

University of Idaho

FINANCIAL STATEMENTS FOR THE YEARS
ENDED JUNE 30, 2013 AND 2012 AND
REPORT OF INDEPENDENT AUDITORS

INCLUDING SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND SINGLE AUDIT
DOCUMENTS
FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT AUDITORS	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 15
FINANCIAL STATEMENTS:	
Statements of Net Position	16 – 17
Statements of Revenues, Expenses and Changes in Net Position	18 – 19
Statements of Cash Flows	20 – 21
Statements of Benefit Plan Net Position	22
Statements of Changes in Benefit Plan Net Position	23
Notes to Financial Statements	24 – 59
REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	60 – 61
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY <i>OMB CIRCULAR A-133</i>	62 – 63
SCHEDULE OF FINDINGS AND QUESTIONED COSTS:	64
Part I – Summary of Auditor's Results Section	
Part II – Financial Statement Findings Section	
Part III – Federal Award Findings and Questioned Costs Section	
Schedule of Expenditures of Federal Awards	65 – 83
Notes to the Schedule of Expenditures of Federal Awards	84 - 88

REPORT OF INDEPENDENT AUDITORS

Idaho State Board of Education
University of Idaho
Moscow, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Idaho (the University) and the discretely presented component unit, as of and for the years ended June 30, 2013 and 2012, and the aggregate remaining fund information of the University, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the University of Idaho Foundation (the Foundation), which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit, or the University of Idaho Health Benefits Trust, which represent 11 percent, 4 percent, and 75 percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and the University of Idaho Health Benefits Trust, are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

MOSS ADAMS_{LLP}

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

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University, and its discretely presented component unit, as of June 30, 2013 and 2012, and the aggregate remaining fund information of the University, as of December 31, 2012 and 2011, and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 4 through 15 and certain information in Note 14, *Postemployment Benefits (Other Than Pensions) and Retiree Benefits Trust*, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2013, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Moss Adams LLP".

Eugene, Oregon
September 25, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

The University of Idaho ("University") is a doctoral-research intensive land-grant institution, with the principal responsibility for research and granting Ph.D. degrees in Idaho. The University serves state, national and international communities by providing academic instruction and conducting research that advances fundamental knowledge. In addition to its main campus in Moscow, the University has instructional centers in Coeur d'Alene, Boise, Twin Falls and Idaho Falls as well as research and extension centers located across the state.

Overview

The Management's Discussion and Analysis is designed to provide an easy to read analysis of the University's financial condition, results of operations and cash flows based on facts, decisions and conditions known at the date of the auditor's reports. The emphasis of this discussion of the financial performance of the University is for the current year, June 30, 2013.

The discussion and analysis that follows provides an overview of the University's financial activities for the fiscal year ended June 30, 2013 in comparison to 2012 and 2011. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. They are prepared using the accrual basis of accounting, whereby revenues are recognized when services are provided and expenses are recognized when goods or services are received, regardless of when cash is exchanged.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement 14, these statements also present information for the University of Idaho Foundation, Inc. ("Foundation") which qualifies as a component unit of the University.

In accordance with GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, the University has included financial statements for the Health Benefits (HBT) Trust and Retirement Benefits (RBT) Trust. The HBT was established to meet the requirements of the State of Idaho Department of Insurance in order to manage the University's self-insurance program. Separate audited financial statements are prepared for the HBT and may be obtained by contacting University of Idaho, Attn. General Accounting, 875 Perimeter Drive MS3166, Moscow, ID 83844-3166. The RBT was established to meet the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. These statements and related supplementary information are presented after the University's financial statements and preceding the notes to the financial statements.

Statement of Net Position

The statement of net position outlines the University's financial condition at fiscal yearend. This is a point-in-time financial statement and presents end-of-year data concerning assets, liabilities and net position. From the data

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

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

The statement of net position is presented in a classified format, which differentiates between current and noncurrent assets and liabilities, and also groups net position into four categories which are:

1. Net Investment in Capital Assets - the University's investment in property, plant, and equipment - net of depreciation and outstanding debt obligations related to those capital assets.
2. Restricted Nonexpendable - the corpus of nonexpendable restricted resources is available only for investment purposes. These assets are held in perpetuity.
3. Restricted Expendable - subject to external donor or grantor stipulations regarding their use. The University may expend these assets for purposes as determined by donors and/or external entities.
4. Unrestricted - may be expended for any lawful purpose of the University.

