PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 2, 2012

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 2012A 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, subject to the University's compliance with the requirements of the Code, interest on the Series 2012A Bonds is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act; provided, however, that Bond Counsel expresses no opinion concerning whether interest on the Series 2012A Bonds held by an S Corporation is subject to the income tax or the franchise tax imposed by the State of Idaho. See "TAX MATTERS" herein.

BOISE STATE UNIVERSITY

$32,745,000*
BOISE STATE UNIVERSITY
GENERAL REVENUE PROJECT AND REFUNDING BONDS,
SERIES 2012A

Dated: Date of Delivery | **Due: As shown on the inside cover**

The Series 2012A 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 2012A Bonds.

Interest on the Series 2012A Bonds is payable on each April 1 and October 1, commencing October 1, 2012. The Series 2012A Bonds are subject to optional and mandatory sinking fund redemption as described herein.

The Series 2012A Bonds are being issued for the purpose of financing a portion of the cost of acquisition and construction of a football office and training facility, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2012A Bonds.

The Series 2012A 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 2012A BONDS" herein.

THE SERIES 2012A 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 2012A 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 2012A 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 2012A BONDS. THE UNIVERSITY HAS NO TAXING POWER.

See Inside Cover for Maturity Schedules

The Series 2012A 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 its legal counsel, Hawley Troxell Ennis & Hawley LLP, and by Chapman and Cutler LLP, in its capacity as disclosure counsel to the University. It is expected that the Series 2012A Bonds will be available for delivery through the facilities of DTC on or about March 7, 2012.

BARCLAYS CAPITAL

This Official Statement is dated __________, 2012. The information contained herein speaks only of such date.

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* Preliminary; subject to change.

BOISE STATE UNIVERSITY

$32,745,000*
GENERAL REVENUE PROJECT AND REFUNDING BONDS,
SERIES 2012A

DUE APRIL 1	PRINCIPAL AMOUNT*	INTEREST RATE	YIELD	CUSIP**
2013	$ 270,000	%	%	
2014	555,000			
2015	565,000			
2016	3,220,000			
2017	3,415,000			
2018	1,920,000			
2019	2,075,000			
2020	2,225,000			
2021	2,370,000			
2022	2,525,000			
2023	1,270,000			
2024	420,000			
2025	435,000			
2026	450,000			
2027	470,000			
2028	490,000			
2029	515,000			
2030	540,000			
2031	565,000			
2032	595,000			
2033	625,000			
2034	655,000			
2035	690,000			
2036	725,000			
2037	760,000			
2038	795,000			
2039	835,000			
2040	880,000			
2041	920,000			
2042	970,000			

$_________ Term Bond due April 1, ____; Interest Rate ______%; Yield ______%; CUSIP __________
$_________ Term Bond due April 1, ____; Interest Rate ______%; Yield ______%; CUSIP __________

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* Preliminary; subject to change.

** CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the University or the Underwriter, and are included solely for the convenience of the holders of the Series 2012A Bonds. Neither the University nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2012A Bonds or as indicated above.

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

UNIVERSITY OFFICIALS

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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 upon 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 2012A Bonds, nor shall there be any sale of the Series 2012A 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 2012A 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," "pro forma" 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

BOISE STATE UNIVERSITY

$32,745,000*
GENERAL REVENUE PROJECT AND REFUNDING BONDS
SERIES 2012A

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 $32,745,000* Boise State University General Revenue Project and Refunding Bonds, Series 2012A (the *"Series 2012A 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 fall 2011 enrollment of 19,664 students (based on headcount, with full-time-equivalent enrollment of 15,215). 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 2012A BONDS

The Series 2012A Bonds are being issued pursuant to Title 33, Chapter 38, 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 further supplemented by a resolution adopted by the Board on _________, 2012 authorizing the issuance of the

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* Preliminary; subject to change.

Series 2012A Bonds (the *"Series 2012A Supplemental Resolution"* and, collectively with the Master Resolution, the *"Resolution"*).

Pursuant to the Master Resolution, the Board has previously authorized the issuance of various series of General Revenue Bonds (the *"Outstanding Bonds"*), which are currently outstanding in the principal amount of $225,295,000 (including the Refunded Bonds). The Series 2012A 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" and "FINANCIAL INFORMATION REGARDING THE UNIVERSITY–Outstanding Debt."

The proceeds of the Series 2012A Bonds will be used for the purpose of financing a portion of the cost of acquisition and construction of a football office and training facility (the *"Series 2012A Project"*), refunding certain of the University's outstanding bonds, and paying costs of issuance of the Series 2012A Bonds. See "SERIES 2012A PROJECT," and "ESTIMATED SOURCES AND USES OF FUNDS."

SECURITY FOR THE SERIES 2012A BONDS

The Series 2012A 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 (the *"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. 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."

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 2012A 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 2012A Bonds, subject to the satisfaction of certain conditions contained in the Resolution. See "SECURITY FOR THE SERIES 2012A BONDS–Additional Bonds."

TAX MATTERS

Subject to compliance by the University with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series 2012A 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, as presently enacted and construed, subject to the University's compliance with the requirements of the Code, interest on the Series 2012A Bonds is not subject to the income tax or the franchise tax imposed by the State under the Idaho Income Tax Act; *provided, however,* that Bond Counsel expresses no opinion concerning whether interest on the Series 2012A Bonds held by an S Corporation is subject to the income tax or the franchise tax imposed by the State.

See "TAX MATTERS."

THE SERIES 2012A BONDS

DESCRIPTION OF THE SERIES 2012A BONDS

The Series 2012A 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 inside cover page of this Official Statement.

The Series 2012A Bonds shall bear interest from their date at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2012A Bonds is payable on April 1 and October 1 of each year, beginning October 1, 2012. Interest on the Series 2012A 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 2012A Bonds.

The Series 2012A 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 2012A Bonds. The Series 2012A 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 2012A 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 rating of AA+. 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**.

Purchases of Series 2012A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012A 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 2012A 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 2012A Bonds, except in the event that use of the book-entry system for the Series 2012A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012A 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 2012A 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 2012A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012A 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 2012A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2012A Bonds, such as redemptions, defaults, and proposed amendments to the Series 2012A Bond documents. For example, Beneficial Owners of the Series 2012A Bonds may wish to ascertain that the nominee holding the Series 2012A 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2012A 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 2012A 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 2012A 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 2012A Bonds at any time by giving reasonable notice to the University or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2012A Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2012A 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. The Series 2012A Bonds maturing on or after April 1, ________ are subject to redemption at the election of the University at any time on or after _________, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the Series 2012A Bonds shall be at a price of 100% of the principal amount of the Series 2012A Bonds to be so redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2012A 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 2012A Bonds to be so redeemed, plus accrued interest to the date of redemption, on April 1 of the years, and in the amounts, shown below:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	$
*	

____

* Stated maturity.

Notice of Redemption. The Resolution requires the Trustee to give notice of any redemption of the Series 2012A Bonds not less than 35 days nor more than 60 days prior to the redemption date, by first class mail, postage prepaid, addressed to the registered owners of such Series 2012A 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 2012A Bonds, unless upon the giving of such notice such Series 2012A 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 2012A 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 2012A 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.

Selection for Redemption. If less than all Series 2012A Bonds are to be redeemed, the particular maturities of such Series 2012A Bonds to be redeemed and the principal amounts of such maturities to be redeemed shall be selected by the University. If less than all of the Bonds of any maturity of the Series 2012A Bonds are to be redeemed, the Series 2012A Bonds to be redeemed will be selected by lot. If less than all of a Series 2012A Bond that is subject to mandatory sinking fund redemption is to be redeemed, the redemption price shall be applied to such mandatory sinking fund installments as the University shall direct.

SECURITY FOR THE SERIES 2012A BONDS

GENERAL

The Series 2012A 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;

(ii) Sales and Services Revenues (after payment of Operation and Maintenance Expenses);

(iii) F&A Recovery Revenues;

(iv) Other Operating Revenues;

(v) Unrestricted income generated on investments of moneys in all funds and accounts of the University (the *"Investment Income"*); and

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

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. Pledged Revenues also exclude Restricted Fund Revenues, including restricted gift and grant revenues and federal interest subsidy payments made to the University with respect to the Series 2010B Bonds or any future Bonds.

See "FINANCIAL INFORMATION REGARDING THE UNIVERSITY" and "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2011."

PLEDGED REVENUES

Student Fees. The University assesses and collects a variety of fees from students enrolled at the University. Board approval for most of these student fees is required, but in accordance with a February 2011 update to policy, the Board has delegated to the University President approval of certain student fees. 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, or any other governmental or regulatory body. In practice, however, the Board sets the Board-approved student 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. Board-approved *"Student Fees"* include (i) the Tuition Fee; (ii) Facility, Technology and Activity Fees; and (iii) General Education Fees, as further described below.*

For the fiscal year ended June 30, 2010, total Board-approved Student Fees per full-time undergraduate student per semester were $2,432 for Idaho residents and $6,934 for non-resident students. For the fiscal year ended June 30, 2011, such Student Fees were, respectively, $2,650 and $7,378 per semester.

Tuition Fee. The Tuition Fee supports instruction, student services, institutional support and maintenance and operation of the physical plant. The revenues derived from the Tuition Fee for the fiscal years ended June 30, 2010 and June 30, 2011 were $51,912,150 and $60,071,912, 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 15 fees assessed to support various programs and activities. The revenues derived from the Facility, Technology, and Activity Fees for the fiscal years ended June 30, 2010 and June 30, 2011 were $28,386,857 and $29,660,924, 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 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, 2010 and June 30, 2011 were $13,724,803 and $16,585,832, respectively.

Tuition and Student Fee Increases. It is Board policy to limit total tuition and facility, technology and activity fee increases in any single fiscal year to a maximum of 10% unless it grants special approval for an increase greater than 10%. Tuition and student fees for the following fiscal year are set in April. The tuition and facility, technology and activity fee increases for the fiscal years shown below were as follows:

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

Fiscal Year Ending June 30	Total Residential Student Tuition and Fees* per Semester	Percentage Increase
2012	$2,783	5.0%
2011	2,650	9.0
2010	2,432	5.0
2009	2,316	5.0
2008	2,205	6.2

* Includes facility, technology and activity fees.

Student Fees also include a variety of other charges for services and course fees for which the authority to approve has been delegated by the Board to the University President. Fees for services include admission, orientation and testing fees as well as late fees. Course fees include fees for field trips, fees for supplies for specific classes and labs, as well as special workshop fees. Revenues generated from these other charges for the fiscal years ended June 30, 2010 and June 30, 2011 were $5,360,413 and $5,978,946, respectively.

See "APPENDIX B—SCHEDULE OF STUDENT FEES" for a list of pledged Student Fees assessed for fiscal year 2012.

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, 2010 and June 30, 2011 were $51,564,008 and $53,791,810, respectively. See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2011."

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. In fiscal years ended June 30, 2010 and June 30, 2011, the University received F&A Recovery Revenues of $4,507,023, and $5,422,035, 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, 2010 and June 30, 2011, the University generated Other Operating Revenues of $1,629,239 and $1,676,216, respectively.

Investment Income. Investment Income pledged to the Bonds includes all unrestricted investment income. For fiscal years ended June 30, 2010 and June 30, 2011, Investment Income pledged by the University was $832,082 and $663,453, 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 2009 through 2011. As described under "DEBT SERVICE REQUIREMENTS," the University estimates that the maximum annual debt service on the Bonds upon the issuance of the Series 2012A Bonds will be approximately $17.8 million.

	2009	2010	2011
Student Fees	$ 96,333,781	$ 99,384,223	$112,297,614
Sales and Services Revenues	44,447,503	51,564,008	53,791,810
Other Operating Revenues	2,150,976	1,629,239	1,676,216
Investment Income	1,536,390	832,082	663,453
F&A Recovery Revenues	3,280,461	4,507,023	5,422,035
TOTAL	$147,749,111	$157,916,575	$173,851,128
Less Operation and Maintenance Expenses of Auxiliary Enterprises	(57,625,896)	(59,532,528)	(60,026,901)
Revenues Available for Debt Service (Less Operation and Maintenance Expenses of Auxiliary Enterprises in excess of Sales and Services Revenues)[1]	$90,123,215	$98,384,047	$113,824,227

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(1) The Bonds are payable from Student Fees, Other Operating Income, Investment Income, and F&A Recovery Revenues prior to payment of Operation and Maintenance Expenses of Auxiliary Enterprises. Sales and Services Revenues, if any, remaining after payment of Operation and Maintenance Expenses of Auxiliary Enterprises are also pledged to the payment of the Bonds.

INTERIM FINANCIAL DATA

The following table shows certain unaudited financial data regarding the University for the six-month periods ending December 31, 2010 and 2011:

	2010	2011
Student Fees	$58,651,985	$62,094,014
Sales and Services Revenues	30,174,378	29,879,605
Other Operating Revenues	1,198,605	817,438
Investment Income	601,774	265,282
F&A Recovery Revenues	2,414,417	2,839,867
TOTAL	$93,041,159	$95,896,206
Less Operation and Maintenance Expenses of Auxiliary Enterprises	(31,259,141)	(31,265,238)
Revenues Available for Debt Service (Less Operation and Maintenance Expenses of Auxiliary Enterprises in excess of Sales and Services Revenues)	$61,782,019	$64,630,968

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. The University may issue Additional Bonds to refund Bonds issued under the Resolution by providing certificates similar to those described above in (i) and (ii). Alternatively, 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, 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.

NO DEBT SERVICE RESERVE

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

THE SERIES 2012A PROJECT

The Series 2012A Bonds are being issued to finance a portion of the costs of acquisition and construction of the 2012A Project, which consists of a football office and training facility. This football complex is a stand-alone addition to the Bronco Stadium facilities and consists of approximately 69,000 gross square feet of all-sports training and hydrotherapy facilities, a strength training and cardiovascular room, football team locker rooms, football team meeting rooms, football coaches' offices, football coaches and staff locker rooms, academic study areas, a recruiting lounge, equipment storage/checkout facilities, a loading dock and other infrastructure and support spaces. The total budget for the complex is $22 million. The University has received construction approval from the Board and intends to begin construction in the spring of 2012. The project is expected to be open for use by the fall of 2013. In addition to Series 2012A Bond proceeds, the University has collected approximately $2.9 million of donations and has approximately $1.3 million in additional short-term pledges to fund a portion of the costs of the Series 2012A Project.

PLAN OF REFUNDING

A portion of the proceeds of the Series 2012A 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 (i) all or a portion of the University's Student Union and Housing System Refunding Revenue Bonds, Series 2003 maturing on the dates shown below (the *"Series 2003 Refunded Bonds"*) and (ii) all or a portion of the University's General Revenue Bonds, Series 2004A maturing on the dates shown below (the *"Series 2004A Refunded Bonds"* and, collectively with the Series 2003 Refunded Bonds, the *"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 Refunded Bonds on their respective redemption dates.

The Series 2003 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, 2013, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2014	$ 335,000	4.00%
2015	345,000	4.00
2016	1,635,000	5.00
2017	1,715,000	5.00

The Series 2004 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, 2014, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon:

Maturity Date (April 1)	Principal Amount	Interest Rate
2016	$1,400,000	5.00%
2017	1,510,000	5.00
2018	1,645,000	5.00
2019	1,785,000	4.00
2020	1,920,000	4.125
2021	2,060,000	4.20
2022	2,205,000	4.25
2023	945,000	4.25

Certain mathematical computations regarding the sufficiency of and the yield on the investments held in the Escrow Fund will be verified by The Arbitrage Group, Inc., Certified Public Accountants. See "ESCROW VERIFICATION" below.

The actual bonds to be refunded will be determined at or about the time of the pricing and sale of the Series 2012A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS*

The sources and uses of funds with respect to the Series 2012A Bonds are estimated to be as follows:

SOURCES:

Principal Amount of Series 2012A Bonds	$
Original Issue Premium	________
TOTAL	$________

USES:

Construction Fund	$
Escrow Fund to Refund the Refunded Bonds	
Costs of Issuance[1]	________
TOTAL	$________

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1 Includes legal, rating agency, trustee, and Underwriter's fees.

