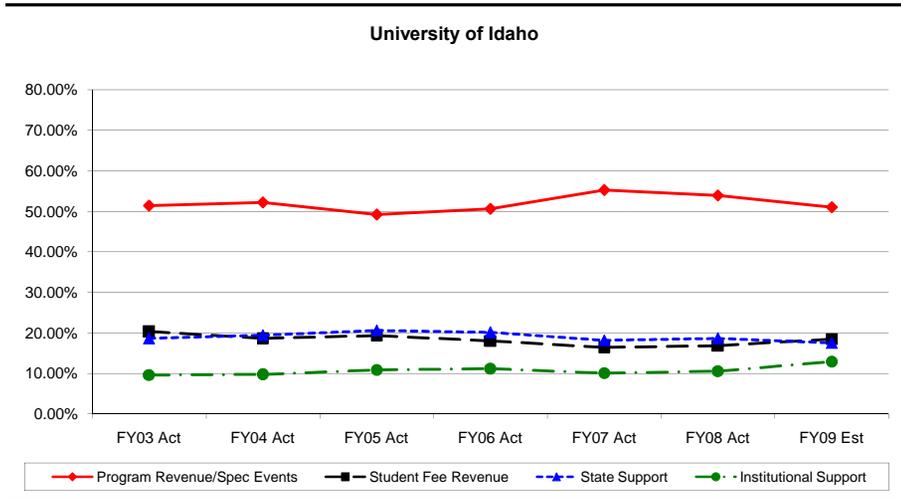
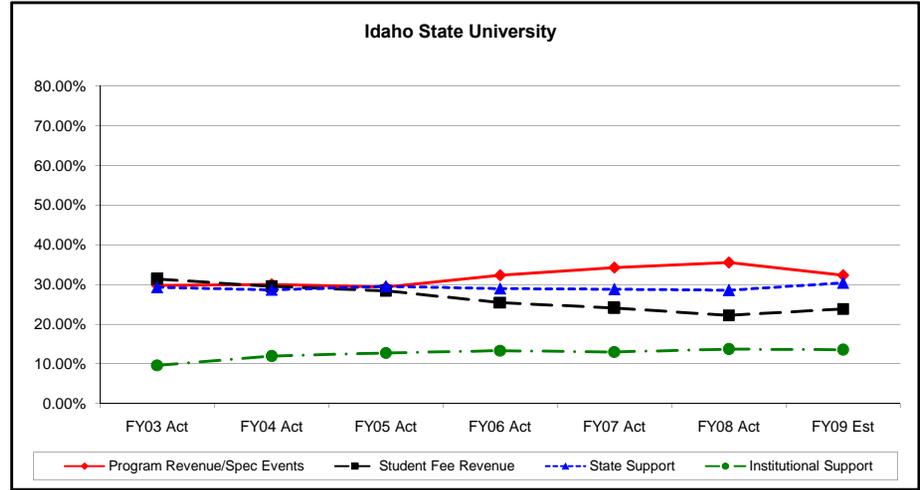
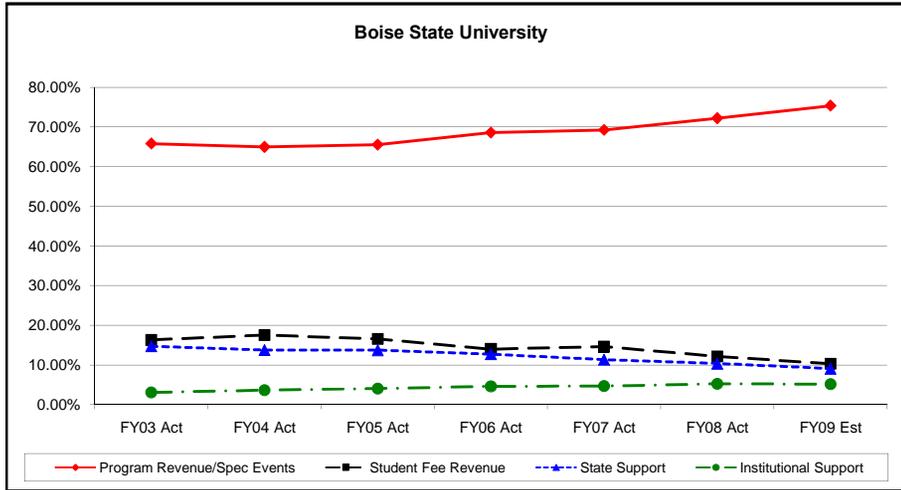
**Attachment 2**



# Intercollegiate Athletics Report

## Revenue as a Percent of Total Revenue by Major Source

Attachment 3

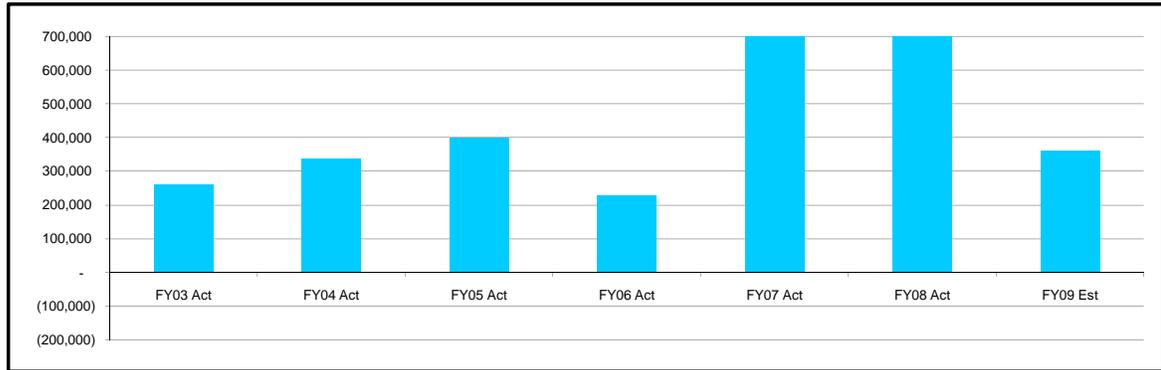


# Intercollegiate Athletic Report

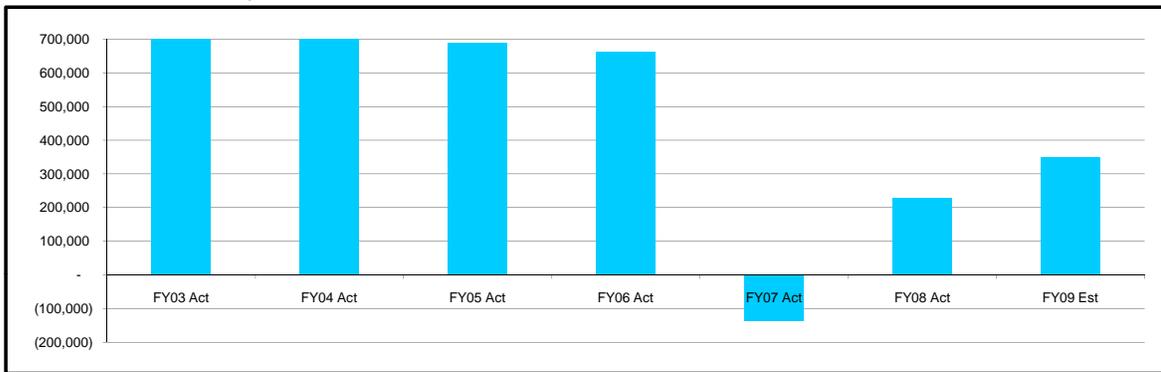
## Fiscal Year Ending Fund Balance for Athletic Program by Institution

### Boise State University

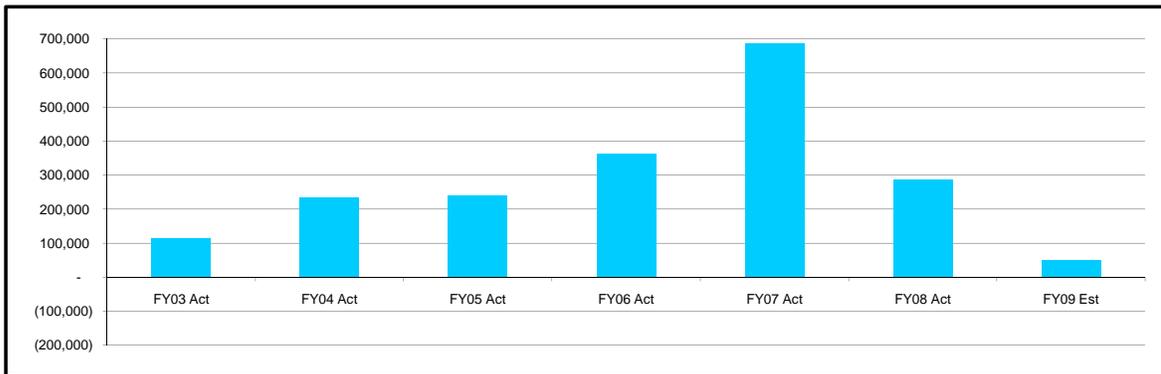
Attachment 4



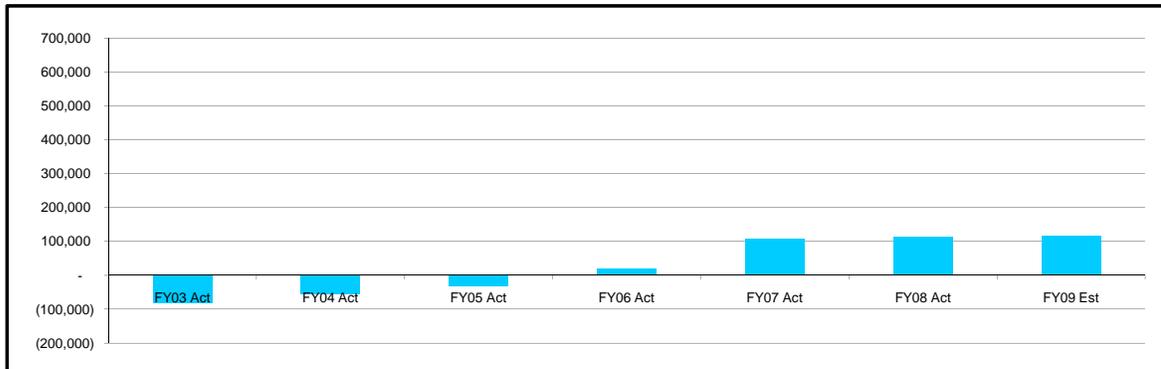
### Idaho State University



### University of Idaho



### Lewis-Clark State College

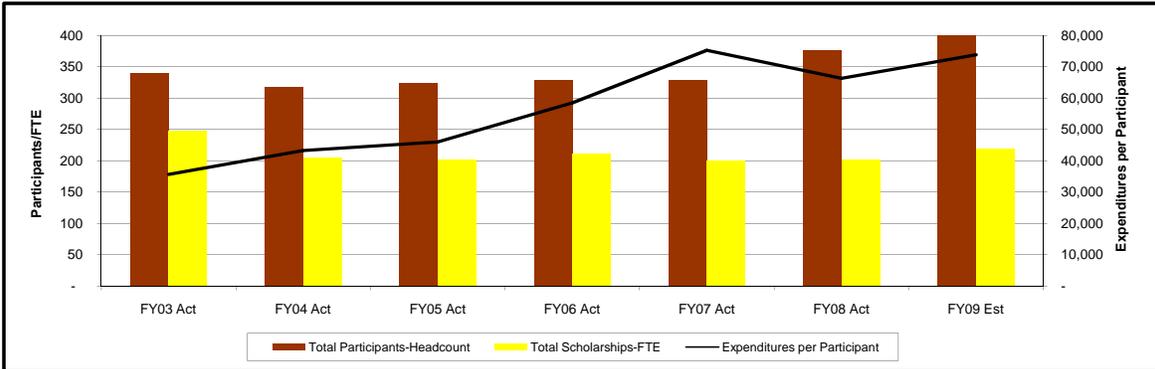


# Intercollegiate Athletic Report

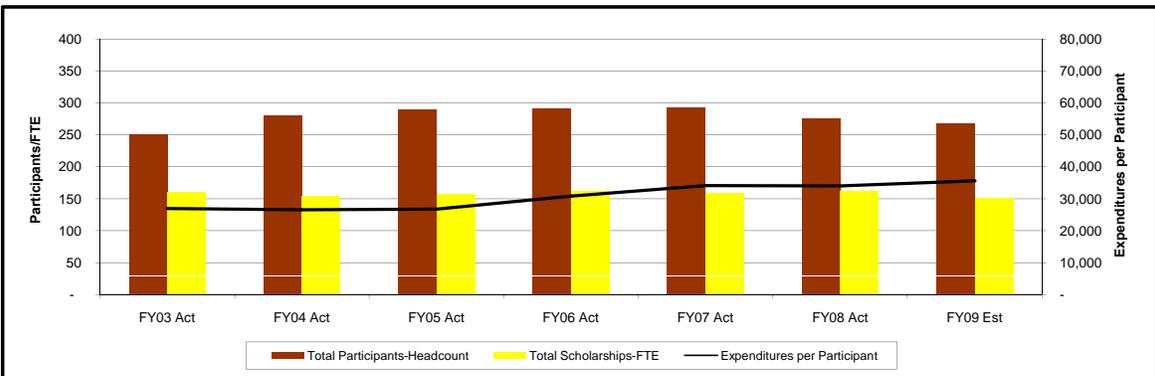
## Athletic Participation and Scholarships

### Boise State University

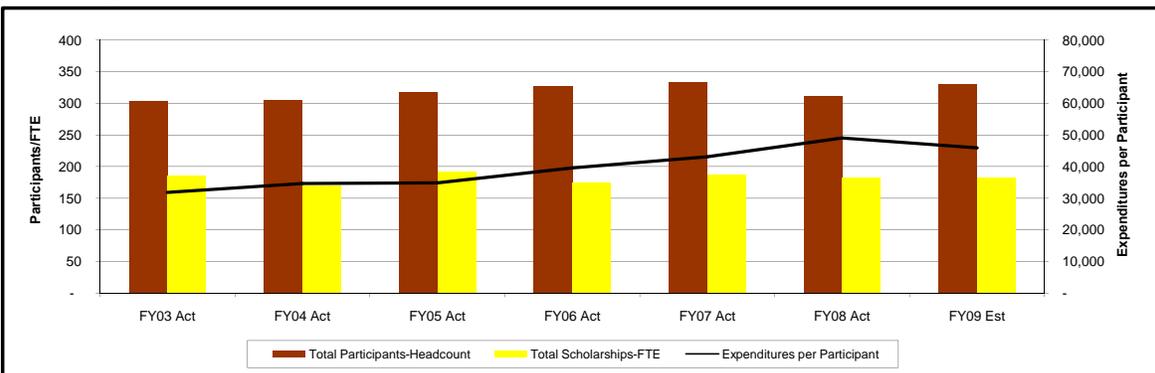
### Attachment 5



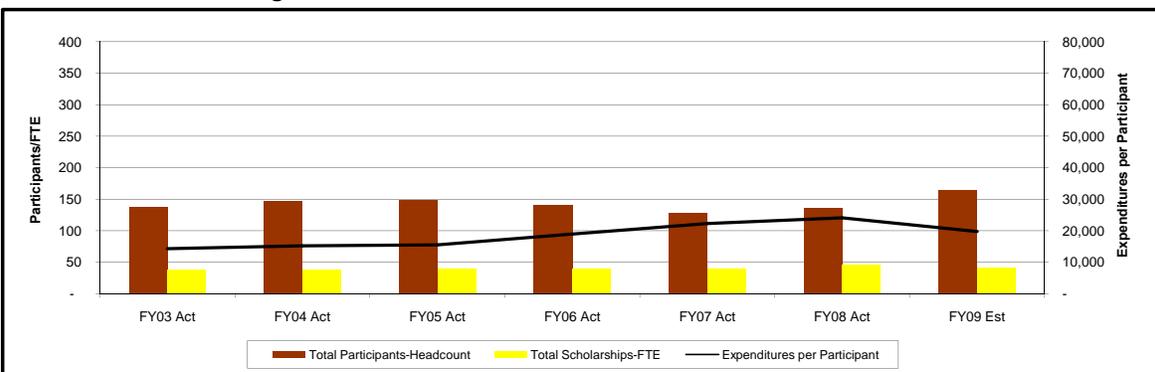
### Idaho State University



### University of Idaho



### Lewis-Clark State College



**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Boise State University**

BSU

<u>Revenues/Expend/Fund Balance</u>	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>1 Revenue (Detail):</b>						
<b>2 Program Revenue:</b>						
3 Ticket Sales	2,593,821	3,568,743	3,845,490	4,430,742	6,237,477	5,285,046
4 Game Guarantees	327,500		767,850	415,650	626,500	650,000
5 Contributions	2,715,310	1,921,897	2,771,494	3,522,400	2,884,410	8,005,314
6 NCAA/Conference/Tournaments	959,078	1,711,618	1,350,712	1,762,971	2,062,996	1,535,523
7 TV/Radio/Internet Rights	748	914	1,291	19,093	142,046	99,525
8 Program/Novelty Sales, 9 Concessionns, Parking	1,698,619	1,643,124	555,806	619,942	650,896	812,524
10 Royalty, Advertisement, Sponsorship			1,809,906	1,850,843	2,253,195	2,524,737
11 Endowment/Investment Income			310,000	414,287	475,000	360,000
12 Other	441,916	591,234	310,644	379,790	427,736	371,952
13 <b>Total Program Revenue</b>	<b>8,736,992</b>	<b>9,437,530</b>	<b>11,723,193</b>	<b>13,415,718</b>	<b>15,760,256</b>	<b>19,644,621</b>
<b>14 Non-Program Revenue:</b>						
15 NCAA/Bowl/World Series	425,833	586,860	396,261	2,660,410	24,085	480,000
16 Student Fees	2,358,376	2,390,045	2,401,225	2,833,090	2,657,499	2,694,423
17 Direct State/Govt Support	1,851,700	1,975,918	2,173,601	2,201,200	2,256,873	2,365,023
18 Institutional Gender Equity	200,000	279,872	417,872	467,872	783,872	976,872
19 Direct Institutional Support	289,800	306,800	371,574	444,500	363,300	382,200
20 Subtotal State/Inst. Support	2,341,500	2,562,590	2,963,047	3,113,572	3,404,045	3,724,095
21 <b>Total Non-Program Revenue</b>	<b>5,125,709</b>	<b>5,539,495</b>	<b>5,760,533</b>	<b>8,607,072</b>	<b>6,085,629</b>	<b>6,898,518</b>
22 <b>Subtotal Operating Revenue:</b>	<b>13,862,701</b>	<b>14,977,025</b>	<b>17,483,726</b>	<b>22,022,790</b>	<b>21,845,885</b>	<b>26,543,139</b>
<b>23 Non-Cash Revenue</b>						
24 Third Party Support			184,100	184,100	198,150	205,475
25 Indirect Institutional Support				1,770,143	1,377,827	1,288,499
26 Non-Cash Revenue						
27 Non-Resident Tuition Waivers			1,414,672	1,338,121	1,710,390	1,554,490
28 <b>Subtotal Non-Cash Revenue</b>	<b>0</b>	<b>0</b>	<b>1,598,772</b>	<b>3,292,364</b>	<b>3,286,367</b>	<b>3,048,464</b>
29 <b>Total Revenue:</b>	<b>13,862,701</b>	<b>14,977,025</b>	<b>19,082,498</b>	<b>25,315,154</b>	<b>25,132,252</b>	<b>29,591,603</b>
<b>30</b>						
<b>31 Expenditures:</b>						
<b>32 Operating Expenditures:</b>						
33 Athletics Student Aid	2,073,650	2,326,436	2,493,504	2,619,095	3,075,365	3,510,059
34 Guarantees	286,600	446,826	420,647	485,980	640,449	556,000
35 Coaching Salary/Benefits	2,415,834	2,616,651	4,161,675	4,574,184	5,114,878	6,480,305
36 Admin Staff Salary/Benefits	1,770,897	2,259,379	3,314,763	3,377,832	3,800,656	4,398,188
37 Fringe Benefits/Severance Payments	1,298,313	1,493,325				
38 Recruiting	277,394	303,091	308,093	349,514	359,735	346,700
39 Team Travel	1,203,302	995,236	1,451,587	1,505,170	1,571,519	1,904,289
40 Equipment, Uniforms and Supplies	2,623,531	2,314,223	1,466,317	1,085,182	1,815,709	896,361
41 Game Expenses			471,023	529,418	577,832	723,060
42 Fund Raising, Marketing, Promotion			332,110	407,156	389,334	425,737
43 Direct Facilities/Maint/Rentals	555,137	839,834	1,218,080	1,292,903	1,410,028	2,102,309
44 Debt Service on Facilities	868,116	888,294	668,508	1,373,856	1,260,904	4,067,923
45 Spirit Groups			23,077	70,057	80,843	57,294
46 Medical Expenses & Insurance	52,410	29,819	49,427	65,304	123,475	48,550
47 Memberships & Dues			450,613	478,007	487,382	512,513
48 NCAA/Special Event/Bowls	361,737	403,297	264,748	2,667,854	54,693	185,450
49 Other Operating Expenses			560,445	592,564	963,267	624,487
50 <b>Subtotal Operating Expenditures</b>	<b>13,786,921</b>	<b>14,916,411</b>	<b>17,654,617</b>	<b>21,474,076</b>	<b>21,726,069</b>	<b>26,839,225</b>
<b>51 Non-Cash Expenditures</b>						
52 3rd Party Coaches Compensation			184,100	184,100	198,150	198,150
53 3rd Party Admin Staff Compensation				1,770,143	1,377,827	1,377,827
54 Indirect Facilities & Admin Support						
55 Non-Cash Expense						
56 Non-Resident Tuition Waivers			1,414,672	1,338,121	1,710,390	1,710,390
57 <b>Subtotal Non-Cash Expenditures</b>	<b>0</b>	<b>0</b>	<b>1,598,772</b>	<b>3,292,364</b>	<b>3,286,367</b>	<b>3,286,367</b>
58 <b>Total Expenditures:</b>	<b>13,786,921</b>	<b>14,916,411</b>	<b>19,253,389</b>	<b>24,766,440</b>	<b>25,012,436</b>	<b>30,125,592</b>
<b>59</b>						
60 <b>Net Income/(deficit)</b>	<b>75,780</b>	<b>60,614</b>	<b>(170,891)</b>	<b>548,714</b>	<b>119,816</b>	<b>(533,989)</b>
<b>61</b>						
62 <b>Ending Fund Balance 6/30</b>	<b>337,815</b>	<b>398,429</b>	<b>227,538</b>	<b>776,252</b>	<b>896,068</b>	<b>362,079</b>
<b>63</b>						
<b>64 Sport Camps &amp; Clinics</b>						
65 Revenue	418,918	411,925	245,242	757,310	445,799	400,000
66 Coach Compensation from Camp			221,871	182,917	254,355	150,000
67 Camp Expenses	325,073	447,947	172,366	256,806	341,076	250,000
68 <b>Total Expenses</b>	<b>325,073</b>	<b>447,947</b>	<b>394,237</b>	<b>439,723</b>	<b>595,431</b>	<b>400,000</b>
69 <b>Net Income from Camps</b>	<b>93,845</b>	<b>(36,022)</b>	<b>(148,995)</b>	<b>317,587</b>	<b>(149,632)</b>	<b>0</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Boise State University**

BSU

<b>Revenue by Program:</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1	<b>General Revenue:</b>						
2	Student Fees	2,358,376	2,390,045	2,401,225	2,833,090	2,657,499	2,694,423
3	Contributions	2,715,310	1,921,897	2,771,494	3,522,400	2,884,410	8,005,314
4	State Support	1,851,700	1,975,918	2,173,601	2,201,200	2,256,873	2,365,023
5	Institutional Gender Equity	200,000	279,872	417,872	467,872	783,872	976,872
6	Institutional Support	289,800	306,800	371,574	444,500	363,300	382,200
7	NCAA/Conference			1,350,712	1,762,971	2,062,996	1,535,523
8	TV/Radio/Internet			1,291	19,093	142,046	99,525
9	Concessions/program/etc.			555,806	619,942	650,896	812,524
10	Advertising/sponsorship/Royalty			1,809,906	1,850,843	2,253,195	2,524,737
11	Endowments			310,000	414,287	475,000	360,000
12	NCAA/Special Event/Bowls	425,833	586,860	396,261	2,660,410	24,085	480,000
13	Other	1,913,125	1,948,472	310,644	379,790	427,736	371,952
14	Total General Revenue	9,754,144	9,409,864	12,870,386	17,176,398	14,981,908	20,608,093
15	<b>Revenue By Sport:</b>						
16	<b>Men's Programs:</b>						
17	Football						
18	Ticket Sales	1,885,801	2,933,633	3,303,872	3,813,464	5,408,108	4,583,404
19	Game Guarantees	325,000		725,000	350,000	625,000	650,000
20	Other (Tourn/Bowl/Conf)	613,321	1,008,792				
21	Basketball						
22	Ticket Sales	681,320	609,254	518,411	558,700	742,607	656,881
23	Game Guarantees			25,000	65,000		
24	Other (Tourn/Bowl/Conf)	202,031	340,409				
25	Track & Field/Cross Country	50,301	87,141	2,085	2,002	7,110	2,323
26	Tennis	19,242	38,732	1,000	5,486	1,500	
27	Baseball						
28	Wrestling	33,609	52,865	1,175	5,911	11,646	3,871
29	Golf	19,182	34,897				
30	Volleyball						
31	Total Men's Sport Revenue	3,829,807	5,105,723	4,576,543	4,800,563	6,795,971	5,896,479
32	<b>Women's Programs</b>						
33	Volleyball						
34	Ticket Sales	2,541	2,729	2,115	6,005	11,384	6,968
35	Game Guarantees						
36	Other (Tourn/Bowl/Conf)	31,972	51,249				
37	Basketball						
38	Ticket Sales	13,103	13,801	15,373	28,926	21,622	18,952
39	Game Guarantees			11,000			
40	Other (Tourn/Bowl/Conf)	35,239	59,276				
41	Track & Field/Cross Country	58,392	104,371	2,325	2,002	7,110	2,323
42	Tennis	20,182	34,232				
43	Gymnastics	35,594	58,034	3,134	4,448	14,392	10,324
44	Golf	19,182	35,049				
45	Soccer	43,363	68,465	2,850	4,448	13,498	
46	Softball						
47	Skiing	19,182	34,232				
48	Swimming						
49	Total Women's Sport Rev	278,750	461,438	36,797	45,829	68,006	38,567
50	<b>Total Revenue</b>	13,862,701	14,977,025	17,483,726	22,022,790	21,845,885	26,543,139

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Boise State University**

BSU

<b>Expenditures by Admin/Sport</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
51	<b>Administrative and General</b>						
52	Athletic Director Office	903,375	981,235	1,093,827	1,078,224	1,137,606	1,289,593
53	Fund Raising Office	1,145,545	1,190,981	590,146	561,839	681,382	702,591
54	Academic Support			612,474	572,738	782,313	850,538
55	Media Relations	280,771	287,224	545,529	311,835	351,019	354,001
56	Marketing and Promotions			427,625	430,086	492,294	588,078
57	Ticket Office	176,757	199,302	513,198	240,341	265,279	303,344
58	Athletic Training Room	303,579	340,717	388,608	407,214	593,739	525,875
59	Memberships and Dues			450,613	478,007	487,382	512,513
60	Facilities Mtn & Debt Service	1,355,158	1,628,859	1,774,643	2,625,603	2,606,173	5,802,814
61	Capital Improvements	141,358	191,909	621,414	665,311	1,027,905	1,312,560
62	NCAA/Special Event/Bowls	361,737	403,297	404,368	2,667,854	37,591	185,450
63	Other Miscellaneous	1,070,370	1,348,143	1,425,397	1,605,344	1,686,734	1,782,338
64	<b>Total Admin &amp; General</b>	<b>5,738,650</b>	<b>6,571,667</b>	<b>8,847,842</b>	<b>11,644,396</b>	<b>10,149,417</b>	<b>14,209,695</b>
65							
66	<b>Men's Programs:</b>						
67	Football	3,318,890	3,482,093	4,007,802	4,644,875	5,772,723	5,983,393
68	Basketball	849,573	974,026	942,367	1,124,670	1,097,407	1,246,693
69	Track & Field/Cross Country	298,858	309,118	342,174	331,224	358,198	416,133
70	Tennis	264,240	261,411	262,102	273,000	310,932	296,720
71	Baseball						
72	Wrestling	280,280	324,303	306,217	321,041	376,418	407,868
73	Golf	181,630	137,347	126,292	144,336	171,692	150,081
74	Volleyball						
75	Rodeo						
76	<b>Total Men's Programs</b>	<b>5,193,471</b>	<b>5,488,298</b>	<b>5,986,954</b>	<b>6,839,146</b>	<b>8,087,370</b>	<b>8,500,888</b>
77							
78	<b>Women's Programs</b>						
79	Volleyball	459,139	437,285	443,030	478,642	509,694	509,517
80	Basketball	649,773	678,056	646,831	651,090	833,326	976,812
81	Track & Field/Cross Country	349,718	360,705	400,203	387,007	416,838	484,140
82	Tennis	247,374	251,387	217,438	233,531	271,551	268,995
83	Gymnastics	382,997	419,425	384,594	436,812	438,173	453,486
84	Golf	234,223	200,946	189,529	196,611	193,903	183,923
85	Soccer	374,605	356,601	378,530	388,377	419,012	428,548
86	Softball	0	0	0	0	0	0
87	Skiing	156,971	152,041	159,666	6,156	5,253	418,852
88	Swimming				212,308	401,532	404,369
89	<b>Total Women's Programs</b>	<b>2,854,800</b>	<b>2,856,446</b>	<b>2,819,821</b>	<b>2,990,534</b>	<b>3,489,282</b>	<b>4,128,642</b>
90							
91	<b>Total Expenditures</b>	<b>13,786,921</b>	<b>14,916,411</b>	<b>17,654,617</b>	<b>21,474,076</b>	<b>21,726,069</b>	<b>26,839,225</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Boise State University**

BSU

<b>Participants by Sport</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
92	<b>Men's Programs:</b>						
93	Football	115	108	109	104	102	105
94	Basketball	13	14	13	15	16	14
95	Track & Field/Cross Country	35	29	31	36	37	38
96	Tennis	9	10	12	10	13	12
97	Baseball						
98	Wrestling	22	30	28	22	30	33
99	Golf	12	10	11	10	9	10
100	Volleyball						
101	Rodeo						
102	Total Male Participation	206	201	204	197	207	212
103	<b>Women's Programs</b>						
104	Volleyball	13	13	13	15	19	15
105	Basketball	13	14	13	13	17	16
106	Track & Field/Cross Country	35	34	29	28	38	47
107	Tennis	8	8	9	9	9	9
108	Gymnastics	14	16	15	16	25	22
109	Golf	8	8	8	10	8	10
110	Soccer	21	25	30	27	28	27
111	Softball	0	0	0	0	0	0
112	Skiing		5	8	0	0	19
113	Swimming			0	14	26	31
114	Rodeo			0	0	0	0
115	Total Female Participation	112	123	125	132	170	196
116	<b>Total Participants</b>	318	324	329	329	377	408

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Boise State University**

BSU

<b>Full Ride Scholarships (Hdct)</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>117 Men's Programs:</b>							
118	Football	85.0	85.5	85.0	81.0	74.0	69.0
119	Basketball	11.5	11.5	12.0	13.0	11.0	12.0
120	Track & Field/Cross Country	4.0	3.0	3.0	3.0	3.0	5.0
121	Tennis		1.0	1.0	3.0	3.0	2.0
122	Baseball						
123	Wrestling	0.0	1.0	0.0	1.0	1.0	0.0
124	Golf	0.0	0.0	0.0	1.0	0.0	1.0
125	Volleyball						
126	Subtotal	100.5	102.0	101.0	102.0	92.0	89.0
<b>127 Women's Programs</b>							
128	Volleyball	12.0	9.5	11.5	11.0	12.0	12.0
129	Basketball	13.0	12.5	13.0	13.0	14.0	15.0
130	Track & Field/Cross Country	5.0	5.0	7.0	7.0	4.0	5.0
131	Tennis	8.0	7.0	9.0	7.0	7.0	8.0
132	Gymnastics	11.0	11.0	9.0	10.0	9.0	12.0
133	Golf	1.0	4.0	4.0	3.0	3.0	1.0
134	Soccer	2.0	1.0	0.0	1.0	0.0	1.0
135	Skiing	1.0	3.0	0.0	0.0	0.0	1.0
136	Softball	0.0	0.0	0.0	0.0	0.0	0.0
137	Swimming			0.0	0.0	1.0	1.0
138	Subtotal	53.0	53.0	53.5	52.0	50.0	56.0
<b>139 Total Scholarships</b>		153.5	155.0	154.5	154.0	142.0	145.0
<b>140 Partial Scholarships by Sport (FTE)</b>							
<b>141 Men's Programs:</b>							
142	Football	1.11	0.00	0.00	0.50	4.55	16.20
143	Basketball	0.00	0.00	0.00	0.00	0.46	0.50
144	Track & Field/Cross Country	8.27	7.85	8.76	6.98	8.76	5.36
145	Tennis	3.78	3.18	3.50	1.04	1.47	1.87
146	Baseball						
147	Wrestling	8.40	9.14	9.63	8.42	6.97	9.55
148	Golf	4.01	3.69	4.00	2.47	3.50	2.41
149	Volleyball						
150	Rodeo						
151	Subtotal	25.57	23.86	25.89	19.41	25.71	35.89
<b>152 Women's Programs</b>							
153	Volleyball		1.53	1.19	0.59	0.94	0.00
154	Basketball	0.29	1.63	2.15	0.04	1.01	0.50
155	Track & Field/Cross Country	9.53	7.31	10.33	8.57	10.47	9.26
156	Tennis	0.25	0.00	0.00	0.00	0.00	0.35
157	Gymnastics	1.00	0.58	2.15	0.79	0.70	0.00
158	Golf	4.63	1.39	1.96	3.00	3.08	4.62
159	Soccer	9.02	9.74	11.44	11.57	12.01	9.87
160	Softball						
161	Skiing	1.00	0.04	1.15	0.00	0.00	5.34
162	Swimming			0.00	1.76	5.98	9.33
163	Rodeo						
164	Subtotal	25.72	22.22	30.37	26.32	34.19	39.27
<b>165 Total Scholarships</b>		51.29	46.08	56.26	45.73	59.90	75.16

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Intercollegiate Athletics  
Summary of Gender Equity Plans

	Original	Current	Estimate																		
	Base Year FY99	Base Year FY05	FY06	FY07	FY08 Plan	FY08 Act	FY09 plan	FY09 Est	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	
<b>Boise State University</b>																					
FT Students: Male	3,712	4,820	4,820	4,868	4,917	5,313	4,966	5,313	5,366	5,420	5,474	5,529	5,584	5,640	5,696	5,753	5,811	5,869	5,928	5,987	
Female	4,669	5,365	5,365	5,419	5,473	5,906	5,528	5,906	5,965	6,025	6,085	6,146	6,207	6,269	6,332	6,395	6,459	6,524	6,589	6,655	
% Male	44%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	
Female	56%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	
Athletes: Male	212	208	190	195	195	248	195	270	259	259	259	260	259	259	259	259	259	259	259	259	
Female	112	125	141	150	157	230	177	263	262	262	262	262	288	288	288	288	288	310	310	310	
Female Student Athletes Needed	155	107	70	67	60	46	40	37	26	26	26	27	0	0	0	0	0	(22)	(22)	(22)	
% Male	65%	62%	57%	57%	55%	52%	52%	51%	50%	50%	50%	50%	47%	47%	47%	47%	47%	46%	46%	46%	
Female	35%	38%	43%	43%	45%	48%	48%	49%	50%	50%	50%	50%	53%	53%	53%	53%	53%	54%	54%	54%	
Gender Equity Costs	224,540	571,207	709,207	759,207	1,075,685	915,727	1,765,257	1,596,491	1,626,254	1,764,673	1,853,652	2,115,254	2,729,823	2,778,528	2,990,141	3,130,156	3,596,097	4,592,145	4,790,166	5,178,260	
Student Fees	50,000	50,000	50,000	50,000	120,000	50,000	190,000	174,440	190,000	230,000	230,000	300,000	440,000	440,000	510,000	510,000	585,000	725,000	800,000	800,000	
Sport Revenue	115,492	150,000	150,000	150,000	150,000	81,855	175,000	281,855	175,000	175,000	193,979	200,000	225,000	225,000	250,000	250,000	275,000	285,000	290,000	300,000	
Boosters/Foundation	59,048	91,335	91,335	91,335	95,589	0	120,000	163,324	120,000	120,000	140,000	150,000	170,000	170,000	185,000	185,000	200,000	210,000	220,000	230,000	
Appropriated Support	0	279,872	417,872	467,872	710,096	783,872	1,280,257	976,872	1,141,254	1,239,673	1,289,673	1,465,254	1,894,823	1,943,528	2,045,141	2,185,156	2,536,097	3,372,145	3,480,166	3,848,260	
Total Revenue	224,540	571,207	709,207	759,207	1,075,685	915,727	1,765,257	1,596,491	1,626,254	1,764,673	1,853,652	2,115,254	2,729,823	2,778,528	2,990,141	3,130,156	3,596,097	4,592,145	4,790,166	5,178,260	
Costs Less Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Annual Student Aid</b>																					
Male	1,375,739	1,329,042	1,464,059	1,610,465	1,771,511	2,381,592	1,948,663	2,619,751	2,881,726	3,169,899	3,486,889	3,835,578	4,219,136	4,641,049	5,105,154	5,615,669	6,177,236	6,794,960	7,474,456	8,221,902	
Female	901,301	997,394	1,095,562	1,205,118	1,358,630	1,712,086	1,639,033	2,027,835	2,313,118	2,599,680	2,859,626	3,145,588	3,582,947	4,019,522	4,514,182	4,965,600	5,462,160	6,213,977	6,966,814	7,808,080	
Total Annual Student Aid	2,277,040	2,326,436	2,559,621	2,815,583	3,130,141	4,093,678	3,587,696	4,647,586	5,194,844	5,769,579	6,346,515	6,981,166	7,802,083	8,660,571	9,619,336	10,581,270	11,639,397	13,008,936	14,441,270	16,029,981	
<b>Annual Student Aid %</b>																					
Male	60%	57%	57%	57%	57%	58%	54%	56%	55%	55%	55%	55%	54%	54%	53%	53%	53%	52%	52%	51%	
Female	40%	43%	43%	43%	43%	42%	46%	44%	45%	45%	45%	45%	46%	46%	47%	47%	47%	48%	48%	49%	
Total Annual Student Aid %	100%	100%	100%	100%	100%	100.00%	100.00%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
<b>Participants by Sports</b>																					
<b>Men's Programs:</b>																					
Football		108	101	106	106	102	105	105	105	105	105	106	105	105	105	105	105	105	105	105	
Basketball		14	14	14	14	16	14	14	14	14	14	14	14	14	14	14	14	14	14	14	
Track and Field/Cross Country		36	30	30	30	78	30	96	90	90	90	90	90	90	90	90	90	90	90	90	
Tennis		10	10	10	10	13	10	12	10	10	10	10	10	10	10	10	10	10	10	10	
Wrestling		30	25	25	25	30	25	33	30	30	30	30	30	30	30	30	30	30	30	30	
Golf		10	10	10	10	9	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
<b>Male Participants</b>		<b>208</b>	<b>190</b>	<b>195</b>	<b>195</b>	<b>248</b>	<b>194</b>	<b>270</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>260</b>	<b>259</b>								
<b>Women's Programs:</b>																					
Basketball		14	15	15	15	17	15	15	15	15	15	15	15	15	15	15	15	15	15	15	
Volleyball		13	15	15	15	19	15	16	15	15	15	15	15	15	15	15	15	15	15	15	
Gymnastics		16	20	20	20	25	20	22	20	20	20	20	20	20	20	20	20	20	20	20	
Swimming and Diving		0	0	15	22	26	22	31	30	30	30	30	30	30	30	30	30	30	30	30	
Ski		5	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Soccer		25	25	25	25	28	25	27	25	25	25	25	25	25	25	25	25	25	25	25	
Golf		8	10	10	10	8	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Tennis		8	10	10	10	9	10	9	10	10	10	10	10	10	10	10	10	10	10	10	
Track and Field/Cross Country		36	36	40	40	98	40	117	117	117	117	117	117	117	117	117	117	117	117	117	
Softball		0	0	0	0	0	20	16	20	20	20	20	20	20	20	20	20	20	20	20	
Lacrosse		0	0	0	0	0	0	0	0	0	0	0	26	26	26	26	26	26	26	26	
TBD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22	22	22	
<b>Female Participants</b>		<b>125</b>	<b>141</b>	<b>150</b>	<b>157</b>	<b>230</b>	<b>177</b>	<b>263</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>262</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>310</b>	<b>310</b>	

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**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Idaho State University**

ISU

Revenues/Expend/Fund Balance	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>1 Revenue:</b>						
<b>2 Program Revenue:</b>						
3 Ticket Sales	526,837	303,364	335,711	328,546	369,954	322,450
4 Game Guarantees	185,510	287,500	271,000	562,000	644,000	733,100
5 Contributions	343,327	329,975	601,112	518,339	569,504	368,500
6 NCAA/Conference/Tournaments	423,041	394,651	408,261	493,850	532,650	483,445
7 TV/Radio/Internet Rights	14,314	4,300	8,575	9,692	6,180	5,000
8 Program/Novelty Sales,						
9 Concessionns, Parking	17,000	17,000	17,000	17,534	21,438	17,500
10 Royalty, Advertisement, Sponsorship	364,585	547,001	607,938	551,818	622,694	550,000
11 Endowment/Investment Income	470	46,730	23,590	23,870	28,660	28,910
12 Other	63,384	29,736	95,268	112,284	95,440	90,000
13 <b>Total Program Revenue</b>	<b>1,938,468</b>	<b>1,960,257</b>	<b>2,368,455</b>	<b>2,617,932</b>	<b>2,890,521</b>	<b>2,598,905</b>
<b>14 Non-Program Revenue:</b>						
15 NCAA/Bowl/World Series	0	0	0	50,960	750	0
16 Student Fees	1,908,073	1,896,971	1,862,016	1,839,156	1,805,222	1,915,260
17 Direct State/Govt Support	1,851,700	1,975,859	2,120,212	2,201,200	2,319,642	2,442,600
18 Institutional Gender Equity	443,500	526,500	626,500	626,500	646,500	646,500
19 Direct Institutional Support	327,100	327,200	347,700	365,600	465,603	440,600
20 Subtotal State/Inst. Support	2,622,300	2,829,559	3,094,412	3,193,300	3,431,745	3,529,700
21 <b>Total Non-Program Revenue</b>	<b>4,530,373</b>	<b>4,726,530</b>	<b>4,956,428</b>	<b>5,083,416</b>	<b>5,237,717</b>	<b>5,444,960</b>
22 <b>Subtotal Operating Revenue</b>	<b>6,468,841</b>	<b>6,686,787</b>	<b>7,324,883</b>	<b>7,701,348</b>	<b>8,128,238</b>	<b>8,043,865</b>
<b>23 Non-Cash Revenue</b>						
24 Third Party Support	0	0	0	0	39,946	40,000
25 Indirect Institutional Support	0	0	0	0	0	0
26 Non-Cash Revenue	166,898	134,965	671,436	566,206	585,593	580,000
27 Non-Resident Tuition Waivers	815,100	849,600	920,150	905,919	977,670	975,000
28 <b>Subtotal Non-Cash Revenue</b>	<b>981,998</b>	<b>984,565</b>	<b>1,591,586</b>	<b>1,472,125</b>	<b>1,603,209</b>	<b>1,595,000</b>
29 <b>Total Revenue:</b>	<b>7,450,839</b>	<b>7,671,352</b>	<b>8,916,469</b>	<b>9,173,473</b>	<b>9,731,447</b>	<b>9,638,865</b>
<b>31 Expenditures</b>						
<b>32 Operating Expenditures:</b>						
33 Athletics Student Aid	1,410,249	1,606,427	1,655,684	1,768,404	1,710,189	1,766,686
34 Guarantees	115,888	39,500	47,500	78,839	93,500	57,500
35 Coaching Salary/Benefits	1,392,989	1,495,688	1,710,132	1,738,418	1,736,433	1,913,392
36 Admin Staff Salary/Benefits	1,109,249	1,246,438	1,337,241	1,553,199	1,462,110	1,429,213
37 Severance Payments	0	0	0	0	0	0
38 Recruiting	210,111	211,425	298,292	301,128	254,262	229,905
39 Team Travel	643,587	617,600	679,810	895,509	841,437	792,299
40 Equipment, Uniforms and Supplies	490,125	376,491	313,292	399,028	216,320	276,644
41 Game Expenses	147,543	92,477	60,132	265,853	310,724	224,160
42 Fund Raising, Marketing, Promotion	22,600	63,887	38,497	215,429	154,186	170,448
43 Direct Facilities/Maint/Rentals	215,143	95,936	146,384	172,966	149,771	141,324
44 Debt Service on Facilities	0	0	0	0	0	0
45 Spirit Groups	100,194	144,613	104,906	200,091	54,322	42,437
46 Medical Expenses & Insurance	227,823	227,357	256,778	307,129	266,042	325,010
47 Memberships & Dues	41,266	41,739	40,051	46,033	44,793	51,000
48 NCAA/Special Event/Bowls	0	0	0	46,595	2,983	0
49 Other Operating Expenses	303,951	479,129	664,314	511,704	466,619	502,847
50 <b>Subtotal Operating Expenditures</b>	<b>6,430,718</b>	<b>6,738,707</b>	<b>7,353,013</b>	<b>8,500,325</b>	<b>7,763,692</b>	<b>7,922,865</b>
<b>51 Non-Cash Expenditures</b>						
52 3rd Party Coaches Compensation	0	0	0	0	35,526	36,000
53 3rd Party Admin Staff Compensation	0	0	0	0	4,420	4,000
54 Indirect Facilities & Admin Support	0	0	0	0	0	0
55 Non-Cash Expense	166,898	134,965	671,436	566,206	585,593	580,000
56 Non-Resident Tuition Waivers	815,100	849,600	920,150	905,919	977,670	975,000
57 <b>Subtotal Non-Cash Expenditures</b>	<b>981,998</b>	<b>984,565</b>	<b>1,591,586</b>	<b>1,472,125</b>	<b>1,603,209</b>	<b>1,595,000</b>
58 <b>Total Expenditures:</b>	<b>7,412,716</b>	<b>7,723,272</b>	<b>8,944,599</b>	<b>9,972,450</b>	<b>9,366,901</b>	<b>9,517,865</b>
59						
60 <b>Net Income/(deficit)</b>	<b>38,123</b>	<b>(51,920)</b>	<b>(28,130)</b>	<b>(798,977)</b>	<b>364,546</b>	<b>121,000</b>
61						
62 <b>Ending Fund Balance 6/30</b>	<b>741,292</b>	<b>689,372</b>	<b>661,242</b>	<b>(137,735)</b>	<b>226,811</b>	<b>347,811</b>
63						
<b>64 Sport Camps &amp; Clinics</b>						
65 Revenue	120,804	131,802	174,387	168,462	227,303	200,000
66 Coach Compensation from Camp	119,410	114,770	99,623	97,398	49,190	80,000
67 Camp Expenses	47,246	34,114	60,045	82,432	193,807	120,000
68 Total Expenses	166,656	148,884	159,668	179,830	242,997	200,000
69 <b>Net Income from Camps</b>	<b>(45,852)</b>	<b>(17,082)</b>	<b>14,719</b>	<b>(11,369)</b>	<b>-15,695</b>	<b>0</b>

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Idaho State University**

ISU

<b>Revenue by Program:</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
<b>1</b>	<b>General Revenue:</b>						
2	Student Fees	1,908,073	1,896,971	1,862,016	1,839,156	1,805,222	1,915,260
3	Contributions	343,327	329,975	601,112	518,339	569,504	368,500
4	State Support	1,851,700	1,975,859	2,120,212	2,201,200	2,319,642	2,442,600
5	Institutional Gender Equity	443,500	526,500	626,500	626,500	646,500	646,500
6	Institutional Support	327,100	327,200	347,700	365,600	465,603	440,600
7	NCAA / Conference	423,041	394,651	408,261	493,850	532,650	483,445
8	TV / Radio / Internet	14,314	4,300	8,575	9,692	6,180	5,000
9	Concessions / program / etc.	17,000	17,000	17,000	17,534	21,438	17,500
10	Advertising / sponsorship / Royalty	364,585	547,001	607,938	551,818	622,694	550,000
11	Endowments	470	46,730	23,590	23,870	28,660	28,910
12	NCAA / Bowl / World Series	0	0	0	50,960	750	0
13	Other	41,398	13,357	95,268	102,189	98,842	90,000
14	<b>Total General Revenue</b>	<b>5,734,508</b>	<b>6,079,544</b>	<b>6,718,172</b>	<b>6,800,707</b>	<b>7,117,686</b>	<b>6,988,315</b>
<b>15</b>	<b>Revenue By Sport:</b>						
<b>16</b>	<b>Men's Programs:</b>						
17	Football						
18	Ticket Sales	325,130	167,432	178,384	169,071	196,636	135,956
19	Game Guarantees	100,000	190,000	200,000	325,000	300,000	405,000
20	Other (Tourn/Bowl/Conf)	0	0	0	0	0	0
21	Basketball						
22	Ticket Sales	175,653	103,776	100,272	120,288	131,526	165,000
23	Game Guarantees	77,430	80,000	71,000	225,000	315,000	305,000
24	Other (Tourn/Bowl/Conf)	0	0	0	0	0	0
25	Track & Field/Cross Country	982	6,393	1,030	4,605	4,136	2,000
26	Tennis	855	1,316	0	0	0	0
27	Baseball	0	0	0	0	0	0
28	Wrestling	0	0	0	0	0	0
29	Golf	10,770	995	0	0	0	0
30	Volleyball	0	0	0	0	0	0
31	<b>Total Men's Sport Revenue</b>	<b>690,820</b>	<b>549,912</b>	<b>550,686</b>	<b>843,964</b>	<b>947,298</b>	<b>1,012,956</b>
<b>32</b>	<b>Women's Programs</b>						
33	Volleyball						
34	Ticket Sales	3,955	2,797	3,867	3,198	3,063	2,688
35	Game Guarantees	0	0	0	0	0	3,600
36	Other (Tourn/Bowl/Conf)	0	0	0	0	0	0
37	Basketball						
38	Ticket Sales	15,693	18,241	16,331	15,018	23,600	12,000
39	Game Guarantees	7,000	17,500	0	11,000	23,000	19,500
40	Other (Tourn/Bowl/Conf)	0	0	31,819	14,295	750	0
41	Track & Field/Cross Country	4,223	8,128	1,030	4,605	4,136	2,000
42	Tennis	1,355	903	0	0	0	0
43	Gymnastics	0	0	0	0	0	0
44	Golf	2,205	1,508	0	0	0	0
45	Soccer	9,082	8,254	2,978	7,561	3,705	2,806
46	Softball	0	0	0	1,000	5,000	0
47	Skiing	0	0	0	0	0	0
48	Swimming	0	0	0	0	0	0
49	<b>Total Women's Sport Rev</b>	<b>43,513</b>	<b>57,331</b>	<b>56,025</b>	<b>56,677</b>	<b>63,254</b>	<b>42,594</b>
<b>50</b>	<b>Total Revenue</b>	<b>6,468,841</b>	<b>6,686,787</b>	<b>7,324,883</b>	<b>7,701,348</b>	<b>8,128,238</b>	<b>8,043,865</b>

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Idaho State University**

ISU

<b>Expenditures by Admin/Sport</b>		<b>FY04 Act</b>	<b>FY05 Act</b>	<b>FY06 Act</b>	<b>FY07 Act</b>	<b>FY08 Est</b>	<b>FY08 Est</b>
<b>51</b>	<b>Administrative and General</b>						
52	Athletic Director Office	744,487	649,404	714,640	841,585	839,554	699,960
53	Fund Raising Office	245,724	233,217	233,835	222,109	188,197	191,360
54	Academics Support	112,283	128,883	197,769	244,515	202,937	190,950
55	Media Relations	127,386	156,552	192,034	199,474	170,117	210,328
56	Marketing and Promotions	140,575	285,591	250,907	277,479	153,193	193,000
57	Ticket Office	0	0	0	0	0	0
58	Athletic Training Room	153,288	185,986	177,277	208,738	250,145	282,337
59	Memberships and Dues	0	0	0	46,033	44,793	45,000
60	Facilities Mtn & Debt Service	85,000	85,000	85,000	85,000	85,000	85,000
61	Capital Improvements	0	0	0	0	0	0
62	NCAA/Special Event/Bowls	0	0	0	46,595	750	0
63	Other Miscellaneous	591,479	622,522	582,988	790,456	616,395	595,860
<b>64</b>	<b>Total Admin &amp; General</b>	<b>2,200,222</b>	<b>2,347,155</b>	<b>2,434,450</b>	<b>2,961,984</b>	<b>2,551,081</b>	<b>2,493,795</b>
65							
<b>66</b>	<b>Men's Programs:</b>						
67	Football	1,640,164	1,623,316	1,769,956	1,953,471	1,817,596	1,922,790
68	Basketball	591,507	598,677	699,624	823,675	764,289	825,551
69	Track & Field/Cross Country	217,127	263,652	265,017	310,031	293,231	287,149
70	Tennis	92,826	121,252	101,968	95,857	96,929	92,874
71	Baseball	0	0	0	0	0	0
72	Wrestling	0	0	0	0	0	0
73	Golf	59,767	68,414	82,268	91,870	82,823	12,615
74	Volleyball	0	0	0	0	0	0
75	Rodeo	0	0	0	0	0	0
<b>76</b>	<b>Total Men's Programs</b>	<b>2,601,391</b>	<b>2,675,311</b>	<b>2,918,833</b>	<b>3,274,904</b>	<b>3,054,868</b>	<b>3,140,979</b>
77							
<b>78</b>	<b>Women's Programs</b>						
79	Volleyball	330,619	305,098	344,992	356,805	332,383	366,522
80	Basketball	495,251	531,939	601,505	598,824	594,512	628,221
81	Track & Field/Cross Country	257,479	303,016	312,553	385,315	338,039	375,409
82	Tennis	137,650	126,282	142,087	123,439	112,339	106,221
83	Gymnastics	0	0	0	0	0	0
84	Golf	100,775	107,397	96,166	112,107	104,199	102,023
85	Soccer	307,331	338,714	354,939	357,435	370,437	413,305
86	Softball	0	3,795	147,488	329,512	305,834	296,390
87	Skiing	0	0	0	0	0	0
88	Swimming	0	0	0	0	0	0
<b>89</b>	<b>Total Women's Programs</b>	<b>1,629,105</b>	<b>1,716,241</b>	<b>1,999,730</b>	<b>2,263,437</b>	<b>2,157,743</b>	<b>2,288,091</b>
90							
<b>91</b>	<b>Total Expenditures</b>	<b>6,430,718</b>	<b>6,738,707</b>	<b>7,353,013</b>	<b>8,500,325</b>	<b>7,763,692</b>	<b>7,922,865</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
Idaho State University**

ISU

<b>Participants by Sport</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
92	<b>Men's Programs:</b>						
93	Football	86	86	92	84	87	85
94	Basketball	13	15	16	18	14	16
95	Track & Field/Cross Country	44	50	48	46	37	37
96	Tennis	12	7	8	9	8	7
97	Baseball						
98	Wrestling						
99	Golf	14	10	8	7	7	0
100	Volleyball						
101	Rodeo						
102	Total Male Participation	169	168	172	164	153	145
103	<b>Women's Programs</b>						
104	Volleyball	12	11	14	13	13	14
105	Basketball	14	14	18	15	15	14
106	Track & Field/Cross Country	46	57	44	39	37	40
107	Tennis	9	9	9	9	7	7
108	Gymnastics						
109	Golf	8	9	10	9	8	6
110	Soccer	21	21	23	23	22	22
111	Softball	-	-	-	20	20	19
112	Skiing	-	-	-	-	-	-
113	Swimming	-	-	-	-	-	-
114	Rodeo						
115	Total Female Participation	110	121	118	128	122	122
116	<b>Total Participants</b>	279	289	290	292	275	267

**College & Universities  
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<b>Full Ride Scholarships (Hdct)</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
<b>117 Men's Programs:</b>							
118	Football	51.0	53.0	51.0	50.0	50.0	49.0
119	Basketball	11.0	12.0	13.0	12.0	11.0	13.0
120	Track & Field/Cross Country	1.0	1.0	2.0	1.0	2.0	3.0
121	Tennis	0.0	0.0	0.0	0.0	0.0	0.0
122	Baseball						
123	Wrestling						
124	Golf	0.0	0.0	0.0	0.0	0.0	0.0
125	Volleyball						
126	Subtotal	63.0	66.0	66.0	63.0	63.0	65.0
<b>127 Women's Programs</b>							
128	Volleyball	12.0	10.0	11.0	9.0	9.0	10.0
129	Basketball	12.0	13.0	11.0	13.0	14.0	10.0
130	Track & Field/Cross Country	0.0	1.0	0.0	0.0	3.0	5.0
131	Tennis	6.0	4.0	6.0	4.0	4.0	1.0
132	Gymnastics						
133	Golf	5.0	4.0	1.0	0.0	0.0	0.0
134	Soccer	5.0	4.0	2.0	3.0	3.0	4.0
135	Skiing	0.0	0.0	0.0	0.0	0.0	0.0
136	Softball	0.0	0.0	0.0	0.0	0.0	1.0
137	Swimming	0.0	0.0	0.0	0.0	0.0	0.0
138	Subtotal	40.0	36.0	31.0	29.0	33.0	31.0
<b>139 Total Scholarships</b>		103.0	102.0	97.0	92.0	96.0	96.0
<b>140 Partial Scholarships by Sport (FTE)</b>							
<b>141 Men's Programs:</b>							
142	Football	10.60	7.69	12.89	8.18	11.67	9.29
143	Basketball	0.00	0.00	0.00	0.50	0.50	0.00
144	Track & Field/Cross Country	10.31	11.16	10.60	10.54	10.38	9.56
145	Tennis	4.50	4.50	4.50	3.94	4.20	2.81
146	Baseball						
147	Wrestling						
148	Golf	1.85	2.43	3.34	2.50	2.62	0.00
149	Volleyball						
150	Rodeo						
151	Subtotal	27.26	25.78	31.33	25.66	29.37	21.66
<b>152 Women's Programs</b>							
153	Volleyball	0.00	0.48	0.52	1.44	1.47	0.95
154	Basketball	0.50	0.50	1.87	0.00	0.49	1.01
155	Track & Field/Cross Country	14.03	16.34	16.97	17.39	12.60	9.13
156	Tennis	1.00	2.06	1.01	2.15	1.15	3.81
157	Gymnastics						
158	Golf	0.55	1.83	2.90	4.52	3.33	2.87
159	Soccer	6.89	7.57	9.54	8.42	9.16	7.61
160	Softball	0.00	0.00	0.00	7.44	7.54	7.90
161	Skiing						
162	Swimming						
163	Rodeo						
164	Subtotal	22.97	28.78	32.81	41.36	35.74	33.28
<b>165 Total Scholarships</b>		50.23	54.56	64.14	67.02	65.11	54.94

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# Intercollegiate Athletics

## Summary of Gender Equity Plans

ISU

		Original Base Year FY99	Interim Base Year FY05	FY06 Act	FY07 Act	FY08 Act	FY09 Proj	FY10	FY11	FY12
<b>Idaho State University</b>										
FT Students:	Male	2,754	2,946	2,946	3,520	3,196	3,228	3,260	3,293	3,326
	Female	3,577	3,767	3,767	4,212	3,699	3,736	3,773	3,811	3,849
	% Male	44%	44%	44%	46%	46%	46%	46%	46%	46%
	Female	56%	56%	56%	54%	54%	54%	54%	54%	54%
Athletes:	Male	160	168	172	164	153	145	145	145	145
	Female	101	121	118	131	122	122	139	141	143
	Female Student Athletes Needed	107	94	102	65	55	46	29	27	25
	% Male	61%	58%	59%	56%	56%	54%	51%	51%	50%
	Female	39%	42%	41%	44%	44%	46%	49%	49%	50%
Gender Equity Costs		223,000	868,500	753,413	856,430	836,820	876,442	885,865	905,383	925,577
Anticipated Sources of Revenue:										
	Increased Student Fees	86,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
	Sport Revenue	55,000	55,000	4,176	19,653	48,029	30,000	3,000	3,000	3,000
	Boosters/Foundation	32,000	32,000	30,723	38,071	44,753	38,590	39,444	39,500	39,694
	Appropriated Support	50,000	526,500	626,500	626,500	646,500	646,500	646,500	646,500	646,500
Total Revenue		223,000	868,500	916,399	939,224	994,282	970,090	943,944	944,000	944,194
Costs Less Revenue		0	0	(162,986)	(82,794)	(157,462)	(93,648)	(58,079)	(38,617)	(18,617)
<hr/>										
Annual Student Aid										
	Male	1,074,105	1,387,351	1,503,095	1,437,132	1,523,666	1,576,381	1,553,645	1,531,874	1,531,874
	Female	631,010	960,521	953,526	1,097,074	1,104,065	1,150,128	1,311,225	1,343,496	1,364,496
	Total Annual Student Aid	1,705,115	2,347,872	2,456,621	2,534,206	2,627,731	2,726,509	2,864,870	2,875,370	2,896,370
Annual Student Aid %										
	Male	63%	59%	61%	57%	58%	58%	54%	53%	53%
	Female	37%	41%	39%	43%	42%	42%	46%	47%	47%
	Total Annual Student Aid %	100%	100%	100%	100%	100%	100%	100%	100%	100%
<hr/>										
<b>Participants by Sport</b>										
<b>Men's Programs:</b>										
	Football	96	86.0	92.0	84.0	87.0	85.0	85.0	85.0	85.0
	Basketball	14	15.0	16.0	18.0	14.0	16.0	16.0	16.0	16.0
	Track & Field/Cross Country	34	50.0	48.0	46.0	37.0	37.0	37.0	37.0	37.0
	Tennis	7	7.0	8.0	9.0	8.0	7.0	7.0	7.0	7.0
	Baseball									
	Wrestling									
	Golf	9	10.0	8.0	7.0	7.0				
	Volleyball									
	Rodeo									
	Male Participation %	160	168.0	172.0	164.0	153.0	145.0	145.0	145.0	145.0
		61.30%	58.13%	59.31%	55.59%	55.64%	54.31%	51.06%	50.70%	50.35%
<hr/>										
<b>Women's Programs:</b>										
	Volleyball	13	11.0	14.0	16.0	13.0	14.0	14.0	14.0	15.0
	Basketball	14	14.0	18.0	15.0	15.0	14.0	16.0	16.0	16.0
	Track & Field/Cross Country	36	57.0	44.0	39.0	37.0	40.0	47.0	48.0	49.0
	Tennis	7	9.0	9.0	9.0	7.0	7.0	9.0	9.0	9.0
	Gymnastics									
	Golf	11	9.0	10.0	9.0	8.0	6.0	9.0	9.0	9.0
	Soccer	20	21.0	23.0	23.0	22.0	22.0	24.0	25.0	25.0
	Softball				20.0	20.0	19.0	20.0	20.0	20.0
	New Sport 1									
	New Sport 2									
	New Sport 3									
	Total Female Participation	101	121.0	118.0	131.0	122.0	122.0	139.0	141.0	143.0
	Female Participation %	38.70%	41.87%	40.69%	44.41%	44.36%	45.69%	48.94%	49.30%	49.65%
<b>Total Participants</b>		261	289.0	290.0	295.0	275.0	267.0	284.0	286.0	288.0

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**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
University of Idaho**

UI

<u>Revenues/Expend/Fund Balance</u>	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>1 Revenue (Detail):</b>						
<b>2 Program Revenue:</b>						
3 Ticket Sales	339,051	140,363	537,322	645,308	480,817	832,386
4 Game Guarantees	1,059,612	894,552	951,500	1,285,000	1,165,000	1,005,000
5 Contributions	2,018,715	2,151,204	2,145,814	2,221,176	2,631,059	2,433,579
6 NCAA/Conference/Tournaments	451,326	523,353	952,382	1,505,558	1,446,488	1,334,118
7 TV/Radio/Internet Rights	155,921	128,042	138,928	150,000	150,000	50,000
8 Program/Novelty Sales,						
9 Concessionns, Parking	561,906	610,764	21,671	67,428	40,579	44,500
10 Royalty, Advertisement, Sponsorship			349,565	361,817	273,569	124,917
11 Endowment/Investment Income			177,541	220,184	245,278	260,000
12 Other	373,959	263,959	51,636	223,157	129,704	33,650
13 Total Program Revenue	4,960,490	4,712,237	5,326,359	6,679,628	6,562,493	6,118,150
<b>14 Non-Program Revenue:</b>						
15 NCAA/Bowl/World Series						
16 Student Fees	1,773,104	1,851,406	1,898,593	1,986,666	2,048,266	2,219,608
17 Direct State/Govt Support	1,851,700	1,974,371	2,118,800	2,201,200	2,263,906	2,102,929
18 Institutional Gender Equity	346,660	419,460	508,060	534,860	561,560	809,266
19 Direct Institutional Support	579,500	621,600	672,300	688,800	726,500	743,900
20 Subtotal State/Inst. Support	2,777,860	3,015,431	3,299,160	3,424,860	3,551,966	3,656,095
21 Total Non-Program Revenue	4,550,964	4,866,837	5,197,753	5,411,526	5,600,232	5,875,703
<b>22 Subtotal Operating Revenue:</b>	<b>9,511,454</b>	<b>9,579,074</b>	<b>10,524,112</b>	<b>12,091,154</b>	<b>12,162,726</b>	<b>11,993,853</b>
<b>23 Non-Cash Revenue</b>						
24 Third Party Support			212,500	215,500	260,750	258,500
25 Indirect Institutional Support			324,268	287,978	280,304	400,000
26 Non-Cash Revenue			402,160	409,878	474,493	528,586
27 Non-Resident Tuition Waivers	1,189,383	1,526,899	1,599,725	1,711,300	1,743,952	1,800,000
28 Subtotal Non-Cash Revenue	1,189,383	1,526,899	2,538,653	2,624,656	2,759,499	2,987,086
<b>29 Total Revenue:</b>	<b>10,700,837</b>	<b>11,105,973</b>	<b>13,062,765</b>	<b>14,715,810</b>	<b>14,922,225</b>	<b>14,980,939</b>
<b>30 Expenditures:</b>						
<b>31 Operating Expenditures:</b>						
32 Athletics Student Aid	1,718,598	2,094,309	2,209,423	2,394,766	2,480,796	2,467,276
33 Guarantees	281,076	159,200	10,200	160,374	288,486	300,100
34 Coaching Salary/Benefits	1,621,147	1,712,555	2,135,827	2,228,029	2,391,727	2,603,983
35 Admin Staff Salary/Benefits	1,117,886	1,178,186	1,762,882	1,769,848	1,898,039	1,948,887
36 Severence Payments	792,090	859,134	63,294	109,140	94,118	100,800
37 Recruiting	328,527	276,476	376,543	477,736	491,207	401,405
38 Team Travel	1,153,186	1,255,730	1,185,098	1,581,545	1,470,544	1,644,164
39 Equipment, Uniforms and Supplies	1,875,374	1,665,343	297,572	423,464	371,074	388,206
40 Game Expenses			277,024	360,875	390,412	569,258
41 Fund Raising, Marketing, Promotion			291,562	224,791	223,699	183,419
42 Direct Facilities/Maint/Rentals	266,071	131,978	41,329	25,467	27,089	12,500
43 Debt Service on Facilities			0	0	0	0
44 Spirit Groups			0	0	0	0
45 Medical Expenses & Insurance	238,712	240,383	326,065	299,240	336,028	346,700
46 Memberships & Dues			415,810	415,452	415,144	224,500
47 NCAA/Special Event/Bowls			0	0	0	0
48 Other Operating Expenses			1,009,619	1,296,699	1,684,310	1,038,137
49 Subtotal Operating Expenditures	9,392,667	9,573,294	10,402,248	11,767,426	12,562,673	12,229,335
<b>50 Non-Cash Expenditures</b>						
51 3rd Party Coaches Compensation			207,500	208,000	243,250	241,000
52 3rd Party Admin Staff Compensation			5,000	7,500	17,500	17,500
53 Indirect Facilities & Admin Support			324,268	287,978	280,304	400,000
54 Non-Cash Expense			402,160	409,878	474,493	528,586
55 Non-Resident Tuition Waivers	1,189,383	1,526,899	1,599,725	1,711,300	1,743,952	1,800,000
56 Subtotal Non-Cash Expenditures	1,189,383	1,526,899	2,538,653	2,624,656	2,759,499	2,987,086
<b>57 Total Expenditures:</b>	<b>10,582,050</b>	<b>11,100,193</b>	<b>12,940,901</b>	<b>14,392,082</b>	<b>15,322,172</b>	<b>15,216,421</b>
<b>58 Net Income/(deficit)</b>	<b>118,787</b>	<b>5,780</b>	<b>121,864</b>	<b>323,728</b>	<b>(399,947)</b>	<b>(235,482)</b>
<b>59 Ending Fund Balance 6/30</b>	<b>234,393</b>	<b>240,173</b>	<b>362,037</b>	<b>685,765</b>	<b>285,818</b>	<b>50,336</b>
<b>60 Sport Camps &amp; Clinics</b>						
61 Revenue	209,244	284,316	370,345	266,395	285,983	314,900
62 Coach Compensation from Camp			74,591	55,885	69,711	63,843
63 Camp Expenses	202,459	262,762	254,477	250,586	218,561	251,057
64 Total Expenses	202,459	262,762	329,068	306,471	288,272	314,900
65 Net Income from Camps	6,785	21,554	41,277	(40,076)	(2,289)	0

**College & Universities**  
**Intercollegiate Athletics Report**  
**Summary of Revenue and Expenditures**  
**University of Idaho**

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<b>Revenue by Program:</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1	<b>General Revenue:</b>						
2	Student Fees	1,773,104	1,946,554	1,898,593	1,986,666	2,048,266	2,219,608
3	Contributions	2,018,715	204,650	2,145,814	2,221,176	2,631,059	2,433,579
4	State Support	1,851,700	1,974,371	2,118,800	2,201,200	2,263,906	2,102,929
5	Institutional Gender Equity	346,660	419,460	508,060	534,860	561,560	809,266
6	Institutional Support	579,500	621,600	672,300	688,800	726,500	743,900
7	NCAA/Conference			952,382	1,505,558	1,446,488	1,334,118
8	TV/Radio/Internet			138,928	150,000	150,000	50,000
9	Concessions/program/etc.			21,671	67,428	40,579	44,500
10	Advertising/sponsorship/Royalty			349,565	361,817	273,569	124,917
11	Endowments			177,541	220,178	245,278	260,000
12	Special Events			0	0	0	0
13	Other	1,300,796	3,200,439	51,635	223,163	129,704	33,650
14	Total General Revenue	7,870,475	8,367,074	9,035,289	10,160,846	10,516,909	10,156,467
15	<b>Revenue By Sport:</b>						
16	<b>Men's Programs:</b>						
17	Football						
18	Ticket Sales	289,501	95,500	440,610	545,623	425,052	782,386
19	Game Guarantees	1,010,000	855,000	860,000	1,185,000	1,060,000	850,000
20	Other (Tourn/Bowl/Conf)	29,322	12,218	0	0	0	0
21	Basketball						
22	Ticket Sales	35,271	26,544	66,279	60,023	31,804	25,000
23	Game Guarantees	46,112	38,552	84,000	89,000	100,000	140,000
24	Other (Tourn/Bowl/Conf)	14,322	10,992	0	0	0	0
25	Track & Field/Cross Country	9,971	3,993	1,749	421	0	0
26	Tennis		1,076	0	0	0	0
27	Baseball						
28	Wrestling						
29	Golf	4,920		0	0	0	0
30	Volleyball	140,921	128,042				
31	Total Men's Sport Revenue	1,580,340	1,171,917	1,452,638	1,880,067	1,616,856	1,797,386
32	<b>Women's Programs</b>						
33	Volleyball						
34	Ticket Sales	3,622	3,971	10,154	20,193	12,315	13,000
35	Game Guarantees			1,000	0	0	0
36	Other (Tourn/Bowl/Conf)	9,450		0	0	0	0
37	Basketball						
38	Ticket Sales	10,657	14,348	16,782	18,627	11,645	12,000
39	Game Guarantees	3,500	1,000	6,500	11,000	5,000	15,000
40	Other (Tourn/Bowl/Conf)	15,119	15,695	0	0	0	0
41	Track & Field/Cross Country	9,971	3,993	1,749	421	0	0
42	Tennis	3,125	1,076	0	0	0	0
43	Gymnastics						
44	Golf	5,195		0	0	0	0
45	Soccer			0	0	0	0
46	Softball						
47	Skiing						
48	Swimming			0	0	0	0
49	Total Women's Sport Rev	60,639	40,083	36,185	50,241	28,961	40,000
50	<b>Total Revenue</b>	9,511,454	9,579,074	10,524,112	12,091,154	12,162,726	11,993,853

**College & Universities  
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Summary of Revenue and Expenditures  
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<b>Expenditures by Admin/Sport</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>51</b>	<b>Administrative and General</b>						
52	Athletic Director Office	600,203	529,978	722,123	801,364	710,283	790,007
53	Fund Raising Office	259,892	271,706	352,662	398,229	376,990	355,327
54	Academics Support			179,299	220,728	265,112	287,120
55	Media Relations	162,123	173,574	178,861	202,651	218,419	223,563
56	Marketing and Promotions			377,719	150,095	148,638	107,346
57	Ticket Office	15,654	11,345	27,474	39,151	30,369	40,036
58	Athletic Training Room	472,685	307,175	585,707	561,424	625,537	283,950
59	Memberships and Dues			415,810	415,452	405,355	224,500
60	Facilities Mtn & Debt Service			0	0	0	0
61	Capital Improvements			0	0	0	0
62	NCAA/Special Event/Bowls	185,861	42,082	41,255	289,794	537,515	53,950
63	Other Miscellaneous	1,199,334	1,372,757	525,894	798,340	743,966	988,655
<b>64</b>	<b>Total Admin &amp; General</b>	<b>2,895,752</b>	<b>2,708,617</b>	<b>3,406,804</b>	<b>3,877,228</b>	<b>4,062,184</b>	<b>3,354,454</b>
<b>65</b>							
<b>66</b>	<b>Men's Programs:</b>						
67	Football	3,070,319	2,994,215	2,737,358	3,618,892	3,626,395	4,006,844
68	Basketball	889,954	898,680	993,997	978,109	1,107,745	1,078,987
69	Track & Field/Cross Country	279,437	293,957	343,359	360,532	384,230	365,834
70	Tennis	95,584	79,210	94,956	99,653	110,977	156,018
71	Baseball			0	0	0	0
72	Wrestling			0	0	0	0
73	Golf	109,724	114,858	125,273	143,782	179,376	162,635
74	Volleyball			0	0	0	0
75	Rodeo			0	0	0	0
<b>76</b>	<b>Total Men's Programs</b>	<b>4,445,018</b>	<b>4,380,920</b>	<b>4,294,943</b>	<b>5,200,968</b>	<b>5,408,723</b>	<b>5,770,318</b>
<b>77</b>							
<b>78</b>	<b>Women's Programs</b>						
79	Volleyball	414,482	474,486	539,724	524,178	565,890	609,756
80	Basketball	553,910	669,305	721,419	721,839	803,362	865,928
81	Track & Field/Cross Country	408,912	397,542	419,445	423,565	529,622	456,294
82	Tennis	148,000	135,289	149,902	142,365	138,986	201,664
83	Gymnastics			0	0	0	0
84	Golf	136,192	132,415	147,236	172,610	207,810	188,440
85	Soccer	355,788	357,502	391,439	355,950	403,600	413,088
86	Softball			0	0	0	0
87	Skiing			0	0	0	0
88	Swimming	34,613	317,218	331,336	348,723	442,496	369,393
<b>89</b>	<b>Total Women's Programs</b>	<b>2,051,897</b>	<b>2,483,757</b>	<b>2,700,501</b>	<b>2,689,230</b>	<b>3,091,766</b>	<b>3,104,563</b>
<b>90</b>							
<b>91</b>	<b>Total Expenditures</b>	<b>9,392,667</b>	<b>9,573,294</b>	<b>10,402,248</b>	<b>11,767,426</b>	<b>12,562,673</b>	<b>12,229,335</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenue and Expenditures  
University of Idaho**

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<b>Participants by Sport</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
92	<b>Men's Programs:</b>						
93	Football	113	111	120	125	107	109
94	Basketball	15	17	14	16	16	17
95	Track & Field/Cross Country	49	42	45	41	43	51
96	Tennis	10	8	10	12	10	9
97	Baseball						
98	Wrestling						
99	Golf	11	11	11	9	10	9
100	Volleyball						
101	Rodeo						
102	Total Male Participation	198	189	200	203	186	195
103	<b>Women's Programs</b>						
104	Volleyball	18	15	17	16	12	15
105	Basketball	18	20	13	16	14	14
106	Track & Field/Cross Country	32	37	38	33	34	40
107	Tennis	8	8	9	8	11	12
108	Gymnastics						
109	Golf	8	8	7	7	6	7
110	Soccer	23	23	23	26	24	24
111	Softball						
112	Skiing						
113	Swimming		18	20	25	25	24
114	Rodeo						
115	Total Female Participation	107	129	127	131	126	136
116	<b>Total Participants</b>	305	318	327	334	312	331

**College & Universities  
Intercollegiate Athletics Report  
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<b>Full Ride Scholarships (Hdct)</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
117	<b>Men's Programs:</b>						
118	Football	73.5	76.5	73.5	68.5	69.5	76.5
119	Basketball	12.5	13.0	11.0	12.0	10.0	12.0
120	Track & Field/Cross Country	3.5	4.5	6.0	6.0	4.0	6.0
121	Tennis						1.0
122	Baseball						
123	Wrestling						
124	Golf						1.0
125	Volleyball						
126	Subtotal	89.5	94.0	90.5	86.5	83.5	96.5
127	<b>Women's Programs</b>						
128	Volleyball	11.0	11.0	12.0	11.0	11.0	11.0
129	Basketball	12.0	14.5	15.0	14.0	14.0	10.5
130	Track & Field/Cross Country	9.0	11.0	8.0	7.0	9.0	7.0
131	Tennis	7.0	7.5		7.5	6.0	6.5
132	Gymnastics						
133	Golf		2.0	2.0	4.0	4.0	4.0
134	Soccer	2.0	3.0	3.0	1.0	2.0	3.0
135	Skiing						
136	Softball						
137	Swimming		7.0	8.0	7.0	7.0	6.0
138	Subtotal	41.0	56.0	48.0	51.5	53.0	48.0
139	<b>Total Scholarships</b>	130.5	150.0	138.5	138.0	136.5	144.5
140	<b>Partial Scholarships by Sport (FTE)</b>						
141	<b>Men's Programs:</b>						
142	Football	3.83	1.15	2.21	7.10	0.60	0.50
143	Basketball			1.45	0.00	1.99	0.00
144	Track & Field/Cross Country	5.56	6.18	6.39	6.47	8.21	5.97
145	Tennis	4.26	4.00	4.44	4.13	4.20	3.17
146	Baseball						
147	Wrestling						
148	Golf	3.55	4.29	4.27	4.32	4.10	3.37
149	Volleyball						
150	Rodeo						
151	Subtotal	17.20	15.62	18.76	22.02	19.10	13.01
152	<b>Women's Programs</b>						
153	Volleyball		0.27	0.00	0.00	0.00	0.00
154	Basketball	0.26		0.00	0.00	0.00	0.00
155	Track & Field/Cross Country	7.64	6.43	0.00	9.86	7.71	9.77
156	Tennis		0.39	0.00	0.00	0.00	0.50
157	Gymnastics						
158	Golf	5.45	3.71	3.60	1.82	1.66	0.00
159	Soccer	9.51	8.71	9.00	9.26	11.36	9.39
160	Softball						
161	Skiing						
162	Swimming		6.19	5.65	6.80	5.94	5.07
163	Rodeo						
164	Subtotal	22.86	25.70	18.25	27.74	26.67	24.73
165	<b>Total Scholarships</b>	40.06	41.32	37.01	49.76	45.77	37.74