Condensed Statement of Net Position			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2013	2012	2011
ASSETS			
Current assets	\$ 60,276	\$ 48,726	\$ 88,575
Capital assets - net	400,527	396,636	393,825
Other noncurrent assets	78,467	157,864	124,037
Total assets	<u>\$ 539,270</u>	<u>\$ 603,226</u>	<u>\$ 606,437</u>
LIABILITIES			
Current liabilities	\$ 55,435	\$ 47,026	\$ 50,117
Noncurrent liabilities	154,802	152,609	153,966
Total Liabilities	<u>\$ 210,237</u>	<u>\$ 199,635</u>	<u>\$ 204,083</u>
NET POSITION			
Net investment in capital assets	\$ 243,071	\$ 239,982	\$ 246,836
Restricted nonexpendable	-	74,859	78,191
Restricted expendable	28,851	24,796	24,613
Unrestricted	57,111	63,954	52,714
Total net position	<u>\$ 329,033</u>	<u>\$ 403,591</u>	<u>\$ 402,354</u>
Total liabilities and net position	<u>\$ 539,270</u>	<u>\$ 603,226</u>	<u>\$ 606,437</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Total assets for the University ended fiscal year 2013 at \$539M, a reduction of \$64.0M when compared to prior year. During fiscal year 2013, the Idaho Board of Regents ("Regents") approved an action that authorized the University and the Foundation to execute a Release and Waiver of Rights and Restrictions Agreement that permanently eliminates any and all revocation privileges associated with certain Consolidated Investment Trust ("CIT") assets held in trust by the Foundation. This "Special Item" event resulted in a one-time transfer of approximately \$81M of restricted, nonexpendable trust assets from the University to the Foundation. However, it is important to note that this transfer is a non-cash event and has no negative financial or operational impact to either the University or the Foundation in the current and future years. In April 2013, both S&P and Moody's bond rating agencies reaffirmed the University's A+ / Aa3 credit rating and indicated no meaningful credit implication or minimal impact to overall financial resources of both the University and the Foundation resulting from this new release agreement. Excluding the financial impact of this Special Item, the University reported an increase in net position of approximately \$6.4 million in fiscal year 2013, which compares favorably to prior year's increase of \$1.2M.

Current assets increased \$11.6M, or 24%, to \$60.3M, with the majority of the increase being driven by an overall net increase of \$7.4M in cash and cash equivalents and \$2.8M in prepaid expenses. Cash and cash equivalents were materially influenced by a planned strategic shift over the past couple of years from cash into long-term higher yielding investments. Beginning in fiscal year 2012, the University has been actively involved in transferring its investment management oversight to two independent, professional firms who are tasked with investing targeted long-term cash reserves into higher yielding investments while minimizing investment principle risk, where possible. This strategy has proved very successful with current investment yields reaching approximately 2.5% and combined investment income and realized gains from strategic investment repositioning exceeding operational budgets by approximately \$500k, or 36%, in fiscal year 2013.

Noncurrent assets decreased \$75.5M, or -14%, to \$479M in fiscal year 2013 primarily due to the Special Item transfer of the CIT assets to the Foundation valued at \$74.9M at the end of fiscal year 2012. Long-term investments were down by \$6.4M due in part to a \$2.9M unrealized loss in fair market value and a \$3.5M targeted liquidation of certain investments to supplement cash and cash equivalent reserves as of June 30, 2013.

Current liabilities increased \$8.4M, or 17.9%, to \$55.4M in fiscal year 2013 primarily due to an \$8.0M increase in accrued salaries and benefits payable resulting primarily from an increase in active and retiree employee benefit costs and strategic reserves designed to proactively manage the variability associated with the University's self-insured health benefits and GASB 45 retiree benefit trusts.

Noncurrent liabilities increased \$2.2 M, or 1.4%, to \$154.8M over prior year due primarily to a \$2.3M net increase in notes and bonds payable resulting from the issue of \$8.1M of new project funds generated from the issuance of the 2013 A/B bond series offset by \$5.8M of scheduled principle debt payments and amortization on existing debt. \$6.3M of the \$8.1M in new project funds were used to finance the acquisition of land in McCall, ID dedicated to an outdoor science center. Overall total liabilities increased \$10.6M, or 5.3%, to \$210.2M while the University's net position decreased by \$74.6M to \$329.0M in fiscal year 2013. Excluding the financial impact of the \$81M Special