DEBT SERVICE REQUIREMENTS

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

		SERIES 2012A BONDS		
BOND YEAR ENDING APRIL 1	OUTSTANDING BONDS*	PRINCIPAL**	INTEREST	TOTAL
2012	$ 16,286,188	$ -	$	$
2013	16,318,274	270,000		
2014	16,372,527	555,000		
2015	16,468,614	565,000		
2016	16,575,702	3,220,000		
2017	16,607,100	3,415,000		
2018	16,682,664	1,920,000		
2019	16,752,426	2,075,000		
2020	16,830,173	2,225,000		
2021	16,294,179	2,370,000		
2022	15,972,205	2,525,000		
2023	14,603,715	1,270,000		
2024	13,153,736	420,000		
2025	13,147,666	435,000		
2026	13,142,147	450,000		
2027	13,118,811	470,000		
2028	13,107,712	490,000		
2029	13,103,664	515,000		
2030	13,016,841	540,000		
2031	13,018,348	565,000		
2032	12,995,233	595,000		
2033	12,988,981	625,000		
2034	12,970,152	655,000		
2035	12,951,471	690,000		
2036	12,942,912	725,000		
2037	12,928,389	760,000		
2038	2,836,411	795,000		
2039	2,816,355	835,000		
2040	845,157	880,000		
2041	-	920,000		
2042	-	970,000		
TOTAL	$384,847,753	$32,745,000	$	$

* Does not reflect the refunding of the Refunded Bonds. Any refunding with proceeds of the Series 2012A Bonds will be undertaken solely to achieve debt service savings. The University expects to receive a cash subsidy equal to 35% of the interest payable on the Series 2010B Bonds. Amounts shown reflect actual debt service payable to holders of the Series 2010B Bonds and exclude consideration of the subsidy payments to be received by the University, as these subsidy payments are not pledged to payment of the 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 fall 2011 enrollment is 19,664 students (based on headcount, with full-time equivalent enrollment of 15,215). The University had 3,955 faculty and staff (including 1,106 student employees) as of June 30, 2011.

Situated along the banks of the Boise River near downtown Boise, the University's main campus provides a picturesque and attractive setting, with 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 581,281 as of the 2010 census, representing a 34.5% growth from 2000.

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 75 distinct graduate curricula. Four current doctoral programs include an Ed.D. in Curriculum and Instruction and Ph.D. programs in Geophysics, Geosciences, and Electrical and Computer Engineering. In 2011, the University received approval to implement three new Ph.D. programs in Materials Science and Engineering, Biomolecular Sciences and Educational Technology. The University is fully accredited by the Northwest Commission on Colleges and Universities, 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 Center for Orthopaedic and Biomechanics Research. The University also hosts National Public Radio, Public Radio International and American Public Radio on the Boise State Radio Network, which broadcasts in southern Idaho, western Oregon and northern Nevada on a network of 19 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 of the members to the Board 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.

* 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 21-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 National Collegiate Athletic Association Board of Directors, 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.

Martin E. Schimpf, Ph.D. – Provost and Vice President for Academic Affairs. Dr. Schimpf has served as Boise State University's Provost and Vice President of Academic Affairs since 2010. His career at Boise State University began in 1990 as a professor in the Department of Chemistry, and he served as that department's Chair from 1998 to 2001. He served as Associate Dean of the College of Arts and Sciences from 2001 to 2006. In 2006, Dr. Schimpf was appointed Dean of the College of Arts and Sciences and held that position until his appointment as Provost and Vice President of Academic Affairs. Dr. Schimpf earned an undergraduate degree in chemistry from the University of Washington and a Ph.D. in chemistry from the University of Utah. His interdisciplinary research has led to more than 80 publications, and he has served on numerous international scientific committees.

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.

Kevin D. Satterlee, J.D. – Vice President and General Counsel. Mr. Satterlee was named General Counsel in 2005. Prior to holding such position, 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 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.

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. Prior to his appointment at the University, Dr. Rudin served in a number of teaching and administrative positions at UNLV since 1993, including Senior Associate Vice President for Research Services and Chair of the Department of Health Physics, at UNLV since 1993. 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.

Lisa Harris, Ph.D. – Vice President for Student Affairs. Dr. Harris began her role as the Vice President for Student Affairs at the University in July 2011. She came to the University from Mississippi State University, where she served as Associate Vice President for Student Affairs. Previously, she held positions as Assistant Vice President of Academic Affairs at the University of Alabama, Dean and Director of Undergraduate Admissions at Louisiana State University, and Assistant Director of Admissions at Clemson University. Dr. Harris completed her Ph.D. in Vocational Education, Adult Education emphasis at Louisiana State University, her Master's degree in Personnel Services, Counseling emphasis at Clemson University, and her Bachelor's degree in Psychology at Clemson University. Dr. Harris is active in professional leadership roles, most recently serving the NASPA Region III as the Mississippi Director. She has also been the president and on the executive board of the Southern Association of Collegiate Registrars and Admissions Officers (SACRAO).

Rosemary Reinhardt – Interim Vice President for University Advancement. Ms. Reinhardt began her role as interim Vice President for University Advancement in May 2011 and has been with the University since the fall of 2007. She originally acted as the liaison between the President's office and the BSU Foundation's Destination Distinction comprehensive fundraising campaign. She also served as the interim Executive Director of the Morrison Center for the Performing Arts for ten months in 2010. Ms. Reinhardt has more than 15 years of management experience in advancement positions, including at Arizona State University, Wayne State University and the University of Denver. She has a masters degree in Arts Management from Wayne State University.

CERTAIN UNIVERSITY FACILITIES

General. The University's Boise campus includes approximately 119 buildings situated on approximately 201 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 housing facilities, the Student Union Building, spectator and recreation facilities, and parking facilities.

Housing Facilities. The University's housing facilities 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-class family housing, and (iii) the first phase of the Lincoln apartments, which opened in January 2012 and which provides 148 beds for upperclassmen.

<u>University Residence Halls</u>. The three residence halls and three suite-style halls can accommodate approximately 1,500 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 2009, 2010 and 2011, the average occupancy rates for fall semester for the University's residence halls were, 92%, 97% and 95%, respectively.

University Family Apartments. Currently, the University has five apartment complexes available for students and their families, which provide over 300 apartments ranging in size from one bedroom to three bedrooms. For fiscal years 2009, 2010 and 2011, occupancy rates for fall semester for the University's apartments were, 88%, 95% and 96%, respectively.

Lincoln Apartments. The Lincoln apartments consist of townhouse style housing and, upon completion of both phases, will add an additional 360 beds of upper classman housing. The first building, which adds 148 beds, opened in January 2012, and the second building, which will add 212 beds, will be available for rent in the summer of 2012.

Student Union Building. Initially constructed in 1967 and expanded in 1988 and 2008, the Student Union Building provides extensive conference and meeting spaces, a 430-seat performance theater, a retail food-court, a central production kitchen, a resident student and visitor dining facility, a University Bookstore, a convenience store, a games area, and offices for admissions, student government and student activities. The facilities infrastructure includes high-speed LAN and video data capabilities and public lounges with wireless network capabilities. The building totals approximately 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, and expanded in 1997, 2008 and 2009 to its current capacity of 33,500 seats, Bronco Stadium is Idaho's largest spectator facility. It is used for all of the University's intercollegiate home football games. The facility includes the press box, stadium suites, banquet facilities, a commercial kitchen, an additional bookstore, office space, and concessions facilities. The University is currently adding 2,150 bleacher seats in the north and south end zones, the cost of which will be funded with University funds. The Series 2012A Project will add a stand-alone addition to the Bronco Stadium facilities, consisting of a football office and training facility.

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 12,400 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.

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; indoor/outdoor meeting space; and an aquatic center.

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 stage-house 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. 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. Construction of the second phase of the second parking facility was completed in August 2011. 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)

	2007	2008	2009	2010	2011
ENROLLMENT					
Headcount	19,540	19,667	18,936	19,993	19,664
Full-Time Equivalents	14,314	14,608	14,537	15,337	15,215
UNDERGRADUATE STUDENTS[1]					
Full-Time	10,488	10,799	12,143	12,692	12,669
Part-Time	6,252	5,908	4,553	4,657	4,699
GRADUATE STUDENTS					
Full-Time	584	638	732	901	782
Part-Time	1,143	1,330	1,508	1,743	1,514
STUDENTS FROM IDAHO	89%	88%	86%	84%	81%
FIRST YEAR UNDERGRADUATES					
Applied	5,132	4,801	5,187	6,387	7,845
Admitted	3,014	3,296	4,427	4,222	4,254
Enrolled	2,280	2,214	2,151	2,400	2,243
ACT Mean Score	21.8	22.0	22.0	22.4	22.7
DEGREES CONFERRED[2]	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Associate	434	530	338	219	219
Bachelor	1,940	2,099	2,193	2,581	2,571
Master	482	482	547	642	641
Doctorate	1	9	8	11	11
Certificate[3]	41	66	85	121	157

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1 Excludes students in the applied technology program, which was transferred to the College of Western Idaho in July 2009.

2 Excludes diplomas issued by the University between 2007 and 2009, a transition period in which the University's applied technology program was transferred to the College of Western Idaho.

3 Includes graduate certificates and post-undergrad certificates.

The University's fall 2011 semester enrollment was 19,664 students (based on headcount, with full-time-equivalent enrollment of 15,215). Based on fall statistics, from 2007 to 2011, the percentage of freshman ranked in the top quartile of ACT scores has increased ten percent, the percentage of students ranked in the top quartile of their high school has increased two percent, and the percentage of students with a GPA greater than 3.5 has increased six percent.

EMPLOYEES

As of June 30, 2011, the University had 3,955 employees. Faculty and staff included 754 professional staff, 761 faculty, 248 other academic appointments, which include roles such as research assistants and adult basic education instructors, and 1,086 classified employees. The University also employed 1,106 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 BENEFITS

All benefit eligible employees, which consist of employees who work 20 or more hours per week for five consecutive months, 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.

PERSI. The University's classified employees, including its faculty hired prior to July 1, 1990, are covered under PERSI. Additionally, 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. PERSI is the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the *"PERI Board"),* appointed by the governor and confirmed by the legislature, manages the system, including by selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and establishing policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

On July 1, 2011, PERSI had 65,798 active members, 25,489 inactive members (of which 10,468 are entitled to vested benefits), and 35,334 annuitants. PERSI collects contributions from employees and employers to fund retirement, disability, death and separation benefits, as provided by Chapter 13, Title 59, Idaho Code. As of July 1, 2010, there were 737 public employers in Idaho who were PERSI members.

As of July 1, 2011, PERSI's actuarial value of assets totaled $11,360,100,000 and the actuarial liabilities funded by PERSI totaled $12,641,200,000. This means that, as of July 1, 2011, PERSI was 90.2% funded. GASB Statement 25 (Reporting Standards for Defined Benefit Pension Plans) has replaced Projected Benefits Obligations (*"PBO"*) as the measure of pension plan funding status. As required by GASB Statement 25, the PERSI Schedule of Funding Progress shows a funded ratio of 90.2% of the PERSI Base Plan. The funded ratio includes the effect of a mandated cost of living adjustment (COLA), but not the additional discretionary COLA. The Schedule of Employer Contributions shows that PERSI employers have contributed at least 100% of the Actuarially Required Contributions (ARC).

For general members of PERSI, as of July 1, 2011, the employer contribution rate in effect is 10.39% of pay and the employee contribution rate is 6.23%.

The University's required and paid contributions to PERSI for the fiscal years ended June 30, 2009 through 2011 were $3,135,557, $2,742,751, and $2,649,006, respectively.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.persi.idaho.gov/documents/investments/FY11/AR-FY2011.pdf.

ORP. 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. The ORP is a portable, multiple-employer, 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 contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2015.

Contribution requirements for the ORP are based on a percentage of total payroll. The University's contribution rate for the fiscal year ending June 30, 2012 is 9.27% of covered payroll, which is the same contribution rate for fiscal years ended June 30, 2010 and 2011.

For the fiscal years ended June 30, 2009 through 2011, the University's required and paid contributions to ORP were $7,411,340, $7,340,409, and $7,747,212, respectively. The employee contribution rate for the current fiscal year is 6.97% of covered payroll, which is the same as the contribution rate for the fiscal years ended June 30, 2009 through 2011. These employer and employee contributions, in addition to earnings from investments, fund the ORP benefits. The University has no additional obligation to fund ORP benefits once it makes the required contributions at the applicable rate. The University has made all contributions that it is required to make to ORP to date.

For additional information concerning the University's pension benefits, see Note 10 of "Appendix A—Audited Financial Statements of the University for the Fiscal Years Ended June 30, 2010 and 2011."

OPEB. The University participates in other multiple-employer defined benefit post-employment benefit plans relating to health and disability for retired or disabled employees that are administered by the State of Idaho, as agent, as well as a single-employer defined benefit life insurance plan. Idaho Code establishes the benefits and contribution obligations relating to these plans. The most recent actuarial valuation of these plans is as of July 1, 2010. The University funds these benefits on a pay-as-you-go basis and has not set aside any assets to pay future benefits under such plans. As of July 1, 2010, the combined Unfunded Accrued Actuarial Liability (UAAL) for such plans equaled approximately $17.7 million. For additional information concerning post-retirement benefits other than pensions, see Note 11 of

"APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2011."

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. The following describes revenue sources that are not pledged as security for the Bonds as well as certain Pledged Revenues. See "SECURITY FOR THE SERIES 2012A BONDS."

STATE APPROPRIATIONS

Legislatively-approved State appropriations represent approximately 27% of the University's total annual revenues for 2011. Such revenues are not pledged as security for the Bonds. 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. For the 2010 fiscal year, Holdbacks in the amount of approximately $6.3 million were ordered. There were no Holdbacks or Reversions during fiscal year 2011.

The University has implemented a variety of strategies in response to the reductions in State appropriations, including increasing tuition and fees, considering the delay or cancellation of 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 60% of the University's operating expenses, all vacant positions have been reviewed with the President of the University to determine the impact of eliminating the positions or delaying the replacement hires. Overtime and supplemental pay have been reviewed and reduced, and travel has been curtailed. Academic programs have been evaluated to determine their strategic importance to the University, and certain new programs have been delayed or implemented in stages over longer periods of time than originally contemplated.

State appropriations are not pledged as security for the Bonds. However, Holdbacks, Reversions or reductions in the amount appropriated to the University could adversely affect the University's financial and operating position.

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	2009	2010	2011	2012
All Higher Education	$285,151,500	$253,278,100	$217,510,800	$209,828,300
Boise State University	$81,509,500[(1)]	$72,078,500[(2)]	$70,506,500	$68,005,800
Percentage Increase (Decrease) over prior year for the University	1.7%	(11.6)%	(2.2)%	(3.5)%

———————————

(1) Net of the 4% Holdback of $3,503,480. Excludes applied technology appropriations, which were transferred to the College of Western Idaho beginning in fiscal year 2010.

(2) Net of the 8.6% Holdback of $6,357,480.

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 2011, total grants and contracts totaled $38,850,545, which amount is inclusive of the $5,422,035 of F&A Recovery Revenues pledged to the Bonds. The University also received $31,811,880 in federal Pell Grants for the 2010-2011 academic year. The following table displays federally funded expenditures, which include Pell Grants and Direct Loan Programs, for each the last five fiscal years:

FEDERALLY FUNDED EXPENDITURES (in 000s)

	2007	2008	2009	2010	2011
Research	$10,145	$11,418	$ 10,337	$ 15,814	$ 19,793
Non-Research	73,808	83,113	98,826	123,341	136,870
Total Expenditures	$83,953	$94,531	$100,164	$139,155	$156,663

The University believes it has complied with all material conditions and requirements of these grants and contracts.

Pledged Revenues do not include Restricted Fund Revenues, which consist of 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. However, Pledged Revenues do include F&A Recovery Revenues, which consist of 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. See "SECURITY FOR THE SERIES 2012A BONDS–Pledged Revenues–Facilities and Administrative Recovery Revenues" and "Historical Revenues Available for Debt Service" above.

FINANCIAL AID

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, and deferred payments, totaled approximately $144,114,522 for fiscal year 2011. Of such amount, approximately $88,075,652 was in the form of direct student loans. The University estimates that direct financial aid to students will total approximately $144 million for fiscal year 2012, of which approximately $88 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 State 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 45-member board of directors manages the BSU Foundation. Candice Allphin currently serves as Chairman of the Board of the BSU Foundation.

Financial statements for the BSU Foundation are contained in Note 13 to the University's financial statements. See APPENDIX A. Net assets of the BSU Foundation at June 30, 2011 were $142,894,194.

In June of 2011, the BSU Foundation completed its first comprehensive fundraising campaign. The Foundation's Destination Distinction campaign exceeded the original campaign goal by $10 million, raising over $185 million to support scholarships, programs and facilities.