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# Intercollegiate Athletics

## Summary of Gender Equity Plans

		Original Base Year	Current Base Year	Estimate				
		FY99	FY08	FY09	FY10	FY11	FY12	FY13
<b>University of Idaho</b>								
FT Students:	Male	4,313	4,325	4,368	4,412	4,456	4,501	4,546
	Female	3,675	3,602	3,638	3,674	3,711	3,748	3,786
%	Male	54%	55%	55%	55%	55%	55%	55%
	Female	46%	45%	45%	45%	45%	45%	45%
Athletes:	Male	190	186	195	183	182	180	180
	Female	110	126	136	144	145	146	146
	Female Student Athletes Needed	52	29	26	8	7	4	4
%	Male	63%	60%	59%	56%	56%	55%	55%
	Female	37%	40%	41%	44%	44%	45%	45%
Gender Equity Costs		<u>138,800</u>	<u>846,096</u>	<u>782,481</u>	<u>829,430</u>	<u>846,018</u>	<u>862,939</u>	<u>880,198</u>
Anticipated Sources of Revenue:								
Increased Student Fees								
Sport Revenue								
Boosters/Foundation								
Appropriated Support		<u>138,800</u>	<u>561,560</u>	<u>809,266</u>	<u>825,451</u>	<u>841,960</u>	<u>858,800</u>	<u>875,976</u>
Total Revenue		<u>138,800</u>	<u>561,560</u>	<u>809,266</u>	<u>825,451</u>	<u>841,960</u>	<u>858,800</u>	<u>875,976</u>
Costs Less Revenue		<u>0</u>	<u>284,536</u>	<u>(26,785)</u>	<u>3,979</u>	<u>4,058</u>	<u>4,139</u>	<u>4,222</u>
<hr/>								
Annual Student Aid								
	Male	721,446	1,325,139	1,472,935	1,577,712	1,581,279	1,584,358	1,601,486
	Female	411,576	980,119	942,982	1,086,096	1,121,006	1,156,879	1,193,737
Total Annual Student Aid		<u>1,133,022</u>	<u>2,305,258</u>	<u>2,415,917</u>	<u>2,663,809</u>	<u>2,702,286</u>	<u>2,741,237</u>	<u>2,795,223</u>
Annual Student Aid %								
	Male	64%	57%	61%	59%	59%	58%	57%
	Female	36%	43%	39%	41%	41%	42%	43%
Total Annual Student Aid %		<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

\* FY99 amounts originally included OST waivers. Those are excluded by new definitions. Amts sho

### University of Idaho

Participants by Sport								
<b>Men's Programs:</b>								
1	Football	105.0	107.0	109.0	108.0	107.0	105.0	105.0
2	Basketball	15.0	16.0	17.0	15.0	15.0	15.0	15.0
4	Track & Field/Cross Country	46.0	43.0	51.0	42.0	42.0	42.0	42.0
5	Tennis	8.0	10.0	9.0	9.0	9.0	9.0	9.0
6	Baseball							
7	Wrestling							
8	Golf	16.0	10.0	9.0	9.0	9.0	9.0	9.0
9	Volleyball							
10	Rodeo							
11	Total Male Participation	<u>190.0</u>	<u>186.0</u>	<u>195.0</u>	<u>183.0</u>	<u>182.0</u>	<u>180.0</u>	<u>180.0</u>
<b>Women's Programs</b>								
13	Volleyball	13.0	12.0	15.0	15.0	15.0	15.0	15.0
14	Basketball	14.0	14.0	14.0	16.0	16.0	16.0	16.0
15	Track & Field/Cross Country	38.0	34.0	40.0	42.0	42.0	42.0	42.0
16	Tennis	9.0	11.0	12.0	10.0	10.0	10.0	10.0
17	Gymnastics							
18	Golf	9.0	6.0	7.0	8.0	9.0	10.0	10.0
19	Soccer	27.0	24.0	24.0	26.0	26.0	26.0	26.0
20	Rodeo							
	Swimming		25.0	24.0	27.0	27.0	27.0	27.0
21	Total Female Participation	<u>110.0</u>	<u>126.0</u>	<u>136.0</u>	<u>144.0</u>	<u>145.0</u>	<u>146.0</u>	<u>146.0</u>
22	<b>Total Participants</b>	<u>300.0</u>	<u>312.0</u>	<u>331.0</u>	<u>327.0</u>	<u>327.0</u>	<u>326.0</u>	<u>326.0</u>

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**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenues and Expenditures  
Lewis-Clark State College**

LCSC

<u>Revenues/Expend/Fund Balance</u>	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>1 Revenue (Detail):</b>						
<b>2 Program Revenue:</b>						
3 Ticket Sales	25,110	23,253	26,868	31,939	40,859	28,500
4 Game Guarantees						
5 Contributions	314,713	378,110	381,590	512,503	514,218	460,500
6 NCAA/Conference/Tournaments						
7 TV/Radio/Internet Rights	5,280	5,280	5,000	5,500	6,300	5,000
8 Program/Novelty Sales, 9 Concessionns, Parking						
10 Royalty, Advertisement, Sponsorship						
11 Endowment/Investment Income						
12 Other	12,442	22,000	21,152			
13 Total Program Revenue	357,545	428,643	434,610	549,942	561,377	494,000
<b>14 Non-Program Revenue:</b>						
15 NCAA/Bowl/World Series	384,250	398,319	508,185	545,690	605,197	525,000
16 Student Fees	357,235	307,332	288,415	292,765	294,890	285,000
17 Direct State/Govt Support	671,765	728,171	783,789	807,341	831,880	908,100
18 Institutional Gender Equity	19,000	25,000	23,000	* See Note	* See Note	* See Note
19 Direct Institutional Support	68,000	62,632	70,285	82,235	126,500	126,500
20 Subtotal State/Inst. Support	758,765	815,803	877,074	889,576	958,380	1,034,600
21 Total Non-Program Revenue	1,500,250	1,521,454	1,673,674	1,728,031	1,858,467	1,844,600
<b>22 Subtotal Operating Revenue:</b>	1,857,795	1,950,097	2,108,284	2,277,973	2,419,844	2,338,600
<b>23 Non-Cash Revenue</b>						
24 Third Party Support			25,000	25,000	29,400	25,000
25 Indirect Institutional Support			116,815	121,784	151,604	153,630
26 Non-Cash Revenue						
27 Non-Resident Tuition Waivers	415,402	388,964	474,084	542,868	688,692	725,000
28 Subtotal Non-Cash Revenue	415,402	388,964	615,899	689,652	869,696	903,630
<b>29 Total Revenue:</b>	2,273,197	2,339,061	2,724,183	2,967,625	3,289,540	3,242,230
30 * Institutional gender equity for FY2007 and FY2008 is now reflected in line 27 Non-Resident Tuition Waivers as a result of						
31 <b>Expenditures:</b> the increased Athletic Fee Waivers approved by Board action on August 10, 2006						
<b>32 Operating Expenditures:</b>						
33 Athletics Student Aid	279,052	311,949	309,155	361,116	406,892	415,000
34 Guarantees			17,233	35,546	18,131	20,000
35 Coaching Salary/Benefits	268,381	259,693	414,261	415,198	461,205	493,700
36 Admin Staff Salary/Benefits	250,171	249,731	327,922	287,002	275,516	285,000
37 Severence Payments	159,607	180,016				
38 Recruiting	12,849	14,170	24,008	17,763	38,229	25,200
39 Team Travel	178,827	224,279	198,425	190,198	251,739	252,500
40 Equipment, Uniforms and Supplies	265,187	276,372	98,238	140,751	159,211	142,000
41 Game Expenses			76,202	79,653	72,188	65,600
42 Fund Raising, Marketing, Promotion						
43 Direct Facilities/Maint/Rentals	53,441	28,092				
44 Debt Service on Facilities						
45 Spirit Groups						
46 Medical Expenses & Insurance	29,030	27,476	34,567	27,068	20,000	20,000
47 Memberships & Dues						
48 NCAA/Bowls/World Series	336,250	353,319	430,657	531,856	605,644	523,000
49 Other Operating Expenses			127,293	103,281	105,450	95,000
50 Subtotal Operating Expenditures	1,832,795	1,925,097	2,057,961	2,189,432	2,414,205	2,337,000
<b>51 Non-Cash Expenditures</b>						
52 3rd Party Coaches Compensation						
53 3rd Party Admin Staff Compensation						
54 Indirect Facilities & Admin Support			116,815	121,784	151,604	153,630
55 Non-Cash Expense			25,000	25,000	29,400	25,000
56 Non-Resident Tuition Waivers	415,402	388,964	474,084	542,868	688,692	725,000
57 Subtotal Non-Cash Expenditures	415,402	388,964	615,899	689,652	869,696	903,630
<b>58 Total Expenditures:</b>	2,248,197	2,314,061	2,673,860	2,879,084	3,283,901	3,240,630
59						
<b>60 Net Income/(deficit)</b>	25,000	25,000	50,323	88,541	5,639	1,600
61						
<b>62 Ending Fund Balance 6/30</b>	(55,328)	(30,328)	19,995	108,536	114,175	115,775
63						
<b>64 Sport Camps &amp; Clinics</b>						
65 Camp Revenue	58,061	42,379	59,439	65,841	69,609	40,000
66 Coach Compensation from Camp			9,446	12,750	19,500	19,500
67 Camp Expenditures	47,093	27,465	36,199	43,557	39,814	20,000
68 Total Expenses	47,093	27,465	45,645	56,307	59,314	39,500
69 Net Income from Camps	10,968	14,914	13,794	9,534	10,295	500

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenues and Expenditures  
Lewis-Clark State College**

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<b>Revenue by Program:</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>1</b>	<b>General Revenue:</b>						
2	Student Fees	357,235	307,332	288,415	292,765	294,890	285,000
3	Contributions	314,713	378,110	113,665	180,711	138,686	241,900
4	State Support	671,765	728,171	783,789	807,341	831,880	908,100
5	Institutional Gender Equity	19,000	25,000	23,000	* See Note	* See Note	* See Note
6	Institutional Support	68,000	62,632	70,285	82,235	126,500	126,500
7	NCAA/Conference /World Series			508,185	545,690	605,197	525,000
8	TV/Radio/Internet				5,500	6,300	5,000
9	Concessions/program/etc.						
10	Advertising/sponsorship/Royalty						
11	Endowments						
12	Special Events	384,250	398,319				
13	Other	12,442	22,000	21,152			
14	Total General Revenue	1,827,405	1,921,564	1,808,491	1,914,242	2,003,453	2,091,500
<b>15</b>	<b>Revenue By Sport:</b>						
<b>16</b>	<b>Men's Programs:</b>						
17	Football						
18	Ticket Sales						
19	Game Guarantees						
20	Other (Tourn/Bowl/Conf)						
21	Basketball			27,455	38,388	30,261	40,900
22	Ticket Sales	3,646	3,600	6,000	7,027	8,989	6,270
23	Game Guarantees						
24	Other (Tourn/Bowl/Conf)						
25	Track & Field/Cross Country			23,599	17,358	17,333	8,000
26	Tennis			12,508	11,738	17,180	8,000
27	Baseball	15,610	15,600	49,951	80,987	96,924	64,950
28	Wrestling						
29	Golf			33,331	24,284	15,018	20,000
30	Volleyball						
31	Total Men's Sport Revenue	19,256	19,200	152,844	179,782	185,705	148,120
<b>32</b>	<b>Women's Programs</b>						
33	Volleyball			21,163	26,870	39,033	20,000
34	Ticket Sales	1,471	1,500	3,682	1,916	2,451	1,710
35	Game Guarantees						
36	Other (Tourn/Bowl/Conf)						
37	Basketball			58,324	81,369	87,947	32,000
38	Ticket Sales	4,383	2,553	6,020	7,027	8,989	6,270
39	Game Guarantees						
40	Other (Tourn/Bowl/Conf)						
41	Track & Field/Cross Country			15,760	29,582	42,004	9,500
42	Tennis			7,674	14,394	26,330	9,500
43	Gymnastics						
44	Golf			34,326	22,791	23,932	20,000
45	Soccer						
46	Softball						
47	Skiing						
48	Swimming						
49	Total Women's Sport Rev	5,854	4,053	146,949	183,949	230,686	98,980
<b>50</b>	<b>Total Revenue</b>	<b>1,852,515</b>	<b>1,944,817</b>	<b>2,108,284</b>	<b>2,277,973</b>	<b>2,419,844</b>	<b>2,338,600</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenues and Expenditures  
Lewis-Clark State College**

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<b>Expenditures by Admin/Sport</b>	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>51 Administrative and General</b>						
52 Athletic Director Office	278,697	283,100	411,786	402,784	395,358	444,700
53 Fund Raising Office	50,298	82,052	50,950	5,217	2,114	
54 Academic Support						
55 Media Relations						
56 Marketing and Promotions						
57 Ticket Office						
58 Athletic Training Room	60,731	56,269	44,765	47,879	53,614	48,000
59 Memberships and Dues						
60 Facilities Mtn & Debt Service	53,441	28,092				
61 Capital Improvements						
62 NCAA/Special Event/Bowls						
63 Other Miscellaneous/World Series	515,077	577,598	430,657	531,856	605,644	523,000
<b>64 Total Admin &amp; General</b>	<b>958,244</b>	<b>1,027,111</b>	<b>938,158</b>	<b>987,736</b>	<b>1,056,730</b>	<b>1,015,700</b>
65						
<b>66 Men's Programs:</b>						
67 Football						
68 Basketball	201,681	218,215	183,478	208,343	198,221	222,014
69 Track & Field/Cross Country	31,715	33,528	43,289	45,835	56,957	42,032
70 Tennis	32,397	36,311	36,333	31,756	22,094	40,451
71 Baseball	318,178	333,313	373,491	379,920	442,355	402,012
72 Wrestling						
73 Golf	12,852	34,936	35,555	40,895	48,426	49,874
74 Volleyball						
75 Rodeo						
<b>76 Total Men's Programs</b>	<b>596,823</b>	<b>656,303</b>	<b>672,146</b>	<b>706,749</b>	<b>768,053</b>	<b>756,383</b>
77						
<b>78 Women's Programs</b>						
79 Volleyball	161,994	137,722	148,616	158,753	186,354	170,696
80 Basketball	173,366	185,739	187,121	212,007	249,124	216,073
81 Track & Field/Cross Country	43,445	48,589	37,950	45,066	69,331	71,237
82 Tennis	33,869	32,484	33,999	29,351	30,958	44,651
83 Gymnastics						
84 Golf	15,468	28,624	39,971	49,770	53,655	62,260
85 Soccer						
86 Softball						
87 Skiing						
88 Swimming						
<b>89 Total Women's Programs</b>	<b>428,142</b>	<b>433,158</b>	<b>447,657</b>	<b>494,947</b>	<b>589,422</b>	<b>564,917</b>
90						
<b>91 Total Expenditures</b>	<b>1,983,209</b>	<b>2,116,572</b>	<b>2,057,961</b>	<b>2,189,432</b>	<b>2,414,205</b>	<b>2,337,000</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenues and Expenditures  
Lewis-Clark State College**

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<b>Participants by Sport</b>	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>92 Men's Programs:</b>						
93 Football						
94 Basketball	14	14	10	12	10	13
95 Track & Field/Cross Country	9	13	10	6	16	15
96 Tennis	10	8	9	9	8	16
97 Baseball	47	38	44	44	37	40
98 Wrestling						
99 Golf	12	9	9	5	8	7
100 Volleyball						
101 Rodeo						
102 Total Male Participation	92	82	82	76	79	91
<b>103 Women's Programs</b>						
104 Volleyball	14	13	14	12	13	16
105 Basketball	12	12	10	11	11	11
106 Track & Field/Cross Country	13	17	16	9	15	20
107 Tennis	10	13	11	11	9	16
108 Gymnastics						
109 Golf	7	12	8	10	9	10
110 Soccer						
111 Softball						
112 Skiing						
113 Swimming						
114 Rodeo						
115 Total Female Participation	56	67	59	53	57	73
<b>116 Total Participants</b>	<b>148</b>	<b>149</b>	<b>141</b>	<b>129</b>	<b>136</b>	<b>164</b>

**College & Universities  
Intercollegiate Athletics Report  
Summary of Revenues and Expenditures  
Lewis-Clark State College**

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<b>Full Ride Scholarships (Hdct)</b>		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
<b>117 Men's Programs:</b>							
118	Football	N/A	N/A	N/A	N/A	N/A	N/A
119	Basketball	N/A	N/A	N/A	N/A	N/A	N/A
120	Track & Field/Cross Country	N/A	N/A	N/A	N/A	N/A	N/A
121	Tennis	N/A	N/A	N/A	N/A	N/A	N/A
122	Baseball	N/A	N/A	N/A	N/A	N/A	N/A
123	Wrestling	N/A	N/A	N/A	N/A	N/A	N/A
124	Golf	N/A	N/A	N/A	N/A	N/A	N/A
125	Volleyball	N/A	N/A	N/A	N/A	N/A	N/A
126	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0
<b>127 Women's Programs</b>							
128	Volleyball	N/A	N/A	N/A	N/A	N/A	N/A
129	Basketball	N/A	N/A	N/A	N/A	N/A	N/A
130	Track & Field/Cross Country	N/A	N/A	N/A	N/A	N/A	N/A
131	Tennis	N/A	N/A	N/A	N/A	N/A	N/A
132	Gymnastics	N/A	N/A	N/A	N/A	N/A	N/A
133	Golf	N/A	N/A	N/A	N/A	N/A	N/A
134	Soccer	N/A	N/A	N/A	N/A	N/A	N/A
135	Skiing	N/A	N/A	N/A	N/A	N/A	N/A
136	Softball	N/A	N/A	N/A	N/A	N/A	N/A
137	Swimming	N/A	N/A	N/A	N/A	N/A	N/A
138	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0
<b>139 Total Scholarships</b>		0.0	0.0	0.0	0.0	0.0	0.0
<b>140 Partial Scholarships by Sport (FTE)</b>							
<b>141 Men's Programs:</b>							
142	Football						
143	Basketball	7.07	8.14	5.49	6.64	6.39	6.75
144	Track & Field/Cross Country	2.27	2.14	2.02	1.07	4.87	2.47
145	Tennis	1.69	1.12	4.32	2.19	1.98	2.26
146	Baseball	9.80	10.70	9.89	11.31	11.54	10.65
147	Wrestling						
148	Golf	1.62	2.47	1.57	1.57	2.53	1.95
149	Volleyball						
150	Rodeo						
151	Subtotal	22.45	24.57	23.29	22.78	27.31	24.08
<b>152 Women's Programs</b>							
153	Volleyball	4.56	4.91	4.25	4.45	6.06	4.85
154	Basketball	5.78	3.74	4.70	6.99	6.70	5.58
155	Track & Field/Cross Country	2.79	1.88	2.32	2.52	3.12	2.53
156	Tennis	2.13	2.24	3.22	2.19	1.67	2.29
157	Gymnastics						
158	Golf	1.16	2.87	2.76	1.49	1.43	1.94
159	Soccer						
160	Softball						
161	Skiing						
162	Swimming						
163	Rodeo						
164	Subtotal	16.42	15.64	17.25	17.64	18.98	17.19
<b>165 Total Scholarships</b>		38.87	40.21	40.54	40.42	46.29	41.27

As reported to the NAIA

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# Intercollegiate Athletics

## Summary of Gender Equity Plans

		Original Base Year	Base Year	Actual	Actual	Actual	Estimate	
		FY99	FY05	FY06	FY07	FY08	FY09	FY10
<b>Lewis-Clark State College</b>								
FT Students:	Male	815	990	931	911	947	956	966
	Female	1,108	1,339	1,348	1,343	1,325	1,338	1,352
%	Male	42%	43%	41%	40%	42%	42%	42%
	Female	58%	57%	59%	60%	58%	58%	58%
Athletes:	Male	85	82	82	76	79	73	69
	Female	60	67	57	53	81	66	69
	Female Student Athletes Needed	56	44	62	59	30	36	28
%	Male	59%	55%	59%	59%	49%	53%	50%
	Female	41%	45%	41%	41%	51%	47%	50%
Gender Equity Costs		122,640	227,264	211,698	206,541	331,452	283,659	311,471
Anticipated Sources of Revenue:								
Increased Student Fees								
Sport Revenue								
Boosters/Foundation								
Additional State Support								
Total Revenue		0	0	0	0	0	0	0
Costs Less Revenue		122,640	227,264	211,698	206,541	331,452	283,659	311,471
The increase in student fee waivers granted by the Board in August 2006 will be the primary source of funding.								
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Annual Student Aid								
	Male	298,287	423,849	503,467	566,778	582,170	545,374	568,975
	Female	195,648	277,064	279,772	337,207	476,071	516,024	557,600
	Total Annual Student Aid	493,935	700,913	783,239	903,985	1,058,241	1,061,398	1,126,575
Annual Student Aid %								
	Male	60.39%	60%	64%	63%	55%	51%	51%
	Female	39.61%	40%	36%	37%	45%	49%	49%
	Total Annual Student Aid %	100.00%	100%	100%	100%	100%	100%	100%
	In-State Fees	2,044	3,392	3,714	3,897	4,092	4,298	4,514
	OST Waiver	4,848	6,240	6,552	6,944	7,290	7,653	8,035
	In-State full ride	6,892	9,632	10,266	10,841	11,382	11,951	12,549
	Estimated Increase in Fees						5%	5%
<hr/>								
Participants by Sport								
Men's Programs:								
	Football							
	Basketball	12	14	10	12	10	12	12
	Track & Field/Cross Country	5	13	10	6	16	10	10
	Tennis	9	8	9	9	8	8	8
	Baseball	45	38	44	44	37	35	35
	Wrestling							
	Golf	7	9	9	5	8	9	9
	Volleyball							
	Rodeo	7						
	Total Male Participation	85	82	82	76	79	74	74
	Male Participation %	58.62%	55.03%	58.16%	58.91%	49.38%	50.00%	50.00%
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Women's Programs								
	Volleyball	15	13	14	12	13	14	14
	Basketball	13	12	10	11	11	10	10
	Cross Country	9	17	16	9	15	23	23
	Indoor Track & Field					12		
	Outdoor Track & Field					12		
	Tennis	10	13	11	11	9	18	18
	Gymnastics							
	Golf	5	12	8	10	9	9	9
	Soccer							
	Softball							
	Rodeo	8						
	New Sport 1							
	New Sport 2							
	Total Female Participation	60	67	59	53	81	74	74
	Female Participation %	41.38%	44.97%	41.84%	41.09%	50.63%	50.00%	50.00%
<b>Total Participants</b>		<b>145</b>	<b>149</b>	<b>141</b>	<b>129</b>	<b>160</b>	<b>148</b>	<b>148</b>

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**SUBJECT**

Intercollegiate Athletics Department, Employee Compensation Report

**APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Sections II.H. and III. T.4.

**BACKGROUND/ DISCUSSION**

In FY97, the Board adopted an annual report on the compensation of the employees of the Intercollegiate Athletic Departments. The report details the contracted salary received by administrators and coaches, bonuses, additional compensation, and perquisites, if applicable. The reports, by institution, include FY08 actual compensation and FY09 estimated compensation.

These reports are for information only and do not require Board action.

**IMPACT**

Reports athletic employee compensation for FY08 (actual) and FY09 (estimated).

**ATTACHMENTS**

Attachment 1 - Boise State University	FY08 Actual	Pages 3-5
	FY09 Estimate	Pages 7-9
Attachment 2 - Idaho State University	FY08 Actual	Pages 11-12
	FY09 Estimate	Pages 13-14
Attachment 3 - University of Idaho	FY08 Actual	Pages 15-16
	FY09 Estimate	Pages 17-18
Attachment 4 - Lewis-Clark State College	FY08 Actual	Pages 19-20
	FY09 Estimate	Pages 21-22

**STAFF COMMENTS AND RECOMMENDATIONS**

The Board has delegated to the Chief Executive Officer of each institution the appointing authority for all athletic department positions, except multi-year contracts for head coaches and athletic directors. The compensation reports identify the contracted salary and any additional compensation and perquisites, if received.

**BOARD ACTION**

This item is for informational purposes only. Any action will be at the Board's discretion.

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**Intercollegiate Athletics Compensation Report**  
**Boise State University**  
**FY2008 Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonus			Perks			Multi-Yr Contract	All Compensation			
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform	Other	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other	
Athletic Administration																
Gene Bleymaier	1.00	258,349	0	0	2,500	7,500	36,500	0	Yes	Yes	No	Yes	110,030	192,319	2,500	
Curt Apsey	1.00	108,368	0	0	1,200	0	0	0	Yes	Yes	No	No		108,368	1,200	
Lisa Parker	1.00	95,209	0	0	1,200	0	0	0	Yes	Yes	No	No	67,988	27,221	1,200	
Bob Madden	1.00	99,508	0	0	1,200	0	0	0	Yes	Yes	No	No		99,508	1,200	
Mike Waller	1.00	88,047	0	0	1,200	0	0	0	Yes	Yes	No	No		88,047	1,200	
Mike Sumpster	1.00	77,023	0	0	1,200	0	0	6,000	Yes	Yes	No	No		83,023	1,200	
Lori Hays	1.00	49,297	0	0	0	0	0	500	No	No	No	No		49,797	-	
Brad Larrondo	1.00	56,223	0	0	0	0	0	0	Yes	No	No	No		56,223	-	
Gary Craner	1.00	59,218	0	0	0	0	0	0	No	No	No	No	59,218	-	-	
Anita Guerricabeitia	0.84	53,530	0	0	0	0	0	6,000	No	No	No	No		59,530	-	
Max Corbet	1.00	54,039	0	0	0	0	0	0	Yes	No	No	No		54,039	-	
Gabe Rosenvall	1.00	49,026	0	0	0	0	0	0	No	No	No	No	49,026	-	-	
Nicole Gamez	1.00	57,512	0	0	0	0	0	0	No	No	No	No		57,512	-	
Tim Socha	1.00	71,511	3,416	0	1,500	0	0	0	No	Yes	No	No		71,511	4,916	
Valerie Tichenor	1.00	59,447	0	0	0	0	0	0	No	No	No	No		59,447	-	
Matt Billings	1.00	43,514	0	0	0	0	0	0	No	No	No	No		43,514	-	
Michel Bourgeau	0.50	28,611	0	0	0	0	0	0	No	No	No	No		28,611	-	
Kris Kammon	1.00	44,970	0	0	0	0	0	0	No	No	No	No		44,970	-	
Cindy Satterfield	1.00	40,602	0	0	0	0	0	0	No	No	No	No	40,602	-	-	
Tyler Smith	1.00	36,442	560	0	0	0	0	0	No	No	No	No	36,442	-	560	
Jenny Kezele	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-	
Todd Miles	1.00	40,456	0	0	0	0	0	0	No	No	No	No		40,456	-	
Doug Link	1.00	39,936	0	0	0	0	0	0	No	No	No	No		39,936	-	
Michel Railsback	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-	
Andy Atkinson	1.00	57,783	0	0	0	0	0	0	No	No	No	No		57,783	-	
Valerie Cleary	1.00	45,000	0	0	0	0	0	0	No	No	No	No		45,000	-	
Chelsie Herman	1.00	36,255	0	0	0	0	0	0	No	No	No	No		36,255	-	
Eric Kile	1.00	36,255	0	0	0	0	0	0	No	No	No	No		36,255	-	
Cindy Rice	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-	
Shaela Priaux	1.00	39,084	0	0	0	0	0	0	No	No	No	No		39,084	-	
Adam Parker	1.00	35,880	0	0	0	0	0	0	No	No	No	No		35,880	-	
Brent Moore	1.00	35,880	0	0	0	0	0	0	No	No	No	No		35,880	-	
Brandon Voigt	1.00	36,442	0	0	0	0	0	0	No	No	No	No	36442	-	-	
Matt Dimmitt	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-	
Jeff Jones	1.00	32,656	8,719	0	0	0	0	0	No	No	No	No		32,656	8,719	
Ron Dibelius	1.00	54,996	0	0	0	0	0	0	Yes	Yes	No	No		54,996	-	
Ryan Russell	1.00	35,735	1,200	0	0	0	0	0	No	No	No	No		35,735	1,200	

**Intercollegiate Athletics Compensation Report**  
**Boise State University**  
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Depart/Name/Title	FTE	Compensation				Contract Bonus			Perks			Multi-Yr Contract	All Compensation			
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other	
<b>Men's Sports</b>																
<b>Football</b>																
Chris Peterson	1.00	810,100		124,900	23,500	1,500	42,500	0	Yes	Yes	No	Yes	141,744	837,256	23,500	
Chris Strausser	1.00	150,010	6,833		1,500	0	9,001	0	No	Yes	No	No		159,011	8,333	
Bryan Harsin	1.00	141,607	6,833	25,000	1,500	1,500	9,996	0	No	Yes	No	No		178,103	8,333	
Justin Wilcox	1.00	141,607	6,833	25,000	1,500	1,500	9,996	0	No	Yes	No	No	105,230	72,873	8,333	
Viliami Tuivai	1.00	83,263	6,833	6,000	1,500	1,500	5,355	0	No	Yes	No	No		96,118	8,333	
Marcel Yates	1.00	104,104	6,833	8,000	1,500	1,500	6,726	0	No	Yes	No	No		120,330	8,333	
Jeff Choate	1.00	124,010	6,833		1,500	1,500	7,441	0	No	Yes	No	No	84,497	48,454	8,333	
Pete Kwiatkowski	1.00	111,156	6,833		1,500	1,500	6,669	0	No	Yes	No	No	49,553	69,772	8,333	
Scott Huff	1.00	97,615	6,833	4,150	1,500	1,500	6,106	0	No	Yes	No	No		109,371	8,333	
Brent Pease	1.00	135,026	6,833		1,500	1,500	8,101	0	No	Yes	No	No	52,002	92,625	8,333	
Keith Bhonapha	1.00	52,604	7,700		1,500	0	3,156	0	No	Yes	No	No		55,760	9,200	
<b>Basketball</b>																
Greg Graham	1.00	265,020	12,000	0	7,500	5,000	33,000	0	Yes	Yes	No	Yes	139,069	163,951	19,500	
Andy McClousky	1.00	64,820	7,000	0	1,250	0	6,500	0	No	Yes	No	No		71,320	8,250	
Tim Cleary	1.00	59,479	7,000	0	1,500	0	6,500	0	No	Yes	No	No		65,979	8,500	
Julious Coleman	1.00	36,723	7,000	0	1,250	0	6,500	0	No	No	No	No		43,223	8,250	
<b>Wrestling</b>																
Greg Randall	1.00	48,423	0	0	0	0	12,000	0	Yes	Yes	No	No		60,423	-	
Chris Owens	1.00	35,111	0	0	0	0	1,000	0	No	No	No	No		36,111	-	
Kirk White	1.00	20,863	0	0	0	0	1,000	0	No	No	No	No		21,863	-	
<b>Golf</b>																
Kevin Burton	1.00	37,170	631	0	0	0	0	0	Yes	Yes	No	No		37,170	631	
<b>Tennis</b>																
Greg Patton	1.00	95,202	0	0	0	4,800	7,000	0	No	Yes	No	No		107,002	-	
Morgan Shepard	1.00	27,519	3,155	0	0	1,350	1,000	0	No	No	No	No		29,869	3,155	
<b>Men/Women's Track &amp; Field</b>																
Mike Maynard	1.00	79,436	0	0	0	0	5,000	0	No	Yes	No	No		84,436	-	
David Welch	1.00	36,800	0	0	0	0	1,750	0	No	No	No	No	30,976	7,574	-	
Petros Kyprianou	1.00	35,800	0	0	0	0	1,750	0	No	No	No	No	31,684	5,866	-	
Amy Christoffersen	1.00	42,036	0	0	0	0	0	0	No	No	No	No	38,833	3,203	-	

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Depart/Name/Title	FTE	Compensation				Contract Bonus			Perks			Multi-Yr Contract	All Compensation			
		Base Salary	Camps/Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other	
<b>Women's Sports</b>																
<b>Basketball</b>																
Gordon Presnell	Head Coach	1.00	174,900	2,000	5,100	0	3,000	19,000	0	No	Yes	No	Yes	85,711	116,289	2,000
Ali Payne	Assistant Coach	1.00	55,000	7,000	0	0	1,100	5,600	0	No	Yes	No	No	48,588	13,112	7,000
Heather Sower	Assistant Coach	1.00	54,863	5,000	0	0	1,100	5,600	0	No	Yes	No	No	40,165	21,398	5,000
Toriano Towns	Assistant Coach	1.00	55,000	5,000	0	0	1,100	5,600	0	No	No	No	No	-	61,700	5,000
<b>Soccer</b>																
Steve Lucas	Head Coach	1.00	49,903	0	0	0	1,400	0	0	No	Yes	No	No	47,983	3,320	-
TBD	Assistant Coach	1.00	35,092	0	0	0	900	0	0	No	No	No	No	33,742	2,250	-
<b>Volleyball</b>																
Robin Davis	Head Coach	1.00	75,744	2,742	0	0	0	0	0	Yes	Yes	No	Yes	72,809	2,935	2,742
Doug English	Assistant Coach	1.00	36,808	2,742	0	0	0	0	0	No	No	No	No	-	36,808	2,742
Kelle Bond	Assistant Coach	1.00	37,872	2,742	0	0	0	0	0	No	No	No	No	36,415	1,457	2,742
<b>Gymnastics</b>																
Tina Bird	Co-Head Coach	1.00	50,000		0	0	0	0	0	Yes	Yes	No	No	50,000	-	-
Neil Resnick	Co-Head Coach	1.00	50,000	1,190	0	0	0	0	0	No	No	No	No	50,000	-	1,190
Patti Murphy	Assistant Coach	1.00	25,000	1,000	0	0	0	0	0	No	No	No	No	-	25,000	1,000
<b>Tennis</b>																
Mark Tichenor	Head Coach	1.00	48,631	0	0	0	0	1,000	0	No	No	No	No	48,631	1,000	-
Hadley McFarland	Assistant Coach	1.00	28,429	0	0	0	0	0	0	No	No	No	No	-	28,429	-
<b>Golf</b>																
Nichole Harris	Head Coach	1.00	37,170	631	0	0	0	0	0	Yes	Yes	No	No	37,170	-	631
<b>Swimming</b>																
Kristin Hill	Head Coach	1.00	42,328	319	0	0	0	0	0	Yes	Yes	Yes	No	-	42,328	319
Laurel Hill	Assistant Coach	1.00	23,650	386	0	0	0	0	0	No	No	No	No	-	23,650	386
<b>Softball</b>																
Erin Thorpe	Head Coach	1.00	46,500	0	0	0	0	0	0	No	Yes	No	No	0	46,500	-

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Depart/Name/Title	Compensation				Contract Bonus			Perks			All Compensation				Annualized Change			
	FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform	Other	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue		All Other		
<b>Athletic Administration</b>																		
Gene Bleymaier		Athletic Director	1.00	266,116	0	0	2,500	8,000	44,000	0	Yes	Yes	No	Yes	122,413	195,703	2,500	3%
Curt Apsey		Sr. Assoc AD	1.00	125,008	0	0	1,200	0	0	0	Yes	Yes	No	No		125,008	1,200	15%
Christina Van Tol		Sr. Assoc AD	1.00	85,010	0	0	1,200	0	0	0	Yes	Yes	No	No	85,010	-	1,200	New
Bob Madden		Assoc AD	1.00	104,500	0	0	1,200	0	0	0	Yes	Yes	No	No		104,500	1,200	5%
Mike Sumpter		Assoc AD	1.00	81,661	0	0	1,200	0	0	6,000	Yes	Yes	No	No		87,661	1,200	6%
Mike Waller		Assoc AD	1.00	93,351	0	0	1,200	0	0	0	No	Yes	No	No		93,351	1,200	6%
* Anita Guerricabeitia		Asst AD - Tkts	0.84	55,168	0	0	0	0	0	6,000	No	No	No	No		61,168	-	4%
Brad Larrondo		Asst AD - Market & Promo	1.00	58,490	0	0	0	0	0	0	Yes	No	No	No		58,490	-	4%
Gabe Rosenvall		Asst AD - Academics	1.00	50,503	0	0	0	0	0	0	No	No	No	No	50,503	-	-	3%
Lori Hays		Asst AD - Facilities	1.00	51,272	0	0	0	0	0	600	No	No	No	No		51,872	-	4%
Marc Paul		Asst AD - Trainer	1.00	72,010	0	0	0	0	0	0	No	No	No	No	72,010	-	-	New
Max Corbet		Asst AD - SID	1.00	55,661	0	0	0	0	0	0	No	No	No	No		55,661	-	3%
Nicole Gamez		Asst AD - Business Mgr	1.00	60,404	0	0	0	0	0	0	No	No	No	No		60,404	-	5%
TBD		Asst AD - Compliance Dir.	1.00	50,000	0	0	0	0	0	0	No	No	No	No		50,000	-	42%
Alison Bender		Director of Promotions	1.00	35,548	0	0	0	0	0	0	No	No	No	No		35,548	-	New
Andy Atkinson		Information Technology	1.00	59,530	0	0	0	0	0	0	No	No	No	No		59,530	-	3%
AnnMarie Kaus		Special Events Coordinator	1.00	45,012	0	0	0	0	0	0	No	No	No	No		45,012	-	New
Ashley Tate		Asst Athletic Trainer	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
Becca Faulds		Assistant SID	1.00	38,002	0	0	0	0	0	0	No	No	No	No		38,002	-	New
Bob Carney		Dir of Ops - Stueckle Sky Ce	1.00	40,020	0	0	0	0	0	0	No	No	No	No		40,020	-	New
Brandon Voigt		Asst Athletic Trainer	1.00	37,544	0	0	0	0	0	0	No	No	No	No	37,544	-	-	3%
Brandon Zimmerman		Accountant	1.00	36,005	0	0	0	0	0	0	No	No	No	No		36,005	-	New
Brent Moore		Corp Services Coord	1.00	36,962	0	0	0	0	0	0	No	No	No	No		36,962	-	3%
Chelsie Herman		Academic Advisor	1.00	37,357	0	0	0	0	0	0	No	No	No	No		37,357	-	3%
Cindy Rice		Senior Accountant	1.00	46,072	0	0	0	0	0	0	No	No	No	No		46,072	-	34% Promotion / title
Doug Link		Assistant SID	1.00	41,143	0	0	0	0	0	0	No	No	No	No		41,143	-	3%
Eric Kile		Academic Advisor	1.00	37,357	0	0	0	0	0	0	No	No	No	No		37,357	-	3%
Eric Thorpe		Asst Dir of Operations	0.75	25,881	2,500	0	0	0	0	0	No	No	No	No		25,881	2,500	New
Heather Little		HR/Insurance Coordinator	1.00	34,508	0	0	0	0	0	0	no	No	No	No		34,508	-	New
Jeff Jones		Asst Strength Coach	1.00	33,301	0	0	0	0	0	0	No	No	No	No		33,301	-	2%
Joshua Dreher		Asst Athletic Trainer	1.00	34,508	0	0	0	0	0	0	No	No	No	No	34,508	-	-	New
Karen Vickery		Academic Advisor	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
Kris Kamann		Asst Dir of BAA	1.00	46,322	0	0	0	0	0	0	No	No	No	No		46,322	-	New 3% increase. Not new.
Matt Dimmitt		Video Coordinator	1.00	34,861	0	0	0	0	0	0	No	No	No	No		34,861	-	1%
* Michel Bourgeau		Advancement	0.50	29,911	0	0	0	0	0	0	No	No	No	No		29,911	-	5%
Michele Railsback		Assistant SID	1.00	35,548	0	0	0	0	0	0	No	No	No	No		35,548	-	New
Ron Dibelius		Asst to the AD	1.00	56,660	0	0	0	0	0	0	Yes	Yes	No	No		56,660	-	3%
Ryan Becker		Marketing & Promotions	0.75	25,881	0	0	0	0	0	0	No	No	No	No		25,881	-	New
Ryan Russell		Assoc Strength Coach	1.00	43,597	1,500	0	0	0	0	0	No	No	No	No		43,597	1,500	22% Market cost increase
Shaela Prialux		Ticket Office Manager	1.00	40,269	0	0	0	0	0	0	No	No	No	No		40,269	-	3%
Tim Socha		Strength Coordinator	1.00	78,666	8,857	0	1,500	0	4,292	0	No	Yes	No	No		82,958	10,357	10%
Tyler Smith		Assoc Athletic Trainer	1.00	41,829	0	0	0	0	0	0	No	No	No	No	41,829	-	-	15% Promotion / title
Valerie Cleary		Dir of Student-Ath Enhancerr	1.00	46,384	0	0	0	0	0	0	No	No	No	No		46,384	-	3%
Valerie Tichenor		Exec Dir of Stueckle Sky Cer	1.00	62,005	0	0	0	0	0	0	No	No	No	No		62,005	-	4%

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Depart/Name/Title	FTE	Compensation				Contract Bonus			Perks			All Compensation				Annualized Change
		Base Salary	Camps/Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue	All Other	
<b>Men's Sports</b>																
<b>Football</b>																
Chris Petersen	1.00	810,103	0	124,900	3,500	0	37,500	0	Yes	Yes	No	Yes	141,752	830,751	3,500	New
Chris Strausser	1.00	165,028	8,857	0	1,500	3,000	7,500	0	No	Yes	No	No		175,528	10,357	10%
Bryan Harsin	1.00	155,772	8,857	25,000	1,500	3,000	8,330	0	No	Yes	No	No		192,102	10,357	10%
Justin Wilcox	1.00	155,772	8,857	25,000	1,500	3,000	8,330	0	No	Yes	No	No	115,739	76,363	10,357	10%
Viliami Tuivai	1.00	91,604	8,857	6,000	1,500	3,000	4,463	0	No	Yes	No	No		105,067	10,357	10%
Marcel Yates	1.00	114,525	8,857	8,000	1,500	3,000	5,605	0	No	Yes	No	No		131,130	10,357	10%
Jeff Choate	1.00	136,428	8,857	0	1,500	3,000	6,200	0	No	Yes	No	No		145,628	10,357	10%
Pete Kwiatkowski	1.00	122,304	8,857	0	1,500	3,000	5,558	0	No	Yes	No	No	54,523	76,339	10,357	10%
Scott Huff	1.00	107,391	8,857	4,150	1,500	3,000	5,088	0	No	Yes	No	No		119,629	10,357	10%
Brent Pease	1.00	148,533	8,857	0	1,500	3,000	6,750	0	No	Yes	No	No	57,209	101,074	10,357	10%
Keith Bhonapha	1.00	57,866	13,000	0	1,500	3,000	2,630	0	No	Yes	No	No		63,496	14,500	10%
<b>Basketball</b>																
Greg Graham	1.00	345,001	12,000	0	7,500	0	0	0	Yes	Yes	No	Yes	285,012	59,989	19,500	30%
Andy McClousky	1.00	74,563	7,000	0	1,250	0	0	0	No	Yes	No	No		74,563	8,250	15%
Tim Cleary	1.00	68,424	7,000	0	1,500	0	0	0	No	Yes	No	No		68,424	8,500	15%
James Bailey	1.00	42,241	0	0	1,250	0	0	0	No	No	No	No		42,241	1,250	New
Mark Hellenthal	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
<b>Wrestling</b>																
Greg Randall	1.00	53,269	1,000	0	0	0	5,000	0	Yes	Yes	No	No		58,269	1,000	10%
Chris Owens	1.00	38,626	500	0	0	0	750	0	No	No	No	No		39,376	500	10%
Kirk White	1.00	22,964	500	0	0	0	750	0	No	No	No	No		23,714	500	10%
<b>Golf</b>																
Kevin Burton	1.00	40,893	600	0	0	0	0	0	Yes	Yes	No	No		40,893	600	10%
<b>Tennis</b>																
Greg Patton	1.00	98,072	0	0	0	0	2,000	0	No	Yes	No	No		100,072	-	3%
Morgan Shepherd	1.00	28,351	11,548	0	0	0	750	0	No	No	No	No		29,101	11,548	New not new. 3% increase
<b>Men/Women's Track &amp; Field</b>																
Mike Maynard	1.00	80,247	0	0	0	0	5,250	0	No	Yes	No	No		85,497	-	1%
Chris Huffins	1.00	45,012	0	0	0	0	0	0	No	No	No	No	40,020	4,992	-	New
Brad Wick	1.00	28,018	0	0	0	0	0	0	No	No	No	No	28,018	-	-	New
Kelly Watson	1.00	32,012	0	0	0	0	0	0	No	No	No	No	32,012	-	-	New

**Intercollegiate Athletics Compensation Report  
Boise State University  
FY2009 Estimated Compensation  
Page 3**

Depart/Name/Title	FTE	Compensation				Contract Bonus			Perks			All Compensation				Annualized Change
		Base Salary	Camps/Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue	All Other	
<b>Women's Sports</b>																
<b>Basketball</b>																
Gordon Presnell	1.00	174,908	0	5,100	0	3,000	10,000	0	No	Yes	No	Yes	134,906	58,102	-	0%
Calamity McEntire	1.00	55,019	7,000	0	0	1,000	2,500	0	No	Yes	No	No	48,588	9,931	7,000	New
Heather Sower	1.00	54,873	5,000	0	0	1,000	2,500	0	No	Yes	No	No	40,165	18,208	5,000	0%
Toriano Towns	1.00	55,019	5,000	0	0	1,000	2,500	0	No	No	No	No		58,519	5,000	0%
Kelley Berglund	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
<b>Soccer</b>																
Steve Lucas	1.00	49,904	1,000	0	0	0	0	0	No	Yes	No	No	47,983	1,921	1,000	0%
Mark Hiemenz	1.00	35,100	1,000	0	0	0	0	0	No	No	No	No	33,759	1,341	1,000	New
<b>Volleyball</b>																
Robin Davis	1.00	75,753	5,569	0	0	0	0	0	Yes	Yes	No	Yes	72,809	2,944	5,569	0%
Doug English	1.00	36,812	5,569	0	0	0	0	0	No	No	No	No		36,812	5,569	0%
Kelle Bond	1.00	37,877	5,569	0	0	0	0	0	No	No	No	No	36,415	1,462	5,569	0%
<b>Gymnastics</b>																
Neil Resnick	1.00	52,021	0	0	0	0	6,000	0	Yes	Yes	No	No	52,021	6,000	-	4%
Tina Bird	1.00	52,021	0	0	0	0	6,000	0	Yes	Yes	No	No	52,021	6,000	-	4%
Patti Murphy	1.00	26,021	0	0	0	0	1,000	0	No	No	No	No		27,021	-	4%
<b>Tennis</b>																
Mark Tichenor	1.00	50,586	0	0	0	0	2,000	0	No	No	No	No	50,586	2,000	-	4%
Hadley Hymas	1.00	28,351	0	0	0	0	750	0	No	No	No	No		29,101	-	New
<b>Golf</b>																
Nichole Harris	1.00	38,293	0	0	0	0	0	0	Yes	Yes	No	No	38,293	-	-	3%
<b>Softball</b>																
Erin Thorpe	1.00	47,674	3,000	0	0	0	0	0	Yes	Yes	No	No		47,674	3,000	New
Justin Kloczko	1.00	32,012	0	0	0	0	0	0	No	No	No	No		32,012	-	New
<b>Swimming</b>																
Kristin Hill	1.00	45,012	2,315	0	0	0	0	0	Yes	Yes	Yes	No		45,012	2,315	6%
Justin Brosseau	1.00	30,015	0	0	0	0	0	0	No	No	No	No		30,015	-	New

Notes:

\* Employee works 1 FTE at the University. The FTE and Base Salary on this report reflect the amount of the employee's salary which is funded by Athletics.

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**Intercollegiate Athletics Compensation Report  
Idaho State University  
FY 2008 Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Funding			
		Base Budget Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue	All Other
<b>Athletic Administration:</b>															
Paul Bubb	1.00	131,726			2,500					Yes	No		131,726		2,500
Jeff Tingey	1.00	54,705									No		54,705		
Jim Kramer	1.00	57,886									No		57,886		
James Von Gunten	1.00	28,870									No		28,870		
Frank Mercogliano	1.00	45,614	100								No		45,614		100
Jason Erickson	1.00	33,010									No		33,010		
Ryan Cromie	1.00	32,011	950								No		32,011		950
Jodi Wotowey	1.00	42,016	600								No		42,016		600
Greg Obray	1.00	32,011	1,385								No		32,011		1,385
Thomas Brock	1.00	32,656	100								No		32,656		100
David Hofmaier	1.00	40,997									No		40,997		
Kaci Williams	1.00	26,208									No		26,208		
Matthew Steuart	1.00	34,278									No			34,278	
Nancy Graziano	1.00	64,272									No			64,272	
Michael Pritchett	1.00	32,802									No			32,802	
Kalee Kopp	1.00	24,288									No			24,288	
Donna Hays	1.00	39,208									No			39,208	
Larry Lewis	1.00	103,002									Yes			103,002	
<b>Bengal Foundation</b>															
Jay McMillin	1.00	39,603									No			39,603	
<b>Men's Sports</b>															
<b>Football</b>															
John Zamberlin	0.91	93,732	3,920	20,000						Yes	Yes		93,732	20,000	3,920
Mike Orthmann	1.00	46,363	1,860							Yes	No		46,363		1,860
Brandon Valeria	1.00	25,750	3,375								No		25,750		3,375
Robert Christoff	1.00	30,014	170								No		30,014		170
Brian Jensen	1.00	35,547	2,005								No		35,547		2,005
Brian Strandley	1.00	46,363	2,005							Yes	No		46,363		2,005
Drew Miller	1.00	28,829	2,005								No		28,829		2,005
Steve Amrine	1.00	34,403	1,860								No		34,403		1,860
Nick Whitworth	1.00	29,182	2,005								No		29,182		2,005
<b>Basketball</b>															
Joe O'Brien	0.96	95,268	616	10,000	2,500					Yes	Yes		95,268	10,000	3,116
Geoffrey Alexander	1.00	42,016	924		500						No		42,016		1,424
Steve Swanson	1.00	52,998	924		500					Yes	No		52,998		1,424
Michael Brown	1.00	32,011			500						No		32,011		500
<b>Tennis</b>															
Robert Goeltz	0.43	18,468									No		18,468		
Richard Korneck		8,000									No		8,000		
Machiko Korneck		8,000									No		8,000		
<b>Track &amp; Field</b>															
David Nielsen	0.46	26,528						481			No		26,528		481

**Intercollegiate Athletics Compensation Report  
Idaho State University  
FY 2008 Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Multi-Yr Contract	Funding		
		Base Budget Salary	Camps/Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other
Jackie Poulson Asst Coach	0.50	13,104									No	13,104			
Golf David Molitor Hd Coach	0.50	18,845									No	18,845			
Cross Country Brian Janssen Hd Coach	0.50	22,932					420				No	22,932		420	
Women's Sports															
Basketball															
Jon Newlee Hd Coach	0.96	77,842	1,500	5,000	1,500		1,646	2,000		Yes	Yes	77,842	5,000	6,646	
Gavin Petersen Asst Coach	1.00	38,429	500								No	38,429		500	
Jordan Green Asst Coach	1.00	22,818	500								No	22,818		500	
Christa Brossman Asst Coach	1.00	24,000	1,000							Yes	No	24,000		1,000	
Volleyball															
Mike Welch Hd Coach	0.87	51,995	5,973					4,280		Yes	Yes	51,995		10,253	
Mika Robinson Asst Coach	1.00	32,052	2,250								No	32,052		2,250	
Tennis															
Robert Goeltz Hd Coach	0.43	18,468									No	18,468			
Richard Korneck Asst Coach (GA)		8,000									No	8,000			
Machiko Korneck Asst Coach (GA)		8,000									No	8,000			
Track & Field															
David Neilsen Hd Coach	0.45	26,528						481			No	26,528		481	
Jackie Poulson Asst Coach	0.50	13,104									No	13,104			
Golf															
David Molitor Hd Coach	0.50	18,845									No	18,845			
Cross Country															
Brian Janssen Hd Coach	0.50	22,932					420				No	22,932		420	
Soccer															
Allison Gibson Hd Coach	1.00	53,498	2,000					4,000		Yes	Yes	53,498		6,000	
Hideki Nakada Asst Coach	1.00	25,688	2,000								No	25,688		2,000	
Softball															
Larry Stocking Hd Coach	1.00	49,899									Yes	49,899			
Andrea Wilson Asst Coach	0.75	17,753									No	17,753			

**Intercollegiate Athletics Compensation Report**  
**Idaho State University**  
**FY 2009 Estimated Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Multi-Yr Contract	Funding			Annualized Change	Footnote
		Base Salary	Camps/Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other		
<b>Athletic Administration:</b>																	
Jeff Tingey	Interim Athl Dir	1.00	80,018		2,500					Yes	No	80,018		2,500	46.27%	1	
Jim Kramer	Asst Athl Dir/ Fisl Ofcr	1.00	60,216								No	60,216			4.03%		
Joel Vickery	Compliance Dir	1.00	39,998								No	39,998			New		
Jerrod Ackley	Video Coordin	0.88	30,526								No	30,526			New		
Frank Mercogliano	Asst Athl Dir, Media Rel	1.00	47,902								No	47,902			5.02%		
Katie Zigars	Asst Sports Inf Dir	0.92	31,853								No	31,853			New		
Jodi Wotowey	Hd Athl Trainer	1.00	43,701	600							No	43,701	600		4.01%	1	
Ryan Cromie	Asst Trainer	0.96	33,180								No	33,180			7.97%	2	
Greg O Bray	Asst Trainer	0.96	33,180	190							No	33,180	190		7.97%	2	
Thomas Brock	Assist Trainer	0.96	33,180	340							No	33,180	340		5.84%	2	
Mark Campbell	Stngth Coach	1.00	41,413								No	41,413			New		
Matthew Steuart	Dir Acad Service	1.00	36,005								No		36,005		5.04%		
Nancy Graziano	Assoc Athl Dir / SWA	1.00	66,206								No	66,206			3.01%		
Kalee Kopp	Asst Dir Market/Prom	1.00	34,507								No		34,507		42.08%	1	
Donna Hays	Fund Raiser	1.00	40,789								No		40,789		4.03%	1	
<b>Bengal Foundation</b>																	
Jay McMillin	Dir/Annl Giving	1.00	41,205								No		41,205		New	4.04%	1
<b>Men's Sports</b>																	
<b>Football</b>																	
John Zamberlin	Hd Coach	0.91	94,678	3,881	20,000					Yes	Yes	94,678	20,000	3,881	1.01%		
Mike Orthmann	Asst Coach	1.00	47,757	1,550						Yes	No	47,757		1,550	3.01%		
Brandon Valeria	Asst Coach	1.00	27,040	1,200							No	27,040		1,200	5.01%		
Junior Falevai	Asst Coach	1.00	30,930	415							No	30,930		415	New		
Brian Jensen	Asst Coach	1.00	36,629	700							No	36,629		700	3.04%		
Brian Strandley	Asst Coach	1.00	47,757	700						Yes	No	47,757		700	3.01%		
Drew Miller	Asst Coach	1.00	29,994	1,550							No	29,994		1,550	4.04%		
Steve Amrine	Asst Coach	1.00	35,443	700							No	35,443		700	3.02%		
Nick Whitworth	Asst Coach	1.00	30,077	1,550							No	30,077		1,550	3.07%		
<b>Basketball</b>																	
Joe O'Brien	Hd Coach	0.96	98,128		10,000	2,500				2,500	Yes	Yes	98,128	10,000	5,000	3.00%	
Geoffrey Alexander	Asst Coach	1.00	43,701	1,250		500					No	43,701		1,750	4.01%		
Steve Swanson	Asst Coach	1.00	54,600	1,250		500				Yes	No	54,600		1,750	3.02%		
Michael Brown	Asst Coach	1.00	32,989	1,250		500					No	32,989		1,750	3.05%		
<b>Tennis</b>																	
Robert Goeltz	Hd Coach	0.43	19,027								No	19,027			3.02%		
Marc Pijoan	Asst Coach	0.21	6,006								No	6,006			New		
<b>Track &amp; Field</b>																	
David Nielsen	Hd Coach	0.46	27,597								No	27,597			4.03%		
Jackie Poulson	Asst Coach	0.50	13,239								No	13,239			1.03%		
<b>Golf</b>																	
David Molitor	Hd Coach	0.50	19,042								No	19,042			1.05%		
<b>Cross Country</b>																	
Brian Janssen	Hd Coach	0.50	23,629								No	23,629			3.04%		

**Intercollegiate Athletics Compensation Report  
Idaho State University  
FY 2009 Estimated Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Multi-Yr Contract	Funding			Annualized Change	Footnote
		Base Salary	Camps/Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other		
<b>Women's Sports</b>																	
<b>Basketball</b>																	
Seton Sebolewski	0.96	82,614		5,000	450					Yes		Yes	82,614	5,000	450	New	
Angela Munger	1.00	41,184			350							No	41,184		350	New	
Jordan Green	1.00	28,080			350							No	28,080		350	23.06%	1
Holly Robertson	1.00	23,920			350							No	23,920		350	New	
<b>Volleyball</b>																	
Chad Teichert	0.91	50,065	3,250									Yes	50,065		3,250	New	
David Hyte	1.00	35,589										No	35,589			New	
<b>Tennis</b>																	
Robert Goeltz	0.43	19,027										No	19,027			3.02%	
Marc Pijoan	0.21	6,006										No	6,006			New	
<b>Track &amp; Field</b>																	
David Neilsen	0.45	27,597										No	27,597			4.03%	
Jackie Poulson	0.50	13,239										No	13,239			1.03%	
<b>Golf</b>																	
David Molitor	0.50	19,042										No	19,042			1.05%	
<b>Cross Country</b>																	
Brian Janssen	0.50	23,629										No	23,629			3.04%	
<b>Soccer</b>																	
Allison Gibson	1.00	55,640	6,000				1,500		Yes			Yes	55,640		7,500	4.00%	
Hideki Nakada	1.00	26,728										No	26,728			4.05%	
Lyndsay Massengale	1.00	17,745										No		17,745		New	
<b>Softball</b>																	
Larry Stocking	1.00	23,724										Yes	23,724			-52.46%	1
Andrea Wilson	1.00	43,109										No	43,109			82.12%	1
Shelly Prochaska	1.00	19,327										No	19,327			New	

Footnote

- 1 Duty Change
- 2 FTE change

Include all budgeted exempt positions. Compensation includes all payments made through the college/universities payroll system.

If a coach has an agreement with an apparell company, cash payments (payroll) should be reported as compensation. Report the value of of clothes and equipment that you know coaches receive in the Perks--Other column. Payments from the foundation should be reported in the other column. Indicate "Yes" or "No" if department employees have an assigned car. If there has been turnover in a position, the FTE should reflect the percent of time employed.

University of Idaho

FY2008 Compensation

Depart/Name/Title		Compensation				Contract Bonus			Other			All Compensation			
		FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other^	Grad Rate	Winning Perform.	Other	Club Memb.	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other
Athletic Administration:															
Rob Spear	Athletic Dire	1.00	163,465		15,000	600				yes	yes	yes		179,065	
John Wallace	Dir. of Com	1.00	68,776			390								69,166	
Becky Paul	Dir. Med. R	1.00	49,445			300								49,745	
Ian Klei	Asst. Med F	1.00	33,734			240								33,974	
Megan Borchert	Asst Trainee	1.00	39,094	850		240								39,334	850
Nick Refvem	Asst Trainee	1.00	39,094	400		240								39,334	400
Barrie Steele	Hd Trainer	1.00	68,926			300								69,226	
Rick Darnell	Assoc AD	0.23	10,936	*		750				yes				11,686	
Tim Mooney	Assoc AD	0.19	11,060			142				yes				11,202	
Matt Leituala	Dir. Acad.	1.00	53,303			240								53,543	
Chris Dyko	Assoc Dir.A	0.04	3,794											3,794	
Scott Gadeken	Strength Cc	1.00	47,171	1,200		300								47,471	1,200
Chad Chronister	Asst Stren	0.23	9,904	*										9,904	
Joe Herold	Asst Stren	0.92	31,161											31,161	
Matt Kleffner	Sr. Assoc A	1.00	82,487		2,500	390								85,377	
Sam Teevens	Video Coord.	1.00	43,537	1,500		240								43,777	1,500
Maureen Taylor	Asst. AD	1.00	52,966			390								53,356	
Devon Thomas	Dir. Mar/Prc	1.00	47,154			390								47,544	
Carlos Loaiza	Dir. Equip F	0.92	40,627			300								40,927	
Mahmood Sheikh	Asst. AD/Dc	0.50	35,551	^		390				yes				35,941	
Shelly Femreite	Devl. Coord.	0.50	20,621	^		390				yes				21,011	
Nat Reynolds	Devl. Coord.	0.46	19,440	^		390								19,830	
Andrea Niehenke	Devl. Coord.	0.85	32,870											32,870	
Men's Sports															
Football															
Robb Akey	Hd Coach	0.50	160,741		85,000	900				yes	yes	yes	161,641	85,000	0
Steve Axman	Assistant	0.46	113,052	2,875	5,000	900							113,952	5,000	2,875
Jonathan Smith	Assistant	1.00	51,863	7,350		900				yes			52,763	0	7,350
Johnny Nansen	Assistant	1.00	46,671	3,225		900				yes			47,571	0	3,225
Mark Criner	Assistant	1.00	108,899	2,875		900				yes			109,799	0	2,875
Rod Plummer	Assistant	1.00	57,056	2,225		900				yes			57,956	0	2,225
Luther Carr	Assistant	1.00	42,537	3,225		900				yes			43,437	0	3,225
Patrick Libey	Assistant	1.00	41,519	3,225		900				yes			42,419	0	3,225
Al Genatone	Assistant	1.00	41,499	3,225		900				yes			42,399	0	3,225
Dan Finn	Assistant	1.00	41,499	3,225		900				yes			42,399	0	3,225
Mark Vaught	Dir. of FB C	0.42	14,410	2,000		900							15,310	0	2,000
Basketball															
Don Verlin	Hd Coach	0.23	27,473			500				yes			27,973	0	0
George Pfeifer	Hd Coach	1.00	99,985		45,000	250				yes	yes		100,235	45,000	0
Leroy Washington	Assistant	1.00	57,150		16,500	250				yes			57,400	16,500	0
Brian Hancock	Assistant	1.00	46,595		5,000	250				yes			46,845	5,000	0
Mike Score	Assistant	1.00	48,505		15,000	750				yes			49,255	15,000	0
Mike Burns	Assistant	0.23	13,169			500				yes			13,669	0	0
Mike Freeman	Assistant	0.23	9,230			500				yes			9,730	0	0
Men's Track & XC															
Wayne Phipps	Hd Coach	1.00	47,588		8,000	390		2,000			yes		47,978	8,000	0
Julie Taylor	Assistant	0.50	16,387			300							16,687	0	0
Angela Whyte	Assistant	0.54	3,957										3,957	0	0

University of Idaho  
FY2008 Compensation

Depart/Name/Title		Compensation					Contract Bonus			Other			All Compensation		
		FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other <sup>^</sup>	Grad Rate	Winning Perform.	Other	Club Memb.	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other
Golf															
Brad Rickel	Hd Coach	0.10	6,326	*	1,375										
Lisa Johnson	Hd Coach	0.43	19,043			300				yes	yes		6,326	1,375	0
Lisa Johnson	Assistant	0.06	1,443										19,343	0	0
Jon Reehoorn	Assistant	0.40	10,909										1,443	0	0
Tennis															
Jeff Beaman	Hd Coach	0.50	17,403			300							10,909	0	0
Women's Sports															
Basketball															
Mike Divilbiss	Hd Coach	1.00	90,001		15,000	230			yes	yes	yes		90,231	15,000	0
Jon Newlee	Hd Coach	0.15	13,846			345							14,191	0	0
Alison Chase	Assistant	1.00	46,706	2,200		230				yes			46,936	0	2,200
Gavin Petersen	Assistant	0.15	7,692			345				yes			8,037	0	0
Jeff Crouse	Assistant	1.00	43,236	2,200		230				yes			43,466	0	2,200
Christa Sanford	Assistant	0.15	5,385			345				yes			5,730	0	0
Women's Track & XC															
Yogi Teevens	Hd Coach	1.00	53,217			600		2,000			yes		53,817	0	0
Julie Taylor	Assistant	0.50	16,387			300							16,687	0	0
Angela Whyte	Assistant		3,957										3,957	0	0
Volleyball															
Debbie Buchanan	Hd Coach	1.00	86,296	7,500	15,000	510	5,850			yes	yes		86,806	15,000	7,500
Mike Bryant	Assistant	1.00	38,783	4,450	7,000	510				yes			39,293	7,000	4,450
Moritz Moritz	Assistant	1.00	31,828	5,000	3,000	510							32,338	3,000	5,000
Women's Soccer															
Peter Showler	Hd Coach	1.00	38,158	1,100	6,000	600				yes			38,758	6,000	1,100
Morgan Crabtree	Assistant	0.88	23,116	*	1,100	390							23,506	0	1,100
Katie Schoene	Assistant	0.08	1,912										1,912	0	0
Women's Golf															
Brad Rickel	Hd Coach	0.10	6,326	*	1,375					yes	yes		6,326	1,375	0
Lisa Johnson	Hd Coach	0.43	19,043			300							19,343	0	0
Lisa Johnson	Assistant	0.06	1,443			390							1,833	0	0
Jon Reehoorn	Assistant	0.40	10,909										10,909	0	0
Tennis															
Jeff Beaman	Hd Coach	0.50	17,403			300							17,703	0	0
Women's Swimming															
Tom Jager	Hd Coach	1.00	51,818		15,000	600	500			yes	yes		52,418	15,000	0

\*includes annual leave payout  
<sup>^</sup>.50 paid by Advancement  
<sup>^</sup>includes cell phone stipend

**Intercollegiate Athletics Compensation Report  
University of Idaho  
FY2009 Estimated Compensation**

Depart/Name/Title	Compensation					Contract Bonus			Other			All Compensation			
	FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other%	Grad Rate	Winning Perform.	Other	Club Memb.	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other	Annualized Change
<b>Athletic Administration:</b>															
Rob Spear	1.00	169,808		15,000	1,500				yes	1/2 year	yes	0	186,308	0	4%
John Wallace	1.00	73,852			780							0	74,632	0	7%
Becky Paull	1.00	49,963			600							0	50,563	0	1%
Ian Klei	1.00	34,418			480							0	34,898	0	2%
Megan Borchert	1.00	40,286	850		480							0	40,766	850	3%
Nick Refvem	1.00	40,304			480							0	40,784	0	3%
Barrie Steele	1.00	71,076			600							0	71,676	0	3%
Mooney, Tim	1.00	105,024			1,500				yes			0	106,524	0	New
Melanie Thomas	0.12	3,889										0	3,889	0	New
David Potter	0.62	19,973			480							0	20,453	0	New
Ana Tuiaaea-Ruud	1.00	34,834			480							0	35,314	0	New
Matt Leituala	1.00	53,381			600							0	53,981	0	0%
Joe Herold	1.00	34,738										0	34,738	0	3%
Scott Gadeken	1.00	48,617	800		420							0	49,037	800	3%
Matt Kleffner	1.00	8,581		2,500	780							0	11,861	0	-90%
Sam Teevens	1.00	44,877	800		480							0	45,357	800	3%
Maureen Regan	1.00	54,621			780							0	55,401	0	New
VACANT	0.20	9,000			96							0	9,096	0	New
Devon Thomas	0.04	5,152	*									0	5,152	0	173%
Carlos Loaiza	0.15	9,090	*									0	9,090	0	37%
VACANT	0.25	11,250			120							0	11,370	0	New
Megan Freshour	1.00	33,794			480							0	34,274	0	New
VACANT	0.40	12,000			312							0	12,312	0	New
^ Mahmood Sheikh	0.15	9,050	*						yes			0	9,050	0	-15%
^ Shelly Robson	0.50	19,762			780				yes			0	20,542	0	New
VACANT	0.30	10,500			234							0	10,734	0	New
^ Nat Reynolds	0.42	21,358			780							0	22,138	0	20%
<b>Men's Sports</b>															
<b>Football</b>															
Robb Akey	1.00	165,611	1,500	85,000	1,800				yes	yes	yes	167,411	85,000	1,500	-48%
Steve Axman	1.00	116,474	1,000	1,400	1,800					yes		118,274	1,400	1,000	-53%
Jonathan Smith	1.00	53,438		4,125	1,800					yes		55,238	0	4,125	3%
Johnny Nansen	0.50	35,065	*	1,650	925					yes		35,990	0	1,650	50%
VACANT	0.42	24,893			756					yes		25,649	0	0	New
Mark Criner	1.00	112,194		1,000	1,800					yes		113,994	0	1,000	3%
Rod Plummer	0.08	9,145	*							yes		9,145	0	0	100%
Jeremy Thielbahr	0.88	38,499			1,584					yes		40,083	0	0	New
Luther Carr	1.00	44,020		1,650	1,800					yes		45,820	0	1,650	3%
Patrick Libey	1.00	43,901		2,250	1,800					yes		45,701	0	2,250	6%
Al Genatone	1.00	43,899		1,650	1,800					yes		45,699	0	1,650	6%
Dan Finn	1.00	43,899		1,650	1,800					yes		45,699	0	1,650	6%
Mark Vaught	1.00	32,580		4,125	1,800							34,380	0	4,125	-5%
<b>Basketball</b>															
Don Verlin	1.00	117,000		60,000	1,500				yes	yes	yes	118,500	60,000	0	-2%
George Pfeifer	0.23	68,073	**							yes		68,073	0	0	196%
Mike Burns	0.04	1,385								yes		1,385	0	0	-40%
Ray Lopes	0.98	78,478			1,500					yes		79,978	0	0	New
Leroy Washington	0.04	2,204								yes		2,204	0	0	-4%
Hancock, Brian	0.04	1,798								yes		1,798	0	0	New
Mike Score	1.00	61,985		20,000	1,500					yes		63,485	20,000	0	28%
Mike Freeman	1.00	25,001		10,000	1,500					yes		26,501	10,000	0	-38%

**Intercollegiate Athletics Compensation Report  
University of Idaho  
FY2009 Estimated Compensation**

Depart/Name/Title	Compensation					Contract Bonus			Other		Multi-Yr Contract	All Compensation					
	FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other%	Grad Rate	Winning Perform.	Other	Club Memb.	Car		State Approp.	Program Revenue	All Other	Annualized Change		
Men's Track & XC																	
Wayne Phipps		Hd Coach	1.00	48,410		8,000	1,200										0
Julie Taylor		Assistant	0.50	16,538			390										2%
VACANT		Assistant															1%
Golf																	New
Jon Reehoorn		Head Coach	1.00	35,774			1,200										0
Tennis																	31%
Jeff Beaman		Hd Coach	0.50	18,111			600										0
																	4%
Women's Sports																	0
Basketball																	0
Jon Newlee		Hd Coach	1.00	90,001		15,000	1,380			yes	yes						-2%
Mike Divilbiss		Hd Coach	1.00	39,000	^^												-57%
Gavin Petersen		Assistant	1.00	50,003			1,380			yes							-2%
Alison Chase		Assistant	0.04	1,798													-4%
Christa Sanford		Assistant	1.00	35,006			1,380			yes							-2%
Jeff Crouse		Assistant	0.04	1,664													-4%
Karen Piers		Assistant	0.81	20,193			1,117			yes							New
Women's Track & XC																	0
Yogi Teevens		Hd Coach	1.00	53,575			1,200										1%
Julie Taylor		Assistant	0.50	16,538			390										1%
VACANT		Assistant															New
Volleyball																	0
Debbie Buchanan		Hd Coach	1.00	82,940		4,000	15,000	1,320	6,202		yes	yes					-4%
Mike Bryant		Assistant	0.10	6,417	*						yes						65%
Steve Whitaker		Assistant	0.88	31,335			5,000	1,162			yes						New
Moritz Moritz		Assistant	1.00	36,872		4,000	5,000	1,320									16%
Women's Soccer																	0
Peter Showler		Hd Coach	1.00	37,647		3,500	6,000	1,200									-1%
Katie Schoene		Assistant	1.00	24,856		2,500		780			yes	yes					4%
Women's Golf																	0
Lisa Johnson		Head Coach	1.00	40,400								yes					-9%
Tennis																	0
Jeff Beaman		Hd Coach	0.50	18,111				600				yes					4%
Women's Swimming																	0
Tom Jager		Hd Coach	1.00	53,458		15,000	1,200			yes	yes						3%

^balance paid by Development  
 \*includes Annual leave payout  
 \*\*includes contrack payoff  
 ^^contract agreement to pay until end of FY  
 %includes cell phone stipend

**Intercollegiate Athletics Compensation Report**  
**Lewis-Clark State College**  
**FY 2008 Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonus			Other			All Compensation		
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Memb.	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other
Athletic Administration:														
Gary Picone	Director, Athletics	1.00	67,907						No	Yes	No	39,386		28,521
Brooke Cushman	Asst. Director	1.00	42,000						No	No	No	21,000		21,000
Tracy Collins	Trainer	1.00	36,503						No	No	No	36,503		
Cindi Durgan	Athl Devl Officer	1.00	38,570						No	No	No	38,570		
Jasmine King	Admin. Asst. 1	1.00	22,963						No	No	No	22,963		
Julee King	Admin. Asst. 1	1.00	30,259						No	No	No	10,288		19,971
Men's Sports														
Basketball														
Tim Walker	Head Coach	1.00	44,338	8,700					No	Yes	No	44,338	8,700	
Pete VanMullem	Asst. Coach	0.17	5,400	1,000					No	No	No		6,400	
Baseball														
Ed Cheff	Head Coach	1.00	80,327						No	Yes	No	80,327		
Gus Knickrehm	Asst. Coach	1.00	36,712						No	No	No	36,712		
Mike Madrid	Asst. Coach	0.24	7,585						No	No	No		849	6,736
Matt Vogel	Asst. Coach	0.08	2,500						No	No	No		2,500	
Cross-Country														
Mike Collins	Head Coach	0.10	7,802						No	No	No	6,687	1,115	
Tennis														
Kai Fong	Head Coach	0.14	6,279						No	No	No	6,279		
Golf														
Paul Thompson	Head Coach	0.12	7,770						No	No	No	7,770		
Steve Tilden	Asst. Coach	0.08	2,500						No	No	No		2,500	

Intercollegiate Athletics Compensation Report

Lewis-Clark State College

FY 2008 Compensation

Page 2

Depart/Name/Title	FTE	Compensation				Maximum Contract Bonuses			Perks		Multi-Yr Contract	All Compensation		
		Base Salary	Camps/ Clinics	Equip Co Media & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	State Approp.		Program Revenue	All Other	
Women's Sports														
Basketball														
Brian Orr		Head Coach	1.00	46,068	9,800				No	Yes	No	46,068	9,800	
Robin Bogar		Asst. Coach	0.19	6,000					No	No	No		6,000	
Cross-Country														
Mike Collins		Head Coach	0.10	7,796					No	No	No	6,681	1,115	
Track														
Mike Collins		Head Coach	0.08	6,114					No	No	No	5,000	1,114	
Volleyball														
Jennifer Greeny		Head Coach	1.00	42,400					No	Yes	No	42,400		
Amy Flaig		Asst. Coach	0.06	2,000					No	No	No		2,000	
Burdette Greeny		Asst. Coach	0.15	4,787									4,787	
Tennis														
Kai Fong		Head Coach	0.14	6,279					No	No	No	6,279		
Golf														
Paul Thompson		Head Coach	0.18	11,655					No	No	No	11,655		
Steve Tilden		Asst. Coach	0.08	2,500					No	No	No		2,500	

## Intercollegiate Athletics Compensation Report

## Lewis-Clark State College

## FY 2009 Estimated Compensation

Depart/Name/Title	FTE	Compensation			Contract Bonus			Other			All Compensation			Annualized Change
		Base Salary	Camps/ Clinics	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Memb.	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other	
Athletic Administration:														
Gary Picone	Director, Athletics	1.00	69,944					No	Yes	No	40,567		29,377	3%
Brooke Cushman	Asst. Director	1.00	43,260					No	No	No	21,630		21,630	3%
Tracy Collins	Trainer	1.00	37,598					No	No	No	37,598			3%
Burdette Greeny	Trainer Asst.	0.62	20,000					No	No	No			20,000	0%
Cindi Durgan	Athl Devl Officer	1.00	39,727					No	No	No	39,727			3%
Jasmine King	Admin. Asst. 1	1.00	23,652					No	No	No	23,652			3%
Julee King	Admin. Asst. 1	1.00	31,167					No	No	No	10,597		20,570	3%
Men's Sports														
Basketball														
Tim Walker	Head Coach	1.00	45,669	8,700				No	Yes	No	45,669	8,700		3%
Tim Collins	Asst. Coach	0.16	5,000					No	No	No		5,000		0%
Pete VanMullem	Asst. Coach	0.09		3,000				No	No	No		3,000		0%
Baseball														
Ed Cheff	Head Coach	1.00	82,737					No	Yes	No	82,737			3%
Gus Knickrehm	Asst. Coach	1.00	37,814					No	No	No	37,814			3%
Allen Balmer	Asst. Coach	0.66	21,200					No	No	No		2,756	18,444	0%
Cross-Country														
Mike Collins	Head Coach	0.09	8,035					No	No	No	6,887	1,148		3%
Tennis														
Kai Fong	Head Coach	0.14	6,467					No	No	No	6,467			3%
Golf														
Paul Thompson	Head Coach	0.12	8,003					No	No	No	8,003			3%
Steve Tilden	Asst. Coach	0.08	2,500					No	No	No		2,500		0%

Intercollegiate Athletics Compensation Report

Lewis-Clark State College

FY 2009 Estimated Compensation

Page 2

Depart/Name/Title	FTE	Compensation			Maximum Contract Bonuses			Perks		All Compensation				
		Base Salary	Camps/ Clinics	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other	
Women's Sports														
Basketball														
Brian Orr		Head Coach	1.00	47,451	9,800				No	Yes	No	47,451	9,800	3%
Robin Bogar		Asst. Coach	0.19	6,000	500				No	No	No		6,500	8%
Cross-Country														
Mike Collins		Head Coach	0.09	8,030					No	No	No	6,882	1,148	3%
Track														
Mike Collins		Head Coach	0.13	11,298					No	No	No	10,149	1,149	8%
Volleyball														
Jennifer Greeny		Head Coach	1.00	43,672					No	Yes	No	43,672		3%
Burdette Greeny		Asst. Coach	0.16	5,000					No	No	No		5,000	4%
Tennis														
Kai Fong		Head Coach	0.14	6,467					No	No	No	6,467		3%
Golf														
Paul Thompson		Head Coach	0.18	12,005					No	No	No	12,005		3%
Steve Tilden		Asst. Coach	0.08	2,500					No	No	No		2,500	0%

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**SUBJECT**

2008 College and Universities' Financial Reviews

**BACKGROUND/DISCUSSION**

The Business Affairs and Human Resources Committee has been working on several financial ratios to reflect the financial health and efficiency of the college and universities. Also, staff intended to present the Net Asset Balance reports to the Board in December 2008 along with the Audit agenda review. That review was postponed, so the Net Asset Balance reports are presented along with the financial ratios.

The ratios presented measure the financial health of the institution and include the composite index comprised of four ratios. It is important to note the ratios are designed as a management tool to measure financial activity and trends within an institution. They do not lend themselves to comparative analysis between institutions because of the varying missions and current initiatives taking place at a given institution.

Ratio	Measure	Benchmark
Primary reserve	Sufficiency of resources and their flexibility; good measure for net assets	.40
Viability	Capacity to repay total debt through reserves	1.25
Return on net assets	Whether the institution is better off financially this year than last	6.00%
Net operating revenues	Whether institution is living within available resources	2.00%
Composite Index	Combines four ratios using weighting	3.0

The financial ratio selected to indicate efficiency is the Instructional Cost per Credit Hour. This number is calculated by dividing the instructional costs by both the un-weighted and weighted credit hours. Weighted credit hours are included to account for the differing costs to deliver those credits. The same weights are used in the Enrollment Workload Adjustment (EWA) formula to provide more EWA funding for the higher weighted courses.

Finally, the history of net asset balances is shown from FY 2002 through FY 2008.

Each institution's financial information is contained in a separate section. The institutions will present a brief analysis of the information and be available for questions by the Board.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**IMPACT**

The ratios and analyses are provided in order for the Board to review the financial health of each institution and to show the relative efficiency of its instructional programs. The net asset balances history shows the change in balances from FY 2002 through FY 2008. The net assets are broken down as follows:

<b>Invested in capital assets, net of related debt:</b>	This represents the University's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included.
<b>Restricted, expendable</b>	This represents resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
<b>Restricted, nonexpendable</b>	This represents endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.
<b>Unrestricted</b>	This represents resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. Not all source of revenues noted above are necessarily present in the unrestricted balance, i.e. state General Funds are normally spent in the fiscal year appropriated, and not carried over into the following fiscal year.

Within unrestricted net assets, the institutions reserve funds for the following:

**Various Department Fund Balances:** Department Fund Balances are derived from operations for such areas as Auxiliaries, Academic and Service Departments, Research, and Professional-Technical Education. These funds are held to be used in their respective departments, but can and have been used for any purpose at the discretion of the institution.

**Reserved for Library Acquisitions:** These funds are used to assist in the acquisition and replacement of library materials and to stay abreast of technology changes in the way the library is accessed and used. These funds can and have been used for any purpose at the discretion of the institution.

**Reserved for Capital Projects, M &O, and Initiatives:** These funds are reserved for capital projects, ongoing maintenance, facility repair and replacement, and start-up costs related to strategic mission. These funds can and have been used for any purpose at the discretion of the institution.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**ATTACHMENTS**

BSU Tab 3a	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3
ISU Tab 3b	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3
UI Tab 3c	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3
LCSC Tab 3d	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3

**STAFF COMMENTS AND RECOMMENDATIONS**

The institutions will present a brief analysis of the financial ratios and history of unrestricted net assets.