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

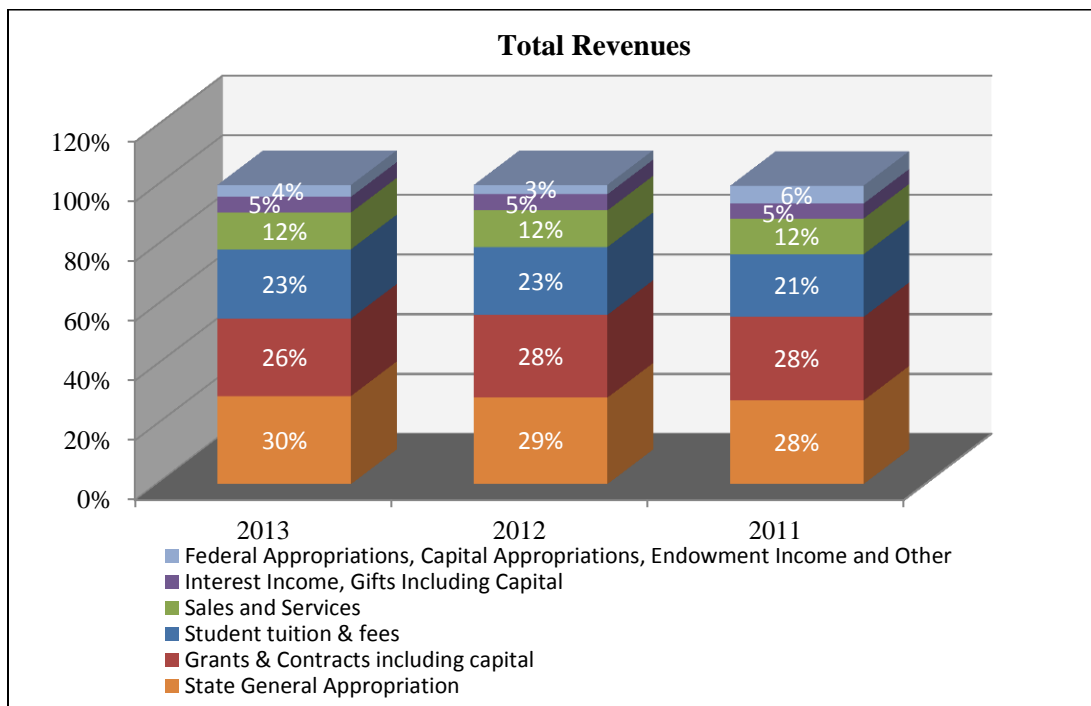
Item transfer of the CIT assets to the Foundation, the University's net position would have increased \$6.4M in 2013 vs \$1.2M in 2012.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year, classifying activities as either operating or non-operating. The GASB 34 reporting model classifies state appropriations, gifts, federal appropriations, and investment income as non-operating revenue which results in a net operating loss.

Operating revenues are derived from exchange transaction activities associated with providing goods and services for instruction, research, public service or related support to entities separate from the university. Examples include student tuition and fees, sales and services, grants and contracts. Operating expenses are those expenses paid to acquire or produce the goods and services provided to carry out the functions of the University. Examples include salaries, benefits, scholarships, and purchases of supplies. Non-operating revenues are primarily derived from activities that are non-exchange transactions, e.g., gifts and contributions; and from sources defined as such by GASB Statement No. 9, e.g., investment income; and from sources defined as such by GASB Statement Nos. 33 and 34, e.g., state and federal appropriations.

When comparing all of the University's sources of revenue in 2013, as shown in the chart below, state appropriations account for 29% of the total revenue received while grants and contracts, and student tuition and fees were 26% and 22% of the total, respectively.



MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Condensed Statement of Revenues, Expenses and Changes in Net Position			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2013	2012	2011
Operating revenues	\$ 209,556	\$ 206,726	\$ 208,428
Operating expenses	361,480	349,061	354,206
Operating loss	(151,924)	(142,335)	(145,778)
Net nonoperating revenues	151,051	139,310	156,696
Loss before other revenues	(873)	(3,025)	10,918
Other revenues	7,305	4,262	11,151
Increase In Net Position Before Special Item	6,432	1,237	22,069
Special Item - see Note 20	(80,990)	-	-
Increase In Net Position	(74,558)	1,237	22,069
Net Position - Beginning of year	403,591	402,354	380,285
Net Position - End of year	\$ 329,033	\$ 403,591	\$ 402,354

The statement of revenues, expenses and changes in net position details the \$74.6M decrease in net position for fiscal year 2013. Excluding the financial impact of the Special Item transfer of \$80.9M in CIT assets to the Foundation, the University reported an increase in net position of approximately \$6.4 million in fiscal year 2013, which compares favorably to prior year's increase of \$1.2M.