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 $232 for fiscal year 2012. 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.

Currently, the University is building a biomedical research vivarium (BRV). The BRV is a 9,200-square-foot state-of-the-art animal holding facility. The BRV will provide important infrastructure and support for biomedical research and training. Researchers at the University received a $3.9 million grant, which is expected to cover the entire construction cost of the facility.

The new College of Business and Economics building is scheduled to be completed in the summer of 2012. This facility will be approximately 117,000 gross square feet and will house all the various departments and centers associated with the College. Prominently located at the intersection of University Drive and Capital Boulevard, this key facility serves as one of the main landmark gateways to the campus. With significant community support, including a lead gift from the Micron Technology Foundation, $17 million in gifts and pledges were received to support this project, with the remaining funds provided by proceeds of the University's Series 2010A and 2010B Bonds.

In January 2011 the University received construction approval for new townhouse style University housing facilities located on Lincoln Avenue. This project will increase student housing inventory by 360 beds. The project is currently under construction and opened the first building in January 2012. The University continues to see a strong demand in request for student housing. This project provides previously unavailable inventory for upper classmen and will assist the University in attracting more traditional age students. The project was financed using previously issued unspent bond proceeds and University reserves.

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

The University currently has no plans to issue additional Bonds or other debt to finance capital facilities during the next three years.

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OUTSTANDING DEBT

The University has the following debt outstanding as of December 31, 2011:

OUTSTANDING BONDS	ORIGINAL ISSUE AMOUNT	AMOUNT OUTSTANDING
General Revenue Bonds		
Housing System Refunding and Improvement Revenue Bonds, Series 2002	$ 38,255,000	$ 30,000
Housing System Refunding Revenue Bonds, Series 2003*	6,620,000	4,665,000
General Revenue Bonds, Series 2004A*	31,480,000	26,450,000
General Revenue Bonds, Series 2005A	21,925,000	18,135,000
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 2007C (Taxable)	2,850,000	1,300,000
General Revenue and Refunding Bonds, Series 2009A	42,595,000	38,400,000
General Revenue Bonds, Series 2010A	1,195,000	1,195,000
Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy)	12,895,000	12,895,000
General Revenue Project and Refunding Bonds, Series 2012A**	32,745,000**	32,745,000
Other Obligations		
2006 Bronco Stadium Expansion Loan	3,381,000	1,808,811
Capital Leases for Building and Equipment	4,912,402	2,008,119
Total:	$321,078,402**	$261,856,930**

* Does not reflect the refunding of the Refunded Bonds. Any refunding with proceeds of the Series 2012A Bonds will be undertaken solely to achieve debt service savings.

** Preliminary; subject to change. For purposes of this table, the Series 2012A Bonds are considered outstanding.

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, 2010 and 2011, 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 MATTERS

FEDERAL TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Series 2012A 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 2012A 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 2012A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012A 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 2012A 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 interest on the Series 2012A Bonds is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the University with respect to certain material facts within the University's knowledge. 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.

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 2012A Bonds.

Ownership of the Series 2012A 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 2012A 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 2012A Bonds is the price at which a substantial amount of such maturity of the Series 2012A Bonds is first sold to the public. The Issue Price of a maturity of the Series 2012A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Series 2012A 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 2012A 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 complies 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 2012A Bonds who dispose of Series 2012A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2012A Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2012A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2012A Bond is purchased at any time for a price that is less than the Series 2012A Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a Series 2012A 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 2012A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2012A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2012A Bonds.

An investor may purchase a Series 2012A 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

2012A 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 2012A Bond. Investors who purchase a Series 2012A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2012A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2012A 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 herein or adversely affect the market value of the Series 2012A 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 2012A 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 2012A Bonds. If an audit is commenced, under current procedures the Service may treat the University as the 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 2012A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2012A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2012A Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2012A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

IDAHO INCOME TAXATION

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, subject to the University's compliance with the requirements of the Code, interest on the Series 2012A Bonds is not subject to the income tax or the franchise tax imposed by the State under the Idaho Income Tax Act; *provided, however,* that Bond Counsel expresses no opinion concerning whether interest on the Series 2012A Bonds held by an S Corporation is subject to the income tax or the franchise tax imposed by the State. Failure of the University to comply with such requirements could result in interest on the Series 2012A Bonds being subject to the income tax and franchise tax under the Idaho Income Tax Act retroactively to the date of the issuance of the Series

2012A Bonds. Ownership or disposition of the Series 2012A 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 2012A Bonds. Bond Counsel expresses no opinion with respect to taxation under any other provisions of State law. Prospective purchasers of the Series 2012A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

ESCROW VERIFICATION

The Arbitrage Group, Inc., Certified Public Accountants, will verify the accuracy of the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the government obligations, together with other escrowed moneys, to pay when due pursuant to prior redemption the redemption price of, and interest on, the Refunded Bonds and the mathematical computations of the yield on the Series 2012A Bonds and the yield on the government obligations purchased with a portion of the proceeds of the sale of the Series 2012A Bonds. Such verification shall be based in part upon information supplied by the Underwriter.

UNDERWRITING

The Series 2012A Bonds are being purchased by Barclays Capital Inc. (the *"Underwriter"*). The purchase contract provides that the Underwriter will purchase all of the Series 2012A Bonds, if any are purchased, at a price of $__________, representing the principal amount of the Series 2012A Bonds, plus original issuance premium of $_________. The University has agreed to pay Underwriter's fees of $__________ with respect to the Series 2012A Bonds.

The Underwriter may offer and sell the Series 2012A Bonds to certain dealers (including dealers depositing the Series 2012A Bonds in investment trusts) and others at prices lower than the initial offering prices stated on the cover page hereof.

Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, and the Underwriter established a strategic alliance in May of 2009, which enables Pershing LLC to participate as a selling group member and a retail distributor for all new issue municipal bond offerings underwritten by the Underwriter, including the Series 2012A Bonds offered hereby. Pershing LLC will receive a selling concession from the Underwriter in connection with its distribution activities relating to the Series 2012A Bonds.

RATINGS

Moody's Investors Service has assigned its municipal bond rating of "Aa3" to the Series 2012A Bonds, and Standard & Poor's Financial Services LLC, a subsidiary of the McGraw-Hill Companies, has assigned its municipal bond rating of "A+" to the Series 2012A 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 2012A 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 2012A Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2012A 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 2012A 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 2012A 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 its counsel, Hawley Troxell Ennis & Hawley LLP, and 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 2012A 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 has represented that it has not failed to comply in any material respect with any 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 2012A Bonds are limited to the remedies described in the Undertaking. See APPENDIX E "FORM OF CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the University 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 2012A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2012A 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 YEARS ENDED JUNE 30, 2010 AND 2011

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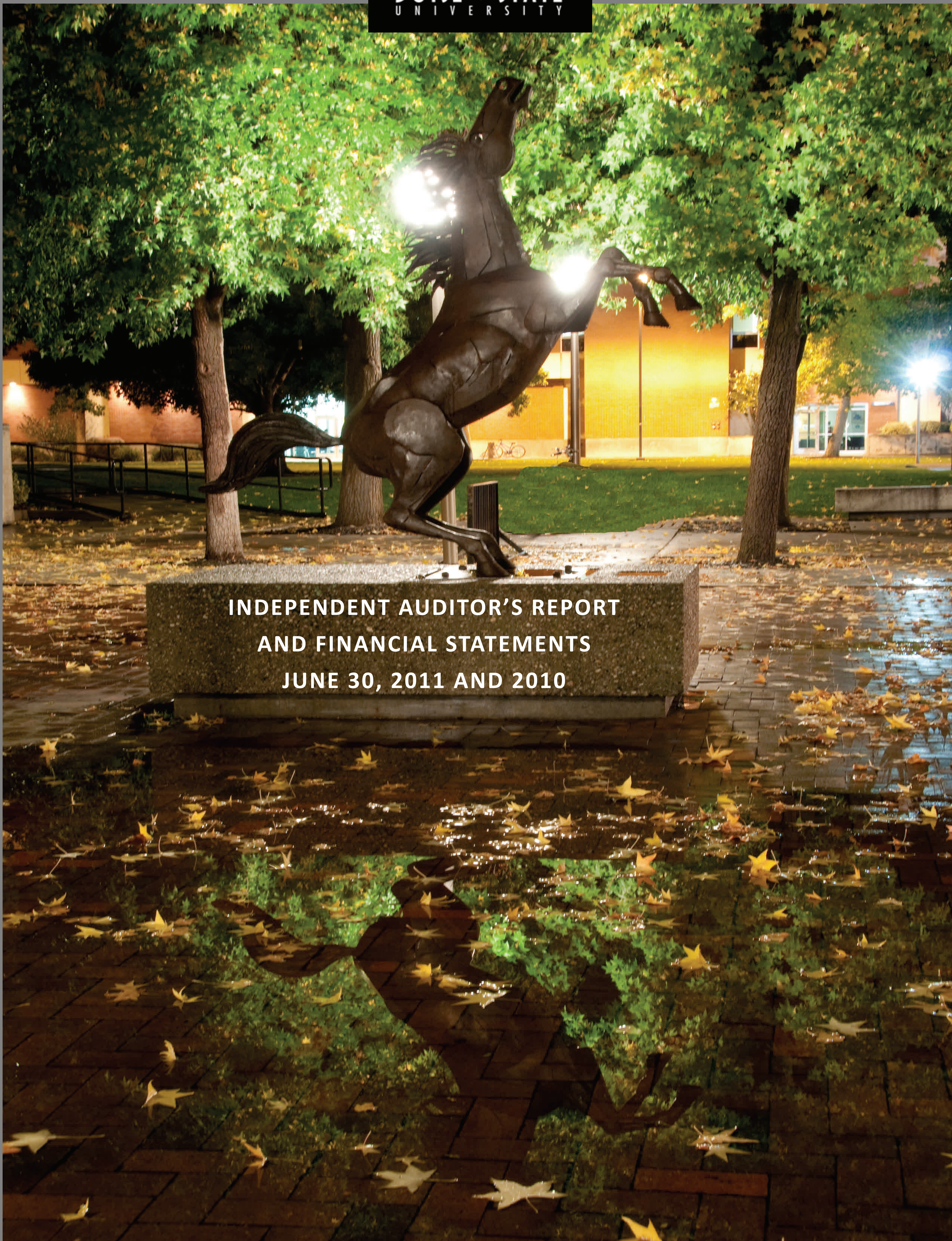
BOISE STATE UNIVERSITY



INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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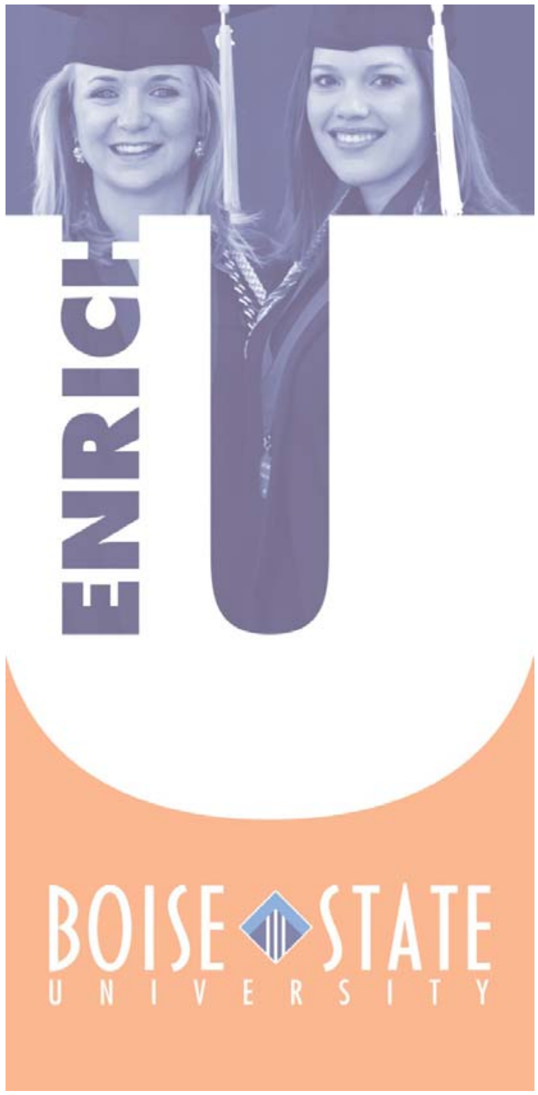
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BOISE STATE
UNIVERSITY

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the accompanying financial statements of Boise State University (University) and it's discretely presented component unit as of and for the years ended June 30, 2011 and 2010, 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 unit as described in Note 13. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, 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. 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 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits 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 unit as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis listed in the table of contents and certain information in Note 11, *Postemployment Benefits Other Than Pensions*, that is labeled as "required supplementary information" 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.

Moss Adams LLP

Eugene, Oregon
September 28, 2011


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BOISE STATE
UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Boise State University (the "University") is a publicly supported, multi-disciplinary institution of higher education recognized by the Carnegie Foundation for outreach and community engagement. The University has the largest student enrollment of any university in Idaho, with enrollment of 19,993 and 18,936 for the Fall semesters of fiscal year 2011 (Fall 2010) and fiscal year 2010 (Fall 2009), respectively.

The transition of the Selland College of Applied Technology programs to the new College of Western Idaho ("CWI") was completed on July 1, 2010 with the transfer of buildings located in Canyon County, Idaho and the transfer of equipment along with certain fund balances that had been accumulated by Selland College. CWI offers lower division transfer degrees as well as applied technology programs and had 5,127 and 2,546 lower division academic students for Fall 2010 and 2009, respectively. CWI's first graduates will be eligible to transfer to the University in Fall 2011.

The University's main campus is located in Boise, Idaho with convenient access to the governmental institutions and commercial and cultural amenities located in the capital city. The metropolitan area has a population of approximately 570,000. The University employed approximately 3,955 faculty and staff (including 1,106 student employees) as of June 30, 2011. The University administers baccalaureate, masters and doctoral programs through seven colleges - Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, and Social Sciences and Public Affairs. The University offers over 75 distinct graduate curricula leading to masters' degrees. Four doctoral programs include an Ed.D. in Curriculum and Instruction and Ph.D. programs in Geophysics, Geosciences, and Electrical and Computer Engineering. The University is fully accredited by the Northwest Commission on Colleges and Universities, 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 home to 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 National Public Radio, Public Radio International, and American Public Radio on the Boise State Radio Network, which broadcasts in southern Idaho, western Oregon and northern Nevada on a network of 19 stations and translators.

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2011 and June 30, 2010 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 Boise State University Foundation, Inc. (the "Foundation") is a legally separate, tax-exempt entity and is discretely presented for the fiscal years ended June 30, 2011 and 2010. The Foundation reports financial information according to Financial Accounting Standards Board ("FASB") reporting standards. The University presents component unit financial information on pages immediately following the statements of the University. Financial statements of the Foundation may be obtained from the Vice President for Finance and Administration at the University.

Statement of Net Assets

The statement of net assets displays a snapshot of 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 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. Net assets (assets minus liabilities) are divided into three 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, expendable net assets. Restricted, expendable net assets are available for expenditure by the University 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 provide the amount of equity in assets available to the University for any lawful purpose of the institution.