An increase in unrestricted net assets and the amount of unrestricted net assets per student FTE can be viewed in comparison to the primary reserve ratio. Some institutions have increased their reserves but they are still under the benchmark of .40. This may be due to the fact they are building reserves to be more in line with industry standards. You can compare this to an institution that continues to increase their reserves at the same time they are well above the benchmark of .40

The cost of instruction per credit hour, adjusted for inflation, reflects that some institutions are experiencing increasing costs for instruction while others are relatively flat. Increasing costs per credit hour may be due to several factors including declining enrollment and the inability to reduce related labor costs in such times, fixed vs. variable costs, declining or mandated faculty to student ratios, increasing inflationary costs such as energy, and increasing salaries and benefits.

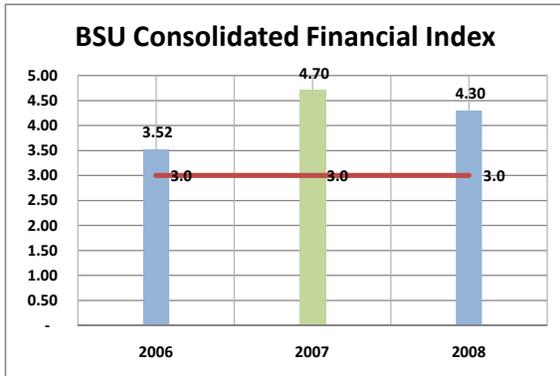
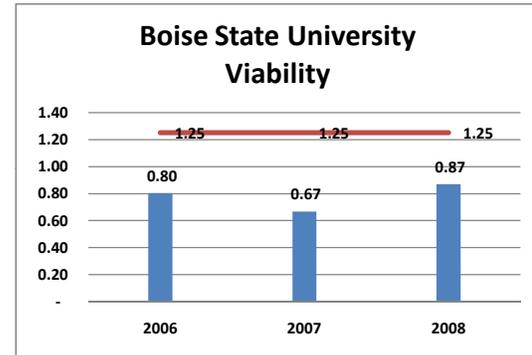
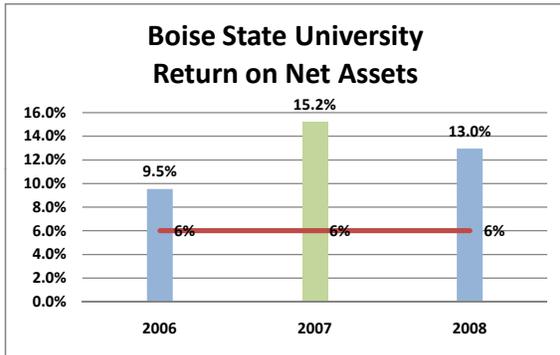
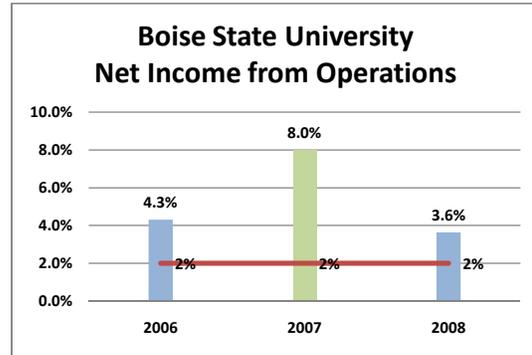
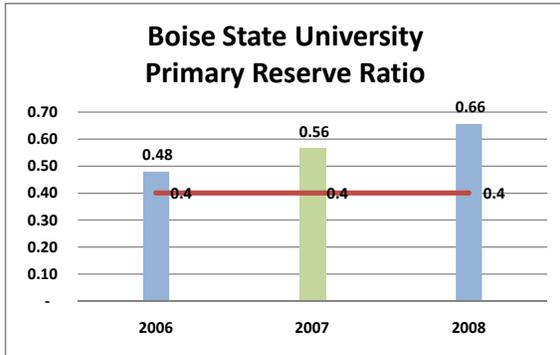
**BOARD ACTION**

This item is for informational purposes only. Any action will be at the Board's discretion.

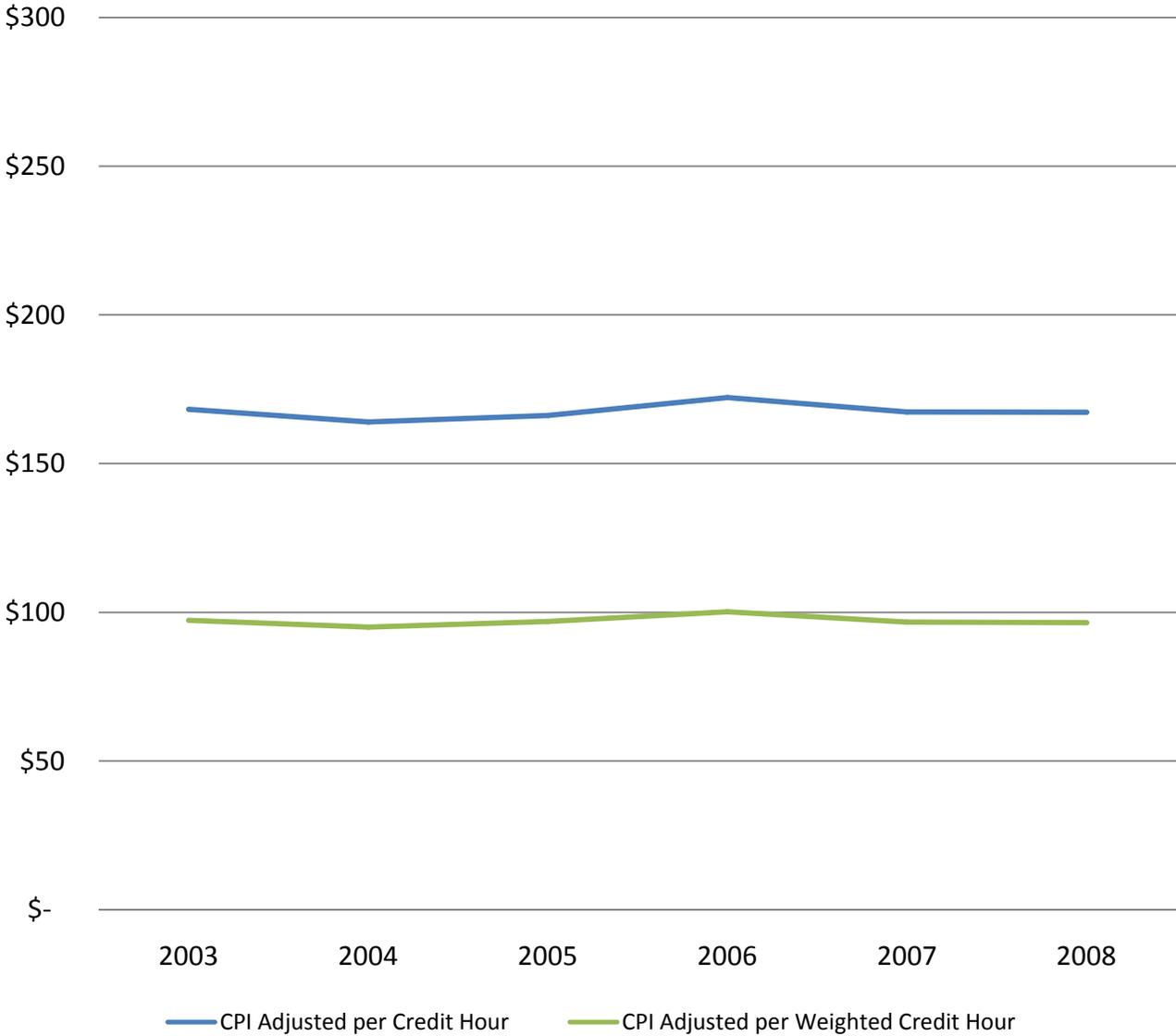
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## Boise State University

	2006	2007	2008	Benchmark
Primary Reserve	0.48	0.56	0.66	0.40
Net Operating Revenues	4.3%	8.0%	3.6%	2.00%
Return on Net Assets	9.5%	15.2%	13.0%	6.00%
Viability	0.80	0.67	0.87	1.25
CFI	3.52	4.70	4.30	3.0



**Boise State University  
Instructional Cost per Credit Hour  
Constant Dollars**



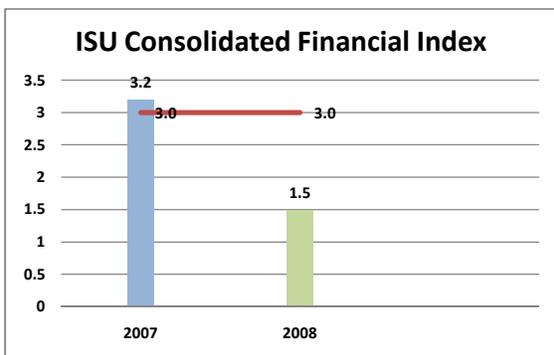
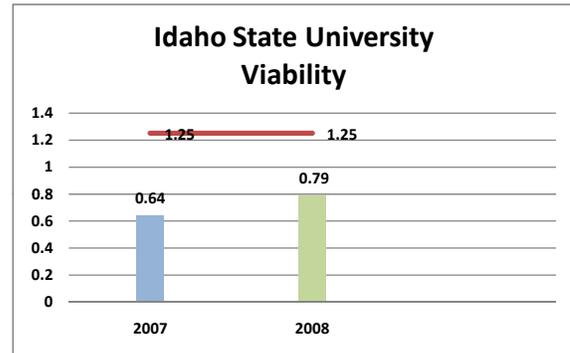
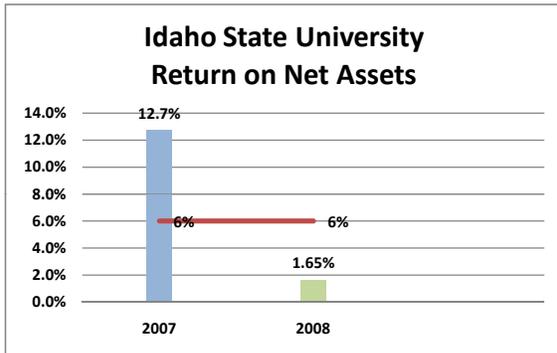
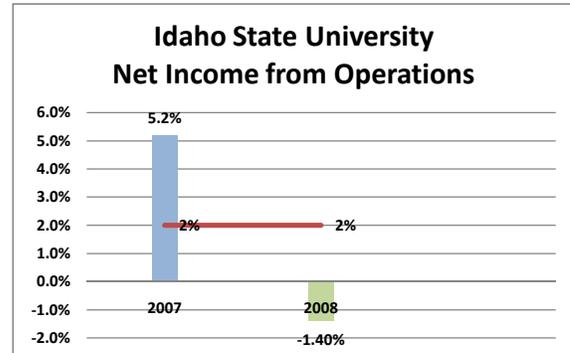
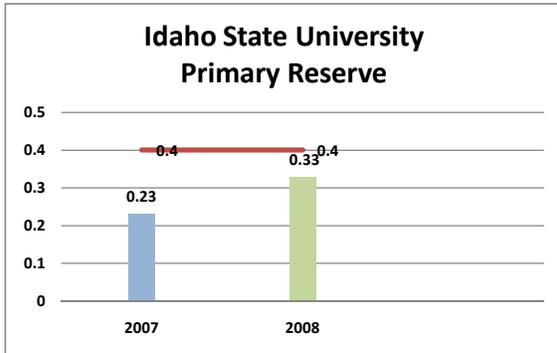
**Boise State University**  
**Net Asset Balances**

	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>
<b>1 Net Assets:</b>							
2 Invested in capital assets, net of related debt	\$109,078,414	\$118,421,028	\$122,397,657	\$141,293,657	\$142,498,300	\$160,800,243	\$167,965,615
3 Restricted, expendable	17,573,046	16,627,105	18,583,364	9,894,806	18,346,964	20,246,055	22,892,158
4 Restricted, nonexpendable	0	0	0	0	0	0	0
5 Unrestricted	52,886,268	54,991,422	58,774,900	60,441,126	61,249,973	83,140,682	85,459,476
<b>6 Total Net Assets</b>	<b>\$ 179,537,728</b>	<b>\$ 190,039,555</b>	<b>\$ 199,755,921</b>	<b>\$211,629,589</b>	<b>\$222,095,237</b>	<b>\$264,186,980</b>	<b>\$276,317,249</b>
7							
8 <b>Unrestricted Increases since FY 2002</b>		4.0%	11.1%	14.3%	15.8%	57.2%	61.6%
9							
10 <b>Unrestricted Net Assets:</b>							
11 Revenue Bond System	7,108,489	9,314,000	10,164,000	10,849,169	12,877,399	16,938,773	15,480,582
12 Auxiliary Fund Balance	15,574,146	13,436,800	17,363,000	18,181,336	13,765,374	11,503,294	12,264,322
13 Library Funds	3,310,903	4,140,000	3,900,000	3,900,000	3,365,000	3,365,000	332,829
14 Approved capital project costs	1,983,211	3,411,176	11,107,320	7,814,800	10,174,315	23,190,924	27,478,397
15 Start up costs related to strategic mission	235,626			2,150,000	1,000,000	1,396,000	837,144
16 Non-Academic Facility Repair & Replacement Reserve	291,742	4,605,639		2,200,000	2,139,653	1,723,622	1,309,795
17 Service Department Equipment/Operating Reserve	4,502,924	1,919,623	2,260,136	5,575,606	6,156,390	5,936,261	6,415,582
18 Academic Departments Operating Funds	17,871,052	17,303,569	12,863,900	7,520,215	7,870,860	14,270,789	16,133,281
19 Research Operating Funds					1,249,248	1,489,927	1,495,104
20 Encumbered Amounts not included in liabilities					651,734	826,091	1,212,440
21 Unobligated Funds Available to University	2,008,175	860,615	1,116,544	2,250,000	2,000,000	2,500,000	2,500,000
<b>22 Total Unrestricted Net Assets</b>	<b>52,886,268</b>	<b>54,991,422</b>	<b>58,774,900</b>	<b>60,441,126</b>	<b>61,249,973</b>	<b>83,140,682</b>	<b>85,459,476</b>
23							
24 Total net assets	\$179,537,728	\$190,039,555	\$199,755,921	\$211,629,589	\$222,095,237	\$264,186,980	\$276,317,249
25 Unrestricted Net Assets-to-Total Net Assets	29.5%	28.9%	29.4%	28.6%	27.6%	31.5%	30.9%
26 Unobligated Financial Resources-to-Total Net Assets	1.1%	0.5%	0.6%	1.1%	0.9%	0.9%	0.9%
27							
28 Effect of GASB 45 - Other Postemployment Benefits							\$3,555,632
29							
30 Student FTE	12,216	12,749	13,502	13,342	13,562	13,720	14,315
31 Unrestricted Net Assets per Student FTE	\$4,329	\$4,313	\$4,353	\$4,530	\$4,516	\$6,060	\$5,970

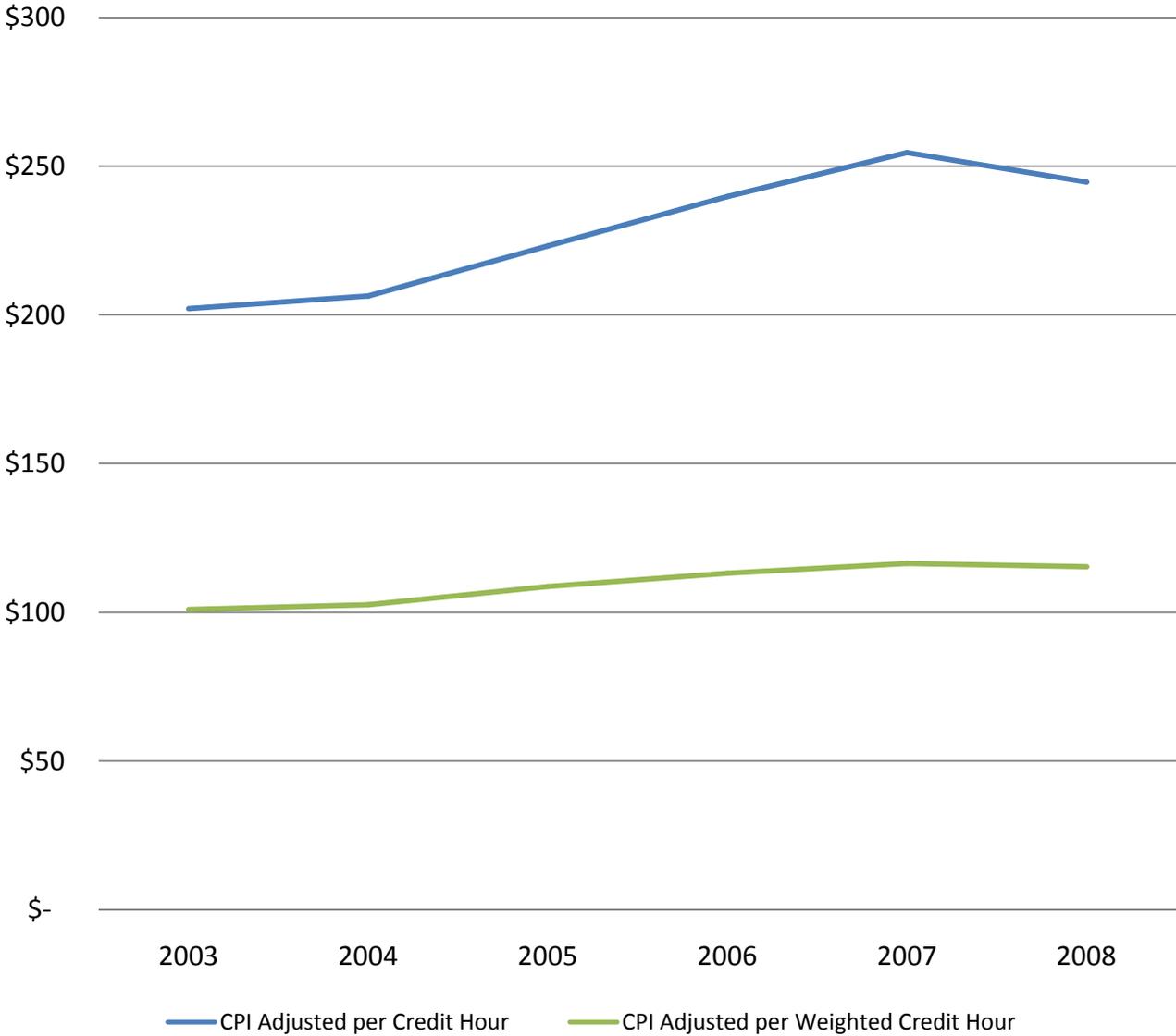
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## Idaho State University

	2007	2008	Benchmark
Primary Reserve	0.23	0.33	0.40
Net Operating Revenues	5.2%	-1.40%	2.00%
Return on Net Assets	12.7%	1.65%	6.00%
Viability	0.64	0.79	1.25
CFI	3.2	1.5	3.0



**Idaho State University  
Instructional Cost per Credit Hour  
Constant Dollars**



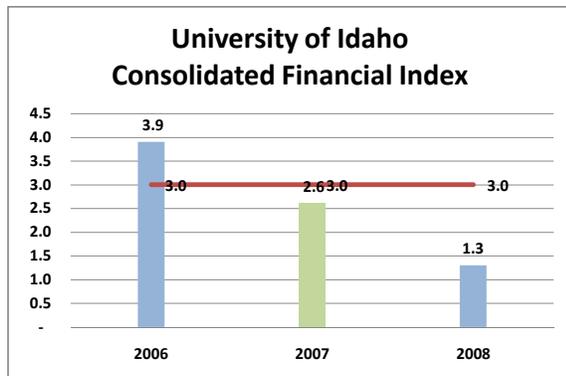
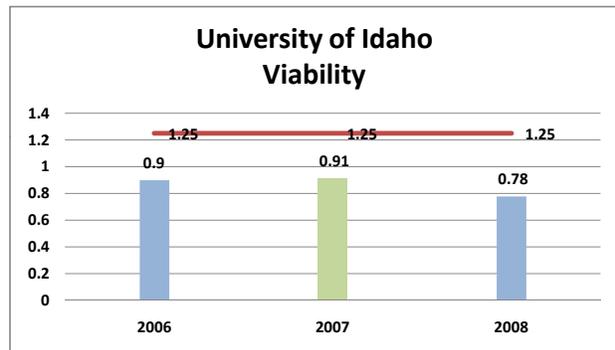
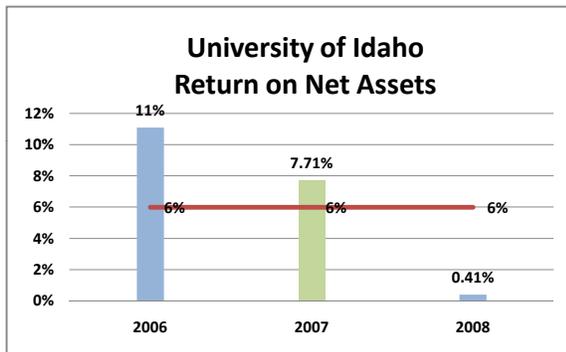
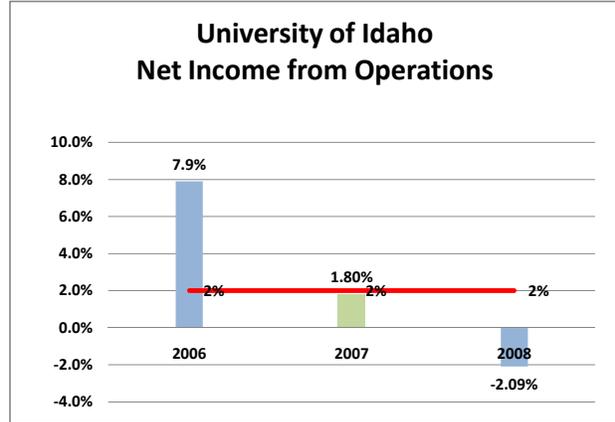
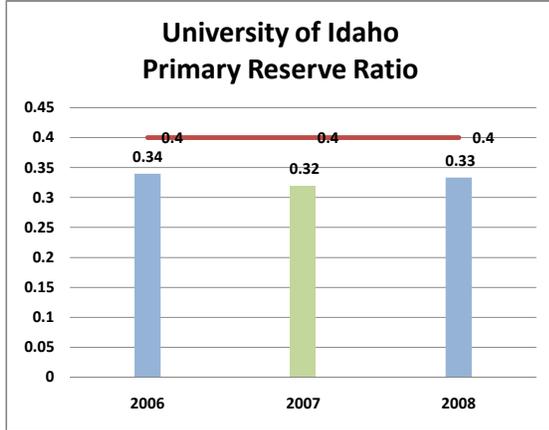
**Idaho State University**  
**Net Asset Balances**

	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>
1 <b>Net Assets:</b>							
2 Invested in capital assets, net of related debt	\$77,229,368	\$89,894,909	\$75,255,243	\$81,347,825	\$91,299,662	\$91,907,601	\$85,173,954
3 Restricted, expendable	5,114,158	5,001,157	30,552,475	24,701,888	14,599,005	18,887,429	29,049,720
4 Restricted, nonexpendable	0	0	0	0			
5 Unrestricted	19,322,865	24,365,620	28,506,019	30,860,800	31,115,989	31,540,034	27,244,904
6 <b>Total Net Assets</b>	<b>\$ 101,666,391</b>	<b>\$ 119,261,686</b>	<b>\$ 134,313,737</b>	<b>\$136,910,513</b>	<b>\$137,014,656</b>	<b>\$142,335,064</b>	<b>\$141,468,578</b>
7							
8 <b>Unrestricted Increases since FY 2002</b>		26.1%	47.5%	59.7%	61.0%	63.2%	41.0%
9							
10 <b>Unrestricted Net Assets:</b>							
11 Revenue Bond System	5,798,778	6,074,689	7,630,933	8,563,368	9,326,331	7,292,106	6,474,222
12 Auxiliary Fund Balance	2,528,653	4,072,682	4,767,023	4,201,834	3,414,615	3,749,345	3,835,127
13 Library Funds	318,793	317,389	309,276	258,289	290,512	420,560	680,181
14 Approved capital project costs					1,500,000	2,000,000	200,695
15 Start up costs related to strategic mission							
16 Non-Academic Facility Repair & Replacement Reserve	2,840,626	3,573,183	3,583,183	3,583,183			
17 Service Department Equipment/Operating Reserve	2,877,358	3,223,518	3,501,428	3,965,765	3,941,254	5,000,096	3,154,195
18 Academic Departments Operating Funds	4,912,677	7,009,165	7,853,642	8,141,887	6,898,941	8,106,173	7,433,349
19 Research Operating Funds					2,929,723	2,615,857	4,118,216
20 Encumbered Amounts not included in liabilities	985,798	1,087,212	1,174,587	1,334,363	1,430,830	703,673	1,143,148
21 Unobligated Funds Available to University	-939,818	-992,218	(314,053)	812,111	1,383,783	1,652,224	205,771
22 <b>Total Unrestricted Net Assets</b>	<b>\$19,322,865</b>	<b>\$24,365,620</b>	<b>\$28,506,019</b>	<b>\$30,860,800</b>	<b>\$31,115,989</b>	<b>\$31,540,034</b>	<b>\$27,244,904</b>
23							
24 Total net assets	\$101,666,391	\$119,261,686	\$134,313,737	\$136,910,513	\$137,014,656	\$142,335,064	\$141,468,578
25 Unrestricted Net Assets-to-Total Net Assets	19.0%	20.4%	21.2%	22.5%	22.7%	22.2%	19.3%
26 Unobligated Financial Resources-to-Total Net Assets	-0.9%	-0.8%	-0.2%	0.6%	1.0%	1.2%	0.1%
27							
28 Effect of GASB 45 - Other Postemployment Benefits							\$3,055,000
29							
30 Student FTE	9,968	10,076	10,287	10,179	10,052	9,474	9,451
31 Unrestricted Net Assets per Student FTE	\$1,938	\$2,418	\$2,771	\$3,032	\$3,096	\$3,329	\$2,883

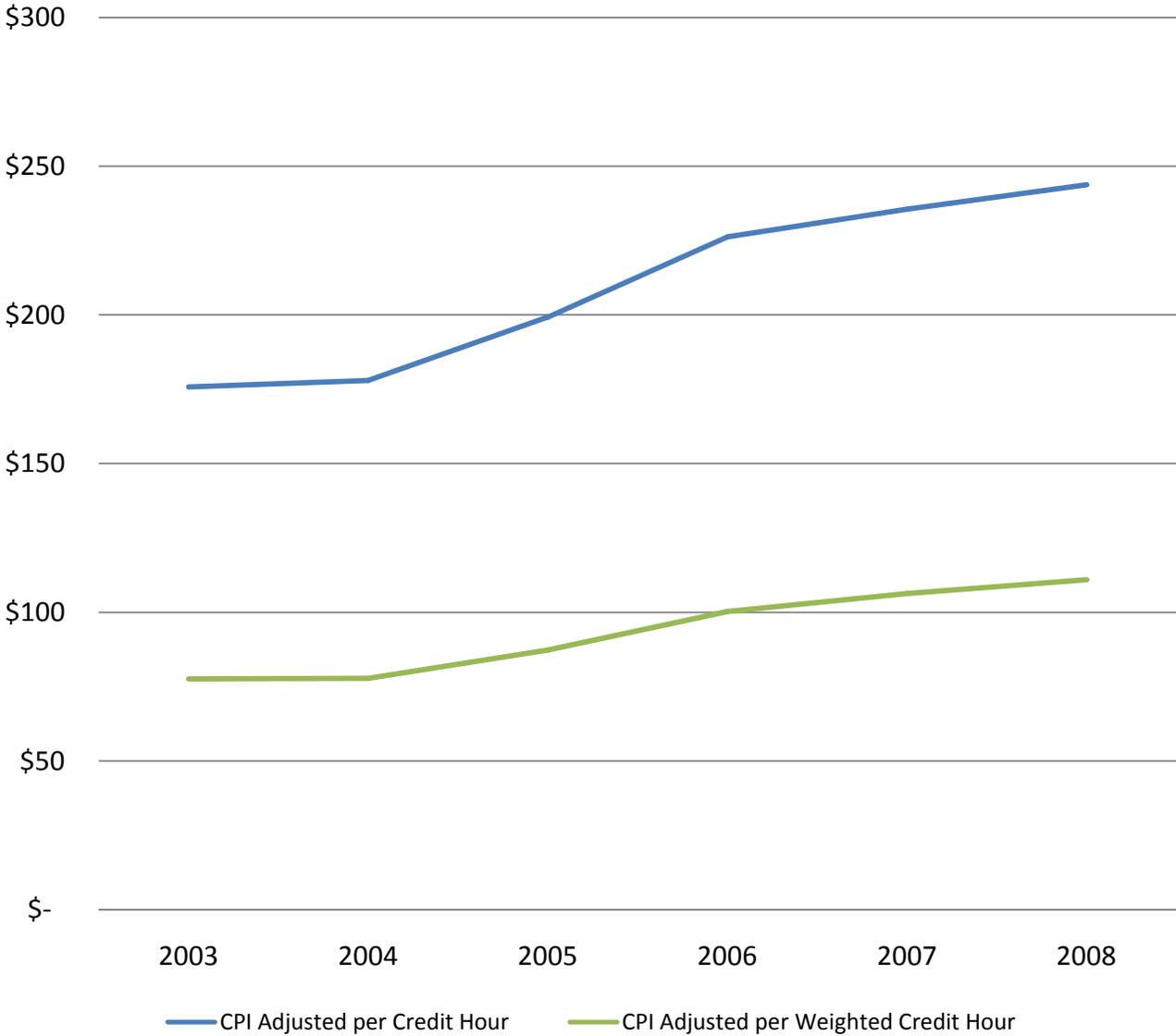
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## University of Idaho

	2006	2007	2008	Benchmark
Primary Reserve Ratio	0.34	0.32	0.33	0.40
Net Operating Revenues	7.9%	1.80%	-2.09%	2.00%
Return on Net Assets	11%	7.71%	0.41%	6.00%
Viability	0.9	0.91	0.78	1.25
CFI	3.9	2.6	1.3	3.0



**University of Idaho  
Instructional Cost per Credit Hour  
Constant Dollars**



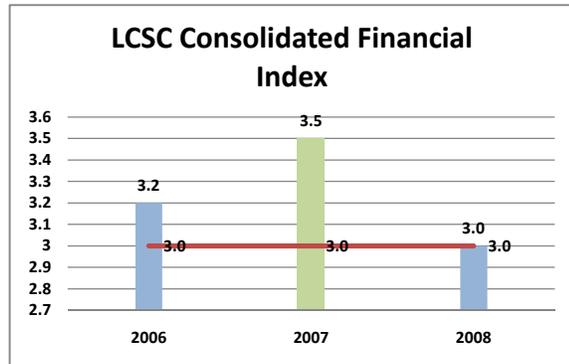
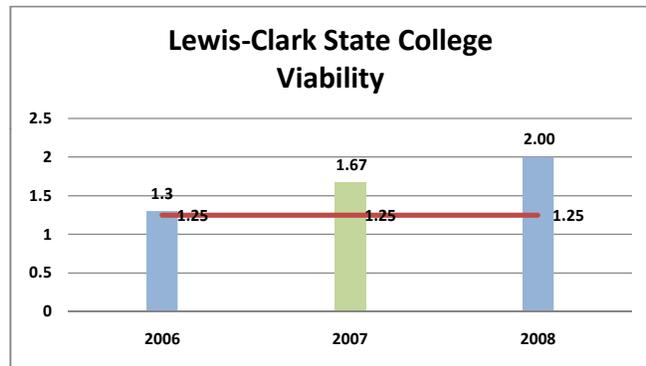
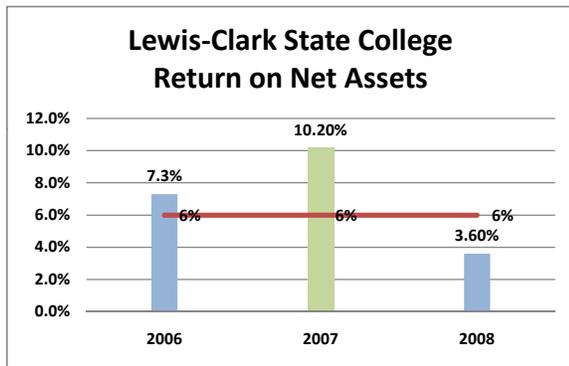
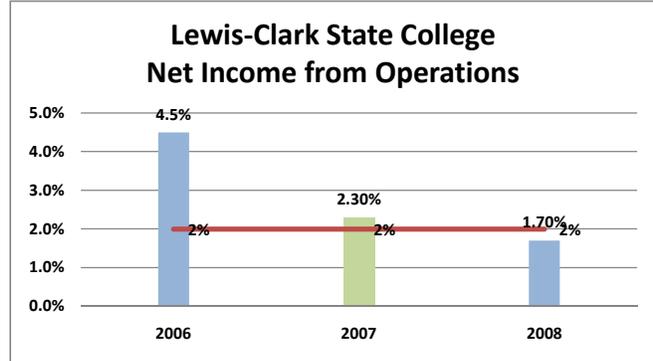
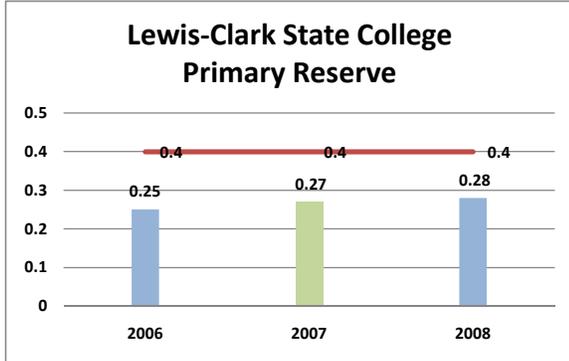
**University of Idaho**  
**Net Asset Balances**

<b>Ln</b>	<b>Net Assets:</b>	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>
1	Invested in capital assets, net of related debt	\$170,707,263	\$173,525,393	\$173,803,697	\$171,201,330	\$179,267,162	\$202,639,863	\$185,755,208
2	Restricted, expendable	16,869,347	21,610,103	20,631,048	21,252,064	29,202,744	39,823,699	84,837,542
3	Restricted, nonexpendable	70,173,559	70,746,186	71,171,461	78,667,182	84,671,646	88,788,847	77,042,418
4	Unrestricted	22,387,064	18,650,209	29,918,062	41,564,444	52,813,415	45,885,000	38,200,667
5	<b>Total Net Assets</b>	<b>\$ 280,137,233</b>	<b>\$ 284,531,891</b>	<b>\$ 295,524,268</b>	<b>\$ 312,685,020</b>	<b>\$ 345,954,967</b>	<b>\$ 377,137,409</b>	<b>\$ 385,835,835</b>
6	<b>Unrestricted Increases since FY 2002</b>		-16.7%	33.6%	85.7%	135.9%	105.0%	70.6%
7	<b>Unrestricted Net Assets:</b>							
8	Revenue Bond System	3,249,848	4,642,338	5,731,372	4,733,576	7,120,160	11,238,236	4,983,663
9	Auxiliary Fund Balance	373,932	(29,253)	119,183	864,182	2,995,848	2,789,304	4,683,748
10	Library Funds	1,270,766	2,258,411	1,863,874	2,575,983	1,082,903	946,540	813,626
11	Approved capital project costs							
12	Start up costs related to strategic mission							2,200,000
13	Non-Academic Facility Repair & Replacement Reserve	5,997,654	5,021,016	9,237,907	8,755,663	10,949,809	13,178,220	11,903,939
14	Service Department Equipment/Operating Reserve				1,369,077	1,031,592	1,663,036	1,558,110
15	Academic Departments Operating Funds	9,139,645	6,277,684	9,921,376	20,843,746	26,364,234	14,230,781	8,545,343
16	Research Operating Funds							217,453
17	Encumbered Amounts not included in liabilities							1,294,786
18	Unobligated Funds Available to University	2,355,219	480,012	3,044,350	2,422,216	3,268,869	1,838,883	2,000,000
19	<b>Total Unrestricted Net Assets</b>	<b>\$ 22,387,064</b>	<b>\$ 18,650,209</b>	<b>\$ 29,918,062</b>	<b>\$ 41,564,444</b>	<b>\$ 52,813,415</b>	<b>\$ 45,885,000</b>	<b>\$ 38,200,667</b>
20								
21	Total Net Assets	\$280,137,233	\$284,531,891	\$295,524,268	\$312,685,020	\$345,954,967	\$377,137,409	\$385,835,835
22	Unrestricted Net Assets-to-Total Net Assets	8.0%	6.6%	10.1%	13.3%	15.3%	12.2%	9.9%
23	Unobligated Financial Resources-to-Total Net Assets	0.8%	0.2%	1.0%	0.8%	0.9%	0.5%	0.5%
24								
25	Effect of GASB 45 - Other Postemployment Benefits							
26								
27	Student FTE	10,224	10,672	11,073	11,040	10,791	10,252	10,078
28	Unrestricted Net Assets per Student FTE	\$2,190	\$1,748	\$2,702	\$3,765	\$4,894	\$4,476	\$3,791

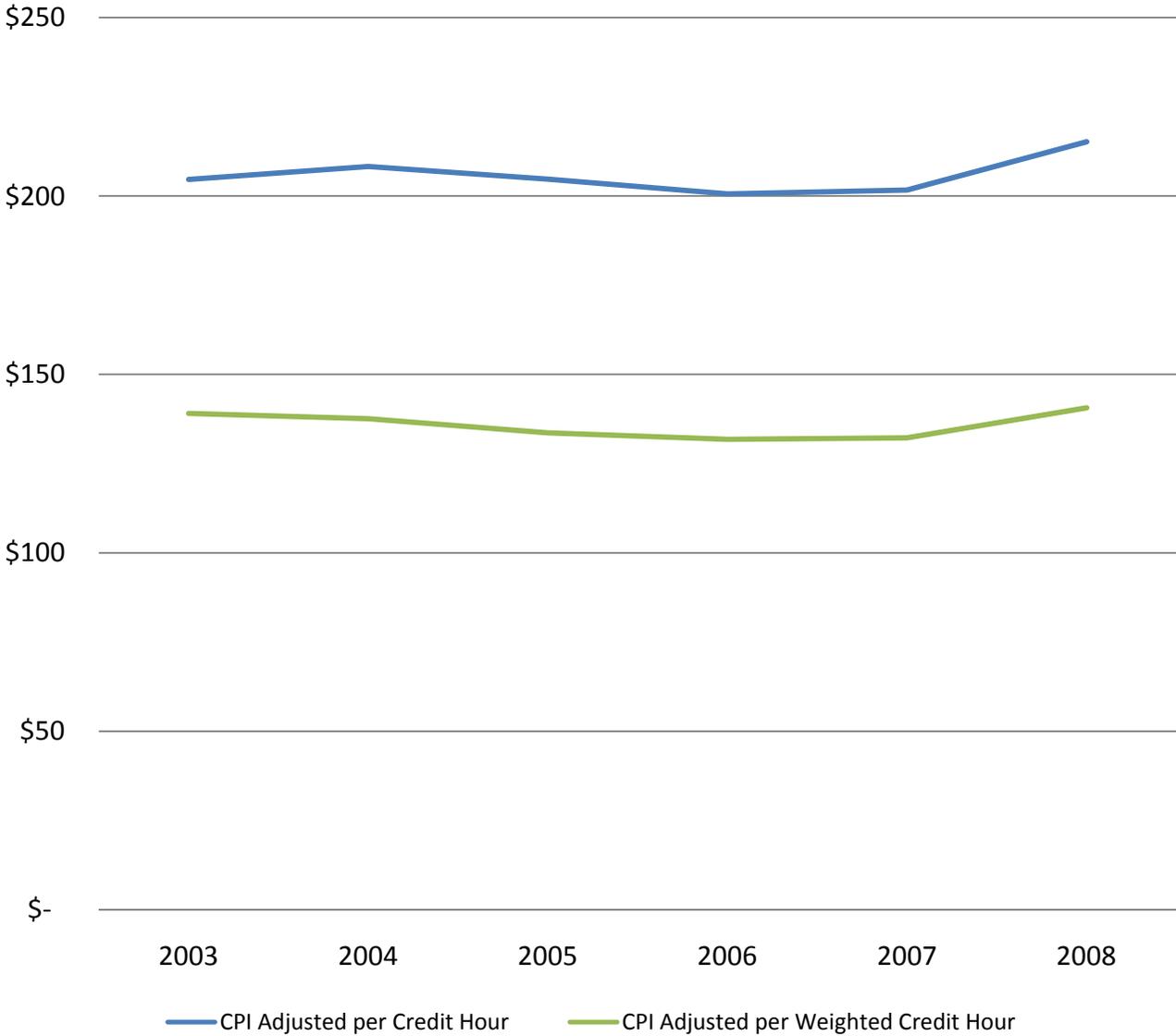
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## Lewis-Clark State College

	2006	2007	2008	Benchmark
Primary Reserve	0.25	0.27	0.28	0.40
Net Operating Revenues	4.5%	2.30%	1.70%	2.00%
Return on Net Assets	7.3%	10.20%	3.60%	6.00%
Viability	1.3	1.67	2.00	1.25
CFI	3.2	3.5	3.0	3.0



**Lewis-Clark State College  
Instructional Cost per Credit Hour  
Constant Dollars**



**Lewis-Clark State College**  
**Net Asset Balances**

	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>
<b>1 Net Assets:</b>							
2 Invested in capital assets, net of related debt	\$16,446,632	\$17,076,656	\$18,662,356	\$19,615,225	\$19,599,852	\$21,805,295	\$21,636,172
3 Restricted, expendable	2,063,163	1,434,865	1,385,939	1,380,113	1,384,340	1,403,610	1,388,364
4 Restricted, nonexpendable	2,852	2,852	2,852				
5 Unrestricted	2,369,937	2,960,303	4,688,301	5,483,254	7,383,807	7,823,688	9,336,957
<b>6 Total Net Assets</b>	<b>\$ 20,882,584</b>	<b>\$ 21,474,676</b>	<b>\$ 24,739,448</b>	<b>\$26,478,592</b>	<b>\$28,367,999</b>	<b>\$31,032,593</b>	<b>\$32,361,493</b>
7							
8 <b>Unrestricted Increases since FY 2002</b>		24.9%	97.8%	131.4%	211.6%	230.1%	294.0%
9							
<b>10 Unrestricted Net Assets:</b>							
11 Revenue Bond System	636,028	1,448,703	1,820,226	1,938,168	1,878,437	2,003,421	2,168,592
12 Auxiliary Fund Balance	58,665	133,102	297,591	176,680	125,706	103,139	264,525
13 Library Funds	6,274	9,074	6,066	9,166	81,270	61,165	75,898
14 Approved capital project costs							
15 Start up costs related to strategic mission							
16 Non-Academic Facility Repair & Replacement Reserve	643,964	775,569	907,924	1,030,555	1,521,713	1,347,336	1,939,407
17 Service Department Equipment/Operating Reserve	496,700	91,870	598,999	441,545	1,418,697	1,833,770	2,230,827
18 Academic Departments Operating Funds	272,467	203,975	629,674	1,306,649	1,771,329	1,932,092	1,982,631
19 Research Operating Funds							
20 Encumbered Amounts not included in liabilities	106,077	93,500	129,552	270,533	294,777	245,198	259,484
21 Unobligated Funds Available to University	149,762	204,510	298,269	309,958	291,878	297,567	415,592
<b>22 Total Unrestricted Net Assets</b>	<b>\$2,369,937</b>	<b>\$2,960,303</b>	<b>\$4,688,301</b>	<b>\$5,483,254</b>	<b>\$7,383,807</b>	<b>\$7,823,688</b>	<b>\$9,336,957</b>
23							
24 Total net assets	\$20,882,584	\$21,474,676	\$24,739,448	\$26,478,592	\$28,367,999	\$31,032,593	\$32,361,493
25 Unrestricted Net Assets-to-Total Net Assets	11.3%	13.8%	19.0%	20.7%	26.0%	25.2%	28.9%
26 Unobligated Financial Resources-to-Total Net Assets	0.7%	1.0%	1.2%	1.2%	1.0%	1.0%	1.3%
27							
28 Effect of GASB 45 - Other Postemployment Benefits							\$790,000
29							
30 Student FTE	2,275	2,349	2,502	2,586	2,561	2,562	2,585
31 Unrestricted Net Assets per Student FTE	\$1,042	\$1,260	\$1,874	\$2,120	\$2,883	\$3,054	\$3,612

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Authorization for issuance of general revenue and refunding bonds

**REFERENCE**

October 2003	Board approved request to proceed with planning and design of an Environmental Science and Policy Center
October 2005	Board approved Campus Master Plan Update
June 2006	Board approved request to expand the scope of planning and design of the Environmental Science and Policy Center and complete design and programming plans
August 2006	Board approved request to construct a 750 space parking structure with office space on Lincoln and University Drives for an amount not to exceed \$12 million.
November 2006	Information item on facilities financing including cost estimate of the Center for Environmental Sciences and Economic Development construction
February 2007	Capital project financing update
April 2007	Increase in Strategic Facilities Fee approved for construction of the Center for Environmental Sciences and Economic Development construction
February 2008	Capital project financing update
June 2008	Board approved request to design and build the Center for Environmental Sciences and Economic Development for a cost not to exceed \$42,889,642, pending Board approval of financing
January 2009	Board approved request to replace retractable seating in Taco Bell Arena

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies and Procedures, Section V.F.  
Section 33-3804, Idaho Code

## **BACKGROUND/DISCUSSION**

Boise State University requests the Board's approval to issue approximately \$\_\_\_\_\_ in tax-exempt revenue and refunding bonds (the "Series 2009A Bonds") pursuant to a Supplemental Bond Resolution. Most of the Series 2009A proceeds will be used to finance the construction of the Center for Environmental Sciences and Economic Development (CESED). In June 2008, the Board approved a project budget for CESED construction of \$42,889,642, including \$3,125,000 of federal funds and \$10,000,000 of State of Idaho Permanent Building Funds. Since the June 2008 Board meeting, construction costs have declined, and the University now anticipates bids will come in much lower than originally projected. Accordingly, the University seeks to utilize these savings to complete the second phase of the Lincoln Parking Structure for a cost not to exceed \$12 million. Approximately \$891,000 of the Series 2009A proceeds will be used to replace obsolete seating in the Taco Bell Arena. A description of each project follows.

### CESED

Consistent with the 2005 Campus Master Plan, CESED will be the first new science and engineering building to be located in the University's southeast expansion zone. The five-story, 89,000 square foot building will house geological science and civil engineering research labs, research lab support space, teaching labs, faculty offices and other support space. The integrated office and work areas will be the home of the Departments of Geosciences, Civil Engineering, Public Policy and Administration, and Political Science. The organization and design layout of the building will promote collaboration between scientists, engineers, and public policy and political science faculty on important environmental and policy issues. Laboratories and work areas will be designed with state-of-the-art equipment and configured with a flexible lab design module and infrastructure system to ensure future flexibility. Debt service on the CESED bonds will be paid from the strategic facilities fee.

### Taco Bell Arena Seating Project

A portion of the 2009A bond proceeds will be used to replace 850 retractable floor seats original to the University's existing arena with up to 950 new seats. The existing seating does not meet current hand and guardrail safety standards, and due to the age of the seats, cannot be brought up to code at a reasonable cost. Furthermore, new seating will enhance the competitive posture of the arena by providing additional seating and more flexible seating arrangements. Debt service on the seating project bonds will be paid from the general building fee.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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Lincoln Street Parking Structure

Due to the expected favorable bid climate, the University has the opportunity to use bond proceeds to construct the second half of the Lincoln Street parking garage. The garage was originally planned to encompass the entire block but was built as half due to the construction costs at the time. However, the land is all owned by the University, most of the demolition and site work is already completed, and significant work toward the infrastructure to support the second half was already built into the first half when it was constructed. Since this project would have been one of the next projects the University brought for approval and since it is generally a “mirror image” facility that has already been reviewed by the Board, the University requests approval of this project. The University will bring more design and construction details in April if the Board approves this project at a cost not to exceed \$12,000,000.

With the assistance of its bond underwriter, the University periodically reviews outstanding bond issues to assess whether market conditions warrant refinancing to take advantage of lower interest rates. The refunding of the University’s Student Fee Refunding and Improvement Bonds Series 1998, Student Union and Housing System Refunding Bonds Series 1998 and Student Building Fee Revenue Bonds Series 2001 in the aggregate principal amount of \$11,750,000 would result in a debt service net present value savings in the amount of approximately \$794,000.<sup>1</sup> In the event that market conditions are no longer favorable at the time of the meeting, no refunding bonds will be issued.

Remaining bond proceeds will be used to cover the cost of issuance.

Principal Amount

Approximately \$\_\_\_\_\_

Maturities

Each project has an individual maturity schedule based on its useful life. Taco Bell Arena seating project bonds will be due in 15 years; CESED and parking garage term bonds will be due in 30 years.

Amortization Plan

The amortization schedule for the Series 2009A Bonds reflects level debt service.

Interest Rates

To be determined on the day of pricing.

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<sup>1</sup> Exact amount will be available at the Board meeting.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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Source of Security

General Revenue Pledge of the University. Excludes appropriated funds, grants contract revenues and restricted gifts.

Ratings

Rating agency visits were conducted the week of January 19, 2009, in anticipation of the 2009A issuance and refunding. The University's current ratings of A1/A+ were reaffirmed by Moody's Investors Service and Standard & Poor's, respectively (see Attachments 4 and 5).

Documents to be provided immediately prior to the Board meeting

Once pricing is concluded, the University will provide the following at the Board meeting:

1. Bond sizing analysis showing final amounts, interest rates and maturities on the bonds;
2. Final Supplemental Bond Resolution showing rates and maturities of the bonds; and
3. Insert of new Appendix A to Bond Purchase Agreement showing rates and maturities of the bonds.

Bond pricing will occur during the 26th day of February, 2009. Agenda consideration after 2:00 pm MST is requested.

**IMPACT**

In accordance with the University's strategic plan and the campus master plan, the CESED building will provide valuable academic and research space to facilitate and enhance multidisciplinary research and education. The parking garage will further future operations in student housing, athletics, major event hosting and academic growth for the University. At the same time, the university's outstanding debt will increase, as will its debt service to operating budget ratio. In 2010, the university's debt service to operating budget ratio increases to 8.2 percent due to a private note balloon payment for the East Jr. High property, but declines the following year to 6.7 percent (see Attachment 7).

**ATTACHMENTS**

Attachment 1 – Preliminary Official Statement	Page 7-149
Attachment 2 – Draft Supplemental Bond Resolution	Page 151-180
Attachment 3 – Draft Bond Purchase Agreement	Page 181-197
Attachment 4 – Moody's 2009 Rating Report	Page 199-203
Attachment 5 – Standard & Poor's 2009 Rating Report	Page 205-209
Attachment 6 – Debt Service Projection	Page 211
Attachment 7 – Ten Year Debt Projection	Page 213

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
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**STAFF COMMENTS AND RECOMMENDATIONS**

The university's ten-year debt projection, Attachment 7, does not include the parking structure because the debt projection was prepared before the university determined the favorable bids would provide an estimated \$12,000,000 in project cost savings on the CESED building. Since the financing for the parking structure will be included in the 2009A bonds, the total amount financed by the bonds will not change from the amount in the original debt projection. Staff has reviewed the ten-year debt projection, and compared the most current projections and assumptions with those provided in February 2008. BSU had projected a 9.4% debt service as a percentage of operating budget for FY 2010 reducing to under 8.0% for fiscal years 2012 and on.

The current debt projection shows an 8.2% debt service for FY 2010 reducing to under 7.0% for fiscal years 2012 and on.

The primary reason the debt service has decreased is the potential impact of the 2009A refundings. The ratio is well below the 8 percent threshold, which is considered by bond rating agencies, audit firms and others to be the maximum amount that an educational institution should be carrying. Due to the strong ratings by the investor services, conservative assumptions used in these projections, and a debt service/operating budget ratio that stays relatively below 8.0%, project financing appears to be viable.

Under the Occupancy agreement with the Joint Finance-Appropriations Committee (JFAC), written notification shall be submitted by the Office of the State Board of Education to the JFAC co-chairs within ten business days of final project approval by the State Board of Education or its executive director.

**BOARD ACTION**

A Motion to approve the second half of the Lincoln Street parking garage as a Board approved project at a budget not to exceed \$12,000,000. The University shall report to the Board in April with more detail on the design and construction of the parking garage.

**Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_**

A Motion to approve the finding that the CESED project, Taco Bell Arena retractable seating project and second half of the Lincoln Street parking garage are economically feasible and necessary for the proper operation of the University and to approve a Supplemental Resolution for the Series 2009A Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$\_\_\_\_\_ General Revenue and Refunding Series 2009A bonds, of the Board of Trustees of

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2009A Bonds.

And to direct staff to provide written notification of final Board approval to the Joint Finance-Appropriations Committee.

**Moved by** \_\_\_\_\_ **Seconded by** \_\_\_\_\_ **Carried Yes** \_\_\_\_\_ **No** \_\_\_\_\_

*[Note: the second motion must be approved by a majority of the members of the Board – the Board’s Bylaws provide for approval with a roll-call vote.]*

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 11, 2009

New Issue—Book Entry Only

RATINGS: See “RATINGS” herein

Subject to compliance by the University with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2009A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the opinion of Bond Counsel, under the existing laws of the State of Idaho, as presently enacted and construed, interest on the Series 2009A Bonds is exempt from Idaho state income taxes. See “TAX EXEMPTION.”



**BOISE STATE UNIVERSITY**  
**\$42,885,000\***  
**GENERAL REVENUE AND REFUNDING BONDS,**  
**SERIES 2009A**

**Dated: Date of Delivery**

**Due: April 1, as shown below**

The Series 2009A Bonds are initially issuable in book-entry form only through The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2009A Bonds.

Interest on the Series 2009A Bonds is payable on each April 1 and October 1, commencing October 1, 2009. The Series 2009A Bonds are subject to optional and mandatory sinking fund redemption as described herein.

The Series 2009A Bonds are being issued for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2009A Bonds.

The Series 2009A Bonds are payable solely from and secured solely by the Pledged Revenues, which include certain student fees, enterprise revenues and interest earnings on University funds and accounts. See “SECURITY FOR THE SERIES 2009A BONDS” herein.

THE SERIES 2009A BONDS SHALL BE EXCLUSIVELY OBLIGATIONS OF THE UNIVERSITY, PAYABLE ONLY IN ACCORDANCE WITH THE TERMS THEREOF, AND SHALL NOT BE OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF IDAHO. THE SERIES 2009A BONDS SHALL NOT CONSTITUTE A DEBT—LEGAL, MORAL OR OTHERWISE—OF THE STATE OF IDAHO, AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT THEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE INCOME AND REVENUES PLEDGED AND ASSIGNED TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDERS OF THE SERIES 2009A BONDS. THE UNIVERSITY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAXES OR ASSESSMENTS, OTHER THAN THE PLEDGED REVENUES DESCRIBED HEREIN, TO PAY THE SERIES 2009A BONDS. THE UNIVERSITY HAS NO TAXING POWER.

MATURITY SCHEDULE  
 Serial Bonds

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT*	RATE	YIELD	CUSIP	MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT*	RATE	YIELD	CUSIP
2010	\$1,460,000	%	%		2025	\$1,015,000	%	%	
2011	2,870,000				2026	1,065,000			
2012	2,755,000				2027	1,120,000			
2013	2,860,000				2028	1,180,000			
2014	2,705,000				2029	1,235,000			
2015	1,740,000				2030	1,230,000			
2016	655,000				2031	1,295,000			
2017	685,000				2032	1,365,000			
2018	720,000				2033	1,435,000			
2019	755,000				2034	1,510,000			
2020	795,000				2035	1,590,000			
2021	835,000				2036	1,675,000			
2022	875,000				2037	1,765,000			
2023	920,000				2038	1,855,000			
2024	965,000				2039	1,955,000			

\$ \_\_\_\_\_ % Term Bonds Due April 1, \_\_\_\_\_ at \_\_\_\_\_ % – CUSIP \_\_\_\_\_

The Series 2009A Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain matters will be passed on for the University by its counsel, Kevin D. Satterlee, Esq., and for the Underwriter by Chapman and Cutler LLP, in its capacity as disclosure counsel to the University. It is expected that the Series 2009A Bonds will be available for delivery through the facilities of DTC on or about March 19, 2009.



This Official Statement is dated \_\_\_\_\_, 2009. The information contained herein speaks only of such date.

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**THE IDAHO STATE BOARD OF EDUCATION  
AND BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY**

Milford Terrell—President

Sue Thilo—Secretary

Richard Westerberg

Tom Luna

Paul C. Agidius —Vice President

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Robert W. Kustra, Ph.D.—President

Sona Andrews, Ph.D.—Provost and Vice  
President for Academic Affairs

Kevin D. Satterlee, J.D.—Associate Vice  
President and University Counsel

Stacy Pearson, MPA, CPA—Bursar and Vice  
President for Finance and Administration

Michael Laliberte, Ed.D.—Vice President for  
Student Affairs

Mark Rudin, Ph.D.—Vice President for  
Research

Howard Smith—Vice President for  
University Advancement

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## GENERAL INFORMATION

No dealer, broker, salesperson or other person has been authorized by the Board, the University or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied up on as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2009A Bonds, nor shall there be any sale of the Series 2009A Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the University, the Board, DTC and certain other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or any other person or entity discussed herein since the date hereof.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Series 2009A Bonds at levels above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

The Underwriter has included the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains “forward-looking statements” that are based upon the University’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “proforma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the University. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The University has no plans to issue any updates or revise these forward-looking statements based on future events.

**OFFICIAL STATEMENT**  
**\$42,885,000\***  
**BOISE STATE UNIVERSITY**  
**GENERAL REVENUE AND REFUNDING BONDS,**  
**SERIES 2009A**

**INTRODUCTION**

GENERAL

This Official Statement, including the cover page and the information contained in the Appendices hereto, is furnished in connection with the offering of the \$42,885,000\* Boise State University General Revenue and Refunding Bonds, Series 2009A (the “*Series 2009A Bonds*”).

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. The attached Appendices are integral parts of this Official Statement and should be read in their entirety.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in “APPENDIX C–GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT.”

BOISE STATE UNIVERSITY

Boise State University (the “*University*”) is a publicly supported, multi-disciplinary institution of higher education located in Boise, Idaho. The University has the largest student enrollment of any university in the State of Idaho (the “*State*”), with a spring 2009 enrollment of approximately 18,963 students (based on headcount, with full-time-equivalent enrollment of 14,103). The State Board of Education serves as the Board of Trustees (the “*Board*”), the governing body of the University.

AUTHORIZATION FOR AND PURPOSE OF THE SERIES 2009A BONDS

The Series 2009A Bonds are being issued pursuant to Title 33, Chapter 38 and Section 57-504, Idaho Code, as amended (the “*Act*”), and a resolution adopted by the Board on September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as supplemented and amended by a resolution adopted by the Board on February \_\_, 2009 authorizing the issuance of the Series 2009A Bonds (the “*Series 2009A Supplemental Resolution*” and, collectively with the Master Resolution, the “*Resolution*”).

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\* Preliminary; subject to change.

Pursuant to the Master Resolution, the Board has previously authorized the issuance of various series of General Revenue Bonds, which are currently outstanding in the principal amount of \$187,880,000 (the “*Outstanding Bonds*”). The Series 2009A Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Resolution, are referred to herein as the “*Bonds*” or the “*General Revenue Bonds*.” See “DEBT SERVICE REQUIREMENTS.”

The proceeds of the Series 2009A Bonds will be used for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena (the “*Series 2009A Project*”), refunding certain of the University’s outstanding bonds, and paying costs of issuance of the Series 2009A Bonds. See “SERIES 2009A PROJECT,” “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

#### SECURITY FOR THE SERIES 2009A BONDS

The Series 2009A Bonds are secured by Pledged Revenues on a parity with the other Bonds. Pledged Revenues include (i) Student Fees; (ii) Sales and Service Revenues; (iii) revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University (the “*F&A Recovery Revenues*”); (iv) various revenues generated from miscellaneous sources, including non-auxiliary advertising, vending in non-auxiliary buildings, postage and printing (“*Other Operating Revenues*”); (v) Investment Income (as defined in APPENDIX C), and (vi) other revenues as the Board shall designate as Pledged Revenues, but excluding State appropriations and Restricted Fund Revenues.

Until April 1, 2009, certain of the Pledged Revenues are subject to the prior pledge with respect to the University’s Student Fee Refunding Revenue Bonds, Series 1996, Student Fee Refunding and Improvement Revenue Bonds, Series 1998 and Student Building Fee Revenue Bonds, Series 2001 to remain outstanding upon the issuance of the Series 2009A Bonds (collectively, the “*Student Fee Bonds*”), which are currently outstanding in the aggregate principal amount of \$1,965,000. All of the Student Fee Bonds mature on April 1, 2009. See “SECURITY FOR THE SERIES 2009A BONDS” and “FINANCIAL INFORMATION REGARDING THE UNIVERSITY–Outstanding Debt.”

Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year. See “SECURITY FOR THE SERIES 2009A BONDS–Rate Covenant.”

#### ADDITIONAL BONDS

The University has reserved the right in the Resolution to issue Additional Bonds payable from and secured by the Pledged Revenues on a parity with the Series 2009A Bonds, subject to the satisfaction of certain conditions contained in the Resolution. See “SECURITY FOR THE SERIES 2009A BONDS–Additional Bonds.”

## CERTAIN FACTORS AFFECTING UNIVERSITY OPERATIONS

*State Appropriation Holdbacks.* Legislatively-approved State appropriations represent approximately one-third of the University's total annual revenues. If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the State legislature (the "Legislature") for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor, by executive order, may reduce the amount originally appropriated to any State institution, department or agency in order to balance the State budget. The Governor recently ordered two such reductions in appropriations to the University for the 2009 fiscal year, totaling \$3.5 million,\* or 4% of the amount originally appropriated to the University for the 2009 fiscal year. In addition, the Governor has proposed a 9.85% reduction to the higher education appropriation for fiscal year 2010, with the expectation that a slow economic recovery could result in a slow return to previous appropriation levels. Although State appropriations are not pledged as security for the Bonds, reductions in the amount appropriated to the University could have a material effect on the University's current and future financial and operating position. See "FINANCIAL INFORMATION REGARDING THE UNIVERSITY—State Appropriations."

*Transfer of Applied Technology Program to the College of Western Idaho.* Classes at the College of Western Idaho ("CWI") commenced in January 2009. CWI is Idaho's newest community college and is located in Nampa, Idaho, approximately 20 miles west of the University. On July 1, 2009, the University will transfer its applied technology program to CWI. The University estimates that such transfer may reduce enrollment at the University by up to 1,200 students per semester. The decline in University enrollment is expected to result in a net decline in tuition, student fees and other revenues received by the University. See "THE UNIVERSITY—Student Body—Impact of College of Western Idaho."

**THE SERIES 2009A BONDS**

## DESCRIPTION OF THE SERIES 2009A BONDS

The Series 2009A Bonds will be dated their date of original issuance and delivery and will mature on April 1 of the years and in the amounts as set forth on the cover page of this Official Statement.

The Series 2009A Bonds shall bear interest from their date at the rates set forth on the cover page of this Official Statement. Interest on the Series 2009A Bonds is payable on April 1 and October 1 of each year, beginning October 1, 2009. Interest on the Series 2009A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. U.S. Bank National Association, in Salt Lake City, Utah, is the trustee and paying agent for the Series 2009A Bonds.

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\* Excludes \$300,000 attributable to the University's applied technology program, which is being transferred to CWI on July 1, 2009, as described under "THE UNIVERSITY—Student Body—Impact of College of Western Idaho."

The Series 2009A Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of \$5,000 or any integral multiple thereof.

#### BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2009A Bonds. The Series 2009A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2009A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2009A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2009A Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in Series 2009A Bonds, except in the event that use of the book-entry system for the Series 2009A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2009A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2009A Bonds, such as redemptions, defaults, and proposed amendments to the Series 2009A Bond documents. For example, Beneficial Owners of the Series 2009A Bonds may wish to ascertain that the nominee holding the Series 2009A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2009A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2009A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2009A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

While the book-entry system is in effect, payments of principal of and interest on the Series 2009A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the University or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend

payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2009A Bonds at any time by giving reasonable notice to the University or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2009A Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2009A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

#### REDEMPTION

*Optional Redemption.*<sup>1</sup> The Series 2009A Bonds maturing on or before April 1, 2019 shall not be subject to call or redemption prior to their stated maturity. The Series 2009A Bonds maturing on and after April 1, 2020 are subject to redemption at the election of the University at any time on or after April 1, 2019, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the Series 2009A Bonds shall be at a price of 100% of the principal amount of the Series 2009A Bonds to be so redeemed, plus accrued interest to the date of redemption.

*Mandatory Redemption.* If not previously redeemed as described above, the Series 2009A Bonds maturing on April 1, \_\_\_\_ are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Series 2009A Bonds to be so redeemed, plus accrued interest to the date of redemption, on April 1 of the years and amounts shown below:

YEAR	AMOUNT
*	\$

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\* Stated maturity.

*Notice of Redemption.* The Resolution requires the Trustee to give notice of any redemption of the Series 2009A Bonds not less than 35 days nor more than 60 days prior to the

<sup>1</sup> Preliminary; subject to change.

redemption date, by first class mail, postage prepaid, addressed to the registered owners of such Series 2009A Bonds to be redeemed at the addresses appearing on the registry books kept by the Trustee. With respect to any notice of optional redemption of Series 2009A Bonds, unless upon the giving of such notice such Series 2009A Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice may state that the redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2009A Bonds to be redeemed, and that if such money shall not have been so received, the notice shall be of no force and effect and the University shall not be required to redeem such Series 2009A Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee will promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

*Partial Redemption.* If fewer than all of the Series 2009A Bonds maturing on a single date are called for redemption, the Trustee shall select the Series 2009A Bonds to be redeemed from the outstanding Series 2009A Bonds maturing on that date, in such random manner as the Trustee, in its sole discretion, shall deem appropriate and fair. The portion of any Bond to be redeemed shall be in an authorized denomination.

## SECURITY FOR THE SERIES 2009A BONDS

### GENERAL

The Series 2009A Bonds are secured by Pledged Revenues on a parity with all Bonds previously issued and all Additional Bonds that may be issued under the Resolution. Pledged Revenues include:

- (i) Student Fees (described below);\*
- (ii) Sales and Services Revenues (defined below), except that the pledge of Sales and Service Revenues is junior and subordinate to the prior pledge of a portion of Sales and Services Revenues under the Building Fee Resolution for so long as any Building Fee Bonds are outstanding;
- (iii) F&A Recovery Revenues;
- (iv) Other Operating Revenues;

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\* The pledge of Student Fees is junior and subordinate to the prior pledge of a portion of the Student Building Fee (also known as the General Building Fee) and Recreation Facility Fee in favor of the Student Fee Bonds. The Student Fee Bonds, which are outstanding in the principal amount of \$1,965,000, mature on April 1, 2009.

(v) Unrestricted income generated on investments of moneys in all funds and accounts of the University (the “*Investment Income*”), except that the pledge of Investment Income earned with respect to funds held under the Building Fee Resolution is junior and subordinate to the pledge of such income under the Building Fee Resolution; and

(vi) Such other revenues as the Board shall designate as Pledged Revenues.

The University has closed the lien of the Building Fee Resolution and has covenanted that it will not issue any future bonds, notes or other obligations under this resolution.

For a description of the sources and components of the Pledged Revenues, see “Pledged Revenues” below. For the amounts of Pledged Revenues in recent years, see “Historical Revenues Available for Debt Service” below.

Pledged Revenues do not include State appropriations, which by law cannot be pledged, or restricted gift and grant revenues.

See “FINANCIAL INFORMATION REGARDING THE UNIVERSITY,” “–Budget Process,” and “APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2008.”

#### PLEDGED REVENUES

*Student Fees.* The University assesses and collects a variety of fees from students enrolled at the University. The Board may assess fees at any time during the year, and has authority to establish the fees unilaterally, without review or approval by the students, the State government, or any other governmental or regulatory body. In practice, however, the Board sets the fees annually. Prior to the Board meeting at which fees are set, public hearings concerning the fees are held and student participation is actively solicited. “*Student Fees*” include the Tuition Fee; Facility, Technology and Activity Fees; and General Education Fees, as further described below.\*

For the fiscal year ended June 30, 2008, total Student Fees per full-time undergraduate student per semester were \$2,205 for Idaho residents and \$6,289 for non-resident students. For the fiscal year ending June 30, 2009, such Student Fees are, respectively, \$2,316 and \$6,604 per semester. See “APPENDIX B–SCHEDULE OF STUDENT FEES.”

*Tuition Fee.* The Tuition Fee was originally classified as a “Matriculation Fee” and was established to support maintenance and operation of the physical plant, student services, institutional support, and instruction for full-time and professional technical students. Prior to July 2005, State law prohibited the University from charging Idaho residents attending the University “tuition” charges for the direct costs of instruction.

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\* Excludes a health insurance charge, which is paid directly to a third-party insurance provider.

Legislation that removed this restriction, however, became effective July 2005. The University's fee structure for the current fiscal year is similar to that of prior years. However, the Matriculation Fee has been reclassified by the University as a "Tuition Fee" for internal accounting purpose, allowing the University to utilize the flexibility created by the legislation to spend revenues from such fee for instructional purposes as needed. The revenues derived from the Tuition Fee for the fiscal years ended June 30, 2007 and June 30, 2008 were \$37,525,977 and \$41,264,137, respectively.

*Facility, Technology and Activity Fees.* The University charges a wide variety of fees to students to support various infrastructure and activities. Currently, these fees fall into three categories: (i) Facility Fees, which include the Student Building Fee, the Student Union and Housing Fee, the Capital Expenditure Reserve Fee, the Recreation Facility Fee, the Health and Wellness Center Fee, and the Strategic Facility Fee; (ii) Technology Fees, which include the Technology Fee and the Student Support System Fee; and (iii) Activity Fees, which include 22 fees assessed to support various programs and activities. See "APPENDIX B—SCHEDULE OF STUDENT FEES" for a listing of all Student Fees assessed for fiscal year 2009. The revenues derived from the Facility, Technology, and Activity Fees for the fiscal years ended June 30, 2007 and June 30, 2008 were \$31,743,313 and \$33,929,330, respectively.

*General Education Fees.* The University's General Education Fees include the Graduate/Professional Fee, non-resident Tuition, the Western Undergraduate Exchange Fee, the In-Service Fee, the Overload Fee, the Faculty Staff Fee, the Senior Citizen Fee, and Self-Supporting Program Fees. The revenues derived from the General Education Fees for the fiscal years ended June 30, 2007 and June 30, 2008 were \$10,960,604 and \$12,457,098, respectively. See "APPENDIX B—SCHEDULE OF STUDENT FEES."

*Tuition and Student Fee Increases.* It is Board policy to not increase total tuition and other student fees in any single fiscal year by an amount exceeding 10% unless it grants special approval for such increase. Tuition and student fees for the following fiscal year are set in April. The tuition and fee increases for the past five fiscal years were as follows:

FISCAL YEAR ENDING JUNE 30	TOTAL STUDENT TUITION AND FEES PER SEMESTER	PERCENTAGE INCREASE
2009	\$2,316	5.0%
2008	2,205	6.2
2007	2,077	7.3
2006	1,936	10.0
2005	1,760	8.3

See "APPENDIX B—SCHEDULE OF STUDENT FEES" for a table outlining the rates and expected revenues from Student Fees for fiscal year 2009.

*Sales and Services Revenues.* Sales and Services Revenues include revenues generated through operations of auxiliary enterprises. The majority of these revenues are generated through housing and student union operations; bookstore sales; ticket and event sales from the Taco Bell Arena, Bronco Stadium, Morrison Center and Select-A-Seat; parking charges; and recreation center activity charges. Sales and Services Revenues also include revenues generated incidentally to the conduct of instruction, research and public service activities, including unrestricted revenues generated by the University's public radio station, testing services provided by University labs, and sales of scientific and literary publications, and revenues from miscellaneous operations. See "THE UNIVERSITY—Certain University Facilities" for a description of the University's major facilities from which Sales and Services Revenues are derived.

Sales and Services Revenues for fiscal years ended June 30, 2007 and June 30, 2008 were \$42,548,978 and \$46,477,346, respectively. See "APPENDIX A — AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEAR ENDED JUNE 30, 2008."

*Facilities and Administrative Recovery Revenues.* A portion of federal funds expended each year on scientific research is provided to institutions to pay the direct costs of conducting research, such as the salaries for scientists and materials and labor used to perform research projects, and the balance is granted to pay for "facilities and administrative costs" ("*F&A Costs*"), which encompass spending by the receiving institution on items such as facilities maintenance and renewal, heating and cooling, libraries, the salaries of departmental and central office staff, and other general administration costs.

The University has focused on expanding research and has received an increased number and dollar amount of research grants over the last five years. Until additional resources are identified to facilitate additional research, fluctuations in F&A Recovery Revenues will occur due to the structure of current research grant agreements. In fiscal years ended June 30, 2007 and June 30, 2008, the University received F&A Recovery Revenues of \$2,935,344, and \$3,087,351, respectively.

*Other Operating Revenues.* The University receives other miscellaneous revenues in the course of its operations. Examples of Other Operating Revenues include revenues generated through certain non-auxiliary advertising, vending machines in non-auxiliary facilities, and postage and printing services. In fiscal years ended June 30, 2007 and June 30, 2008, the University generated Other Operating Revenues of \$1,636,425 and \$1,950,748, respectively.

*Investment Income.* Investment Income pledged to the Bonds includes all unrestricted investment income, except that the pledge of Investment Income earned with respect to funds held under the Building Fee Resolution is junior and subordinate to the pledge of such income under the Building Fee Resolution. For fiscal years ended June 30, 2007 and June 30, 2008, Investment Income pledged by the University was \$4,663,392 and \$4,028,824, respectively.

## HISTORICAL REVENUES AVAILABLE FOR DEBT SERVICE

The following table shows the Pledged Revenues and the Revenues Available for Debt Service for the fiscal years 2006 through 2008. As described under "DEBT SERVICE REQUIREMENTS," the University estimates that the maximum annual debt service on the Bonds upon the issuance of the Series 2009A Bonds will be approximately \$15.9 million.\*

	2006	2007	2008
Student Fees	\$ 72,756,952	\$ 80,229,894	\$ 88,429,134
Sales and Services Revenues	36,562,474	42,548,978	46,477,346
Other Operating Revenues	1,978,672	1,636,425	1,950,748
Investment Income	2,539,292	4,663,392	4,028,824
F&A Recovery Revenues	<u>2,563,430</u>	<u>2,935,344</u>	<u>3,087,351</u>
TOTAL	<u>\$116,400,820</u>	<u>\$132,014,033</u>	<u>\$143,973,403</u>
Less Operation and Maintenance Expenses of Auxiliary Enterprises	<u>47,629,415</u>	<u>50,278,915</u>	<u>56,485,940</u>
REVENUES AVAILABLE FOR DEBT SERVICE**	<u>\$68,771,405</u>	<u>\$81,735,118</u>	<u>\$87,487,463</u>

\* Preliminary; subject to change.

\*\* A portion of such revenues were used to pay debt service on the Student Fee Bonds. The Student Fee Bonds, which are currently outstanding in the principal amount of \$1,965,000, mature on April 1, 2009.

## FLOW OF FUNDS

The Resolution creates the Revenue Fund, which is held by the University. All Pledged Revenues are deposited in the Revenue Fund. At least five days before each payment date, money in the Revenue Fund is transferred to the Debt Service Account held by the Trustee, for payment of interest, principal, and redemption premium, if any, coming due on the Bonds.

Amounts remaining in the Revenue Fund may be applied, free and clear of the lien of the Resolution, for any lawful purpose of the University, as provided in the Resolution. The University intends to use any excess moneys in the Revenue Fund primarily to pay for operation and maintenance expenses and capital improvements.

## RATE COVENANT

Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year.

## ADDITIONAL BONDS

*Additional Bonds, Generally.* The amount of Additional Bonds that may be issued under the Resolution is not limited by law or by the Resolution. In order to issue Additional Bonds for the purpose of financing Projects, the University must satisfy certain conditions, including the filing with the Trustee of:

(i) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution or any supplemental resolution with respect to any Bonds; and

(ii) A Written Certificate of the University to the effect that Estimated Revenues Available for Debt Service equal at least 110% of the Maximum Annual Debt Service on all Bonds to be outstanding upon the issuance of the Additional Bonds for (a) each of the fiscal years of the University during which any Bonds will be outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized, or (b) the University's current fiscal year and any succeeding fiscal year during which any Bonds will be outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized (a "*Coverage Certificate*"). See "APPENDIX C-SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION-Additional Bonds."

*Refunding Bonds.* Additional Bonds may be issued to refund Bonds issued under the Resolution without compliance with the requirements described above if the Additional Bonds do not increase debt service by more than \$25,000 per year.

The University may issue Additional Bonds for the purpose of refunding any of its obligations that were not issued under the Resolution if it files with the Trustee (i) a copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds and providing that any revenues securing such refunded obligations shall become part of the Pledged Revenues securing the Bonds issued under the Resolution, (ii) the Coverage Certificate described above under "*Additional Bonds, Generally,*" and (iii) a Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution.

## DEBT SERVICE RESERVE ACCOUNT

There is no debt service reserve requirement with respect to the Bonds.

However, a Municipal Bond Debt Service Reserve Fund Policy (the "*Reserve Policy*") in the amount of \$3,148,614 (the "*Reserve Policy Coverage*") was previously issued by Financial Guaranty Insurance Company ("*Financial Guaranty*") with respect to the Bonds. The Reserve Policy unconditionally guarantees the payment of that portion of the principal of and interest on

the Bonds that has become due for payment, but shall be unpaid by reason of nonpayment by the University, provided that the aggregate amount paid under the Reserve Policy may not exceed the Reserve Policy Coverage. Financial Guaranty will make such payments to the Trustee for the Bonds on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice subsequently confirmed in writing or written notice by registered or certified mail from the Trustee of the nonpayment of such amount by the University. The term “nonpayment” in respect of a Bond includes any payment of principal or interest made to an owner of a Bond that has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final non-appealable order of a court having competent jurisdiction.

The Reserve Policy is not cancelable by Financial Guaranty. The Reserve Policy covers failure to pay principal of the Bonds on their respective stated maturity dates, or dates on which the same shall have been called for mandatory sinking fund redemption, and not on any other date on which the Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment. The stated expiration date of the Reserve Policy is the earlier of April 1, 2031 or the scheduled final maturity date of the Bonds.

The University retains the right to release the Reserve Policy from the Debt Service Reserve Account relating to the Bonds at any time, and the University is not required to replace the Reserve Policy in the event of any future downgrade, insolvency or other event with respect to Financial Guaranty.

*Financial Guaranty Insurance Company.* The financial strength ratings of Financial Guaranty have recently been downgraded a number of times, and Financial Guaranty is currently rated “Caal” by Moody’s Investors Service (“*Moody’s*”) and “CCC” by Standard & Poor’s, a division of the McGraw-Hill Companies, Inc. (“*S&P*”). Fitch Ratings has withdrawn its rating of Financial Guaranty. Financial information regarding Financial Guaranty, including its most recently published financial statements, are available upon request to: Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention: Corporate Communications Department. Financial Guaranty’s telephone number is (212) 312-3000.

#### **THE SERIES 2009A PROJECT**

The Series 2009A Project consists of the acquisition and construction of a new research building and certain improvements to the University’s existing Taco Bell Arena. Consistent with the University’s 2005 Campus Master Plan, the Center for Environmental Science and Economic Development (“*CESED*”) will be the first new science and engineering building to be located in the University’s southeast expansion zone. This project is the first step in a plan to relocate the science departments from the central campus to the southeast expansion zone next to Engineering Department facilities. The building will house geological science and civil engineering research labs, research lab support space, teaching labs, faculty offices and other support space. The integrated office and work areas will be the home of the Departments of Geosciences, Civil Engineering, Public Policy and Administration, and Political Science. The organization and design layout of the building will promote collaboration between scientists,

engineers, and public policy and political science faculty on important environmental and policy issues. Laboratories and work areas will be designed with state-of-the-art equipment and configured with a flexible lab design module and infrastructure system to ensure future flexibility. The CESED building will provide approximately 89,000 gross square feet and approximately 56,000 assignable square feet in a five-story building. The fifth story will consist of approximately 17,800 gross square feet of unfinished space that will accommodate future grown and eventually house additional research and teaching labs and faculty, staff and graduate student office and support space.

The cost of construction of the CESED is currently estimated to be approximately \$43 million. Of such amount, it is estimated that approximately \$30 million will be financed with proceeds of the Series 2009A Bonds, \$10 million will be funded with State appropriations, and approximately \$3.1 will be funded with federal appropriations.

In June 2006, the Board authorized program development, building design and budget development for the CESED. Schematic designs for the project are now complete. In January 2009, the University began the bidding process for the selection of a contractor for the CESED project. Bids are scheduled to be opened on February 15, 2009, and the University expects construction of the CESED to begin in April 2009. It is estimated that construction of the CESED will be completed in October 2010.

Approximately \$891,000 of the Series 2009A Bond proceeds will be used to replace approximately 850 retractable floor seats that are original to the University's existing Taco Bell Arena with up to approximately 950 new seats. See "THE UNIVERSITY—Certain University Facilities—*Spectator and Recreation Facilities*" below.