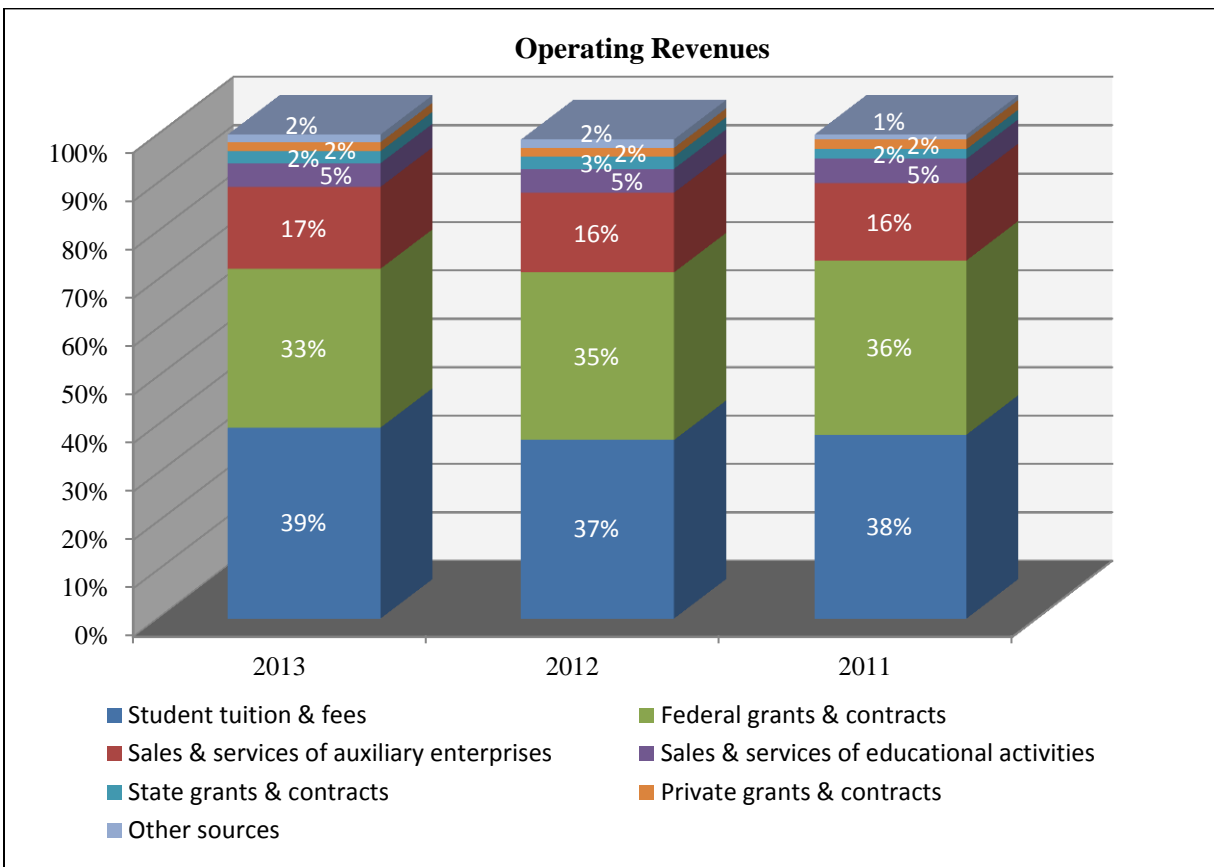
As shown in the chart above, operating revenues increased \$2.8M, or 1.4%, to \$209.6M in fiscal year 2013 due primarily to increases in student tuition and fees and educational and auxiliary enterprise sales and services, offset by a small reduction in federal, state, and private grants. Student tuition and fees, net of scholarship allowances, increased \$4.3M due largely in part to a 6% increase in resident undergraduate fee rates, a 7% increase in resident graduate fee rates, and a 2% increase in non-resident fee rates. Overall net revenue per student increased due to a strategic move in fiscal year 2013 to begin reducing the overall amount of institutional tuition waivers offered to students, especially non-resident. This strategy contributed approximately \$2M in net tuition revenues without materially impacting enrollment levels. Total student headcount enrollments in both undergraduate and graduate levels, in the Fall of 2012, remained relatively steady at 12,500 students; however, overall full-time student enrollments declined by approximately 3.7% in fiscal year 2013 due largely in part to a lower freshman and transfer class in Fall of 2012 combined with recent changes supported by the Idaho State Board of Education which reduced the number of credits required for graduation thus resulting in a higher proportionate of students graduating when compared to prior periods. We expect this negative impact to overall student full-time equivalent enrollment levels to be temporary and ultimately inconsequential as time passes.

New and existing program fees contributed an additional \$523K in revenues for fiscal year 2013 as compared to 2012 with continued success emanating from our national reputation in delivering high quality, professional degreed and non-degreed programs such as our Executive MBA program and our Public Utilities Executive Course.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Federal, state, and private grants and contracts revenue remained consistently strong at \$77.9M in fiscal year 2013, compared with \$80.5M in the prior year. Sales and services of auxiliary enterprises increased \$1.4M, or 4.2%, to \$35.5M while sales and services of educational activities remained steady at \$10.2M.

In fiscal year 2013, as shown in the graph below, approximately 90% of total operating revenues were generated from three key revenue sources. Student tuition and fees accounted for 39% of total operating revenues while federal grants and contracts accounted for 33% and sales and services of auxiliary enterprises covers 17%. All other categories account for 5% or less.