Summary Statements of Net Assets
As of June 30
(Dollars in Thousands)

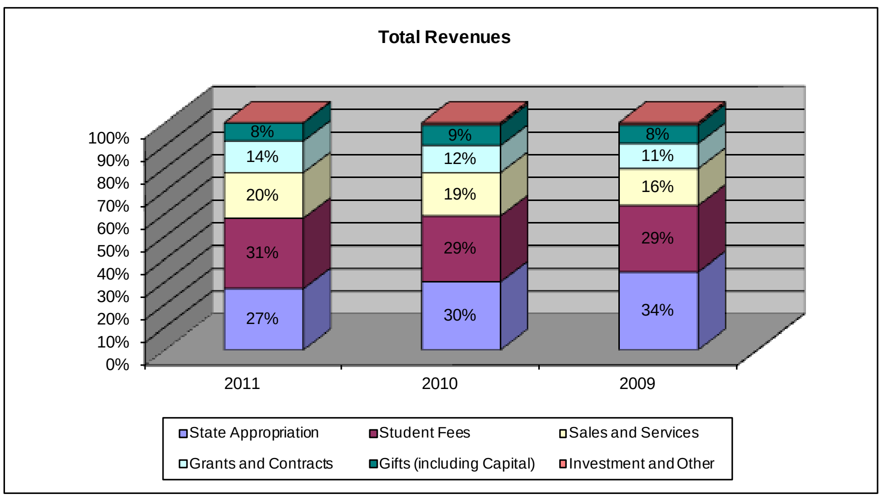
	2011	2010	2009
ASSETS:			
Current assets	$ 126,309	$ 92,765	$ 96,983
Capital assets, net	420,783	391,436	374,656
Other assets	55,797	102,790	98,320
Total assets	$ 602,889	$ 586,991	$ 569,959
LIABILITIES:			
Current liabilities	$ 54,483	$ 54,048	$ 55,651
Non-current liabilities	232,223	237,718	229,563
Total liabilities	286,706	291,766	285,214
NET ASSETS:			
Invested in capital assets, net of related debt	200,893	192,322	175,660
Restricted, expendable	21,691	20,985	17,442
Unrestricted	93,599	81,918	91,643
Total net assets	316,183	295,225	284,745
Total liabilities and net assets	$ 602,889	$ 586,991	$ 569,959

The University's total assets increased during fiscal year 2011 by $15,897,788 from $586,991,329 in 2010 to $602,889,117 in fiscal year 2011. Capital assets continued to grow as the University converted invested bond proceeds into works-in-progress to fund ongoing construction projects. Cash with treasurer increased as the University planned for potential state budget reductions. The University's total liabilities decreased during fiscal year 2011 by $5,060,157 from $291,766,549 in 2010 to $286,706,392 in 2011. The decrease is attributable to debt payments on outstanding notes and bonds.

Overall net assets increased during fiscal year 2011 by $20,957,945 from $295,224,780 in 2010 to $316,182,725 in 2011. Net assets invested in capital assets net of related debt increased as restricted investments and unrestricted revenues were converted to capital assets. Unrestricted net assets increased by $11,681,281. With continued reduction of state funding anticipated in the future, the University must intentionally build unrestricted reserves to support debt loads and fund maintenance and growth initiatives.

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 the expenses (operating and non-operating) paid by the institution and any other revenues, expenses, gains and losses received or spent by the University. A publically supported university will normally 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 in exchange for those revenues.

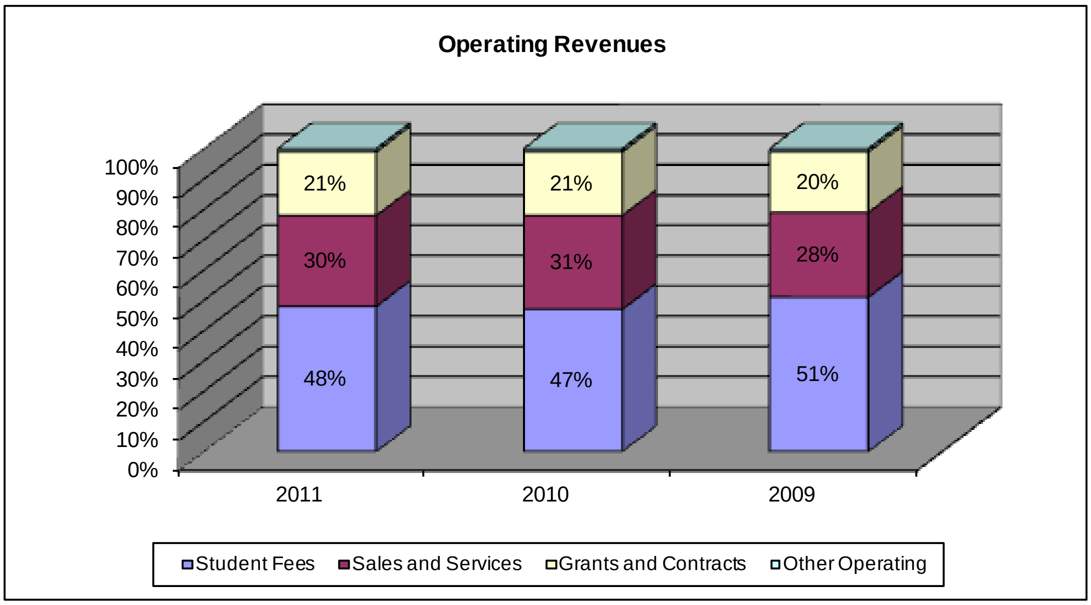


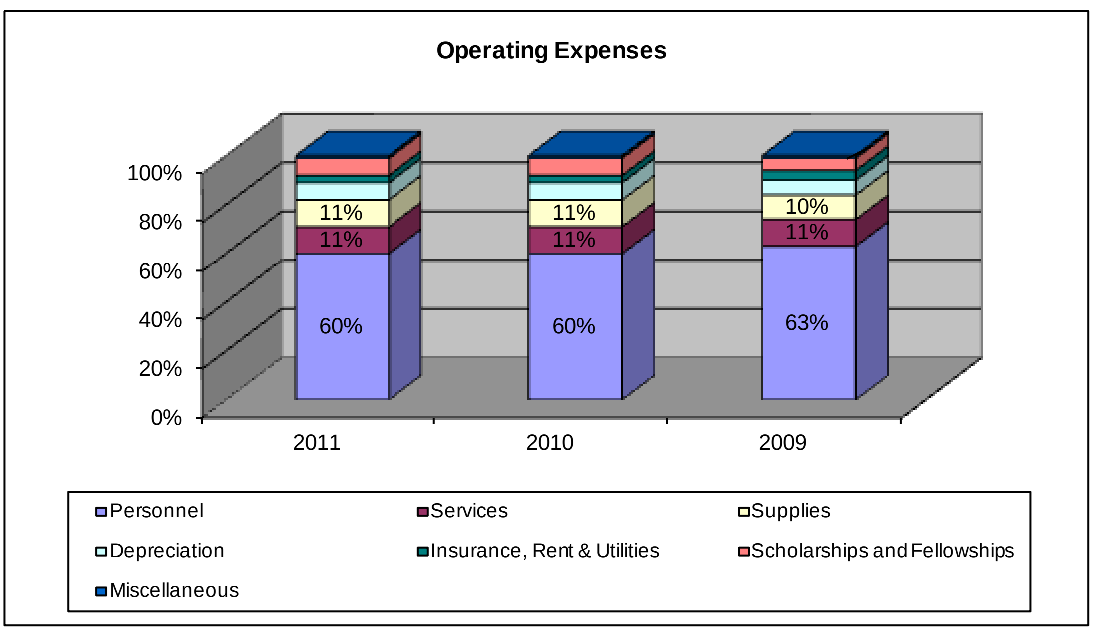
Summary Statements of Revenues, Expenses, and Changes in Net Assets
Fiscal Years Ended June 30
(Dollars in Thousands)

	2011		2010		2009	
Operating revenues	$	179,831	$	166,713	$	155,978
Operating expenses		281,846		270,685		269,658
Operating loss		(102,015)		(103,972)		(113,680)
Non-operating revenues and expenses		117,477		106,689		119,927
Income before other revenues, expenses, gains or losses		15,462		2,717		6,247
Other revenues and expenses		5,496		7,763		2,181
Increase in net assets		20,958		10,480		8,428
Net assets—Beginning of year		295,225		284,745		276,317
Net assets—End of year	$	316,183	$	295,225	$	284,745

The statement of revenues, expenses, and changes in net assets reflects an overall increase in net assets during fiscal year 2011 of $20,957,945. Operating revenues increased by $13,117,900 from $166,713,085 in 2010 to $179,830,985 in 2011. This increase is caused by additional student fee revenue, net of scholarship allowances, federal grants and contract revenue and auxiliary sales.

Operating expenses increased by $11,161,452 from $270,684,863 in 2010 to $281,846,315 in 2011. Personnel expenses increased $5.7 million driven by a $2.5 million increase in instructional salaries and a $1.5 million increase in research and research infrastructure salaries. In addition, $970,000 in additional coaches' salaries was funded by gifts.





Services contain a $1.9 million increase in repairs and maintenance related to repairs on the Ron and Linda Yanke Family Research Park, which was converted from a retail office complex to accommodate the research and outreach mission of the University. This $10 million building was acquired by the Boise State Foundation and is leased via an operating lease to the University.

Scholarship expenses increased $1.8 million; half of the increase from scholarship programs and half from federal grants. Depreciation increased by $814,131 due to the opening of the Norco building in 2010, which houses the School of Nursing and University Health Services, and continued investment in furniture and equipment.

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 sections. The first section 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.

Overall, cash increased by $7,888,178 during the year compared to a cash decrease of $16,322,881 during fiscal year 2010. Cash used in operating activities totaled $80.6 million in fiscal year 2011 compared to $80.9 million in fiscal year 2010. Increases in student fees and auxiliary revenues were offset by increased operating expenses driven by continued growth. Cash provided by non-capital financing activities increased $7.6 million in 2011 after declining $9.2 million in 2010. The decline in 2010 was related to State appropriations. In 2011, the continued decline in State funding was offset by an increase in federal Pell grants received for the benefit of students and cash gifts. The University continued to invest heavily in facilities, spending previously issued bond proceeds, donations and invested reserves.

Summary Statements of Cash Flows
Fiscal Years Ended June 30
(Dollars in Thousands)

	2011	2010	2009
Cash provided (used) by:			
Operating activities	$ (80,588)	$ (80,874)	$ (94,277)
Non-capital financing activities	127,964	120,353	129,557
Capital and related financing activities	(60,607)	(41,934)	(25,284)
Investing activities	21,119	(13,868)	(2,210)
Net change in cash	7,888	(16,323)	7,786
Cash—Beginning of year	34,183	50,506	42,720
Cash—End of year	$ 42,071	$ 34,183	$ 50,506

Capital Asset and Debt Administration

The University's capital assets, (prior to depreciation) increased by $46,354,830 from $575,096,910 in 2010 to $621,451,740 in 2011. The University continued to build and acquire property and buildings consistent with the Campus Master Plan. Construction was completed on the Aquatic Center addition to the Student Recreation Center, and the Transit Center addition to the Student Union Building. Capital asset additions to work in progress in 2011 included the Environmental Research Building which will house the Departments of Geosciences, Civil Engineering, Political Science and Public Policy and Administration beginning in 2012.

Construction also continues on Phase 2 of the Lincoln Parking deck, Lincoln Avenue Housing and the new College of Business and Economics. Limited state funding exists for University buildings. The University continues to leverage student facility fees, donations and grant funding with taxable and tax-exempt bonds to improve and add academic and auxiliary facilities. Unrestricted net assets are intentionally accumulated to provide funds to support debt payments should operating revenues unexpectedly decrease.

Economic Outlook

Like many state universities across the country, the University's budget funded from State appropriations has declined significantly from 2009 through 2012. However at Boise State enrollments continued at or near record highs:

	(Dollars in Millions) Fiscal Year				
	2009	2010	2011	2012	Cummulative Inc (Dec)
General Fund Budget	82.3	72.8	70.5	68.0	(14.3)
% decrease		-11.5%	-3.2%	-3.5%	-17.4%
Academic HDCT Fall Term	18,675	18,936	19,993	19,664	989
% increase (decrease)		1.4%	5.6%	-1.6%	5.3%
Academic FTE Fall Term	13,914	14,537	15,336	15,215	1,301
% increase (decrease)		4.5%	5.5%	-0.8%	9.4%

The declines in State support, while difficult, have not been as great as in some other western states. The State of Idaho also shows some signs of economic recovery. The State ended the fiscal year with $85.3 million more in tax revenues than what had been predicted in January 2011. This was a 7.95% improvement from 2010 levels. The surplus was primarily used to support k-12 public schools and community colleges.

The July 2011 *Idaho Economic Forecast*, published by the Idaho Division of Financial Management, predicts "signs of growth this year followed by modest gains thereafter." Employment and personal income are expected to grow modestly each of the next 4 years. While this bodes well for the State in general, management does not anticipate a return to state funding levels of the past as higher education competes with other education and service agencies for budget dollars.

Concurrent with reducing state budgets, the University has seen increased academic demand. In light of the economic downturn, students are returning to complete degrees or retrain in new disciplines. In addition, the University has focused on retention of students resulting in higher demand for upper-class course sections.

The student body has been evolving; becoming more academically prepared and diverse. The upcoming Fall 2011 academic full-time equivalent of 15,215 is .8% lower than the previous year and there is a shift toward full-time attendance. Boise State has the highest admission standards in the State of Idaho and this fall the student body profile has the following characteristics when compared to Fall 2010:

- •16% increase in admits with a 3.5 or higher GPA
- •9% increase in admits with top 10% ACT/SAT Math
- •15% increase in admits with top 10% ACT/SAT English
- •14% increase in the number of admitted students from underrepresented backgrounds
- •65% increase in admitted undergraduate international students

The increase in numbers and quality of the student body has continued despite steep tuition increases. In order to accommodate growth and the transformation of the University physically and programmatically, in light of declining state support, additional funding has been obtained from students, donors and granting agencies. Tuition and fees have risen during the period charted above by a cumulative 20%.

In June of 2011, the University completed the first comprehensive capital campaign, exceeding the original campaign goal by $10 million, and raising over $185 million to support scholarships, programs and facilities. In addition, over the past four years, the University opened or started construction on 112 new major building projects, encompassing more than 600,000 square feet. This represents a 25% increase in classroom, laboratory, office and event space.

The mixture of decreasing state revenues and an evolving institution with increasing enrollment continues to be the main management challenge for the University. Other financial variables including decreased federal stimulus funding, potential fluctuations in gifts, and increases or decreases in federal student aid could also have an impact on the University's future funding package. Management continues to actively plan for future funding scenarios. Several funding models have been developed to allow for a thoughtful reaction to funding factors as they solidify. Budget processes were used during fiscal year 2011 and 2012 to drive current resources to strategic initiatives. Efforts to reduce the cost of delivery of all services while increasing the value added by the same services are on-going in all divisions.

Emphasis will continue to be placed on developing the campus in line with the Campus Facilities Master Plan. The University is also currently updating the strategic plan created in 2006 which laid out a road map for Boise State University to become a "Metropolitan Research University of Distinction." The revised plan will focus on program prioritization in light of the current economy to ensure alignment with the regional economy. It will also recognize the progress made to date while detailing future initiatives designed to facilitate reaching the destination defined by Academic Excellence, Public Engagement, Vibrant Culture, and Exceptional Research.