#### **PLAN OF REFUNDING**

A portion of the proceeds of the Series 2009A Bonds will be irrevocably deposited in an escrow fund (the "*Escrow Fund*") to be held by U.S. Bank National Association, as escrow agent, to refund the University's Student Union and Housing System Revenue Bonds, Series 1998 that mature on or after April 1, 2010 (the "*Series 1998 General Revenue Refunded Bonds*"). Such amount will be used to provide cash and purchase direct obligations of the United States that are sufficient to pay the redemption price of, and accrued interest on, the Series 1998 General Revenue Refunded Bonds on their redemption date. The Series 1998 General Revenue Refunded Bonds, which mature in the following amounts and on the following dates and bear interest at the following rates, will be called for redemption on April 1, 2009, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2010	\$ 915,000	4.75%
2011	960,000	4.85
2012	1,010,000	5.00
2013	1,055,000	5.05
2014	1,115,000	5.10
2015	1,170,000	5.125

A portion of the proceeds of the Series 2009A Bonds will be irrevocably deposited in the Escrow Fund to refund the University's Student Fee Refunding and Improvement Revenue Bonds, Series 1998 that mature on or after April 1, 2010 (the "*Series 1998 Student Fee Refunded Bonds*"). Such amount will be used to provide cash and purchase direct obligations of the United States that are sufficient to pay the redemption price of, and accrued interest on, the Series 1998 Student Fee Refunded Bonds on their redemption date. The Series 1998 Student Fee Refunded Bonds, which mature in the following amounts and on the following dates and bear interest at the following rates, will be called for redemption on April 1, 2009, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2010	\$ 345,000	4.75%
2011	1,165,000	4.80
2012	1,225,000	5.00
2013	1,285,000	5.05
2014	1,075,000	5.10

A portion of the proceeds of the Series 2009A Bonds will be irrevocably deposited in the Escrow Fund to refund the University's Student Building Fee Revenue Bonds, Series 2001 maturing on or after April 1, 2010 (the "*Series 2001 Refunded Bonds*" and, collectively with the Series 1998 General Revenue Refunded Bonds and the Series 1998 Student Fee Refunded Bonds, the "*Refunded Bonds*"). Such amount will be used to provide cash and purchase direct obligations of the United States that are sufficient, together with the interest earnings thereon, to pay the principal of and interest on the Series 2001 Refunded Bonds on each interest payment date and maturity date of the Series 2001 Refunded Bonds. The Series 2001 Refunded Bonds mature in the following amounts and on the following dates and bear interest at the following rates:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2010	\$210,000	4.50%
2011	220,000	4.50

Upon the deposit of such amounts and compliance with certain requirements of the respective bond resolutions, the Refunded Bonds will be deemed to be paid and will cease to be entitled to the pledge of revenues pledged under such bond resolutions.

**ESTIMATED SOURCES AND USES OF FUNDS\***

SOURCES

Principal Amount of Series 2009A Bonds	\$42,885,000
Net Original Issuance Premium	230,014
Amounts Transferred from Bond Funds for Refunded Bonds	<u>9,030</u>
TOTAL SOURCES	<u>\$43,124,044</u>

USES

Series 2009A Project Account	\$30,630,420
Escrow Fund to Refund the Refunded Bonds	12,097,379
Costs of Issuance <sup>1</sup>	<u>396,245</u>
TOTAL USES	<u>\$43,124,044</u>

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\* Preliminary; subject to change.

<sup>1</sup> Includes legal fees, rating agency fees, trustee fees, refunding escrow verifier's fee and Underwriter's fee.

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## DEBT SERVICE REQUIREMENTS

The following table shows the annual debt service requirements for the Bonds.

### GENERAL REVENUE BOND DEBT SERVICE

#### SERIES 2009A BONDS

BOND YEAR ENDING APRIL 1, 2009	OUTSTANDING BONDS*	PRINCIPAL**	INTEREST	TOTAL	TOTAL DEBT SERVICE
2009	\$ 7,030,406	\$ -			
2010	11,764,653	1,460,000			
2011	10,241,227	2,870,000			
2012	10,635,514	2,755,000			
2013	10,683,650	2,860,000			
2014	11,005,253	2,705,000			
2015	12,175,840	1,740,000			
2016	13,456,840	655,000			
2017	13,494,440	685,000			
2018	13,575,440	720,000			
2019	13,644,890	755,000			
2020	13,736,990	795,000			
2021	13,202,203	835,000			
2022	12,886,433	875,000			
2023	11,532,526	920,000			
2024	10,085,311	965,000			
2025	10,087,216	1,015,000			
2026	10,087,619	1,065,000			
2027	10,081,563	1,120,000			
2028	10,082,206	1,180,000			
2029	10,088,438	1,235,000			
2030	10,080,738	1,230,000			
2031	10,085,138	1,295,000			
2032	10,085,538	1,365,000			
2033	10,086,813	1,435,000			
2034	10,080,588	1,510,000			
2035	10,079,588	1,590,000			
2036	10,083,788	1,675,000			
2037	10,082,600	1,765,000			
2038	-	1,855,000			
2039	-	1,955,000			
Total	<u>\$320,243,449</u>	<u>\$42,885,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

\* Reflects the refunding of the Series 1998 General Revenue Refunded Bonds.

\*\* Preliminary; subject to change.

## THE UNIVERSITY

The University is the largest institution in the Idaho system of higher education. The University's main campus is located in Boise, Idaho. The University's spring 2009 enrollment is 18,963 students (based on headcount, with full-time equivalent enrollment of 14,103). The University had 3,657 faculty and staff (including 942 student employees) as of June 30, 2008.\*

Situated along the banks of the Boise River near downtown Boise, the University's main campus provides a picturesque and attractive setting, yet has convenient access to the governmental institutions and commercial and cultural amenities that are located in Idaho's capital city. The Boise-Nampa metropolitan area had a population of approximately 431,000 as of the 2000 census, and approximately 567,000 in 2006.

The University was founded as Boise Junior College in 1932, began offering baccalaureate programs in 1965 and entered the State system of higher education in 1969 as Boise State College. The University was renamed Boise State University in 1974, when it began offering graduate programs. The University administers baccalaureate, master's and doctoral programs through seven colleges—Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, and Social Sciences and Public Affairs. Master's degrees are offered in 73 disciplines, and four doctoral programs include an Ed.D. in Curriculum and Instruction and Ph.D. programs in Geophysics, Hydrology, and Electrical Engineering and Computer Engineering. The University is fully accredited by the Northwest Association of Schools and Colleges, and a number of the University's academic programs have also obtained specialized accreditation.

The University competes in NCAA intercollegiate athletics as a Division I-A member and fields 17 men's and women's teams in 12 sports. The University is the home of over 50 research centers and institutes, including the Center for Health Policy, the Center for Public Policy and Administration, the Environmental Science and Public Policy Research Institute, the Global Business Consortium, the Raptor Research Center, and the Hemingway Western Studies Center. The University also hosts both National Public Radio and Public Radio International on the Boise State Radio Network, which broadcasts in southern Idaho, western Oregon and northern Nevada on a network of 20 stations and translators.

### UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Board, which also serves as the Idaho State Board of Education, the Regents of the University of Idaho, the Board of Trustees for Idaho State University in Pocatello, the Board of Trustees for Lewis Clark State College in Lewiston, and the State Board for Professional-Technical Education and Vocational Rehabilitation. The Governor appoints seven

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\* Includes 355 employees that were part of Selland College, the University's applied technology program, which is being transferred to CWI in July 2009, as described under "THE UNIVERSITY—Student Body—*Impact of College of Western Idaho.*"

of the members of the combined boards for five-year terms. The membership, terms and occupations of the current board members are listed below. The elected State Superintendent of Public Instruction serves *ex officio* as the eighth member of the Board for a four-year term.

**BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY  
AND STATE BOARD OF EDUCATION**

NAME	RESIDENCE	OCCUPATION	TERM EXPIRES
Milford Terrell (President)	Boise	Owner/President of DeBest Plumbing	2012
Paul C. Agidius (Vice President)	Moscow	Attorney	2011
Sue Thilo (Secretary)	Coeur d'Alene	Community Leader	2009
Blake G. Hall	Idaho Falls	Attorney	2010
Richard Westerberg	Preston	PacifiCorp officer (retired)	2009
Roderic W. Lewis	Boise	General Counsel, Micron Technology, Inc.	2010
Tom Luna*	Nampa	State Superintendent of Public Instruction	2011
Kenneth Edmunds	Twin Falls		2013

\* Serves *ex officio* on the State Board of Education in his capacity as State Superintendent of Public Instruction.

The State Board of Education has an approximately 20-member, full-time professional staff headed by Mike Rush, Executive Director. His appointment became effective in 2008.

*University Officers.* The President of the University and his staff are responsible for the operation of the University and the fulfillment of its academic mission. The President is selected by and serves at the pleasure of the Board. Members of the President's management team are appointed by the President and serve at his pleasure. The President and his principal staff are listed below, with brief biographical information concerning each.

*Robert Kustra, Ph.D. – President.* Dr. Kustra became the University's sixth president on July 1, 2003. Immediately prior to joining the University, Dr. Kustra served as president of the Midwestern Higher Education Commission, an organization of 10 midwestern states that focus on advancing higher education through interstate cooperation and resource sharing. Prior to his time at the Midwestern Higher Education Commission, Dr. Kustra served as a senior fellow for the Council of State Governments, and from 1998-2001 served as president of Eastern Kentucky University. Prior to his time at Eastern Kentucky University, Dr. Kustra served as the lieutenant governor for the State of Illinois from 1990-1998, during a portion of which time he also served as the chair of the Illinois Board of Higher Education. Prior to acting as lieutenant governor, Dr. Kustra served in the Illinois state senate from 1982 to 1990 and in the Illinois House of Representatives from 1980-1982.

Dr. Kustra has also held faculty positions at the University of Illinois at Springfield, Roosevelt University, the University of Illinois-Chicago, Northwestern University, Loyola University and Lincoln Land Community College. While at Loyola he also served as director of the Center for Research in Urban Government.

Dr. Kustra was educated at Benedictine College in Atchison, Kansas (BA 1965), Southern Illinois University (MA 1968) and the University of Illinois (Ph.D. 1975). All of his degrees are in political science.

Throughout his professional life, Dr. Kustra has served on a number of education-oriented boards, including the Advisory Council for the National Center for Public Policy and Higher Education, the Policies and Purposes Committee of the American Association of State Colleges and Universities, the Ohio Valley Conference Board of Presidents, the DePaul University Board of Trustees and the Education Commission of the States. He is currently serving as a member of the National Collegiate Athletic Association executive committee and the American Association of State Colleges and Universities Commission on Presidential Leadership and Global Competitiveness.

*Sona Andrews, Ph.D. – Provost and Vice President for Academic Affairs.* Dr. Andrews began her duties as Provost and Vice President for Academic Affairs at the University in August 2004 after serving as Vice Provost for Academic Affairs at the University of Wisconsin-Milwaukee. Dr. Andrews, a geoscience professor, began teaching at the University of Minnesota in the 1980s and gained most of her administrative experience at the University of Wisconsin-Milwaukee, where she served as Vice Provost. She also served a fellowship with the American Council on Education. Dr. Andrews completed her first year of undergraduate education at the Nichan Palanjian Armenia College in Beirut, Lebanon and went on to earn her undergraduate degree in geography from Worcester State College in Massachusetts in 1975 and her Master's (1977) and Ph.D. (1981) in geography from Arizona State University.

*Stacy Pearson, CPA, MPA – Vice President for Finance and Administration.* Ms. Pearson was appointed as Bursar and Vice President for Finance and Administration effective August 15, 2004. Prior to this appointment, Ms. Pearson served as Associate Vice President for Finance and Administration at the University from 1995 to 2004. Ms. Pearson received her Bachelor of Science degree in business at the University of Idaho and her Master of Public Administration degree from the University. Ms. Pearson is a certified public accountant and is active in the Western Association of College and University Business Officers (WACUBO). She served as the Director of the Internal Audit Division for the Oregon University System from 1994 to 1995 and the Internal Auditor for the Idaho State Board of Education from 1987 to 1994.

*Michael Laliberte, Ed.D. – Vice President for Student Affairs.* Dr. Laliberte joined the University in July 2006. Previously, he had served since January 2003 as Associate Vice Chancellor for Student Affairs at the University of Massachusetts Dartmouth, where he served as Associate Dean of Students from 1999-2003. His higher education experience also includes service at Springfield College in Springfield, Massachusetts as the Assistant Dean of Students and Director of Judicial Affairs from 1996-99; Pennsylvania State University in University Park, Pennsylvania, as the Coordinator-Residence Life from 1994-96; and Northeastern University in Boston, as the Residence Director in 1994. Laliberte completed his Ed.D. in educational leadership in higher education from Johnson & Wales University in Providence, R.I., in 2003. He earned a master of science degree in college student development and counseling from Northeastern University in 1994 and a bachelor of science degree in human development, counseling and family studies from the University of Rhode Island in Kingston in 1983.

*Mark Rudin, Ph.D – Vice President for Research.* Dr. Rudin joined the University on January 1, 2009 as Vice President for Research. Dr. Rudin received his Ph.D. in Medicinal Chemistry/Health Physics from Purdue University. Dr. Rudin has been with UNLV since 1993, serving in a number of teaching and administrative positions, including serving as Senior Associate Vice President for Research Services and Chair of the Department of Health Physics. Before joining UNLV, Dr. Rudin was a technical/administrative assistant with the U.S. Department of Energy Headquarters, Office of Environmental Restoration and Waste Management, and from 1989 to 1993, he was a senior program specialist/project engineer with EG&G Idaho at the Idaho National Laboratory in Idaho Falls.

*Howard Smith –Vice President for University Advancement.* Dr. Smith received his Ph.D in Administrative Theory and Health Services Administration from the University of Washington. He formerly served the University of New Mexico as dean (1994-2004) at the Anderson Schools of Management and School of Public Administration and as Director (2004-2006) of the Program for Creative Enterprise and the Creative Enterprise Endowed Chair. From 1990 to 1994 Dr. Smith served as Associate Dean at the Anderson Schools. From June 2006 to May 2007, he served as the University's Dean of the College of Business and Economics.

*Kevin D. Satterlee, J.D. – Associate Vice President and University Counsel.* Mr. Satterlee was named University Counsel in 2005. Prior to holding the position of University Counsel, Mr. Satterlee served as Associate Vice President for Planning and Special Assistant to the Vice President for Finance and Administration at the University. Prior to joining the University, Mr. Satterlee served as Chief Legal Officer for the State Board of Education, Deputy Attorney General for the State of Idaho representing numerous state agencies including the Office of the Governor, and worked in private practice. Mr. Satterlee received his undergraduate degree in political science magna cum laude from the University and his Juris Doctor from the University of Idaho, also magna cum laude.

#### CERTAIN UNIVERSITY FACILITIES

*General.* The University's Boise campus includes approximately 90 buildings situated on approximately 170 acres. In addition, the University offers courses and programs in several off-campus centers including the Canyon County Center, the Twin Falls Center, the Mountain Home Air Force Base Center, and the Gowen Field Center.

The following is a description of the University's major facilities from which Sales and Services Revenues are derived, including Student Union and Housing System facilities, spectator and recreation facilities, and parking facilities.

*Student Union and Housing System.* The University's Housing System currently consists of (i) six residence halls, three of which are dormitory-style buildings and three of which are suite-style buildings, (ii) five apartment complexes for upper-classmen family housing; and (iii) the Student Union Building.

University Residence Halls. The three residence halls and three suite-style halls can accommodate up to 1,497 students. The University's residence halls offer a variety of amenities, including computer labs and in-room high-speed internet connections; recreational and lounge space; laundry facilities; kitchen areas; and academic/study space. For fiscal years 2006, 2007 and 2008, the average occupancy rates for the University's residence halls were 97.5%, 99.5% and 93.2%, respectively, at the end of fall semester. In addition, the University has used the University Inn, a former motel purchased by the University, during 2007 and 2008 to house an additional 50 students. The Inn is a temporary accommodation while the University pursues additional housing options.

University Apartments. Currently, the University has five apartment complexes available for students and their families, which provide 307 apartments ranging in size from one bedroom to three bedrooms. The average occupancy rates for the University's apartments was 99% for each of the past three fiscal years.

Student Union Building. Initially constructed in 1967, expanded in 1988, and expanded again in 2008, the Student Union Building provides extensive conference and meeting spaces, a 430-seat performance theater, a retail food-court, a new central production kitchen, a resident student and visitor dining facility, an expanded University Bookstore, a convenience store, a games area, and offices for student government and student activities. The facilities infrastructure includes high-speed LAN and video data capabilities and public lounges with wireless network capabilities. The 66,000-square-foot expansion opened on-time and on-budget in January 2009. The project also includes remodeling of 27,000 existing square feet, which has opened in phases and will be completed by June 2009. The finished building will total 252,000 square feet.

Spectator and Recreation Facilities. The University's spectator and recreation facilities include Bronco Stadium, the Taco Bell Arena, the Recreation Center and the Morrison Center. The following is a brief description of these facilities.

Bronco Stadium. Originally constructed in 1970, expanded in 1997, and expanded again in 2008 to its current capacity of 32,000 seats, Bronco Stadium is Idaho's largest spectator facility. It is used for all of the University's intercollegiate home football games and track and field events as well as for most high school football games for the school districts in the Boise area. The recent expansion project included the addition of an enlarged and updated press box, stadium suites, premium seating, banquet facilities, a commercial kitchen, additional bookstore and office space, as well as concourse upgrades.

Taco Bell Arena. Taco Bell Arena was constructed in 1982 and serves as the University's indoor sports and entertainment complex. In its basketball configuration, the arena accommodates approximately 12,000 spectators. In addition to varsity sports

contests, including the NCAA Basketball Tournament, it has been used for concerts, Commencement ceremonies and other entertainment and community events, intramural activities and physical education classes. Taco Bell Arena also offers recreational indoor sports facilities, such as racquetball/handball courts, weight training rooms, and aerobic exercise and dance rooms. A portion of the Series 2009A Bonds will be used to finance safety and deferred maintenance improvements to the arena. See “THE SERIES 2009A PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

*The Recreation Center.* The Student Recreation Center was completed in fall 2001. It is approximately 98,700 square feet, and includes more than 25,000 square feet of open recreational space for three regulation-size basketball courts and a multipurpose gymnasium; a large aerobics/cardiovascular multipurpose workout space; five racquetball/handball/squash courts; a running track with banked turns; a climbing wall; a first-aid and athletic training area; classroom and activity spaces; and indoor/outdoor meeting space.

*The Morrison Center.* The Velma V. Morrison Center, which opened in 1984, is a 183,885 square foot center for performing arts that includes a ten-story stagehouse and seating for 2,000. The Morrison Center brings a wide range of artistic performances to the Boise community and provides academic instruction space at the University.

*Parking Facilities.* Parking is consistently regarded by administrators and students as a significant priority for the University. Currently, the University operates and maintains 65 surface parking lots and two parking garage facilities with a total of approximately 2,027 spaces, for a total of approximately 7,450 parking spaces. The University has a comprehensive parking plan to ensure that the parking system is financially self-supporting.

## STUDENT BODY

The University enrolls more students than any other institution in Idaho. In addition to having students from every Idaho county, students from all 50 states and over 65 countries attend the University. The University enrolls large numbers of both traditional-age students and working adults. The following enrollment statistics are excerpted from reports filed with the State Board of Education as of the 10th day of enrollment of fall semester.

**ENROLLMENT AND GRADUATION STATISTICS**  
(Fall Semester)

	2004	2005	2006	2007	2008
<b>ENROLLMENT</b>					
Headcount	18,418	18,650	18,880	19,540	19,667
Full-Time Equivalents	13,322	13,562	13,720	14,314	14,608
<b>UNDERGRADUATE STUDENTS</b>					
Full-Time	9,800	10,053	10,193	10,488	10,799
Part-Time	6,053	6,029	6,076	6,252	5,908
Applied Technology	1,060	1,036	947	1,073	995
<b>GRADUATE STUDENTS</b>					
Full-Time	435	434	533	584	638
Part-Time	1,070	1,098	1,131	1,143	1,330
STUDENTS FROM IDAHO	91%	91%	90%	89%	88%
<b>FIRST YEAR UNDERGRADUATES</b>					
Applied	5,887	5,264	4,417 <sup>1</sup>	5,132	4,801
Admitted	4,189	4,001	3,098	3,014	3,296
Enrolled	2,431	2,262	2,261	2,280	2,214
ACT Mean Score	21	21.5	21.5	21.5	21.9
<b>DEGREES CONFERRED (fiscal year)</b>					
Diploma	223	198	191	195	148
Associate	403	447	481	484	434
Bachelor	1,823	1,661	1,771	1,874	1,920
Master	395	397	410	440	482
Doctorate	6	1	11	5	1
Graduate Certificate <sup>2</sup>	-	2	7	23	40

<sup>1</sup> The definition of first year applicants was refined in 2006 to exclude certain categories of students, including non-degree, concurrent enrollment, and Bridge Program students, and new students who began attending the University the previous summer.

<sup>2</sup> The University began awarding Graduate Certificates in 2005.

The University is the largest university in Idaho, with spring 2009 semester enrollment of 18,963 students (based on headcount, with full-time-equivalent enrollment of 14,103). The University has experienced record-breaking enrollments for 12 out of the last 13 years. Enrollment has grown 30% over that period. In the fall of 2003, the University began to raise admission standards to control growth. The fall 2008 student body includes a record 21 National Merit Finalists, including 10 incoming National Merit Scholars.

*Impact of College of Western Idaho.* Classes at the College of Western Idaho (“CWI”), Idaho’s newest community college, commenced in January 2009. In December 2008, the Idaho State Board of Education completed the transfer of 100 acres located in Nampa, Idaho and the accompanying approximately 65,000 square foot academic and support building from the

University to the CWI. On July 1, 2009, the University will transfer its applied technology program to CWI. The University expects that the transfer of the applied technology program may reduce enrollment at the University by up to 1,200 students, although the University anticipates that such impact may be at least partially offset by general increases in enrollment that the University has historically experienced during periods of economic decline. The University estimates that a decline in enrollment could result in a decline in total University general account revenues (net of amounts that would have been expended to operate the applied technology program) of up to approximately \$3 million per year.

#### EMPLOYEES

As of June 30, 2008, the University had 3,657 employees. Faculty and staff included 701 professional staff, 757 faculty, 217 other academic appointments, which include roles such as research assistants and adult basic education instructors, and 1,040 classified employees.\* Classified employees are subject to the State's civil service system. The University also employs approximately 942 students. The University is not a party to any collective bargaining agreement, although there are employee associations that bring any salary issues and other concerns to the attention of the University. The University considers relations with its employees to be good.

#### EMPLOYEE RETIREMENT PLAN

All benefit eligible employees must enroll in one of two retirement plans—the State's Public Employees' Retirement System of Idaho (“*PERSI*”) or the Optional Retirement Program (“*ORP*”), which is a plan offered to faculty and non-classified staff effective 1990 and thereafter.

The University's employees, including its faculty hired prior to July 1, 1990, are covered under *PERSI*. *PERSI* covers eligible personnel who work 20 hours or more per week. All personnel who work 20 hours or more per week for five consecutive months must participate in either *PERSI* or *ORP*. The membership of *PERSI* includes employees of the State, teachers, firefighters, police and employees of political subdivisions, local school districts, colleges and universities.

Faculty and non-classified staff hired on or after July 1, 1990 have been enrolled in *ORP*, and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from *PERSI* and join the *ORP*. New faculty and professional staff who are vested in *PERSI* have the option of remaining in or returning to *PERSI* with written affirmation of this decision within 60 days of employment. The *ORP* is a portable, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life Insurance Company (VALIC). The total contribution rate is the same for all employees, with a portion of the employer's

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\* As of June 30, 2008, 355 of the University's employees were part of the Seland College, the University's applied technology program, which is being transferred to CWI on July 1, 2009, as described above.

contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2015.

For information concerning post-retirement benefits other than pensions, see Note 11 of "APPENDIX A — AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

#### INSURANCE

The University has liability coverage under commercial insurance policies and self-insurance through the State of Idaho Retained Risk Fund. University buildings are covered by all-risk property insurance on a replacement cost basis.

### FINANCIAL INFORMATION REGARDING THE UNIVERSITY

The principal sources of University revenues are direct appropriation of State revenues by the State legislature (the "*Legislature*"), Student Fees, federal government appropriations, grants and contracts, gifts to the University, F&A Recovery Revenues, Investment Income, Sales and Services Revenues, and Other Operating Revenues. Of these revenue sources, Student Fees, Investment Income, Sales and Services Revenues, F&A Recovery Revenues, and Other Operating Revenues are pledged to the Bonds, except certain of these revenues are pledged on a subordinate basis to the extent such revenues have previously been pledged to secure the Building Fee Bonds. See "SECURITY FOR THE SERIES 2009A BONDS." Certain of the revenue sources that are not pledged as security for the Bonds are described below.

#### STATE APPROPRIATIONS

Legislatively-approved State general account appropriations represent approximately one-third of the University's annual revenues. The Legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the fiscal year beginning the following July 1. The Legislature may also make adjustments to budgets and appropriations for the fiscal year during which the Legislature is meeting.

If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor by executive order may reduce ("*Holdback*") the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State or request a reversion ("*Reversion*") of appropriations back to the State to balance the State budget. The Governor recently ordered two Holdbacks in appropriations to the University, totaling \$3.5 million and representing approximately 4% of the original \$87,587,000 amount appropriated by the State to the

University for the 2009 fiscal year.\* In addition, based on estimates received from the State, the University expects that the amount appropriated to the University for the next several fiscal years will be up to 10% less than the amount originally appropriated for the 2008 fiscal year.

State appropriations are not pledged as security for the Bonds. However, Holdbacks, Reversions or reductions in the amount appropriated to the University could materially impact the University's financial and operating position. The University is implementing a variety of strategies in response to the Holdbacks and the scheduled reduction in State appropriations, including delaying or canceling certain capital projects and property purchases, increasing class sizes or eliminating unneeded sections, reducing personnel costs, and otherwise reviewing academic and administrative operations to determine how to operate more efficiently. To reduce personnel costs, which represent approximately 80% of the University's operating budget, all vacant positions are being reviewed with the President of the University to determine the impact of eliminating the positions or delaying the replacement hires. Overtime and supplemental pay is being reviewed and reduced, and travel has been curtailed. Academic programs are being evaluated to determine their strategic importance to the University, and new programs are being delayed or implemented in stages over longer periods of time than originally contemplated.

The table below sets forth the legislative appropriations from the State General Fund for all higher education institutions and for the University, net of Reversions and Holdbacks, for the years shown.

#### STATE GENERAL FUND APPROPRIATIONS \*

FISCAL YEAR	<u>2005</u>	<u>2006</u>	<u>2007</u> **	<u>2008</u>	<u>2009</u>
All Higher Education	\$233,386,700	\$238,435,700	\$243,726,400	\$264,227,700	\$285,151,500
Boise State University	68,438,600	71,116,500	75,070,300	80,170,800	84,083,520***
Percentage Increase (Decrease) over prior year for the University	1.7%	3.9%	5.6%	6.8%	4.9%

\* Excludes appropriations to the Seland College, the University's applied technology program. The applied technology program will be transferred to the College of Western Idaho in July 2009. See "THE UNIVERSITY—Student Body—*Impact of College of Western Idaho*." The fiscal year 2009 appropriation attributable to the Seland College was approximately \$7.6 million.

\*\* Includes a one-time appropriation in the amount of \$1,279,599 for the "27th payroll" (the additional payroll that occurs every ten years in a biweekly payroll system).

\*\*\* Net of the 4% Holdback of \$3,503,480.

## GRANTS AND CONTRACTS

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current revenues. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these grants and contracts. For fiscal year 2008, total grants and contracts totaled \$45,157,025. The University received \$14,308,303 in federal Pell Grants for the 2008 academic year.

## FINANCIAL AID

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, and deferred payments, totaled approximately \$83,869,204 for the 2007 to 2008 academic year. Of such amount, approximately \$56,880,318 was in the form of direct student loans. The University estimates that direct financial aid to students will total approximately \$90 million for the 2008 to 2009 academic year, of which approximately \$62 million is in the form of direct student loans. Due to uncertainty with respect to the amount of federal grants, donations, and other sources the University expects to receive for the purpose of providing financial aid, the University cannot determine the amount of financial aid that will be available in future years.

## BUDGET PROCESS

The University operates on an annual budget system. Its fiscal year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the offices of the President and the Vice President for Finance and Administration, in collaboration with the departmental faculty and administrative officers. The internal budget process concludes with a general budget proposal for the following fiscal year being submitted in consolidated form by the University Administration to the Board in August of each year.

The University's operating budget is approved by the Board prior to the commencement of the fiscal year, usually at its June meeting. At that meeting, the Board, serving also as the governing boards of the State's other institutions of higher education, approves the annual budgets for those institutions as well.

## INVESTMENT POLICY

Board policy establishes permitted investment categories for the University. The University's investment policy establishes, in order of priority, safety of principle, ensuring necessary liquidity, and achieving a maximum return, as the objectives of its investment portfolio. See Footnote 2 to the Financial Statements in APPENDIX A. Moneys in Funds and

Accounts established under the Bond Resolution are required to be invested in Investment Securities, as described in “APPENDIX D–SUMMARY OF PROVISIONS OF THE RESOLUTION–Establishment of Funds; Flow of Funds–Investment of Funds.” The University has not experienced any significant recent investment losses or unexpected limitations on the liquidity of its short-term investments.

#### NO INTEREST RATE SWAPS

The University has not entered into any interest rate swaps or other derivative products.

#### BOISE STATE UNIVERSITY FOUNDATION, INC.

The Boise State University Foundation, Inc. (the “*BSU Foundation*”) is a nonprofit corporation organized under Idaho law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. An approximately 40-member board of directors manages the BSU Foundation. Mark W. Literas currently serves as Chairman of the Board of the BSU Foundation.

Financial statements for the BSU Foundation and the Boise State Athletic Association (the “*BAA*”) are contained in Note 13 to the University’s financial statements. See APPENDIX A. Combined net assets of the BSU Foundation and the BAA at June 30, 2008 were \$134,552,693.

#### FUTURE CAPITAL PROJECTS

To address the educational needs of the region and the facilities needs of the growing student body, the University implemented a Strategic Facility Fee in 2006. The Strategic Facility Fee increased from \$25 in the fall of 2006 to \$210 for fiscal year 2009. Revenues from the Strategic Facility Fee are intended to be used together with donations, State of Idaho Permanent Building Fund monies, capital grants and university reserves to provide funds for construction of buildings pursuant to the University’s Campus Master Plan.

The University currently estimates that it will issue approximately \$36 million of Bonds during the next five years to finance the construction of a College of Business and Economics building and possibly an additional parking deck. The University is also considering a ground lease of land to a private developer in connection with the construction by such developer of housing facilities for approximately 1,200 beds, which would be owned by the University and managed by the developer. If the University enters into this transaction, completion of the housing facilities would be projected to occur in the fall of 2010.

The University may not undertake any capital project or long-term financing without prior Board approval.

## COMPREHENSIVE CAMPAIGN

The University's Foundation is in the second year of a comprehensive fundraising campaign. The campaign has generated \$105 million toward a goal of \$175 million. The campaign will generate funds for facilities, endowed faculty, endowed scholarships and direct academic support.

## OUTSTANDING DEBT

The University has the following debt outstanding:

OUTSTANDING BONDS	ORIGINAL ISSUE AMOUNT	AMOUNT OUTSTANDING
<i>General Revenue Bonds</i>		
Housing System Revenue Bonds, Series 1998 <sup>1</sup>	\$ 7,860,000	\$ 7,100,000
Housing System Refunding and Improvement Revenue Bonds, Series 2002	38,255,000	165,000
Housing System Refunding Revenue Bonds, Series 2003	6,620,000	5,495,000
General Revenue Bonds, Series 2004A	31,480,000	29,035,000
General Revenue and Refunding Bonds, Series 2005A	21,925,000	21,010,000
General Revenue and Refunding Bonds, Series 2007A	96,365,000	96,365,000
General Revenue Bonds, Series 2007B	25,860,000	25,860,000
General Revenue Bonds, Series 2005C (Taxable)	2,850,000	2,850,000
<i>Other Obligations</i>		
Student Building Fee Refunding Revenue Bonds, Series 1996	14,115,000	1,365,000
Student Fee Refunding and Improvement Revenue Bonds, Series 1998 <sup>2</sup>	24,060,000	5,490,000
Student Building Fee Revenue Bonds, Series 2001 <sup>3</sup>	4,455,000	635,000
Subordinated Revenue Note, Series 2007	3,325,000	3,325,000
2006 Bronco Stadium Expansion Loan <sup>4</sup>	3,381,000	2,804,000
2001 Bank Line of Credit <sup>4</sup>	5,000,000	2,127,000
Capital Leases for Building and Equipment <sup>4</sup>	<u>7,039,000</u>	<u>3,877,986</u>
Total:	<u>\$292,590,000</u>	<u>\$207,503,986</u>

<sup>1</sup> Includes the Series 1998 General Revenue Refunded Bonds.

<sup>2</sup> Includes the Series 1998 Student Fee Refunded Bonds.

<sup>3</sup> Includes the Series 2001 Refunded Bonds.

<sup>4</sup> Amount outstanding as of June 30, 2008.

For additional information regarding the University's outstanding obligations, see Footnotes 7, 8 and 9 to the Financial Statements in APPENDIX A.

## FINANCIAL STATEMENTS

The financial statements of the University as of and for the years ended June 30, 2008 and 2007, which are included as Appendix A to this Official Statement, have been audited by Moss-Adams LLP, independent auditors, as stated in their report appearing therein.

Moss-Adams has not been engaged to perform and has not performed, since the date of such report, any procedures on the financial statements addressed in the report. Moss-Adams has not performed any procedures relating to this Official Statement, and has not consented to the use of the financial statements of the University in this Official Statement.

## TAX EXEMPTION

### FEDERAL INCOME TAXATION

Federal tax law contains a number of requirements and restrictions which apply to the Series 2009A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The University has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2009A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2009A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2009A Bonds.

Subject to the University's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2009A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Series 2009A Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The Internal Revenue Code of 1986, as amended (the "*Code*") includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Series 2009A Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the University with respect to certain material facts within the University's knowledge and upon the mathematical computation of the yield on the Series 2009A Bonds and the yield on certain investments by The Arbitrage Group, Inc.. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Series 2009A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may

be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2009A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “*Issue Price*”) for each maturity of the Series 2009A Bonds is the price at which a substantial amount of such maturity of the Series 2009A Bonds is first sold to the public. The Issue Price of a maturity of the Series 2009A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Series 2009A Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Series 2009A Bonds (the “*OID Bonds*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the University comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Series 2009A Bonds who dispose of Series 2009A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2009A Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Series 2009A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2009A Bond is purchased at any time for a price that is less than the Series 2009A Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Series 2009A Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2009A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary

market price of such Series 2009A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2009A Bonds.

An investor may purchase a Series 2009A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2009A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Series 2009A Bond. Investors who purchase a Series 2009A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2009A Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2009A Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2009A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2009A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “*Service*”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2009A Bonds. If an audit is commenced, under current procedures the Service may treat the University as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2009A Bonds until the audit is concluded, regardless of the ultimate outcome.

#### IDAHO INCOME TAXATION

In the opinion of Bond Counsel, under the laws of the State of Idaho, as presently enacted and construed, interest on the Series 2009A Bonds, so long as it is not includible in gross income for federal income tax purposes, is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act. Ownership or disposition of the Series 2009A Bonds may result in other State tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2009A Bonds. Bond Counsel expresses no opinion with respect to taxation under any other provisions of State law. Prospective purchasers of the Series 2009A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## UNDERWRITING

The Series 2009A Bonds are being purchased by Barclays Capital Inc. (the “*Underwriter*”). The purchase contract provides that the Underwriter will purchase all of the Series 2009A Bonds, if any are purchased, at a price of \$\_\_\_\_\_, representing the principal amount of the Series 2009A Bonds, plus net original issuance premium of \$\_\_\_\_\_, less an Underwriter’s fee of \$\_\_\_\_\_.

The Underwriter may offer and sell the Series 2009A Bonds to certain dealers (including dealers depositing the Series 2009A Bonds in investment trusts) and others at prices lower than the initial offering prices stated on the cover page hereof.

## RATINGS

Moody’s and S&P have assigned their municipal bond ratings of “A1” and “A+,” respectively, to the Series 2009A Bonds.

The ratings reflect only the views of the rating agencies. An explanation of the significance of the ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that the ratings may not be revised or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any downward revision or withdrawal of such ratings will be likely to have an adverse effect on the market price or marketability of the Series 2009A Bonds.

## LITIGATION

The University has reported that, as of the date hereof, there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance or sale of the Series 2009A Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2009A Bonds, the pledge and application of Pledged Revenues, or the existence or powers of the University.

## APPROVAL OF LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2009A Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel to the University. Bond Counsel’s approving opinion in the form of APPENDIX F hereto will be delivered with the Series 2009A Bonds. Certain legal matters will be passed upon for the University by its counsel, Kevin D. Satterlee, Esq. Certain Matters will be passed upon for the Underwriter by Chapman and Cutler LLP, in its role as Disclosure Counsel to the University.

### CONTINUING DISCLOSURE

The University will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the Beneficial Owners of the Series 2009A Bonds. Pursuant to the Undertaking, the University will agree to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission (the “*Commission*”). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX E to this Official Statement.

The University is in compliance with every undertaking previously entered into by it pursuant to the Rule. A failure by the University to comply with the Undertaking will not constitute an Event of Default under the Resolution, and Beneficial Owners of the Series 2009A Bonds are limited to the remedies described in the Undertaking. See APPENDIX E “FORM OF CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the Issuer to Provide Information.” A failure by the University to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2009A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2009A Bonds and their market price.

BOISE STATE UNIVERSITY

By \_\_\_\_\_  
Bursar and Vice President  
for Finance and Administration

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

# Boise State University Independent Auditor's Report and Financial Statements

June 30, 2008 and 2007  
Including Single Audit Reports  
for the year ended June 30, 2008



*Academic Excellence*  
*Public Engagement*  
*Vibrant Culture*  
*Exceptional Research*



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*Academic Excellence*  
*Public Engagement*  
*Vibrant Culture*  
*Exceptional Research*

## INDEPENDENT AUDITOR'S REPORT

Idaho State Board of Education  
Boise State University  
Boise, Idaho

We have audited the accompanying financial statements of Boise State University (University) as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of Boise State University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Boise State University's discretely presented component units as described in Note 13. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Boise State University and its discretely presented component units as of June 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1B to the financial statements, on July 1, 2007, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 required the University to recognize and match other postemployment benefit costs with related services received and disclose additional information.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2008, on our consideration of Boise State University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

[www.mossadams.com](http://www.mossadams.com)

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the University's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Eugene, Oregon  
November 4, 2008

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008**


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Management's Discussion and Analysis ("MD&A") presents an overview of the financial performance of Boise State University (the "University") based on currently known facts, decisions and conditions and is designed to assist readers in understanding the accompanying financial statements. The MD&A discusses financial performance during the current year in comparison to prior years with emphasis on the current year.

**Overview of the Financial Statements and Financial Analysis**

The financial statements for fiscal years ended June 30, 2008 and June 30, 2007 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles. There are three financial statements presented: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The University discloses, as a component unit, any significant organizations that raise and hold economic resources for the direct benefit of the University. Organizations that are legally separate, tax-exempt entities that satisfy the criteria of GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14*" should be discretely presented as component units. The Boise State University Foundation, Inc. and the Bronco Athletic Association, Inc. are considered component units of the University.

**Statement of Net Assets**

The statement of net assets presents the assets, liabilities, and net assets of the University as of the current fiscal year-end in comparative format

with the prior fiscal year-end. The purpose of the statement of net assets is to present to the readers of the financial statements a point-in-time fiscal snapshot of the University. The statement of net assets presents end-of-year data concerning assets (current and non-current), liabilities (current and non-current) and net assets (assets minus liabilities). The difference between the current and non-current classification is discussed in the footnotes to the financial statements.

From the data presented, readers of the statement of net assets are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors and lending institutions. Finally, the statement of net assets provides a picture of the net assets, (assets minus liabilities) and their availability for expenditure by the University.

Net assets are divided into four major categories. The first category, invested in capital assets, net of related debt, provides the University's equity in capital assets. The second net asset category is restricted, non-expendable net assets. Restricted, non-expendable net assets are those that are required to be retained in perpetuity. The next net asset category is restricted, expendable net assets. Restricted, expendable net assets are available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available to the University for any lawful purpose of the institution.

## Boise State University

<b>Summary Statements of Net Assets</b>			
<b>As of June 30</b>			
<b>(Dollars in Thousands)</b>			
	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>ASSETS:</b>			
Current assets	\$ 101,473	\$ 94,485	\$ 68,271
Capital assets, net	348,974	304,028	260,602
Other assets	84,345	121,452	60,245
Total assets	<u>\$ 534,792</u>	<u>\$ 519,965</u>	<u>\$ 389,118</u>
<b>LIABILITIES:</b>			
Current liabilities	\$ 47,824	\$ 39,923	\$ 29,467
Non-current liabilities	210,651	215,855	137,556
Total liabilities	258,475	255,778	167,023
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	167,966	160,800	142,498
Restricted, expendable	22,892	20,246	18,347
Restricted, non-expendable	-	-	-
Unrestricted	85,459	83,141	61,250
Total net assets	<u>276,317</u>	<u>264,187</u>	<u>222,095</u>
Total liabilities and net assets	<u>\$ 534,792</u>	<u>\$ 519,965</u>	<u>\$ 389,118</u>

The University's total assets increased during fiscal year 2008 by \$14,826,660 from \$519,964,848 in 2007 to \$534,791,508 in 2008. Capital assets grew with the University's large construction projects, but were offset by the reduction of other assets (primarily investments) that were liquidated to provide construction

funds. The University's total liabilities increased slightly during fiscal year 2008 by \$2,696,391 from \$255,777,868 in 2007 to \$258,474,259 in 2008. While outstanding bonds payable principle decreased, a new accounting standard required the University to record liabilities for other post employment benefit obligations.

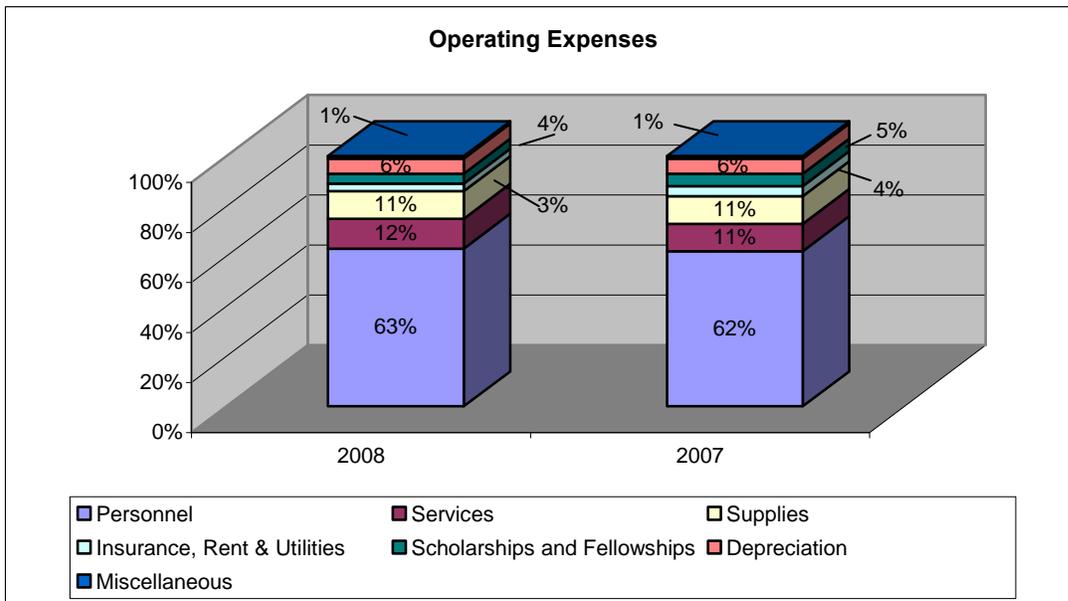
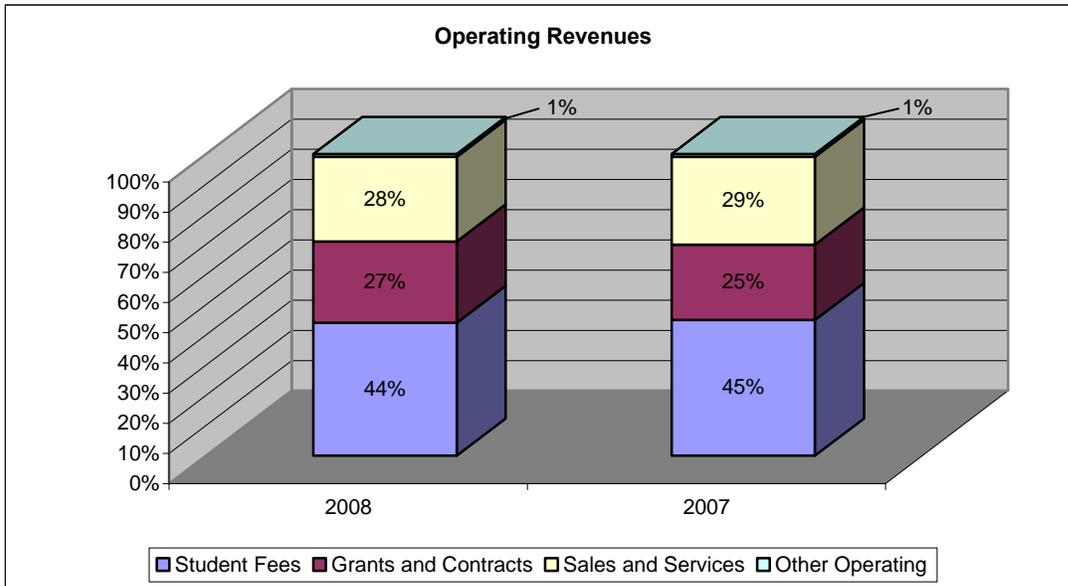
### Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets, as presented on the statement of net assets, are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement is to present the revenues (operating and non-operating) received by the University and its component units, and the expenses (operating and non-operating) paid by the institution and its component units and any other revenues, expenses, gains and losses received or spent by the University and its component units. The University will always reflect a net operating loss because state general fund appropriations are not reported as operating revenues. Generally speaking, operating revenues are generated by providing services to the various customers, students and constituencies of the University.

Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues received for which services are not provided. For example, state general funds are non-operating because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services for those revenues. GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities" defines those revenues to be non-operating.



Boise State University



## Boise State University

**Statement of Cash Flows**

The final statement presented by the University is the statement of cash flows. The statement of cash flows presents detailed information about the cash activity of the University during the year. The statement of cash flows is not presented for component units. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-

operating, non-investing and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the statement of revenues, expenses, and changes in net assets.

	2008	2007	2006
Cash provided (used) by:			
Operating activities	\$ (73,496)	\$ (62,748)	\$ (69,444)
Non-capital financing activities	107,810	98,248	92,212
Capital and related financing activities	(77,279)	42,072	(36,713)
Investing activities	<u>45,737</u>	<u>(67,273)</u>	<u>11,602</u>
<b>Net change in cash</b>	<b>2,772</b>	<b>10,299</b>	<b>(2,343)</b>
<b>Cash—Beginning of year</b>	<u>39,948</u>	<u>29,649</u>	<u>31,992</u>
<b>Cash—End of year</b>	<u>\$ 42,720</u>	<u>\$ 39,948</u>	<u>\$ 29,649</u>

Overall, cash increased by \$2,772,033 during the year compared to a cash increase of \$10,299,850 last year. Cash used by capital and related financing activities totaled \$77.3 million in fiscal year 2008 compared to cash provided by capital and related financing activities of \$42.1 million in fiscal year 2007. The significant use by capital and related financing activities in 2008 is explained by the large construction projects in progress during the year. In contrast, 2007 capital and related financing activities provided significant cash from the issuance of new bonds. Cash provided by investing activities totaled \$45.7 million in 2008 compared to cash used by investing activities of \$67.3 million in 2007. This reflects the substantial liquidation of investments to

provide cash for construction projects in 2008 compared to the substantial investment of newly issued bond proceeds in 2007.

**Capital Asset and Debt Administration**

The University's capital assets, prior to depreciation, increased by \$55.4 million from \$450.3 million in 2007 to \$505.7 million in 2008. The University continued to build and acquire property and buildings consistent with the Campus Master Plan. Capital asset additions in 2008 included the completion of the Interactive Learning Center and a new parking structure with combined 2008 costs of \$4.7 million, \$25.7 million expended towards the Bronco Stadium addition, and \$16 million expended as the

## Boise State University

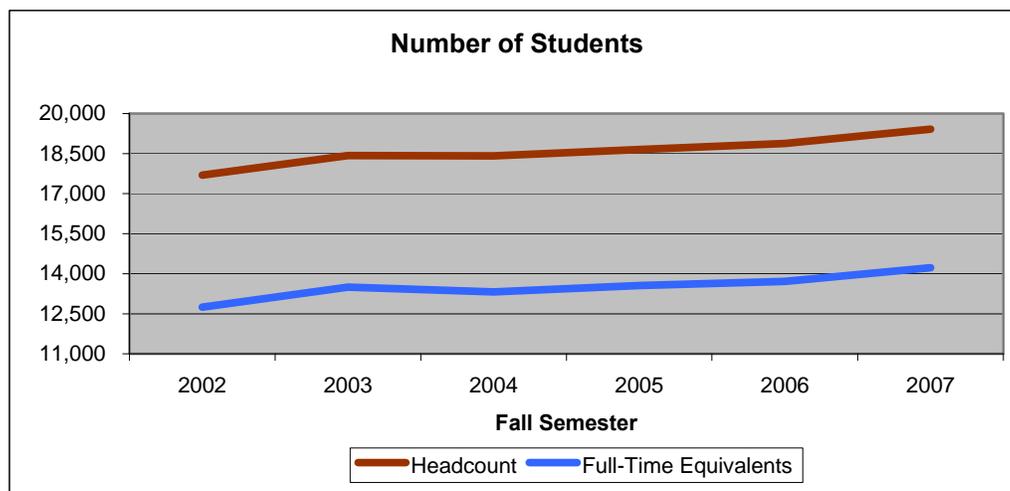
University continues the expansion and renovation of the Student Union Building. Total notes, bonds, and capital leases decreased by \$9.2 million from \$220.3 million in 2007 to \$211.1 million in 2008, due primarily to principal repayments on outstanding bonds, including a \$3.1 million payoff of a bond before maturity

### Economic Outlook

The State of Idaho concluded fiscal year 2008 with an approximate \$223.8 million surplus in the general fund. Revenues exceeded projections by \$47.8 million, adding to the planned surplus of \$176.0 million. However, the state legislature has allocated most of this surplus to future fiscal years. And the state's chief economist has reduced future economic projections for state revenues given weakness in the construction and high technology industries in Idaho.

Higher education in Idaho received, for fiscal year 2009, a 7.9 % increase from fiscal year

2008 levels in appropriated funding. This was distributed across all institutions and is reflected in Boise State University's fiscal year 2009 appropriated budget as an increase of \$8,311,900 or 10.3%. In addition to increased state funding, Boise State University received permission to increase student fees for fiscal year 2009 by 5.0%. This increase represents a 2.6% increase in tuition and 2.4% increase in facility and activity fees. Boise State University has experienced record-breaking enrollment in 11 of the last 12 years that has put pressure on infrastructure. As a result, increases in funding are channeled to increasing square footage of facilities available and to faculty salaries to meet current student demand. In Fall of 2003, the University began to raise admission standards, which has helped slow growth to a manageable pace. Information available as of the date of the financial statements indicates that enrollment for Fall of 2008 is 1% higher than Fall 2007 levels.



The University continues to maintain a progressive management agenda through the execution of the strategic plan, the launching of a comprehensive fundraising campaign, the support of the newly founded College of Western Idaho, and the careful implementation of the Campus Facilities Master Plan.

The University's strategic plan, *Charting the Course*, lays out a road map for Boise State University to become a "Metropolitan Research University of Distinction." The destination will be reached through Academic Excellence, Public

Engagement, Vibrant Culture, and Exceptional Research.

The University's five year comprehensive fundraising campaign, *Destination Distinction*, is designed to support students, faculty, strategic initiatives, research and infrastructure. *Destination Distinction's* goal is to raise \$175 million. Through July 31, 2008, The University has raised \$96.8 million towards this goal.

The Campus Facilities Master Plan provides a coordinated set of initiatives for progressive improvement of the campus over the next

## Boise State University

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decade and beyond. Enabled by a Strategic Facility Fee, and with the Support of the Idaho State Board of Education, the University continues strong progress on the plan, with upcoming facilities initiatives including:

-The Norco Nursing Department and University Health Center, scheduled for completion in Fall, 2009.

-The Center for Environmental Science and Economic Development, a state-of-the-art interdisciplinary academic and research center.

-The College of Business and Economics Building, is supported in part by a generous

grant from the Micron Foundation. Fundraising efforts continue and the University plans to seek approval from the Idaho State Board of Education for this project within the next year.

The College of Western Idaho, approved by voters in May, 2008, is a new community college in Nampa, Idaho, approximately 20 miles west of Boise. The College will improve access to higher education in our region, and will compliment Boise State University's mission in a number of ways. The College will begin offering classes in the spring of 2009, and will ultimately deliver the professional technical education programs currently administered by the University.

## Boise State University

**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2008 AND JUNE 30, 2007**

	2008	2007	2008	2007
	University	University	Component Units	Component Units
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash with treasurer	\$ 26,728,659	\$ 22,601,102	\$ -	\$ -
Cash and cash equivalents	15,991,760	17,347,284	1,857,146	1,643,182
Student loans receivable	1,226,174	2,357,802	-	-
Accounts receivable and unbilled charges, net	16,153,379	14,319,683	11,558,980	2,404,323
Prepaid expense	2,085,349	578,772	-	-
Inventories	3,454,114	2,768,504	-	-
Investments	33,136,060	33,368,354	2,000,000	1,600,000
Due from component units	2,359,966	947,023	-	-
Other current assets	<u>337,086</u>	<u>196,150</u>	<u>442,018</u>	<u>672,106</u>
<b>Total current assets</b>	<u>101,472,547</u>	<u>94,484,674</u>	<u>15,858,144</u>	<u>6,319,611</u>
<b>NON-CURRENT ASSETS:</b>				
Restricted cash	-	-	9,725,906	7,615,620
Accounts receivable, net	-	-	23,390,521	3,586,653
Student loans receivable, net	10,270,584	7,937,790	-	-
Investments	67,711,203	103,642,866	90,133,620	85,743,352
Investments held in trust	497,136	3,212,534	763,879	756,185
Investment in lease	-	-	2,880,499	3,171,665
Deferred bond financing costs	4,940,628	6,252,595	-	-
Capital assets, net	348,974,477	304,028,470	1,718,064	1,712,488
Other assets	<u>924,933</u>	<u>405,919</u>	<u>830,266</u>	<u>755,448</u>
<b>Total non-current assets</b>	<u>433,318,961</u>	<u>425,480,174</u>	<u>129,442,755</u>	<u>103,341,411</u>
<b>TOTAL ASSETS</b>	<u>\$ 534,791,508</u>	<u>\$ 519,964,848</u>	<u>\$ 145,300,899</u>	<u>\$ 109,661,022</u>

See notes to financial statements.

## Boise State University

STATEMENTS OF NET ASSETS (CONTINUED)  
JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007	2008	2007
	University	University	Component Units	Component Units
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 4,900,006	\$ 4,499,888	\$ 180,294	\$ 393,425
Due to state agencies	8,717,329	6,881,944	-	-
Accrued salaries and benefits payable	8,760,727	6,816,366	-	-
Compensated absences payable	5,929,643	5,054,973	-	-
Interest payable	2,363,632	2,964,274	41,383	43,965
Unearned revenue	9,705,125	7,314,122	1,987,676	1,899,562
Notes and bonds payable	5,799,412	5,355,438	265,000	255,000
Obligations under capital lease	393,226	375,494	-	-
Obligations under capital lease - component unit	265,000	255,000	-	-
Other liabilities	989,317	405,573	1,048,180	105,484
<b>Total current liabilities</b>	<u>47,823,417</u>	<u>39,923,072</u>	<u>3,522,533</u>	<u>2,697,436</u>
<b>NON-CURRENT LIABILITIES:</b>				
Unearned revenue	2,052,475	1,576,750	523,739	1,773,682
Notes and bonds payable	201,377,524	210,402,361	3,095,000	3,360,000
Amounts held in custody for others	-	-	1,968,347	1,467,693
Obligations under capital lease	567,962	958,887	-	-
Obligations under capital lease - component unit	2,651,798	2,916,798	-	-
Net Other Post Employment Benefits Obligation	3,555,632	-	-	-
Other liabilities	445,451	-	1,638,587	847,399
<b>Total non-current liabilities</b>	<u>210,650,842</u>	<u>215,854,796</u>	<u>7,225,673</u>	<u>7,448,774</u>
<b>TOTAL LIABILITIES</b>	<u>258,474,259</u>	<u>255,777,868</u>	<u>10,748,206</u>	<u>10,146,210</u>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	167,965,615	160,800,243	1,490,044	1,536,783
Restricted, expendable	22,892,158	20,246,055	70,183,808	38,455,719
Restricted, non-expendable	-	-	55,019,647	51,908,188
Unrestricted	85,459,476	83,140,682	7,859,194	7,614,122
<b>TOTAL NET ASSETS</b>	<u>276,317,249</u>	<u>264,186,980</u>	<u>134,552,693</u>	<u>99,514,812</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 534,791,508</u>	<u>\$ 519,964,848</u>	<u>\$ 145,300,899</u>	<u>\$ 109,661,022</u>

See notes to financial statements.

## Boise State University

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007**

	2008	2007	2008	2007
	University	University	Component Units	Component Units
<b>OPERATING REVENUES:</b>				
Student fees, pledged for bonds	\$ 88,429,134	\$ 80,229,894	\$ -	\$ -
Scholarship allowance	<u>(16,846,698)</u>	<u>(14,037,130)</u>	<u>-</u>	<u>-</u>
Student fees, net	71,582,436	66,192,764		
Federal grants and contracts (including \$2,126,616 and \$2,308,184 of revenues pledged for bonds in 2008 and 2007, respectively)	31,936,263	26,938,958	-	-
State and local grants and contracts (including \$655,473 and \$359,581 of revenues pledged for bonds in 2008 and 2007, respectively)	9,382,389	7,910,225	-	-
Private grants and contracts (including \$305,263 and \$267,579 of revenues pledged for bonds in 2008 and 2007, respectively)	3,838,373	2,728,830	-	-
Sales and services of educational activities, pledged for bonds	2,107,319	1,627,931	-	-
Sales and services of auxiliary enterprises, pledged for bonds	44,370,028	40,921,047	-	-
Gifts	-	-	46,822,352	17,233,400
Other, pledged for bonds	1,950,748	1,636,425	-	-
Other	<u>-</u>	<u>-</u>	<u>1,078,476</u>	<u>1,386,192</u>
<b>Total operating revenues</b>	<u>165,167,556</u>	<u>147,956,180</u>	<u>47,900,828</u>	<u>18,619,592</u>
<b>OPERATING EXPENSES:</b>				
Personnel cost	162,599,726	143,123,209	2,740,206	2,126,749
Services	29,621,624	26,185,475	1,161,084	633,207
Supplies	28,392,395	25,928,075	226,117	361,814
Insurance, utilities and rent	8,468,058	8,140,650	87,331	47,815
Scholarships and fellowships	10,276,477	10,564,205	-	-
Depreciation	15,208,376	13,703,934	47,439	300,747
Miscellaneous	<u>3,163,922</u>	<u>2,929,978</u>	<u>1,065,361</u>	<u>693,988</u>
<b>Total operating expenses</b>	<u>257,730,578</u>	<u>230,575,526</u>	<u>5,327,538</u>	<u>4,164,320</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(92,563,022)</u>	<u>(82,619,346)</u>	<u>42,573,290</u>	<u>14,455,272</u>

See notes to financial statements.

## Boise State University

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)**  
**FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007**

	2008	2007	2008	2007
	University	University	Component Units	Component Units
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
State appropriations	\$ 92,409,481	\$ 86,374,683	\$ 1,094,563	\$ 1,003,524
Gifts (includes gifts from component units equal to \$8,907,839 and \$9,609,477 in 2008 and 2007, respectively)	15,712,592	14,859,072	-	-
Payments to Boise State University	-	-	(8,907,839)	(22,489,622)
Net investment income (including \$2,837,082 and \$1,850,657 of revenues pledged by the University for bonds in 2008 and 2007, respectively)	6,502,202	5,393,584	3,221,713	3,475,332
Change in fair value of investments (including (\$8,272) and \$362,906 of revenues pledged by the University for bonds in 2008 and 2007, respectively)	355,432	1,483,371	(3,294,428)	8,817,826
Interest (net of capitalized interest by the University of \$437,151 and \$179,148 in 2008 and 2007, respectively)	(10,433,981)	(6,852,509)	(168,114)	(176,204)
Gain (loss) on retirement of capital assets	(1,025,874)	(561,482)	442,589	771,620
Other	<u>(490,410)</u>	<u>(192,171)</u>	<u>76,107</u>	<u>76,607</u>
<b>Net non-operating revenues (expenses)</b>	<u>103,029,442</u>	<u>100,504,548</u>	<u>(7,535,409)</u>	<u>(8,520,917)</u>
<b>INCOME BEFORE OTHER REVENUES AND EXPENSES</b>	10,466,420	17,885,202	35,037,881	5,934,355
<b>OTHER REVENUES AND EXPENSES:</b>				
Capital appropriations	523,006	1,293,000	-	-
Capital grants and gifts (includes gifts from component units equal to \$17,014,530 for 2007)	<u>1,140,843</u>	<u>22,913,541</u>	<u>-</u>	<u>-</u>
<b>Total other revenue</b>	<u>1,663,849</u>	<u>24,206,541</u>	<u>-</u>	<u>-</u>
<b>INCREASE IN NET ASSETS</b>	12,130,269	42,091,743	35,037,881	5,934,355
<b>NET ASSETS—Beginning of year</b>	<u>264,186,980</u>	<u>222,095,237</u>	<u>99,514,812</u>	<u>93,580,457</u>
<b>NET ASSETS—End of year</b>	<u>\$ 276,317,249</u>	<u>\$ 264,186,980</u>	<u>\$ 134,552,693</u>	<u>\$ 99,514,812</u>

See notes to financial statements.

## Boise State University

**STATEMENTS OF CASH FLOWS**  
**FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007**

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Student fees	\$ 71,885,722	\$ 66,021,475
Grants and contracts	43,930,690	36,837,558
Sales and services of educational activities	1,090,768	2,008,961
Sales and services of auxiliary enterprises	46,395,964	40,499,243
Other operating receipts	1,881,144	1,608,325
Payments to employees	(156,114,962)	(140,564,627)
Payments for services	(29,902,423)	(25,503,946)
Payments to suppliers	(29,649,076)	(21,908,142)
Payments for insurance, utilities and rent	(8,530,197)	(7,999,031)
Payments for scholarships and fellowships	(10,258,202)	(10,591,984)
Loans issued to students	(2,193,043)	(2,828,955)
Collections of loans to students	1,229,530	2,387,111
Other payments	<u>(3,262,295)</u>	<u>(2,713,977)</u>
<b>Net cash used in operating activities</b>	<u>(73,496,380)</u>	<u>(62,747,989)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	92,490,491	86,293,673
Gifts	15,319,532	11,954,142
Direct lending receipts	52,905,243	46,129,523
Direct lending payments	<u>(52,905,243)</u>	<u>(46,129,523)</u>
<b>Net cash provided by non-capital financing activities</b>	<u>107,810,023</u>	<u>98,247,815</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital grants and gifts	512,651	23,956,541
Purchases of capital assets	(59,756,312)	(58,445,825)
Proceeds from notes and bonds payable	-	86,851,332
Principal paid on notes and bonds payable and capital leases	(8,432,473)	(5,104,263)
Interest paid on notes and bonds payable and capital leases	(10,348,168)	(6,403,270)
Payments for bond issuance costs	-	(2,398,000)
Other	<u>745,653</u>	<u>3,616,675</u>
<b>Net cash used in capital and related financing activities</b>	<u>(77,278,649)</u>	<u>42,073,190</u>

See notes to financial statements.

## Boise State University

**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007**

	2008	2007
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	\$ (215,368,992)	\$ (326,743,740)
Proceeds from sales and maturities of investments	254,113,364	253,054,201
Investment income	<u>6,992,667</u>	<u>6,416,373</u>
<b>Net cash provided by investing activities</b>	<u>45,737,039</u>	<u>(67,273,166)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER</b>	2,772,033	10,299,850
<b>CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year</b>	<u>39,948,386</u>	<u>29,648,536</u>
<b>CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year</b>	<u>\$ 42,720,419</u>	<u>\$ 39,948,386</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (92,563,022)	\$ (82,619,346)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	15,266,618	13,757,705
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(2,159,542)	747,451
Student loans receivable, net	(1,201,167)	(303,865)
Inventories	(685,610)	(244,015)
Other assets	(3,117,272)	150,829
Accounts payable and accrued liabilities	517,329	2,830,111
Accrued salaries and benefits payable	2,120,061	1,091,395
Compensated absences payable	874,670	271,161
Unearned revenue	2,866,728	2,489,560
Other Post Employment Benefits Obligation	3,555,632	
Other liabilities	<u>1,029,195</u>	<u>(918,975)</u>
<b>Net cash used in operating activities</b>	<u>\$ (73,496,380)</u>	<u>\$ (62,747,989)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:</b>		
Defeasance of debt	-	<u>\$ 43,340,857</u>
Donated assets	<u>\$ 518,461</u>	<u>\$ 16,131,898</u>

See notes to financial statements.

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007**


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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** — The University is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho reporting entity, and is directed by the State Board of Education (“SBOE”), a body that is appointed by the Governor and confirmed by the legislature. The University is part of the primary government of the State of Idaho and is included in the State’s Comprehensive Annual Financial Report (“CAFR”) within the Business-Type Activities/Enterprise Funds. The University’s financial statements are prepared in accordance with pronouncements of the Governmental Accounting Standards Board (“GASB”) and in accordance with Generally Accepted Accounting Principles (“GAAP”).

**Financial Statement Presentation** — The University has adopted GASB Statement No 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” This statement requires that the University account for and report the cost and obligations related to postemployment healthcare and other non-pension benefits (“OPEB”) and include disclosures regarding its OPEB plans. OPEB costs are based on actuarially determined amounts that, if paid on an ongoing basis, would provide sufficient resources to pay benefits as they become due.

The University considers component units with net assets greater than five percent of the University’s net assets to be significant. As such, The Boise State University Foundation, Inc. (The “Foundation”) and the Bronco Athletic Association, Inc. (The “Association”) are combined and discretely presented on the face of the Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets as required by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units.” The Foundation was established for the purpose of soliciting donations and to hold and manage invested donations for the exclusive benefit of the University. The Association is a fund raising organization that provides financial assistance and services to the University intercollegiate

athletic department. Financial statements of the component units may be obtained from the Vice President for Finance and Administration at the University. Component units’ financial statements are prepared in accordance with GASB pronouncements and in accordance with GAAP.

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

The University has the option to apply all Financial Accounting Standards Board (“FASB”) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

**Cash with Treasurer** — Balances classified as cash with treasurer are amounts that have been remitted to the State of Idaho as a result of the student fee collection process and, once remitted, these balances are under the control of the State Treasurer. The University is not entitled to any interest earnings on these balances.

**Cash and Cash Equivalents** — The University considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted or not expected to be expended within the subsequent fiscal year are classified as non-current assets.

**Inventories** — Inventories, consisting primarily of bookstore inventories, are valued at the lower of first-in, first-out (“FIFO”) cost or market.

## Boise State University

**Investments** — The University accounts for its investments at fair value in accordance with GASB Statement No. 31, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*” Changes in unrealized gains or losses on the carrying value of investments are reported as a component of change in fair value of investments in the statement of revenues, expenses, and changes in net assets. Investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets as well as investment amounts with maturities that exceed one year, are classified as non-current assets in the statement of net assets.

The University deposits funds for investment with the Idaho State Treasury. Funds deposited with the State Treasury can be subject to securities lending transactions initiated by the State Treasury.

**Capital Assets, net** — Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of gift. The University’s capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 10 years for library books, and 5 to 13 years for equipment. The University has certain collections that it does not capitalize, including the Nell Shipman Film collection and Albertson’s Library Special Collections. These collections adhere to the University’s policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at the time purchased rather than capitalized.

**Non-current Liabilities** — Non-current liabilities include principal amounts of revenue

bonds payable, notes payable, long-term capital lease obligations, net other post employment benefit obligations, non-current unearned revenue and arbitrage liabilities (presented in other liabilities).

**Net Assets** — The University’s net assets are classified as follows:

**Invested in Capital Assets, Net of Related Debt** — This represents the University’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

**Restricted, Expendable** — Restricted, expendable net assets include resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

**Restricted, Non-expendable** — Restricted, non-expendable net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

**Unrestricted** — Unrestricted net assets represent resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the University, and may be used to meet current expenses for any lawful purpose and in accordance with SBOE policy.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University’s policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

**Income and Unrelated Business Income Taxes** — The University, as a political subdivision of the State of Idaho, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal

## Boise State University

Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated business income tax expense in the fiscal years ended June 30, 2008 or 2007.

**Classification of Revenues and Expenses —**

The University classifies its revenues and expenses as operating or non-operating according to the following criteria. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state, and local grants and contracts that are essentially contracts for services, and (4) interest earned on institutional student loans.

Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions, such as transactions related to capital financing activities or investing activities as defined by GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." Revenues from state general appropriations are classified as non-operating as defined by GASB Statement No. 34.

**Scholarship Discounts and Allowances —**

Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount or allowance.

**Use of Accounting Estimates —** The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and revenues and expenses during the year. Actual results could differ from those estimates.

**Reclassifications —** Certain prior year balances have been reclassified to conform to the current year presentation.

**New Accounting Standards —** In November 2006, the GASB issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". This Statement addresses accounting and financial reporting standards for pollution (including contamination), remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this statement are effective for the fiscal year ending June 30, 2009.

In June 2007, the GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets". This Statement defines an intangible asset's required characteristics and generally requires that they be treated as capital assets. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this Statement are effective for the fiscal year ending June 30, 2010.

In November 2007 the GASB issued Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments." This Statement establishes requirements for endowments to report their land and other real estate investments at fair value and requires the changes in fair value be reported as investment income. Management does not expect this standard will impact the University's financial statements as the University does not hold land and other real estate as investments. The requirements of

## Boise State University

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this statement are effective for the fiscal year ending June 30, 2009.

In June 2008 the GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This Statement establishes recognition, measurement and

disclosure requirements for derivative instruments. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this statement are effective for the fiscal year ending June 30, 2010.



Boise State Goes Green – Even in Winter

## Boise State University

**2. CASH WITH T REASURER, CASH AN D CASH EQ UIVALENTS, OT HER DEPOSI TS, AN D INVESTMENT**

**Deposits** — Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents are deposited with US Bank and are carried at cost. Custodial risk is the risk that in the event of a financial institution failure, the State's deposits may not be returned. The State's policy for managing custodial risk can be found in the Idaho Code, Section 67-2739.

Management believes the University is in compliance with the policy.

Cash that is restricted in purpose from an external source and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a non-current asset.

Basis of Custodial Credit Risk as of June 30		
	2008	2007
Insured	\$ 100,000	\$ 100,000
Uncollateralized	130,583	143,516
Collateralized by securities held by the pledging financial institution	15,761,177	17,103,768
Total	<u>\$ 15,991,760</u>	<u>\$ 17,347,284</u>

**Investments** — Idaho Code, Section 67-1210, limits credit risk by restricting the investment activities of the Local Government Investment Pool ("LGIP") and state agencies. Idaho Code gives the SBOE the authority to establish investment policies for the Colleges and Universities. Section V, Subsection D of the Idaho SBOE Governing Policies and Procedures authorizes investments among some, but not all, of the investment types authorized for the State Treasurer.

Objectives of the University's investment policy are, in order of priority, safety of principal, ensuring necessary liquidity and achieving a maximum return. Covenants of certain bond resolutions also restrict investment of related funds to U.S. Government or government guaranteed securities.

The University invests in external investment

pools managed by the State of Idaho. The pools are managed by the State Treasurer's Office in compliance with Idaho Code, Sections 67-1201 through 67-1222. The University had \$49,579,384 and \$68,833,593 with market value invested in these external pools as of June 30, 2008 and 2007, respectively.

Investments Held-in-Trust represent government securities held in the University's name. The entire amount of these investments is restricted by bond indentures or other contractual agreements.

**Credit Risk of Debt Securities** — The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

## Boise State University

Ratings, as of June 30, are presented below using the Moody's scale. The State of Idaho external investment pools are rated AAAf by Standard and Poor's. This AAA rating

signifies that the portfolio holdings provide extremely strong protection against losses from credit defaults.

Investment Type	2008 (Dollars in Thousands)						
	Fair Value	AAA	AA1	AA2	AA3	A1	A2
Cash in Investment Balances	\$ 411	\$ 411					
External Investment Pools	49,579	49,579					
Investments Held in Trust	23	23					
Commercial Paper	1,322	100	\$ 102	\$ 46	\$ 729	\$ 294	\$ 51
Guaranteed Investment Contract	33,522				33,522		
US Treasury Notes	135	135					
Federal Farm Credit Bank	1,431	1,431					
Federal Home Loan Bank	4,357	4,357					
Federal Home Loan Mortg Corp	2,452	2,452					
Federal National Mortg Assoc	8,112	8,112					
<b>Total Investments</b>	<b>\$ 101,344</b>	<b>\$ 66,600</b>	<b>\$ 102</b>	<b>\$ 46</b>	<b>\$ 34,251</b>	<b>\$ 294</b>	<b>\$ 51</b>

Investment Type	2007 (Dollars in Thousands)						
	Fair Value	AAA	AA1	AA2	AA3	A1	A2
Cash in Investment Balances	\$ 663	\$ 663					
External Investment Pools	68,993	68,993					
Investments Held in Trust	2,738	2,738					
Commercial Paper	1,100	596	\$ 106	\$ 49	\$ 149	\$ 100	\$ 100
Guaranteed Investment Contract	46,843				46,843		
US Treasury Notes	6,116	6,116					
Federal Farm Credit Bank	1,403	1,403					
Federal Home Loan Bank	1,438	1,438					
Federal Home Loan Mortg Corp	5,525	5,525					
Federal National Mortg Assoc	5,405	5,405					
<b>Total Investments</b>	<b>\$ 140,224</b>	<b>\$ 92,877</b>	<b>\$ 106</b>	<b>\$ 49</b>	<b>\$ 46,992</b>	<b>\$ 100</b>	<b>\$ 100</b>

## Boise State University

**Interest Rate Risk** — Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest

rates. Less than 1% of total investments are invested in securities with periods longer than 5 years.

June 30, 2008 (Dollars in Thousands)				
Investment Type	Fair Value	Investment Maturities In Years		
		Less Than 1	1 to 5	6 to 10
Cash in Investment Balances	\$ 411	\$ 411	\$ -	\$ -
External Investment Pool	49,579	49,579	-	-
Investments Held in Trust	23	23	-	-
Commercial Paper	1,322	200	552	570
Guaranteed Investment Contract	33,522	33,522	-	-
US Treasury Notes	135	-	53	82
Federal Farm Credit Bank	1,431	1,431	-	-
Federal Home Loan Bank	4,357	4,188	169	-
Federal Home Loan Mortg Corp	2,452	2,288	-	164
Federal National Mortg Assoc	8,112	7,961	75	76
<b>Total Rated Debt Securities</b>	<b>\$ 101,344</b>	<b>\$ 99,603</b>	<b>\$ 849</b>	<b>\$ 892</b>

June 30, 2007 (Dollars in Thousands)				
Investment Type	Fair Value	Investment Maturities In Years		
		Less Than 1	1 to 5	6 to 10
Cash in Investment Balances	\$ 663	\$ 663	\$ -	\$ -
External Investment Pool	68,993	68,993	-	-
Investments Held in Trust	2,738	2,738	-	-
Commercial Paper	1,100	-	479	621
Guaranteed Investment Contract	46,843	-	46,843	-
US Treasury Notes	6,116	5,355	685	76
Federal Farm Credit Bank	1,403	1,403	-	-
Federal Home Loan Bank	1,438	974	464	-
Federal Home Loan Mortg Corp	5,525	5,351	-	174
Federal National Mortg Assoc	5,405	3,871	1,449	85
<b>Total Rated Debt Securities</b>	<b>\$ 140,224</b>	<b>\$ 89,348</b>	<b>\$ 49,920</b>	<b>\$ 956</b>

**Concentration of Credit Risk** — When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when five percent of the total government investments are

concentrated in any one issuer. AAA rated securities represented sixty-six percent and sixty-six percent of the portfolio as of June 30, 2008 and June 30, 2007 respectively, mitigating the risk of concentration. Thirty-three percent of the total portfolio (2007A construction funds) is represented by a guaranteed investment contract at a fixed rate of 5.038% interest to mature June 1, 2009.

## Boise State University

Investment Type	June 30, 2008 (Dollars in Thousands)		June 30, 2007 (Dollars in Thousands)	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Cash in Investment Balances	\$ 411	0.41%	\$ 663	0.47%
External Investment Pools	49,579	48.92%	68,993	49.21%
Investments Held in Trust	23	0.02%	2,738	1.95%
Commercial Paper	1,322	1.30%	1,100	0.78%
Guaranteed Investment Contract	33,522	33.08%	46,843	33.41%
US Treasury Notes	135	0.13%	6,116	4.36%
Federal Farm Credit Bank	1,431	1.41%	1,403	1.00%
Federal Home Loan Bank	4,357	4.30%	1,438	1.03%
Federal Home Loan Mortgage Corp	2,452	2.42%	5,525	3.94%
Federal National Mortgage Assoc	8,112	8.01%	5,405	3.85%
<b>Total Investments</b>	<b>\$ 101,344</b>	<b>100.00%</b>	<b>\$ 140,224</b>	<b>100.00%</b>

The University is subject to policies as defined by the State of Idaho with respect to investments. The University has not adopted a formal policy addressing interest rate and concentration of credit risk.



The Student Union Building Expansion Begins to Take Shape

## Boise State University

**3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET**

Accounts receivable and unbilled charges refer to the portions due to the University, as of June 30, by various customers, students

and constituencies of the University as a result of providing services to said groups.

	<u>2008</u>	<u>2007</u>
Student fees	\$ 7,704,526	\$ 8,067,123
Auxiliary enterprises and other operating activities	3,216,340	3,184,005
Federal, state, and private grants and contracts	1,338,493	906,687
Unbilled charges	<u>6,208,594</u>	<u>5,317,726</u>
Accounts receivable and unbilled charges	18,467,953	17,475,541
Less allowance for doubtful accounts	<u>(2,314,574)</u>	<u>(3,155,858)</u>
Accounts receivable and unbilled charges, net	<u>\$ 16,153,379</u>	<u>\$ 14,319,683</u>

**4. STUDENT LOANS RECEIVABLE**

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable at June 30, 2008 and 2007. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to maximum of 100% if the participant complies with certain provisions. The Federal Government reimburses the University for amounts cancelled under these provisions.

Loans receivable from students bear interest at rates ranging from 5% to 10% and are generally repayable in installments to the University over a 5 to 10 year period commencing 3 or 9 months after the date of separation from the University. The University out sources the loan servicing to a third party vendor.

As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. The allowance for uncollectible loans was \$23,400 and \$24,450 for fiscal years ending June 30, 2008 and 2007, respectively.

In the event the University should withdraw from the Program or the Federal Government was to cancel the Program, the University would be required to repay \$8,209,463 as of June 30, 2008.

## Boise State University

**5. CAPITAL ASSETS, NET**

Following are the changes in capital assets for the years ended June 30, 2008 and 2007:

	2008 (Dollars in Thousands)				
	Balance Bal July 1, 2007	Additions	Transfers	Retirements	Balance June 30, 2008
<b>Capital assets not being depreciated:</b>					
Land	\$ 38,615	\$ 2,724	\$ -	\$ -	\$ 41,339
Construction in progress	39,384	52,431	(35,325)	-	56,490
<b>Total assets not being depreciated</b>	<b>77,999</b>	<b>55,155</b>	<b>(35,325)</b>	<b>-</b>	<b>97,829</b>
<b>Other capital assets:</b>					
Buildings and improvements	284,731	111	34,568	(698)	318,712
Furniture and equipment	56,051	4,018	757	(3,809)	57,017
Library materials	31,495	2,190	-	(1,550)	32,135
<b>Total other capital assets</b>	<b>372,277</b>	<b>6,319</b>	<b>35,325</b>	<b>(6,057)</b>	<b>407,864</b>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	(89,895)	(8,453)	-	410	(97,938)
Furniture and equipment	(34,343)	(4,909)	-	3,198	(36,054)
Library materials	(22,010)	(1,846)	-	1,129	(22,727)
<b>Total accumulated depreciation</b>	<b>(146,248)</b>	<b>(15,208)</b>	<b>-</b>	<b>4,737</b>	<b>(156,719)</b>
<b>Other capital assets, net</b>	<b>226,029</b>	<b>(8,889)</b>	<b>35,325</b>	<b>(1,320)</b>	<b>251,145</b>
<b>Capital assets summary:</b>					
Capital assets not being depreciated	77,999	55,155	(35,325)	-	97,829
Other capital assets at cost	372,277	6,319	35,325	(6,057)	407,864
<b>Total cost of capital assets</b>	<b>450,276</b>	<b>61,474</b>	<b>-</b>	<b>(6,057)</b>	<b>505,693</b>
<b>Less accumulated depreciation</b>	<b>(146,248)</b>	<b>(15,208)</b>	<b>-</b>	<b>4,737</b>	<b>(156,719)</b>
<b>Capital assets, net</b>	<b>\$ 304,028</b>	<b>\$ 46,266</b>	<b>\$ -</b>	<b>\$ (1,320)</b>	<b>\$ 348,974</b>

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2008 is \$54,965,799. These costs will be paid from available reserves and construction proceeds from outstanding debt.