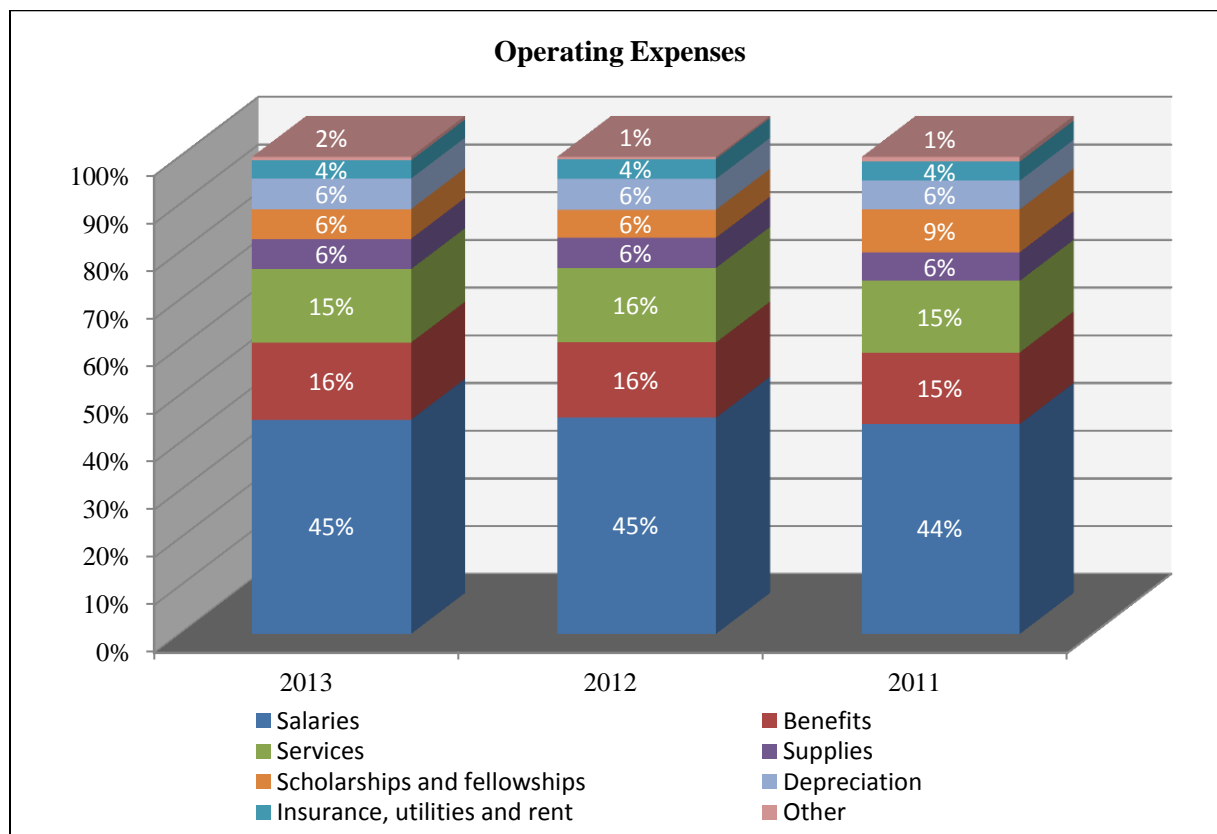
Operating expenses increased by \$12.4M, or 3.6%, to \$361.5M in fiscal year 2013. Total personnel costs of \$217.1M in fiscal year 2013 was \$7.4M, or 3.5%, higher than 2012 levels of \$209.7M due mainly to a SBOE-approved 2% increase in salaries, an overall 1.5% increase in employee staffing levels, and a rise in active and retiree employee benefit costs, including adequately funding OPEB reserves. Total services costs in fiscal 2013 only increased by \$1.0M, or 1.8%, to \$55.6M and supplies costs only increased by \$800K, or 3.6%, to \$23.0M. These costs are closely tied to grants and contract related expenditures associated with the academic research arm of the University as well as other key operational areas including student services, enrollment management, athletics, auxiliaries, facilities management, academic support services, and institutional administration. Insurance,

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

utilities, and rent costs showed a marked reduction of \$900k, or 6.1%, to \$13.8M in fiscal year 2013 due mainly to continued improvement in operational efficiencies gained from recent energy-related capital expenditures over the past five years and the elimination of the land lease rental payments associated to the purchase of the McCall outdoor science center.

Total operating loss increased by \$9.6M, or 6.7%, to \$151.9M in fiscal year 2013, due in large part to the \$7.4M rise in total employee compensation costs. The University's leadership continues to remain actively committed to examining and restructuring academic and administrative programs and services where prudent, strategically monitor employment staffing levels, scrutinize capital improvement activities, and meticulously contain costs, where possible.

In fiscal year 2013, as shown in the graph below, approximately 75% of total operating expenses were generated from three key expenditure sources. Total personnel costs (salaries and benefits) accounted for 60% of total operating expenses while services expenditures accounted for 15%. All other categories account for 6% or less.