ENRICH
BOISE STATE
UNIVERSITY

BOISE STATE UNIVERSITY
STATEMENTS OF NET ASSETS
JUNE 30, 2011 AND JUNE 30, 2010

	University 2011	University 2010
ASSETS		
CURRENT ASSETS:		
Cash with treasurer	$ 29,743,682	$ 23,926,523
Cash and cash equivalents	12,327,517	10,256,498
Student loans receivable	1,315,307	1,306,177
Accounts receivable and unbilled charges, net	19,502,375	18,640,285
Prepaid expense	1,386,795	1,754,323
Inventories	2,373,922	3,001,744
Investments	57,574,792	31,371,511
Due from component units	1,941,698	2,365,085
Other current assets	143,040	143,057
Total current assets	126,309,128	92,765,203
NON-CURRENT ASSETS:		
Student loans receivable, net	9,261,522	9,148,857
Investments	43,928,348	90,700,869
Deferred bond financing costs	2,240,396	2,341,050
Capital assets, net	420,782,858	391,435,724
Other assets	366,865	599,626
Total non-current assets	476,579,989	494,226,126
TOTAL ASSETS	$ 602,889,117	$ 586,991,329

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2011 AND JUNE 30, 2010

	University 2011	University 2010
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 3,925,320	$ 6,530,710
Due to state agencies	9,090,430	7,670,360
Accrued salaries and benefits payable	11,389,906	10,872,232
Compensated absences payable	6,644,947	6,366,260
Interest payable	2,625,297	2,622,945
Unearned revenue	11,935,935	11,727,621
Notes and bonds payable	6,094,984	5,390,829
Obligations under capital lease	120,788	113,770
Obligations under capital lease - component unit	305,000	295,000
Other liabilities	2,351,106	2,458,326
Total current liabilities	54,483,713	54,048,053
NON-CURRENT LIABILITIES:		
Unearned revenue	1,803,749	1,807,559
Notes and bonds payable	222,398,765	228,445,927
Obligations under capital lease	150,367	271,154
Obligations under capital lease - component unit	1,776,798	2,081,798
Net other post employment benefits obligation	6,093,000	5,110,610
Other liabilities	-	1,448
Total non-current liabilities	232,222,679	237,718,496
TOTAL LIABILITIES	286,706,392	291,766,549
NET ASSETS:		
Invested in capital assets, net of related debt	200,892,674	192,322,268
Restricted, expendable	21,690,750	20,984,492
Unrestricted	93,599,301	81,918,020
TOTAL NET ASSETS	316,182,725	295,224,780
TOTAL LIABILITIES AND NET ASSETS	$ 602,889,117	$ 586,991,329

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND JUNE 30, 2010

	Foundation 2011	Foundation 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,574,773	$ 1,567,164
Accrued interest and other receivables	392,810	390,017
Pledges receivable	6,345,502	5,897,528
Investment in lease - technology building current portion	333,393	323,024
Total current assets	10,646,478	8,177,733
NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	6,806,685	9,778,753
Pledges receivable	11,392,432	10,111,335
Investments	111,134,038	93,625,377
Interest in perpetual trusts	2,843,549	2,526,137
Investments in real estate	9,927,836	10,042,836
Funds held by trustee	568,703	568,691
Investment in lease - technology building	1,921,725	2,255,118
Other assets	680,390	721,432
Total non-current assets	145,275,358	129,629,679
TOTAL ASSETS	$ 155,921,836	$ 137,807,412

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2011 AND JUNE 30, 2010

	Foundation 2011	Foundation 2010
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 238,697	$ 518,923
Interest payable	42,994	49,082
Prepaid memberships and suites/press box	2,890,649	2,433,217
Liability for split interest trusts	81,387	70,309
Trust earnings payable to trust beneficiaries	20,364	20,364
Long-term liabilities - current portion	305,000	295,000
Deferred revenue - current portion	76,607	76,607
Total current liabilities	3,655,698	3,463,502
NON-CURRENT LIABILITIES:		
Bonds and certificates payable	6,288,000	7,583,000
Deferred revenue	304,832	370,523
Deferred suites/press box revenue	317,091	362,567
Liability under split interest trust agreements	1,024,727	807,898
Amounts held in custody for others	1,216,361	1,078,113
Trust earnings payable to trust beneficiaries	220,933	218,993
Total non-current liabilities	9,371,944	10,421,094
TOTAL LIABILITIES	13,027,642	13,884,596
NET ASSETS:		
Permanently restricted	63,137,670	61,521,741
Temporarily restricted	71,428,605	55,547,228
Unrestricted	8,327,919	6,853,847
TOTAL NET ASSETS	142,894,194	123,922,816
TOTAL LIABILITIES AND NET ASSETS	$ 155,921,836	$ 137,807,412

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	University 2011	University 2010
OPERATING REVENUES:		
Student fees, pledged for bonds	$ 112,297,614	$ 99,384,223
Scholarship allowance	(26,785,200)	(21,161,700)
Student fees, net	85,512,414	78,222,523
Federal grants and contracts (including $4,610,567 and $3,853,725 of revenues pledged for bonds in 2011 and 2010, respectively)	33,014,131	28,194,109
State and local grants and contracts (including $632,911 and $522,460 of revenues pledged for bonds in 2011 and 2010, respectively)	4,195,941	5,382,542
Private grants and contracts (including $178,557 and $130,838 of revenues pledged for bonds in 2011 and 2010, respectively)	1,640,473	1,556,517
Sales and services of educational activities, pledged for bonds	2,636,512	2,448,463
Sales and services of auxiliary enterprises, pledged for bonds	51,155,298	49,279,692
Other, pledged for bonds	1,676,216	1,629,239
Total operating revenues	179,830,985	166,713,085
OPERATING EXPENSES:		
Personnel cost	168,022,097	162,286,708
Services	31,137,894	28,991,442
Supplies	29,662,074	29,164,378
Insurance, utilities and rent	9,261,705	9,347,415
Scholarships and fellowships	20,872,303	19,069,193
Depreciation	19,917,096	19,102,965
Miscellaneous	2,973,146	2,722,762
Total operating expenses	281,846,315	270,684,863
OPERATING (LOSS) INCOME	(102,015,330)	(103,971,778)

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	University 2011	University 2010
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	$ 74,070,779	$ 78,193,614
Pell grants	31,811,880	25,855,407
Gifts (includes gifts from component units equal to $18,008,896 and $13,684,049 in 2011 and 2010, respectively)	21,651,746	17,091,367
Net investment income (including $524,323 and $584,430 of revenues pledged by the University for bonds in 2011 and 2010, respectively)	648,589	1,261,210
Change in fair value of investments (including $139,130 and $247,652 of revenues pledged by the University for bonds in 2011 and 2010, respectively)	(145,538)	376,077
Interest (net of capitalized interest by the University of $816,964 and $686,111 in 2011 and 2010, respectively)	(10,153,546)	(9,885,671)
Gain (loss) on retirement of capital assets	(589,195)	(426,315)
Contribution to College of Western Idaho	-	(5,263,088)
Other	182,282	(513,912)
Net non-operating revenues (expenses)	117,476,997	106,688,689
INCOME BEFORE OTHER REVENUES AND EXPENSES	15,461,667	2,716,911
OTHER REVENUES AND EXPENSES:		
Capital appropriations	3,882,989	1,919,048
Capital grants and gifts	1,613,289	5,843,347
Total other revenue	5,496,278	7,762,395
INCREASE IN NET ASSETS	20,957,945	10,479,306
NET ASSETS—Beginning of year	295,224,780	284,745,474
NET ASSETS—End of year	$ 316,182,725	$ 295,224,780

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Foundation 2011
OPERATING REVENUES:				
Gifts	$ 42,733	$ 17,814,396	$ 1,297,560	$ 19,154,689
In-kind contributions	12,183	-	-	12,183
BAA membership	2,996,261	27,885	-	3,024,146
Non-charitable income	335,035	1,734,640	900,343	2,970,018
Interest and dividends	1,528,070	1,593,090	-	3,121,160
Change in split interest trusts	-	(207,541)	7,812	(199,729)
Change in fair value of investments	816,370	11,421,642	-	12,238,012
Total revenues & gains	5,730,652	32,384,112	2,205,715	40,320,479
Net assets released from restrictions through satisfaction of:				
Program restrictions	17,376,935	(16,713,783)	(663,152)	-
Board and donor designated transfers	655	(74,021)	73,366	-
Total operating revenues	23,108,242	15,596,308	1,615,929	40,320,479
OPERATING EXPENSES:				
Distribution of scholarships	3,094,616	-	-	3,094,616
Distribution of funds for academic programs	4,725,600	-	-	4,725,600
Distribution of funds for athletic programs:				
Program services	9,874,175	-	-	9,874,175
Fundraising expenses	7,821	-	-	7,821
Management and general	306,684	-	-	306,684
Uncollectable pledge expense	629,017	-	-	629,017
Repair & maintenance on building	-	-	-	-
Administrative expense:				
Program services	241,105	-	-	241,105
Fundraising expenses	1,210,465	-	-	1,210,465
Management and general	1,065,043	-	-	1,065,043
Total operating expenses	21,154,526	-	-	21,154,526
OPERATING INCOME	1,953,716	15,596,308	1,615,929	19,165,953
NON-OPERATING REVENUES (EXPENSES):				
Lease income	-	210,669	-	210,669
Amortization of deferred income	-	76,607	-	76,607
Gain (Loss) on sale of property	-	(2,207)	-	(2,207)
Interest on capital asset - related debt	(339,479)	-	-	(339,479)
Depreciation and amortization expense	(140,165)	-	-	(140,165)
Total non-operating revenues (expenses)	(479,644)	285,069	-	(194,575)
CHANGE IN NET ASSETS	1,474,072	15,881,377	1,615,929	18,971,378
NET ASSETS - Beginning of year	6,853,847	55,547,228	61,521,741	123,922,816
NET ASSETS - End of year	$ 8,327,919	$ 71,428,605	$ 63,137,670	$ 142,894,194

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Foundation 2010
OPERATING REVENUES:				
Gifts	$ 48,129	$ 13,575,372	$ 2,614,605	$ 16,238,106
In-kind contributions	354,178	-	-	354,178
BAA membership	2,592,589	72,460	-	2,665,049
Non-charitable income	181,165	1,679,062	144,685	2,004,912
Interest and dividends	1,015,405	1,325,502	-	2,340,907
Change in split interest trusts	-	19,535	5,085	24,620
Change in fair value of investments	4,302,801	1,159,385	-	5,462,186
Total revenues	8,494,267	17,831,316	2,764,375	29,089,958
Net assets released from restrictions through satisfaction of:				
Program restrictions	12,156,814	(12,156,814)	-	-
Board and donor designated transfers	102,862	(14,301)	(88,561)	-
Total operating revenues	20,753,943	5,660,201	2,675,814	29,089,958
OPERATING EXPENSES:				
Distribution of scholarships	2,520,535	-	-	2,520,535
Distribution of funds for academic programs	5,504,671	-	-	5,504,671
Distribution of funds for athletic programs:				
Program services	5,335,937	-	-	5,335,937
Fundraising expenses	9,925	-	-	9,925
Management and general	251,982	-	-	251,982
Uncollectable pledge expense	290,216	-	-	290,216
Repair & maintenance on building	60,999	-	-	60,999
Administrative expense:				
Program services	258,037	-	-	258,037
Fundraising expenses	767,778	-	-	767,778
Management and general	1,269,431	-	-	1,269,431
Total operating expenses	16,269,511	-	-	16,269,511
OPERATING INCOME	4,484,432	5,660,201	2,675,814	12,820,447
NON-OPERATING REVENUES (EXPENSES):				
Lease income	-	245,819	-	245,819
Amortization of deferred income	-	76,607	-	76,607
Gain (Loss) on sale of property	-	-	-	-
Interest on capital asset - related debt	(383,863)	-	-	(383,863)
Depreciation and amortization expense	(140,165)	-	-	(140,165)
Total non-operating revenues (expenses)	(524,028)	322,426	-	(201,602)
CHANGE IN NET ASSETS	3,960,404	5,982,627	2,675,814	12,618,845
NET ASSETS - Beginning of year	2,893,443	49,564,601	58,845,927	111,303,971
NET ASSETS - End of year	$ 6,853,847	$ 55,547,228	$ 61,521,741	$ 123,922,816

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	University 2011	University 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student fees	$ 84,156,953	$ 77,497,698
Grants and contracts	37,518,728	37,399,071
Sales and services of educational activities	2,711,376	2,267,982
Sales and services of auxiliary enterprises	52,071,741	49,773,211
Other operating receipts	2,092,386	1,780,951
Payments to employees	(166,098,879)	(159,446,035)
Payments for services	(31,551,894)	(29,963,747)
Payments for supplies	(28,281,849)	(30,382,320)
Payments for insurance, utilities and rent	(9,235,510)	(9,333,585)
Payments for scholarships and fellowships	(20,879,913)	(19,087,268)
Loans issued to students	(1,408,182)	(1,209,076)
Collections of loans to students	1,157,759	1,345,808
Other payments	(2,841,103)	(1,516,560)
Net cash used in operating activities	(80,588,387)	(80,873,870)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State appropriations	74,070,779	78,193,614
Pell grants	31,811,880	25,855,407
Gifts	22,081,811	16,304,420
Direct lending receipts	91,004,855	82,688,314
Direct lending payments	(91,004,855)	(82,688,314)
Net cash provided by non-capital financing activities	127,964,470	120,353,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and gifts	(2,455,322)	5,843,347
Capital appropriations	3,882,989	1,919,048
Purchases of capital assets	(45,825,857)	(43,667,508)
Proceeds from notes and bonds payable	-	14,423,101
Principal paid on notes and bonds payable and capital leases	(5,798,197)	(10,770,993)
Interest paid on notes and bonds payable and capital leases	(10,104,783)	(9,898,677)
Payments for bond issuance costs	(1,500)	(252,389)
Other	(304,757)	469,618
Net cash used in capital and related financing activities	(60,607,427)	(41,934,453)

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	University 2011	University 2010
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	$ (165,261,376)	$ (193,583,850)
Proceeds from sales and maturities of investments	185,440,879	178,188,575
Investment income	940,019	1,527,276
Net cash used by investing activities	21,119,522	(13,867,999)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER	7,888,178	(16,322,881)
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year	34,183,021	50,505,902
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year	$ 42,071,199	$ 34,183,021
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Operating loss	$ (102,015,330)	$ (103,971,778)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	19,932,364	19,102,965
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(862,090)	476,557
Student loans receivable, net	(121,795)	278,320
Inventories	627,822	(975,732)
Other assets	16,466	55,876
Accounts payable and accrued liabilities	6,803	(653,175)
Accrued salaries and benefits payable	517,674	2,025,866
Compensated absences payable	278,687	7,910
Unearned revenue	204,504	1,368,256
Other post employment benefits obligation	982,390	924,399
Other liabilities	(155,882)	486,666
Net cash used in operating activities	$ (80,588,387)	$ (80,873,870)
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Assets donated to the University	$ 4,068,610	$ 2,096,501
Transfer of assets to College of Western Idaho	$ -	$ 5,263,088

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
THE FISCAL YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

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 of eight members. Seven members are appointed and confirmed by the legislature. The elected State Superintendent of Public Instruction serves ex officio as the eighth member of the Board. 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 CAFR may be obtained from the State Controller located at:

Office of the Idaho State Controller
700 W State Street, 4th Floor
P.O. Box 83702
Boise, Idaho 83702-0011
www.sco.idaho.gov

The financial statements for fiscal years ended June 30, 2011 and June 30, 2010 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles. The University considers component units with net assets greater than 5% of the University's net assets to be significant. As such, the Boise State University Foundation, Inc. (the "Foundation") is discreetly presented for the fiscal years ended June 30, 2011 and 2010. The Foundation was established for the purpose of soliciting donations for the exclusive benefit of the University. Financial statements of the Foundation may be obtained from the Vice President for Finance and Administration at the University. The Foundation's financial statements are prepared in accordance with Financial Accounting Standards Board ("FASB") pronouncements.

Financial Statement Presentation **–** In June 2010, the GASB issued Statement No. 59, *"Financial Instruments Omnibus."* This Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The requirements of this Statement are effective for periods beginning after June 15, 2009 and have been incorporated into the University's notes to the financial statements.

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 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.

The Foundation is a legally separate, private non-profit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation are different from GASB revenue recognition criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the University. No modifications have been made to the Foundation's financial information included in the University's financial report.

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, are under the control of the State Treasurer.

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.

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

Investments **–** The University accounts for its investments at fair value. 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 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 of 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 tangible items with a unit cost of $5,000 or more, and an estimated useful life of greater than one year. Intangible assets with a unit cost of $200,000 or more, and an estimated useful life of greater than one year, are recorded as capital assets. 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, 5 to 20 years for intangibles, 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, and 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.

Unrestricted – Unrestricted net assets represent equity in assets derived mainly from student fees, sales and services of educational departments, auxiliary enterprises, and state appropriations. 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 is excluded from federal income taxes under Section 115 of the Internal Revenue Code, per letter dated April 21, 1989. The University is subject to tax on its unrelated business income. Defined by the Internal 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.

Classification of Revenues and Expenses – The University classifies its revenue 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. Non-operating revenues and expenses include state appropriations, Pell grants, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest expense and gain or loss on the disposal of capital assets and other non-exchange transactions.

Scholarship Discounts/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 2010, the GASB issued Statement No. 61,*"The Financial Reporting Entity: Omnibus."* This statement modifies the requirements for including component units within the financial statements of governmental entities. 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 ended June 30, 2013.

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENTS

Deposits – Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents include cash on hand of $114,493 and $111,173 as of June 30, 2011 and 2010, respectively and amounts deposited with federally chartered institutions carried at cost. Custodial credit risk is the risk that in the event of a financial institution failure, the deposits may not be returned. The State's policy for managing custodial credit risk can be found in the Idaho Code, Section 67-2739. 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

	2011	2010
Insured	$ 5,411,583	$ 250,000
Uncollateralized	-	6,365,321
Collateralized by securities held by the pledging financial institution	6,801,441	3,530,004
Total deposits	$ 12,213,024	$ 10,145,325

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 also gives the SBOE the authority to establish investment policies for the University. Section V, Subsection D of the Idaho SBOE Governing Policies and Procedures authorizes investments in all of the investment types substantially similar 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 both State of Idaho and other fixed rate investment fund managers. The State's investment pool is managed by the State Treasurer's Office in compliance with Idaho Code, Sections 67-1201 through 67-1222. Additional information about LGIP may be obtained from the State's CAFR.