## Boise State University

	2007 (Dollars in Thousands)				
	Balance Bal	Additions	Transfers	Retirements	ance
	July 1, 2006				June 30, 2007
<b>Capital assets not being depreciated:</b>					
Land	\$ 29,716	\$ 12,403	\$ -	\$ (3,504)	\$ 38,615
Construction in progress	14,417	29,559	(4,592)	-	39,384
<b>Total assets not being depreciated</b>	<b>44,133</b>	<b>41,962</b>	<b>(4,592)</b>	<b>(3,504)</b>	<b>77,999</b>
<b>Other capital assets:</b>					
Buildings and improvements	267,924	12,316	4,592	(101)	284,731
Furniture and equipment	53,459	5,008	-	(2,416)	56,051
Library materials	30,943	2,022	-	(1,470)	31,495
<b>Total other capital assets</b>	<b>352,326</b>	<b>19,346</b>	<b>4,592</b>	<b>(3,987)</b>	<b>372,277</b>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	(82,664)	(7,249)	-	18	(89,895)
Furniture and equipment	(31,963)	(4,631)	-	2,251	(34,343)
Library materials	(21,230)	(1,824)	-	1,044	(22,010)
<b>Total accumulated depreciation</b>	<b>(135,857)</b>	<b>(13,704)</b>	<b>-</b>	<b>3,313</b>	<b>(146,248)</b>
<b>Other capital assets, net</b>	<b>216,469</b>	<b>5,642</b>	<b>4,592</b>	<b>(674)</b>	<b>226,029</b>
<b>Capital assets summary:</b>					
Capital assets not being depreciated	44,133	41,962	(4,592)	(3,504)	77,999
Other capital assets at cost	352,326	19,346	4,592	(3,987)	372,277
<b>Total cost of capital assets</b>	<b>396,459</b>	<b>61,308</b>	<b>-</b>	<b>(7,491)</b>	<b>450,276</b>
<b>Less accumulated depreciation</b>	<b>(135,857)</b>	<b>(13,704)</b>	<b>-</b>	<b>3,313</b>	<b>(146,248)</b>
<b>Capital assets, net</b>	<b>\$ 260,602</b>	<b>\$ 47,604</b>	<b>\$ -</b>	<b>\$ (4,178)</b>	<b>\$ 304,028</b>

## 6. UNEARNED REVENUE

Unearned revenues include amounts received for student fees, prepaid ticket sales, and other amounts received prior to the end of the fiscal year that will be earned in subsequent years. Student fees represent

the portion of summer school revenues related to the number of days of instruction in the subsequent fiscal year and prepaid Fall semester fees. Unearned revenue consists of the following at June 30:

	2008	2007
Student fees	\$ 2,218,574	\$ 1,323,507
Prepaid ticket sales	6,276,294	4,145,906
Other unearned revenue	3,262,732	3,421,459
<b>Unearned revenue</b>	<b>\$ 11,757,600</b>	<b>\$ 8,890,872</b>

## Boise State University

## 7. LONG-TERM LIABILITIES

Following are the changes in bonds and notes payable, capital leases, non-current unearned revenue, due to state agencies (related to

capital projects), net other post employment benefit obligations, and other liabilities for the fiscal years ended June 30, 2008 and 2007:

	2008 (Dollars in Thousands)				
	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balance June 30, 2008	Amounts due within one year
<b>Long-term debt:</b>					
Revenue bonds payable	\$ 202,920	\$ -	\$ (7,550)	\$ 195,370	\$ 4,886
Premium on revenue bonds	3,699	-	(148)	3,551	-
Notes payable	9,139	-	(883)	8,256	914
Capital lease obligations	1,334	-	(373)	961	393
Capital lease obligations - component unit	3,172	-	(255)	2,917	265
<b>Total long-term debt</b>	<b>220,264</b>	<b>-</b>	<b>(9,209)</b>	<b>211,055</b>	<b>6,458</b>
<b>Other liabilities:</b>					
Non-current unearned revenue	1,577	536	(60)	2,053	-
Net other post employment benefits	-	3,556	-	3,556	-
Other	-	445	-	445	-
<b>Total other liabilities</b>	<b>1,577</b>	<b>4,537</b>	<b>(60)</b>	<b>6,054</b>	<b>-</b>
<b>Long-term liabilities</b>	<b>\$ 221,841</b>	<b>\$ 4,537</b>	<b>\$ (9,269)</b>	<b>\$ 217,109</b>	<b>\$ 6,458</b>

	2007 (Dollars in Thousands)				
	Beginning Balance July 1, 2006	Additions	Reductions	Ending Balance June 30, 2007	Amounts due within one year
<b>Long-term debt:</b>					
Revenue bonds payable	\$ 125,230	\$ 125,075	\$ (47,385)	\$ 202,920	\$ 4,466
Premium on revenue bonds	2,321	1,692	(314)	3,699	-
Notes payable	6,673	3,325	(859)	9,139	890
Capital lease obligations	1,573	100	(339)	1,334	375
Capital lease obligations - component unit	3,422	-	(250)	3,172	255
<b>Total long-term debt</b>	<b>139,219</b>	<b>130,192</b>	<b>(49,147)</b>	<b>220,264</b>	<b>5,986</b>
<b>Other liabilities:</b>					
Non-current unearned revenue	-	1,577	-	1,577	-
<b>Total other liabilities</b>	<b>-</b>	<b>1,577</b>	<b>-</b>	<b>1,577</b>	<b>-</b>
<b>Long-term liabilities</b>	<b>\$ 139,219</b>	<b>\$ 131,769</b>	<b>\$ (49,147)</b>	<b>\$ 221,841</b>	<b>\$ 5,986</b>

## Boise State University

**8. NOTES AND BONDS PAYABLE**

The University is required by bonding resolution to establish a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments of

rebateable arbitrage to the United States. There was no arbitrage liability in fiscal year ending June 30, 2007. The arbitrage liability for fiscal year ending June 30, 2008 is \$445,450. Management believes the University is in compliance with all bond covenants as of June 30, 2008 and 2007.

**Pledged Revenue** — As stated in the bond descriptions below, the University has pledged certain revenues as collateral for debt instruments. The pledged revenue amounts and coverage requirements are as follows for the year ended June 30, 2008:

	Series			Total
	2004A, 2005A, 2007A, 2007B, 2007C	1998, 2002, 2003	1996, 1998, 2001	
<b>Pledged revenues:</b>				
Student fees	\$ 77,856,863	\$ 5,253,976	\$ 5,318,295	\$ 88,429,134
Rentals	590,452	7,128,293	-	7,718,745
Meal plans	-	2,931,232	-	2,931,232
Other	1,718,244	232,504	-	1,950,748
Sales & service	34,878,613	948,756	-	35,827,369
F&A recovery	3,087,351	-	-	3,087,351
Investment income	2,939,118	438,792	650,914	4,028,824
<b>Total pledged revenue</b>	<b>121,070,641</b>	<b>16,933,553</b>	<b>5,969,209</b>	<b>143,973,403</b>
Less operations and maintenance	(43,633,287)	(12,852,653)	-	(56,485,940)
<b>Pledged revenues, net</b>	<b>\$ 77,437,354</b>	<b>\$ 4,080,900</b>	<b>\$ 5,969,209</b>	<b>\$ 87,487,463</b>
<b>Debt service</b>	<b>\$ 10,784,032</b>	<b>\$ 1,808,799</b>	<b>\$ 2,331,269</b>	<b>\$ 14,924,100</b>
<b>Debt service coverage</b>	<b>718%</b>	<b>226%</b>	<b>256%</b>	<b>586%</b>
<b>Coverage requirement</b>	<b>110%</b>	<b>120%</b>	<b>120%</b>	

## Boise State University

Bonds payable, at June 30, 2008 consisted of the following:

Bond Issue	(Dollars in Thousands)							
	Original Face Value	Range of Annual Principal Amounts	Range of Semi Annual Interest Percentages	Maturity Date	Pledged Revenues	Outstanding Balance 2008	Outstanding Balance 2007	
General Revenue Bonds, Series 2007A	\$ 96,365	\$145 - \$7,880	4.00% - 5.00%	2037	2	\$ 96,365	96,365	
General Revenue Bonds, Series 2007B	\$ 25,860	\$510 - \$1,760	4.00% - 5.00%	2037	2	25,860	25,860	
General Revenue Bonds, Series 2007C	\$ 2,850	\$125 - \$600	5.21% - 5.21%	2014	2	2,850	2,850	
Student Union and Housing System Refunding and Improvement Bonds, Series 2002	\$ 38,255	\$30 - \$45	5.375%	2012	1	165	675	
General Revenue Bonds, Series 2004A	\$ 31,480	\$795 - \$2,205	3.00% - 5.00%	2033	2	29,035	29,780	
General Revenue Bonds, Series 2005A	\$ 21,925	\$140 - \$2,695	3.25% - 5.00%	2034	2	21,010	21,445	
Student Fee Refunding and Improvement Revenue Bonds, Series 1998	\$ 24,060	\$395 - \$1,285	4.70% - 5.10%	2014	3	5,490	5,865	
Student Union and Housing System Refunding Bonds, Series 1998	\$ 7,860	\$875 - \$1,170	4.70% - 5.125%	2015	1	7,100	7,465	
Student Union and Housing System Refunding Revenue Bonds, Series 2003	\$ 6,620	\$265 - \$1,715	3.25% - 5.00%	2017	1	5,495	5,755	
Student Fee Refunding Revenue Bonds, Series 1996	\$ 14,115	\$1,365	5.15%	2009	3	1,365	2,665	
Student Fee Refunding Revenue Bonds, Series 1999	\$ 4,480	-	-	2017	3	-	3,365	
Student Building Fee Refunding Revenue Bonds, Series 2001	\$ 4,455	\$205 - \$220	4.375% - 4.50%	2011	3	635	830	
<b>Bonds before premium</b>						195,370	202,920	
Premium on bonds						3,551	3,699	
<b>Total bonds outstanding</b>						<b>\$ 198,921</b>	<b>\$ 206,619</b>	

(1) pledged net revenues of Student Union and Housing System and certain student fees

(2) pledge of student fees, enterprise revenues, and funds and accounts held under Resolution

(3) pledge of the net revenues of the Student Building System and certain student fees

## Boise State University

Notes payable, at June 30, 2008 consisted of the following:

(Dollars in Thousands)							
Notes Payable	Original Face Value	Terms	Interest Rate	Maturity Date	Collateralized by	Outstanding Balance 2008	Outstanding Balance 2007
2006 Bank note payable	\$ 3,381	11 year monthly amortization	4.77%	2016	1	\$ 2,804	\$ 3,060
Line of credit	\$ 5,000	8 year quarterly amortization	49% of lender's prime rate	2011	2	2,127	2,754
Private note	\$ 3,325	Interest Only - Monthly	30 day LIBOR plus 2.35%	2010	1	3,325	3,325
<b>Total notes payable</b>						<u>\$ 8,256</u>	<u>\$ 9,139</u>

(1) Bronco Athletic Association guarantee, subordinate to bonds

(2) Unsecured

Principal and interest maturities on bonds payable are as follows for the year ending June 30, 2008:

	Bonds Payable 2008		
	Principal	Interest	Total
2009	\$ 4,885,000	\$ 8,892,046	\$ 13,777,046
2010	5,130,000	8,678,055	13,808,055
2011	4,615,000	8,475,330	13,090,330
2012	4,985,000	8,277,236	13,262,236
2013	5,270,000	8,033,623	13,303,623
2014-2018	31,200,000	36,050,178	67,250,178
2019-2023	36,955,000	27,998,791	64,953,791
2024-2028	29,595,000	20,779,665	50,374,665
2029-2033	36,745,000	13,632,413	50,377,413
2033-2037	35,990,000	4,297,161	40,287,161
<b>Total</b>	<u>\$ 195,370,000</u>	<u>\$ 145,114,498</u>	<u>\$ 340,484,498</u>

At June 30, 2008, debt in the amount of \$37,630,000 is considered extinguished through refunding of prior issues by a portion of the current issues. Escrowed funds are held in trust in the amount of \$38,737,694 for

the payment of maturities on refunded bonds. Neither the debt nor the escrowed assets are reflected in the University's financial statements.

## Boise State University

Principal and interest maturities on notes payable are as follows for the year ending June 30, 2008:

	Notes Payable 2008		
	Principal	Interest	Total
2009	\$ 914,412	\$ 335,543	\$ 1,249,955
2010	4,269,291	292,722	4,562,013
2011	975,237	114,378	1,089,615
2012	451,093	86,335	537,428
2013	325,132	70,506	395,638
2014-2017	<u>1,321,268</u>	<u>118,964</u>	<u>1,440,232</u>
<b>Total</b>	<u>\$ 8,256,433</u>	<u>\$ 1,018,448</u>	<u>\$ 9,274,881</u>



The Already Vibrant Interactive Learning Center

## Boise State University

**9. CAPITAL LEASE OBLIGATIONS**

The University has entered into various capital lease agreements covering buildings and equipment. Assets under capital lease are included in capital assets, net of depreciation. Amortization of assets under

capital lease is included in depreciation expense. These amounts are included in capital assets. The University leases a building from the Foundation.

Future minimum lease obligations under these agreements at June 30, 2008 are as follows:

	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
2009	\$ 424,901	\$ 438,864	\$ 863,765
2010	423,014	438,864	861,878
2011	429,899	150,597	580,496
2012	425,796	2,303	428,099
2013	430,753	-	430,753
2014-2017	1,709,904	-	1,709,904
Total minimum obligations	<u>3,844,267</u>	<u>1,030,628</u>	<u>4,874,895</u>
Less interest	(927,469)	(69,440)	(996,909)
Present value of minimum obligations	<u>\$ 2,916,798</u>	<u>\$ 961,188</u>	<u>\$ 3,877,986</u>



Work begins on the new Norco Nursing Department and University Health Center Building

## Boise State University

Following are the changes in assets under capital lease for the years ended June 30, 2008 and 2007:

	2008			
	Balance Bal	Additions	Retirements	ance
	July 1, 2007			June 30, 2008
(Dollars in Thousands)				
<b>Assets under capital lease</b>				
Buildings and Improvements	\$ 6,733	\$ 240	\$ -	\$ 6,973
Equipment	2,589	-	-	2,589
<b>Total being amortized</b>	<b>9,322</b>	<b>240</b>	<b>-</b>	<b>9,562</b>
<b>Less accumulated amortization:</b>				
Buildings and improvements	(2,778)	(182)	-	(2,960)
Equipment	(1,987)	(151)	-	(2,138)
<b>Total accumulated amortization</b>	<b>(4,765)</b>	<b>(333)</b>	<b>-</b>	<b>(5,098)</b>
<b>Assets under capital lease, net</b>	<b>\$ 4,557</b>	<b>\$ (93)</b>	<b>\$ -</b>	<b>\$ 4,464</b>

	2007			
	Balance Bal	Additions	Retirements	ance
	July 1, 2006			June 30, 2007
(Dollars in Thousands)				
<b>Assets under capital lease</b>				
Buildings and Improvements	\$ 6,733	\$ -	\$ -	\$ 6,733
Equipment	2,489	100	-	2,589
<b>Total being amortized</b>	<b>9,222</b>	<b>100</b>	<b>-</b>	<b>9,322</b>
<b>Less accumulated amortization:</b>				
Buildings and improvements	(2,601)	(177)	-	(2,778)
Equipment	(1,850)	(137)	-	(1,987)
<b>Total accumulated amortization</b>	<b>(4,451)</b>	<b>(314)</b>	<b>-</b>	<b>(4,765)</b>
<b>Assets under capital lease, net</b>	<b>\$ 4,771</b>	<b>\$ (214)</b>	<b>\$ -</b>	<b>\$ 4,557</b>

## 10. RETIREMENT PLANS AND TERMINATION BENEFITS

**Public Employee Retirement System of Idaho** — The Public Employee Retirement System of Idaho ("PERSI"), a cost-sharing multiple-employer public retirement system, was created by the Idaho State Legislature.

It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are

## Boise State University

provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. The benefits were established and may be amended by the Idaho State Legislature. Obligations to contribute to the plan are established by the PERSI Board as defined by Idaho law. Financial reports for the plan are available

from PERSI's website [www.persi.idaho.gov](http://www.persi.idaho.gov). After 60 months of credited service, members become fully vested in retirement benefits earned to date and receive a lifetime benefit at retirement. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2% of the average monthly salary for the highest consecutive 42 months.

Contributions, for the three years ended June 30, are as follows:

<b>PERSI:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
University required contribution rate	10.39%	10.39%	10.39%
Percentage of covered payroll for employees	6.23%	6.23%	6.23%
University contributions required and paid	\$ 3,144,020	\$ 3,036,069	\$ 3,154,078

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

New faculty and exempt employees hired July 1, 1990 or thereafter automatically

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

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

Contributions, for the three years ended June 30, are as follows:

<b>ORP:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
University contribution	\$ 6,559,111	\$ 5,059,669	\$ 4,599,225
Employee contribution	\$ 5,243,778	\$ 4,529,497	\$ 4,153,486
Total contribution	\$ 11,802,889	\$ 9,589,166	\$ 8,752,711
University contribution rate	9.26%	7.72%	7.72%
Employee contribution rate	6.97%	6.97%	6.97%

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As of July 1, 2007, the University contribution rate for the ORP increased to 9.26%. Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute to PERSI. The contribution rate changed as of July 1, 2007 to 1.49%. The contribution rate for fiscal years 2007 and 2006 was 3.03% of the annual covered payroll. These annual supplemental payments are required through July 1, 2025. During the years ended June 30, 2008, 2007 and 2006, this supplemental funding payment to PERSI was \$1,127,467, \$1,908,399, and \$1,801,480, respectively. This amount is not included in the regular University PERSI contribution discussed previously.

**Termination Benefits** — Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of

their unused sick leave, with limits based on years of service, to continue their medical insurance coverage through the University. This benefit is classified as a termination benefit under GASB Statement No. 16, "Accounting for Compensated Absences". The University partially funds these obligations by depositing 0.65% of employee gross payroll with PERSI, who administers the plan as a cost-sharing, multiple-employer plan. The total contributions for the years ended June 30, 2008, 2007 and 2006 were \$669,231, \$608,815 and \$583,791, respectively.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee Retirement System of Idaho, P.O. Box 83720, Boise, ID 83720-0078.

## 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

**Summary of Plans** - The University participates in other postemployment benefit plans (OPEB) relating to health, disability, and life insurance administered by the State of Idaho as agent of multiple-employer defined benefit plans. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. GASB Statement No. 45 has been implemented prospectively, and the net OPEB obligation at transition was zero. The most recent actuarial valuation is as of June 30, 2006. Detail of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained as follows:

Office of the Idaho State Controller  
700 W State Street, 4th Floor  
Boise, ID 83702  
P.O. Box 83720  
Boise, ID 83720-0011  
[www.sco.idaho.gov](http://www.sco.idaho.gov)

### Plan Descriptions

**Retiree Healthcare Plan** - This plan allows retirees to purchase healthcare insurance

coverage for themselves and eligible dependents. A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to have the retiree health insurance coverage for themselves and eligible dependents. To be eligible, University employees must enroll within sixty days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have ten or more years (20,800 or more hours) of credited state service.

**Long-Term Disability Income** - This plan provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired for the first 30 months of disability, or any job thereafter for which they are reasonably qualified by experience, education, or training. Additionally, to qualify for long-term disability, the waiting period is the later of 26 weeks of continuous total disability or exhaustion of accrued sick

leave must be met. The gross benefit equals 60 percent of monthly salary or \$3,000 (whichever is smaller). The benefit does not increase with inflation and may be offset by other disability benefits from Social Security, Workers' Compensation, or PERSI.

***Life Insurance for Disabled Employees -***

This plan provides basic life and dependent life coverage for disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. In addition, a \$2,000 life insurance benefit is provided to spouses, and a \$1,000 life insurance benefit is provided to dependent children. These benefits do not increase with inflation.

***Healthcare for Disabled Employees -*** For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the State plan.

***Life Insurance for Retirees -*** This plan provides basic life insurance for certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100 percent of the annual salary at retirement.

***Funding Policies***

The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis.

***Retiree Healthcare Plan -*** Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The University contributed \$32.83 per active non-retired employee per month towards the retiree premium cost.

***Long-Term Disability Income - Self-Insured portion -*** Employees who became disabled prior to July 1, 2003, are self-insured by the State, which pays 100 percent of the cost of this benefit. The amount of the contributions is actuarially determined based on active claims and the number of insured individuals.

***Long Term Disability Income - Insured Benefit portion -*** Employees who became disabled after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The University pays 100 percent of the cost of the premiums. The University's contribution for the period was 0.37% of State Plan payroll in fiscal year 2008. This portion of the long-term disability income benefit is not included in the actuarial estimate.

***Life Insurance for Disabled Employees -*** The University pays 100 percent of the premium cost of the benefit. The University's contribution for the period was 0.37% of State Plan payroll in fiscal year 2008.

***Healthcare for Disabled Employees -*** The University pays 100 percent of the University's share of medical/dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University's contribution for the period was \$5.98 per active State Plan employee per month in fiscal year 2008.

***Life Insurance for Retirees -*** The University pays 100 percent of the cost of basic life insurance. The University's contribution for the period as a percent of payroll was 2.037% for retirees under age 65, 1.568% for retirees between the ages of 65 and 69, and 1.081% for retirees over age 70 in fiscal year 2008.

## Boise State University

**Annual OPEB Cost**

The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer in accordance with GASB Statement No. 45.

The following table illustrates the annual OPEB expense, the amount of contributions made, and the increase in the net OPEB obligation, for the plans as of June 30, 2008:

	Retiree Healthcare	Long-term Disability Income	Long-term Disability Life Insurance	Long-term Disability Healthcare	Life Insurance	Total
Annual required contribution						
Amortization of UAAL	\$1,377,461	\$24,834	\$41,389	\$39,068	\$359,011	\$1,841,763
Normal Cost	\$2,089,561	\$0	\$32,102	\$121,241	\$496,463	\$2,739,367
Interest to Fiscal Year-end	\$173,331	\$1,211	\$3,634	\$7,975	\$42,774	\$228,925
Annual OPEB cost (expense)	\$3,640,353	\$26,045	\$77,125	\$168,284	\$898,248	\$4,810,055
Contributions made	(\$856,257)	(\$96,710)	(\$42,500)	(\$94,590)	(\$164,366)	(\$1,254,423)
Increase (Decrease) in Net OPEB Obligation	\$2,784,096	(\$70,665)	\$34,625	\$73,694	\$733,882	\$3,555,632
Net OPEB Obligation – Beginning of Year	\$0	\$0	\$0	\$0	\$0	\$0
Net OPEB Obligation (Funding Excess) – End of Year	\$2,784,096	(\$70,665)	\$34,625	\$73,694	\$733,882	\$3,555,632
Percentage of AOC Contributed	23.52%	371.32%	55.11%	56.21%	18.30%	26.08%

**Funded Status and Funding Progress :**

	Retiree Healthcare	Long-term Disability Income	Long-term Disability Life Insurance	Long-term Disability Healthcare	Life Insurance
Actuarial Valuation Date	7/1/2006	7/1/2006	7/1/2006	7/1/2006	7/1/2006
1 Actuarial Value of Assets	\$0	\$0	\$0	\$0	\$0
2 Accrued Liability (AAL)	\$ 38,593,934	\$ 696,958	\$ 1,160,116	\$ 1,093,489	\$ 10,059,990
3 Unfunded AAL (UAAL) (2) - (1)	\$ 38,593,934	\$ 696,958	\$ 1,160,116	\$ 1,093,489	\$ 10,059,990
4 Funded Ratios (1) : (2)	0.0%	0.0%	0.0%	0.0%	0.0%
5 Annual Covered Payroll	\$ 122,473,640	\$ 122,473,640	\$ 122,473,640	\$ 122,473,640	\$ 122,473,640
UAAL as a Percentage of Covered 6 Payroll (3) : (5)	31.51%	0.57%	0.95%	0.89%	8.21%

The above schedule of funded status and funding progress also fulfills disclosure requirements for supplementary information, as the State of Idaho has prepared only one actuarial valuation. Future years' disclosures will include two preceding actuarial valuations.

**Actuarial Methods and Assumptions** - Actuarial valuations involve estimates of the value of reported amounts 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. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes

## Boise State University

does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective

and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions for all plans:

	Retiree Healthcare	Long-term Disability Income	Long-term Disability Life Insurance	Long-term Disability Healthcare	Life Insurance
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
	Level	Level	Level	Level	Level
Amortization Method	Percentage of Payroll	Percentage of Payroll	Percentage of Payroll	Percentage of Payroll	Percentage of Payroll
Amortization Period	30 years, Open	30 years, Open	30 years, Open	30 years, Open	30 years, Open
Assumptions:					
Inflation Rate	3.75%	3.75%	3.75%	3.75%	3.75%
Investment Return	5.00%	5.00%	5.00%	5.00%	5.00%
OPEB Increases	N/A	N/A	N/A	N/A	N/A
Projected Salary Increases	4.50%	4.50%	4.50%	4.50%	4.50%
Healthcare Cost Initial Trend Rate	10.00%	N/A	N/A	10.00%	N/A
Healthcare Cost Ultimate Trend Rate	5.00%	N/A	N/A	5.00%	N/A

## 12. RISK MANAGEMENT

The University participates in the State of Idaho Risk Management Program, which manages property and general liability risk. That program provides liability (cap) protection to \$500,000 per occurrence. Insurance premium payments are made to the State risk management program based on rates determined by a State agency's loss trend experience and asset value covered. Presently, Boise State University's total insured property value is \$838,371,304.

The University obtains worker's compensation coverage from the Idaho State Insurance Fund. The University's worker's compensation premiums are based on its payroll, its own loss experience, as well as that of the State of Idaho as a whole.

The University carries commercial insurance for other risks of loss, including but not limited to employee bond and crime, out of state worker's compensation, business interruption, media liability and automobile physical damage insurance.

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## 13. COMPONENT UNITS

**Boise State University Foundation, Inc**—  
The net assets of the Foundation represent 77% of the combined component unit as presented in the financial statements and, as such, the Foundation has been

determined by management to be a major component unit as defined by GASB Statement No. 39. Condensed financial statement data is as follows:

<b>BOISE STATE UNIVERSITY FOUNDATION, INC.</b>		
<b>CONDENSED STATEMENTS OF NET ASSETS</b>		
<b>JUNE 30, 2008 AND JUNE 30, 2007</b>		
	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,740,682	\$ 1,276,498
Pledges Receivable	8,934,964	2,018,723
Other Current Assets	427,244	647,391
<b>Total current assets</b>	<b>11,102,890</b>	<b>3,942,612</b>
<b>NON-CURRENT ASSETS:</b>		
Restricted cash and cash equivalents	9,725,906	7,615,620
Investments	90,133,620	85,743,352
Capital assets	228,020	175,705
Investment in lease	2,880,499	3,171,665
Accounts receivable and other	15,000,345	4,046,886
<b>Total non-current assets</b>	<b>117,968,390</b>	<b>100,753,228</b>
<b>TOTAL ASSETS</b>	<b>\$ 129,071,280</b>	<b>\$ 104,695,840</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
	\$ 656,342	\$ 866,009
<b>NON-CURRENT LIABILITIES:</b>		
Bonds and certificates payable	3,095,000	3,360,000
Amounts held in custody for others	19,829,240	16,900,525
Other	1,626,601	1,447,744
<b>Total non-current liabilities</b>	<b>24,550,841</b>	<b>21,708,269</b>
<b>TOTAL LIABILITIES</b>	<b>25,207,183</b>	<b>22,574,278</b>
<b>NET ASSETS:</b>		
Restricted - non-expendable	44,741,887	42,405,567
Restricted - expendable	51,379,215	32,170,349
Unrestricted	7,742,995	7,545,646
<b>Total net assets</b>	<b>103,864,097</b>	<b>82,121,562</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 129,071,280</b>	<b>\$ 104,695,840</b>

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BOISE STATE UNIVERSITY FOUNDATION, INC.		
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS		
FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007		
	<u>2008</u>	<u>2007</u>
<b>OPERATING REVENUES:</b>		
Gifts	\$ 28,206,251	\$ 8,404,245
Miscellaneous income	1,078,475	1,386,192
<b>Total operating revenues</b>	<b>29,284,726</b>	<b>9,790,437</b>
<b>OPERATING EXPENSES</b>	<b>3,804,101</b>	<b>3,106,915</b>
<b>OPERATING INCOME (LOSS)</b>	<b>25,480,625</b>	<b>6,683,522</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Payments to Boise State University	(3,946,387)	(12,646,413)
Investment income	2,719,293	2,982,219
Change in fair value of investments	(2,646,810)	7,373,898
Gain on sale of property	442,589	771,620
Other	(306,775)	(95,670)
<b>Net non-operating revenues</b>	<b>(3,738,090)</b>	<b>(1,614,346)</b>
<b>INCREASE IN NET ASSETS</b>	<b>21,742,535</b>	<b>5,069,176</b>
<b>NET ASSETS—Beginning of year</b>	<b>82,121,562</b>	<b>77,052,386</b>
<b>NET ASSETS—End of year</b>	<b>\$ 103,864,097</b>	<b>\$ 82,121,562</b>

**(a) Cash, Cash Equivalents, and Other Deposits and Investment**

The Foundation, through its Board of Directors (the "Board"), appoints an investment committee that determines investment guidelines, sets the spending rules, and engages the investment manager(s) and custodian(s). The Board oversees and approves all investment and asset allocation policies proposed by the Investment Committee. Furthermore, the Board and the Investment Committee acknowledge and understand their fiduciary roles and will always seek to act prudently in the best interests of the Foundation.

The Investment Committee is also to monitor and review the actions of the investment manager(s) and custodian(s),

make recommendations on investment policy, and oversee the management of all other assets of the Foundation. The Investment Committee reports regularly to the Board of Directors.

The overall investment policy is to maximize the return on investments within an acceptable range of risks. Appropriate levels of investment risk will be determined by guidelines and influenced by spending rules. The principal of the Endowment should be protected over time with a spending rule set to maintain the purchasing power of returns from the assets. The component units invest in investments that are allowed by State of Idaho law.

Basis of Custodial Credit Risk as of June 30	<u>2008</u>	<u>2007</u>
<b>Uninsured and uncollateralized</b>	<b>\$ 2,620,384</b>	<b>\$ 2,031,006</b>

## Boise State University

**Credit Risk** — The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

The ratings, as of June 30, 2008, are presented below using the Moody's scale:

Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Fair Value
Aaa	\$ 1,751,712	\$ 3,433,646	\$ 8,335,748	\$ 13,521,106
Aa1	-	202,923	-	202,923
Aa2	-	1,587,468	8,255,882	9,843,350
Aa3	-	20,857	-	20,857
A1	-	971,570	-	971,570
A2	-	-	5,564	5,564
Ba3	-	-	2,489	2,489
B1	-	-	9,297	9,297
Unrated	-	50,553	-	50,553
<b>Total</b>	<b>\$ 1,751,712</b>	<b>\$ 6,267,017</b>	<b>\$ 16,608,980</b>	<b>\$ 24,627,709</b>

**Interest Rate Risk** — Investments in debt securities that are fixed for a longer period of time are likely to experience greater variability in their fair values due to future

changes in interest rates. Maturities by investment type, as of June 30, 2008, are as follows:

Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
<b>Rated Securities:</b>					
US Treasury Bonds	\$ 1,751,712	\$ -	\$ 416,066	\$ 849,181	\$ 486,465
Corporate Bonds	6,267,017	2,502,987	83,846	3,680,184	-
Bond Mutual Funds	16,608,980	-	-	16,571,010	37,970
<b>Total Rated Securities</b>	<b>\$ 24,627,709</b>	<b>\$ 2,502,987</b>	<b>\$ 499,912</b>	<b>\$ 21,100,375</b>	<b>\$ 524,435</b>

**Concentration of Credit Risk** — When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure

when five percent of the total government investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Foundation has not invested more than five percent of their investments in any one issuer.

**(b) Amounts Held in Custody for Others**

The Bronco Athletic Association, Inc. (the "Association") transferred assets to the Foundation for investment and management, which are included in amounts held in custody for others. Included in amounts held

in custody for others on behalf of the Association are \$17,860,893 and \$15,435,119 at June 30, 2008 and 2007, respectively.

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**(c) Donated Services**

The University provided staffing and other general office support to the Foundation totaling \$1,094,563 and \$1,003,524 in fiscal years ending June 30, 2008 and 2007, respectively. Additionally, volunteers make substantial contributions of time to support

the Foundation for which no value is assigned. The value of volunteer services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation.

**Other Component Unit**— Contributions, recorded as gifts, received by the University from the Association totaled \$3,866,888 and \$8,839,685 as of June 30, 2008 and 2007, respectively. Net assets of the Association at June 30, were as follows:

<b>Bronco Athletic Association</b>		
	<b>2008</b>	<b>2007</b>
<b>Net assets:</b>		
Restricted by donors - non-expendable	\$ 10,277,760	\$ 9,502,621
Restricted by donors - expendable	18,804,593	6,285,370
Invested in Capital Assets	1,490,044	1,536,783
Unrestricted	116,199	68,476
<b>Total net assets</b>	<b>\$ 30,688,596</b>	<b>\$ 17,393,250</b>



Stadium Sky Boxes and More – An Outstanding Addition to the University’s Athletic Facilities

## Boise State University

## 14. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS (DOLLARS IN THOUSANDS):

Functional Categories	2008				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 77,955	\$ 9,871	\$ 833	\$ -	\$ 88,659
Research	9,922	4,121	318	-	14,361
Public service	7,320	5,375	189	-	12,884
Libraries	3,695	1,445	-	-	5,140
Student services	6,903	1,539	47	-	8,489
Plant operations	5,993	8,935	-	-	14,928
Institutional support	13,600	5,867	57	-	19,524
Academic support	12,084	3,283	53	-	15,420
Auxiliary enterprises	23,919	29,064	3,080	-	56,063
Scholarships	1,209	146	5,700	-	7,055
Depreciation	-	-	-	15,208	15,208
<b>Total operating expenses</b>	<b>\$ 162,600</b>	<b>\$ 69,646</b>	<b>\$ 10,277</b>	<b>\$ 15,208</b>	<b>\$ 257,731</b>

Functional Categories	2007				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 70,702	\$ 9,996	\$ 767	\$ -	\$ 81,465
Research	9,062	3,760	225	-	13,047
Public service	6,250	4,962	106	-	11,318
Libraries	3,484	1,267	-	-	4,751
Student services	5,791	1,497	81	-	7,369
Plant operations	5,017	9,636	2	-	14,655
Institutional support	10,155	2,617	6	-	12,778
Academic support	10,606	3,549	86	-	14,241
Auxiliary enterprises	20,969	25,838	3,415	-	50,222
Scholarships	1,087	62	5,876	-	7,025
Depreciation	-	-	-	13,704	13,704
<b>Total operating expenses</b>	<b>\$ 143,123</b>	<b>\$ 63,184</b>	<b>\$ 10,564</b>	<b>\$ 13,704</b>	<b>\$ 230,575</b>

**15. CONTINGENCIES AND LEGAL MATTERS**

The University is in discussions with the College of Western Idaho that may lead to the University gifting capital assets to the newly-founded community college at some point in the next fiscal year. These assets, including land, infrastructure, buildings, and other capital equipment may have a net book value of as much as \$11.3 million. The 2008 Idaho State Legislature approved a capital appropriation for the University of \$10 million in state funds towards the upcoming CESED (Center for Environmental Science and Economic Development) building.

Revenue from federal research and service grants includes amounts for the recovery of

overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the Federal Government. University officials are of the opinion that the effect of these refunds, if any, will not have a significant effect on financial position of the University.

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

**16. SUBSEQUENT EVENTS**

Subsequent to June 30, 2008, Idaho's Governor issued Executive Order 2008 -03, which ordered a 1-percent reduction in state general fund spending in response to lower state revenue forecasts. Idaho's Governor also directed all state agencies to reserve an additional 1.5 percent of their general fund appropriations for the fiscal year ending June 30, 2009. The University's 2009

general fund appropriation totals \$87,587,000. The 1% spending reduction will reduce available resources by \$875,870. Should the additional 1.5 percent become a permanent reduction in spending, the University's available resources for the 2009 fiscal year would be reduced by another \$1,313,805, for a total reduction of \$2,189,675.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

Idaho State Board of Education  
Boise State University  
Boise, Idaho

We have audited the financial statements of Boise State University (University) and its discretely presented component units as of and for the year ended June 30, 2008, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 4, 2008. We conducted our audit 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. Other auditors audited the financial statements of the discretely presented component units as described in our report on the University's financial statements. This report does not include the results of other auditors' testing of internal control over financial report or compliance and other matters that are reported on separately by other auditors.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in normal course of performing the assigned functions, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph on this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Idaho State Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Eugene, Oregon  
November 4, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Idaho State Board of Education  
Boise State University  
Boise, Idaho

***COMPLIANCE***

We have audited the compliance of Boise State University (University) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit the University's compliance with the requirements governing Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us and our opinion expressed, herein, insofar as it relates to the University's compliance with those requirements, is based solely on the report of other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, based on our audit and the report of the other auditor, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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### ***INTERNAL CONTROL OVER COMPLIANCE***

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Internal control over this compliance requirement was considered by the other auditor referred to above; and our report, insofar as it relates to the University's internal control over this compliance requirement, is based solely upon the report of the other auditors.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the University's internal control that might be significant deficiencies or material weaknesses. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Also, the report of the other auditors noted no matters involving the internal control structure over compliance and its operations that they consider to be material weaknesses.

This report is intended solely for the information and use of the Idaho State Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Eugene, Oregon  
November 4, 2008

**BOISE STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiencies(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiencies (s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grants
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program
84.063	Federal Pell Grant Program
84.375	Academic Competitiveness Grant
84.376	SMART Grant Science & Math

Dollar threshold used to distinguish between type A and type B programs: \$  1,168,222

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**BOISE STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Continued)  
FOR THE YEAR ENDED JUNE 30, 2008**

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**Section II - Financial Statement Findings**

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None.

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**Section III - Federal Award Findings and Questioned Costs**

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None.

**BOISE STATE UNIVERSITY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2007**

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**FINDING 2007-01—Allowable Costs: Personnel Level of Effort Reporting**

**Condition:** The University did not have adequate procedures in place to ensure that compensation reports for personnel services for salaries and wages charged to research and development grants were certified. Moss Adams testing revealed 7 out of 14 Payroll Certification Reports for the period January 1, 2007 through June 30, 2007 had not been certified by the employee or supervisor for accuracy.

**Recommendation:** Moss Adams recommends BSU complete the Payroll Certification Reports for the period mentioned above. Moss Adams also recommends BSU review the current reporting procedures to ensure complete and timely compliance with Circular A-21.

**Status:** Fully resolved.



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*Public Engagement*  
*Vibrant Culture*  
*Exceptional Research*

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Direct Programs				
TAME	10.001	\$ 27,957	\$ -	\$ 27,957
USDA Utilizing GPR	10.206	20,729	-	20,729
USDA Burrowing Owls	10.206	49,629	-	49,629
ESPRI	10.664	35,941	-	35,941
Raptor and Songbird Migration	10.664	247	-	247
USDA Forest Service Flammulated Owl	10.664	375	-	375
USDA Welders	10.769	-	30,748	30,748
Lomatium Dormancy	10.XXX	2,375	-	2,375
Dormancy in Lomatium Dissection	10.XXX	5,496	-	5,496
Danskin Floatboat Archeological Test	10.XXX	647	-	647
Grape Leaf Hormone Analyses	10.XXX	5,705	-	5,705
USDA-FS Joint Agreement	10.XXX	-	7,200	7,200
Pass Through Payments:				
Animal Telemetry Phase II	10.212	4,554	-	4,554
Child and Adult Care Food Program (Children's Center)	10.558	-	51,888	51,888
Total U.S. Department of Agriculture		<u>\$ 153,655</u>	<u>\$ 89,836</u>	<u>\$ 243,491</u>
U.S. DEPARTMENT OF COMMERCE:				
Direct Programs:				
EDA General FY '07	11.303	\$ -	\$ 24,887	\$ 24,887
EDA University Center FY '08	11.303	-	129,494	129,494
NIST General FY '07	11.611	-	15,821	15,821
NIST General FY '08	11.611	-	429,673	429,673
Total U.S. Department of Commerce		<u>\$ -</u>	<u>\$ 599,875</u>	<u>\$ 599,875</u>

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonres Expenditures	earch Expenditures	Total Expenditures
U.S. DEPARTMENT OF DEFENSE:				
Direct Programs:				
Effects of Comp. Question Type	12.630	\$ 127,408	\$ -	\$ 127,408
DEPSCoR Micro-Propulsion	12.800	185,253	-	185,253
DARPA FY '04	12.910		23,994	23,994
DARPA FY '05	12.910	1,410,112	-	1,410,112
ARI Project FY '07	12.XXX	8,296	-	8,296
DNA Safeguard Project	12.XXX	230,175	-	230,175
DNA Safeguard Project	12.XXX	64,764	-	64,764
DNA Safeguard Project	12.XXX	74,981	-	74,981
DNA Safeguard Project	12.XXX	14,781	-	14,781
ARI Project FY '08	12.XXX	10,842	-	10,842
Pass Through Payments:				
DoD General FY '04	12.002	-	42,381	\$ 42,381
Integrated Passive Electronic Components	12.800	33,215	-	33,215
Wave Oscillator Design	12.XXX	12,620	-	12,620
Genetic & Chemical Modification of Phosphotriesterase	12.XXX	34,635	-	34,635
NMR Characterization of Chemical Composition	12.XXX	40,722	-	40,722
Coastal Engineering & Human Disturbance	12.XXX	25,293	-	25,293
Ultra-Low Power Radiation	12.XXX	28,735	-	28,735
DEPSCoR FY '08	12.360	119,198	-	119,198
Total U.S. Department of Defense		<u>\$ 2,421,030</u>	<u>\$ 66,375</u>	<u>\$ 2,487,405</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:				
Direct Programs:				
HUD/CESED	14.246	\$ -	\$ 376,096	\$ 376,096
HUD/Environmental Science Building FY '04	14.246	-	620,893	620,893
Pass Through Payments:				
Fulfillment Center	14.250	-	20,915	20,915
Total U.S. Department of Housing & Urban Dev		<u>\$ -</u>	<u>\$ 1,017,904</u>	<u>\$ 1,017,904</u>
U.S. DEPARTMENT OF THE INTERIOR:				
Direct Programs:				
Bromus Tectorum Establishment	15.000	\$ 4,016	\$ -	\$ 4,016
Breeding Bird Burrowing Owl	15.XXX	3,968	-	3,968
Post-Fire Reseeding	15.224	8	-	8
Southern Idaho Ground Squirrels	15.232	22,425	-	22,425
Firewise Brochure	15.233	-	6,950	6,950
Landbird Migrant Monitoring Project Camas NWR	15.635	7,513	-	7,513
Seismic Reflection Imaging	15.807	85,076	-	85,076
Seismic Imaging Seattle Fault	15.807	4,377	-	4,377

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonr Expenditures	Research Expenditures	Total Expenditures
U.S. DEPARTMENT OF INTERIOR (continued):				
Direct Programs (continued)				
SRFS Facilities Operating Acct	15.808	\$ -	\$ 71,277	\$ 71,277
Raptor Information System	15.808	4,419	-	4,419
Owl Surveys	15.808	2,969	-	2,969
Barred Owl Food Habits	15.808	23,236	-	23,236
Statistical Support	15.808	4,918	-	4,918
CSMAT Survey in Joshua Tree CA	15.808	7,825	-	7,825
Formatting NARMS Raptor Accts	15.808	1,579	-	1,579
Monitoring Land Treatments	15.808	5,814	-	5,814
Native Landscape Gardens	15.XXX	154	-	154
Palouse Goldenweed Genetics	15.XXX	167	-	167
Translocation SIGS	15.XXX	1,270	-	1,270
Sawtooth Fire Disturbance	15.XXX	8,363	-	8,363
Cow Hollow Survey	15.XXX	13,045	-	13,045
Cow Creek Archeological Evaluation	15.XXX	46	-	46
Stabilization & Rebuilding	15.XXX	1,734	-	1,734
SFRWO Songbird Migration	15.XXX	7,920	-	7,920
FWS Development Cascade Bald Eagle	15.XXX	4,031	-	4,031
Pass Through Payments:				
Chicago Botanic Garden	15.224	1,117	-	1,117
IDFG Flammulated Owls	15.611	330	-	330
Heavy Metal Contamination of Bald Eagles	15.634	3,962	-	3,962
IWRR1 2	15.805	9,717	-	9,717
Blackfoot Basin IWRR1	15.805	3,800	-	3,800
Stopover Ecology of Landbird	15.XXX	5,997	-	5,997
Phase III : Detection of Oil	15.XXX	45,043	-	45,043
GPR Workshop	15.XXX	10,956	-	10,956
Total U.S. Department of the Interior		\$ 295,795	\$ 78,227	\$ 374,022
U.S. DEPARTMENT OF JUSTICE:				
Pass Through Payments:				
Gun Violence in Canyon County ID	16.609	\$ 6,276	\$ -	\$ 6,276
RADAR Video Library 2	16.727	-	7,195	7,195
RADAR Video Library 3	16.727	-	20,234	20,234
RADAR Video Library 4	16.727	-	10,247	10,247
RADAR Video Library 5	16.727	-	2,024	2,024
End Violence Against Women with Disabilities	16.XXX	-	10,210	10,210
Nampa Family Justice	16.XXX	23,345	-	23,345
Total U.S. Department of Justice		\$ 29,621	\$ 49,910	\$ 79,531

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF LABOR:				
Direct Programs:				
OSHA	17.504	\$ -	\$ 183,606	\$ 183,606
OSHA Consultation Program	17.504	-	326,606	326,606
Pass Through Payments:				
DOL Lean Mfg for Food	17.261	-	144,186	144,186
Total U.S. Department of Labor		\$ -	\$ 654,398	\$ 654,398
U.S. DEPARTMENT OF STATE:				
Pass Through Payments:				
Paving Way to Global Village	19.XXX	\$ -	\$ 8,054	\$ 8,054
Total U.S. Department of State		\$ -	\$ 8,054	\$ 8,054
U.S. DEPARTMENT OF TRANSPORTATION:				
Direct Programs:				
FAA Noise and Emissions Study	20.109	\$ 16,943	\$ -	\$ 16,943
FAA Airliner Cabin Environment	20.109	7,458	-	7,458
FAA Airliner Cabin Environment 2	20.109	120,650	-	120,650
FAA Noise & Emissions - Gardner	20.109	(2,945)	-	(2,945)
Avionics Decontamination	20.109	13,688	-	13,688
Inflight Sensor System Development & Deployment	20.109	4,155	-	4,155
Transit Center-DCE	20.500	-	3,278	3,278
BSU Bus Shelters	20.500	-	150,103	150,103
Pass Through Payments:				
Curriculum Development & Implementation	20.600	-	191	191.00
Barn Owl Mitigation	20.XXX	5,867	-	5,867.00
GIS Support Training	20.XXX	(273)	-	(273.00)
Total U.S. Department of Transportation		\$ 165,543	\$ 153,572	\$ 319,115
U.S. OFFICE OF PERSONNEL MANAGEMENT:				
Direct Programs:				
IPA Agreement - Eric McIndoo	27.011	\$ 36,225	\$ -	\$ 36,225
IPA Agreement - Cliff Bayer	27.011	30,802	-	30,802
IPA Agreement - Dr. Zhi Li	27.011	2,925	-	2,925
Total U.S. Office of Personnel Management		\$ 69,952	\$ -	\$ 69,952

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research No Expenditures	nresearch Expenditures	Total Expenditures
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:				
Pass Through Payments:				
ISGC Fellowship - Oblea Campbell	43.000	\$ 15,137	\$ -	\$ 15,137
NASA Fellowship - Steele	43.001	16,628	-	16,628
Chemical & Bio Sensors II	43.XXX	(1,026)	-	(1,026)
Ground Penetrating Radar	43.XXX	14,349	-	14,349
Role of Collagen Structure -Yr 2	43.XXX	(26)	-	(26)
NASA ISGC - Frary	43.XXX	5,105	-	5,105
NASA ISGC K-12 2006-2007	43.XXX	-	8,389	8,389
NASA EPSCoR Reliability Investigation	43.XXX	105,396	-	105,396
ISGC Fellowship - Bonfrisco 2007-2008	43.XXX	18,696	-	18,696
Total National Aeronautics and Space Admin		\$ 174,259	\$ 8,389	\$ 182,648
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:				
Pass Through Payments:				
Idaho Issues Online	45.129	\$ -	\$ 453	\$ 453
R.R.C. Martin Marty Lecture	45.129	-	(215)	(215)
Hanan Ashrawi Lecture	45.129	-	3,500	3,500
ID Central Digital Publication	45.310	9,855	-	9,855
Subject Cataloging Workshop	45.XXX	-	1,272	1,272
Total National Foundation on the Arts and the Humanities		\$ 9,855	\$ 5,010	\$ 14,865
NATIONAL SCIENCE FOUNDATION:				
Direct Programs:				
DLR Planning Grant	47.041	\$ -	\$ (9,260)	\$ (9,260)
Classical & Quantum Topology	47.049	5,888	-	5,888
Combinatorial Set Theory	47.049	6,281	-	6,281
Boise Extravaganza Set Theory	47.049	7,603	-	7,603
CAREER : RUI : Ferromagnetic	47.049	97,704	-	97,704
MRI : Acquisition of a TEM	47.049	679,432	-	679,432
Quantum and Biophysics	47.049	43,236	-	43,236
CAREER : M Frary NSF	47.049	79,620	-	79,620
CRIF : MU/RUI Equipment	47.409	487,500	-	487,500
NSF MRI : Acquisition of XPS	47.409	284,106	-	284,106
NSF Lattice Dynamics	47.049	34,111	-	34,111
NSF Web Tools for Time Scale	47.050	87,134	-	87,134
Monogenetic Volcano Processes	47.050	9,735	-	9,735
Paleozoic Deformation Research	47.050	44,896	-	44,896
Ionization Mass Spectrometer	47.050	1	-	1
NSF Collaborative Research	47.050	56,726	-	56,726
NSF Collaborative Quantification	47.050	28,548	-	28,548

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	nonresearch Expenditures	Total Expenditures
NATIONAL SCIENCE FOUNDATION (continued):				
Direct Programs (continued)				
NSF Climate Controls on Alluvial Fans	47.050	\$ 13,929	\$ -	\$ 13,929
NSF Timing, Condition, Rates of Thrust	47.050	28,958	-	28,958
Freedom from Coordinate System	47.050	4,952	-	4,952
Unroofing Central Menderes Metamorphic Complex	47.050	13,987	-	13,987
Carboniferous Permian Paleoclimate	47.050	34,045	-	34,045
NSF Career Degradation	47.070	46,327	-	46,327
NSF Cybertrust : eVoting	47.070	34,653	-	34,653
NSF Research Instrumentation	47.074	303,730	-	303,730
Chronic Stress in Ecosystems	47.074	20,609	-	20,609
RUI : Broken-symmetry States	47.076	(677)	-	(677)
NSF Scholarships	47.076	-	88,778	88,778
Award - Excellence in Mentoring	47.076	4,577	-	4,577
Noyce Grant	47.076	-	79,677	79,677
NSF Idaho Engineering Scholarship Program	47.076	-	126,144	126,144
Acquisition of GC/MS & FT-IR	47.076	9,946	-	9,946
New GK-12 Local Resources	47.076	-	9,309	9,309
NSF - Water Storage & Routing	47.078	100,479	-	100,479
Home Hearth Household	47.078	113,963	-	113,963
Egypt Collaboration	47.079	4,662	-	4,662
Pass Through Payments:				
Chronos Network for Earth Systems	47.050	(487)	-	(487)
NSF-ID-TIMS	47.050	131,085	-	131,085
Chronos System : Geoinformatics	47.050	4,902	-	4,902
SedDB Supplement PaleoStrat	47.050	66,426	-	66,426
IRIS Intern Summer '07	47.050	5,548	-	5,548
Site Survey for IODP 626	47.050	15,900	-	15,900
Hydrologic Processes EPSCoR	47.076	217,297	-	217,297
NSF Idaho EPSCoR - Punnoose	47.076	75,793	-	75,793
NSF Idaho EPSCoR - McNamara	47.076	145,366	-	145,366
NSF Idaho EPSCoR - Mead	47.076	38,606	-	38,606
NSF EPSCoR - Campbell FY '07	47.XXX	32,000	-	32,000
NSF EPSCoR - Kuang FY '07	47.XXX	25,000	-	25,000
NSF EPSCoR Instrument -Tenne	47.XXX	(413)	-	(413)
NSF EPSCoR Startup - Tenne	47.XXX	6,279	-	6,279
NSF EPSCoR Zen3600 Zetasizer	47.XXX	9,995	-	9,995
NSF EPSCoR Startup Funds	47.XXX	24,756	-	24,756
EPSCoR Startup Funds - Sridhar	47.XXX	14,505	-	14,505
EPSCoR Instrumentation	47.XXX	16,051	-	16,051
Multi-Functional Oil Quality	47.XXX	57,189	-	57,189
EPSCoR - Senocak	47.XXX	10,500	-	10,500
EPSCoR Additional Funding	47.XXX	3,587	-	3,587
Total National Science Foundation		<u>\$ 3,586,546</u>	<u>\$ 294,648</u>	<u>\$ 3,881,194</u>

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonr Expenditures	Research Expenditures	Total Expenditures
SMALL BUSINESS ADMINISTRATION:				
Direct Programs:				
SBA CY '07	59.037	\$ -	\$ 319,512	\$ 319,512
SBA CY '08	59.037	-	225,701	225,701
Total Small Business Administration		<u>\$ -</u>	<u>\$ 545,213</u>	<u>\$ 545,213</u>
ENVIRONMENTAL PROTECTION AGENCY:				
Direct Programs:				
Satellite EFC	66.111	\$ -	\$ 50,109	\$ 50,109
US EPA Region 7 FY '07	66.461	-	4,353	4,353
EPA Dashboard Grant	66.463	-	54,164	54,164
FY '06 Wastewater Training	66.467	-	(638)	(638)
FY '07 Wastewater Training	66.467	-	8,194	8,194
FY '08 Wastewater Training	66.467	-	16,467	16,467
Hydrogeophysical Characterization	66.606	372,468	-	372,468
EPA Multi-Purpose Sensors	66.606	168,977	-	168,977
EPA Multi-Purpose Sensors	66.606	197,075	-	197,075
EPA Multi-Purpose Sensors	66.606	32,839	-	32,839
EPA Multi-Purpose Sensors	66.606	93,871	-	93,871
EPA Multi-Purpose Sensors	66.606	30,826	-	30,826
EPA Multi-Purpose Sensors	66.606	3,333	-	3,333
EPA Multi-Purpose Sensors	66.606	18,485	-	18,485
6167 EPA Supplemental Funding	66.606	66,594	-	66,594
6167 EPA Supplemental Funding	66.606	18,992	-	18,992
6167 EPA Supplemental Funding	66.606	6,808	-	6,808
EFC10 Base Grant FY '07	66.607	-	245,712	245,712
Prioritization Tool Development	66.XXX	-	8,666	8,666
Pass Through Payments:				
DEQ Internship	66.419	-	57,898	57,898
Alaska Financial Capacity FY '07	66.XXX	-	2,827	2,827
Total Environmental Protection Agency		<u>\$ 1,010,268</u>	<u>\$ 447,752</u>	<u>\$ 1,458,020</u>
U.S. DEPARTMENT OF ENERGY:				
Direct Programs				
Bioreductive Transformations	81.049	\$ 8,993	\$ -	\$ 8,993
Inverse Magnetoplastic Effect	81.049	169,804	-	169,804
DOE Wind Energy	81.087	125,849	-	125,849
DOE Grant	81.121	143,131	-	143,131
Wind For Schools	81.XXX	-	3,717	3,717

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Nonrese Expenditures	arch	Total Expenditures
U.S. DEPARTMENT OF ENERGY (continued):					
Pass Through Payments:					
DEPSCOR Wide-Band-Gap	81.049	\$ 13,236	\$ -	\$ -	\$ 13,236
INRA Water Research Consortium	81.049	31,908	-	-	31,908
Time-lapse Georadar Monitoring	81.049	38,659	-	-	38,659
INRA SFPO Site Facilities	81.104	-	2,447	-	2,447
SSGP Website Maintenance Service	81.104	-	893	-	893
INRA SSGP Fellowship Support 3	81.104	-	23,027	-	23,027
INRA SSGP Fellowship Support 4	81.104	-	157,082	-	157,082
INRA SSRI Course Development 2006-2007	81.104	-	1,494	-	1,494
INRA SSRI Dean Yr.5 2006-2007	81.104	-	782	-	782
SSGP Course Evaluation 2006-2007	81.104	-	56	-	56
Transuranic Aqueous Metal Ion	81.113	4,000	-	-	4,000
UNLV Heat Exchange Material	81.121	20,820	-	-	20,820
Big Sky Carbon Sequestration	81.XXX	(578)	-	-	(578)
INL Crucible Development	81.XXX	28,841	-	-	28,841
Energy Policy Seminar	81.XXX	-	(13,322)	-	(13,322)
INL Influence Grain Boundary	81.XXX	50,803	-	-	50,803
Cesium Signature Protection	81.XXX	170	-	-	170
Multi-Species Rhodopseudomonad	81.XXX	(880)	-	-	(880)
EPI Interim Associate Director FY '07	81.XXX	99,758	-	-	99,758
FY '06 IUC/EPI Proposal	81.XXX	96,503	-	-	96,503
CAES Consortium	81.XXX	348,695	-	-	348,695
Drought, Fire & Snowmelt Central Idaho	81.XXX	31,083	-	-	31,083
Energy Policy Seminar FY '07	81.XXX	-	7,764	-	7,764
ACE Workshop	81.XXX	59,563	-	-	59,563
Bioprocess Agricultural Waste Water	81.XXX	33,219	-	-	33,219
Carbon Sequestration in Mafic Rocks	81.XXX	21,975	-	-	21,975
Suitability of Layered Basalt	81.XXX	24,062	-	-	24,062
Seismic Reflection Testing	81.XXX	98,867	-	-	98,867
INL Plasma Sintering	81.XXX	287,158	-	-	287,158
Literature Search, Study, Survey	81.XXX	5,149	-	-	5,149
Societal Nuclear Research LDRD	81.XXX	66,159	-	-	66,159
Novel Nanostructured Materials	81.XXX	89,965	-	-	89,965
Novel Nanostructured Materials	81.XXX	22,028	-	-	22,028
INRA SSRI Course Development 2007-2008	81.XXX	-	10,345	-	10,345
INRA Geophysics Workshop 2007-2008	81.XXX	-	15,320	-	15,320
SSGP Course Evaluation 2007-2008	81.XXX	-	3,179	-	3,179
INRA SSRI Dean Year 6 2007-2008	81.XXX	-	3,148	-	3,148
Design & Synthesis of Novel Chelators	81.XXX	24,415	-	-	24,415
Detector for Peractinon Ion	81.XXX	2,426	-	-	2,426
INRA Chronic Stress Ecosystems	81.XXX	1,845	-	-	1,845
Algorithm Development	81.XXX	31,703	-	-	31,703
Total U.S. Department of Energy		\$ 1,979,329	\$ 215,932	\$ -	\$ 2,195,261

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number		Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION:					
Direct Programs:					
Federal Pell Grants	84.063	(1) \$	-	\$ 14,272,478	\$ 14,272,478
Federal Supplemental Educational Opportunity Grants	84.007	(1)	-	502,538	502,538
Direct Subsidized Loans	84.268	(1)	-	28,427,929	28,427,929
Direct Unsubsidized Loans	84.268	(1)	-	23,079,750	23,079,750
Direct Parent Loans	84.268	(1)	-	1,397,564	1,397,564
Federal Perkins Loans	84.038	(1)	-	2,067,443	2,067,443
Federal College Work-Study (CWS)	84.033	(1)	-	564,829	564,829
Federal CWS Job Location Development (JLD)	84.033	(1)	-	42,734	42,734
Federal ACG	84.375	(1)	-	369,308	369,308
Federal SMART	84.376	(1)	-	367,023	367,023
Basque Studies Minority	84.016		-	5,025	5,025
Student Success Program	84.042		-	52,558	52,558
Student Success Program 2007-2008	84.042		-	278,954	278,954
ETS I 2006-2007	84.044		-	68,143	68,143
ETS II 2006-2007	84.044		-	33,203	33,203
ETS I - Year 1	84.044		-	389,621	389,621
ETS II - Year 1	84.044		-	186,919	186,919
Upward Bound 2006-2007	84.047		-	153,571	153,571
Upward Bound Nampa & Caldwell 2007-2008	84.047		-	233,070	233,070
Upward Bound Duck Valley 2007-2008	84.047		-	121,756	121,756
Upward Bound III Boise 2007-2008	84.047		-	128,461	128,461
Upward Bound IV Meridian 2007-2008	84.047		-	106,509	106,509
HEP	84.141		-	36,546	36,546
HEP - Year 4	84.141		-	497,283	497,283
CAMP 5/00	84.149A		-	546	546
CAMP	84.149A		-	65,066	65,066
CAMP - Year 4	84.149A		-	379,103	379,103
Prevention of Drinking Freshman	84.184		-	84,942	84,942
Graduate Bilingual - Year 1	84.195		-	123,361	123,361
McNair Program Year 4	84.217		-	89,256	89,256
McNair Scholars Program 2007-2008	84.217		-	143,769	143,769
Improving Metacomprehension	84.305		223,524	-	223,524
Pass Through Payments:					
ABE Federal	84.002A		-	337	337
ABE EI Civics	84.002A		-	(107)	(107)
ABE Federal	84.002		-	6,834	6,834
ABE Staff Development	84.002		-	(299)	(299)
ABE Incarcerated	84.002		-	4,291	4,291
ABE EI Civics	84.002		-	(1,440)	(1,440)
ABE Federal	84.002		-	375,206	375,206

(continued)

See notes to schedule

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research No Expenditures	nresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued):				
Pass Through Payments (continued)				
ABE Staff Development	84.002	\$ -	\$ 20,733	\$ 20,733
ABE EI Civics FY '08	84.002	-	39,996	39,996
ABE Incarcerated FY '08	84.002	-	9,398	9,398
ABE Federal FY '09	84.002	-	10	10
SW Regional Special Ed FY '07	84.027	-	80,958	80,958
SW Regional Special Ed FY '08	84.027	-	598,878	598,878
ABE Main	84.048A	-	2,055	2,055
ABE Staff Development	84.048A	-	13	13
Instructional Equipment	84.048A	-	39,291	39,291
Student Organizations	84.048A	-	85	85
Carl Perkins Professional Development	84.048A	-	293	293
JSL Training/Blast Off FY '07	84.048A	-	3,856	3,856
Student Organizations FY' 08	84.048A	-	39,258	39,258
CND Non-Traditional FY' 08	84.048A	-	4,635	4,635
Perkins PACE - FY '08	84.048A	-	58,553	58,553
Perkins - Tutorial	84.048A	-	75,994	75,994
Perkins - Administration	84.048A	-	8,828	8,828
Perkins - Partnerships	84.048A	-	39,975	39,975
Perkins - Program Improvement	84.048A	-	27,954	27,954
End of Course Assessments	84.048A	-	1,108	1,108
Perkins - Professional Development	84.048A	-	17,572	17,572
Teaching American History	84.215	-	29,055	29,055
Teaching American History - Magic Valley	84.215	-	234,799	234,799
Teaching American History	84.215	-	101,114	101,114
Horticulture	84.243A	-	2,547	2,547
Tech Prep Revenue	84.243A	-	(669)	(669)
Tech Prep Region III FY '07	84.243A	-	1,222	1,222
Tech Prep Revenue FY '07	84.243A	-	1,863	1,863
ALP Region III FY '08	84.243A	-	83,826	83,826
ALP FY '08	84.243A	-	101,136	101,136
ALP Contribution	84.243A	-	13,511	13,511
ABE Going Home	84.331A	-	7,475	7,475
Transition to Teaching	84.350	-	3,333	3,333
Improving Elementary Math	84.366	-	41,113	41,113

(continued)

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Fiscal Year 2008

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	nonresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass Through Payments (continued)				
Develop Teachers Math Thinking	84.366	\$ -	\$ 243,146	\$ 243,146
Fostering Literacy Across Disciplines	84.367	86,922	-	86,922
National Writing Project	84.928	-	6,743	6,743
National Writing Project	84.928	-	(482)	(482)
National Writing Project	84.928	-	21,322	21,322
Special Ed Certification : Alternate Route	84.350B	-	17,586	17,586
Radar Network Center Support	84.186	-	14,821	14,821
NSD Tutoring Services 2007-2008	84.01	-	9,222	9,222
Response to Intervention Technical Assistance	84.324U	-	3,615	3,615
Caldwell Academy of Leadership 2	84.01	-	57,000	57,000
Idaho Capacity Builders - Mountain Home	84.01	-	58,216	58,216
Idaho Capacity Builders - Caldwell	84.01	-	73,596	73,596
Reading First 2007-2008	84.357	-	464,457	464,457
School Improvement Technical Assistance	84.377	-	157,849	157,849
Principals Academy Leadership	84.367	-	74,722	74,722
ICSN Charter Start! Workshops	84.282	-	9,213	9,213
Total U.S. Department of Education		<u>\$ 310,446</u>	<u>\$ 77,554,874</u>	<u>\$ 77,865,320</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct Programs:				
Center for the Study of Aging	93.048	\$ (3,315)	\$ -	\$ (3,315)
Center for the Study of Aging	93.048	8,187	-	8,187
Career Development	93.121	15,398	-	15,398
Type XI Collagen Isoforms	93.273	56,254	-	56,254
GAIN Project	93.359	-	70,089	70,089
R15 Area Award - Oncostatin	93.395	58,785	-	58,785
Evaluation of DNA Cross Linking	93.395	53,419	-	53,419
NIH Labrum	93.846	39,431	-	39,431
Altered cAMP Regulation of CD40L in Asthma	93.855	49,346	-	49,346
Pass Through Payments:				
ICOA 2008 Needs Assessment B	93.044	4,228	-	4,228
Evaluation BOEOS	93.104	-	47,623	47,623
Insurance Financing	93.213	32,733	-	32,733
Tobacco/Prevention/Control FY '04	93.238	-	335	335
ID Pandemic Preparedness Plan	93.283	1,435	-	1,435
H & W Tobacco Prevention	93.283	-	16,408	16,408
Arthritis Grant Writing Assistance	93.283	-	2,913	2,913
NIH Subcontract from WSU	93.286	(1,730)	-	(1,730)
Health Disparities Intervention	93.307	73,744	-	73,744
INBRE Yr 2 - Knowlton	93.389	27	-	27
INBRE Yr 3 - Oxford	93.389	13,871	-	13,871

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Fiscal Year 2008

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonresearch		Total
		Expenditures	Expenditures	
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued):				
Pass Through Payments (continued)				
INBRE Yr 3 - Jorcyk	93.389	\$ (2,294)	\$ -	\$ (2,294)
INBRE Yr 3 - Rohn	93.389	394	-	394
INBRE Yr 3 - Charlier	93.389	1,402	-	1,402
INBRE Yr 3 - Knowlton	93.389	691	-	691
INBRE Yr 4 - Oxford	93.389	264,065	-	264,065
INBRE Yr 4 - Jorcyk	93.389	72,832	-	72,832
INBRE Yr 4 - Rohn	93.389	76,360	-	76,360
INBRE Yr 4 - Charlier	93.389	75,795	-	75,795
INBRE Yr 4 - Knowlton	93.389	48,530	-	48,530
INBRE Yr 4 - Oxford 2	93.389	76,142	-	76,142
INBRE Summer Scholars Program	93.389	18,721	-	18,721
INBRE Yr 5 - Oxford	93.389	21,627	-	21,627
INBRE Yr 5 - Jorcyk	93.389	18,623	-	18,623
INBRE Yr 5 - Rohn	93.389	14,457	-	14,457
INBRE Yr 5 - Charlier	93.389	20,837	-	20,837
INBRE Yr 5 - Oxford 2	93.389	27,223	-	27,223
INBRE Yr 5 - Knowlton	93.389	9,761	-	9,761
Job Education Training	93.558	-	52,929	52,929
Child Welfare Stipend Programs	93.658	-	215,197	215,197
Foster Parent Training Program	93.658	-	23,292	23,292
Academy Training Contract	93.658	-	46,982	46,982
Child Welfare Center Contract	93.658	-	46,098	46,098
Foster Parent Training Contract	93.658	-	119,382	119,382
Academy Training Contract II	93.658	-	202,621	202,621
CW Center Contract II	93.658	-	248,489	248,489
Bypassing Fluidics Proteomic	93.859	(530)	-	(530)
Bypassing Fluidics Proteomic	93.859	1,272	-	1,272
ID Nursing Workforce Center 2	93.888	16,088	-	16,088
HFAY Rural Outreach	93.912	34,614	-	34,614
Nursing Recruit & Retention	93.912	77	-	77
Idaho RADAR Network Center	93.959	-	1,871	1,871
Idaho RADAR Network Center FY '08	93.959	-	145,331	145,331
ISU GRA Position for YSP	93.XXX	(1,109)	-	(1,109)
Rural Workforce Assessment	93.XXX	2,045	-	2,045
Premium Assistance Program	93.XXX	(823)	-	(823)
Rural Family Physician Workforce - II	93.XXX	2,867	-	2,867
Total U.S. Department of Health and Human Svcs		\$ 1,201,480	\$ 1,239,560	\$ 2,441,040

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Fiscal Year 2008

## BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research No Expenditures	nresearch Expenditures	Total Expenditures
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
Pass Through Payments				
L & S Promising Practice	94.005	\$ -	\$ 29,250	\$ 29,250
Students In Service	94.007	-	663	663
Total Corporation for National and Community Service		<u>\$ -</u>	<u>\$ 29,913</u>	<u>\$ 29,913</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Direct Programs				
Buffer Zone Protection Program	97.067	\$ -	\$ 41,063	\$ 41,063
Pass Through Payments				
NFA Training FY '07	97.043	-	289	289
NFA Training FY '08	97.043	-	11,641	11,641
Total U.S. Department of Homeland Security		<u>\$ -</u>	<u>\$ 52,993</u>	<u>\$ 52,993</u>
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT:				
Direct Programs:				
Reconstruct Fire/Dist Sawtooth	98.XXX	\$ 5,954	\$ -	\$ 5,954
Pass Through Payments:				
Sustain. Mgmt. of Watersheds	98.XXX	4,550	-	4,550
Total United States Agency for Intl Dev		<u>\$ 10,504</u>	<u>\$ -</u>	<u>\$ 10,504</u>
Total Federal Expenditures		<u>\$ 11,418,283</u>	<u>\$ 83,112,435</u>	<u>\$ 94,530,718</u>

(1) Student Financial Aid Cluster combined and tested as a major program.

See notes to schedule

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Fiscal Year 2008

## BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. UNIVERSITY ADMINISTERED LOAN PROGRAMS**

The University administers the following loan programs:

Loan Program	Number	Loan Balances
Federal Perkins	84.038	\$ 10,833,733
Nursing Student		\$ 5,756

Total loan expenditures and disbursements of the Department of Education (Perkins) student financial assistance programs for the year ended June 30, 2008 are identified below:

Loan Program	Number	Loan Disbursements
Federal Perkins	84.038	\$ 2,067,443

The expenditures reported in the Schedule of Expenditures of Federal Awards include the administrative cost allowances, Federal Capital Contribution and Institutional Capital Contribution for the year ended June 30, 2008.

## BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 20083. **SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as follows:

<b>Program N</b>	<b>Federal CFDA umber</b>	<b>Amount Provided to Subrecipients</b>
EDA General FY '07	11.303	\$ 16,203
EDA General FY '07	11.303	89,197
NIST General FY '08	11.611	146,530
Depsco Micro-Propulsion	12.800	12,976
DARPA FY '05	12.910	467,611
DNA Safeguard Project	12.XXX	204
NSF Timing, Cond, Rates of Thr	47.050	4,393
SBA CY '07	59.037	209,930
SBA CY '08	59.037	118,078
EPA Dashboard Grant	66.463	29,485
EPA Multi-Purpose Sensors	66.606	52,145
DOE WIND ENERGY	81.087	8,711
DOE Grant	81.121	52,103
Improving Metacomprehension	84.305	61,924
GAIN Project	93.359	2,603
Eval of DNA Cross Linking	93.395	20,961
DOL Lean Mfg for Food	17.261	46,249
SW Regional Special Ed FY '07	84.027	4,540
SW Regional Special Ed FY '08	84.027	15,124
Fostering Literacy Across Districts	84.367	31,085
Caldwell Academy of Leadership 2	84.XXX	41,000
Idaho Capacity Builders-Caldwell	84.XXX	4,548
INBRE Yr 4 - Jorcyk	93.389	21
INBRE Yr 4 - Rohn	93.389	10,000
		<hr/>
Total Subrecipients		\$ 1,445,621

**APPENDIX B****SCHEDULE OF STUDENT FEES**

The following table sets forth the Student Fees of the University at the rates in effect for the current fiscal year. The amounts shown as Estimated Annual Revenue reflect the University's estimates based on actual collections for the summer term and fall semester of 2008 and estimates of collections for the spring semester of 2009. The University's estimates include certain assumptions concerning refunds, late fees and other variables with respect to individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University's best estimate of fee revenues.

Students taking eight or more credit hours pay University fees as full-time students, and the revenues from such students are included in the "Full Time Fees" column. However, the number of students treated as full-time for this calculation is greater than the number of full time students shown in the body of the Official Statement under "THE UNIVERSITY—Selected Statistical Information Concerning the Student Body" because the University's registrar categorizes as "full-time" those students taking 12 or more credit hours. The number of students used to calculate Estimated Annual Revenue is also less than the total number of full-time-equivalent students as a result of the University's policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. The State Board of Education has amended this policy, effective fall semester 2009, to redefine full-time undergraduate students as 12 credits.

**SCHEDULE OF STUDENT FEES  
FOR THE FISCAL YEAR ENDING JUNE 30, 2009\***

	FULL TIME FEES		PART TIME FEES			TOTAL ESTIMATED ANNUAL REVENUE
	RATE PER SEMESTER	ESTIMATED ANNUAL REVENUE	RATE PER CREDIT HOUR	RATE PER CREDIT HOUR	ESTIMATED ANNUAL REVENUE	
	Fall and Spring		Summer	Fall and Spring		
<b>TUITION</b>	<u>\$1,445.30</u>	<u>\$38,540,413</u>	<u>\$153.45</u>	<u>\$156.57</u>	<u>\$10,653,950</u>	<u>\$49,194,363</u>
<b>FACILITY FEES</b>						
Student Building Fee (1)	99.00	2,639,937	9.00	9.00	617,349	3,257,286
Capital Expenditure Reserve Fee	5.00	133,330	0.00	0.00	0	133,330
SUB Construction Fee (1)	27.00	719,983	2.70	2.70	185,205	905,188
Residence Hall Construction Fee	57.00	1,519,964	5.70	5.70	390,988	1,910,952
Recreation Facility Fee (1)	65.00	1,733,292	6.50	6.50	445,863	2,179,155
Facilities Fee	210.00	5,599,866	16.00	20.50	1,282,331	6,882,197
Health and Wellness Ctr. Facility Fee	<u>40.00</u>	<u>1,066,641</u>	<u>4.00</u>	<u>4.00</u>	<u>274,378</u>	<u>1,341,019</u>
Subtotal Facility Fees	<u>503.00</u>	<u>13,413,013</u>	<u>43.90</u>	<u>48.40</u>	<u>3,196,114</u>	<u>16,609,127</u>
<b>TECHNOLOGY FEES</b>						
Student Support System Tech Fee	23.00	613,319	2.40	2.40	164,627	777,946
Technology Fee-Computer Labs	<u>27.25</u>	<u>726,649</u>	<u>3.00</u>	<u>3.00</u>	<u>205,783</u>	<u>932,432</u>
Subtotal Technology Fees	<u>50.25</u>	<u>1,339,968</u>	<u>5.40</u>	<u>5.40</u>	<u>370,410</u>	<u>1,710,378</u>
<b>ACTIVITY FEES</b>						
Intercollegiate Athletics	98.00	2,613,271	0.00	6.65	273,125	2,886,396
Student Health Center	39.50	1,053,308	3.60	4.10	267,475	1,320,783
Student Union Operations	87.50	2,333,278	8.25	9.25	606,975	2,940,253
Associated Student Body	12.80	341,325	1.60	1.28	96,608	437,933
University News	2.50	66,665	0.50	0.25	24,029	90,694
Student Program Board	7.00	186,662	0.50	0.50	34,297	220,959
BSU Radio	2.00	53,332	0.00	0.00	0	53,332
Campus Recreation	30.25	806,647	3.90	3.05	232,607	1,039,254
Drama, Music and Theatre Arts	1.50	39,999	0.00	0.00	0	39,999
Alumni Activities	3.50	93,331	0.00	0.35	14,375	107,706
Scholarships	8.00	213,328	0.00	0.00	0	213,328
Child Center	7.00	186,662	0.35	0.70	38,383	225,045
Volunteer Services Board	1.90	50,665	0.10	0.10	6,859	57,524
Distinguished Lecture Series	2.00	53,332	0.20	0.20	13,719	67,051
Marching Band	6.50	173,329	0.00	0.65	26,696	200,025
Student Radio	2.00	53,332	0.20	0.20	13,719	67,051
Spirit Squad	2.00	53,332	0.00	0.00	0	53,332
Cultural Center	<u>3.50</u>	<u>93,331</u>	<u>0.05</u>	<u>0.35</u>	<u>15,751</u>	<u>109,082</u>
Subtotal Activity Fees	<u>317.45</u>	<u>8,465,129</u>	<u>19.25</u>	<u>27.63</u>	<u>1,664,618</u>	<u>10,129,747</u>
<b>TOTAL GENERAL FEES—RESIDENT</b>	<u>\$2,316.00</u>	<u>\$61,758,523</u>	<u>\$222.00</u>	<u>\$238.00</u>	<u>\$15,885,092</u>	<u>\$77,643,615</u>
<b>OTHER FEES/TUITION</b>						
Graduate/Professional	436.00	421,725		47.00	353,213	774,938
Student Health Insurance (2)	697.00	0				
Non-resident Tuition	4,288.00	12,643,572		75.00	203,779	12,847,351
Non-resident Tuition Waivers						
Western Undergraduate Exchange Fee	1,158.00	496,782				496,782
In-service				78.00	210,356	210,356
Course Overload Credit Hour Fee	238.00	197,716				197,716
Self Support Programs	Various	<u>2,762,232</u>			<u>515,265</u>	<u>3,277,497</u>
Subtotal General Education Fees	<u>6,817.00</u>	<u>16,522,027</u>			<u>1,282,613</u>	<u>17,804,640</u>
<b>TOTAL FEES</b>		<u>\$78,280,550</u>			<u>\$17,167,705</u>	<u>\$95,448,255</u>

- \* Includes actual fees and revenues for the summer 2008 term and the fall 2008 semester, and estimated fees and revenues for the spring 2009 semester.
- (1) Pledged on a subordinate basis until retirement of the Student Fee Bonds, which mature on April 1, 2009.
- (2) Student Health Insurance revenues are not included as Pledged Revenues because such revenues are transferred to the insurance carrier and are not a revenue source for the University.

## APPENDIX C

**GLOSSARY OF TERMS USED  
IN THE RESOLUTION AND OFFICIAL STATEMENT**

The following is a summary of certain terms used in the Resolution and the Official Statement. Reference is made to the Resolution for full details of all the terms upon which Series 2009A Bonds are issued and the Pledged Revenues are applied.

*“Accountant’s Certificate”* means a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the University and acceptable to the Trustee (which acceptance shall not be unreasonably withheld), who may be the accountant or firm of accountants who regularly audit the books of the University, *provided* that, if the Trustee shall fail to so accept, it shall deliver to the University a statement of its reasons for such non-acceptance.

*“Act”* means the Educational Institutions Act of 1935, codified in Title 33, Chapter 38, Idaho Code, as the same shall be amended from time to time.