Nonoperating revenues, net of interest expense, increased by \$11.7M, or 8.4%, to \$151.0M in fiscal year 2013. State appropriation revenues, including land grant endowment income, increased by \$5.3M, or 5.0%, to \$112.3M, due to increased State funding on general education initiatives. Revenues generated from Federal appropriations

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

and Federal grants and contracts remained strong at \$22.5M per year for the past two years further solidifying the University's reputation for high quality research and other service-related activities at the national level. Gifts, including those provided by the University's Foundation, increased by \$742k, or 4.5%, to \$17.3M in fiscal year 2013 due to a combination of strong market returns for the endowment assets and continued successful efforts involved in the \$225 million multi-year capital fund-raising campaign. Net investment income declined by \$200k, or 14%, to \$1.2M in fiscal year 2013 due to the timing effect of lower available investment balances to invest in higher yielding investments during the transition of the long-term investment portfolio management shift during fiscal year 2103. The change in fair value of investments declined to a \$2.2M loss in 2013 as compared to a \$1.2M gain in 2012 due to weaker bond market conditions resulting from the recent shift by the Federal Reserve to begin reducing its involvement in providing market liquidity in certain interest-rate sensitive financial instruments.

Assets held by the Foundation for the University as part of the overall consolidated investment trust increased in market value by \$6.1M, or 8.2%, to \$81M in fiscal year 2013 as of the date of the University's transfer of these assets to the Foundation. This increase was due to strong domestic and global financial equity market conditions. On February 8, 2013, the University executed agreements that permanently transferred, without revocation privileges, these CIT assets to the Foundation. Interest expense on long-term debt decreased \$755k to \$7.3M in 2013 due to positive benefits from recent bond and notes payable debt refinancing and the reduced impact of recognizing some \$715k of interest expense in fiscal year 2012 that more accurately belonged in fiscal year 2011. Other sources of revenues also contributed \$1.2M during fiscal year 2013, a reduction of \$800k from prior year, due mainly to a one-time receipt of \$880k in insurance proceeds awarded to the University in 2012 due to the Navy ROTC building being completely destroyed by fire. The Idaho Department of Public Works provided \$5.2M of campus improvement capital project resources while the University's Foundation and state and federal grants & contracts also contributed \$2.1M in capital funds.

Overall, the University's net position before Special Item in 2013 increased by \$6.4M, compared to \$1.2M in 2012, a \$5.2M positive improvement. The 1-time Special Item transfer of the CIT assets to the Foundation resulted in an overall decrease in net position of \$74.6M to \$329.0M in fiscal year 2013; however, it is important to note that the \$81M Special Item transfer is a non-cash event and has no negative financial or operational impact to either the University or the Foundation in the current and future years.

Statement of Cash Flows

The statement of cash flows presents detailed information about the cash activities of the University during the year ended June 30, 2013. The statement is divided into five parts. The first part details operating cash flows and the net cash used by the operating activities of the University. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section, cash flows from capital and related financing activities, shows 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. The fifth section reflects the net change in cash position.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Condensed Statement of Cash Flows			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2013	2012	2011
Cash provided (used) by:			
Operating activities	\$ (123,936)	\$ (123,381)	\$ (125,860)
Noncapital financing activities	153,221	148,086	150,330
Capital and related financing activities	(25,003)	(28,475)	(35,304)
Investing activities	5,405	(45,906)	18,730
Net change in cash	9,687	(49,676)	7,896
Cash beginning of the year	15,611	65,287	57,391
Cash end of the year	<u>\$ 25,298</u>	<u>\$ 15,611</u>	<u>\$ 65,287</u>

Operating activities used \$124.0M in cash during fiscal year 2013, resulting in a marginal increase of only \$556k, or 0.5%, from fiscal year 2012 levels. Non-capital financing activities provided \$153.2M in cash during fiscal year 2013, also resulting in a marginal increase of only \$5.1M, or 3.5%, from fiscal year 2012. This increase was caused primarily by the \$5M increase in state appropriations for general educational initiatives. Capital and related financing activities used \$25.0M of cash in fiscal year 2013, a decrease of \$3.5M, due mostly to approximately \$2M of new bond proceeds acquired in 2013 for campus related capital improvements that have not been expended as of June 30, 2013. During fiscal year 2013, \$8.1M in new bond proceeds were acquired. Investing activities provided \$5.4M in cash in fiscal year 2013, as compared to using \$45.9M in fiscal year 2012. The material use of cash in fiscal year 2012 correlates very closely to the \$48M increase in long-term investments as of fiscal year end 2012 resulting from the strategic shift to invest our excess cash into higher yielding investments designed to meet certain annual financial interest income goals.