The University had original cost of $77,219,456 and $103,247,176 invested in the State's external pools as of June 30, 2011 and 2010, respectively. The University also had $1,011 and $1,934,852 invested in external money market funds as of June 30, 2011 and 2010, respectively.

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. Ratings, as of June 30, are presented on the following page using the Moody's scale. AAA ratings signify that the portfolio holdings provide extremely strong protection against losses from credit defaults. Moody's has a separate rating scale for short-term debt obligations, including commercial paper. The P-1 rating is Prime-1 for issuers having a superior ability to repay short-term debt obligations.

As of June 30, 2011
(Dollars in Thousands)

Investment Type	Fair Value	AAA	AA	A	P-1	Unrated
External investment pool	$ 77,221	$ -	$ -	$ -	$ -	$ 77,221
Corporate notes and bonds	11,881	-	11,881		-	-
US Treasury notes and bonds	2,470	2,470	-	-	-	-
Federal Home Loan Bank	1,524	1,524	-	-	-	-
Commercial paper	7,991	-	-	-	7,991	-
	101,087	3,994	11,881	-	7,991	77,221
Invesments held on behalf of employee benefit plans:						
- Bond/equity mutual funds	203	-	-	-	-	203
- Equity mutual funds	174	-	-	-	-	174
- Income mutual funds	39	-	-	-	-	39
	416	-	-	-	-	416
Total investments	$ 101,503	$ 3,994	$ 11,881	$ -	$ 7,991	$ 77,637
% of Total	100%	4%	12%	0%	8%	76%

As of June 30, 2010
(Dollars in Thousands)

Investment Type	Fair Value	AAA	AA	A	P-1	Unrated
External investment pool	$ 105,213	$ -	$ -	$ -	$ -	$ 105,213
Corporate notes and bonds	719	-	635	84	-	-
US Treasury notes and bonds	142	142	-	-	-	-
Federal Home Loan Bank	5,012	5,012	-	-	-	-
Federal Farm Credit Bank	3,927	3,927	-	-	-	-
Federal National Mortgage Assoc	2,266	2,266	-	-	-	-
Federal Home Loan Mortgage Corp	4,670	4,670	-	-	-	-
	121,949	16,017	635	84	-	105,213
Invesments held on behalf of employee benefit plans:						
- Bond/equity mutual funds	80	-	-	-	-	80
- Equity mutual funds	30	-	-	-	-	30
- Income mutual funds	13	-	-	-	-	13
	123	-	-	-	-	123
Total investments	$ 122,072	$ 16,017	$ 635	$ 84	$ -	$ 105,336
% of Total	100%	13%	1%	0%	0%	86%

Concentration of Credit Risk – When investments are concentrated in one issuer, the concentration represents heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The GASB has adopted a principle that governments should provide note disclosure when 5% of the total government investments are concentrated in any one issuer. Investments in obligations explicitly guaranteed by the U.S. Government, mutual funds, and other pooled investments are exempt from disclosure. As of June 30, 2011, 8% of the University's investments were in the short-term P-1 rated Abbey National North America LLC commercial paper that will mature within 120 days; and 6% of the University's investments were in the AA rated General Electric Capital corporate bond that will mature within the next fiscal year. As of June 30, 2010, the University had no investments where 5% or more of its investments were concentrated with a single issuer. 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.

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. Approximately 8% of total investments are invested in securities with maturities longer than 1 year as of June 30, 2011.

Investment Maturities In Years
As of June 30, 2011
(Dollars in Thousands)

Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	11 to 15	16 to 20	21 to 25
External investment pool	$ 77,221	$ 77,221	$ -	$ -	$ -	$ -	$ -
Corporate notes and bonds	11,881	7,789	4,092	-	-	-	-
US Treasury notes and bonds	2,470	-	2,470	-	-	-	-
Federal Home Loan Bank	1,524	-	1,524	-	-	-	-
Commercial paper	7,991	7,991	-	-	-	-	-
	101,087	93,001	8,086	-	-	-	-
Invesments held on behalf of employee benefit plans:							
- Bond/equity mutual funds	203	203	-	-	-	-	-
- Equity mutual funds	174	174	-	-	-	-	-
- Income mutual funds	39	39	-	-	-	-	-
	416	416	-	-	-	-	-
Total investments	$ 101,503	$ 93,417	$ 8,086	$ -	$ -	$ -	$ -

Investment Maturities In Years
As of June 30, 2010
(Dollars in Thousands)

Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	11 to 15	16 to 20	21 to 25
External investment pool	$ 105,213	$ 105,213	$ -	$ -	$ -	$ -	$ -
Corporate notes and bonds	719	-	93	626	-	-	-
US Treasury notes and bonds	142	-	53	58	-	-	31
Federal Home Loan Bank	5,012	149	1,631	3,232	-	-	-
Federal Farm Credit Bank	3,927	-	100	3,827	-	-	-
Federal National Mortgage Assoc	2,266	-	2,211	-	-	-	55
Federal Home Loan Mortgage Corp	4,670	-	100	4,507	-	-	63
	121,949	105,362	4,188	12,250	-	-	149
Invesments held on behalf of employee benefit plans:							
- Bond/equity mutual funds	80	80	-	-	-	-	-
- Equity mutual funds	30	30	-	-	-	-	-
- Income mutual funds	13	13	-	-	-	-	-
	123	123	-	-	-	-	-
Total investments	$ 122,072	$ 105,485	$ 4,188	$ 12,250	$ -	$ -	$ 149

Investment Custodial Credit Risk – The University's investment securities are exposed to custodial credit risk if the securities are (i) uninsured, (ii) are not registered in the name of the University, or (iii) if they are held by either the counterparty or the counterparty's trust department or agent but not in the University's name. While none of the University's investments are insured, the University's investments are either held in the University's name or the investments are not securities that exist in book entry or physical form.

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portion 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.

Accounts Receivable and Unbilled Charges as of June 30	2011	2010
Student fees	$ 12,253,005	$ 11,234,587
Auxiliary enterprises and other operating activities	1,459,459	2,486,657
Federal, state, and private grants and contracts	1,674,149	1,496,700
Unbilled charges	6,779,742	6,383,671
Accounts receivable and unbilled charges	22,166,355	21,601,615
Less allowance for doubtful accounts	(2,663,980)	(2,961,330)
Accounts receivable and unbilled charges, net	$ 19,502,375	$ 18,640,285

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable as of June 30, 2011 and 2010. 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 outsources 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, to absorb loans that will ultimately be written off. The allowance for uncollectible loans was $23,700 and $23,801 as of June 30, 2011 and 2010, 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, 2011.

5. CAPITAL ASSETS, NET

Following are the changes in capital assets for the fiscal year ended June 30, 2011:

	2011 (*Dollars in Thousands*)				
	Balance July 1, 2010	Additions	Transfers	Retirements	Balance June 30, 2011
Capital assets not being depreciated:					
Land	$ 46,897	$ 1,332	$ -	$ -	$ 48,229
Construction in progress	28,238	39,393	(15,376)	-	52,255
Total assets not being depreciated	$ 75,135	$ 40,725	$ (15,376)	$ -	$ 100,484
Other capital assets:					
Building and improvements	$ 402,224	$ 1,442	$ 15,310	$ (1,104)	$ 417,872
Furniture and equipment	49,324	6,264	66	(1,349)	54,305
Library materials	32,592	2,168	-	(1,791)	32,969
Intangibles	15,822	-	-	-	15,822
Total other capital assets	499,962	9,874	15,376	(4,244)	520,968
Less accumulated depreciation:					
Buildings and improvements	(117,534)	(12,026)	-	303	(129,257)
Furniture and equipment	(30,967)	(4,931)	-	1,209	(34,689)
Library materials	(23,895)	(1,857)	-	1,397	(24,355)
Intangibles	(11,265)	(1,103)	-	-	(12,368)
Total accumulated depreciation	(183,661)	(19,917)	-	2,909	(200,669)
Other capital assets, net	$ 316,301	$ (10,043)	$ 15,376	$ (1,335)	$ 320,299
Capital assets summary:					
Capital assets not being depreciated	$ 75,135	$ 40,725	$ (15,376)	$ -	$ 100,484
Other capital assets at cost	499,962	9,874	15,376	(4,244)	520,968
Total cost of capital assets	575,097	50,599	-	(4,244)	621,452
Less accumulated depreciation	(183,661)	(19,917)	-	2,909	(200,669)
Capital assets, net	$ 391,436	$ 30,682	$ -	$ (1,335)	$ 420,783

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2011 is $47,561,639. These costs will be paid from available reserves and construction proceeds from outstanding debt.

Following are the changes in capital assets for the year ended June 30, 2010:

	2010 (*Dollars in Thousands*)				
	Balance July 1, 2009	Additions	Transfers	Retirements	Balance June 30, 2010
Capital assets not being depreciated:					
Land	$ 42,921	$ 3,976	$ -	$ -	$ 46,897
Construction in progress	21,880	30,004	(23,646)	-	28,238
Total assets not being depreciated	$ 64,801	$ 33,980	$ (23,646)	$ -	$ 75,135
Other capital assets:					
Building and improvements	$ 385,104	$ 92	$ 23,210	$ (6,182)	$ 402,224
Furniture and equipment	63,049	4,422	(14,172)	(3,975)	49,324
Library materials	32,514	1,797	-	(1,719)	32,592
Intangibles	-	1,214	14,608	-	15,822
Total other capital assets	480,667	7,525	23,646	(11,876)	499,962
Less accumulated depreciation:					
Buildings and improvements	(108,218)	(11,373)	-	2,057	(117,534)
Furniture and equipment	(39,233)	(5,454)	10,549	3,171	(30,967)
Library materials	(23,361)	(1,840)	-	1,306	(23,895)
Intangibles	-	(436)	(10,549)	(280)	(11,265)
Total accumulated depreciation	(170,812)	(19,103)	-	6,254	(183,661)
Other capital assets, net	$ 309,855	$ (11,578)	$ 23,646	$ (5,622)	$ 316,301
Capital assets summary:					
Capital assets not being depreciated	$ 64,801	$ 33,980	$ (23,646)	$ -	$ 75,135
Other capital assets at cost	480,667	7,525	23,646	(11,876)	499,962
Total cost of capital assets	545,468	41,505	-	(11,876)	575,097
Less accumulated depreciation	(170,812)	(19,103)	-	6,254	(183,661)
Capital assets, net	$ 374,656	$ 22,402	$ -	$ (5,622)	$ 391,436

6. UNEARNED REVENUE

Unearned revenue include amounts received for student fees, prepaid ticket sales, grant and contract revenue, a school district land swap and other amounts received prior to the end of the fiscal year that will be earned in subsequent years. In 2007, the University exchanged parcels of land with the Boise School District. The difference between the appraised values of the parcels was recorded as unearned revenue, to be amortized as the "District" uses University facilities for sporting events. 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 as of June 30	**2011**	**2010**
Prepaid ticket sales and auxiliary enterprises	$ 5,960,368	$ 5,447,759
Student fees	3,667,407	3,699,055
Grants and contracts	2,027,277	2,785,575
School district land swap	1,511,750	1,451,750
Other unearned revenue	572,882	151,041
Unearned revenue	$ 13,739,684	$ 13,535,180

7. LONG-TERM LIABILITIES

Following are the changes in bonds and notes payable, capital leases, non-current unearned revenue, other post-employment benefit obligations, and other liabilities for the fiscal years ended June 30, 2011 and 2010:

	2011 (Dollars in Thousands)				
	Ending Balance July 1, 2010	Additions	Reductions	Ending Balance June 30, 2011	Amounts due within one year
Long-term debt:					
Revenue bonds payable	$ 230,390	$ -	$ (5,095)	$ 225,295	$ 5,785
Basis adjustment arising from defeasance	(2,555)	-	217	(2,338)	-
Premium on revenue bonds	3,746	-	(170)	3,576	-
Notes payable	2,255	-	(294)	1,961	310
Capital lease obligations	385	-	(114)	271	121
Capital lease obligations - component unit	2,377	-	(295)	2,082	305
Total long-term debt	236,598	-	(5,751)	230,847	6,521
Other liabilities:					
Non-current unearned revenue	1,808	-	(4)	1,804	-
Net other post employment benefits	5,111	982	-	6,093	-
Non-current other	1	-	(1)	-	-
Total other liabilities	6,920	982	(5)	7,897	-
Long-term liabilities	$ 243,518	$ 982	$ (5,756)	$ 238,744	$ 6,521

	2010 (Dollars in Thousands)				
	Beginning Balance July 1, 2009	Additions	Reductions	Ending Balance June 30, 2010	Amounts due within one year
Long-term debt:					
Revenue bonds payable	$ 221,330	$ 14,090	$ (5,030)	$ 230,390	$ 5,095
Basis adjustment arising from defeasance	(2,772)	-	217	(2,555)	-
Premium on revenue bonds	3,835	70	(159)	3,746	-
Notes payable	7,349	-	(5,094)	2,255	296
Capital lease obligations	495	263	(373)	385	114
Capital lease obligations - component unit	2,652	-	(275)	2,377	295
Total long-term debt	232,889	14,423	(10,714)	236,598	5,800
Other liabilities:					
Non-current unearned revenue	1,902	-	(94)	1,808	-
Net other post employment benefits	4,186	925	-	5,111	-
Non-current other	529	-	(528)	1	-
Total other liabilities	6,617	925	(622)	6,920	-
Long-term liabilities	$ 239,506	$ 15,348	$ (11,336)	$ 243,518	$ 5,800

8. BONDS AND NOTES PAYABLE

The University issues bonds to finance a portion of the construction of academic and auxiliary facilities. 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 arbitrage due to the United States. The arbitrage liability was $0 and $1,448 at June 30, 2011 and 2010, respectively. All bonds are at parity and are senior to notes payable. Management believes the University is in compliance with all bond covenants as of June 30, 2011 and 2010.

Bonds Payable:

	June 30, 2011 (Dollars in Thousands)					
Bond Issue	**Original Face Value**	**Range of Annual Principal Amounts**	**Range of Semi Annual Interest Percentages**	**Maturity Date**	**Outstanding Balance 2011**	**Outstanding Balance 2010**
General Revenue Bonds, Series 2010A	$ 1,195	$ 285 - $ 315	3.000% - 4.000%	2015	$ 1,195	$ 1,195
General Revenue Bonds, Series 2010B	$ 12,895	$ 325 - $ 795	3.940% - 6.310%	2040	12,895	12,895
General Revenue Bonds, Series 2009A	$ 42,595	$ 720 - $2,870	3.250% - 5.000%	2039	38,400	41,225
General Revenue Bonds, Series 2007A	$ 96,365	$ 145 - $7,880	4.000% - 5.000%	2037	96,365	96,365
General Revenue Bonds, Series 2007B	$ 25,860	$ 510 - $1,760	4.000% - 5.000%	2037	25,860	25,860
General Revenue Bonds, Series 2007C	$ 2,850	$ 125 - $ 600	5.210% - 5.210%	2014	1,300	1,845
General Revenue Bonds, Series 2005A	$ 21,925	$ 140 - $2,695	3.750% - 5.000%	2034	18,135	18,600
General Revenue Bonds, Series 2004A	$ 31,480	$ 725 - $2,205	4.000% - 5.000%	2033	26,450	27,375
General Revenue Bonds, Series 2003	$ 6,620	$ 310 - $1,715	4.000% - 5.000%	2017	4,665	4,955
General Revenue Bonds, Series 2002	$ 38,255	$ 30 - $ 30	5.375% - 5.375%	2012	30	75
Bonds before premium					225,295	230,390
Premium on bonds (including basis adjustments)					1,237	1,191
Total bonds outstanding					$ 226,532	$ 231,581

Notes Payable:

	June 30, 2011 (Dollars in Thousands)						
Notes Payable	**Original Face Value**	**Terms**	**Interest Rate**	**Maturity Date**	**Collateralized by**	**Outstanding Balance 2011**	**Outstanding Balance 2010**
2006 Bank note payable	$ 3,381	11 years **(1)**	4.77%	2016	**(2)**	$ 1,961	$ 2,255

(1) *Amortized monthly*
(2) *Bronco Athletic Association guarantee*

Bonds Payable **-** Principal and interest maturities as of June 30, 2011 are as follows:

Bonds Payable 2011 (Dollars in Thousands)	Principal	Interest	Total
2012	$ 5,785	$ 10,501	$ 16,286
2013	6,095	10,223	16,318
2014	6,435	9,938	16,373
2015	6,840	9,629	16,469
2016	7,265	9,311	16,576
2017-2021	42,070	41,097	83,167
2022-2026	38,160	31,859	70,019
2027-2031	42,205	23,160	65,365
2032-2036	52,470	12,379	64,849
2037-2041	17,970	1,456	19,426
Total	$ 225,295	$ 159,553	$ 384,848

Notes Payable - Principal and interest maturities as of June 30, 2011 are as follows:

Notes Payable 2011 (Dollars in Thousands)	Principal	Interest	Total
2012	$ 310	$ 86	$ 396
2013	325	71	396
2014	341	55	396
2015	357	39	396
2016	374	21	395
2017-2021	254	4	258
Total	$ 1,961	$ 276	$ 2,237

Extinguished Debt - As of June 30, 2011, debt in the amount of $34,710,000 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 $34,982,330 for the payment of maturities on refunded bonds.