*“Activity Fees”* shall include such fees designated and set from time to time by the Board or the University, imposed upon each full-time and part-time on-campus student in attendance at the University. Currently such fees include: intercollegiate athletics, student health center, student union and housing operations, associated student body, university news, student program board, BSU radio, campus recreation, drama, music and theater arts, alumni activities, scholarships, outdoor program, child care center operations, service learning program, volunteer services board, student identification system, distinguished lecture series, and marching band. Although described as an Activity Fee in certain University documents, revenues from student fees collected for student health insurance which are paid to a third-party vendor are not included in the definition of Activity Fees for purposes of generating Pledged Revenues under the Resolution.

*“Additional Bonds”* means any bonds which the University may issue pursuant to the Resolution, secured by all or a portion of the Pledged Revenues, as may be amended from time to time.

*“Authorized Officer of the University”* means the Bursar or a representative designated by the Bursar.

*“Auxiliary Enterprises”* means all facilities of the University generating Sales and Services Revenues, including the System.

*“Beneficial Owner(s)”* means the owners of any Bonds whose ownership is recorded under the Book-Entry System maintained by the Securities Depository.

“*Board*” means the Board of Trustees of the University.

“*Bond Fund*” means the fund by that name created under the Resolution, consisting of (1) a Debt Service Account and (2) a Debt Service Reserve Account.

“*Bonds*” means all Bonds issued pursuant to the Resolution.

“*Bursar*” means the officer so designated by the University as chief financial officer of the University, currently the Vice President for Finance and Administration of the University, including any acting Bursar designated by the University.

“*Business Day*” means a day, other than Saturday or Sunday, on which banks located in the states of Idaho, Minnesota, Utah and Washington or in any city where the principal corporate trust office of the Trustee is located, are open for the purpose of conducting commercial banking business.

“*Capital Expenditure Reserve Fee*” means the fee assessed against full-time and part-time students at the University, as said fee now exists and may hereafter be revised by the Board.

“*Cede & Co.*” means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“*Code*” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the regulations promulgated thereunder.

“*Construction Fund*” means the fund by that name created under the Resolution, from which the Costs of Issuance and the Costs of Acquisition and Construction of a Project shall be paid.

“*Consultant’s Report*” means a report signed by an independent financial consultant or other independent consultant, selected by the University and approved by the Trustee (which approval shall not unreasonably be withheld), as may be appropriate to the subject of the report, and including:

- i. a statement that the person or firm making or giving such report has read the pertinent provisions of the Resolution to which such report relates;
- ii. a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and
- iii. a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or other independent consultant to express an informed opinion with respect to the subject matter referred to in the report.

“*Cost(s) of Issuance*” means printing, rating agency fees, legal fees, underwriting fees, fees and expenses of the Trustee, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of a Series of Bonds.

“*Cross-over Date*” means with respect to Cross-over Refunding Bonds the date on which the principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“*Cross-over Refunded Bonds*” means Bonds refunded by Cross-over Refunding Bonds.

“*Cross-over Refunding Bonds*” means Bonds issued for the purpose of refunding Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of state law requirements, to secure the payment on an applicable Redemption Date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“*Debt Service*” for any period means, as of any date of calculation, an amount equal to the Principal Installment and interest accruing during such period on the Bonds, plus any Payment due under a Parity Payment Agreement. Such Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installment on the Bonds on the due date thereof. For any Series of Variable Rate Bonds bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such Series of Variable Rate Bonds will bear interest at a fixed rate equal to the higher of (i) the average of the variable rates applicable to such Series of Variable Rate Bonds during any twenty-four month period ending within 30 days prior to the date of computation, or (ii) 110% of the *Bond Buyer 25 Revenue Bond Index* most recently published prior to the computation date but bearing interest at a fixed rate. There shall be excluded from “Debt Service” (i) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, and (ii) principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 57-504, Idaho Code, and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal.

“*Debt Service Account*” means the account of that name created within the Bond Fund under the Resolution.

“*Debt Service Reserve Account*” means the account of that name created within the Bond Fund under the Resolution.

“*DTC*” means The Depository Trust Company, New York, New York.

“*DTC Participants*” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“*Estimated Pledged Revenues*” means, for any year, the estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changes to the (i) schedule of fees for use of the System, (ii) the Student Union and Housing Fee, or (iii) other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of Bonds in connection with which an estimate is made. In estimating Operation and Maintenance Expenses, recognition shall be given to any other revenues which may be designated by the Board, and to any anticipated change in the Operation and Maintenance Expenses. Amounts reasonably anticipated to be paid from sources other than Pledged Revenues may be excluded from the estimated Operation and Maintenance Expenses.

“*Estimated Revenues Available for Debt Service*” means, for any year, the Revenues Available for Debt Service for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Revenues Available for Debt Service, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a Series of Bonds in connection with which an estimate is made.

“*Event of Default*” means one or more of the events described under the caption, “Events of Default” in APPENDIX D.

“*F&A Recovery Revenues*” means the revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University.

“*Facility Fees*” shall consist of the Student Building Fee, the Student Union and Housing Fee, the Capital Expenditure Reserve Fee and Recreation Facility Fee.

“*Fiscal Year*” means the annual accounting period of the University, beginning July 1 in a year and ending June 30 of the following year.

“*General Account Appropriated Funds*” means general account appropriated funds of the State of Idaho which in accordance with governmental accounting standards and the University’s audited financial statements are treated as non-operating revenues and accordingly such revenues are not included in the definition of Other Operating Revenues for purposes of generating Pledged Revenues under the Resolution, and in any event are excluded from Pledged Revenues.

*“General Education Fees”* shall consist of the part-time credit hour fee, graduate/professional fee, tuition, the western undergraduate exchange fee, the in-service fee, the overload fee, and such other fees as the University shall hereafter establish.

*“Generally Accepted Accounting Principles”* means those accounting principles applicable in the preparation of financial statements of business corporations as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

*“Investment Income”* shall include investment earnings on all University funds and accounts.

*“Investment Securities”* means any securities authorized to be acquired by the Treasurer of the State of Idaho pursuant to Section 67-1210 and 67-1210A, Idaho Code, or any successor Code section specifying legal investments.

*“Mandatory Redemption Amount”* means the mandatory deposits established under the related Supplemental Resolution.

*“Matriculation Fee”* means the general education fee charged for maintenance and operation of physical plant, student services, and institutional support for full-time students enrolled in academic credit courses and professional-technical education pre-employment, preparatory programs, as said fee now exists and may hereafter be revised by the Board.

*“Maximum Annual Debt Service”* means an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Fiscal Year.

*“Net Proceeds,”* when used with reference to any Series of Bonds, means the aggregate principal amount of the Series of Bonds, less the Costs of Issuance.

*“Operation and Maintenance Expenses”* with respect to the Auxiliary Enterprises, means all actual operation and maintenance expenses incurred by the University in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but only if such charges are made in conformity with Generally Accepted Accounting Principles.

Operation and Maintenance Expenses include, but are not limited to, costs for ordinary repairs, renewals and replacements of the Auxiliary Enterprises, for salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, fees and charges of financial, banking or other institutions for letters of credit, standby credit facilities, reimbursement agreements and remarketing, indexing and tender agent agreements to secure any Series of Bonds, training of personnel, taxes and other governmental charges imposed by other than the University, fuel costs, and any other current expenses or

obligations required to be paid by the University under the provisions of the Resolution or by law, all to the extent properly allocable to the Auxiliary Enterprises.

Notwithstanding the first sentence of this definition, Operation and Maintenance Expenses do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment or amortization of principal of bonded or other indebtedness of the University; costs or charges which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any part of the Auxiliary Enterprises or such property items which are capitalized pursuant to the then existing accounting practice of the University.

*“Other Operating Revenues”* means revenues received by the University generated from miscellaneous sources, *i.e.*, certain non-auxiliary advertising, vending in non-auxiliary facilities, postage and printing.

*“Outstanding,”* when used with reference to the Bonds, as of any particular date, means the Bonds which have been issued, sold and delivered under the Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) for the payment or redemption of which there has been separately set aside and held money for the payment thereof.

*“Payment Date”* means the date upon which a payment of Debt Service on the Bonds shall be due and payable.

*“Pledged Revenues”* means (i) Student Fees, (ii) Sales and Services Revenues, (iii) the F&A Recovery Revenues, (iv) Other Operating Revenues, (v) Investment Income, and (vi) such other revenues as the Board shall designate as Pledged Revenues. Notwithstanding the definitions set forth above and, in particular, notwithstanding clause (vi) of paragraphs A, B, C and D above, in no event shall Pledged Revenues include (i) General Account Appropriated Funds or (ii) Restricted Fund Revenues.

*“President”* means the president of the Board.

*“Principal Installment”* means, as of any date of calculation and with respect to any Series of Bonds then Outstanding, (A) the principal amount of Bonds of such Series due on a certain future date for which no Mandatory Redemption Amounts have been established, or (B) the unsatisfied balance of any Mandatory Redemption Amount due on a certain future date for Bonds of such Series, plus the amount of the mandatory redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to such unsatisfied balance of such Mandatory Redemption Amount, or (C) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Mandatory Redemption Amount due on such future date plus such applicable redemption premiums.

“*Private Person*” means any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

“*Private Person Use*” means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

“*Project*” means any “project”, as defined in the Act, that is financed with the proceeds of Bonds issued under the Resolution.

“*Project Account*” means an account established by the University within the Construction Fund for a Project.

“*Rebate Fund*” means the fund by that name established by the Resolution.

“*Record Date*” means the 15th day of the calendar month next preceding any interest payment date.

“*Recreation Facility Fee*” means the Recreation Facility Fee designated and set from time to time by the Board, imposed upon each full-time and part-time on-campus student in attendance at the University.

“*Registered Owner or Owner(s)*” means the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of the Resolution.

“*Resolution*” or “*Original Resolution*” means the Resolution adopted by the Board on September 17, 1992, providing for the issuance of General Revenue Bonds, as from time to time amended and supplemented by Supplemental Resolutions.

“*Restricted Fund Revenues*” means all revenues that the University is obligated to spend in accordance with restrictions imposed by external third parties, such as revenues from grants, contracts, gifts and scholarships.

“*Revenue Fund*” means the fund by that name established under the Resolution.

“*Revenues Available for Debt Service*” means:

A. Revenues in clauses (i), (iii), (iv), (v), and (vi) of the subsection of the definition of Pledged Revenues then in effect (*i.e.*, subsection A, B, C or D); and

B. Revenues in clause (ii) of the subsection of the definition of Pledged Revenues then in effect, less Operation and Maintenance Expenses of the Auxiliary Enterprises.

“*Sales and Services Revenues*” means all revenues generated through operations of the Auxiliary Enterprises, including revenues of the System. These revenues include revenues generated through housing and student union operations; bookstore sales; event sales from the Pavilion, Bronco Stadium, Morrison Center and Select-a-seat; parking charges; recreation center activity charges; and other miscellaneous operations. Sales and Services Revenues also include revenues generated incidentally to the conduct of instruction, research and public service activities, such as unrestricted revenues generated by the University’s public radio station, testing services provided by University labs, and sales of scientific and literary publications.

“*Secretary*” means the secretary of the Board.

“*Securities Depository*” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to the Resolution.

“*Service and Activity Fees*” shall consist of the Facility Fees, the Activity Fees, and the Technology Fees, and such other fees as the University shall hereafter establish and impose upon each full-time and part-time student in attendance at the University.

“*Student Building Fee*” or “*General Building Fee*” means the Student Building Fee designated and set from time to time by the Board, imposed upon each full-time and part-time on-campus student in attendance at the University.

“*Student Fees*” shall consist of the Matriculation Fee, the Service and Activity Fees, and the General Education Fees.

“*Student Union and Housing Fee*” means the fee established by the Board, the revenues of which are Pledged Revenues for the Bonds, as said fee now exists and may hereafter be revised by the Board.

“*Student Union and Housing System*” or “*System*” means the University’s system of (i) dormitory, apartment and family student housing facilities, and facilities related thereto; (ii) the University’s Student Union Building; and (iii) all other housing, dining, student union and related auxiliary facilities which may hereafter be added to the Student Union and Housing System.

“*Supplemental Resolution*” means any resolution amending or supplementing the terms of the Resolution in full force and effect which has been duly adopted and approved by the University under the Act, but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

“*Technology Fees*” shall include the technology fee charged for campus technology enhancements and operations and the student support system fee, as assessed against full-time and part-time students at the University, and as said fees now exist and may hereafter be revised by the Board or the University.

“*Trustee*” means U.S. Bank National Association, Salt Lake City, Utah, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2009A Bonds, or its successors in functions, as now or hereafter designated.

“*University*” means Boise State University, a body politic and corporate established pursuant to Section 33-4001, Idaho Code.

“*Variable Rate Bonds*” means as of any date of calculation, Bonds, the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate that is not susceptible of precise determination.

“*Written Certificate of the University*” means an instrument in writing signed on behalf of the University by a duly authorized officer thereof. Every Written Certificate of the University, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Resolution to which such certificate, request, statement or opinion relates; (B) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based; (C) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (D) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

## APPENDIX D

### SUMMARY OF PROVISIONS OF THE RESOLUTION

The following is a summary of certain provisions contained in the Resolution and is not to be considered as a full statement thereof. Reference is made to the Resolution for full details of all the terms upon which Series 2009A Bonds are issued and the application of the Pledged Revenues. The Resolution, including all Supplemental Resolutions, are on file at the office of the University, 1910 University Drive, Room 210, Boise, Idaho 83725. See also “THE SERIES 2009A BONDS” and “SECURITY FOR THE SERIES 2009A BONDS” in the body of the Official Statement.

#### ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

*Establishment of Funds.* The following funds are established under the Resolution:

- i. Revenue Fund, to be held by the University;
- ii. Construction Fund, to be held by the University;
- iii. Bond Fund, consisting of a (a) Debt Service Account and (b) a Debt Service Reserve Account (which is not required under the Resolution to be funded), to be held by the Trustee; and
- iv. Rebate Fund, to be held by the University.

The Trustee and the University may establish one or more subaccounts within such funds from time to time as shall be necessary.

*Revenue Fund; Debt Service Account; Flow of Funds.* The University shall deposit all Pledged Revenues into the Revenue Fund. Moneys in the Revenue Fund shall be transferred to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment, on or before each Payment Date, the amount of Debt Service payable on such date.

Amounts remaining in the Revenue Fund at the end of any Fiscal Year in excess of the amounts necessary to make the payments required above may be applied by the University, free and clear of the lien of the Resolution, to the extent permitted by law, (i) to the redemption of Bonds, or (ii) for any other lawful purpose of the University.

*Construction Fund.* Bond proceeds to be used for construction costs and Costs of Issuance relating to a Project shall be deposited in the applicable Project Account in the

Construction Fund. Income received from the investment of moneys in any Project Account in the Construction Fund shall be credited to such Project Account. Upon completion of any Project, the relevant Project Account shall be closed, and all remaining amounts in the Project Account shall be transferred to the Debt Service Account in the Bond Fund.

Before any payment is made from any Project Account in the Construction Fund, the University shall execute a Written Certificate showing, with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that, insofar as any such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

*Investment of Funds.* Moneys held in any Fund or Account shall be invested and reinvested by the University or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund or Account.

#### ADDITIONAL BONDS

Prior to the issuance of Additional Bonds, the University shall file with the Trustee the following documents:

- i. A copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds.
- ii. A Written Certificate of the University to the effect that, upon delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution with respect to any Bonds Outstanding.
- iii. For so long as any of the Pre-2003 Bonds are Outstanding, a Consultant's Report, and at any time that all of the Pre-2003 Bonds shall cease to be Outstanding, a Written Certificate signed by an Authorized Officer of the University, in either case setting forth the then estimated completion date and the then estimated cost of construction of the Project being financed by the Additional Bonds.
- (iv) A Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated completion date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (1) each of the Fiscal Years of the University during which any of the Bonds or Additional Bonds will be Outstanding following the estimated completion date of the

Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized, or (2) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds or Additional Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized (the "*Additional Bonds Certificate*").

*Refunding Bonds.* The University may issue Additional Bonds for the purpose of refunding any Outstanding Bonds issued under the Resolution, *provided* that the Debt Service in each year on the refunding bonds does not exceed by more than \$25,000 the Debt Service on the Bonds being refunded. The University may also issue Additional Bonds for the purpose of refunding any other obligations of the University, *provided* that the University shall file with the Trustee the following documents:

(i) A copy of the Supplemental Resolution that shall authorize the issuance of the Additional Bonds and that shall provide that any revenues securing such obligations to be refunded shall become part of the Pledged Revenues securing the Bonds issued under the Resolution;

(ii) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution; and

(iii) The Additional Bonds Certificate described above.

#### COVENANTS OF THE UNIVERSITY

*Punctual Payment of Bonds.* The University will punctually pay or cause to be paid the principal or redemption price and the interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Resolution.

*Covenant Regarding Pledged Revenues.* The University shall establish and maintain the Pledged Revenues sufficient, together with other Pledged Revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Revenues Available for Debt Service in each Fiscal Year equal to not less than 110% of the Debt Service on the Bonds Outstanding for each such Fiscal Year.

*Existence of University.* The University will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

*Accounts and Reports.* The University will at all times keep, or cause to be kept, proper books of record and accounts in accordance with generally accepted accounting principles in which complete and accurate entries shall be made of all transactions relating to the System and the Pledged Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or the Registered Owners of not less than five percent of the Bonds then Outstanding, or their representatives authorized in writing.

The University will place on file with the Trustee promptly upon the receipt thereof by the University and in any event annually within six months after the close of each Fiscal Year, a copy of its annual audit report covering the operations of the University and certified by a Certified Public Accountant. Such report shall provide such information as is necessary to evidence compliance with applicable agreements and covenants made by the University in the Resolution.

The University shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default under the Resolution, a Written Certificate of the University specifying such Event of Default; and (ii) no later than 120 days following the end of each Fiscal Year, a Written Certificate of the University stating that, to the best of the knowledge and belief of the authorized officer of the University executing such Written Certificate, except for any Event of Default then existing which shall have been specified in the Written Certificate of the University referred to in (i) above, the University has kept, observed, performed, and fulfilled each and every one of its covenants and obligations contained in the Resolution, and there does not exist at the date of such Written Certificate any Event of Default by the University under the Resolution or other event which, with the lapse of time specified in the Resolution, would become an Event of Default, or, if any such Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

*Compliance with the Resolution.* The University will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Resolution, and will not suffer or permit any default to the Resolution, but will faithfully observe and perform all the covenants, conditions, and requirements thereof. The University will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or facilitate the performance of the Resolution, and for better assuring and confirming unto the Registered Owners of the Bonds of the rights, benefits, and security provided in the Resolution.

*Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds.* The University is duly authorized under all applicable laws to issue the Bonds and to adopt the Resolution and to pledge the Pledged Revenues and other moneys, securities, and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the University in accordance with their terms and the terms of the Resolution. The University shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the Pledged Revenues and other moneys, securities, and funds pledged under the Resolution and all the rights of the Registered Owners under the Resolution against all claims and demands of all persons whomsoever.

*Power to Own and Operate the System and Collect Fees.* The University has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and operate the System and to fix and collect the Pledged Revenues.

*Tax Covenants.* The University covenants for the benefit of the Owners of any tax-exempt Bonds (“*Tax-Exempt Bonds*”) that it will not take any action or omit to take any

action with respect to Tax-Exempt Bonds, the proceeds thereof, any other funds of the University, or any Project if such action or omission (i) would cause the interest on the Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103(a) of the Code, (ii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from State taxable income under present State law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Tax-Exempt Bonds until the date on which all obligations of the University in fulfilling the above covenant under the Code have been met. The University agrees to comply with all of its covenants set forth in any tax certificate with respect to any Series of Tax-Exempt Bonds.

#### MODIFICATION OR AMENDMENT OF RESOLUTION

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (i) of the Registered Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least 60% in principal amount of the Bonds of each Series so affected and then Outstanding, and (iii) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least 60% in principal amount of the Bonds of the particular Series and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Registered Owners of Bonds of such Series shall not be required and Bonds of such Series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall (x) extend the fixed maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Registered Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- i. to add to the covenants and agreements of the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the University;

ii. to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;

iii. to provide for the issuance of a Series of Bonds, and to provide the terms and conditions under which such Series of Bonds may be issued, subject to the requirements described above under “ADDITIONAL BONDS”; and

iv. to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the applicable provisions of state law.

#### EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS

*Events of Default.* The following are Events of Default under the Resolution:

i. failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;

ii. failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;

iii. failure by the University to perform or observe any other of the covenants, agreements, or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of 30 days after written notice thereof to the University by the Trustee specifying such failure and requiring the same to be remedied, which 30-day period may not be extended by more than 30 additional days without the prior consent of certain insurers of the Bonds;

iv. a judgment for the payment of money shall be rendered against the University, and any such judgment shall not be discharged within 120 days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof;

v. dissolution or liquidation of the University or the filing by the University of a voluntary petition in bankruptcy, or the commission by the University of any act of bankruptcy, or adjudication of the University as a bankrupt, or assignment by the University for the benefit of its creditors, or the entry by the University into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the University in any proceeding for its reorganization instituted

under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

vi. an order or decree shall be entered, with the consent or acquiescence of the University, appointing a receiver or receivers of any Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the University, shall not be vacated or discharged or stayed within 90 days after the entry thereof;

vii. any event of default specified in a Supplemental Resolution;

In the case of an Event of Default, unless the Outstanding amount of the Bonds shall have already become due and payable, the Trustee (by 30 days' written notice to the University), or the Registered Owners of not less than 25% of the Bonds then Outstanding (by notice in writing to the University and the Trustee), with the consent of certain bond insurers, may declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding.

#### RIGHTS AND REMEDIES OF REGISTERED OWNERS

No Registered Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to the Resolution, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Registered Owners of not less than 25% in principal amount of the Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee;

(3) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) the Trustee, for 60 days after its receipt of such notice, request, and offer of indemnity, has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under the Resolution, except in the

manner provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

The Registered Owners of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that:

- (1) such direction shall not be in conflict with any rule of law or the Resolution,
- (2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Registered Owners not taking part in such direction, and
- (3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

### DEFEASANCE

#### DISCHARGE OF INDEBTEDNESS

If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds, the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a Series of Bonds, then the pledge of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the University to the Registered Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University to be prepared and filed with the University and, upon the request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the University all moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

Bonds or interest installments the payment or redemption for which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either moneys in

an amount which shall be sufficient, or government securities, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest on said Bonds taxable under the Code, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, or redemption price, as applicable and interest due and to become due if applicable on the Bonds.

## APPENDIX E

**PROPOSED FORM OF  
CONTINUING DISCLOSURE UNDERTAKING**

FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (B)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Boise State University (the “*Issuer*”) in connection with the issuance of \$\_\_\_\_\_ General Revenue and Refunding Bonds, Series 2009A (the “*Bonds*”). The Bonds are being issued pursuant to a Resolution Providing for the issuance General Revenue Bonds, adopted September 17, 1992, as supplemented and amended, including by a Supplemental Resolution adopted \_\_\_\_\_, 2009 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means the financial information and operating data described in *Exhibit I*.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns. Initially, U.S. Bank National Association is appointed as the Dissemination Agent pursuant to the Dissemination Agency Agreement dated the date hereof, between the Issuer and U.S. Bank National Association.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Material Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

*Material Events Disclosure* means dissemination of a notice of a Material Event as set forth in Section 5.

*MSRB* means the Municipal Securities Rulemaking Board.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*SID* means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule.

*State* means the State of Idaho.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are as follows:

APRIL 1  
OF THE YEAR

PRINCIPAL  
AMOUNT

CUSIP  
NUMBER

\$

The Final Official Statement relating to the Bonds is dated \_\_\_\_\_, 2009 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA and to the SID, if any, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State, with respect to any SID, at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA and the SID, if any) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner Material Events Disclosure to EMMA and to the SID, if any, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State, with respect to any SID, at the time of delivery of such information. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. DUTY TO UPDATE SID. The Issuer shall determine, in the manner it deems appropriate, the name and address of the then existing SID each time it is required to file information therewith.

7. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA and to the SID, if any, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Issuer to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

8. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution or ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer (such as the Trustee) ,or by approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Material Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

9. **TERMINATION OF UNDERTAKING.** The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice in a timely manner if this Section is applicable to EMMA and to the SID, if any.

10. **DISSEMINATION AGENT; MANNER OF DISSEMINATION PRIOR TO JULY 1, 2009.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

If a SID has been designated by the State, the Issuer shall be obligated to provide information for purposes of this Agreement to such SID only to the extent required by the laws of the State.

Pursuant to previous versions of the Rule and notwithstanding anything herein to the contrary, prior to July 1, 2009, the Issuer shall (i) provide or cause its Dissemination Agent, if applicable, to provide Annual Financial Information Disclosure to each Nationally Recognized Municipal Securities Information Repository (“*NRMSIR*”) then recognized by the Commission for purposes of the Rule and to the SID, if any, and not to the MSRB and (ii) determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs each time it is required to file information with such entities. On and after July 1, 2009, this paragraph shall have no force or effect.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA and the SID, if any.

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. **RECORDKEEPING.** The Issuer shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. **ASSIGNMENT.** The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State.

Dated the date first above written.

BOISE STATE UNIVERSITY

By \_\_\_\_\_  
Vice President for Finance and  
Administration

Address: 1910 University Drive  
Boise, Idaho 83725

**EXHIBIT I****ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED  
FINANCIAL STATEMENTS**

“*Annual Financial Information*” means financial information and operating data of the type contained in the Official Statement under the following captions: “SECURITY FOR THE SERIES 2009A BONDS—Historical Revenues Available for Debt Service,” “DEBT SERVICE REQUIREMENTS” and “APPENDIX B—Schedule of Student Fees,” exclusive of Audited Financial Statements.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA and to the SID, if any, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the SID, if any, or the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA and to the SID, if any, by 180 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with Government Accounting Standards Board principals. Audited Financial Statements will be submitted to EMMA and to the SID, if any within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

**EXHIBIT II****EVENTS WITH RESPECT TO THE BONDS  
FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes



MATURITY DATE  
(APRIL 1)

PRINCIPAL  
AMOUNT

INTEREST  
RATE

The Series 2009A Bonds are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Series 2009A Bonds and in the Resolution. The Series 2009A Bonds are issuable as fully registered bonds, without coupons, in the denomination of \$5,000 or any whole multiple thereof.

The Series 2009A Bonds are being issued under the authority of Title 33, Chapter 38 Idaho Code, as amended (the “Act”), for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2009A Bonds.

Based on such examination, we are of the opinion that such proceedings show lawful authority for the issuance of the Series 2009A Bonds under the laws of the State of Idaho now in force and that:

(1) The Board has the power under the Act to adopt the Resolution on behalf of the University and the University has the authority to issue the Series 2009A Bonds, and the Resolution has been duly and lawfully adopted by the Board, is in full force and effect and is valid and binding upon the University and is enforceable in accordance with its terms (except (i) as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies are sought and (ii) to the extent that the obligations of the University under the Resolution are subject to the exercise in the future by the State of Idaho and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the power delegated to it by the federal constitution), and no other authorization for the Resolution is required.

(2) The Resolution creates the valid pledge that it purports to create of the Pledged Revenues (as defined in the Resolution), moneys, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution and, so long as any bonds previously issued under the Building Fee Resolution are outstanding, subject to application of certain Pledged Revenues, including certain fees, Sales and Services Revenues, and interest income, to the payment of such bonds.

(3) The Series 2009A Bonds are valid and binding general obligations of the University (subject to the limitations contained in, and application of the Pledged

Revenues as provided in, the Resolution), enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies are sought) and the terms of the Resolution, and the Series 2009A Bonds are entitled to the benefits of the Resolution and the Act, and the Series 2009A Bonds have been duly and validly authorized and issued in accordance with law and the Resolution.

(5) All actions, conditions and things required by the constitution and laws of the State of Idaho to happen, exist and be performed precedent to the issuance and sale of the Series 2009A Bonds have been complied with.

(6) Subject to the University's compliance with certain covenants, interest on the Series 2009A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Series 2009A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2009A Bonds. Ownership of the Series 2009A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2009A Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Series 2009A Bonds and the yield on certain investments by The Arbitrage Group, Inc., Certified Public Accountants.

(7) Under the laws of the State of Idaho, as presently enacted and construed, interest on the Series 2009A Bonds, so long as it is not includible in gross income for federal income tax purposes, is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act. Ownership or disposition of the Series 2009A Bonds may result in other Idaho tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2009A Bonds. We express no opinion with respect to taxation under any other provisions of Idaho law. Prospective purchasers of the Series 2009A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

We further certify that we have examined the form of the Series 2009A Bonds prescribed by the Resolution and find the same to be in due form of law.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2009A Bonds.

In rendering this opinion, we have relied upon certificates of the University with respect to certain material facts within its knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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**SUPPLEMENTAL RESOLUTION**

AUTHORIZING THE ISSUANCE AND SALE OF

\$ \_\_\_\_\_

BOISE STATE UNIVERSITY

GENERAL REVENUE AND REFUNDING BONDS, SERIES 2009A

ADOPTED FEBRUARY 26, 2009

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**SUPPLEMENTAL RESOLUTION**

SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$\_\_\_\_\_ General Revenue and Refunding Bonds, Series 2009A of Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement, an Escrow Agreement and a Continuing Disclosure Undertaking; and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2009A Bonds.

\* \* \* \* \*

WHEREAS, Boise State University (the “*University*”) is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the constitution and laws of the State of Idaho; and

WHEREAS, the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), is authorized, pursuant to Title 33, Chapter 38, Idaho Code, to issue bonds for “projects,” as defined in such act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution Providing for the Issuance of General Revenue Bonds, as supplemented and amended (the “*Resolution*”); and

WHEREAS, the University has previously issued its Student Union and Housing System Revenue Bonds, Series 1998 (the “*Series 1998 General Revenue Bonds*”), Student Fee Refunding and Improvement Revenue Bonds, Series 1998 (the “*Series 1998 Student Fee Bonds*”), and Student Building Fee Revenue Bonds, Series 2001 (the “*Series 2001 Bonds*”); and

WHEREAS, the Board has determined that refunding the Series 1998 General Revenue Bonds maturing on or after April 1, 2010 (the “*Series 1998 General Revenue Refunded Bonds*”), the Series 1998 Student Fee Bonds maturing on or after April 1, 2010 (the “*Series 1998 Student Fee Refunded Bonds*”), and Series 2001 Bonds maturing on or after April 1, 2010 (the “*Series 2001 Refunded Bonds*” and, collectively with the Series 1998 General Revenue Refunding Bonds and the Series 1998 Student Fee Refunded Bonds, the “*Refunded Bonds*”), as provided herein and in the hereinafter defined Escrow Agreement, will result in interest rate savings and other objectives beneficial to the University; and

WHEREAS, the Board has determined to issue its \$\_\_\_\_\_ Boise State University General Revenue and Refunding Bonds, Series 2009A (the “*Series 2009A Bonds*”) pursuant to Title 33, Chapter 38, Idaho Code, and Title 57, Chapter 5, Idaho Code (collectively, the “*Act*”), and the Resolution, for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena (the “*Series 2009A Project*”), refunding the Refunded Bonds, and paying costs of issuance of the Series 2009A Bonds;

WHEREAS, in satisfaction of Section 33-3805 of the Act, the Board has determined that the Series 2009A Project is necessary for the proper operation of the University and is economically feasible;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

*Section 101. Definitions.* (a) Certain terms are defined in the preambles hereto. Except as provided in the preambles and subparagraph (b) of this Section, all capitalized terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“*Bond Purchase Agreement*” means the Bond Purchase Agreement dated February 26, 2009, between the Board and the Underwriter, pursuant to which the Series 2009A Bonds are to be sold.

“*Bond Register*” means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2009A Bonds.

“*Book-Entry System*” means the book-entry system of registration of the Series 2009A Bonds described in Section 210 of this Supplemental Resolution.

“*Cede & Co.*” means Cede & Co., as nominee of DTC.

“*Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking with respect to the Series 2009A Bonds.

“*DTC*” means The Depository Trust Company, New York, New York.

“*DTC Participants*” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“*Escrow Account*” means the account created under the Escrow Agreement for the refunding of the Refunded Bonds.

“*Escrow Agent*” means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

“*Escrow Agreement*” means the Escrow Agreement dated as of the date of delivery of the Series 2009A Bonds, between the University and the Escrow Agent, providing for the refunding of the Refunded Bonds.

“*Representation Letter*” means the Blanket Representations Letter from the University to DTC dated June 18, 1999.

“*Resolution*” means the Resolution Providing for the Issuance of General Revenue Bonds, adopted by the Board on September 17, 1992, as previously amended and supplemented, and as further amended and supplemented by this Supplemental Resolution.

“*Securities Depository*” means DTC or any successor Securities Depository appointed pursuant to Section 211.

“*Series 2009A Bondholder*” means the holder of any Series 2009A Bond.

“*Series 2009A Bonds*” means the University’s \$\_\_\_\_\_ Boise State University General Revenue and Refunding Bonds, Series 2009A.

“*Series 2007A Costs of Issuance Fund*” means the special account created by Section 302 of this Supplemental Resolution, from which the Costs of Issuance of the Series 2007A Bonds shall be paid.

“*Supplemental Resolution*” means this Supplemental Resolution of the Board adopted on February 26, 2009, authorizing the Series 2009A Bonds.

“*Trustee*” means U.S. Bank National Association, Salt Lake City, Utah, and its successors and permitted assigns under the Resolution, as paying agent, trustee, and registrar for the Series 2009A Bonds.

“*Underwriter*” means Barclays Capital Inc.

The terms “*hereby*,” “*hereof*,” “*hereto*,” “*herein*,” “*hereunder*,” and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

*Section 102. Authority for Supplemental Resolution.* This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2009A BONDS

*Section 201. Authorization of Series 2009A Bonds, Principal Amount, Designation and Series.* In order to provide funds to finance the Cost of Acquisition and Construction of the Series 2009A Project, refund the Refunded Bonds, and pay Costs of Issuance of the Series 2009A Bonds, and in accordance with and subject to the terms, conditions and limitations

established in the Resolution, a Series of General Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_. Such Series of Bonds shall be designated "General Revenue and Refunding Bonds, Series 2009A." The Series 2009A Bonds shall be issued only in fully-registered form, without coupons.

The Series 2009A Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2009A Bonds are secured by the pledge of the Pledged Revenues under Section 5.1 of the Resolution, equally and ratably with all Bonds issued under the Resolution.

*Section 202. Finding and Purpose.* The Board hereby finds, determines and declares that, (a) in satisfaction of Section 57-504 of the Act, (i) the refunding of the Series 1998 General Revenue Bonds and the Series 1998 Student Fee Bonds, as provided hereunder and in the Escrow Agreement, will result in debt service savings, and (ii) the refunding of the Series 2001 Bonds, as provided hereunder and in the Escrow Agreement, will, effective April 1, 2009, result in the consolidation of the University's bond system to a single general revenue bond system under the Resolution, which objectives the Board finds to be beneficial to the University, and (b) in satisfaction of Section 33-3805 of the Act, the Series 2009A Project is necessary for the proper operation of the University and is economically feasible, and the requirements of Article VII of the Resolution will have been complied with upon the delivery of the Series 2009A Bonds.

*Section 203. Issue Date.* The Series 2009A Bonds shall be dated the date of their original issuance and delivery.

*Section 204. Series 2009A Bonds.* (a) The Series 2009A Bonds shall bear interest at the rates and mature on the dates and in the principal amounts as follows:

APRIL 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
	\$	%

(b) The Series 2009A Bonds shall bear interest from their dated date, payable on October 1, 2009, and semiannually thereafter on each April 1 and October 1.

*Section 205. Sale of Series 2009A Bonds.* The Series 2009A Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to the principal amount of the Series 2009A Bonds, plus net original issuance premium of \$\_\_\_\_\_, on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, on behalf of the Board and the University, the Bond Purchase Agreement, in the form presented at this meeting.

The use of the final Official Statement (the “*Official Statement*”) of the University in connection with the sale of the Series 2009A Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such Official Statement and deliver such Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2009A Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated February 11, 2009, by the Underwriter and the actions of the University, including the certification by the Bursar deeming the Preliminary Official Statement final pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”) in connection with the offering of the Series 2009A Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2009A Bonds that the University shall have executed and delivered the Continuing Disclosure Undertaking. The

Continuing Disclosure Undertaking is hereby ratified and approved in all respects, and the Bursar is hereby authorized to execute and deliver the Continuing Disclosure Undertaking in substantially the form set forth in APPENDIX E to the Official Statement.

The Bursar of the University, the President of the Board (the “*President*”), and the Secretary of the Board (the “*Secretary*”) are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

*Section 206. Execution and Delivery of Series 2009A Bonds.* The Series 2009A Bonds shall be manually executed on behalf of the University by the President of the Board and the Bursar of the University, and attested by the Secretary of the Board. The Series 2009A Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution.

*Section 207. Redemption of Series 2009A Bonds.* (a) [The Series 2009A Bonds maturing on or before April 1, [2019], shall not be subject to call or redemption prior to their stated dates of maturity. On [April 1, 2019] or on any date thereafter, at the election of the University, the Series 2009A Bonds maturing on or after April 1, [2020], shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date.

(b) The Series 2009A Bonds maturing on April 1, \_\_\_\_\_ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a redemption price equal to 100% of the principal amount of the Series 2009A Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	\$

\*

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\* Stated maturity.

(c) Each notice of redemption shall be given as provided in Section 4.3(A) of the Resolution, and shall include the information required with respect redemption notices provided pursuant to 4.3(C)(1) of the Resolution. In addition, with respect to any notice of optional redemption of Series 2009A Bonds, unless upon the giving of such notice such Series 2009A Bonds shall be deemed to have been paid within the meaning of Article XII of the Resolution, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee

on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2009A Bonds to be redeemed, and that if such money shall not have been so received, said notice shall be of no force and effect and the University shall not be required to redeem such Series 2009A Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

*Section 208. Form of Series 2009A Bond.* The Series 2009A Bonds are hereby authorized to be issued in the form set forth in *Exhibit A* attached hereto and incorporated herein by this reference.

*Section 209. Submittal to Attorney General.* There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board, a certified copy of this Supplemental Resolution, together with the proceedings relating to their adoption, in order that the Attorney General may examine and pass upon the validity of the Series 2009A Bonds and the regularity of such proceedings, in the manner and with the effect specified in the Act.

*Section 210. Book-Entry-Only System.* (a) The Series 2009A Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2009A Bonds, except in the event that the Trustee issues Replacement Bonds, as provided below. It is anticipated that during the term of the Series 2009A Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2009A Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2009A Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on the Series 2009A Bonds and all notices with respect to the Series 2009A Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2009A Bonds, and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute, and the Trustee shall authenticate and deliver, one or more Series 2009A Bond certificates (the "*Replacement Bonds*") to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2009A Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2009A Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2009A Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2009A Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2009A Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2009A Bonds.

(d) The Representation Letter previously executed and delivered by the University to DTC is for the purpose of effectuating the initial Book-Entry System for the Series 2009A Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Bond Resolution, which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of the Resolution, the terms of the Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

*Section 211. Successor Securities Depository.* In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the University, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2009A Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2009A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

### ARTICLE III

#### CREATION OF ACCOUNTS, APPLICATION OF BOND PROCEEDS

*Section 301. Creation of Accounts.* In accordance with Section 5.4(B) of the Resolution, there is hereby established in the Construction Fund (i) a “Series 2009A Project Account” and (ii) a “Series 2009A Costs of Issuance Account,” in each case to be held by the University.

*Section 302. Application of Proceeds of Series 2009A Bonds.* The proceeds of the sale of the Series 2009A Bonds (net of a \$\_\_\_\_\_ fee paid to the Underwriter for its services with respect to the Series 2009A Bonds) shall be deposited as follows:

- (i) \$\_\_\_\_\_ into the Series 2009A Project Account for the payment of Costs of Acquisition and Construction of the Series 2009A Project;
- (ii) \$\_\_\_\_\_ into the Escrow Account for the refunding of the Refunded Bonds, as provided in the Escrow Agreement; and
- (iii) \$\_\_\_\_\_ into the Series 2009A Costs of Issuance Account for the payment of costs of issuance of the Series 2009A Bonds.

Before any payment is made from the Series 2009A Project Account or the Series 2009A Costs of Issuance Account, the University shall execute a Written Certificate as required by Section 5.4(E) or 5.4(F), as applicable, of the Resolution.

### ARTICLE IV

#### RELEASE OF MONEYS IN THE DEBT SERVICE RESERVE ACCOUNT

In accordance with Section 303 of the Supplemental Resolution adopted by the Board on January 8, 2007 (the “2007 Supplemental Resolution”), the liquidation of all moneys on deposit in the Debt Service Reserve Account (currently estimated to be approximately \$\_\_\_\_\_) and the use of such moneys to finance the cost of approved capital acquisitions or improvements is hereby authorized and approved. The University shall not use such facilities in a manner contrary to the Tax Exemption Certificate and Agreement to be entered into between the University and the Trustee on the date of issuance of the Series 2009A Bonds. In connection with the release of such amounts, the University shall deliver a Written Certificate and Request to the Trustee, in substantially the form attached hereto as *Exhibit B*, requesting that the Trustee (i) transfer all such moneys in the Debt Service Reserve Account to the University, and (ii) in accordance with the Continuing Disclosure Undertakings with respect to the Bonds, deliver notice to the NRMSIR of the release of such moneys, in substantially the form attached to such certificate as *Annex A*.

**ARTICLE V****REFUNDING**

*Section 501. Refunding of Refunded Bonds.* The Refunded Bonds shall be refunded with a portion of the proceeds of the Series 2009A Bonds, as provided in Section 302 hereof and in the Escrow Agreement. The Series 1998 General Revenue Refunded Bonds and the Series 1998 Student Fee Refunded Bonds are irrevocably called for redemption on April 1, 2009. Notice of defeasance of the Series 2001 Refunded Bonds shall be given as provided in the Escrow Agreement and the applicable bond resolutions, and the delivery of notice of redemption of the Series 1998 General Revenue Refunded Bonds and the Series 1998 Student Fee Refunded Bonds is hereby ratified and approved.

In satisfaction of Section 7.5(i) of the Resolution, the revenues that secured the Series 1998 Student Fee Refunded Bonds and the Series 2001 Student Fee Refunded Bonds shall constitute Pledged Revenues (subject to the lien on such revenues with respect to the Student Building Fee Bonds to remain outstanding upon the issuance of the Series 2009A Bonds), as set forth in the Resolution.

*Section 502. Approval of Escrow Agreement.* The Escrow Agreement between the University and the Escrow Agent, in substantially the form presented to the Board at the time of adoption of this Supplemental Resolution, is hereby authorized and approved, and the Bursar is hereby authorized, empowered and directed to execute and deliver the Escrow Agreement on behalf of the Board and the University, with such changes to the Escrow Agreement from the form attached hereto as are approved by the Bursar, her execution thereof to constitute conclusive evidence of such approval. The Bursar is hereby authorized to perform all such acts as may be necessary or advisable to comply with the Escrow Agreement or to carry out or give effect to the Escrow Agreement.

**ARTICLE VI****MISCELLANEOUS**

*Section 601. Other Actions With Respect to the Series 2009A Bonds.* The officers and employees of the University shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2009A Bonds, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2009A Bonds. All actions heretofore taken in connection therewith are hereby ratified, approved and consummated. If (a) the President of the Board or the Bursar or (b) the Secretary shall be unavailable to execute or seal or attest, respectively, the Series 2009A Bonds or the other documents that they are hereby authorized to execute, seal and attest, the same may be executed, or sealed and attested

by, respectively, (i) the President, the Bursar, or any Vice President of the Board or the University, or (ii) any Assistant Secretary of the Board.

*Section 602. Partial Invalidity.* If any one or more of the covenants or agreements, or portions thereof, provided in the Resolution should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Resolution, this Supplemental Resolution or the Series 2009A Bonds, but the Series 2009A bondholders shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

*Section 603. Conflicting Resolutions; Effective Date.* All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

ADOPTED AND APPROVED this 26th day of February, 2009.

BOARD OF TRUSTEES OF BOISE STATE  
UNIVERSITY

---

President

ATTEST:

---

Secretary

[SEAL]

**EXHIBIT A**

**[FORM OF SERIES 2009A BONDS]**

R- \_\_\_\_\_ \$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF IDAHO**

**BOISE STATE UNIVERSITY  
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2009A**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	April 1, ____	_____, 2009	_____

Registered Owner:

Principal Amount: ----- DOLLARS -----

KNOW ALL MEN BY THESE PRESENTS that Boise State University, a body politic and corporate and an institution of higher education of the State of Idaho (the “*University*”), for value received, hereby promises to pay, from the Bond Fund (as defined in the hereinafter defined Resolution), to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on October 1, 2009, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

THIS BOND IS AN OBLIGATION OF THE UNIVERSITY PAYABLE SOLELY IN ACCORDANCE WITH THE TERMS HEREOF AND IS NOT AN OBLIGATION, GENERAL, SPECIAL, OR OTHERWISE OF THE STATE OF IDAHO, DOES NOT CONSTITUTE A DEBT, LEGAL, MORAL, OR OTHERWISE, OF THE STATE OF IDAHO, AND IS NOT ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT HEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE REVENUES, FEES, AND CHARGES PLEDGED THERETO IN THE RESOLUTION. The principal of, interest on, and redemption price of the Bonds is payable solely from Pledged Revenues, which consist principally of revenues from certain student fees and enterprises, as more particularly set forth in the Resolution. Pursuant to the Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security for the Bonds, reference is made to the provisions of the Resolution.

Principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the University (the "*Bond Register*") maintained by U.S. Bank National Association, Salt Lake City, Utah (the "*Trustee*"). Interest shall be paid to the registered owner whose name appears on the Bond Register on the 15th day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid to such registered owner on the due date, by check or draft of the Trustee or by wire or other transfer, at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of the General Revenue and Refunding Bonds, Series 2009A (the "*Series 2009A Bonds*"), of the University issued in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University's existing events arena, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2009A Bonds. The Series 2009A Bonds are issued pursuant to and in full compliance with the constitution and statutes of the State of Idaho, particularly Title 33, Chapter 38, Idaho Code, and Title 57, Chapter 5, Idaho Code, and a Resolution Providing for the Issuance of General Revenue Bonds, duly adopted and authorized by the Board of Trustees of the University (the "*Board*") on September 17, 1992, as previously supplemented and amended, and as further supplemented by a Supplemental Resolution adopted by the Board on February 26, 2009, authorizing the issuance of the Series 2009A Bonds (collectively, the "*Resolution*").

[The Series 2009A Bonds maturing on or before April 1, 2019, are not subject to call or redemption prior to their stated dates of maturity. On April 1, 2019 or on any date thereafter, at the election of the University, the Series 2009A Bonds maturing on or after April 1, 2020, are subject to redemption, in whole or in part, as selected by the University, upon notice as hereinafter provided, at a price of 100% of the principal amount of the Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date.]

[The Series 2009A Bonds maturing on April 1, \_\_\_\_\_ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in the Resolution, at a redemption price equal to 100% of the principal amount of the Series 2009A Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:]

APRIL 1  
OF THE YEAR

MANDATORY  
REDEMPTION AMOUNT

\$

\*

---

\* Stated maturity.

The Series 2009A Bonds are initially issued in the form of a separate certificated, fully-registered Bond for each maturity and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”).

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE UNIVERSITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Notice of redemption shall be given by mailing notice to the registered owner thereof not less than 35 days nor more than 60 days prior to the redemption date at the address shown on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Provided that funds for the redemption price, together with interest to the redemption date, are on deposit at the place of payment at such time, the Series 2009A Bonds shall cease to accrue interest on the specified redemption date and shall not be deemed to be outstanding as of such redemption date.

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Bond or shall make an appropriate notation with respect to this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2009A Bonds shall not be transferable or exchangeable except as set forth in the Resolution. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Series 2009A Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the other Series 2009A Bonds of this issue does not violate any constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed by the President of the Board and the Bursar of the University, and attested by the Secretary of the Board, and a facsimile or original of the official seal of the University to be imprinted hereon, as of this 19th day of March, 2009.

BOISE STATE UNIVERSITY

By \_\_\_\_\_  
President,  
Board of Trustees

By \_\_\_\_\_  
Bursar

ATTEST:

\_\_\_\_\_  
Secretary,  
Board of Trustees

[SEAL]

**[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the Boise State University General Revenue and Refunding Bonds, Series 2009A, described in the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By  
Authorized Signature

Date of Authentication: \_\_\_\_\_.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face the within Bond shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used though not in the list above.

For value received \_\_\_\_\_ hereby sells, assigns and transfers unto

INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of BOISE STATE UNIVERSITY, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**VALIDATION CERTIFICATE**

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, Chapter 38, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, Chapter 38, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

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Hon. Lawrence Wasden  
Attorney General

**EXHIBIT B****WRITTEN CERTIFICATE AND REQUEST REGARDING  
RELEASE OF MONEYS IN DEBT SERVICE RESERVE ACCOUNT**

The undersigned Vice President of Finance and Administration and Bursar of Boise State University (the “*University*”), does hereby certify and request as follows:

1. I have read Article IV of the Supplemental Resolution of the University, adopted February 26, 2009 (the “*Supplemental Resolution*”), supplementing the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992 (as supplemented and amended, including by the Supplemental Resolution, the “*Resolution*”), which requires the University to deliver a Written Certificate of the University to the Trustee in connection with the release of moneys from the Debt Service Reserve Account, as permitted by the Resolution.

2. I have also read the provisions of Section 1.1 (Written Certificate) of the Resolution and Article IV of the Supplemental Resolution, and in connection therewith, have undertaken an examination and investigation of the facts and circumstances on which this Written Certificate and Request (this “*Written Certificate*”) is based in order to make the certifications and requests contained herein, and, in my opinion, this Written Certificate complies with the provisions of Section 1.1 of the Resolution and Article IV of the Supplemental Resolution.

3. I am the duly appointed and qualified and acting Vice President for Finance and Administration and Bursar of the University and, as such, am familiar with the books and corporate records of the University.

4. The University hereby requests the Trustee to transfer all moneys\* on deposit in the Debt Service Reserve Account to the University, to be used to pay certain capital costs, as provided in Article IV of the Supplemental Resolution.

5. Pursuant to the Continuing Disclosure Undertakings with respect to the Bonds (the “*Continuing Disclosure Undertaking*”), the University hereby requests and instructs the Trustee to provide notice of the release of such moneys from the Debt Service Reserve Account to the NRMSIR (as defined in the Continuing Disclosure Undertakings), in substantially the form attached hereto as *Annex A*.

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Resolution.

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\* The debt service reserve surety bond issued by Financial Guaranty Insurance Company will remain on deposit in the Debt Service Reserve Account unless otherwise directed by the University in the future.

IN WITNESS WHEREOF, the undersigned has hereunto set her official signature this 19th day of March, 2009.

BOISE STATE UNIVERSITY

By \_\_\_\_\_  
Vice President for Finance and  
Administration and Bursar

**ANNEX A**

**MATERIAL EVENT NOTICE COVER SHEET**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer: Boise State University

Issuer's Nine-Digit CUSIP Number(s) to which this material event notice relates: See Schedule A.

Number of pages of attached material event notice: 4

Description of Material Event Notice (Check One):

- 1.  Principal and interest payment delinquencies
- 2.  Non-payment related defaults
- 3.  Unscheduled draws on debt service reserves reflecting financial difficulties
- 4.  Unscheduled draws on credit enhancements reflecting financial difficulties
- 5.  Substitution of credit or liquidity providers, or their failure to perform
- 6.  Adverse tax opinions or events affecting the tax-exempt status of the security
- 7.  Modifications to rights of security holders
- 8.  Bond calls
- 9.  Defeasances
- 10.  Release, substitution, or sale of property securing repayment of the securities (See Schedule A)
- 11.  Rating changes
- 12.  Failure to provide annual financial information as required
- 13.  Other material event notice (specify) \_\_\_\_\_

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: Stacy Pearson

Title: Vice President for Finance and Administration

Employer: Boise State University

Address: 1910 University Drive

City, State, Zip Code: Boise, Idaho 83725

Voice Telephone Number: (208) 426-1200

Note: If filed with the MSRB, please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-1930. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

**SCHEDULE A**

Certain amendments (the “*Amendments*”) to the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992 (as supplemented and amended, the “*Resolution*”) by the Board of Trustees of Boise State University (the “*University*”), took effect on January 30, 2007 with respect to the bonds of the University shown in Schedule I (collectively, the “*Bonds*”), upon receipt of the necessary bondholder consents. A separate Material Event Notice summarizing the Amendments was previously filed with the NRMSIRs on or around the effective date of the Amendments. Among other things, the Amendments eliminated the requirement that a debt service reserve be maintained with respect to the Bonds. Following the effective date of the Amendment, the University continued to voluntarily maintain certain moneys on deposit in the Debt Service Reserve Account for the security and benefit of the owners of the Bonds. However, in accordance with the Resolution, as amended by the Amendments, all moneys in the Debt Service Reserve Account have been released from such account to the University. The Municipal Bond Debt Service Reserve Fund Policy issued by Financial Guaranty Insurance Company shall remain in the Debt Service Reserve Account unless otherwise directed by the University in the future.

**SCHEDULE I**

BONDS	CUSIP	MATURITY DATE
General Revenue Bonds, Series 2007C (Taxable)	097464 TV 3	April 1, 2014
General Revenue Bonds, Series 2007B	097464 TD 3	April 1, 2014
	097464 TE 1	April 1, 2015
	097464 TF 8	April 1, 2016
	097464 TG 6	April 1, 2017
	097464 TH 4	April 1, 2018
	097464 TJ 0	April 1, 2019
	097464 TK 7	April 1, 2020
	097464 TL 5	April 1, 2021
	097464 TM 3	April 1, 2022
	097464 TN 1	April 1, 2023
	097464 TP 6	April 1, 2024
	097464 TQ 4	April 1, 2025
	097464 TR 2	April 1, 2026
	097464 TS 0	April 1, 2027
	097464 TT 8	April 1, 2032
	097464 TU 5	April 1, 2037
General Revenue and Refunding Bonds, Series 2007A	097464 SG 7	April 1, 2012
	097464 SH 5	April 1, 2013
	097464 SJ 1	April 1, 2014
	097464 SK 8	April 1, 2015
	097464 SL 6	April 1, 2016
	097464 SM 4	April 1, 2017
	097464 SN 2	April 1, 2018
	097464 SP 7	April 1, 2019
	097464 SQ 5	April 1, 2020
	097464 SR 3	April 1, 2021
	097464 SS 1	April 1, 2022
	097464 ST 9	April 1, 2023
	097464 SU 6	April 1, 2024
	097464 SV 4	April 1, 2025
	097464 SW 2	April 1, 2026
	097464 SX 0	April 1, 2027
	097464 SY 8	April 1, 2032
	097464 SZ 5	April 1, 2036
	097464 TA 9	April 1, 2037

BONDS	CUSIP	MATURITY DATE
General Revenue and Refunding Bonds, Series 2005A	097464 RJ 2	April 1, 2009
	097464 RK 9	April 1, 2010
	097464 RL 7	April 1, 2011
	097464 RM 5	April 1, 2012
	097464 RX 1	April 1, 2012
	097464 RN 3	April 1, 2013
	097464 RP 8	April 1, 2014
	097464 RQ 6	April 1, 2015
	097464 RR 4	April 1, 2016
	097464 RS 2	April 1, 2017
	097464 RT 0	April 1, 2018
	097464 RU 7	April 1, 2019
	097464 RV 5	April 1, 2025
	097464R W 3	April 1, 2034
General Revenue Bonds, Series 2004A	097464 QM 6	April 1, 2009
	097464 QN 4	April 1, 2010
	097464 QP 9	April 1, 2011
	097464 QQ 7	April 1, 2012
	097464 QR 5	April 1, 2013
	097464 QS 3	April 1, 2014
	097464 QT 1	April 1, 2015
	097464 QU 8	April 1, 2016
	097464 QV 6	April 1, 2017
	097464 QW 4	April 1, 2018
	097464 QX 2	April 1, 2019
	097464 QY 0	April 1, 2020
	097464 QZ 7	April 1, 2021
	097464 RA 1	April 1, 2022
	097464 RB 9	April 1, 2023
	097464 RC 7	April 1, 2024
	097464 RD 5	April 1, 2028
097464 RE 3	April 1, 2033	
Student Union and Housing System Refunding and Improvement Revenue Bonds, Series 2003	097464 PY 1	April 1, 2009
	097464 PZ 8	April 1, 2010
	097464 QA 2	April 1, 2011
	097464 QB 0	April 1, 2012
	097464 QC 8	April 1, 2013
	097464 QD 6	April 1, 2014
	097464 QE 4	April 1, 2015
	097464 QF 1	April 1, 2016
	097464 QG 9	April 1, 2017

BONDS	CUSIP	MATURITY DATE
Student Union and Housing System Refunding and Improvement Revenue Bonds, Series 2002	097464 PR 6	April 1, 2022
	097464 SE 2	April 1, 2022
	097464 SF 9	April 1, 2022
	097464 TB 7	April 1, 2022
	097464 TC 5	April 1, 2022
	097464 PS 4	April 1, 2031
	Student Union and Housing System Refunding Revenue Bonds, Series 1998	097464 MR 9
097464 MS 7		April 1, 2010
097464 MT 5		April 1, 2011
097464 MU 2		April 1, 2012
097464 NB 3		April 1, 2013
097464 NC 1		April 1, 2014
097464 MV 0		April 1, 2015

**BOISE STATE UNIVERSITY**  
\$ \_\_\_\_\_ **GENERAL REVENUE AND REFUNDING BONDS,**  
**SERIES 2009A**

**BOND PURCHASE AGREEMENT**

February 26, 2009

Boise State University  
Attn: Stacy Pearson, Vice President  
for Finance and Administration  
1910 University Drive  
Boise, Idaho 83725

Ladies and Gentlemen:

The undersigned, Barclays Capital Inc., as underwriter (the “*Underwriter*”), hereby offers to enter into this Bond Purchase Agreement (the “*Purchase Agreement*”) with Boise State University (the “*University*”), which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time on the date hereof, and until so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the University by the Underwriter at any time prior to the execution and acceptance hereof by the University. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter defined Resolution.

**ARTICLE I**

*Section 1.1. Purchase and Sale.* Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all, but not less than all, of the University’s \$ \_\_\_\_\_ aggregate principal amount of General Revenue and Refunding Bonds, Series 2009A (the “*Bonds*”), for a purchase price equal to \$ \_\_\_\_\_, representing the principal amount of the Bonds, plus net original issue premium of \$ \_\_\_\_\_ (the “*Purchase Price*”). In consideration for its services, the University agrees to pay to the Underwriter a fee of \$ \_\_\_\_\_ (the “*Underwriter’s Fee*”).

*Section 1.2. The Bonds.* The Bonds are being issued for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena, refunding certain of the University’s outstanding bonds, and paying costs of issuance of the Series 2009A Bonds.

The Bonds shall be dated as of their date of delivery, bear interest at the rates, mature in the amounts and on the dates, and be subject to redemption prior to maturity, as set forth in SCHEDULE I hereto. The Bonds shall be issued pursuant to the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a Supplemental Resolution adopted February 26, 2009 (the “*Supplemental Resolution*” and, together with the Master Resolution, the “*Resolution*”) by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon between us.

The Bonds will be payable from and secured by a pledge of certain revenues of the University (as defined in the Resolution, the “*Pledged Revenues*”), on a parity with all bonds now outstanding under the Resolution (collectively, the “*Outstanding Parity Bonds*”) and any additional bonds hereafter issued under the Resolution.

*Section 1.3. Official Statement; Continuing Disclosure.* (a) The Bonds shall be offered pursuant to an Official Statement of even date herewith (which, together with the cover page and all appendices thereto, and with such changes therein and supplements thereto which are consented to in writing by the Underwriter is herein called the “*Official Statement*”).

(b) Concurrently with the University’s execution hereof, the University shall deliver or cause to be delivered to the Underwriter one copy of the Official Statement, substantially in the same form as the Preliminary Official Statement dated February 11, 2009 (the “*Preliminary Official Statement*”) with only such changes therein as shall have been accepted by the Underwriter, signed on behalf of the University by its Vice President for Finance and Administration. The University has previously deemed the Official Statement “final” as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (“*Rule 15c2-12*”), and the University hereby authorizes the use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. The University agrees to provide to the Underwriter, on or prior to the Closing Date, and in any event not later than seven business days after the date hereof, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(c) If at any time prior to 25 days after the “end of the underwriting period” (as defined below), any event shall occur of which the University has knowledge which might or would cause the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the University shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the University will (i) supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and (ii) provide the Underwriter with such certificates and legal opinions as shall be requested by the Underwriter in order to evidence the accuracy and completeness of the Official Statement as so supplemented or amended. If the Official Statement is so supplemented or amended prior to the

Closing (defined below), such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by written notification delivered to the University by the Underwriter at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

(d) For purposes of this Purchase Agreement, the “end of the underwriting period” shall mean the day of the Closing, or, if the University has been notified in writing by the Underwriter on or prior to the date of the Closing that the “end of the underwriting period” within the meaning of Rule 15c2-12 will not occur on the date of the Closing, such later date on which the “end of the underwriting period” within such meaning has occurred. In the event that the University has been given notice pursuant to the preceding sentence that the “end of the underwriting period” will not occur on the date of the Closing, the Underwriter agrees to notify the University in writing of the date it does occur as soon as practicable following the “end of the underwriting period” for all purposes of Rule 15c2-12; *provided, however*, that if the Underwriter has not otherwise so notified the University of the “end of the underwriting period” by the 90th day after the Closing, then the “end of the underwriting period” shall be deemed to occur on such 90th day unless otherwise agreed to by the University.

(e) In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the University covenants and agrees with the Underwriter that it will execute and deliver a Continuing Disclosure Undertaking with respect to the Bonds in substantially the form attached as APPENDIX E to the Preliminary Official Statement (the “*Continuing Disclosure Undertaking*”) on or before the Closing Date.

*Section 1.4. Public Offering.* The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices set forth on the cover page of the Official Statement.

*Section 1.5. Closing.* The “*Closing Date*” shall be March 19, 2009, or such other date as the University and the Underwriter shall mutually agree upon. The delivery of and payment for the Bonds and the other actions described in Sections 1.5 and 3.1 of this Purchase Agreement are referred to herein as the “*Closing*.” The Closing shall take place at the offices of Chapman and Cutler LLP in Salt Lake City, Utah. On the Closing Date, the University will deliver the Bonds or cause the Bonds to be delivered to or for the account of The Depository Trust Company (“*DTC*”), duly executed and authenticated. The University will also deliver to the Underwriter at the Closing the other documents described below and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1.1 hereof in federal funds payable to the order of the University. The Bonds will be registered in the name of Cede & Co., as nominee of DTC.

**ARTICLE II****REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY**

To induce the Underwriter to enter into this Purchase Agreement, the University represents and warrants to the Underwriter as follows:

*Section 2.1.* The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Purchase Agreement and the Official Statement, including the execution, delivery and approval of all documents and agreements referred to herein or therein.

*Section 2.2.* The execution and delivery of the Resolution, the approval by the University of this Purchase Agreement and the Bonds, and the application of the proceeds of the Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, or any other agreement, resolution, mortgage, lease or instrument by which the University or any of its respective property is or may be bound.

*Section 2.3.* The University has duly authorized all necessary action to be taken by it for the issuance and sale of the Bonds by the University upon the terms and conditions set forth herein and in the Official Statement and the Resolution.

*Section 2.4.* Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the University, threatened against or affecting the University, or to the knowledge of the University, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, the Resolution or any agreement or instrument by which the University is or may be bound, or would in any way adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Bonds.

*Section 2.5.* The University is not in breach of or in default under any existing law, court or administrative regulation, decree or order, or any other agreement, resolution, mortgage, lease, sublease or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to such extent as could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Resolution, or would in any way

adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Bonds.

*Section 2.6.* The audited financial statements of the University as of June 30, 2008, and for the fiscal year then ended are a fair presentation of the financial position of the University, the results of the University's operations, and the University's changes in its net assets for the periods specified as of the dates indicated.

Except as described in the Preliminary Official Statement, since June 30, 2008, there has been no material adverse change in the condition, financial or otherwise, of the University from that set forth in the audited financial statements as of and for the period ended that date; and except as described in the Preliminary Official Statement, the University, since June 30, 2008, has not incurred any material liabilities, directly or indirectly, except in the ordinary course of the University's operations.

*Section 2.7.* Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University upon which the Underwriter shall be entitled to rely.

### ARTICLE III

#### CLOSING CONDITIONS

*Section 3.1.* The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties herein and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and warranties of the University contained herein shall be true, complete and correct in all material respects at the date hereof and on the Closing Date, as if made on the Closing Date. At the time of Closing (i) the Official Statement, the Resolution and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement. On the Closing Date, no "Event of Default" shall have occurred or be existing under the Resolution nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an Event of Default under the Resolution, nor shall the University be in default in the payment of principal of or interest on any of its obligations for borrowed money.

(b) The Underwriter shall have the right to terminate this Purchase Agreement by written notification delivered to the University by the Underwriter, if at any time on or prior to the Closing Date: (i) the Official Statement shall have been amended, modified

or supplemented without the consent of the Underwriter; (ii) any event shall occur which makes untrue any statement of a material fact in the Official Statement or makes an omission of a fact that should be included in the Official Statement in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading; (iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Idaho (the “*State*”), or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; (iv) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the “*Securities Act*”), or that the Resolution needs to be qualified under the Trust Resolution Act of 1939, as amended and as then in effect (the “*Trust Resolution Act*”); (v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds are not exempt from registration under the Securities Act, or that the Resolution is not exempt from qualification under the Trust Resolution Act; (vi) legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or the State Legislature, or a decision shall have been rendered by a court of the United States or of the State or by the Tax Court of the United States, or a ruling or an official statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the University pursuant to the Resolution, or upon interest on obligations of the general character of the Bonds, or, with respect to State taxation of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated in connection herewith, or any other action or events shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds; (vii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (viii) a general banking moratorium shall have been established by federal, State or New York authorities; (ix) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or mobilization in anticipation thereof, any terrorist activities, or a national or international

calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States would, in the reasonable opinion of the Underwriter, affect materially or adversely the ability of the Underwriter to market the Bonds; (x) any rating of the Bonds shall have been downgraded or withdrawn by a national rating service; or (xi) any action, suit or proceeding described in Section 2.4 or 3.1(c)(4) shall have been commenced; and

(c) At or prior to the Closing for the Bonds, the Underwriter shall receive the following documents:

(1) The approving opinion of Chapman and Cutler LLP (“*Bond Counsel*”), dated the date of Closing, in substantially the form included as APPENDIX F to the Official Statement;

(2) The opinion of Chapman and Cutler LLP, as Disclosure Counsel, dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit A*;

(3) The opinion of Kevin D. Satterlee, counsel to the University, in substantially the form attached hereto as *Exhibit B*;

(4) The University’s certificate or certificates signed by its Vice-President for Finance and Administration dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge, threatened: (i) to restrain or enjoin the collection of Pledge Revenues under the Resolution; (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, the Resolution, this Purchase Agreement or the exemption from federal income taxation of interest on the Bonds; or (iii) in any way contesting the powers or operation of the University; (B) to the best of her knowledge, the descriptions and information contained in the Official Statement relating to the University and its operational and financial and other affairs and the application of the proceeds of sale of the Bonds are correct in all material respects, as of the date of the Official Statement and as of the date of Closing; (C) such descriptions and information, as of the date of the Official Statement, did not, and, as of the date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject; (E) the Resolution of the University authorizing or approving the execution of this Purchase Agreement, the Continuing Disclosure Undertaking, the Escrow Agreement between the University and U.S. Bank National

Association, as escrow agent (the “*Escrow Agreement*”), the Official Statement, and the form of the Bonds has been duly adopted by the University and has not been modified, amended or repealed; (F) no event affecting the University has occurred since the date of the Official Statement that either makes untrue, as of the date of Closing, any statement or information relating to the same and contained in the Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; and (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(5) A copy of the transcript of all proceedings of the University, including the Supplemental Resolution, relating to the authorization and issuance of the Bonds, certified by appropriate officials of the University;

(6) A certificate of the University relating to matters affecting the tax-exempt status of interest on the Bonds, including the use of proceeds of sale of the Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(7) Satisfactory evidence that the Bonds are rated “\_\_” and “\_\_” by Moody’s Investors Service, Inc. and Standard & Poor’s, respectively;

(8) Copies of the Official Statement related to the Bonds executed on behalf of the University;

(9) An executed counterpart of the Continuing Disclosure Undertaking;

(10) A specimen Bond;

(11) A copy of the executed Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G, and evidence of filing thereof;

(12) Evidence that a copy of the Official Statement has been filed with the Treasurer of the State of Idaho, pursuant to Idaho Code Section 67-1222;

(13) An executed counterpart of the Escrow Agreement;

(14) Escrow verification report issued by The Arbitrage Group, Inc (the “*Verifier*”).

(15) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

If the University shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the University shall be under further obligation hereunder, except as further set forth in Article IV hereof. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Purchase Agreement and proceed with the Closing. Acceptance of the Bonds and payment therefor by the Underwriter shall be deemed a waiver of noncompliance with any of the conditions herein.

#### **ARTICLE IV**

##### **FEES AND EXPENSES**

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds; advertising costs; the costs of posting, printing, duplicating and mailing the Preliminary Official Statement and the Official Statement; the fees of consultants, the rating agencies and the Verifier; the initial fee of the Trustee in connection with the issuance of the Bonds; and the fees and expenses of Bond Counsel, Disclosure Counsel, and counsel for the University, shall be paid out of funds made available by the University. All out-of-pocket expenses of the Underwriter (except for any expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by the University), including advertising expenses in connection with the public offering of the Bonds, travel and other expenses, and the fees and expenses of any counsel employed by it, shall be paid by the Underwriter. To facilitate the Closing, the University hereby authorizes the Underwriter to (i) net from the Purchase Price of the Bonds the Underwriter's Fee and reduce the Purchase Price payable to the University by an equal amount.

#### **ARTICLE V**

##### **GENERAL PROVISIONS**

*Section 5.1. Notices.* Any notice or other communication to be given to the University under this Purchase Agreement may be given by delivering the same in writing to the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Barclays Capital Inc., 701 Fifth Avenue, Suite 7101, Seattle, Washington 98104.

*Section 5.2. Entire Agreement.* This Purchase Agreement, when executed by the University, shall constitute the entire agreement between the University and the Underwriter, and is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof.

*Section 5.3. No Recourse.* No recourse shall be had for any claim based on this Purchase Agreement, or any Resolution, certificate, document or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the University or of any successor body of the University.

*Section 5.4. Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Purchase Agreement by signing any such counterpart.

*Section 5.5. Severability.* The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

*Section 5.6. Waiver or Modification.* No waiver or modification of any one or more of the terms and conditions of this Purchase Agreement shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

*Section 5.7. Governing Law.* This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

*Section 5.8. Effective Date.* This Purchase Agreement shall become effective upon its execution by the Underwriter and the acceptance and approval hereof by the University.

BARCLAYS CAPITAL INC.

By \_\_\_\_\_  
Richard B. King,  
Senior Vice President

ACCEPTED:

BOISE STATE UNIVERSITY

By \_\_\_\_\_  
Stacy Pearson,  
Vice President for Finance and  
Administration

## SCHEDULE I

\$ \_\_\_\_\_ **BOISE STATE UNIVERSITY**  
**GENERAL REVENUE AND REFUNDING BONDS, SERIES 2009A**

Interest on the Bonds is payable on October 1, 2009, and semiannually on each April 1 and October 1 thereafter. Principal on the Bonds is payable on the dates, and the Bonds will bear interest at the rates, set forth below:

APRIL 1 OF THE YEAR	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE
	\$			

*[Optional Redemption.* The Bonds maturing on or before April 1, 2019, shall not be subject to call or redemption prior to their stated dates of maturity. On or after April 1, 2019, at the election of the University, the Bonds maturing on or after April 1, 2020, shall be subject to redemption, in whole or in part, as selected by the University, at a price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.]

[*Mandatory Redemption.* The Bonds maturing on April 1, \_\_\_\_ shall be subject to redemption in part by operation of sinking fund installments, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the amounts as follows:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	\$

\*

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\* Stated maturity.]

## EXHIBIT A

## OPINION OF DISCLOSURE COUNSEL

[TO BE DATE CLOSING DATE]

Barclays Capital Inc.  
701 Fifth Avenue, Suite 7101  
Seattle, Washington 98104-7016

Re: \$ \_\_\_\_\_  
Boise State University  
General Revenue and Refunding Bonds,  
Series 2009A

Ladies and Gentlemen:

We have acted as disclosure counsel in connection with the purchase by Barclays Capital Inc. (the “*Underwriter*”) of \$ \_\_\_\_\_ aggregate principal amount of General Revenue and Refunding Bonds, Series 2009A (the “*Bonds*”) issued on this date by Boise State University (the “*University*”). The Bonds are being issued pursuant to the terms of the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a Supplemental Resolution adopted February 26, 2009 (the “*Supplemental Resolution*” and, collectively with the Master Resolution, the “*Resolution*”). Capitalized terms used herein without definition shall have the meanings specified in the Official Statement dated February 26, 2009, relating to the Bonds (the “*Official Statement*”).

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We have rendered legal advice and assistance to the University as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the “*Rule*”), in connection with the preparation of its Continuing Disclosure Undertaking dated as of the date hereof (the “*Undertaking*”) for purposes of the Rule. Based upon our examination of the Undertaking, the Rule and such other documents and matters of law as we have considered necessary, we are of the opinion that, under existing law, the Undertaking complies in all material respects with the applicable requirements of the Rule; *provided, however*, no view is

expressed regarding the items comprising Annual Financial Information (as defined in the Undertaking).

We have rendered assistance to the University in connection with, and have participated in the preparation of, the Official Statement and certain other matters related to the subject financing. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects and a limited review of certain documents, opinions and certificates of officers of the University and other appropriate persons. We also participated in telephone conferences with your representatives and other persons involved in the preparation of information for the Official Statement, during which the contents of the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein. Moreover, many of the determinations required to be made in the preparation of the Official Statement involve matters of a non-legal nature. While we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, based upon our limited review of documents and participation in conferences as aforesaid, without independent verification, no facts have come to our attention which lead us to believe that the Official Statement (apart from (i) the information relating to The Depository Trust Company and its book-entry only system and (ii) the financial statements or other financial, operating, statistical or accounting data contained therein, as to all of which we do not express any opinion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is solely for the benefit of the Underwriter. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,



assigned to such terms in the Resolution. This opinion is rendered pursuant to the Purchase Agreement.

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Undertaking; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; and (v) to carry out and consummate the transactions contemplated by the Resolution, the Purchase Agreement, and the Continuing Disclosure Undertaking.

2. The meeting of the Board on February 26, 2009, at which the Supplemental Resolution was duly adopted by the Board, was called and held pursuant to law, all public notices required by law were given, and the actions taken at the meeting, insofar as such actions relate to the Series 2009A Bonds, were legally and validly taken.

3. The adoption of the Resolution by the Board, the execution and delivery of the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Undertaking, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or the Board is subject.

4. Based upon conferences with, and representations of officials of, the University, the statements in the Official Statement under the captions, "INTRODUCTION–Boise State University," "SECURITY FOR THE SERIES 2009A BONDS," "THE UNIVERSITY," and "LITIGATION," and in "APPENDIX B–SCHEDULE OF STUDENT FEES," are true and correct in all material respects and do not contain an untrue statement or omission of a material fact, it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Official Statement.

5. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which (i) questions the existence or powers of the Board or the University or the title to office of any present official of the Board or the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Undertaking; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and

accounts under the Resolution; (iv) contests the completeness or accuracy of the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Purchase Agreement, and the Continuing Disclosure Undertaking, or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

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Kevin D. Satterlee  
University Counsel

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**New Issue: Boise State University, ID**

**MOODY'S ASSIGNS AN A1 DEBT RATING TO BOISE STATE UNIVERSITY'S \$43 MILLION OF GENERAL REVENUE BONDS, SERIES 2009A; OUTLOOK IS STABLE**

**UNIVERSITY WILL HAVE \$225.3 MILLION OF RATED DEBT OUTSTANDING INCLUDING CURRENT OFFERING**

Higher Education  
ID

**Moody's Rating**

<b>ISSUE</b>	<b>RATING</b>
General Revenue Bonds, Series 2009A	A1
<b>Sale Amount</b> \$43,134,000	
<b>Expected Sale Date</b> 02/26/09	
<b>Rating Description</b> Public University Revenue Bonds	

**Moody's Outlook** Stable

**Opinion**

NEW YORK, Feb 10, 2009 -- Moody's Investors Service has assigned an A1 rating to Boise State University's (BSU) \$43 million of General Revenue Bonds, Series 2009A. At this time we are affirming the A1 rating on the University's outstanding debt (see RATED DEBT section below). The rating outlook is stable.

**USE OF PROCEEDS:** Bond proceeds will be used to finance the construction of a new research building, Center for Environmental Science and Economic Development (CESED); refund the Student Fee Revenue Bonds, Series 1998 and 2001; refund the Student Union & Housing Bonds, Series 1998; and pay the costs of issuance.

**LEGAL SECURITY:** The Series 2009 Bonds are secured by Pledged Revenues which include student charges, auxiliary revenues, indirect cost recovery, and other various revenue sources. State appropriations and other externally restricted funds are not included in the Pledged Revenues. For certain of these revenues, the lien is subordinate to other outstanding debt until that debt either matures or is retired. Based on the current refinancing and principal repayment, there should be no senior debt outstanding by April 1, 2009. Debt service covenant and additional bonds test to 1.1 times. There is no debt service reserve. In FY 2008, Pledged Revenues covered pro-forma maximum annual debt service by 5.4 times.

**INTEREST RATE DERIVATIVES:** None

**STRENGTHS**

\* Sound fundamental market position as an urban university in a growing metropolitan area should lead to stable enrollment (full-time equivalent of nearly 14,000 students in fall 2008) and continued growth in student charges pledged to bondholders.

\* History of consistently favorable operating performance despite volatile funding environment, with a three-year average operating margin of 5.0% (FY 2006-2008) and good average debt service coverage of 2.5 times over the same period. Healthy growth of tuition revenue, which has increased at an average rate of 7% over the past three years, has contributed to the University's decreasing dependence on state appropriations.

\* Growth in financial resources, with expendable financial resources nearly doubling since FY 2004 (\$186.4 million in FY 2008). We anticipate that conservative budgeting, operating surpluses, and improved fundraising associated with the current campaign will help offset investment losses and lead to stable to modest resource growth over time. BSU is in the midst of its first capital campaign, having raised \$107 million against a \$175 million goal.

## CHALLENGES

\* Additional capital investment needed to support the University's strategic plan, including academic space and additional student housing which could further leverage the University's balance sheet and operations; however, the University is proceeding with caution in reaction to the current economic environment and to preserve its balance sheet strength. BSU plans to borrow an estimated \$36 million in the next three to five years for the construction of a College of Business building and is considering a variety of funding options for additional housing needs.

\* Reliant on state appropriations for nearly 35% of operating revenues in FY 2008. While state appropriations have increased in recent years, due in large part to an equity funding adjustment, Idaho, like other states, is currently facing fiscal challenges stemming from the difficult economic environment which has resulted in a 4% holdback for FY 2009 and potentially a 10% reduction in funding in the near-term.

\* Efforts to expand research activity could be hampered by slowing of growth rate in federal funding sources. BSU has a modest research profile with \$14.4 million of expenditures in FY 2008.

## MARKET/COMPETITIVE POSITION: URBAN UNIVERSITY SERVING A GROWING METROPOLITAN AREA

Moody's anticipates continued solid student demand and stable enrollment based on Boise State University's niche as an urban university in a growing metropolitan area. BSU is the largest public institution of higher education in the state, with full-time equivalent enrollment reaching nearly 14,000 students in fall 2008. Student demand remains strong despite moderate declines in freshman applications which peaked in 2004 before the implementation of more stringent admissions requirements. Most recently, management attributes application declines to other in-state institutions offering expanded financial aid packages. Approximately 70% of freshman applicants are accepted, with an impressive yield of 67% of admitted students choosing to enroll. Matriculation rates have remained strong even as the University has expanded the geographic diversity of its applicant pool (out-of-state students represented 20% of the applicant pool in 2008 compared to 9% in 2004). Management attributes the increased geographic diversity of undergraduate and graduate applications in large part to the noteworthy success of the University's football team at the 2007 Fiesta Bowl.

The University had historically served as both a comprehensive urban four-year institution as well as the community college for the area. However, the State of Idaho created a new community college, the College of Western Idaho, which started offering classes in January 2009. In the summer of 2009 the University will transfer its applied technology program to CWI. Management reports that the creation of the College of Western Idaho and transfer of BSU programs will result in a reduction of up to 1,200 students in the near-term. However, the University anticipates that these enrollment losses will be mitigated by countercyclical enrollment trends at the University during periods of economic downturns. BSU estimates that the enrollment declines could result in a loss of tuition revenue up to \$3 million per year plus a \$7.5 million reduction per year in state appropriations associated with the transfer of the Selland College of Applied Technology. Management reports that despite the opening of CWI in January, spring 2009 FTE enrollment has increased. BSU notes that while headcount is relatively flat to the prior year, more students are shifting towards full-time programs. We will continue to monitor the impact of the College of Western Idaho on BSU's enrollment and operating performance.