Capital Assets and Debt Management

The University had \$765.4M and \$741.2M of capital assets at June 30, 2013 and 2012 respectively, with accumulated depreciation of \$364.9M and \$344.6M respectively. The major categories and associated value of capital assets as well as accumulated depreciation at June 30, 2013, 2012 and 2011 are illustrated in the chart below.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Capital Asset at Cost			
Buildings and improvements	\$ 562,776	\$ 548,132	\$ 522,949
Equipment	93,153	88,855	85,595
Construction in progress	2,651	7,763	16,984
Library materials	78,892	74,854	71,389
Capitalized collections	2,307	2,259	2,204
Land	25,623	19,375	19,220
Total Capital Assets	<u>\$ 765,402</u>	<u>\$ 741,238</u>	<u>\$ 718,341</u>
Accumulated Depreciation			
Building and improvements	\$ 226,363	\$ 212,857	\$ 199,427
Equipment	77,031	73,451	69,601
Library materials	61,482	58,294	55,488
Total Accumulated Depreciation	<u>\$ 364,876</u>	<u>\$ 344,602</u>	<u>\$ 324,516</u>

At June 30, 2013 and 2012, the University had debt (or similar long-term obligations) of \$160.9M and \$158.7M respectively. In fiscal year 2013, the University issued Bond Series 2013 A/B that refunded Bond Series 2003, refinanced the Track & Field Complex Note with Wells Fargo Bank, and provided \$8.1M in new project funds to finance the \$6.3M land purchase in McCall, ID along with \$1.8M of funds for various capital improvements to the Moscow Campus.

Economic Outlook

Over the past two years, the economy in Idaho has experienced a solid rebound being fueled by positive trends in housing and employment; however, some caution still remains. As reported by the Idaho Division of Financial Management in the July 2013 Idaho Economic Forecast Report, the State should continue to see modest growth in all sectors and components of the local economy over the next 3 years (2013 thru 2016) provided that the policies and laws executed at the national level do not significantly hinder the sustained economic gains made across the United States and key international countries around the globe. This positive change in the economy provided the State of Idaho the opportunity to increase its funding levels for higher education in 2013 by approximately 8% with the University receiving an increase of approximately 5% (\$5 million) in state appropriations for general education purposes compared to fiscal year 2012.

The financial position of the University is stable and improving; however, the leadership is aware of the need to proactively pursue other revenue streams while remaining diligent in monitoring costs. Senior leadership is also cognizant of the fact that the local, national, and international economic recoveries are not fully complete and that there will continue to exist many demands on limited state and federal financial resources. Federal sequestration and directed cutbacks in federal and state grants to help fund research and various outreach activities will also continue to limit resources for higher education institutions, University of Idaho included, involved in significant levels of annual research activities. Fiscal efforts at the state and national level to sustain and potentially increase

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

the funding levels for higher education are promising; however, positive improvements in the local and state economy need to solidify further to provide much needed stable and dependable state tax revenues.

In response to these continued fiscal challenges, the University's leadership has taken proactive measures over the past 2 to 3 years across the main campus and satellite campuses to help mitigate the negative effects as well as reposition much needed fiscal resources to critical academic, student services, and administrative areas. Senior leadership continues to actively plan for future state funding scenarios, both positive and negative, and is well prepared to successfully address them as they materialize.

Increased investment in strategic enrollment efforts over the past two years continue to show promising results with Fall 2013 enrollments remaining stable at approximately 13,000 students across all 5 statewide campuses. New freshmen enrollments continue to show positive trends; however, recent changes supported by the Idaho State Board of Education in reducing the number of credits required for graduation has resulted in a higher proportionate of students graduating when compared to prior periods. We expect this negative impact to overall student full-time equivalent enrollment levels to be temporary and ultimately inconsequential as time passes. Significant efforts across all areas of the university continue to remain focused on student retention with promising results being seen at both the undergraduate and graduate levels.

The University continues to excel as a national leader in high quality academic research. Being recognized by the Carnegie Foundation as a high research activity institution, the University was actively engaged in approximately \$76M in sponsored program grant and contract expenditure activities in fiscal year 2013 with total expenditures toward research, instruction and public service of \$95.8 million. University efforts toward proactively pursuing new federal, state, industry, and other grants and contracts continue to show our commitment to remain a national leader in academic research. In 2013, approximately \$233M of grant and contract proposals were submitted with approximately \$89M (or 38%) being successfully awarded. In fiscal year 2013, the University's reputation in highly advanced and complex research was again recognized by the National Science Foundation (NSF) with a \$20M grant to Idaho's statewide Experimental Program to Stimulate Competitive Research (EPSCoR), a higher education collaboration among the University of Idaho, Boise State University, and Idaho State University, to study the social and ecological systems and ecosystem services, especially associated with water demand, in mid-sized cities in the face of climate change and urban growth. The University's College of Education was also recognized for its expertise in evaluating and improving student educational outcomes by being awarded a \$3M research grant from the Albertson Foundation to improve student achievement, in primary grades thru undergraduate college level classes, through the effective use of technology.