Refunded Bond Issue	Original Issue Amount	Principal Payments	Defeased Amount	Defeased Liability Outstanding
2001 Student Fee Refunding Rev Bonds	$ 4,455,000	$ 4,455,000	$ 3,350,000	$ -
2002 Student Union & Housing System	38,255,000	3,515,000	34,710,000	34,710,000
Total	$ 42,710,000	$ 7,970,000	$ 38,060,000	$ 34,710,000

Neither the debt nor the escrowed assets are reflected in the University’s financial statements.

Pledged Revenue – 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, 2011:

Pledged revenues:	**2011**
Student fees	$ 112,297,614
Rentals	8,462,549
Residence dining income	3,419,944
Other	1,676,216
Sales & service	41,909,317
F&A recovery	5,422,035
Investment income	663,453
Total pledged revenue	173,851,128
Less operations and maintenance	(60,026,901)
Pledged revenues, net	$ 113,824,227
Debt service	$ 15,766,410
Debt service coverage	722%
Coverage requirement	110%

9. LEASE OBLIGATIONS

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 capital lease obligations under these agreements as of June 30, 2011, are as follows:

	2011 (Dollars in Thousands)		
Future minimum capital lease obligations	**Building**	**Equipment**	**Total**
2012	$ 426	$ 134	$ 560
2013	431	134	565
2014	429	22	451
2015	432	-	432
2016	433	-	433
2017	416	-	416
Total minimum obligations	2,567	290	2,857
Less interest	(485)	(19)	(504)
Present value of minimum obligations	$ 2,082	$ 271	$ 2,353

Following are the changes in assets under capital lease for the fiscal years ended June 30, 2011 and 2010:

	2011 (Dollars in Thousands)			
	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Assets under capital leases:				
Buildings and improvements	$ 6,973	$ -	$ -	$ 6,973
Equipment	2,664	-	-	2,664
Total leases being amortized	9,637	-	-	9,637
Less accumulated amortization				
Buildings and improvements	(3,338)	(188)	-	(3,526)
Equipment	(2,310)	(100)	-	(2,410)
Total accumulated amortization	(5,648)	(288)	-	(5,936)
Assets under capital lease, net	$ 3,989	$ (288)	$ -	$ 3,701

	2010 (Dollars in Thousands)			
	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010
Assets under capital leases:				
Buildings and improvements	$ 6,973	$ -	$ -	$ 6,973
Equipment	2,401	263	-	2,664
Total being amortized	9,374	263	-	9,637
Less accumulated amortization				
Buildings and improvements	(3,149)	(189)	-	(3,338)
Equipment	(2,198)	(112)	-	(2,310)
Total accumulated amortization	(5,347)	(301)	-	(5,648)
Assets under capital lease, net	$ 4,027	$ (38)	$ -	$ 3,989

Operating Lease Obligations – The University has entered into various non-cancellable operating lease agreements covering certain equipment. The lease terms range from one to five years. The expense for operating leases was $230,874 for the year ended June 30, 2011 and $307,400 for the year ended June 30, 2010.

Future minimum lease payments on non-cancellable leases at June 30, 2011 are as follows:

Future minimum operating lease obligations	
2012	$ 232,156
2013	188,007
2014	116,442
2015	25,266
2016	15,127
Total future minimum operating lease obligations	$ 576,998

10. RETIREMENT PLANS AND TERMINATION PAYMENTS

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (PERSI) administers the PERSI Base Plan which is a cost-sharing, multiple-employer defined benefit retirement plan governed by Idaho Code, Sections 59-1301 through 59-1399. The funding policy, including contribution and vesting requirements, for the PERSI Base Plan is determined by the PERSI Retirement Board as defined by Idaho law. 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, Idaho 83720-0078.

The PERSI Base Plan requires that both the members and the employer contribute. These contributions, in addition to earnings from investments, fund the PERSI Base Plan benefits. The benefits were established and may be amended by the Idaho State Legislature. Members become fully vested in retirement benefits earned to date after five years of credited service. The benefit structure is based on each member's years of service, age, and highest average salary. In addition, benefits are provided for disability or death, and to survivors of eligible members or beneficiaries. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification or a combination of age plus service.

The annual service retirement allowance for each month of credited service is 2% of the average monthly salary for the highest consecutive 42 months. Approximately 857 employees contribute to this plan.

University contributions, for the three fiscal years ended June 30, are as follows:

PERSI:	2011	2010	2009
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	$ 2,649,006	$ 2,742,751	$ 3,135,557

Optional Retirement Plan (ORP) – Effective July 1, 1990, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan for faculty and exempt employees. The ORP is governed by Idaho Code, Sections 33-107A and 33-107B.

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and select their vendor option. Vendor options include Teachers Insurance and Annuity Association – College Retirement Equities and Variable Annuity Life Insurance Company. 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. Participants are immediately fully invested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. Approximately 1,438 employees contribute to this plan.

Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute to the PERSI Base Plan through July 1, 2025. The contribution rate is 1.49% of the annual covered payroll. During the fiscal years ended June 30, 2011, 2010, and 2009, this supplemental funding payment to PERSI was $1,241,034, $1,172,848, and $1,187,141, respectively. This amount is not included in the regular University PERSI Base Plan contribution discussed previously.

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

ORP:	2011	2010	2009
University contribution	$ 7,747,212	$ 7,340,409	$ 7,411,340
Employee contribution	$ 5,823,468	$ 5,519,278	$ 5,579,722
Total contribution	$ 13,570,680	$ 12,859,687	$ 12,991,062
University contribution rate	9.27%	9.27%	9.26%
Employee contribution rate	6.97%	6.97%	6.97%

Supplemental Retirement Plans – Full and part time faculty, classified and professional staff, enrolled in PERSI as their regular retirement plan, may enroll in the 403(b), 401(k), and the 457(b) plans. Full and part time faculty and professional staff enrolled in the ORP as their regular retirement plan may enroll in the 403(b) and the 457(b) plans.

401(k) - PERSI Choice Plan (PCP):
This is only available to active PERSI members. The Choice Plan contains employee gain sharing distributions, any voluntary employee contributions made, and the earnings on those funds. Approximately 127 employees contribute to this plan.

457(b) - Deferred Compensation Plan:
The 457(b) is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively through employee pre-tax contributions. Approximately 56 employees contribute to this plan.

403(b) Plan:
The 403(b) is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively by employee pre-tax contributions. Approximately 379 employees contribute to this plan.

Roth 403(b) Plan:
The Roth 403(b) is a voluntary retirement savings plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively through

employee post-tax contributions. Approximately 36 employees contribute to this plan.

415(m) Plan:
The 415(m) Retirement Plan is a qualified excess benefit plan authorized under Section 415(m) of the Internal Revenue Code. This plan is provided to select staff based on individual employment contracts negotiated. All contributions provided by the University are negotiated on an individual basis and are contingent on vesting requirements being satisfied. Currently, one University employee is part of this plan.

Supplemental Retirement Plan Contributions - Fiscal Year 2011:

Supplemental Contributions:	PCP	403(b)	457(b)	Roth 403(b)	415(m)
Employee contribution	$ 352,394	$ 2,611,697	$ 464,059	$ 158,266	N/A
University contribution	N/A	N/A	N/A	N/A	$ 245,000

Termination Payments – Employees who qualify for retirement under the PERSI Base Plan or the ORP are eligible to use 50% of the cash value of their unused sick leave (with limits based on years of service) to purchase health insurance for the retiree. The University partially funds these obligations by remitting 0.65% of employee gross payroll to the Sick Leave Insurance Reserve fund administered by PERSI. The total contributions for the fiscal years ended June 30, 2011, 2010, and 2009, were $707,068, $683,227, and $714,027, respectively.

11. *POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*

Summary of Plans

Boise State University participates in other postemployment benefit plans relating to health and disability that are administered by the State of Idaho as agent multiple-employer defined benefit plans. The Life Insurance benefit is a single-employer defined benefit plan. 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. The most recent actuarial valuation is as of July 1, 2010. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the State's CAFR.

Plan Descriptions and Funding Policy:

Retiree Healthcare Plan – A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themself and eligible dependents. Employees must enroll within 60 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 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from State service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. 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 maximum benefit is $1,860 per retiree per year. The University contributed $16.44 per active employee per month towards the retiree premium cost.

Long-Term Disability Plan – Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% of their monthly salary for the first 30 months of disability. If after 30 months the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60% of their monthly salary the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the longer of 26 weeks of continuous total disability or exhaustion of accrued sick leave must be met.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60% of monthly pre-disability salary or $4,000, whichever is less. The benefit does not increase with inflation and may be offset by other sources of income such as Social Security, Workers' Compensation, unemployment benefits, and certain retirement benefits. The State is self-insured for employees who became disabled prior to July 1, 2003; the State pays 100% of the cost of this benefit. The amount of the contribution is based on active claims and the number of insured individuals. Employees disabled on or 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% of the cost of the premiums. The University's contribution rate for the period was 0.324% of payroll in fiscal year 2011. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the State plan. The University pays 100% of the University's share of medical and 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 $6.96 per active employee per month in fiscal year 2011.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100% of annual salary, but not less than $20,000. In addition, a $2,000 life insurance benefit is provided for spouses, and a $1,000 life insurance benefit is provided for dependent children. These benefits do not increase with inflation. The University pays 100% of the premiums; the contribution is actuarially determined based on actual claims experience.

Retiree Life Insurance Plan **–** 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% of their annual salary at retirement. The University pays 100% of the cost of basic life insurance for eligible retirees. The University's contribution for the period as a percent of payroll was 1.177% for retirees under age 65, .0894% for retirees between the ages of 65 and 69, and .0600% for retirees over age 70.

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 Nos. 43 and 45. The following table illustrates the annual OPEB cost, the amount of contributions made, the increase (decrease) in the net OPEB obligation (NOO), and the NOO (funding excess) for the current year.

2011 Annual OPEB Cost and Net OPEB Obligation
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance
		Income	Life Insurance	Healthcare	
Annual OPEB cost					
Annual required contribution	$ 472	$ 98	$ 91	$ 155	$ 966
Interest	133	(2)	-	7	83
Adjustment to ARC	(198)	4	-	(10)	(123)
Annual OPEB cost	407	100	91	152	926
Contributions made	(182)	(90)	(135)	(129)	(157)
Increase (decrease) in net OPEB obligation	225	10	(44)	23	769
Net OPEB obligation – beginning of year	2,867	(46)	(12)	159	2,142
Net OPEB obligation (funding excess) – end of year	$ 3,092	$ (36)	$ (56)	$ 182	$ 2,911
Percentage of AOC contributed	44.61%	90.91%	148.35%	84.87%	16.92%

2010 Annual OPEB Cost and Net OPEB Obligation
(Dollars in Thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance
		Income	Life Insurance	Healthcare	
Annual OPEB cost					
Annual required contribution	$ 336	$ 97	$ 77	$ 177	$ 979
Interest	122	(3)	-	4	63
Adjustment to ARC	(163)	4	-	(5)	(84)
Annual OPEB cost	295	98	77	176	958
Contributions Made	(173)	(78)	(83)	(98)	(248)
Increase (decrease) in net OPEB obligation	122	20	(6)	78	710
Net OPEB obligation – beginning of year	2,745	(66)	(6)	81	1,432
Net OPEB obligation (funding excess) – end of year	$ 2,867	$ (46)	$ (12)	$ 159	$ 2,142
Percentage of AOC contributed	58.64%	79.59%	107.79%	55.68%	25.89%

Annual OPEB Cost Comparison – The following table compares the annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation (funding excess) for the current and two prior years.

Annual OPEB Cost and Net OPEB Obligation Comparison
(Dollars in Thousands)

		Retiree Healthcare Plan	Long-Term Disability Plan: Income	Long-Term Disability Plan: Life Insurance	Long-Term Disability Plan: Healthcare	Retiree Life Insurance Plan
Annual OPEB cost	2011	$ 407	$ 100	$ 91	$ 152	$ 926
	2010	$ 336	$ 97	$ 77	$ 177	$ 979
	2009	$ 350	$ 109	$ 87	$ 191	$ 929
Percentage of AOC contributed	2011	44.61%	90.91%	148.35%	84.87%	16.92%
	2010	58.64%	79.59%	107.79%	55.68%	25.89%
	2009	111.02%	96.03%	147.37%	96.06%	24.89%
NOO (funding excess) – end of year	2011	$ 3,092	$ (36)	$ (56)	$ 182	$ 2,911
	2010	$ 2,867	$ (46)	$ (12)	$ 159	$ 2,142
	2009	$ 2,745	$ (67)	$ (4)	$ 80	$ 1,432

Funded Status and Funding Progress – Required Supplementary Information – The following table illustrates the funded status and the funding progress for the University as of June 30:

Funding Status and Funding Progress - Required Supplementary Information:
(Dollars in Thousands)

	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1) : (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree healthcare plan	7/1/2006	$0	$ 38,594	$ 38,594	0.00%	$ 122,474	31.5
	7/1/2008	$0	$ 2,656	$ 2,656	0.00%	$ 130,760	2.0
	7/1/2010	$0	$ 2,837	$ 2,837	0.00%	$ 131,638	2.2
Long-term disability plan:							
Income	7/1/2006	$0	$ 697	$ 697	0.00%	$ 122,474	0.6
	7/1/2008	$0	$ 715	$ 715	0.00%	$ 130,760	0.5
	7/1/2010	$0	$ 655	$ 655	0.00%	$ 131,638	0.5
Life insurance	7/1/2006	$0	$ 1,160	$ 1,160	0.00%	$ 122,474	0.9
	7/1/2008	$0	$ 1,026	$ 1,026	0.00%	$ 130,760	0.8
	7/1/2010	$0	$ 1,143	$ 1,143	0.00%	$ 131,638	0.9
Healthcare	7/1/2006	$0	$ 1,093	$ 1,093	0.00%	$ 122,474	0.9
	7/1/2008	$0	$ 1,227	$ 1,227	0.00%	$ 130,760	0.9
	7/1/2010	$0	$ 1,027	$ 1,027	0.00%	$ 131,638	0.8
Retiree life insurance plan	7/1/2006	$0	$ 10,060	$ 10,060	0.00%	$ 122,474	8.2
	7/1/2008	$0	$ 10,895	$ 10,895	0.00%	$ 130,760	8.3
	7/1/2010	$0	$ 12,020	$ 12,020	0.00%	$ 131,638	9.1

Effective July 1, 2009, legislative changes to the Retiree Healthcare Plan regarding eligibility stipulate that an officer or employee must be an active employee on or before June 30, 2009, and retire directly from State service; the maximum benefit is $1,860 per retiree per year. Additionally, any retiree will remain eligible until they are eligible for Medicare. Beginning January 1, 2010, coverage was not available to Medicare-eligible retirees or their Medicare-eligible dependents.

Schedule of Employer Contributions - Required Supplementary Information:
(Dollars in Thousands)

OPEB Plan	Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions	Actual Contributions as Percentage of ARC
Life insurance	06/30/11	$966	$156	16.15
	06/30/10	$979	$248	25.89
	06/30/09	$941	$231	24.58

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. The schedule of funding progress, presented as required supplementary information, contains multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. 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 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.

The following table presents the significant methods and assumptions for all plans:

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
		Healthcare	Life Insurance	Income	
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Dollar Amount	Level Percentage of Payroll
Amortization period	11 years Closed	30 years Open	30 years Open	8 years Closed	30 years Open
Assumptions:					
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%
Investment return	4.00%	4.00%	4.00%	4.00%	4.00%
OPEB increases	N/A	N/A	N/A	N/A	N/A
Projected salary increases	3.50%	3.50%	3.50%	3.50%	3.50%
Healthcare cost initial Trend rate	10.00%	10.00%	N/A	N/A	N/A
Healthcare cost ultimate Trend rate	5.00%	5.00%	N/A	N/A	N/A

12. RISK MANAGEMENT

The University obtains workers' compensation coverage from the Idaho State Insurance Fund. The University's workers' compensation premiums are based on its payroll, its own 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 workers' compensation, business interruption, media liability and automobile physical damage insurance.