The University remains committed to growing research programs, with its strategic plan calling for it to develop into an "Urban Metropolitan Research University of Distinction." While BSU's research base remains modest, with expenditures of \$14.4 million in FY 2008, the rate of growth has been impressive in the context of a constrained funding environment. The University's average annual rate of growth for research expenditures has been 11.6% over the past three years, while federal support for research has declined at an annual rate of 2.1% since 2003. Despite this growth, we still believe that it will be a challenge to raise the University's research profile in a continued environment of tight federal research funding. The University is in the midst of its first comprehensive campaign, with gifts targeted to provide funding for endowed faculty chairs and facilities that would support its vision.

## OPERATING PERFORMANCE: HISTORY OF FAVORABLE OPERATING PERFORMANCE DESPITE VOLATILE STATE FUNDING ENVIRONMENT

We anticipate that the University will continue to produce favorable operating results due to a history of careful revenue and expense management during periods of volatile state funding. The University has averaged a 5.0% operating margin over the past three years (FY 2006-2008) resulting in an average of 2.5 times debt service coverage over the same period. In addition to reduced state support in the near-term, as mentioned earlier, BSU also will be managing the transfer of the Selland College of Applied Technology. BSU's ability to achieve sound operating performance despite constrained funding and reduced revenue associated with its associate degree and applied technology programs will be viewed as a critical credit factor.

Healthy growth of tuition revenue has contributed to the University's decreasing dependence on state appropriations which dropped to 35% in FY 2008 from 43% in FY 2002. Student generated charges, including tuition and auxiliary revenues, comprised 45% of Moody's adjusted operating revenue in FY 2008.

While net tuition per student has grown at a healthy rate, averaging over 7% for the past three years, BSU's net tuition per student of \$5,567 in FY 2008 remains below the median for A1 rated institutions (\$6,430 based on FY 2007). Management anticipates more modest rates of increase in tuition in the near term to maintain affordable access to higher education.

Boise State University continues to be moderately reliant on state appropriations, which comprised nearly 35% of operating revenues in FY 2008. While state appropriations have increased in recent years, in large part due to an equity adjustment implemented in FY 2006, Idaho, like other states, is currently facing fiscal challenges stemming from the difficult economic environment. In FY 2009, the Governor ordered two holdbacks in appropriations to the University totaling \$3.5 million, or 4% of the original appropriations. In addition, the University has a 2% holdback reserve (\$1.75 million) in preparation for potential additional FY 2009 cuts. The Governor has proposed nearly a 10% reduction in base funding for FY 2010. We expect that budgetary pressures for the State will result in reduced operating support in the near-term.

The Aa2 issuer rating on the State of Idaho reflects a solid financial position, low but rising debt levels, relatively diverse economy, and low wealth levels. Idaho's economy has diversified in recent years, benefiting from strong population growth. Population growth has consistently outpaced the nation; Idaho experienced 2.4% growth vs. 0.9% growth for the U.S. in 2007. As a result, the state has seen particular growth in the technology sector, including both manufacturing and tech related services. Despite diversification, an above average dependence on the natural resource sector remains, particularly outside of the Boise area. The state's conservative debt policies have led to modest state debt levels, falling well below national medians. Offsetting these strengths are volatile individual and corporate tax receipts and lack of certain fiscal planning tools common among highly rated states. For more information, please see Moody's report dated June 13, 2008.

#### BALANCE SHEET POSITION: IMPROVING BUT MODEST FINANCIAL RESOURCES; POTENTIAL INCREASE IN LEVERAGE TO ADDRESS CAPITAL NEEDS

Moody's believes that BSU's financial resources provide a modest cushion for debt and operations and that given the rapid growth in resources in recent years as well as future planned borrowing, the University could become increasingly leveraged for its rating category. The University has strengthened its financial resource base in recent years, nearly doubling expendable financial resources between FY 2004 and FY 2008. We believe that BSU's conservative budgeting, operating surpluses, and improved fundraising associated with the current campaign will help mitigate investment losses and contribute to stable to modest growth in resources. Despite resource growth, BSU remains leveraged from a balance sheet and operating perspective with expendable resources covering \$242.5 million of pro-forma debt (including the current borrowing and \$5.1 million of debt issued by the Foundation in FY 2009) 0.8 times and pro-forma debt to revenues of 0.9 times.

Moody's expects that BSU will remain highly leveraged in the near-term due to the University's investment in academic and auxiliary facilities for its growing student population and the relative paucity of State funds to support capital projects. Beyond the current issue, the University has identified \$36 million of additional borrowing plans within the next three to five years. Future capital projects include the College of Economics and Business building (with a \$12.5 million donation from the Micron Foundation to be matched by \$5 million in gifts) and additional student housing. The University is considering a ground lease to a private developer in connection with the construction of housing facilities for approximately 1,200 beds. Management reports that the University is still evaluating the terms and timing of this project. Management is proceeding with caution in reaction to the current economic environment and to preserve its balance sheet strength. Moody's will continue to monitor this project and any potential impact it could have on BSU's overall credit quality. Future capital projects will be used to enhance academic programs as well as student life on campus, thereby strengthening BSU's long-term market position. The University's ability to absorb any additional borrowing will be contingent on growth in liquidity, sustained strong operating performance, and continued stable enrollment.

The University is in the midst of its first comprehensive campaign, having raised \$107 million towards the \$175 million goal with a closing date of June 2011. Campaign proceeds will help support the University strategic academic and capital initiatives, with a majority of the proceeds to increase the endowment and roughly \$70 million for capital projects.

BSU's endowment is primarily invested with its Foundation, which had a -0.9% investment return for FY 2008. Since June 30, 2008, the endowment returned -31.3% (as of 12/31/08). The Foundation's investment allocation as of December 31, 2008 was as follows: 25% domestic equities, 35% international equities, 10% fixed income, 15% real assets, 10% hedge funds, and 6% private equity. Moody's includes the Foundation's balance sheet in the University's financial resource calculation. Adjusted for an estimated 20% loss since the end of FY 2008, expendable financial resources would be \$149.1 million and would cover pro-forma debt and operations by 0.6 times. (Moody's has used a lower percentage decline in expendable financial resources due to the large proportion of resources held by the University and invested in highly liquid investments that have not generated substantial losses).

#### Outlook

The stable outlook reflects our expectation that BSU will maintain strong student demand which will enable it to continue to grow tuition revenue, leading to solidly positive operating performance and a stable financial resource base. The outlook also incorporates manageable borrowing plans.

What could change the rating-UP

Material growth in financial resources to provide a substantially stronger cushion for debt, increased philanthropic support to both build the endowment and to finance strategic capital and academic initiatives, and continued favorable operating performance

What could change the rating-DOWN

Significant deterioration of balance sheet cushion either through borrowing beyond current expectations or larger than expected investment losses, sustained deterioration of student market position contributing to operating deficits and weak debt service coverage

KEY INDICATORS (Fiscal year 2008 financial data; fall 2008 enrollment data):

\* Ratios in parentheses represent a pro-forma 20% decline in financial resources reflecting the weak investment environment and expected investment returns since the June 30, 2008. Moody's has used a lower percentage decline in expendable financial resources due to the large proportion of resources held by the University and invested in highly liquid investments that have not generated substantial losses.

Total Enrollment: 13,914 full-time equivalent students

Total Pro Forma Direct Debt: \$242.5 million, including debt of affiliated foundation

Expendable Financial Resources: \$186.4 million (\$149.1 million)

Expendable Financial Resources to Direct Debt: 0.8 times (0.6 times)

Expendable Financial Resources to Operations: 0.7 times (0.6 times)

Three-Year Average Operating Margin: 5.0%

Reliance on state funding (% of Operating Revenue): 34.6%

State of Idaho: Aa2 Issuer Level Rating, Stable Outlook

RATED DEBT:

General Revenue Bonds: Series 2004A: A1; FGIC insured (FGIC's current financial strength rating is Caa1 with a negative outlook)

General Revenue Bonds: Series 2005A, 2007A, 2007B, 2007C: A1; MBIA insured (MBIA's current financial strength rating is Baa1 with a developing outlook)

Student Union and Housing System Bonds: Series 2002: A1; FGIC insured (FGIC's current financial strength rating is Caa1 with a negative outlook)

Student Union and Housing System Bonds: Series 2003: A1; Ambac insured (Ambac's current financial strength rating is Baa1 with a developing outlook)

Student Union and Housing System Bonds: Series 1996, 1998 (1998 to be refunded with the current borrowing): A1; FSA insured (FSA's current financial strength rating is Aa3 with a developing outlook)

Student Building Fee Bonds: Series 1998, 2001 (both series to be refunded with the current borrowing): A1; FSA insured (FSA's current financial strength rating is Aa3 with a developing outlook)

CONTACTS:

Boise State University: Stacy Pearson, Vice President for Finance and Administration, 208-426-1200

Underwriter: Richard King, Barclay's Capital, 206-344-5838

The principal methodology used in rating Boise State University was Moody's Public College and University Rating Methodology, which can be found at [www.moodys.com](http://www.moodys.com) in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Credit Policy & Methodologies directory.

The last rating action was on February 14, 2007, when Boise State University's rating and outlook were affirmed.

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## Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

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## Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

Credit Profile		
US\$43.124 mil General rev bnds ser 2009A due 03/31/2039		
Long Term Rating	A+/Stable	New
Boise St Univ Std University Fee & Housing Sys Ser 1997, 1998, 1999		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed

### Rationale

Standard & Poor's Ratings Services assigned its 'A+' rating to Boise State University (BSU), Idaho's \$43.1 million general revenue bonds, series 2009A, and affirmed its 'A+' rating and underlying rating (SPUR) on BSU's outstanding debt, reflecting the university's:

- Funding support from Idaho ('AA/Positive' issuer credit rating);
- History of balanced financial operations on a full accrual basis;
- Long-term growth in student enrollment;
- Limited competition in the region; and
- Wide array of program offerings.

Offsetting factors include future debt plans and expected financial stress attributed to constrained state funding.

Bond proceeds will be used primarily to construct a new research building (\$30 million). Additionally, proceeds will refund three series of bonds (\$12 million). The bonds are secured by pledged revenues, which include all revenues of the university, excluding a portion of revenues pledged to the student building fee bonds (which have a closed lien), state appropriations, and restricted gifts and grants. Pledged revenues will expand to include all other university revenues when the student building fee bonds are retired this year (2009). The university instituted a Strategic Facility Fee in fall 2006 to fund construction related to its master plan. Initially set at \$25, the fee is now \$210 in fiscal 2009. Due to the large scope of pledged revenues, Standard & Poor's views this as an unlimited student fee obligation. There is no debt service reserve fund.

Upon issuance of the series 2009A bonds, debt will increase to approximately \$242 million (including senior debt of \$7.5 million, subordinated debt of \$3.3 million, \$3.8 million of capital leases, and a \$2.1 million bank line), producing an above-average, but manageable, debt burden (pro forma maximum debt service as a percentage of operating expenses) of 6%. This debt and parity debt are rated the same as the senior debt (due to be repaid by April 2009) due to the comprehensive pledge. Standard & Poor's does not rate the subordinate debt. All debt is fixed, and BSU has no swap contracts. Other postretirement employee benefit obligations in fiscal 2008 were \$3.6 million. Management reports that the university has scaled back its building plans. In the long term, though, the university may issue up to \$36 million for a business school, possibly within the next five years. Additionally, the university may build a large residence hall through a public private partnership.

## Outlook

The stable outlook reflects our expectation that enrollment will be relatively stable, financial operations will remain balanced, and fundraising will continue to progress. Additionally, we expect that the university will be able to manage through a period of expected constrained state funding. We anticipate that future debt will continue to have dedicated associated revenue streams and/or there will be a commensurate increase in resources.

## History

Founded in 1932 as a junior college district, today BSU has the largest student enrollment of any postsecondary institution in Idaho. The university offers 73 master's degrees and four doctoral degrees through the following colleges: Arts and Sciences, Business and Economics, Education, Health Sciences, Engineering, Social Sciences and Public Affairs, and the Graduate Studies. The university's applied-technology programs are in the process of being transferred to a new community college, the College of Western Idaho, that opened its doors in January 2009.

## Demand

In fall 2008, total enrollment at BSU peaked at 19,667, reflecting more than a 6% increase over the previous year. Based in part on demographic trends, BSU expects growth in the next six years; however, it expects the growth rate to moderate somewhat, due largely to more rigorous requirements for admittance. Full-time-equivalent enrollment in fall 2008 is 14,608. The majority of students are undergraduates, although graduate students are increasing. Student quality, as measured by the ACT score, is about 22 (above the U.S. average of 21). The majority (90%) of students are Idaho residents. By 2011, university officials expect that 10% of students will live on campus. Occupancy rates are 99% for residence halls and 99% for apartments.

First-year applications in fall 2008 dropped to 4,801, a 6% decrease from the previous year, due in part to more stringent admission requirements. Moreover, some self-selectivity is also at play since the matriculation rate spiked to about 74% in falls 2006 and 2007 after averaging 59% the previous five years. The matriculation rate seems to have settled at 69% in fall 2008. New enrollment management leadership was put in place in 2007.

## Finances

BSU's revenue base is fairly diverse, with BSU receiving among the largest portions of state appropriation funding allocated to public institutions in the state. This appropriation is BSU's largest revenue source and in fiscal 2008 accounted for about a third of total revenues, followed by net student fees (26%), auxiliary income (15%), and grants and contracts (11%). BSU continues to receive increases in appropriations from Idaho: 8.9% for fiscal 2009 and 6.8% in fiscal 2008. However, the state has held back \$3.5 million (4%) in fiscal 2009, making the net increase 4.9%. Management reports that the university's appropriation for the next few years may decrease by 10% (including the current heldback of 4%) due to the state's smaller revenues. Tuition is a reasonable \$4,632 per year for a student from Idaho, an increase of 5% from the previous year. The university board has gained some flexibility in fee- and tuition-setting from the state legislature.

Fiscal 2008 continued the university's trend of operating surpluses, with an adjusted operating surplus of about \$10

*Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees*

million due in part to increased enrollments and a rise in tuition, as well as higher state operating appropriations. Net assets increased \$12 million in 2008 based on a revenue base of approximately \$268 million, of which \$165 million was operating revenues and the balance non-operating revenues – predominantly state appropriations.

Financial resource ratios are low, but growing, for the rating category, with adjusted unrestricted net assets, as of June 30, 2008, of \$93 million, or 32% of operating expenses and 35% of post-issuance debt. At fiscal year-end, the university's foundation had total net assets of \$129 million, of which approximately \$7.7 million was unrestricted and is included in the above ratios. As of Dec. 31, 2008, the foundation's assets were \$115 million. The foundation's funds are invested in 31% international equities, 23% domestic equities, 15% real assets, 15% fixed-income, and the balance in hedge funds and private equity. The university is in its second year of its first comprehensive capital campaign, the proceeds of which will be used for capital projects, endowed professorships, scholarships, and to assist in the funding of graduate students. To date \$107 million has been raised against a goal of \$175 million.

**Contacts**

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Underwriter: Richard King, Barclays Capital, 206-344-5838

<b>Ratings Detail (As Of February 11, 2009)</b>		
<b>Boise St Univ gen rev bnds ser 2004A (MBIA)</b>		
<i>Unenhanced Rating</i>	A+(SPURV/Stable)	Affirmed
<b>Boise St Univ gen rev ser 2005A, 2007A, 2007B, 2007C (MBIA)</b>		
<i>Unenhanced Rating</i>	A+(SPURV/Stable)	Affirmed
<b>Boise St Univ stud fee rev bnds ser 2001 (FSA)</b>		
<i>Unenhanced Rating</i>	A+(SPURV/Stable)	Affirmed
<b>Boise St Univ stud union &amp; hsg sys rfdg rev bnds ser 2003 dtc 02/06/2003 dse 04/01/2004-2017</b>		
<i>Unenhanced Rating</i>	A+(SPURV/Stable)	Affirmed
<b>Boise St Univ Gen Rev bnds ser 2007A</b>		
<i>Long Term Rating</i>	A+/Stable	Affirmed
<b>Boise St Univ Std University Fee &amp; Housing Sys ser 2002 (MEIA)</b>		
<i>Unenhanced Rating</i>	A+(SPURV/Stable)	Affirmed
Many issues are enhanced by bond insurance.		

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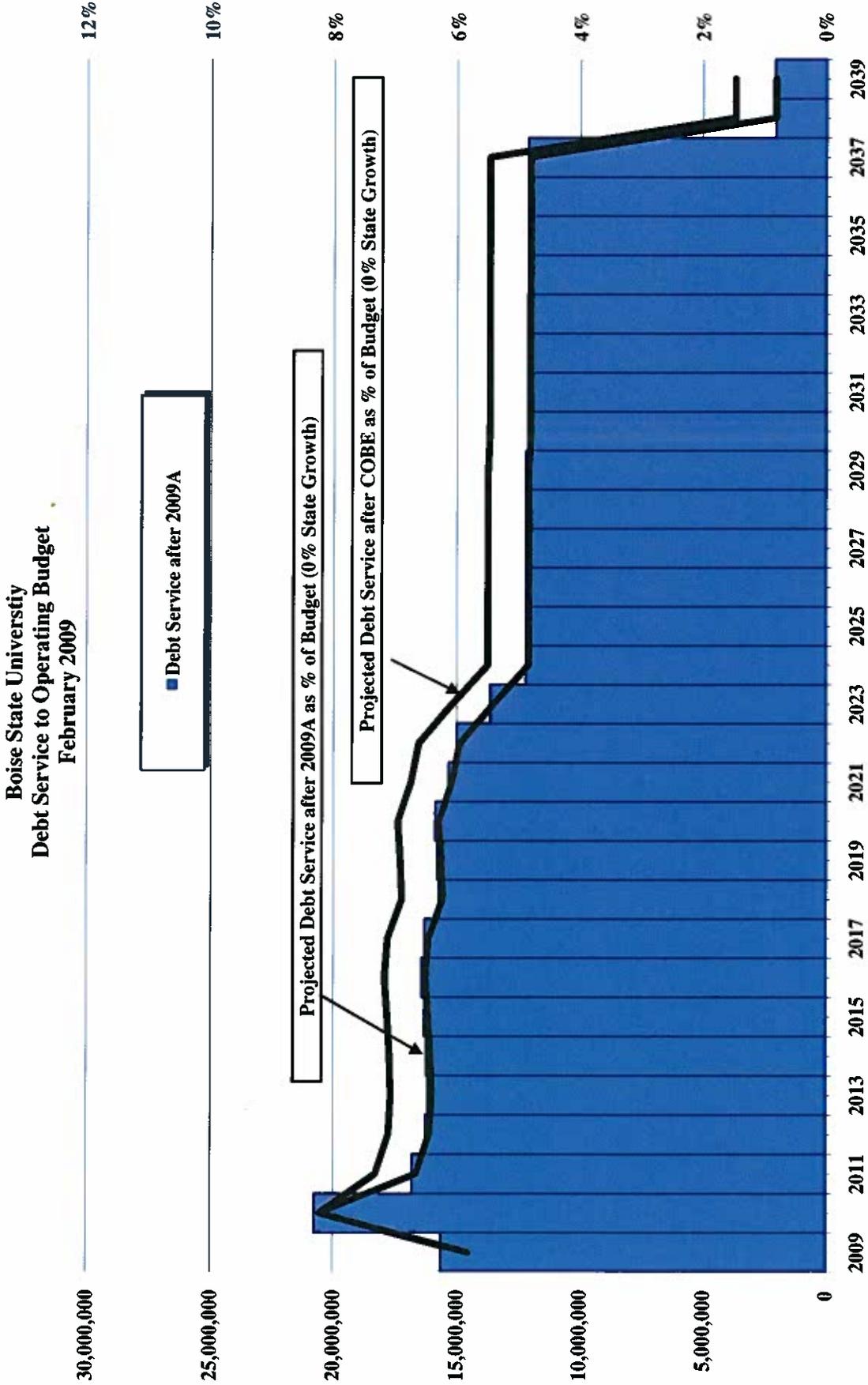
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**Boise State University  
Existing Debt Service to Budget post Series 2009A Issuance**



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Boise State University  
Ten Year Debt Projection  
February 2009

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
1 Future Buildings											
2 2010 COBE			\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$1,670,924	\$11,696,468
3 2010 Housing (public/private)											
4											
5											
6 Current University Debt Service	\$15,890,766	\$19,231,946	\$14,760,440	\$14,227,763	\$14,130,014	\$14,182,146	\$14,223,454	\$14,275,616	\$14,153,509	\$13,565,590	\$148,641,244
7 Less Impact of 2009A refundings	-\$282,596	-\$2,053,253	-\$2,856,953	-\$2,636,573	-\$2,629,823	-\$2,361,653	-\$1,228,963				-\$14,052,811
8 Projected 2009A Debt Service (CESED, Seating, Refunded Bonds)	\$0	\$3,592,755	\$4,645,556	\$4,645,756	\$4,640,556	\$4,371,156	\$3,297,956	\$2,125,956	\$2,123,206	\$2,123,956	\$31,796,855
9 Debt Service after 2009A	\$15,608,170	\$20,771,448	\$16,777,044	\$16,236,947	\$16,140,748	\$16,191,650	\$16,291,448	\$16,401,572	\$16,276,715	\$15,689,545	\$186,365,288
10 Total Projected Debt Service after COBE	\$15,608,170	\$20,771,448	\$18,447,968	\$17,907,871	\$17,811,672	\$17,962,374	\$17,962,372	\$18,072,496	\$17,947,639	\$17,360,470	\$178,081,756
11 Operating Budget (less direct loans, includes 0% growth in State support)	\$288,663,208	\$252,179,509	\$252,179,509	\$252,179,509	\$252,179,509	\$252,179,509	\$252,179,509	\$252,179,509	\$252,179,509	\$252,179,509	\$2,521,795,509
12 Debt Service as a % of Operating Budget after 2009A	5.8%	8.2%	6.7%	6.4%	6.4%	6.4%	6.5%	6.5%	6.5%	6.2%	6.2%
13 Debt Service as a % of Operating Budget after COBE			7.3%	7.1%	7.1%	7.1%	7.1%	7.2%	7.1%	6.9%	6.9%

As presented in June, 2006, a ratio of 10% would significantly hinder access to capital in the bond markets.

Assumptions:

- 14 1. 0% growth in enrollment, with -4% loss in student fees due to transfer of Sellaand College to CWI in FY2010
- 15 2. 6% Holdback in FY2009 and 10% decrease in base appropriation in FY2010, 0% growth in ongoing state support, and loss of Sellaand College appropriation
- 16 3. Drop in gifts and auxiliary revenues of 5%
- 17 4. New housing will be done through a public/private partnership that will not impact balance sheet or credit of the University.
- 18 5. No new source of state funding for academic buildings
- 19 6. The ratio increase in 2010 is the result of the \$3,325,000 private note balloon payment for East Junior High.

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Request to purchase furnishings, fixtures and equipment (FF&E) for Norco Building: Department of Nursing, University Health Services

**REFERENCE**

January 2004	Board approved 2004-2005 student fees, including a \$40/semester facility fee
April 2004	Board approved request to proceed with the RFP process planning and design of the Health, Wellness and Counseling Services Center project
June 2004	Board approved request to proceed with programming and design for Health, Wellness and Counseling Services Center project
November 2005	Interim Executive Director of the Board approved a \$495,000 increase to the project budget to add design and materials to meet higher energy efficiency standards
June 2006	Capital projects update included discussion that the Student Health, Wellness and Counseling Services project was delayed to add space for nursing education to be funded from private gifts and other sources
November 2006	Board approved request to proceed with construction at a total project cost not to exceed \$25,000,000, pending final approval of financing
January 2007	Board approved request to issue bond debt to finance construction
December 2007	Board approved request to name facility the Norco Building: Department of Nursing, University Health Services

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies and Procedures, Section V.I.3

**BACKGROUND/DISCUSSION**

In November 2006, the Board approved Boise State University's request to proceed with construction of the Student Health, Wellness and Counseling Services Center, thereafter named the Norco Building: Department of Nursing, University Health Services. Construction is underway and is expected to be complete in July and the building operational for the fall 2009 semester. The University now seeks approval to contract for the purchase and installation of

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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FF&E for the facility at a cost not to exceed \$2,220,000. The FF&E are categorized as follows: 1) standard furnishings for office and classroom space, 2) medical and specialized clinical equipment, and 3) specialized equipment for Nursing Simulation Labs. The State of Idaho, Department of Purchasing, will conduct the formal solicitation process for Boise State University for the furniture, medical and clinical equipment. Multiple contracts may be awarded based upon the proposals received. The source of funds is a combination of gift funds and bond reserves; no appropriated funds will be used.

**IMPACT**

The estimated \$2,220,000 purchase and installation costs for FF&E were included in the \$25,000,000 construction budget approved by the Board in November 2006. However, that request and approval was limited to construction; at this time the University seeks approval to procure the FF&E already budgeted in the previously approved request.

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff recommends approval.

**BOARD MOTION**

Motion to authorize Boise State University to enter into a contract(s) to purchase and install the furnishings, fixtures and equipment for the Norco Building: Department of Nursing, University Health Services at a cost not to exceed \$2,220,000.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**IDAHO STATE UNIVERSITY**

**SUBJECT**

Approval to renew the contract between Idaho State University (ISU) and Follett Higher Education for outsource management of the bookstore

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.I.6.b.

**BACKGROUND/DISCUSSION**

In March, 1999, ISU issued a request for proposal (RFP) to outsource the management of its bookstore. Following the review of the RFPs received, ISU accepted and selected the RFP submitted by Follett Higher Education Group.

A contract with Follett was signed on July 11, 1999, for a period of five (5) years, ending July 8, 2004, with the option to renew on a year-to-year basis thereafter, or the time interval equal to the original contract period. In 2004, the contract was renewed for one year. In 2005, the contract was renewed for four (4) years, July 1, 2005 through June 30, 2009

**DISCUSSION**

Pursuant to the Bookstore Operating Agreement dated July 1, 2005, between ISU and Follett Higher Education Group, Item 2 states: "Term. This Agreement takes effect July 1, 2005, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2009. Thereafter, the term may be extended for an additional 3 years by mutual agreement upon approval by the State Board of Education. The option must be exercised by written notice at least one hundred twenty (120) days prior to the expiration date."

It is the desire of Idaho State University and Follett Higher Education Group to renew the current contract for three (3) years, beginning July 1, 2009 and ending June 30, 2012. All other terms and conditions of the existing agreement will remain in force.

**ATTACHMENTS**

Attachment 1	Letter to Follett Higher Education Group	Page 3
Attachment 2	Letter to ISU from Follett	Page 4
Attachment 3	Current Operating Agreement	Page 5

**IMPACT**

Renewal of this contract is vital in order to provide continued consistent and stable retail services to students and faculty, as well providing a predictable financial return from the bookstore operation.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**STAFF COMMENTS AND RECOMMENDATIONS**

Textbook scholarships increased from \$5,000 per year to \$7,500 per year in 2005. Gross sales have only increased 4.72 percent in the interim and flat thus far in FY09. Due to the current economy and small increases in enrollment, the University has determined not to increase textbook scholarships at this time.

According to the University, the industry standard prices under item 9.1 of the current contract have not changed in the past four years.

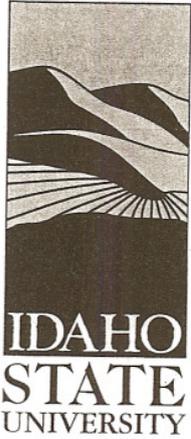
Finally, the University believes it is receiving a fair commission rate for the amount of gross sales.

Staff recommends approval.

**BOARD ACTION**

A motion to approve the request by Idaho State University to proceed with the contract renewal with Follett Higher Education Group to manage its bookstore for a period of three (3) years, beginning July 1, 2009, ending June 30, 2012.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_



**Office of Finance  
and Administration**

921 South 8th Avenue,  
Stop 8219  
Pocatello, Idaho  
83209-8219

January 8, 2009

**Attachment 1**

Mr. Bruce Snyder  
Vice President of Marketing  
Follett Higher Education Group  
1818 Swift Drive  
Oak Brook, Illinois 60523-1576

Dear Mr. Snyder:

Pursuant to the Bookstore Operating Agreement dated July 1, 2005 between Idaho State University and Follett Higher Education Group, Inc., item 2 states: "Term. This Agreement takes effect July 1, 2005, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2009. Thereafter, the term may be extended for an additional 3 years by mutual agreement upon approval by the Idaho State Board of Education." The option must be exercised by written notice at least one hundred twenty (120) days prior to the expiration date.

It is the desire of Idaho State University to exercise the option to extend the term an additional three years.

Please respond by February 10, 2009 so the Bookstore Operating Agreement can be placed on the April agenda of the State Board of Education.

We look forward to our continued partnership with Follett Higher Education Group.

Sincerely,

Phil Blick  
Assistant Vice President for Finance and Administration

Phone: (208) 282-2404  
Fax: (208) 282-4725

*ISU Is An Equal Opportunity Employer*

January 13, 2009

Mr. Philip E. Blick  
Assistant Vice President of Financial Services  
Idaho State University  
921 South 8<sup>th</sup> Avenue  
Stop 8219  
Pocatello, Idaho 83209-8219

Dear Mr. Blick:

Thank you for your letter of January 8, 2009. This letter is to inform you that the Follett Higher Education Group wishes to renew the contract we have with Idaho State University for management of the bookstore. The new contract period begins July 1, 2009 and ends on June 30, 2012. All other terms and conditions of the existing agreement will remain in force.

If this meets with your approval, please sign both copies of this letter and return one to us for our files, to the attention of Kathy Donato, at the address below.

We look forward to continuing a beneficial relationship.

Sincerely,

  
Thomas A. Christopher  
President

TAC/kd

c: B. Snyder  
M. Perry  
B. Scholl  
J. Zalewski  
B. Smith  
M. Seaman

**IDAHO STATE UNIVERSITY**

**DATE**

\_\_\_\_\_

**BOOKSTORE OPERATING AGREEMENT BETWEEN  
IDAHO STATE UNIVERSITY  
AND FOLLETT HIGHER EDUCATION GROUP, INC.**

This Bookstore Operating Agreement ("Agreement") is effective as of July 1, 2005 between Idaho State University ("University") and Follett Higher Education Group, Inc. ("Follett").

Intending to be legally bound, University and Follett agree:

1. **Store.** Subject to all the terms and conditions in this Agreement, Follett shall operate a bookstore ("Store") and provide Athletic Merchandising Concession Services for University.
2. **Term.** This Agreement takes effect July 1, 2005, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2009. Thereafter, the term may be extended for an additional 3 years by mutual agreement upon approval by the Idaho State Board of Education. The option must be exercised by written notice at least one hundred twenty (120) days prior to the expiration date.
3. **Early Termination.**
  - 3.1 Either party may terminate this Agreement with or without cause by giving the other party at least 120 days prior written notice of termination.
  - 3.2 Either party may terminate this Agreement upon 90 days prior written notice for material nonperformance by the other party, documented, in case of nonperformance by Follett, in accordance with Section 7.4.
  - 3.3 University may terminate this Agreement immediately if Follett initiates any bankruptcy proceeding, or if any such proceeding initiated against Follett remains undismissed for 60 days.
4. **Rights Upon Termination, Expiration or Non-Renewal.**
  - 4.1 Termination, expiration or non-renewal of this Agreement shall not affect any right of either party accrued prior to such termination, expiration or non-renewal.
  - 4.2 On any termination, expiration or non-renewal of this Agreement, University shall pay Follett the unamortized book value (calculated on the straight-line method from the in-service date[s] over the greater of 8 years or until expiration of this Agreement) of all future Store Remodeling (as defined in Section 5) paid by Follett.

### Attachment 3

- 4.3 On any termination, expiration or non-renewal of this Agreement, University shall purchase, or cause to be purchased, the Store inventory then on hand under the following terms:

“Store Merchandise” will include all salable merchandise in the Store, including new textbooks, used textbooks, trade, reference and technical books, general merchandise, and any verified, usable credits with publishers or vendors. University shall cause all such merchandise to be inventoried by an independent firm. Each party may observe the inventory if desired. Payment to Follett for Store Merchandise shall be made or caused to be made by University within 30 days after the completion of the inventory as follows:

- a) New Textbooks
  1. New textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at standard industry discounts or cost.
  2. New textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at the current wholesale price.
- b) Used Textbooks
  1. Used textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at 50% of the current retail selling price.
  2. Used textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at current wholesale price.
- c) Trade, Reference and Technical Books (“Trade Books”)
  1. Trade Books that have been purchased during the past academic year and are returnable to the publisher will be purchased at standard industry discounts or cost.
  2. Trade Books not meeting these requirements will be purchased at a price agreeable to University and Follett.
- d) General Merchandise
  1. General merchandise traditionally sold in college bookstores, purchased in the past academic year, in salable condition, and not in excessive quantities, will be purchased at standard industry discounts or cost.
  2. General merchandise not meeting these requirements will be purchased at a price agreeable to University and Follett.

#### 5. Store Remodeling.

- 5.1 Follett shall spend up to a total of **\$40,000** to create a functional and efficient retail space at the Idaho State University Rendezvous Complex Spirit Shop. This expenditure may include furniture, trade fixtures, and equipment, including point-of-sale equipment, that is readily removable (“Capital Equipment”) and Follett and third-party design and project management services, third-party architectural and engineering services, cabling and infrastructure, build-out, floor and wall coverings, decorating, lighting, and fixtures that

are not readily removable. Capital Equipment and Store Remodeling each include all replacements, additions and extensions paid for by Follett, whenever installed. The Capital Equipment and Store Remodeling together comprise the "Store Improvements."

- a) University will provide the new retail space consisting of approximately 1000 square feet in retail-ready condition including partition construction, taping and sanding, electrical service, plumbing service, HVAC system, finished ceiling and ceiling fluorescent lighting, offices, storage, computer and telephone wiring and a smooth finished floor, all to meet ADA and other applicable codes, laws and regulations and in accordance with Follett Higher Education Group's Designs Intent documents.
- 5.2 Follett shall prepare complete plans and specifications for any future Store Remodeling for review and approval by University, and shall work closely with University to develop mutually acceptable plans ("Plans").
- 5.3 When University has given final approval to the Plans, Follett shall submit an installation and/or construction schedule to University for approval. University shall review and comment on the Plans and schedule in a reasonable time frame to allow the project completion date to be met.
- 5.4 Any physical changes to the Store space shall meet or exceed the requirements of the Americans with Disabilities Act ("ADA") and all other applicable codes, laws and regulations, and shall be in accordance with Follett's Design Intent documents.
- 5.5 All capital equipment purchased by Follett and not attached as a fixture to real estate will remain the property of Follett.

6. **General Rights and Responsibilities of Follett.**

- 6.1 Follett shall operate the Store in accordance with the highest standards and commercial practices in the college bookstore industry.
- 6.2 Follett shall operate the Store 12 months per year. The name of the Store shall not change. The Store's normal hours of operation and holiday closing schedule shall be as approved in writing by University after consultation with Follett; hours of operation during registration periods, the first two weeks of classes, and all special campus events, shall be extended to coincide with demand.
- 6.3 Follett shall have the exclusive right, free from any alternate source endorsed, licensed or otherwise approved or supported by University (whether on campus, by catalog or through electronic commerce, including hyperlinks to alternate sources) to buy, sell, and distribute (including the right to select vendors) merchandise and services traditionally offered in college and university bookstores, including but not limited to: textbooks, class and alumni rings and jewelry, clothing (whether or not emblematic), University supplies, desk and dorm accessories, gifts, souvenirs, graduation regalia (sale and rental) and announcements, course-adopted software and paper and electronic custom anthologies, and textbook buybacks. This Section 6.3 does not prohibit occasional sales by student

### Attachment 3

groups or student government organizations that do not materially impact Store sales and shall not apply to official Nike team and sideline apparel sold on the Athletic Department website provided the number of items is limited by mutual agreement and no third party marketing or promotion is associated with such sales.

- 6.4 University grants Follett the right, subject to University's published standards, to use the University's seal, logotype, and associated trademarks and service marks on the Store's Internet site, signage and collateral materials, and stationery, soft goods, notebooks, pens, pencils, decals and other goods traditionally sold in college and university bookstores. University will not grant such right to any other online or brick-and-mortar retail bookseller during the term of this Agreement. If University changes its name, seal, or logotype with less than one year written notice to Follett prior to notice to the public, Follett may deduct from any commissions otherwise payable to University Follett's actual documented cost of all unsold emblematic merchandise on hand at the time of such change. Exclusive use of the University's marks is not reserved for Follett, but is governed by the University's agreement with the Collegiate Licensing Company.
- 6.5 In order to secure property in the Store, Follett shall cooperate with University in providing Store security, theft prevention, and emergency procedures in case of fire or casualty. In cooperation with University Security, Follett shall create and maintain a Store security plan acceptable to University for textbook buyback, rush and other special events.
- 6.6 Follett shall not cause University's students, faculty, or staff suspected of theft or disturbance to be arrested by public authorities (except in emergencies) or prosecuted without prior consultation with University.
- 6.7 In its operation of the Store, Follett shall pay its bona fide financial obligations to University and to third parties in a timely manner.
- 6.8 Follett shall collect and pay any sales tax or similar tax on its retail sales, and applicable income taxes on its revenues. Follett shall not be responsible for property taxes on the Store facility or any other taxes not currently assessed.
- 6.9 Follett shall obtain and maintain at its sole expense, and in its name, all necessary licenses and permits required to perform the services described herein.
- 6.10 Follett shall abide, and require its employees to abide, by applicable University regulations and policies. University shall provide Follett with copies of applicable policies, and timely inform Follett of any changes.
- 6.11 Follett shall abide by all federal, state and local laws applicable to its operation.
- 6.12 In performing this Agreement, Follett shall not discriminate based on sex, race, national origin, religion, color, sexual orientation, veteran status, disabled veteran status, age or disability protected under the ADA.

### Attachment 3

- 6.13 Follett shall be responsible for any loss or damage to property owned by University that is in Follett's possession or control or is caused by Follett or its employees or agents in the course and scope of their employment.
- 6.14 Follett will make its corporate representatives reasonably available to University to discuss and resolve any operational issues.
- 6.15 Follett shall be responsible for daily cleaning of the Store interior, including provision of basic janitorial equipment and supplies, sweeping, dusting, and removal of light trash to University-provided receptacles.
- 6.16 Follett will offer University faculty and staff a 10% discount on all purchases over \$1.00, excluding textbooks, sale merchandise and academically discounted software. Follett will offer all University departments a 20% discount on purchases of supplies over \$1.00, excluding textbooks, sale merchandise and academically discounted software.
- 6.17 Follett will provide \$7,500 annually in textbook scholarships during the term of this Agreement.

#### 7. General Rights and Responsibilities of University.

- 7.1 University will provide and maintain an appropriate, safe and habitable location, in accordance with all applicable laws and regulations, in retail-ready condition, for the Store Improvements and ongoing Store operations. Except for the Store Remodeling provided by Follett in accordance with Section 5, University shall be responsible for furnishing appropriate decorating, fixtures, equipment, shelving, lighting, flooring, plumbing, power and HVAC. University shall also keep the building in which the Store is located in compliance with all fire, building and electrical codes and regulations, including regulations governing fire alarms, smoke detectors, fire extinguishers, fire suppression and sprinkler systems, water pressure, plumbing and electrical service. University shall be responsible for any loss resulting from failure of the building to meet applicable building codes and regulations. If the University relocates all or any part of the Store operations, University will provide Follett with at least 90 days advance notice of the relocation and will reimburse Follett, within 30 days after Follett's invoice, for Follett's cost of the relocation.
- 7.2 University will name a representative authorized to advise Follett of University's approvals, consents and instructions under this Agreement.
- 7.3 University may prohibit sale at the Store of any item it finds offensive or inappropriate.
- 7.4 If at any time University is dissatisfied with Follett's performance under this Agreement, University shall document the unsatisfactory performance and submit the documentation to Follett for immediate review and corrective action. University may require a review meeting to prepare the corrective action.

### Attachment 3

- 7.5 Except as specified below, University shall provide the following services to the Store in accordance with University's building standards at no cost to Follett:
- a) Security of persons and property in the same manner provided for other University premises;
  - b) Internal and external building maintenance, including, but not limited to: plumbing, electric, light bulbs, HVAC and other mechanical systems, fire protection, roof membrane and structure, floors, walls, ceilings, windows and doors.
  - c) Pest control services on the regular University schedule;
  - d) Lost and found service as regularly provided by University;
  - e) Parking for Follett's employees in common with other authorized parkers in a location approved and provided by University (Follett's employees must abide by all applicable parking regulations and pay the usual parking permit fee);
  - f) Participation in any debit or credit card, voucher program, or other payment or financial aid service now or hereafter made available by University to its students or to local merchants;
  - g) Local telephone/data service including all equipment and lines at the same monthly line and equipment rates as billed to University and toll charges to be charged to Follett at the same rate charged to University's departments;
  - h) Reasonable access to University's telecommunications and network systems as required to install, at Follett's sole expense, T1 lines and associated connectivity for Follett's point-of-sale systems; and
  - i) Building standard utilities.
- 7.6 University will make reasonable efforts to require its faculty and staff to provide Follett with timely and accurate textbook adoption information.
- 7.7 Follett will extend credit to University for financial aid and departmental charge accounts.
8. **Bookstore Personnel.**
- 8.1 Follett will furnish sufficient adequately trained personnel to provide efficient and courteous service to customers, including sufficient substitute personnel in case of employee absence. In addition, Follett will provide ongoing training in customer service and will formally recognize and reward employees who provide superior customer service.
- 8.2 University may participate in interviewing and evaluation of Follett's Store Manager should the need arise to fill the position. Follett's selection of the Store Manager is subject to University's approval.
9. **Bookstore Sales.**
- 9.1 In operating the Store, Follett will charge industry standard, competitive and fair prices, as follows:

### Attachment 3

- a) On new textbooks and trade books, not more than the publishers' list price, or a 25% gross margin (cost divided by .75, inclusive of restocking fees and return penalties) on net price books and list price books sold to Follett at less than a 25% discount off list (inclusive of restocking fees and return penalties), plus a freight pass-through.
  - b) On e-books, e-coursepacks, coursepacks, text "packages," "kits," "sets," and "bundles," and non-returnable and return-restricted texts, not more than a 30% gross margin (cost divided by .70, inclusive of restocking fees and return penalties), plus a freight pass-through.
  - c) On used books, including cloth, paperback and others, not more than 75% of the new textbook selling prices.
  - d) On general merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry.
- 9.2 Follett will expeditiously process text requests placed after the adoption deadline.
- 9.3 Follett shall purchase used textbooks year round. Follett shall purchase used textbooks adopted for the next academic term in quantities sufficient to meet course requirements at not less than 50% of the retail price. Follett shall purchase used books not adopted for the next academic term or in excess of course requirements at wholesale prices.
- 9.4 Follett will accept returns in accordance with the following policies:
- a) Non-textbook items in resalable condition may be refunded or exchanged at any time with original receipt.
  - b) Textbooks in resalable condition may be refunded with receipt within seven (7) calendar days from the start of classes or within two (2) days of purchase thereafter, including during summer term.
  - c) Textbooks purchased during the last week of classes or during exams may be sold back under the book buyback policy.
  - d) Computer software may be returned if it is unopened and shrink-wrapped.
  - e) In addition, upon proof of drop/add, Follett will accept textbook returns from students who have dropped a course up to thirty (30) days from the start of classes or until the end of the official drop/add period, whichever comes first.
- 9.5 In operating the Store, Follett shall accept as a minimum, MasterCard, Visa, Discover and American Express charge cards. Follett will pay all merchant charges associated with acceptance of these credit cards.
10. Commission.
- 10.1 Follett shall pay commission to University in an annual amount equal to the sum of:
- 10.00% of all \*Gross Revenue up to \$5,000,000; plus  
10.75% of any part of Gross Revenue over \$5,000,000, but less than \$7,500,000; plus  
12.50% of any part of Gross Revenue over \$7,500,000

### Attachment 3

As used in this Section 10, \*Gross Revenue is defined as all sales made by the Store or the Store's world wide web page, catalog, or mail order function (if any), less sales at Athletic Department venues, refunds, returns, taxes, computer hardware sales, commissions earned from rings and graduation regalia, and sales to Follett-funded scholarship students, and to departmental faculty, staff and other sales at a discount pursuant to Section 6.16, all as reasonably calculated by Follett.

Follett shall pay commission to University on sales made at Athletic Department venues under mutually agreeable terms after accounting for normal and reasonable operating expenses.

- 10.2 Follett will keep complete and accurate records of all Store transactions in accordance with industry accounting practices and will provide a statement of Store gross revenue to University monthly for the preceding period. Follett will preserve records of store operations for 3 years from the transaction date, and will make them available for review, audit and verification by University at the Store upon request on reasonable advance notice during ordinary business hours other than during Store "rush" periods.
- 10.3 Follett shall pay the commission calculated in accordance with Section 10.1 monthly twenty days after the end of the month. Any other payment required to be made by Follett to University under this Agreement shall be made within thirty days of receipt of invoice.

#### 11. Insurance.

- 11.1 During the term of this Agreement, Follett shall keep in force, at its own expense, at least the following insurance, all in accordance with this Section 11:
  - a) Comprehensive General Liability having a combined single limit of not less than \$1,000,000 per occurrence covering contractual liability and products/completed operations;
  - b) Business Automobile Liability having a combined single limit of not less than \$1,000,000 per occurrence covering claims arising out of ownership, maintenance, or use of owned or non-owned automobiles;
  - c) Worker's Compensation insurance having limits not less than those required by applicable statute;
  - d) Employer's Liability in the amount of at least \$1,000,000.
- 11.2 University, its affiliates, officers, directors, trustees, volunteers, and employees shall be named as additional insureds under the Commercial General Liability policy and the Business Automobile Liability policy upon the University's written request.
- 11.3 Follett shall furnish industry standard Certificate[s] of Liability Insurance to University showing the coverage required by this Section 11 within 30 days after execution of this Agreement or before Follett takes possession of the Store, whichever is earlier. The Certificate[s] shall provide that the issuing company will endeavor to mail written notice to the Certificate Holder (University) within 30 days in the event of any policy cancellation or termination.

- 11.4 University will notify Follett of any flood plain zoning changes affecting the Store within 30 days of receiving notice of such change from any source.
- 11.5 If University causes any work to be performed by a third party on the building housing the Store, then University will provide Follett an industry standard Certificate of Liability Insurance from the third party's insurance company(ies) showing Follett as an additional insured under the third party's Commercial General Liability policy and Business Automobile Liability policy. Both policies shall show combined single limits of \$1,000,000 per occurrence.
12. **Indemnification.**
- 12.1 Follett shall defend, indemnify and hold harmless University, its Board of Trustees, affiliates, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees), arising out of any: (i) damage, destruction or loss of any property (including but not limited to University's property); or (ii) injury to or death of any person (including but not limited to any employee of University); which results from or arises out of negligent or willful acts or omissions of Follett, its officers, agents and employees, in the performance of this Agreement.
- 12.2 To the extent permitted by applicable law, University shall defend, indemnify and hold harmless Follett, its affiliates, directors, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees) arising out of any: (i) damage, destruction or loss of any property (including but not limited to Follett's property); or (ii) injury to or death of any person (including but not limited to any employee of Follett); which results from or arises out of negligent or willful acts or omissions of University, its officers, agents or employees, in the performance of this Agreement.
13. **Independent Contractor Status.** The relationship of the parties is that of independent contractors, and no tenancy, partnership, joint venture, agency, fiduciary or other relationship is created. Neither party may order any goods nor services, incur any indebtedness, or enter into any obligation or commitment on the other party's behalf.
14. **Nonassignability.** Neither party may assign or sublet this Agreement in whole or in part without the prior written consent of the other party, except that either party may assign this Agreement in its entirety to an affiliate that controls, is controlled by or is under common control with such party. This Agreement is made for the exclusive benefit of the parties, and no benefit to any third party is intended.
15. **Notice.** Notices required or permitted by this Agreement shall be deemed given when received if sent by recognized overnight courier or first class mail, postage prepaid, to the following address, or such other address as the party may specify by notice:

To University:

Philip E. Blick or his successor  
Asst. Vice President, Financial Services  
Idaho State University  
Campus Box 8219  
Pocatello, Idaho 83209

To Follett:

Thomas A. Christopher or his successor  
President  
Follett Higher Education Group  
1818 Swift Drive  
Oak Brook, Illinois 60523

With copy to:

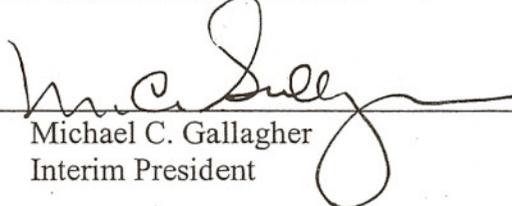
Bradley H. Hall or his successor  
Office of the General Counsel  
Campus Box 8410  
Pocatello, ID 83209

With copy to:

Follett Corporation  
2233 West Street  
River Grove, Illinois 60171  
Attn: General Counsel

- 16. **Severability.** If any provision of this Agreement is finally adjudicated illegal, invalid, in excess of the authority of either party hereto, or otherwise unenforceable, then such provision shall be severed, and the remainder of this Agreement shall remain in force as if such adjudicated provision were never included in this Agreement.
- 17. **Integrated Agreement.** This Agreement: (i) is the sole expression of the understanding of the parties with respect to operation of the Store, (ii) supersedes all prior statements and agreements with respect thereto, and (iii) may not be modified, amended or waived except in writing signed by an authorized representative of the party against whom such modification, amendment or waiver is sought to be enforced.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

<b>FOLLETT HIGHER EDUCATION GROUP, INC</b>	<b>IDAHO STATE UNIVERSITY</b>
By:  Thomas A. Christopher President	By:  Michael C. Gallagher Interim President
Date: <u>May 17, 2006</u>	Date: <u>5/24/06</u>

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**IDAHO STATE UNIVERSITY**

**SUBJECT**

Resolution enabling Idaho State University (ISU) to seek reimbursement beyond an IRS established threshold from its escrow account for ISU's Enterprise Resource Planning (ERP) expenditures

**REFERENCE**

April 20, 2006	Update on the status of ISU computing systems.
June 14, 2006	Approval granted to release a Request for Proposal to purchase an Enterprise Resource Planning (ERP) system.
February 22, 2007	Approval granted to purchase database software from Oracle for development of a data warehouse, portal and eventual deployment of an ERP system. Approval to purchase Sun Microsystems hardware from Advanced System Group for use in the development of a data warehouse, portal and eventual deployment of an ERP system.
August 9, 2007	Approval to purchase and finance the purchase of the Banner Finance, HR/Payroll, Advancement, Student Information and Financial Aid, and Workflow systems from SunGard Higher Education, with related software, for Phase 2 of the ERP implementation.

**APPLICABLE STATUTE, RULE, OR POLICY**

Internal Revenue Service Code 26 §1.150-2(d)(2)  
Idaho State Board of Education Governing Policies & Procedures, Section I.I  
Section 33-3003, Idaho Code

**BACKGROUND/DISCUSSION**

The Board is reviewing this topic because the Internal Revenue Service (IRS) requires ISU to obtain formal Board approval to receive ERP lease escrow account reimbursement for certain ISU ERP expenditures. The IRS' "Official Intent Rule" requires an entity's governing board's approval to exceed a \$100,000 reimbursement threshold, as a deterrent against arbitrage. ISU has already requested reimbursement for over \$80,000.

As disclosed in the board agenda material for the August 7, 2007, meeting, the escrow account is the mechanism for making ERP-related payments to vendors as part of the tax-exempt financing through Koch Financial Corporation approved in that meeting. The proceeds of the financing were deposited in an escrow account established with an approved escrow agent, which is Wells Fargo. The escrow agent is authorized to make payments directly to the vendors, when

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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authorized by ISU. However, when such payments represent a reimbursement directly to the University, they are subject to the \$100,000 threshold.

**IMPACT**

In anticipation of escrow reimbursement, ISU extended initial ERP expenditures in order to expedite its receipt of resources needed to make the ERP available. Approval of the resolution will provide budgetary relief for ISU's ERP operations by allowing them to exceed the threshold. This action is not a request for additional funding.

**ATTACHMENTS**

Attachment 1	Explanation of Official Intent Rule	Page 3
Attachment 2	Resolution	Page 5

**STAFF COMMENTS AND RECOMMENDATIONS**

ISU is seeking reimbursement from the escrow account for amounts the University paid out that were directly related to the ERP implementation. Some ERP purchases were made before the escrow account was set up. ISU sought reimbursement for those amounts from the escrow account because they were part of the ERP implementation plan and budget. On a few occasions, equipment or services associated with the ERP project were combined on invoices with other, general University IT equipment and services and were paid from general funds, instead of being sent to Wells Fargo to be paid from the escrow account. The University sought reimbursement for these as well. There likely will be others, as the project continues for the next several years.

This resolution is needed because the University is currently at approximately \$80,000 in amounts reimbursed to the University related to the ERP implementation. The IRS limits the University to a \$100,000 threshold on tax-exempt financing when reimbursement is made directly to the borrowing organization (ISU) from the escrow account. Any reimbursements above \$100,000 require a board resolution to avert IRS fees and or penalties related to arbitrage. Finally, the board resolution allows the University to obtain reimbursement from the escrow account up to a maximum of \$250,000 for ERP related purchases made by the University. ISU does not anticipate reimbursed expenditures to reach that amount, but chose to be conservative, just in case.

**BOARD ACTION**

A motion to approve the request by Idaho State University to enact the attached resolution enabling Idaho State University to seek reimbursement from its escrow account for payments made by Idaho State University for its Enterprise Resource Planning system.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

## **Federal Regulation of Reimbursement Bond Proceeds**

In establishing limits on arbitrage earnings, the federal government sought to deter issuers of tax-exempt bonds from capitalizing on the spread between tax-exempt borrowing rates and taxable rates paid to investors. Indirectly, the federal government also hoped to keep tax-exempt issuers from issuing more bonds than needed to meet public goals, issuing bonds earlier than necessary, or delaying repayment of those bonds. Each of these actions was perceived to have a negative impact on both the pricing of municipal bonds and the availability of capital (as well as depriving the Treasury of income taxes from the taxable investments investors would otherwise buy).

To limit the unnecessary or abusive issuance of tax-exempt bonds, the Revenue Code places restrictions on the yield issuers may receive from investing bond proceeds. In addition, the Revenue Code requires that issuers “rebate” earnings that exceed these yield limits (i.e., pay such excess earnings over to the Treasury, either through “rebate” payments, or “yield reduction payments” for qualifying issues). Issuers may qualify for exemption from both yield restrictions and rebate requirements under certain conditions. Nonexempt issuers that do not comply with these limits are subject to fines and penalties, and the interest earned by investors on the bonds may be deemed to be taxable.

Treasury Regulation, Section 1.150-2 provides that, under certain conditions, an issuer may treat an expenditure of bond proceeds as a reimbursement of an original expenditure. Accepting the notion that bond proceeds used to make a reimbursement have been spent, earnings derived from the investment of these funds are not subject to yield restriction. As a result, the issuer is not required to rebate profits obtained by investing funds at a higher rate of return than the interest rate on the bonds issued.

### **What is Required Before Issuing Reimbursement Bonds?**

The Revenue Code has deemed proceeds to be spent “only in those circumstances in which the substance of the transaction indicates that the bond proceeds are being used to reimburse prior expenditures.” In general, an issuer must take the following steps to reimburse a prior expenditure and treat bond proceeds as spent for purposes of yield restriction and arbitrage rebate:

- Declare its intent to spend money on a project and to pay itself back with bond proceeds;
- Spend its own municipal money on the project;
- Allocate bond proceeds to pay back the expenditure on its books in the time period permitted; and
- Treat the bond proceeds as “spent,” freeing them from any arbitrage restriction.

More specifically, Section 1.150-2(d) requires that the issuer of a reimbursement bond meet three primary requirements when allocating bond proceeds to a prior expenditure. These requirements are:

- 1) an official intent requirement;
- 2) a reimbursement period requirement; and
- 3) a nature of expenditure requirement.

**(1) Official Intent Requirement**

The official intent requirement “is designed to ensure that, on or about the date of payment, the issuer intended to reimburse the expenditure and that the reimbursements are not an artifice to avoid tax-exempt bond requirements” associated with arbitrage. The official intent rules require the issuer to declare a reasonable intention to reimburse the expenditure with proceeds of a borrowing.

The declaration of official intent to reimburse must be made no later than 60 days after the payment of the original expenditure. It may be made in one of several forms, including issuer resolution, which is the form being sought here. Although the IRS allows that a declaration of official intent may be very broad, blanket declarations are not reasonable.

An issuer must describe the project in the declaration and state the expected maximum size of the obligations to be issued. A project may include any property, project, or program, including implementation of an ERP system.

**(2) Reimbursement Period Requirement**

A reimbursement allocation is an allocation in writing, demonstrating use of the proceeds of a reimbursement bond to reimburse the original expenditure. Generally, the reimbursement allocation must take place no later than 18 months after the date of the original expenditure or 18 months after the date the project is either placed in service or abandoned, whichever occurs last. In most cases, this period cannot exceed 3 years after the original expenditure.

**(3) Nature of Expenditure Requirement**

Finally, the nature of expenditure requirement limits, in general, the application of the proceeds to reimburse capital expenditures, extraordinary working capital costs, or the costs of issuing the bond. The purpose of this requirement is to keep the proceeds from being used for general working capital or to cover the operating costs of a project.

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from proceeds of Schedule of Property No. 3 dated September 13, 2007 to the Master Equipment Lease Purchase Agreement dated July 1, 2003 (“Master Lease”) between Idaho State University (“ISU”) and Koch Financial Corporation (“Lessor”)**

**Background**

ISU has developed a list of capital projects (the “Projects”) described in Exhibit A (attached and incorporated into this Resolution); and

All or a portion of the expenditures relating to those projects (the “Expenditures”) (i) have been paid within sixty days before the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution; and

ISU reasonably expects to reimburse itself for the Expenditures with the proceeds of a lease schedule in the form of Exhibit A to the Master Lease (each, a “Schedule”) that the parties may sign from time to time. Each Schedule and the provisions of the Master Lease (including each exhibit and any amendments to this Resolution), which are to be incorporated by reference into each Schedule, constitute a separate and independent lease and installment purchase of the Equipment identified in that lease, and are referred to as a “Lease.”

Some expenses have been incurred and ISU has been reimbursed before this Resolution’s adoption.

**Resolution**

The Idaho State Board of Education resolves as follows:

- Section 1. ISU reasonably expects to reimburse the Expenditures with proceeds of a Lease.
- Section 2. The maximum principal amount of the obligations expected to be issued for the Projects is **\$8,733,257.79**
- Section 3. All actions of the officers, agents and employees of ISU that are in conformity with the purposes and intent of this Resolution, irrespective of whether taken before or after the Resolution’s adoption, are ratified, confirmed and adopted.
- Section 4. This Resolution is in full force and effect immediately upon its adoption.
- Section 5. The maximum reimbursement amount that ISU expects to receive is \$250,000.

Adopted: \_\_\_\_\_  
Date

AYES: \_\_\_\_\_

NAYES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Approved: \_\_\_\_\_  
Date

Signed: \_\_\_\_\_  
Board Member Name and Title

**EXHIBIT A**

**Description of Capital Projects with Koch Financial Corporation (“Projects”)**

Software, services and maintenance for the Banner  
ERP System from SunGard Higher Education  
and other associated software systems

Total: \$8,733,257.00

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Capital Project Authorization Request, Tenant Improvements at Legacy Point, Idaho Water Center, Boise, Idaho

**REFERENCE**

June 17, 2004	Progress report on Idaho Water Center
August 12, 2004	Information item
December 2, 2004	Approved completion of tenant improvements in the unfinished portions of the Idaho Water Center

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.K.1 and Section V.K.2

**BACKGROUND/DISCUSSION**

The initial construction of the Idaho Water Center was completed in the Fall of 2004. Portions of the building were left in a shelled condition only, with the expectation that additional tenant improvements would be provided as the spaces were incrementally occupied over time. Since the initial build out, a great majority of the shelled space has been completed, with the following organizations now occupying space in the building: the University of Idaho, Idaho State University, the U.S. Forest Service, the Idaho Department of Water Resources, the Office of Energy Resources, and CH2M Hill.

The last major space in the building remaining in a shelled condition is on the street level at the corner of Broadway Avenue and Front Street. This space includes approximately 2,000 square feet and is a very prominent and visible portion of the building, which has served as an informal gathering and meeting room over the last four years despite its unfinished state. The building is primarily a combination of office and laboratory space with three large classrooms serving a variety of instructional needs. But the building lacks a large meeting room where a wider range of university, public, and corporate events can be appropriately conducted. Working with a group of interested donors, the University has identified the potential to complete the necessary construction improvements in this space to establish such a meeting room, to be called Legacy Point.

The Treasure Valley is Idaho's hub of government and business. Legacy Point will provide the University a venue to host state, regional, and national leaders, to engage the community, and to conduct mid-size educational experiences. Various University of Idaho educational programs are conducted in locations around the Treasure Valley due to lack of space at the Water Center. Colleges such as Natural Resources which do not base faculty in Boise host important

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topical meetings and conferences in the region. Legacy Point will provide our academic leaders a chance to host such events at the Water Center rather than renting meeting space elsewhere.

The space is envisioned to provide video conferencing to support off-site participation in any meeting or conference. Appropriately outfitted, the space will also support enrichment opportunities for the general public – such as the Bellwood Lecture or displays from the Smithsonian or remote meetings of International Water Experts. When the room is finished, Alumni, Vandal Booster, UI Foundation, College Advisory Boards and other university segments will also host meetings and events in the room.

The room is expected to accommodate groups of up to 85-100 participants, depending on the seating arrangement. A catering kitchen is already in operation in an adjoining space, providing flexibility and improving services to the range of events supported in the space.

This space has unique challenges to address in establishing such a meeting space. The room currently houses several air handlers suspended from the ceiling, serving other portions of the building. The noise from these air handlers and from the general street traffic must be minimized, to the extent possible, in order to create a space inviting and useful for the purposes stated. This will require constructing a structural steel frame to support a new ceiling beneath the existing air handlers. This ceiling must support maintenance personnel above servicing the air handlers, as well as up to four layers of drywall to provide the necessary acoustic separation between the air handlers and the meeting space below. Heavy draperies and mechanized blinds will assist with sound and light control in support of a variety of media presentations and video conferencing.

The video conferencing and multi-media needs will be supported with state of the art electronics and a 'video wall,' connecting remote participants to the events in the room. These features, along with substantial hardwood casework and finishes will give the room a corporate feel, in keeping with the donor's wishes, and provide a first-class meeting space in this prime downtown location. Accordingly, a generous project budget has been established to support construction and furnishings in alignment with donors' vision for the fit and finish of the room.

The project will also include minor renovation of some 'back of house' hallway space which is now largely unused, but the completion of Legacy Point will become primary, visible, and active corridors serving the space. The improvements will include the ceiling and floor treatments.

The project is funded solely through private donations to the University of Idaho Foundation. Full project funding through the Foundation is in hand at this time,

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and the project can proceed immediately upon project authorization. The University seeks authorization for the \$875K capital project at this time.

The following are potential milestones anticipated for this project:

<b>Milestone Date</b>	
Regents project authorization	Feb 2009
Project design development and construction documents	Mar/Apr 2009
Advertise and award construction project	Apr/May 2009
Construction	Summer/Fall 2009

The projected timeline is approximate and will be further refined over the course of the design process.

The project is fully consistent with the University's strategic plan and the strategic plan for UI Boise operations.

**IMPACT**

<u>Funding</u>		<u>Estimate Budget</u>	
State	\$ 0	Construction	\$ 700,000
Federal (Grant):	\$ 0	A/E & Consultant Fees	\$ 87,000
Other (Private)	\$ <u>875,000</u>	Contingency	\$ <u>88,000</u>
Total	\$ 875,000	Total	\$ 875,000

**ATTACHMENTS**

Attachment 1 – Capital Project Tracking Sheet

Page 5

**STAFF COMMENTS AND RECOMMENDATIONS**

According to the university, a lead donor and several other donors have put up money for this specific project. Funds have been secured to be put in an endowment with the specific intent to fund subsequent years' occupancy, maintenance and repair.

All funds are in hand and in a special account to totally fund this project and ensure it is maintained in the future. No appropriated funds are required.

The University anticipates the occupancy costs to be quite low and the maintenance costs to be low for several years. The endowment, of at least \$125,000, will maintain the quality of the room.

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**BOARD ACTION**

A motion to approve the request by the University of Idaho to execute all necessary contracts in support of design and construction of the tenant improvements at Legacy Point in the Idaho Water Center, with a project budget not to exceed \$875,000, to be funded solely from private donations.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

Office of the Idaho State Board of Education  
 Capital Project Tracking Sheet  
 As of 27, October, 2008

History Narrative

1 **Institution/Agency:** University of Idaho      **Project:** Capital Project Design and Construction for Tenant Improvements at Legacy Point, Idaho Water Center, Boise, Idaho.

2 **Project Description:** The project completes tenant improvements in Legacy Point, currently an unfinished portion of the Idaho Water Center. The project provides a new structural steel frame to support a ceiling enclosing existing air handlers above the space. All finishes, furnishing, and equipment, to include a high tech video wall are also included.

3 **Project Use:** The project provides a new meeting room in the Water Center, to support groups of up to 100 people. Legacy Point will provide the University a venue to host state, regional, and national leaders, to engage the community, and to conduct mid-size educational experiences.

4 **Project Size:** Approximately 2,000 square feet

	Sources of Funds				Use of Funds			Total Uses
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other**	
9 Initial Cost of Project*	\$ -	\$ -	\$ 875,000	\$ 875,000	\$ 87,000	\$ 700,000	\$ 88,000	\$ 875,000
10 History of Revisions:								
14 Total Project Costs	\$ -	\$ -	\$ 875,000	\$ 875,000	\$ 87,000	\$ 700,000	\$ 88,000	\$ 875,000

History of Funding:	PBF	ISBA	* Other Sources of Funds			Total Other	Total Funding
			Institutional Funds (Gifts/Grants)	Student Revenue	Other		
18 Initial Regents Authorization, Dec 08	\$ -		\$ 875,000		\$ -	\$ 875,000	\$ 875,000
20						-	-
21						-	-
22						-	-
23 Total	\$ -	\$ -	\$ 875,000	\$ -	\$ -	\$ 875,000	\$ 875,000

25 \* All project funding to be through private donations

26 \*\* Project Contingency.

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Transfer of real property located in Nez Perce County, Idaho, to the University of Idaho Foundation, Inc.

**REFERENCE**

June 23, 1983                      Approved gifted property acceptance and disposal

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Policies and Procedures Section V.I.5.b(3)

**BACKGROUND/DISCUSSION**

In 1983 and 1984 trustees of the Grace V. Nixon Trust deeded approximately 1,000 acres of farmland and 120 acres of forestland to the Regents. The trust stipulated that the assets were to be used to establish the "Grace V. Nixon Endowment Fund". As previously authorized by the Regents in 1983, the farmland was soon sold and the proceeds were placed in the endowment and that endowment was transferred to the University of Idaho Foundation to be invested and managed for the exclusive benefit of the University's scholarship program. Title to the remaining 120 acres of undeveloped forestland has remained with the Regents and the property has not been actively marketed for disposal.

Although all of the real estate from the Nixon Trust was originally conveyed to the Regents, the intent of the gift was to enhance a university endowment fund to meet the donor's gifting objectives. Today, such gifts of real estate intended to generate cash for specific endowments are, by University policy, conveyed directly from the donor to the UI Foundation. The UI Foundation is able to manage real estate assets more effectively because its status as a private entity allows it to conduct confidential and timely real estate negotiations more typical of investment real estate transactions.

In this case the subject property has never been utilized by university programs and is not of programmatic value to the University. The UI Foundation would be obligated, in its established role for managing such endowments for the benefit of the University of Idaho, to manage the asset in accordance with the intent of the donor. The property was never intended to be a programmatic asset of the University except to the extent it was intended to generate cash for an endowment fund managed by the UI Foundation for the exclusive benefit of University of Idaho students.

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**IMPACT**

Conveyance of the property to the University of Idaho Foundation will impose no costs on the University and will ensure the asset is more appropriately managed to achieve the purposes of the donor's endowment. The Regents will receive no payment from the conveyance to the UI Foundation, but proceeds from the UI Foundation's eventual sale of the property will further benefit the endowment and students at the University who are the recipients of the Grace V. Nixon Scholarship.

**ATTACHMENTS**

Attachment 1–Quitclaim Deed

Page 3

**STAFF COMMENTS AND RECOMMENDATIONS**

The transfer of real property is consistent with the approach to separate investment assets under control by foundations and institution assets.

Staff recommends approval.

**BOARD ACTION**

A motion to approve the transfer of real property to the University of Idaho Foundation and authorize the University of Idaho's Vice President for Finance and Administration to execute the necessary documents in substantial conformance to the form submitted to the Board in Attachment 1.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

QUITCLAIM DEED

THIS QUITCLAIM DEED made this \_\_\_\_ day of \_\_\_\_\_, 2009, between THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a state educational institution and body politic and corporate organized and existing under the laws and constitution of the State of Idaho, herein referred to as "Grantor," and THE UNIVERSITY OF IDAHO FOUNDATION, INC., an Idaho corporation, herein referred to as "Grantee" witnesseth:

That Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE, and QUITCLAIM, unto Grantee and its successors and assigns forever, real property situated in the County of Nez Perce, State of Idaho and more particularly described as:

The Southwest Quarter of the Northeast Quarter and the South Half of the Northwest Quarter, Section 34, Township 33 North, Range 4 West Boise Meridian

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity of the Grantor in or to the said property, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging.

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR: Board of Regents of the University of Idaho

By: \_\_\_\_\_  
Lloyd Mues, Vice President,  
Finance & Administration

STATE OF IDAHO )  
 ) ss.  
County of Latah )

On this \_\_\_\_ day of \_\_\_\_\_, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd Mues, known to me to be the Vice President for Finance & Administration of the University of Idaho, the University that executed the instrument, and acknowledged to me that he executed the same for and on behalf of the Board of Regents of the University of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for Idaho  
Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

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**LEWIS-CLARK STATE COLLEGE**

**SUBJECT**

Lewis-Clark State College (LCSC) requests Board approval of proposed financing (\$4.5M) for purchase of privately-owned residential facility (Clearwater Hall)

**REFERENCE**

October 2004	LCSC informed Board of shortage of residence hall space for Lewiston campus.
December 2004	Board asked for needs analysis and competitive RFP.
January 2005	Board asked LCSC to explore possibility of having private firm(s) build new residence halls, and/or advantages of self-financing without a lease.
March 2005	Board approved sale of tax-exempt bonds to fund the construction of a residence hall; however, at Board request, LCSC postponed action until private firms had time to develop proposals.
October 2005	After LCSC was contacted by two firms (each proposing to fund and build a residence hall) the Board approved the sale of lots to provide land for private development of (College Place) residence hall.
June 2006	Board approved management agreement for the first of two privately-developed residence halls (College Place) located adjacent to Campus.
November 2006	Board approved management agreement for the second of two-privately built residence halls (Clearwater Hall) located in downtown Lewiston.
April 2008	Board authorized LCSC to make offer to purchase the residential portion of Clearwater Hall for the higher of \$3.8M or appraised value.
December 2008	Board authorized LCSC to purchase entire facility (upstairs residential space, first-floor “commercial” space, furniture/fixtures/equipment, and land for \$4.5M, subject to subsequent Board approval of financing.

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.1. through V.I.2. (“Acquisition of Real Property”)

**BACKGROUND/DISCUSSION**

After protracted negotiations between LCSC and College Town Development Idaho (CTDI)—the builders/owners of the 117-bed Clearwater Hall residence facility in downtown Lewiston, the State Board approved at its December 2008

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meeting LCSC's offer of \$4.5M for the facility. That amount was the owners' latest counter-offer as the minimum acceptable price for the facility. Earlier negotiations for the residential portions of the facility only, or for the entire facility at lower prices, had not been successful. The \$4.5M purchase price includes the entire property (building and land) and all furniture, fixtures, and equipment in the facility. In its direction for LCSC to offer \$4.5M for the facility, the State Board stipulated that completion of the purchase was contingent upon the Board's subsequent approval of LCSC's financing terms. Wells Fargo Bank has agreed to the financing terms, and LCSC is requesting Board approval to close on the property.

Based on earlier discussions with financial advisors, LCSC originally presented the Board with financing assumptions based on use of a secured note, with an amortization period of 27 years, with a balloon payment after 15 years, at an interest rate of approximately 4.9%—or failing that, it was believed the project could be financed through issuance of bonds at a similar interest rate. As negotiations progressed in Fall 2008, credit markets have been in turmoil, and, as of the time of writing, the options of financing the purchase either through a secured note or bonding, at the previously-contemplated interest rates of below 5%, are not feasible. Working with our bankers/advisors, we have received approval for an interim financing method which will enable LCSC to acquire the property at a 4% fixed rate, with minimal financing costs (approximately \$10,000 for a \$4.5M loan) for two years, with an option to extend for a third year, giving the College the option of continuing the credit arrangement or converting to long-term financing when the bond market stabilizes.

Attachments 2 and 3 show the earlier financing assumptions used by LCSC at the time of the Board's approval of the purchase price for Clearwater Hall. Those assumptions were based on an estimated 4.9% interest rate. Attachment 4 shows the current financial arrangement for the entire facility, with the 4.0% interest rate agreed to by Wells Fargo. Attachments 5 and 6 compare the pro forma analyses for the residential space under the old (4.9%) and new (4.0%) interest rates; and Attachment 7 depicts the amortization schedule for the project under the proposed interim financing arrangement. Attachment 8 shows a comparison of the earlier-proposed financing option, the costs if LCSC were to try to jump into the volatile bond market at this point, and the costs of the proposed interim financing approach. The proposed interim financing approach is clearly the most cost-effective for the College and provides the best flexibility for LCSC to obtain favorable long-term rates when economic conditions stabilize.

The proposed financing consists of an expansion of LCSC's current line of credit with Wells Fargo from \$2.0M to \$6.5M, reflecting the addition of the purchase price of the Clearwater property. An interim note for \$4.5M will be secured by rental revenues from residents and from student facility fees that are already in place.

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LCSC requests Board approval of the proposed financing arrangements—and that the Board sign the Authorizing Resolution at Attachment 9 and the Certificate of Office document at Attachment 10.

**IMPACT**

Board approval of the proposed financing approach will allow LCSC to take possession of a facility that has been a strategic priority for the College for more than five years. The ability to own (rather than merely “manage”) the facility will give the College full control over use of all portions of the facility; enable the College to use the revenues generated by student rents; obtain a well-built facility and its furnishings for an amount below the actual development cost of the property, and at a fraction of what a new (or refurbished) residence facility would cost—with availability at least a year away; and prevent any disruptions for the current student residents of the facility. LCSC will continue to monitor market conditions and will return to the Board to discuss re-financing if/when long-term financing terms become more favorable than the current loan arrangement.

**ATTACHMENTS**

Attachment 1	Clearwater Hall photos	Page 5
Attachment 2	Old Financing Assumptions (Residential Space)	Page 6
Attachment 3	Old Financing Assumptions (Commercial Space)	Page 7
Attachment 4	Current Financing Assumptions (Entire Facility)	Page 8
Attachment 5	Old Pro Forma (Residential Space)	Page 9
Attachment 6	Current Pro Forma (Residential Space)	Page 10
Attachment 7	Amortization Schedule	Page 11
Attachment 8	Comparison of Three Financing Options	Page 12
Attachment 9	Board Authorizing Resolution	Page 13
Attachment 10	Board Office Certification	Page 17
Attachment 11	Draft Loan Agreement	Page 19

**STAFF COMMENTS AND RECOMMENDATIONS**

The facility fees used to secure the debt are not obligated to other commitments.

Attachment 7, 25 Year Debt Amortization, shows the debt service using the two-year interest rate of 4.0%. LCSC intends to pay both the interest and principal during the next two years rather than only paying interest as is allowable.

It appears this short term solution will provide the College the ability to purchase the facility while allowing it flexibility to refinance when the market for secured notes, which are tied to the municipal bond market, opens up.

Staff recommends approval.

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**BOARD ACTION**

A motion to approve the request by Lewis-Clark State College to obtain financing for \$4.5M from Wells Fargo Bank, N.A., for the purpose of financing its purchase of the Clearwater Hall residential facility in Lewiston, Idaho, through a secured note at 4.0% secured by facility rental revenue and student facility fees, by signing the attached Board Authorization and Board Office Certification.

Motion by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_ No \_\_\_

# Clearwater Hall



Interior  
Spaces



Clearwater Hall, Lewis-Clark State College's newest residence hall, features individual bedrooms, wireless internet connectivity and television cable. Suites have a common kitchen with microwave and full size refrigerator and fully furnished bedrooms and living areas.



Clearwater is LCSC's **only fully furnished facility**. Clearwater's downtown location is close to Lewiston's cultural and historic roots - near great running and biking areas and easy access to both the Clearwater and Snake Rivers.

Parking is **FREE** in nearby municipal lots.

**Clearwater Hall-Residential Space  
Financing Assumptions (Original)**

**BACKGROUND**

Lewis-Clark State College has analyzed the possible purchase of Clearwater Hall. If an offer is authorized, State Board approval will be sought for financing terms.

**DISCUSSION**

Upon Board approval, LCSC will seek to obtain funds to purchase this facility via the issuance of a tax exempt student fee revenue note. At this date it is anticipated that the terms and conditions of this financing would approximate the following:

<b>Borrower:</b>	<b>Lewis-Clark State College</b>
<b>Buyer:</b>	<b>Wells Fargo Brokerage Services, LLC or its assignee</b>
<b>Project:</b>	<b>Purchase of Clearwater Hall from a private investor</b>
<b>Total Project Costs:</b>	<b>\$3.8 million (estimated)</b>
<b>Costs of Issuance</b>	<b>Responsibility of Borrower</b>
<b>Amount to be Financed</b>	<b>100%</b>
<b>Term</b>	<b>15 years (27 year amortization with refinancing at 15 years)</b>
<b>Interest Rate</b>	<b>4.9% (estimated)</b>
<b>Payment Amount</b>	<b>\$253,000 (estimated)</b>
<b>Amount to Refinance</b>	<b>\$820,000 (estimated)</b>
<b>Anticipated Funding Date</b>	<b>June 2008</b>

**Clearwater Hall Vacant-Commercial Space  
Financing Assumptions (Original)**

<b>Borrower:</b>	<b>Lewis-Clark State College</b>
<b>Buyer:</b>	<b>Wells Fargo Brokerage Services, LLC or its assignee</b>
<b>Project:</b>	<b>Purchase of Clearwater Hall (first floor portion)</b>
<b>Total Project Costs:</b>	<b>\$800,000</b>
<b>Costs of Issuance</b>	<b>Responsibility of Borrower</b>
<b>Amount to be Financed</b>	<b>100%</b>
<b>Term</b>	<b>15 years (27 year amortization with refinancing at 15 years)</b>
<b>Interest Rate</b>	<b>4.9% (estimated)</b>
<b>Payment Amount</b>	<b>\$54,056/year (depending on actual interest rate)</b>
<b>Amount to Refinance</b>	<b>\$481,000 (depending on actual interest rate)</b>

**Clearwater Hall  
Interim Financing Proposal  
(Current Proposal)**

<b>Borrower:</b>	<b>Lewis-Clark State College</b>
<b>Buyer:</b>	<b>Wells Fargo Bank or its assignee</b>
<b>Project:</b>	<b>Purchase of Clearwater Hall</b>
<b>Project Costs:</b>	<b>\$4,510,000</b>
<b>Costs of Issuance</b>	<b>Responsibility of Borrower</b>
<b>Amount to be Financed</b>	<b>100%</b>
<b>Term</b>	<b>2 years (Payments based upon a 25 year amortization schedule)</b>
<b>Interest Rate</b>	<b>4.0% fixed for term</b>
<b>Payment Amount</b>	<b>\$23,805 monthly</b>
<b>Annual Debt Service</b>	<b>\$285,660</b>

**Clearwater Hall-10 year financial pro forma  
27 year debt amortization  
(Original Assumptions: 4.9% Int. Rate)**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Revenue</b>										
Student Room Revenue	\$ 394,050	\$ 405,872	\$ 418,048	\$ 430,589	\$ 443,507	\$ 456,812	\$ 470,516	\$ 484,632	\$ 499,171	\$ 514,146
Retail Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits Retained	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Laundry	\$ 2,250	\$ 2,318	\$ 2,387	\$ 2,459	\$ 2,532	\$ 2,608	\$ 2,687	\$ 2,767	\$ 2,850	\$ 2,936
Vending Commissions	\$ 650	\$ 670	\$ 690	\$ 710	\$ 732	\$ 754	\$ 776	\$ 799	\$ 823	\$ 848
<b>Total Revenue</b>	<b>\$ 401,950</b>	<b>\$ 414,009</b>	<b>\$ 426,429</b>	<b>\$ 439,222</b>	<b>\$ 452,398</b>	<b>\$ 465,970</b>	<b>\$ 479,949</b>	<b>\$ 494,348</b>	<b>\$ 509,178</b>	<b>\$ 524,454</b>
<b>Expenditures</b>										
Debt Service	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000
Salaries	\$ 47,486	\$ 48,911	\$ 50,378	\$ 51,889	\$ 53,446	\$ 55,049	\$ 56,701	\$ 58,402	\$ 60,154	\$ 61,958
Irregular Help	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
0.19 Fringe Benefits	\$ 25,229	\$ 25,986	\$ 26,765	\$ 27,568	\$ 28,395	\$ 29,247	\$ 30,125	\$ 31,028	\$ 31,959	\$ 32,918
Power & Gas	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345	\$ 25,075	\$ 25,827	\$ 26,602	\$ 27,400
Water & Sewer	\$ 9,500	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,692	\$ 11,013	\$ 11,343	\$ 11,684	\$ 12,034	\$ 12,395
Cable TV	\$ 11,162	\$ 11,497	\$ 11,842	\$ 12,197	\$ 12,563	\$ 12,940	\$ 13,328	\$ 13,728	\$ 14,140	\$ 14,564
Custodial Supplies	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Trash	\$ 7,695	\$ 7,926	\$ 8,164	\$ 8,409	\$ 8,661	\$ 8,921	\$ 9,188	\$ 9,464	\$ 9,748	\$ 10,040
Telephone/internet	\$ 29,000	\$ 29,870	\$ 30,766	\$ 31,689	\$ 32,640	\$ 33,619	\$ 34,628	\$ 35,666	\$ 36,736	\$ 37,838
Supplies	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
Elevator	\$ 1,900	\$ 1,957	\$ 2,016	\$ 2,076	\$ 2,138	\$ 2,203	\$ 2,269	\$ 2,337	\$ 2,407	\$ 2,479
R & M	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690	\$ 3,800	\$ 3,914
R & M - Contingency	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
Security	\$ 200	\$ 206	\$ 212	\$ 219	\$ 225	\$ 232	\$ 239	\$ 246	\$ 253	\$ 261
Miscellaneous	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230	\$ 1,267	\$ 1,305
<b>Total Expenditures</b>	<b>\$ 434,172</b>	<b>\$ 439,607</b>	<b>\$ 445,205</b>	<b>\$ 450,972</b>	<b>\$ 456,911</b>	<b>\$ 463,028</b>	<b>\$ 469,329</b>	<b>\$ 475,819</b>	<b>\$ 482,503</b>	<b>\$ 489,388</b>
Est. Annual Net Revenue(Loss)	\$ (32,222)	\$ (25,599)	\$ (18,777)	\$ (11,750)	\$ (4,512)	\$ 2,942	\$ 10,620	\$ 18,529	\$ 26,675	\$ 35,065
Accum.Fund Bal. (deficit)	\$ (32,222)	\$ (57,821)	\$ (76,597)	\$ (88,347)	\$ (92,860)	\$ (89,917)	\$ (79,297)	\$ (60,768)	\$ (34,093)	\$ 972

**Assumptions:**

3% increase fees and expenses except debt service.