13. COMPONENT UNIT

The Boise State University Foundation, Inc. (the "Foundation") is discreetly presented within the financial statements as a component unit. The Foundation was established to engage in activities to benefit and support the University, including receiving contributions and holding, protecting, managing, and investing donated funds. The Foundation is a non-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of and cannot be controlled by the University. A memorandum of understanding between the Foundation and the University defines the relationship between the two entities in accordance with these rules. The Foundation's financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted, temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing permanently restricted pledges, the method of accounting for split interest gifts, and the presentation of the financial information.

(a) Cash and Cash Equivalents, and Other Deposits and Investments

The Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered investments and are shown as restricted cash and cash equivalents as the funds have been designated by the Foundation for investment purposes. Cash deposits at times during the year ended June 30, 2011 and 2010 exceeded FDIC insured limits. Investments are recorded in accordance with Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards (SFAS) No. 124, "Accounting for Certain investments Held by Not-for-Profit Organizations"). Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Custodial Credit Risk **–** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Basis of Custodial Credit Risk as of June 30	2011	2010
Uninsured and uncollateralized	$ 3,282,559	$ 960,111

Investments–The following details each major category of investments and the related fair market values as of June 30:

Investment Type		2011		2010	Percent of Total
Certificates of deposit	$	2,650,000	$	2,285,000	2.4%
US Treasury bonds		8,392,261		4,371,091	7.6%
Corporate bonds		24,291,305		23,247,809	22.0%
Bond mutual funds		19,224,293		18,481,915	17.2%
Equity funds		41,120,685		32,694,146	37.0%
Private equity investments		2,152,099		1,668,123	1.9%
Real estate and specialty assets		6,027,986		4,223,352	5.4%
Hedge funds		6,969,811		6,386,133	6.3%
Insurance annuities		305,598		267,808	0.2%
Total investments	$	111,134,038	$	93,625,377	100.0%

Fair Value of Investments – measured on a recurring basis as of June 30, 2011are as follows:

Fair Value of Investments		
Investments:		
Growth investments		
US equities	$	20,586,798
International equities		20,777,462
Private equity/special situations		2,152,099
Risk reduction investments:		
Cash and certificates of deposit		9,456,685
US/Global fixed income		51,969,881
Hedge funds		6,969,811
Real estate		6,027,987
Investments total		117,940,723
Investments in perpetual trusts:		
US equities		849,529
International equities		590,849
Risk reduction investments:		
Cash and certificates of deposit		91,670
US/Global fixed income		742,328
Hedge funds		283,214
Real estate		285,959
Investments in perpetual trusts total		2,843,549
Total investments, at fair value	$	120,784,272

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. Ratings by investment type, as of June 30, 2011, are as follows:

Moody's Scale Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Fair Value
Aaa	$ 8,379,329	$ 4,364,452	$ 6,211,608	$ 18,955,389
Aa1	-	3,085,952	207,759	3,293,711
Aa2	-	2,850,978	12,652,819	15,503,797
Aa3	-	630,773	-	630,773
A1	-	3,367,282	26,156	3,393,438
A2	-	3,516,979	76,972	3,593,951
A3	-	2,368,042	-	2,368,042
Baa1	-	4,106,847	2,502	4,109,349
B2	-	-	24,611	24,611
Unrated	12,932	-	21,866	34,798
Total	$ 8,392,261	$ 24,291,305	$ 19,224,293	$ 51,907,859

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, 2011, are as follows:

Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
US Treasury Bonds	$ 8,392,261	$ 4,009,081	$ 1,021,895	$ 2,850,049	$ 511,236
Corporate bonds	24,291,305	18,666,378	2,594,338	3,030,589	-
Bond mutual funds	19,224,293	-	49,177	19,175,116	-
Rated securities	$ 51,907,859	$ 22,675,459	$ 3,665,410	$ 25,055,754	$ 511,236

(b) Pledges Receivable

Unconditional promises to give (pledges) are recognized as an asset and contribution revenue in the period in which the promise is received less an allowance, if any, for uncollectible pledges based on past collection experience. Pledges to be received after one year are discounted to present value. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Pledges receivable in current assets include pledges which are due within one year.

Pledges receivable consist of the following as of June 30:

Pledges Receivable	2011	2010
Receivable in less than one year	$ 6,345,502	$ 5,897,528
Receivable in one to five years	13,214,368	11,254,357
Receivable in more than five years	784,847	1,544,647
	20,344,717	18,696,532
Less allowance	(890,000)	(890,000)
Less discount	(1,716,783)	(1,797,669)
Total	$ 17,737,934	$ 16,008,863

(c) Donated Services

The University provided staffing and other general office support to the Foundation totaling $12,183 and $354,178 in fiscal years ending June 30, 2011 and 2010, respectively. The University loaned eight employees to the Foundation during fiscal year 2011 and was reimbursed for the costs of those employees. 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.

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

Functional Categories	2011 Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 78,374	$ 11,027	$ 2,593	$ -	$ 91,994
Research	13,312	5,904	829	-	20,045
Public service	6,314	4,295	269	-	10,878
Libraries	3,508	1,704	-	-	5,212
Student services	9,434	2,302	33	-	11,769
Plant operations	5,807	8,497	-	-	14,304
Institutional support	11,064	4,682	3	-	15,749
Academic support	13,063	3,846	99	-	17,008
Auxiliary enterprises	25,966	30,683	2,320	-	58,969
Scholarships	1,180	95	14,726	-	16,001
Depreciation	-	-	-	19,917	19,917
Total operating expenses	$ 168,022	$ 73,035	$ 20,872	$ 19,917	$ 281,846

Functional Categories	2010 Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 72,763	$ 10,280	$ 2,192	$ -	$ 85,235
Research	10,929	3,989	907	-	15,825
Public service	7,123	4,090	270	-	11,483
Libraries	3,781	1,647	-	-	5,428
Student services	9,512	1,837	24	-	11,373
Plant operations	5,881	10,093	-	-	15,974
Institutional support	12,963	2,982	7	-	15,952
Academic support	12,892	3,872	118	-	16,882
Auxiliary enterprises	25,130	31,326	2,095	-	58,551
Scholarships	1,313	110	13,456	-	14,879
Depreciation	-	-	-	19,103	19,103
Total operating expenses	$ 162,287	$ 70,226	$ 19,069	$ 19,103	$ 270,685

15. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to refund a portion of these costs. University officials are of the opinion that the effect of these refunds, if any, will not have a significant effect on the financial position of the University.

The University has performed a review of potential pollution remediation obligations and found that there were no triggering events that would cause the University to record a pollution remediation liability as of June 30, 2011. 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.

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 Annual Estimated Revenue reflect the University's estimates based on actual collections for fall 2011 and estimates of collections for spring and summer 2012.

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. The number of students used to calculate Estimated Annual Revenue is 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. Full-time undergraduate students are defined as students taking 12 credit hours or more and full-time graduate students are defined as students taking nine credit hours or more per semester.

SCHEDULE OF STUDENT FEES FOR THE FISCAL YEAR ENDING JUNE 30, 2012[(1)]

	FULL TIME FEES [(2)]		PART TIME FEES [(2)]			
	RATE PER SEMESTER	ANNUAL ESTIMATED REVENUE	RATE PER CREDIT HOUR	RATE PER CREDIT HOUR	ANNUAL ESTIMATED REVENUE	TOTAL ANNUAL ESTIMATED REVENUE
	Fall and Spring		Summer [(3)]	Fall and Spring		
TUITION	$1,862.05	$47,005,210	$170.77	$151.22	$14,152,398	$61,157,609
FACILITY FEES						
General Building Fee	144.00	3,628,358	13.50	13.50	1,211,852	4,840,210
Capital Expenditure Reserve Fee	5.00	125,985	0	0	0	125,985
SUB Construction Fee	27.00	680,317	2.70	2.70	242,370	922,688
Residence Hall Construction Fee	57.00	1,436,225	5.70	5.70	511,671	1,947,896
Facilities Fee	232.00	5,868,407	22.50	22.50	1,961,515	7,829,923
Health and Wellness Ctr. Facility Fee	40.00	1,007,877	4.00	4.00	359,067	1,366,944
Subtotal Facility Fees	$ 505.00	$12,747,170	$ 48.40	$ 48.40	$ 4,286,476	$17,033,646
TECHNOLOGY FEES						
Student Support System Tech Fee	40.00	1,025,433	3.90	3.65	290,964	1,316,397
Technology Fee-Computer Labs	27.25	686,616	3.00	3.00	269,300	955,917
Subtotal Technology Fees	$ 67,25	$ 1,712,049	$ 6.90	$ 6.65	$ 560,264	$ 2,272,314
ACTIVITY FEES						
Intercollegiate Athletics	105.50	2,660,858	0	9.65	614,514	3,275,372
Student Health Center	37.50	944,885	4.10	4.10	368,044	1,312,929
Student Union Operations	63.00	1,587,407	6.90	6.40	588,494	2,175,900
Student Life	31.50	793,703	3.35	3.35	300,719	1,094,422
Associated Student Body	9.30	235,881	1.28	1.28	114,901	350,782
University News	8.00	201,575	0.25	0.40	31,539	233,114
Student Programs Board	6.00	151,182	0.50	0.50	44,883	196,065
Campus Recreation	45.75	1,156,374	4.90	4.52	415,836	1,572,210
Theatre Arts	1.50	37,795	0	0	0	37,795
Alumni Activities	3.50	88,189	0	0.35	21,628	109,817
Scholarships	15.00	377,954	0	0	0	377,954
Child Care Center Operations	7.00	176,379	0.70	0.70	62,837	239,215
Volunteer Services Board	1.90	47,874	0.10	0.10	8,977	56,851
Marching Band	8.75	221,506	0	0.70	43,199	264,705
Student Diversity and Inclusion	4.50	114,419	0.35	0.38	147,657	147,657
Subtotal Activity Fees	348.70	$ 8,795,981	22.93	32.73	2,648,809	11,444,790
TOTAL BOARD APPROVED FEES SUBJECT TO 10% ANNUAL INCREASE RESTRICTION [(4)]	$2,783.00	$70,260,410	$249.00	$239.00	$21,647,947	$91,908,357
OTHER FEES/TUITION						
Graduate/Professional	495.00	435,643	55.00	55.00	443,464	879,107
Non-resident Tuition (net of waivers)	5,200.00	8,247,616		92.00	566,932	8,814,548
Western Undergraduate Exchange Fee	1,392.00	1,646,231				1,646,231
In-service				Varies	328,134	328,134
Faculty Staff Fees		33,820			5,562	39,382
Senior Citizen Fees		12,966			2,960	15,926
Self Support Programs	Varies	5,977,998			0	5,977,998
OTHER BOARD APPROVED FEES		16,354,274			1,347,052	17,701,326
OTHER CHARGES [(5)]		238,256			5,978,946	6,217,202
TOTAL PLEDGED STUDENT FEES		$86,852,940			$28,973,945	$115,826,885

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(1) Includes actual fees and revenues for the summer 2011 term and the fall 2011 semester, and estimated fees and revenues for the spring 2012 semester.

(2) Full-time undergraduate fees are charged to undergraduate students taking 12 or more credit hours. Full-time Graduate fees are charged to graduate students taking nine or more credit hours. Part-time credit hour fees are charged to students taking fewer than full-time credit hours.

(3) For Summer, the part-time credit hour fee is charged regardless of the number of credits.

(4) Board policy limits requests for increases in these fees to 10% annually unless it grants special approval for such requests prior to the April fee-setting meeting.

(5) Board policy allows a variety of charges to be assessed by the University to support specific activities. These fees are only charged to students that engage in these particular activities. Examples include special course fees to supply labs and continuing education fees as well as fines for late payment, parking tickets or library charges. Fees for services such as orientation are also included in this line item.

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 2012A 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.

"*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 2012A 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.

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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 2012A 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 2012A BONDS" and "SECURITY FOR THE SERIES 2012A 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.

The completion date of a Project shall be evidenced by a certificate of the University, which shall be filed with the Trustee as soon as practicable upon completion of the Project, stating (1) that such Project has been completed substantially in accordance with the plans and specifications applicable thereto, as from time to time amended, (2) the date of such completion date and (3) the amount, if any, required for the payment of any remaining costs of construction of such Project. If such certificate or a subsequent certificate of the University shall state that the balance in the Project Account (in excess of the amount, if any, required for payment of any remaining costs of construction of the Project) is no longer needed to pay costs of construction of the Project, any remaining balance in the Project Account shall, to the extent permitted under applicable law and covenants regarding the use of proceeds of the Bonds, be (i) used to purchase Bonds, (ii) deposited into the Debt Service Account in the Bond Fund, (iv) transferred into another Project Account to pay costs of construction of a Project, or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds.

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. 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 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 of 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.

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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 its $__________ General Revenue Project and Refunding Bonds, Series 2012A (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 _________, 2012 (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 (as defined below) 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.

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.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

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	Amount Maturing	CUSIP Number
	$	

The Final Official Statement relating to the Bonds is dated ____________, 2012 (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 8 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 in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

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) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. 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. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA 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.

7. 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 or waiver.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable 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.

8. 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 to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. 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.

10. 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 Reportable 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 Reportable 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 Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

11. 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.

12. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable 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.

13. 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.

14. 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 captions, "SECURITY FOR THE SERIES 2012A 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 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 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 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 principles. Audited Financial Statements will be submitted to EMMA 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 REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

[TO BE DATED CLOSING DATE]

Re: $___________
Boise State University
General Revenue Project and Refunding Bonds,
Series 2012A

We hereby certify that we have examined a certified copy of the proceedings of the Board of Trustees (the *"Board"*) of Boise State University, an institution of higher education and a body politic and corporate of the State of Idaho (the *"University"*), including certified copy of the Supplemental Resolution adopted by the Board on February ___, 2012 (the *"Supplemental Resolution"*), authorizing the issuance by the University of its $_________ General Revenue Project and Refunding Bonds, Series 2012A (the *"Series 2012A Bonds"*). The Series 2012A Bonds are issued and secured under the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as supplemented and amended, including by the Supplemental Resolution (collectively, the *"Resolution"*).

The Series 2012A Bonds are dated as of their date of original issuance and delivery and mature on April 1 of each of the years and in the amounts and bear interest as follows:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
	$	%

The Series 2012A 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 2012A Bonds and in the Resolution. The Series 2012A Bonds are issuable as fully-registered bonds, without coupons, in the denomination of $5,000 or any whole multiple thereof.

The Series 2012A Bonds are being issued under the authority of Title 33, Chapter 38 Idaho Code, as amended (the *"Act"*), for the purpose of financing a portion of the cost of acquisition and construction of the Series 2012A Project (as defined in the Resolution), refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2012A Bonds.

Based on such examination, we are of the opinion that such proceedings show lawful authority for the issuance of the Series 2012A 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, the University has the authority to issue the Series 2012A 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.

(3) The Series 2012A 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 2012A Bonds are entitled to the benefits of the Resolution and the Act, and the Series 2012A Bonds have been duly and validly authorized and issued in accordance with law and the Resolution.

(4) 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 2012A Bonds have been complied with.

(5) Subject to the University's compliance with certain covenants, interest on the Series 2012A 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, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Series 2012A Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012A Bonds. Ownership of the Series 2012A 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 2012A Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by The Arbitrage Group, Inc., Certified Public Accountants.

(6) Subject to the University's compliance with certain covenants, under the laws of the State of Idaho as presently enacted and construed, interest on the Series 2012A Bonds is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act; *provided however* that we express no opinion concerning whether interest on the Series 2012A Bonds held by a S Corporation is subject to the income tax or the franchise tax imposed by the State of Idaho. Failure of the University to comply with such requirements could result in interest on the Series 2012A Bonds being subject to the income tax and franchise tax under the Idaho Income Tax Act retroactively to the date of the issuance of the Series 2012A Bonds. Ownership or disposition of the Series 2012A 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 2012A Bonds. Bond counsel has expressed no opinion with respect to taxation under any other provisions of Idaho law. Prospective purchasers of the Series 2012A 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 2012A 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 2012A 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,