Purchase price-	3,700,000
Loan costs	44,252
<b>Total Borrowing</b>	<b>\$ 3,744,252</b>

Interest Rate- Estimate	4.90%
Annual debt service	253,000
Amortization Period	27 years with 15 year balloon

**Clearwater Hall-10 year financial pro forma**  
**25 year debt amortization**  
**(Current Proposal: 4.0% Int. Rate)**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Revenue</b>										
Student Room Revenue	\$ 394,050	\$ 405,872	\$ 418,048	\$ 430,589	\$ 443,507	\$ 456,812	\$ 470,516	\$ 484,632	\$ 499,171	\$ 514,146
Retail Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits Retained	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Laundry	\$ 2,250	\$ 2,318	\$ 2,387	\$ 2,459	\$ 2,532	\$ 2,608	\$ 2,687	\$ 2,767	\$ 2,850	\$ 2,936
Vending Commissions	\$ 650	\$ 670	\$ 690	\$ 710	\$ 732	\$ 754	\$ 776	\$ 799	\$ 823	\$ 848
<b>Total Revenue</b>	<b>\$ 401,950</b>	<b>\$ 414,009</b>	<b>\$ 426,429</b>	<b>\$ 439,222</b>	<b>\$ 452,398</b>	<b>\$ 465,970</b>	<b>\$ 479,949</b>	<b>\$ 494,348</b>	<b>\$ 509,178</b>	<b>\$ 524,454</b>
<b>Expenditures</b>										
Debt Service	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817
Salaries	\$ 47,486	\$ 48,911	\$ 50,378	\$ 51,889	\$ 53,446	\$ 55,049	\$ 56,701	\$ 58,402	\$ 60,154	\$ 61,958
Irregular Help	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
0.19 Fringe Benefits	\$ 25,229	\$ 25,986	\$ 26,765	\$ 27,568	\$ 28,395	\$ 29,247	\$ 30,125	\$ 31,028	\$ 31,959	\$ 32,918
Power & Gas	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345	\$ 25,075	\$ 25,827	\$ 26,602	\$ 27,400
Water & Sewer	\$ 9,500	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,692	\$ 11,013	\$ 11,343	\$ 11,684	\$ 12,034	\$ 12,395
Cable TV	\$ 11,162	\$ 11,497	\$ 11,842	\$ 12,197	\$ 12,563	\$ 12,940	\$ 13,328	\$ 13,728	\$ 14,140	\$ 14,564
Custodial Supplies	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Trash	\$ 7,695	\$ 7,926	\$ 8,164	\$ 8,409	\$ 8,661	\$ 8,921	\$ 9,188	\$ 9,464	\$ 9,748	\$ 10,040
Telephone/internet	\$ 29,000	\$ 29,870	\$ 30,766	\$ 31,689	\$ 32,640	\$ 33,619	\$ 34,628	\$ 35,666	\$ 36,736	\$ 37,838
Supplies	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
Elevator	\$ 1,900	\$ 1,957	\$ 2,016	\$ 2,076	\$ 2,138	\$ 2,203	\$ 2,269	\$ 2,337	\$ 2,407	\$ 2,479
R & M	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690	\$ 3,800	\$ 3,914
R & M - Contingency	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
Security	\$ 200	\$ 206	\$ 212	\$ 219	\$ 225	\$ 232	\$ 239	\$ 246	\$ 253	\$ 261
Miscellaneous	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230	\$ 1,267	\$ 1,305
<b>Total Expenditures</b>	<b>\$ 415,989</b>	<b>\$ 421,424</b>	<b>\$ 427,022</b>	<b>\$ 432,789</b>	<b>\$ 438,728</b>	<b>\$ 444,845</b>	<b>\$ 451,146</b>	<b>\$ 457,636</b>	<b>\$ 464,320</b>	<b>\$ 471,205</b>
Est. Annual Net Revenue(Loss)	\$ (14,039)	\$ (7,416)	\$ (594)	\$ 6,433	\$ 13,671	\$ 21,125	\$ 28,803	\$ 36,712	\$ 44,858	\$ 53,248
Accum.Fund Bal. (deficit)	\$ (14,039)	\$ (21,455)	\$ (22,048)	\$ (15,615)	\$ (1,945)	\$ 19,181	\$ 47,984	\$ 84,696	\$ 129,554	\$ 182,802

**Assumptions:**

3% increase fees and expenses except debt service.  
Purchase price- 3,700,000

Interest Rate 4.00%  
Annual debt service 234,817  
Amortization Period 25 yr, refinance in 2-3 years

**ATTACHMENT 7**

LOAN AMOUNT: \$4,510,000.00  
 INTEREST RATE: 4.00% 0.003333333  
 Term 300 monthly  
 PAYMT AMOUNT: \$23,805.44

	PAYMENT	INTEREST	PRINCIPAL	BALANCE
				\$4,510,000.00
1	\$23,805.44	\$15,033.33	\$8,772.11	\$4,501,227.89
2	\$23,805.44	\$15,004.09	\$8,801.35	\$4,492,426.54
3	\$23,805.44	\$14,974.75	\$8,830.69	\$4,483,595.86
4	\$23,805.44	\$14,945.32	\$8,860.12	\$4,474,735.73
5	\$23,805.44	\$14,915.78	\$8,889.66	\$4,465,846.08
6	\$23,805.44	\$14,886.15	\$8,919.29	\$4,456,926.79
7	\$23,805.44	\$14,856.42	\$8,949.02	\$4,447,977.77
8	\$23,805.44	\$14,826.59	\$8,978.85	\$4,438,998.92
9	\$23,805.44	\$14,796.66	\$9,008.78	\$4,429,990.15
10	\$23,805.44	\$14,766.63	\$9,038.81	\$4,420,951.34
11	\$23,805.44	\$14,736.50	\$9,068.94	\$4,411,882.40
12	\$23,805.44	\$14,706.27	\$9,099.17	\$4,402,783.23
13	\$23,805.44	\$14,675.94	\$9,129.50	\$4,393,653.74
14	\$23,805.44	\$14,645.51	\$9,159.93	\$4,384,493.81
15	\$23,805.44	\$14,614.98	\$9,190.46	\$4,375,303.35
16	\$23,805.44	\$14,584.34	\$9,221.10	\$4,366,082.25
17	\$23,805.44	\$14,553.61	\$9,251.83	\$4,356,830.41
18	\$23,805.44	\$14,522.77	\$9,282.67	\$4,347,547.74
19	\$23,805.44	\$14,491.82	\$9,313.62	\$4,338,234.13
20	\$23,805.44	\$14,460.78	\$9,344.66	\$4,328,889.46
21	\$23,805.44	\$14,429.63	\$9,375.81	\$4,319,513.65
22	\$23,805.44	\$14,398.38	\$9,407.06	\$4,310,106.59
23	\$23,805.44	\$14,367.02	\$9,438.42	\$4,300,668.17
24	\$23,805.44	\$14,335.56	\$9,469.88	\$4,291,198.29

Clearwater Hall Financing  
Comparative Summary  
January 27, 2009

	Original Debt Service Projection (1)	Current Market Projection (2)	Interim Financing Proposal (3)
Residence Hall-debt service	253,000	307,849	234,817
Commerical Space-debt service	54,056	66,664	50,848
<b>Total Facility debt service</b>	<b>307,056</b>	<b>374,513</b>	<b>285,665</b>

## Notes:

- (1) Original financing estimate provided to the Board based upon market estimate from Public Finance Department - Wells Fargo. Annual debt service figure based upon financing via private placement of a secured note with 27 year amortization at **4.9%** with a 15 year balloon.
- (2) As of January 21, 2009, Executive Vice President at Wells Fargo Public Finance indicated market volatility likely precluded secured note and recommended sale of a bond. Annual debt service figure based upon 25 year bond with an interest rate of **6.65%** including premium for bond insurance and all costs of issuance.
- (3) Represents approved quote from Wells Fargo bank for interim financing for two year period at **4%** fixed rate with flexibility for extension at rate to be negotiated at end of two years if market for permanent financing remains unfavorable. Mechanism consists of expansion to existing line of credit with Wells Fargo including specific security provisions relative to this financing.

**AUTHORIZING RESOLUTION**

A RESOLUTION OF THE STATE BOARD OF EDUCATION ACTING AS THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AGREEMENT AND A PROMISSORY NOTE WITH WELLS FARGO BANK, NATIONAL ASSOCIATION AND RELATED DOCUMENTS WITH RESPECT TO THE FINANCING OF THE ACQUISITION OF A FACILITY FOR STUDENT RESIDENTIAL HOUSING AND OTHER COLLEGE PROGRAMS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, THE STATE BOARD EDUCATION ACTING AS BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE (the “College”), a body politic and corporate and institution of higher education duly organized, existing and authorized by the Constitution and laws of the State of Idaho, to borrow money and issue notes or bonds to finance the acquisition of a facility for student residential housing and other College programs in Lewiston, Idaho (the “Project”); and

WHEREAS, the College desires to finance the Project through an Amended and Restated Loan Agreement (the “Agreement”) and Promissory Note (the “Note”) in the amount of \$4,500,000 and at a projected rate of interest described in the Agreement and Note with Wells Fargo Bank, National Association (the “Bank”, evidencing a loan (the “Loan”) for the Project;

WHEREAS, in order to finance the Project, the College proposes to enter into the Loan Agreement and related documents with the Bank (the “Financing Documents”), the form of which have been presented to the Board of Trustees at this meeting,; and

WHEREAS, the Board of Trustees of the College deems it for the benefit of the College and for the efficient and effective administration thereof to enter into the Financing Documents on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE as follows:

**Section 1. Approval of Documents.**

The form, terms and provisions of the Financing Documents are hereby approved in substantially the forms presented at this meeting; and the Bursar of the College is hereby authorized and directed to execute the Financing Documents and to deliver the Financing Documents to the respective parties thereto.

**Section 2. Other Actions Authorized.**

The officers and employees of the College shall take all action necessary or reasonably required by the parties to the Agreement and all related documents to carry out, give effect to and consummate the transactions contemplated thereby and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

**Section 3. Severability.**

If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

**Section 4. Repealer.**

All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

**Section 5. Effective Date.**

This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the BOARD OF TRUSTEES LEWIS-CLARK STATE COLLEGE this \_\_\_th day of February, 2009.

**THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: President, State Board of Education and  
Board of Trustees of Lewis-Clark State  
College

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Bursar

ATTEST:

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: Secretary of the Board

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**CERTIFICATE OF OFFICER OF  
THE IDAHO STATE BOARD OF EDUCATION**

I, the undersigned, do hereby certify that I am the duly qualified and acting \_\_\_\_\_ of the Idaho State Board of Education (the "Board").

Attached to this Certificate as Exhibit A is Agenda Item \_\_\_\_\_ of the Board from the regular public meeting of the Board held on \_\_\_\_\_, 2009, which Agenda Item sets forth the motion for approval by the Board, as the Board of Trustees of Lewis-Clark State College, to approve its loan with Wells Fargo Bank, National Association. The Board approved said motion at the said meeting.

I further certify that the meeting was duly called and noticed as a public meeting and a quorum was present throughout.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the seal of the Regents this \_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Officer of the Regents of the University of Idaho  
and the Idaho State Board of Education

Exhibit A

AGENDA ITEM

(attached)

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT, dated as of the \_\_\_\_ day of \_\_\_\_\_, 2009, by and between Lewis-Clark State College, a public body corporate and politic (“Borrower”), whose address is 500 8<sup>th</sup> Avenue; Lewiston, ID 83501 and WELLS FARGO BANK, N.A., whose address is P.O. Box 917; Lewiston, ID 83501.

WITNESSETH:

WHEREAS, Borrower expects, from time to time, to acquire real property, equipment and make other significant capital expenditures, and to finance the reimbursement thereof under this Agreement; and

WHEREAS, such activity will benefit the Borrower by providing additional student living quarters, parking, accommodate projected growth and increased economic activity in the greater Lewiston, ID and surrounding communities; and

WHEREAS, Borrower, in 1998, requested Bank to extend a credit facility to borrower to allow Borrower to reimburse itself for its purchase of such capital items on the terms, covenants and conditions hereinafter set forth, and in 1998 Borrower and Bank executed a Loan Agreement which has subsequently been amended each year; and

WHEREAS, Bank and Borrower wish to execute this Amended and Restated Loan Agreement (the “Loan Agreement”) in order to reflect the complete understanding of the parties as of this date;

NOW, THEREFORE, consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto do hereby covenant, contract and agree to and with each other as follows, to-wit:

1. CREDIT FACILITY:

1.01 Commitment. Subject to aggregate limit hereinafter set forth and the terms hereof, the Bank agrees to loan funds to Borrower from time to time, it being Borrower’s intention to reimburse its purchase of real property, equipment and other

capital expenditures from the proceeds of this tax-exempt borrowing for use in its college programs. The aggregate principal amount of all such loans shall at no time exceed the sum of Six Million Five Hundred Thousand Dollars (\$6,500,000). It is contemplated that this commitment will be a revolving commitment and that, during the term of the facility, Borrower may borrow against, reduce or repay those advances and re-borrow as needed, subject, always to the Six Million Five Hundred Thousand Dollars (\$6,500,000) aggregate limitation set forth above.

1.02 Method of Making Loans. During the term of this commitment, Borrower may borrow against the commitment as needed to finance capital purchases for its college programs. Borrower may make a single request to include several real property parcels, or equipment which is to be financed by Bank, however, the amount requested by Borrower may be advanced in several advances to meet the payment terms of the equipment or real property purchase agreement(s). The amount of any request/advance shall not exceed the individual purchase price of each specific item being purchased. Each request shall be made to the Bank in writing, shall be signed by the Authorized parties identified on Exhibit A attached hereto, shall specify the amount requested and shall be supported by the following information:

- (a) Complete description of real property, improvements, or equipment being purchased. Amount of specific purchase to include all associated costs (i.e. shipping, installation, etc.);
- (b) Amortization program including designated revenue sources necessary to repay specific request, and an agreement providing terms and conditions relating to the specific borrowing;
- (c) Evidence of State of Idaho – Board of Education approval for specific borrowing;
- (d) IRS Form 8038-G prepared;
- (e) Such other information as Bank may reasonably request.

1.03 Promissory Note. Borrower shall execute a promissory note prepared on Bank forms for the amount of each request not to exceed the total commitment of Six Million Five Hundred Thousand Dollars (\$6,500,000) as evidenced

by a promissory note in the form attached hereof as Exhibit B with such charges as may be agreed to by the parties. Each advance/note to Borrower shall be reviewed in addition to supporting documentation required and shall be due and payable by designated maturity, irrespective of date of advance. Interest on the principal balance of the advances/notes, from time to time outstanding, will be payable at the interest rate(s) specifically detailed in the following paragraph, 1.05. Such interest shall be payable monthly commencing thirty (30) days from the date of this agreement and monthly thereafter, and the final interest payment of any additional interest which has accrued shall be made at the maturity date of the revolving credit commitment.

1.04 Collateral. Subsequent promissory notes/advances made hereunder will be secured by a pledge to Bank of Borrower's gross student housing fees relating to the housing facility being financed, less normal operating and maintenance expenses, and a pledge of Borrower's student facility and special services fees paid by each full time student currently in the amount of \$21.00 per semester, and Borrower hereby pledges and grants a security interest to the Bank in said fees to the Bank for the payment of such note, said pledge to remain in effect until such note is paid in full.

1.05 Interest Rate. The amount committed by Bank to Borrower under this commitment shall have the following interest rate options:

- (a) A variable interest rate tied to Wells Fargo Bank Prime Rate at a rate mutually agreed upon by Wells Fargo Bank and Borrower.
- (b) A fixed interest rate per annum mutually agreed upon by Wells Fargo Bank and Borrower. For the promissory note to be executed for the acquisition of the Clearwater Hall project, the interest rate shall be 4.00% per annum through maturity of \_\_\_\_\_, 2011. For any other promissory notes, the rate will be fixed at 4.00% for the year ending December 31, 2009.

"Prime Rate" as used herein is the Bank's announced rate of interest used as a reference point from which the cost of credit to customers may be calculated and is subject to change from time to time. Variable interest rate shall be adjusted the same date as the Index changes. The adjustments in interest rate shall be applicable to all promissory notes advanced under the variable option as above provided.

All promissory notes advanced under the fixed rate option shall remain at the same interest rate as the date funds were advanced.

Interest on outstanding balance shall be calculated on the basis of a three hundred sixty-five/three hundred sixty-six (365/366) day year for the actual number of days elapsed.

1.06 Term. This revolving commitment and all promissory notes issued by Borrower shall be for a term of up to two (2) years with the maturity of \_\_\_\_\_, 2011. Bank shall also have the right, after such review as it deems appropriate, to terminate this commitment as of the \_\_\_ day of \_\_\_\_\_ in the year 2011 (said date being hereafter called an “anniversary date”), by giving written notice of its intention to terminate at least thirty (30) days before the anniversary date on which the termination is to be effective. In the event of such a termination, Bank shall have no obligation to make further advances on the commitment after the anniversary date, but any such termination shall not affect the repayment terms of any advances previously made. The right to terminate herein granted is in addition to, and not in lieu of, any right to terminate or to accelerate by reason of Borrower’s default as hereinafter provided.

2. GENERAL WARRANTIES OF BORROWER: Borrower warrants and, as a condition on a continuing basis precedent to each disbursement that:

2.01 Authority. Borrower has the power to execute, deliver and carry out, as the case may be, the terms and provisions of this Loan Agreement, and the promissory note and all documents and instruments in connection with or incidental hereto on their part to be executed, delivered or carried out and has taken all necessary action to authorize the execution, delivery and performance thereof, the borrowing hereunder, the making and delivery of the promissory notes and each and every other document or instrument delivered hereunder. This agreement constitutes, and the promissory notes and other documents and instruments issued or to be issued hereunder when executed and delivered pursuant hereto constitute and will constitute the authorized, valid and legally binding obligations of Borrower and in accordance with

their respective terms under the substantive law of Idaho in the procedures and courts hereinafter described.

2.02 Legal Opinion. Prior to consummation of the contemplated transaction by this Loan Agreement or promissory notes, Bank shall have in its possession, with sufficient time to evaluate, legal opinions from counsel in form acceptable to Bank's counsel addressing:

(a) Legality of the contemplated transaction, terms and uses of proceeds;

(b) Tax exempt status of contemplated transaction or promissory notes.

2.03 Financial Statements. Current financial statements furnished to Bank by Borrower are true and correct to the best of Borrower's knowledge and belief, and no substantial adverse change has taken place since the dates thereof.

2.04 No Default. Borrower is not in default under any material provisions of any agreement to which it is a part, and neither the execution and delivery of this Loan Agreement or the promissory notes, or other documents or instruments incidental thereof, nor the consummation of the transactions herein and therein contemplated nor compliance with the terms and provisions hereof or thereof will violate any material provision of law or any applicable regulation or adopted constitution, bylaw, ordinance, regulation, code, program, plan, custom or contract of any order, writ, injunction or decree of any court or governmental department, commission, board, bureau, agency or instrumentality, or will conflict or will be inconsistent with or will result in any breach of any of the material terms, covenants, conditions or provisions of, or constituted default under or result in the creation or imposition of (or the obligation to impose) any lien, charge or encumbrance upon any of the property or assets of Borrower. Except for any further approval of the State of Idaho – Board of Education for the execution of this Loan Agreement or the making of the promissory notes or the performance thereof or specific purchases/expenditures as herein provided, no order, consent, approval or authorization of any governmental or public entity or body, agency, commission or

board is necessary for the consummation of the transactions contemplated by this Loan Agreement.

3. AFFIRMATIVE COVENANTS. Throughout the course of this agreement and until the commitment is fully and finally paid, Borrower agrees to:

3.01 Compliance. Comply with all of the terms, conditions and provisions set forth in this and all instruments or agreements executed to, with or in favor of Bank.

3.02 Books and Records. Maintain adequate books and records of account on a consistent basis in accordance with generally accepted accounting principal (GAAP), and permit any representative of Bank at any reasonable time to inspect, audit and examine books and inspect the property of Borrower. At least annually, and more often if Bank deems it necessary, Bank examiners may examine and audit Borrower's books, and records.

Before making the initial advance under this commitment, Bank may verify, to the extent it deems necessary, through an examination and audit of Borrower's books and records by Bank's examiners, that Borrower is maintaining its respective books and records in accordance with GAAP and that Borrower's representations contained in this Loan Agreement with respect to financial records and reports and Borrower's financial condition are true and correct as of the date of the examination.

3.03 Reports. Borrower shall provide the Bank the following information at the following times:

(a) Within one hundred eighty (180) days after the end of the Borrower's fiscal year, Borrower shall provide to Bank an audited annual financial statement;

(b) Borrower shall furnish such supplemental information or documentation with respect to their financial condition and operations as Bank may, from time to time, reasonably request.

3.04 Conduct of Business. Borrower shall conduct its business and affairs in a prudent manner in compliance with all applicable federal, state, county and municipal laws, rules and regulations.

3.05 Litigation. Borrower shall promptly inform Bank of any litigation against Borrower or any other events which may adversely affect Borrower's business operations or financial condition.

3.06 Notice of Default. Borrower will notify Bank immediately if it becomes aware of the occurrence of any event of default or of any fact, condition or event that only with the giving of notice or passage of time or both, could become an event or default, or of the failure of the Borrower to observe any of its undertakings hereunder.

3.07 Preservation of Historical Data. In all of its operations contemplated hereunder, the borrower will comply with the applicable provisions of the National Historical Preservation Act of 1966. In the event any historical or archeological items are discovered in the course of those operations, Borrower will cease operations in the area of the discovery and promptly report the discovery to Bank and proper authorities.

3.08 Arbitrage; Special Tax Covenants The Borrower shall comply with the provisions of this Section unless, in the written opinion of Bank Counsel, such compliance is not required in order to maintain the exemption of the interest on the promissory notes from federal or Idaho income taxation.

The Borrower hereby covenants that it will not make any use of the proceeds of sale of the promissory notes or any other funds of the Borrower which may be deemed to be proceeds of such promissory notes pursuant to Section 148 of the Internal Revenue Code of 1986 (the "Code"), which will cause the promissory notes to be in an "arbitrage bond" within the meaning of said Section. The borrower will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the promissory notes) throughout the term of the promissory notes. All proceeds of any promissory note hereunder shall be immediately disbursed for the intended capital expenditures.

The Borrower hereby further covenants that it will comply with the registration requirements of Section 149 (a) of the Code so long as any portion of the promissory notes is outstanding.

The Borrower hereby further covenants that it will not take any action or permit any action to be taken that would cause the promissory notes to constitute a "private activity bond" under Section 141 of the code and in furtherance thereof, none of the proceeds of the promissory notes will be loaned to, or used in the trade or business of, any entity other than a governmental unit or instrumentality within the meaning of the Code.

The Borrower will file an IRS Form 8038-G for each promissory note it issues within the times required by the Code.

The Borrower hereby designates the promissory notes as "qualified tax-exempt obligation(s)" under the provisions of Section 265(b) of the Code. The Borrower does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000 during calendar years 2008 and 2009.

3.09 Taxable Obligations; Non-Bank Qualified Obligations. In the event that the interest on any promissory note issued under this Loan Agreement shall be determined by the IRS to be subject to federal income tax, and/or be determined not to be a "qualified tax exempt obligation" under Section 265(b) of the U.S. Internal Revenue Code, as amended, then the rate of such interest shall be increased, effective on the date such interest is subject to federal income tax, or is not a "qualified tax exempt obligation," to the rate, calculated by the Bank, which will produce the same after tax yield to the Bank as the rate of interest set forth in this Loan Agreement and the particular promissory note.

3.10 Financial Covenants:

(a) The ratio of Borrower's total liabilities to net assets shall not exceed 1 to 1 as measured annually based on Borrower's annual independent auditor's report.

(b) Borrower's unrestricted net liquid assets, based on Borrower's annual independent auditor's report, shall not fall below \$5,000,000.

4. NEGATIVE COVENANTS. Throughout the course of this agreement and until this loan is fully and finally paid, Borrower agrees that, without the written consent of Bank first had and received, they will not:

4.01 Use of Loan Proceeds. Use the loan proceeds for any purpose other than the purchase of real property, equipment, improvements, or other capital expenditures.

5. DEFAULTS.

5.01 Events of Default. The occurrence of any one or more of the following events will constitute an event of default hereunder:

(a) Borrower's failure to pay when due any installment of principal or interest or fee payable hereunder or under any promissory note(s).

(b) Borrower's failure to observe or perform any other obligation to be observed or performed by them hereunder or under any promissory note(s).

(c) Borrower's failure to observe or perform any obligation to be performed by them under any note(s) between Borrower and any third party.

(d) Any financial statement, representation, warranty or certificate made or furnished by Borrower to Bank in connection with this agreement, or as inducement to Bank to enter into this agreement, or in any separate statement or document to be delivered hereunder to Bank, is materially false, incorrect or incomplete when due.

(e) If Borrower admits its inability to pay its debts as they mature, or shall make an assignment for the benefit of any of its creditors.

(f) The filing of proceedings in bankruptcy, or for reorganization of Borrower or for the readjustment of any of its respective debts, under the Bankruptcy Code, as amended, or any part thereof, or under any other laws, whether state or federal, for the relief of debtors, now or hereafter existing.

(g) If a receiver or trustee be appointed for Borrower or for any substantial part of their respective assets, or if any proceedings be instituted for the dissolution or the full or partial liquidation of Borrower.

5.02 Termination of Credit Facility. Immediately and without notice upon the occurrence of any event of default specific in Paragraph 4.01, or at any time during

the continuance of such default, Bank may, at its option, terminate all further advances under this commitment.

5.03 Acceleration. Upon the occurrence of any event of default as specified in paragraph 5.01 above, or at any time during the continuance of such event, Bank may give the borrower notice of the default or defaults complained of. Any such notice of default must be in writing and must specify the default or defaults complained of. In the event Borrower fails to cure such default or defaults within thirty (40) days of the date the written notice of default is give to Borrower, Bank may, at its option, without further notice to Borrower, declare all obligations incurred under this commitment, including, but not limited to, the obligations under this Loan Agreement, under the promissory note(s) evidencing any advances made hereunder to be at once due and payable.

5.04 Remedies. After the acceleration, as provided for in paragraph 5.03, Bank shall have, in addition to the rights and remedies given it by this agreement and the promissory note(s), all those allowed by all applicable laws.

6. GENERAL:

6.01 Construction. The provisions of this agreement, promissory note(s) or other evidence of liability for said liability held by the Bank, shall be construed as complimentary to each other.

6.02 Further Assurance. From time to time, borrower will execute and deliver to Bank such additional documents and will provide such additional information as Bank may reasonably require to carry out the terms of this agreement and be informed of Borrower's status and affairs.

6.03 Enforcement and Waiver by Bank. Bank shall have the right at all times to enforce the provisions of this agreements and the promissory notes in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of Bank in refraining from so doing at any time or times. The failure of Bank at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner

modified or waived the same. All rights and remedies of Bank are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

6.04 Expenses of Bank. Borrower will, on demand, reimburse Bank for all reasonable expenses, including the reasonable fees and expenses of legal counsel for Bank, incurred by Bank in connection with the preparation, administration, amendment, modification or enforcement of this agreement and the promissory notes, and the collection or attempted collection of the promissory notes, whether any default is ultimately cured or whether Bank is obligated to pursue its remedies hereunder, including such fees and expenses incurred before legal action, during the pendency of any such legal action and continuing to all such fees and expense in connection with any appeal to higher courts arising out of transactions associated herewith, except that if litigation is instituted and Borrower is the prevailing party in such litigation, Borrower, rather than Bank, shall be entitled to recover its reasonable attorney's fees and costs of suit. The obligations of this section shall service the making of this agreement and the note, including any documents or amendments subsequently executed.

6.05 Notices. Any notices or consents required or permitted by this agreement shall be in writing and shall be deemed delivered or given when delivered in person or when deposited in the U.S. Main, certified mail, postage prepaid, return receipt requested, or sent by telegraph. Notices shall be addressed as follows, unless such address is changed by written notice hereunder:

If to Borrower:	Lewis-Clark State College 500 8 <sup>th</sup> Avenue Lewiston, ID 83501
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If to Bank:	Wells Fargo Bank, N.A. Attn: Ken Schumacher P.O. Box 917 Lewiston, ID 83501
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The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other. All notices or demands sent in accordance with this Section shall be deemed received on

the earlier of the date of actual receipt or five (5) days after the deposit thereof in the mail.

6.06 Binding Effect, Assignment and Entire Agreement. This agreement shall inure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto. Borrower has no right to assign any of the rights or obligations hereunder without the prior written consent of Bank. This agreement, and the documents executed and delivered pursuant hereto, constitute the entire agreement between the parties and may be amended only by a writing signed on behalf of each party.

6.07 Severability. If any provision of this agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

6.08 Arbitration.

(a) Arbitration - Binding Arbitration. Bank and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Section 6.08 (the "Arbitration Program"). A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to this Loan Agreement or any related agreement incorporating this Arbitration Program (the "Documents"), or any past, present, or future loans, transactions, contracts, agreements, relationships, incidents or injuries of any kind whatsoever relating to or involving Business Banking, Regional Banking, or any successor group or department of Bank. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY.

(b) Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the

AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing this Loan Agreement. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Arbitration may be demanded at any time, and may be compelled by summary proceedings in court. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief. The arbitrator shall award all costs and expenses of the arbitration proceeding. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c) No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

(d) Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator must be a practicing attorney or a retired member of the state or federal judiciary, in either case with a

minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable State Rules of Civil Procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

(e) Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the Dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. The resolution of any Dispute shall be determined by a separate arbitration proceeding and such Dispute shall not be consolidated with other disputes or included in any class proceeding. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

(g) Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Idaho, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

6.09 IDAHO STATE NOTICE. Under Idaho Law (§ 9-505(5) I.C.) (if and to the extent applicable hereto), a promise or commitment to lend money or to grant credit in an original principal amount of \$50,000 or more, made by a person or entity engaged in the business of lending money or extending credit, must be in writing or such a promise or commitment is not valid.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement as of the day and year first above written.

Lewis-Clark State College

By: \_\_\_\_\_

Its: \_\_\_\_\_

Wells Fargo Bank, N.A.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit A  
Authorized Parties  
Bursar of the College.

Exhibit B  
Form of Promissory Note  
(attached)

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Idaho Center for Livestock and Environmental Studies (ICLES) – Progress Report and Request for Approval to Request Legislative Concurrent Resolution

**REFERENCE**

October 2006	Regents approval of an additional Line Item for the Agricultural Research and Extension Service for FY 2008 in the amount of \$10 million General Funds, for a Research Dairy Facility.
January 2007	Regents approval of the request by the University of Idaho to seek a one-time appropriation of general funds for Agriculture Extension Service for FY 2008 in the amount of \$10 million from the Idaho Legislature, and to seek modification of the federal Morrill Act for the purpose of allowing the State of Idaho to apply real estate assets in the Agriculture College Endowment for acquisition real estate, buildings and fixtures for experimental farms and provide these assets to the University of Idaho for use as the endowment beneficiary.
April, 2007	Legislature appropriates \$10 million for ICLES and joint ISDA/IDFG facilities – contingent upon revisions to Morrill Act to allow use of Ag Endowment assets, and requiring final recommendation from the Governor and approval from the Regents prior to release of funds.
July, 2007	Congress passes revision to Idaho Admissions Act to allow use of Ag Endowment assets.
January, 2008	Regents approval for planning expenditure and instruction to report on project progress at future meetings.
April 1, 2008	Senate Bill 1498 passed by legislature and signed into law releasing the \$10 million appropriation to the Board for application to the ICLES.
January 26, 2009	Regents consideration of proposed concurrent resolution for use of the Idaho State Building Authority – matter postponed to February meeting.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.K.  
Construction Projects

Section 67-1410, Idaho Code: Procedure prior to financing building  
developments or building projects

**BACKGROUND/DISCUSSION**

This matter comes to the Board as continuation of the request for approval for the University to seek a concurrent resolution of the Legislature authorizing the Idaho State Building Authority (Building Authority) to enter into a contract with the University for financing and developing some or all of the proposed research dairy including the proposed joint laboratory facility for the University's Caine Veterinary Research Center and the Idaho State Department of Agriculture.

The concurrent resolution is a statutory requirement (Idaho Code Section 67-6410) for the Building Authority in order for it to formally contract with the University for financing and developing any portion of the project. The proposed concurrent resolution does not in any fashion negate the Regents oversight of the University's contracting process, including the Regents right to approve any financing and development agreement that the University and the Building Authority may propose.

It is also the position of the Division of Public Works, where the Legislature's prior \$10 million appropriation for this project currently rests, that in order for those funds to be available for use in accordance with any approved contract between the University and the Building Authority, that the resolution should authorize transfer of the funds to the Authority for this use. Once again, however, transfer of those funds will not occur unless and until there is an approved contract between the University and the Building Authority for work on the project, and expenditure of those funds will remain subject to approval of the Regents and the terms of the approved contract.

Attached hereto is a draft of the proposed concurrent resolution as well as a more detailed summary of the full project, including a description of the need for utilization of the Building Authority for the ultimate build-out or acquisition of the project.

**IMPACT**

There will be no additional fiscal impact from this agenda item. The authority requested by the University is only to seek the necessary concurrent resolution. The resolution, if passed, will only authorize the Building Authority and the University to propose a development agreement to the Regents for approval at a later meeting. Only upon Regents' approval of any such proposed agreement will funds be transferred to the Building Authority and expended through the development agreement.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**ATTACHMENTS**

Attachment 1 – Proposed Concurrent Resolution form  
Attachment 2 – Project Summary

Page 5  
Page 21

**STAFF COMMENTS AND RECOMMENDATIONS**

At the August 2007 meeting, the Board directed staff to continue with the Governor’s legislative process to bring the legislative language and amendments to the Board at its October meeting for final approval. Subsequently, the University determined that it was not ready for build-out of the facility and would not be in a position to need the resolution in 2008. The University now anticipates build-out in 2009 and so is requesting the concurrent resolution in the 2009 Legislative session. The University must still return to the Board for approval of any proposed agreement arising out of the concurrent resolution.

Staff recommends approval.

**BOARD ACTION**

A motion authorizing the University of Idaho to seek a concurrent resolution of the Idaho Legislature pursuant to Idaho Code Section 67-6410 in substantially the form as attached to the Board materials. Any agreement or agreements between the University of Idaho and the Idaho State Building Authority, as contemplated in the concurrent resolution, shall be submitted to the Board of Regents for approval at a future meeting, prior to the University entering into any such agreement and prior to the transfer of any funds from the Division of Public Works to the Building Authority.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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A CONCURRENT RESOLUTION  
STATING FINDINGS OF THE LEGISLATURE AND PROVIDING APPROVAL FOR  
THE UNIVERSITY OF IDAHO TO ENTER INTO AGREEMENTS WITH THE IDAHO  
STATE BUILDING AUTHORITY TO FINANCE AND DEVELOP FACILITIES TO BE  
KNOWN AS THE CENTER FOR LIVESTOCK AND ENVIRONMENTAL STUDIES.

Be It Resolved by the Legislature of the State of Idaho:

WHEREAS, in 2007 the legislature appropriated funds to the Idaho Department of Public Works for the University of Idaho Center for Livestock and Environmental Studies (now called the Idaho National Center for Livestock and Environmental Studies), subject to certain contingencies; and

WHEREAS, in 2008 the Legislature recognized that the contingencies had been met; and

WHEREAS, the Idaho National Center for Livestock and Environmental Studies will consist of a full scale operating dairy and beef feedlot providing a research platform for the University of Idaho, as well as a companion laboratory facility to be used jointly by the University of Idaho Caine Veterinary Teaching Center and by the Idaho Department of Agriculture for animal diagnostics, and;

WHEREAS, the Idaho National Center for Livestock and Environmental Studies is to be developed for the University of Idaho, acting in conjunction with the Idaho Department of Agriculture and the State Board of Land Commissioners (Land Board), utilizing a combination of (a) funds appropriated by the Legislature in 2007, (b) funds to be provided by the Idaho Dairy Industry, and (c) proceeds to be realized from future exchanges and sales of lands and improvements held in the Agriculture College Endowment and lands and improvements currently held by the University of Idaho and occupied by the University of Idaho Caine Veterinary Teaching Center, and;

WHEREAS, the Legislature has found that it is in the public interest and to the economic benefit of the state of Idaho to provide for adequate governmental facilities through the Idaho State Building Authority, pursuant to Section 67-6404, Idaho Code and;

WHEREAS, it is in the best interest of the state for the Idaho State Building Authority to finance and provide for development of all or portions of the Idaho National Center for Livestock and Environmental Studies for the University of Idaho, the Agriculture College Endowment, and the Idaho Department of Agriculture.

NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Session of the Sixtieth Idaho Legislature, the House of Representatives and the Senate concurring therein, that the Legislature hereby authorizes and provides approval

for the University of Idaho, for itself or in conjunction with the State Board of Land Commissioners on behalf of the Agriculture College Endowment, and the Idaho Department of Agriculture to enter into such agreements with the Idaho State Building Authority, under such terms and conditions as may be reasonable and necessary, to provide for the financing and development of the Idaho National Center for Livestock and Environmental Studies as described above, such contracting to be done in compliance with the policies of the State Board of Education and Board of Regents of the University of Idaho.

BE IT FURTHER RESOLVED that this resolution constitutes authorization to enter into such agreements pursuant to and in accordance with the provisions of Section 67-6410, Idaho Code.

BE IT FURTHER RESOLVED that this resolution constitutes authorization for the Idaho Department of Public Works to release to the Idaho State Building Authority, the funds in the amount of ten million (\$10,000,000) dollars appropriated by the Legislature in 2007 for the Idaho National Center for Livestock and Environmental Studies to be utilized for development of the Center pursuant to the terms of the agreements reached between the University of Idaho and the Idaho State Building Authority.

## **Statement of Purpose / Fiscal Impact**

### **Statement of Purpose**

**RS\*\*\*\*\***

This resolution provides authorization for the University of Idaho, for itself or in conjunction with the State Board of Land Commissioners, and Department of Agriculture to enter into agreements with the Idaho State Building Authority to finance, acquire and develop, the Idaho National Center for Livestock and Environmental Studies, including a companion joint laboratory facility, in accordance with Section 67-6410, Idaho Code. The Center and joint lab facility will enhance the University's research capabilities in the dairy and cattle feeding sectors of the State's agricultural economy, and will allow for a synergistic combination of the animal diagnostic needs of the State Department of Agriculture with the University's Caine Veterinary Teaching Center.

### **Fiscal Note**

This resolution authorizes the University of Idaho, for itself or in conjunction with the State Board of Land Commissioners, and Department of Agriculture to enter into agreements with the Idaho Building Authority to acquire, finance and develop the Center and its facilities at an estimated construction cost of approximately \$37 million. Funds from the 2007 Legislature's \$10 million appropriation to the Building Fund Advisory Council for the Center shall be applied together with financing to be provided by the Idaho State Building Authority. The Idaho State Building Authority will be paid from annual rents derived from the joint lab facility and revenues

from the operating dairy and feedlot until such time as future exchanges and sales of real estate in the Agriculture College Endowment and other lands and improvements owned by the University of Idaho are sufficient to acquire the entire facilities from the Authority.

Contact: \*\*\*\*\*

Statement of Purpose/Fiscal Note

Bill No.

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### Introduction and Project History

The INCLES was initially envisioned as a collaborative effort between the University of Idaho and the Idaho Dairy and Livestock industries to create a full scale operating dairy located within the heart of Idaho's major dairy and livestock feeding area to act as the research platform for a world-class university research facility for livestock and environmental issues associated with large animal feeding operations. The initial budgeted cost was \$25 million. To fund this, the Dairy Industry pledged \$5 million, the University sought and obtained a legislative appropriation of \$10 million, and the University, in conjunction with the State Board of Land Commissioners (Land Board) sought and obtained federal legislation which now allows the Idaho's Agricultural College Endowment (Endowment), established at statehood under the Morrill Act of 1862, to use its assets, including real estate it currently owns, to acquire land and real estate improvements for the INCLES research center and to furnish them directly to the University for its use. It is from these endowment assets that the University looked for the final \$10 million of the original budgeted cost.

The University, in discussions with the Land Board and the Department of Lands, identified a 280 acre parcel of endowment property in Canyon County as the parcel to be utilized for this project. This property is held by the endowment, but used by the University as a small scale teaching and research dairy. The University holds an easement for this purpose which remains as long as the University is using the property for agricultural research and teaching. An aerial view of the Canyon county property was included in earlier agenda materials and is attached hereto as Exhibit "A".

The project has now grown by the value of a proposed joint laboratory facility for the University's Caine Veterinary Teaching Center (Caine Center) and the Idaho Department of Agriculture which was incorporated into the Governor's budget for the \$10 million legislative appropriation approved by the 2007 Legislature. This change has also made available the property in Canyon county where the current Caine Veterinary Teaching Center is currently located (also identified in Exhibit "A") which can be marketed in conjunction with the endowment lands to offset some of the additional project costs resulting from addition of the joint laboratory facility.

An estimated allocation of resources, including the level of resources needed from the Agriculture College endowment (based on new construction of the INCLES research center and the joint laboratory) was attached to earlier agenda materials and is attached hereto as Exhibit "B".

However growth in the project scope and the addition of the Caine Center lands do not change the method for application of the Agriculture College endowment lands as part of the funding of the project. It is this method for how the University and the Endowment can utilize the endowment assets for acquisition of the Research Center that gives rise to the potential use of the Idaho State Building Authority for financing and acquisition of a portion of the real estate and improvements necessary for the INCLES research center. It is for this purpose that the University is requesting the Regents approval to seek the concurrent resolution.

The idea of a concurrent resolution to allow the University to work with the Building Authority is not new. The Regents previously approved the legislative idea of a concurrent resolution at the Board meeting held August 9-10, 2007 at College of Southern Idaho, with the instructions to the University to bring the final legislation back to the Board for approval. The University determined that it would not be in a position to need the resolution in 2008 and so did not pursue it until this 2009 session. The agenda

description, minutes of the motion of approving the idea form and the idea form itself are attached hereto as Exhibit "C".

The Building Authority's ability to finance and acquire the completed real estate component of the research center (including any necessary construction of new buildings and improvements that are part of the real estate component) enables the Endowment to then exchange the Canyon county real estate for the real estate portion of the completed facility, thereby utilizing the endowment's equity in the Canyon county real estate to acquire the completed facility. The Endowment must exchange real estate for real estate, consequently the research facility must be complete when the exchange occurs.

The University is investigating the potential for using a lease-purchase option for acquisition of an existing dairy. This could reduce or possibly eliminate the need for Building Authority financing the operating dairy portion of the research center. However, until there is a final determination in that regard, the potential need for using the Building Authority exists. For this reason the University wishes to pursue the concurrent resolution in the 2009 regular session.

**Transfer of Appropriated Funds to the Building Authority.**

The legislative appropriation of \$10 million dollars, originally made by the 2007 legislature, is held in the Permanent Building Fund, under the authority of the Department of Public Works. The proposed research center is a capital project funded in significant part with state dollars appropriated through the Permanent Building Fund. Permanent Building Fund monies are expended on capital projects either through the Department of Public Works, or, if authorized by a concurrent resolution of the Legislature, by the Idaho State Building Authority. In that regard the University wishes to utilize the Building Authority for this purpose. The Department of Public Works has no objection to this, but requires a concurrent resolution authorizing release of funds to the Building Authority before any of those funds can be utilized by the Building Authority for the project.

In any event, any use of the funds for this project will remain subject to the approval of the Board of Regents in the same fashion as any other capital project of the University. No transfer of any of these funds will occur until the Regents have approved the initial development agreement between the University and the Building Authority. At that point, the University and the Building Authority could expend funds for planning up to the \$750,000 previously approved by the Board. Any further expenditure of funds and any activity beyond planning will first come to the Regents for review and approval in the same fashion as any other capital project of the University. In the event, the funds are not used for the INCLES project, the agreement will call for their return to the Permanent Building Fund pursuant to the language of the original appropriation.

Exhibit "A"  
Aerial view of Canyon County Property



High elevation view – Caldwell and location of Dairy and Caine Veterinary Center

Exhibit "B"  
Estimated allocation of resources

<u>Cost Projections Minimum Dairy w/ Caine Center and Joint Labs</u>		
Land/Buildings/Improvements	Dairy	Caine/ISDA Labs
• Research Dairy Land. Buildings & Improvements	\$ 16,014,493.00	
• Joint Caine/ISDA Lab Facility Land & Bldg		\$ 9,781,690.00
Equipment, Cows and Reserve		
• Dairy Equipment, Cows & Reserve	\$ 10,964,100.00	
• Caine Lab Equipment		\$ 250,000.00
<b>Total per Facility</b>	<b>\$ 26,978,593.00</b>	<b>\$ 10,031,690.00</b>
<b>Total – Both Facilities</b>	<b>\$ 37,010,283.00</b>	

<u>Resources</u>	
• Industry - Milking Herd	\$ 3,650,000.00
• Industry - cash balance	\$ <u>1,350,000.00</u>
<b>Total Industry Commitment</b>	<b>\$ 5,000,000.00</b>
• State of Idaho Cash	\$ 10,000,000.00
<b>Total Industry &amp; Appropriations</b>	<b>\$ 15,000,000.00</b>
• Ag College Endowment Land Equity - initial discussion	\$ 10,000,000.00
• Regents - Caine Property Equity	\$ <u>2,000,000.00</u>
<b>Total Real Property Equity Identified</b>	<b>\$ 12,000,000.00</b>
<b>Total Resources Identified</b>	<b>\$ 27,000,000.00</b>
• Additional Land Equity or other resources needed (1)	\$ 10,010,283.00

(1) Other funds could come from any combination of increased value of Caine property over time, additional equity from the Agriculture College endowment, bonding based on rents to be paid by non-University tenants, additional appropriation for State Laboratories or other means.

<u>Application of Cash Resources</u>	<u>Cash Application</u>	<u>Cash Balance</u>
Beginning cash balance		\$ 11,350,000.00
Dairy Equipment, Cows & Reserve (less Milking herd)	\$ 7,314,100.00	\$ 4,035,900.00
Caine Equipment	\$ 250,000.00	\$ 3,785,900.00
Cash to Land/Buildings/Improvements	\$ 3,785,900.00	\$ -

**Detailed Cost Breakdown – Research Dairy**

Type	Low Estimate	Cows/Eq/WrkCap	Real Estate
Free Stalls	\$ 800,000		\$ 800,000
Ventilated Freestall	\$ 800,000		\$ 800,000
Open Lots	\$ 385,000		\$ 385,000
<b>Special Needs</b>			
Hospital Area	\$ 99,007		\$ 99,007
Maternity Area	\$ 82,304		\$ 82,304
Small Research Barns	\$ 200,000		\$ 200,000
Calan Gates	\$ 100,000	\$ 100,000	
Grow Safe	\$ 150,000	\$ 150,000	
Beef Cows	\$ 150,000	\$ 150,000	
Data Ranger	\$ 33,500	\$ 33,500	
<b>Heifer Operation</b>			
calf barn	\$ -		
calf hutches	\$ 45,000		\$ 45,000
calf weaning	\$ 24,000		\$ 24,000
small lots	\$ 72,000		\$ 72,000
heifer pens	\$ 30,000		\$ 30,000
heifer pens	\$ 195,000		\$ 195,000
bred heifers	\$ 245,000	\$ 245,000	
<b>Double 16 Parlors</b>			
Structure	\$ 1,400,000		\$ 1,400,000
Equipment	\$ 1,564,600	\$ 1,564,600	
Generator	\$ 50,000	\$ 50,000	
<b>Double 8 Parlor</b>			
Structure	\$ 450,000		\$ 450,000
Equipment	\$ 443,000	\$ 443,000	
<b>Feeding Center</b>			
Commodity barn	\$ 230,000		\$ 230,000
Feed Pad Asphalt	\$ 375,000		\$ 375,000
Mixer	\$ 15,000	\$ 15,000	
Scale 105'	\$ 60,000	\$ 60,000	
Feed Trucks	\$ 390,000	\$ 390,000	
Loaders	\$ 300,000	\$ 300,000	
Tractors	\$ 260,000	\$ 260,000	
<b>Grading</b>			
site	\$ 760,000		\$ 760,000
ponds	\$ 342,000		\$ 342,000
<b>Waste System</b>			

Concrete Cells	\$ 147,767		\$ 147,767
Waste Treat Build	\$ 252,315		\$ 252,315
Gasifier	\$ 400,000	\$ 400,000	
pits	\$ 85,400		\$ 85,400
composting asphalt	\$ 150,000		\$ 150,000
pumps	\$ 8,000	\$ 8,000	
Vacuum Wagon	\$ 85,000	\$ 85,000	
Skid Steer Loaders	\$ 60,000	\$ 60,000	
Perimeter Fence	\$ 119,600		\$ 119,600
Equipment Storage	\$ 210,000		\$ 210,000
Roads	\$ 132,000		\$ 132,000
Cows (in kind)	\$ 3,650,000	\$ 3,650,000	
Land	\$ 5,000,000		\$ 5,000,000
Laboratory (lab)	\$ 1,732,500		\$ 1,732,500
Laboratory (office)	\$ 405,600		\$ 405,600
Shop/Maintenance/ Technical Instruction	\$ 600,000		\$ 600,000
Housing	\$ -		
Wells	\$ 40,000		\$ 40,000
Utilities	\$ 250,000		\$ 250,000
Working Capital Reserve	\$ 3,000,000	\$ 3,000,000	
Design/Permitting	\$ 250,000		\$ 250,000
Landscaping	\$ 100,000		\$ 100,000
Total Dairy costs	\$ 26,728,593	\$ 10,964,100	\$ 15,764,493
Joint Caine/ISDA Lab Facility Land & Bldg	\$ 10,031,690	\$ 9,781,690.00 <sup>1</sup>	\$ 250,000
Total Combined Project	\$ 36,760,283	\$ 20,745,790	\$ 16,014,493
	All	Cows/Eq/WrkCap	Real Estate

<sup>1</sup> See attached cost breakdown for joint Caine/ISDA lab Facility

**Detailed Cost Breakdown – Joint Lab****CLES Laboratory Facilities**

U of I Veterinary Research	Square Feet	Cost/sf	Cost
Lab Bench Space	4,460	\$ 325.00	\$ 1,449,500.00
AutoClav	200	\$ 325.00	\$ 65,000.00
Dish Washing	200	\$ 325.00	\$ 65,000.00
Clean Room	200	\$ 325.00	\$ 65,000.00
Equip Room	200	\$ 325.00	\$ 65,000.00
Microscope	200	\$ 325.00	\$ 65,000.00
Dark Room	200	\$ 325.00	\$ 65,000.00
Tissue Culture	250	\$ 325.00	\$ 81,250.00
Gas Cylinder Storage	140	\$ 325.00	\$ 45,500.00
Storage	490	\$ 325.00	\$ 159,250.00
Offices/halls	4,222	\$ 200.00	\$ 844,400.00
Wildlife Lab	1,000	\$ 325.00	\$ 325,000.00
Microbiology	500	\$ 325.00	\$ 162,500.00
Lab Animals	400	\$ 325.00	\$ 130,000.00
Clinical Pathology	660	\$ 325.00	\$ 214,500.00
Student Space	624	\$ 200.00	\$ 124,800.00
Caine Clinic	7,150	\$ 150.00	\$ 1,072,500.00
		sub total	\$ 4,999,200.00
<b>ISDA Diagnostics</b>			
Milk Lab	960	\$ 325.00	\$ 312,000.00
Virology	840	\$ 325.00	\$ 273,000.00
PCR	750	\$ 325.00	\$ 243,750.00
Microbiology	500	\$ 325.00	\$ 162,500.00
Brucella/BL3	600	\$ 500.00	\$ 300,000.00
Storage	350	\$ 200.00	\$ 70,000.00
Offices	720	\$ 200.00	\$ 144,000.00
		sub total	\$ 1,505,250.00
<b>ISDA/Caine Integrated Space</b>			
Histology	400	\$ 325.00	\$ 130,000.00
Cooler	400	\$ 325.00	\$ 130,000.00
Freezer	400	\$ 325.00	\$ 130,000.00
Media & Preparation	880	\$ 325.00	\$ 286,000.00
		sub total	\$ 676,000.00
<b>ISDA/Caine Shared Space</b>			
Lobby/Reception	1,360	\$ 200.00	\$ 272,000.00
Library	960	\$ 200.00	\$ 192,000.00
Classroom	1,800	\$ 200.00	\$ 360,000.00
Conference Room	375	\$ 200.00	\$ 75,000.00
Break Room	432	\$ 200.00	\$ 86,400.00
Rest/Locker Rooms	960	\$ 200.00	\$ 192,000.00
Offices	1,480	\$ 200.00	\$ 296,000.00
Storage	1,147	\$ 200.00	\$ 229,400.00
Mechanical/Dock	1,000	\$ 150.00	\$ 150,000.00
Incinerator	1	\$ 250,000.00	\$ 250,000.00
		sub total	\$ 2,102,800.00
<b>Misc. Items</b>			
Perimeter Fence	5,280	\$ 13.00	\$ 68,640.00
Roads	1,320	\$ 15.00	\$ 19,800.00
Wells	1	\$ 50,000.00	\$ 50,000.00
Utilities	Unknown	\$ 100,000.00	\$ 100,000.00
Landscaping		\$ 60,000.00	\$ 60,000.00
Land in acres	40	\$ 5,000.00	\$ 200,000.00
<b>Totals</b>	<b>44,052</b>	<b>\$ 222.05</b>	<b>\$ 9,781,690.00</b>

Exhibit "C"  
August 2007 SBOE Meeting  
Agenda Write-up, Minutes of the Motion Approving Idea Form - Idea Form

**Agenda Write-up**

**Idaho Center for Livestock and Environmental Studies (from UI)**

The University of Idaho anticipates passage of legislation in Congress which will allow use of Agriculture College Endowment Assets for construction of the ICLES research facility. The 2007 Legislature appropriated the sum of \$10 million for use in construction of this facility and related facilities for the Idaho Department of Agriculture and Idaho Fish and Game. Upon passage of the legislation in Congress, the University will request final approval from the Legislature for commencement of the project. In addition, it is likely that the ultimate tool for financing full construction will be the Idaho Building Authority, which will require a concurrent resolution of both houses of the Idaho Legislature.

**Meeting Minutes**

Idaho Center for Livestock and Environment Studies

**M/S (Agidius/Thilo): To approve item number 10 -- Idaho Center for Livestock and Environment Studies -- as submitted, and to direct staff to continue with the Governor's legislative process; and to direct staff to bring the legislative language and amendments to the Board at their October Board meeting for final approval.** Motion carried unanimously.

**PLANNING, POLICY & GOVERNMENTAL AFFAIRS  
AUGUST 9-10, 2007**

<b>LEGISLATION IDEA SUBMITTAL FORM</b>		<b>LIS#</b>
<i>One Idea Per Form, Please</i>		
Agency: University of Idaho		
Contact Person: Rich Garber	Phone: 334-2292 E-mail: rgarber@uidaho.edu Fax: _____	
Brief description of legislation idea and how it will "solve the problem": Approval for Idaho Center for Livestock and Environmental Studies (ICLES). The University of Idaho anticipates passage of legislation in Congress which will allow use of Agriculture College Endowment Assets for construction of the ICLES research facility. The 2007 Legislature appropriated the sum of \$10 million for use in construction of this facility and related facilities for the Idaho Department of Agriculture and Idaho Fish and Game. Upon passage of the legislation in Congress, the University will request final approval from the Legislature for commencement of the project. In addition, it is likely that the ultimate tool for financing full construction will be the Idaho Building Authority, which will require a concurrent resolution of both houses of the Idaho Legislature.		
Fiscal impact of legislation idea: The proposed legislation will authorize expenditure of the previously appropriated \$10 million and if necessary seek legislative approval for financing of the project by the Idaho Building Authority.		
Has this idea or a similar idea been submitted in the past three years?    xx <input type="checkbox"/> Yes <input type="checkbox"/> No If so, please state year and bill number:  2007 Legislature - HB325 - appropriation		
<b>FOR DFM AND GOVERNOR'S OFFICE USE</b>		
<b>Policy Advisor Name:</b> Review completed:    __ Approved    __ Disapproved    __ Hold for further information		
<b>Analyst Name:</b> Review completed:    __ Approved    __ Disapproved    __ Hold for further information		
<b>Comments:</b>		

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**SUBJECT**

First reading Board Policy V.T. Fee/Tuition Waivers

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.T.

**BACKGROUND / DISCUSSION**

The Council on Academic Affairs and Programs (CAAP) has discussed revising the policy on fee and tuition waivers to allow the institutions more autonomy in directing waivers toward strategic initiatives. The current policy imposes limits on nonresident waivers to 1% of student FTE for disadvantaged or deserving students and to 2% of student FTE for high-tech waivers. The institutions have expressed their need to have the flexibility to use nonresident waivers to attract different types of nonresident students that from time to time may not coincide with the types of waivers specified in current policy.

In addition to the 1% and 2% waivers mentioned above, the proposed changes to the Fee/Tuition Waivers policy incorporate the reciprocity issues into the waiver policy. The areas impacted by these policy changes are:

- Reciprocity with the State of Washington
- Reciprocity with the State of Oregon
- Reciprocity with Utah State University
- College of Mines
- National Student Exchange Program
- Western Interstate Commission for Higher Education (WICHE)

Reciprocity agreements with Washington, Oregon, Utah State University and the University of Idaho agreement with the College of Mines are currently handled separately. These other states no longer depend on the reciprocity agreements to manage their tuition waivers. Washington, for example, delegates that discretion directly to the institutions. Replacing reciprocity with a broader waiver policy would match the approach used by other states and allow the Board to more directly and transparently manage out-of-state tuition waivers. The proposed policy does call for enhanced reporting to the Board on an annual basis so that the Board may review waivers and provide further guidance if desired.

**IMPACT**

The revised policy will define a waiver as a reduction of some or all of the approved fees/tuition specified in Section V, Subsection R, - Establishment of Fees attributable to a particular student as the cost for attending an Idaho institution of higher education.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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The purpose of waivers will stipulate that waivers will be limited to the achievement of the following strategic objectives:

- The enhancement of education opportunities for Idaho residents;
- To promote mutually beneficial cooperation and development of Idaho communities and nearby communities in neighboring states;
- To contribute to the quality of educational programs; and
- To assist in maintaining the cost effectiveness of auxiliary operations in Idaho institutions of higher education.

The proposed policy revisions would consolidate the 1% and 2% waivers with all waivers except for the National Student Exchange Program and WICHE under a category labeled “Waivers to Meet Other Strategic Objectives” not to exceed 6% of student FTE. Attachment 3, page 3, shows the current Fee/Tuition Waiver Report. It breaks out the 1% and 2% waivers by the dollars waived and calculates the percentage of student FTE by dividing the dollars waived by the student FTE and the nonresident fee. The waivers for reciprocity and mines are shown below the 1% and 2% waivers. The National Student Exchange Program and WICHE waivers are listed after the 1% and 2% waivers.

Attachment 4, page 5, shows the proposed Fee/Tuition Waiver Report after consolidating the 1% and 2% waivers with the reciprocity and mines with a total limit of 6% of student FTE. Instead of restricting waivers to specific types of students or disciplines, the revised policy allows a waiver to be granted to a nonresident student in an institutional program in order to meet a strategic state and/or institutional need, as identified by the chief executive officer of the institution and when an institution can demonstrate that its use is fiscally responsible and meets the financial goals of the institution.

Finally, the revised policy clarifies that students provided waivers under the Western Interstate Commission for Higher Education, Western Undergraduate Exchange (WUE) can be counted in the enrollment workload adjustment calculation so long as the WUE waivers do not exceed the limits approved for an institution by the Board. The current limits, shown below, were established several years ago. The institutions and Board staff will review these limits and propose any changes for Board action.

Boise State University	225 students
Idaho State University	225 students
University of Idaho	280 students
Lewis Clark State College	70 students

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**FEBRUARY 26-27, 2009**

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**ATTACHMENTS**

Attachment 1 – Revised Policy – Redline	Page 5
Attachment 2 – Revised Policy - Clean	Page 9
Attachment 3 – Current Tuition/Fee Waiver Report	Page 11
Attachment 4 – Proposed Tuition/Fee Waiver Report	Page 12
Attachment 5 – Reciprocity & Tuition Waiver Report	Page 13

**STAFF COMMENTS AND RECOMMENDATIONS**

The revised policy for Fee/Tuition Waivers will allow the institutions more latitude in enrollment management by removing the restrictions of the 1% for disadvantaged and deserving students and the 2% for high-tech disciplines. Eliminating specific references to reciprocity agreements and incorporating the amounts into the increased waiver cap permits institutions to honor existing reciprocity agreements as they transfer to a single waiver process. The Board may at its discretion require additional information as well as request waiver plans from institutions.

**BOARD ACTION**

A motion to approve the first reading of Board Policy V.T. – Fee/Tuition Waivers.

Moved \_\_\_\_\_ Seconded \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**  
**SECTION: V. FINANCIAL AFFAIRS**  
**Subsection: T. Fee/Tuition Waivers**

April 2002

## T. Fee/Tuition Waivers

### 1. Purpose and Authority for Fee/Tuition Waivers

#### a. Definition

A fee/tuition waiver shall mean a reduction of some or all of the approved fees/tuition specified in Section V, Subsection R, attributable to a particular student as the cost for attending an Idaho institution of higher education.

#### b. Purpose

The purpose in authorizing fee/tuition waivers includes but is not limited to the achievement of the following strategic objectives:

- (i) The enhancement of education opportunities for Idaho residents;
- (ii) To promote mutually beneficial cooperation and development of Idaho communities and nearby communities in neighboring states;
- (iii) To contribute to the quality of educational programs; and
- (iv) To assist in maintaining the cost effectiveness of auxiliary operations in Idaho institutions of higher education.

#### c. Authority

An institution shall not waive any of the applicable fees/tuition specified in Section V, Subsection R., unless specifically authorized in this subsection. Special fees are not defined as a fee waiver.

### 2. Waiver of Nonresident Fees/Tuition

Nonresident fees/tuition may be waived for the following categories:

#### a. Graduate/Instructional Assistants

Waivers are authorized for students employed as graduate assistants appointed pursuant to Section III, Subsection P.11.c.

#### b. Students Participating in Intercollegiate Athletics

For the purpose of improving competitiveness in intercollegiate athletics, the universities are authorized up to two hundred twenty-five (225) waivers per semester and, Lewis-Clark State College is authorized up to one hundred ten (110) waivers per semester. The institutions are authorized to grant additional waivers, not to exceed ten percent (10%) of the above waivers, to be used exclusively for post-eligibility students.

c. ~~Disadvantaged or Deserving Students~~ Waivers to Meet Other Strategic Objectives of nonresident tuition—Other

**Idaho State Board of Education**  
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April 2002

~~(1)~~ The chief executive officer of each institution is authorized to waive nonresident fees/tuition for ~~disadvantaged or deserving~~ students, not to exceed the equivalent of one six percent (6~~1~~%) of the institution's total full-time equivalent enrollment. The criteria to be followed in granting such nonresident waivers shall be as follows:

- (i) A waiver may be granted to place a nonresident student in an institutional program only when there is sufficient capacity in the program to meet the needs of Idaho resident students; and
- ~~(i)~~(ii) A waiver may be granted only when its use is fiscally responsible to place a nonresident student in an institutional program in order to meet a strategic state and/or institutional need, as identified by the chief executive officer of the institution.

~~In addition, in order to meet the workforce demands in the fields of engineering, information technology, and related high technology disciplines, the chief executive officer of each institution is authorized to waive nonresident tuition for students enrolled in these areas (if space is available) not to exceed two percent (2%) of the institution's full-time equivalent enrollment. Students eligible to receive the waiver must select engineering, information technology, or related high technology disciplines as their primary field of study. Information technology encompasses scientific and mathematical study of design and building computers and their applications; design and development of operational electronic data storage and processing systems; study and development of electronic systems for transmitting information via networks; analysis and the development of economic and public policy issues; and applying methods and procedures used in the design and writing of computer programs including the problem-solving of information network systems.~~

~~Any changes to the existing Board-approved list of primary fields of study must be submitted to the Board for their approval.~~

~~d. Reciprocity with the State of Washington~~

~~Based on a limit approved by the Board, waivers may be allocated on an annual basis by the executive director to the college and universities in postsecondary education programs for Washington residents. An equal number of opportunities shall be afforded to Idaho residents in Washington postsecondary institutions.~~

~~e. Reciprocity with Utah State University~~

~~Based on a limit approved by the Board, Idaho State University is authorized to waive nonresident tuition for residents of the state of Utah when an equal amount of waivers are made available to Idaho residents at Utah State University.~~

~~f. College of Mines~~

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**

**SECTION: V. FINANCIAL AFFAIRS**

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~~Based on a limit approved by the Board, the College of Mines at the University of Idaho is authorized waivers to encourage enrollment in mining, metallurgy, and geology.~~

~~g. Reciprocity with the State of Oregon~~

~~Based on a limit approved by the Board, waivers are authorized for undergraduate students who are residents of the state of Oregon and who are majoring in mining engineering, metallurgical engineering, or geological engineering at the University of Idaho. The number of waivers to be awarded annually shall be limited by the number of waivers provided to Idaho residents in Oregon institutions of higher education.~~

~~hd. Domestic-National Student Exchange Program - Domestic~~

Waivers are authorized for nonresident students participating in this program.

~~ie. Western Interstate Commission for Higher Education~~

Waivers are authorized for nonresident students participating in the Western Interstate Commission for Higher Education Professional Student Exchange Program and the Graduate Student Exchange Program. An institution may include a participating nonresident student in its enrollment workload adjustment calculation, provided the figure does not exceed the maximum approved for an institution by the Board.

~~3. Reporting Requirements~~

~~Each institution shall submit an annual report on fee/tuition waivers on a date and in a format determined by the executive director of the Board.~~

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**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**  
**SECTION: V. FINANCIAL AFFAIRS**  
**Subsection: T. Fee/Tuition Waivers**

April 2002

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## **T. Fee/Tuition Waivers**

### **1. Purpose and Authority for Fee/Tuition Waivers**

#### **a. Definition**

A fee/tuition waiver shall mean a reduction of some or all of the approved fees/tuition specified in Section V, Subsection R, attributable to a particular student as the cost for attending an Idaho institution of higher education.

#### **b. Purpose**

The purpose in authorizing fee/tuition waivers includes but is not limited to the achievement of the following strategic objectives:

- (i) The enhancement of education opportunities for Idaho residents;
- (ii) To promote mutually beneficial cooperation and development of Idaho communities and nearby communities in neighboring states;
- (iii) To contribute to the quality of educational programs; and
- (iv) To assist in maintaining the cost effectiveness of auxiliary operations in Idaho institutions of higher education.

#### **c. Authority**

An institution shall not waive any of the applicable fees/tuition specified in Section V, Subsection R., unless specifically authorized in this subsection. Special fees are not defined as a fee waiver.

### **2. Waiver of Nonresident Fees/Tuition**

Nonresident fees/tuition may be waived for the following categories:

#### **a. Graduate/Instructional Assistants**

Waivers are authorized for students employed as graduate assistants appointed pursuant to Section III, Subsection P.11.c.

#### **b. Students Participating in Intercollegiate Athletics**

For the purpose of improving competitiveness in intercollegiate athletics, the universities are authorized up to two hundred twenty-five (225) waivers per semester and, Lewis-Clark State College is authorized up to one hundred ten (110) waivers per semester. The institutions are authorized to grant additional waivers, not to exceed ten percent (10%) of the above waivers, to be used exclusively for post-eligibility students.

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**

**SECTION: V. FINANCIAL AFFAIRS**

**Subsection: T. Fee/Tuition Waivers**

April 2002

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c. Waivers to Meet Other Strategic Objectives

The chief executive officer of each institution is authorized to waive nonresident fees/tuition for students, not to exceed the equivalent of six percent (6%) of the institution's total full-time equivalent enrollment. The criteria to be followed in granting such nonresident waivers shall be as follows:

- (i) A waiver may be granted to place a nonresident student in an institutional program only when there is sufficient capacity in the program to meet the needs of Idaho resident students; and
- (ii) A waiver may be granted only when its use is fiscally responsible to place a nonresident student in an institutional program in order to meet a strategic state and/or institutional need, as identified by the chief executive officer of the institution.

d. National Student Exchange Program - Domestic

Waivers are authorized for nonresident students participating in this program.

e. Western Interstate Commission for Higher Education

Waivers are authorized for nonresident students participating in the Western Interstate Commission for Higher Education Professional Student Exchange Program and the Graduate Student Exchange Program. An institution may include a participating nonresident student in its enrollment workload adjustment calculation, provided the figure does not exceed the maximum approved for an institution by the Board.

**Idaho College and Universities  
Fee and Tuition Waivers - Current  
Fiscal Year 2007**

	<u>Policy Section</u>	<u>BSU</u>	<u>ISU</u>	<u>UI</u>	<u>LCSC</u>	<u>Total</u>	
1	<b><u>Board Policy Tuition Waivers, Policy Section V.T.</u></b>						
4	Nonresident Disadvantaged or Deserving: 1% of FTE	SBOE V.T.2.c (1)	865,468	653,330	1,043,600	155,922	2,718,320
5		Student FTE	13,060	8,605	10,252	2,158	34,075
6		Nonresident Fee	<u>\$7,778</u>	<u>\$8,270</u>	<u>\$9,600</u>	<u>\$6,944</u>	<u>8,148</u>
7		Equivalent FTE	0.9%	0.9%	1.1%	1.0%	1.0%
8	Nonresident High Technology: 2% of FTE	SBOE V.T.2.c (2)	1,353,372	1,298,390	1,307,200	96,422	4,055,384
9		Student FTE	13,060	8,605	10,252	2,158	34,075
10		Nonresident Fee	<u>\$7,778</u>	<u>\$8,270</u>	<u>\$9,600</u>	<u>\$6,944</u>	<u>8,148</u>
11		Equivalent FTE	1.3%	1.8%	1.3%	0.6%	1.5%
12	<b><u>Board Policy Tuition Waivers</u></b>						
13	Washington Reciprocal Tuition Waivers	SBOE V.T.2.d	58,335	74,430	433,500	113,371	679,636
14	Utah State University	SBOE V.T.2.e	0	922,105	0	0	922,105
15	Mines Tuition Waivers - Engineering	SBOE V.T.2.f	0	0	198,200	0	198,200
16	Mines Tuition Waivers - Science	SBOE V.T.2.f	0	0	107,100	0	107,100
17	Oregon Tuition Waivers	SBOE V.T.2.g	0	0	0	0	0
18	<b>Total Board Policy Waivers</b>		<b>58,335</b>	<b>996,535</b>	<b>738,800</b>	<b>113,371</b>	<b>1,907,041</b>
19							
20	<b><u>Other Board Policy Exchange Programs</u></b>						
21	National Student Exchange Program	SBOE V.T.2.h	151,671	74,348	396,600	0	622,619
22	WICHE	SBOE V.T.2.i	0	28,945	0	0	28,945
23	Western Undergraduate Exchange (2)	SBOE V.R.1.a.6	1,553,795	631,394	9,171,500	228,916	11,585,605
24	<b>Total Other Board Policy Exchange Programs</b>		<b>1,705,466</b>	<b>734,687</b>	<b>9,568,100</b>	<b>228,916</b>	<b>12,237,169</b>

**Idaho College and Universities  
Fee and Tuition Waivers - New Policy  
Fiscal Year 2007**

**ATTACHMENT 4**

Policy Section	BSU	ISU	UI	LCSC	Total
<b>6</b>					
<b>7</b> <b>Waivers Subject to 6% Limitation</b>					
8     Nonresident Disadvantaged or Deserving	\$865,468	\$653,330	\$1,043,600	\$155,922	\$2,718,320
9     Nonresident High Technology	\$1,353,372	\$1,298,390	\$1,307,200	\$96,422	\$4,055,384
10    Washington Reciprocal Tuition Waivers	\$58,335	\$74,430	\$433,500	\$113,371	\$679,636
11    Utah State University	\$0	\$922,105	\$0	\$0	\$922,105
12    Mines Tuition Waivers - Engineering	\$0	\$0	\$198,200	\$0	\$198,200
13    Mines Tuition Waivers - Science	\$0	\$0	\$107,100	\$0	\$107,100
14    Oregon Tuition Waivers	\$0	\$0	\$0	\$0	\$0
<b>15</b> <b>Total Waivers Subject to 6% Limitation</b>	<b>\$2,277,175</b>	<b>\$2,948,255</b>	<b>\$3,089,600</b>	<b>\$365,715</b>	<b>\$8,680,745</b>
16     Student FTE	13,060	8,605	10,252	2,158	34,075
17     Nonresident Fee	\$7,778	\$8,270	\$9,600	\$6,944	8,148
18    Equivalent FTE Waivers subject to 6% Limitation	2.2%	4.1%	3.1%	2.4%	3.1%
<b>19</b>					
<b>20</b> <b><u>Other Board Policy Exchange Programs</u></b>					
21    National Student Exchange Program	\$151,671	\$74,348	\$396,600	\$0	\$622,619
22    WICHE	\$0	\$28,945	\$0	\$0	\$28,945
23    Western Undergraduate Exchange	1,553,795	631,394	9,171,500	228,916	11,585,605
<b>24</b> <b>Total Other Board Policy Exchange Programs</b>	<b>\$1,705,466</b>	<b>\$734,687</b>	<b>\$9,568,100</b>	<b>\$228,916</b>	<b>\$12,237,169</b>

## Washington/Idaho– Reciprocity Waivers

(Per the current reciprocity agreement)

In the fall of 2008, the following institutions were asked to provide data regarding reciprocity and the number of Idaho students attending Washington institutions.

### Chart 1

Data reflecting Washington students receiving reciprocity from Idaho institutions.

Idaho Institution	2005-06	No. of Students	2006-07	No. of Students	2007-08	No. of Students	2008-09	No. of Students
Boise State University	\$ 88,896	24	\$ 58,335	15	\$65,344	16	\$47,168*	11*
Idaho State University	\$ 77,000	20	\$74,430	18	\$52,104	12	\$73,632	16
University of Idaho	\$433,500	138	\$433,500	128	\$433,500	121	\$433,500	122
Lewis-Clark State College	\$140,582	129	\$115,371	109	\$112,750	109	\$152,500	142
<b>Total \$ Waived</b>	<b>\$739,978</b>		<b>\$707,430</b>		<b>\$673,698</b>		<b>\$706,800</b>	
<b>No. of WA students FT &amp; PT</b>		<b>311</b>		<b>265</b>		<b>234</b>	<b>291*</b>	

\*The number of WA students does not include spring quarter for BSU.

Data reflecting Idaho students receiving reciprocity from WWCC.

Washington Institution	2005-06	2006-07	2007-08	2008-09
Walla Walla Community College	\$420,000	\$618,652	TBD	
<b>Total \$ Waived (approximate)</b>	<b>\$420,000</b>	<b>\$618,652</b>	<b>TBD</b>	
<b>No of ID students FT &amp; PT (estimate)</b>	<b>175</b>	<b>251</b>	<b>228*</b>	

\*The number of ID students does not include the spring quarter.

## Idaho/Washington Tuition Waivers

(Issued to Idaho Students Outside of the Reciprocity Agreement)

### Chart 2

Idaho students issued tuition waivers at Washington universities as reported by each institution.

#### Western Washington University

TERM	N Students	Total Amount	Avg per Student
200540	15	\$79,888	\$5,326
200640	14	\$73,403	\$5,243
200740	13	\$75,076	\$5,775
200840	11	\$52,777	\$4,798
<b>Total 53</b>		<b>\$281,144</b>	

**Eastern Washington University**

<b>Undergraduates</b>	<b>2005-2006*</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009**</b>
<b>Idaho Reciprocity</b>	\$428,250	Subsumed under WUE		
Number of ID Students	77			
<b>Idaho Reciprocity - NIC</b>	\$72,225	Subsumed under WUE		
Number of ID Students	14			
<b>Western Undergraduate Exchange</b>	\$373,500	\$975,435	\$908,336	\$735,700
Number of ID Students	50	137	136	120
<b>Gender Equity</b>	\$14,706	\$16,551	\$22,056	\$26,842
Number of ID Students	3	3	5	4
<b>Total Undergraduate Dollars</b>	<b>\$888,681</b>	<b>\$991,986</b>	<b>\$930,392</b>	<b>\$762,542</b>
<b>Total Undergraduate Headcount</b>	<b>144</b>	<b>140</b>	<b>141</b>	<b>124</b>
<b>Graduates</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
<b>Non-Resident Graduate Service Appts</b>	\$5,500	\$5,889	\$7,852	\$ -
Number of ID Students	1	1	2	0
<b>Graduate Discount</b>	\$188,250	\$186,004	\$ 211,484	\$ 285,114
Number of ID Students	25	25	29	41
<b>WICHE</b>	\$80,000	\$81,673	\$74,571	\$82,824
Number of ID Students	8	8	7	8
<b>Total Graduate Dollars</b>	<b>\$273,750</b>	<b>\$273,566</b>	<b>\$293,907</b>	<b>\$367,938</b>
<b>Total Graduate Headcount</b>	<b>34</b>	<b>34</b>	<b>38</b>	<b>49</b>

\*2005-2006 figures are estimated except for Gender Equity.

\*\*2008-2009 figures are projected through Spring Quarter 2009

**Washington State University**

	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
<b>Cougar Academic Award</b>	536,029	503,290	655,693	807,600
Number of ID Students	92	80	97	110
<b>Graduate Assistants Tuition Waiver</b>	148,671	126,725	146,448	225,332
Number of ID Students	20	25	27	38
<b>WICHE Waivers</b>	76,755	49,677	35,250	37,729
Number of ID Students	9	10	9	7
<b>Total Dollars</b>	<b>761,455</b>	<b>679,692</b>	<b>837,391</b>	<b>1,070,661</b>
<b>Total Headcount</b>	<b>121</b>	<b>115</b>	<b>133</b>	<b>155</b>

**Cougar Academic Award** – This is a four year waiver that is available to entering non-resident freshmen based on academic merit (GPA/SAT). The value of the award equals that of 150% of resident tuition. WSU participates in the WUE program, and while all non-resident freshmen qualify most come from WUE states.

**Graduate Assistants Tuition Waiver** - Includes waivers granted to resident and non-resident graduate students as part of their assistantship. Approximately 90% of resident tuition is covered. Non residents receive a full tuition waiver plus 90% of resident tuition and are strongly encouraged to establish residency in the first year of their program.

**WICHE Waivers** – Waivers granted to VetMed students as part of our agreement as a WICHE partner.