Major capital improvements in FY 2013 continued to positively enhance the beauty, productivity, and safety on the main campus with continued investments in major life safety enhancements to the Kibbie Dome, energy saving improvements across a number of buildings on campus, and key investments in new research equipment and IT infrastructure. The University also expanded its state-wide research footprint by purchasing \$6.3M of land in McCall, Idaho for an outdoor science center. In total, the University, with support from the Idaho Dept. of Public Works, invested approximately \$28M in capital assets in FY 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

In spite of the economic challenges facing the State of Idaho and the nation, the University of Idaho will continue moving forward with strategic academic, student services, and fiscal initiatives that will advance the mission and long-term goals of the University. We will continue to seek efforts to grow and enhance existing revenue sources, while also seeking out new opportunities. We will continue to examine and restructure academic and administrative programs and services where prudent, strategically monitor employment staffing levels, scrutinize capital improvement activities, and meticulously contain costs where possible.

The leadership at the University of Idaho will continue to proactively address all challenges, financial and otherwise, by continuing to operate with a strong sense of integrity, accountability, and fiscal responsibility. Every member of the University's collective body: students, faculty, and staff are fully committed to playing an active role in the continued success of the State of Idaho's premier research and land-grant institution.

University of Idaho

STATEMENT OF NET POSITION AS OF JUNE 30, 2013 AND 2012

	University of Idaho 2013	University of Idaho 2012	University of Idaho Foundation (note 18) 2013	University of Idaho Foundation (note 18) 2012
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 20,714,345	\$ 13,342,778	\$ 11,605,647	\$ 10,541,837
Due from state agencies	190,986	187,516	-	-
Prepaid expenses	4,180,169	1,364,073	-	-
Investments - Restricted	601,940	601,886	11,338,302	11,153,680
Interest receivable	579,381	494,282	452,118	516,538
Student loans receivable	1,598,188	1,566,780	-	-
Accounts receivable & unbilled charges - net	29,782,066	27,902,779	-	-
Inventories	2,298,645	2,923,300	-	-
Promises to give - net	-	-	1,353,293	1,215,450
Notes receivable	330,753	342,871	66,500	66,700
Total Current Assets	60,276,473	48,726,265	24,815,860	23,494,205
NONCURRENT ASSETS				
Restricted cash and cash equivalents	4,583,089	2,267,824	11,998,360	11,402,008
Student loans receivable - net	9,685,062	10,118,259	-	-
Investments - Unrestricted	62,760,654	67,990,342	-	-
Investments - Restricted	-	1,202,122	213,870,589	194,286,707
Assets held in trust by Foundation	-	74,859,032	-	-
Promises to give - net	-	-	1,671,123	2,310,429
Notes receivable	-	-	388,311	458,273
Deferred bond financing costs	1,437,682	1,425,558	-	-
Capital assets - net	400,527,308	396,636,352	5,832,157	4,306,657
Other noncurrent assets	-	-	378,969	303,017
Total Noncurrent Assets	478,993,795	554,499,489	234,139,509	213,067,091
TOTAL ASSETS	\$ 539,270,268	\$ 603,225,754	\$ 258,955,369	\$ 236,561,296
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 539,270,268	\$ 603,225,754	\$ 258,955,369	\$ 236,561,296

See notes to financial statements

Continued

University of Idaho

STATEMENT OF NET POSITION AS OF JUNE 30, 2013 AND 2012

	University of Idaho 2013	University of Idaho 2012	University of Idaho Foundation (note 18) 2013	University of Idaho Foundation (note 18) 2012
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 3,041,758	\$ 2,484,563	\$ 159,899	\$ 95,424
Accrued salaries and benefits payable	26,678,613	18,677,864	-	-
Compensated absences payable	8,275,598	8,959,087	-	-
Trust earnings payable to trust beneficiaries	-	-	8,616,627	6,795,831
Accrued interest payable	1,867,078	1,930,547	-	-
State teacher education loan advance	247,444	241,038	-	-
Deposits	764,825	735,164	-	-
Deferred revenue	7,551,643	7,017,852	-	-
Funds held in custody for others	906,388	243,346	-	-
Obligations under capital leases	147,530	140,171	-	-
Notes and bonds payable	5,956,633	5,989,900	-	-
Other liabilities	(2,373)	606,230	-	-
Split interest agreements	-	-	1,004,212	1,010,670
Total Current Liabilities	55,435,137	47,025,762	9,780,738	7,901,925
NONCURRENT LIABILITIES				
Obligations under capital leases	-	147,530	-	-
Notes and bonds payable	154,801,920	152,461,587	-	-
Assets held in trust for the University	-	-	-	74,859,032
Split interest agreements	-	-	5,757,568	5,626,385
Total Noncurrent Liabilities	154,801,920	152,609,117	5,757,568	80,485,417
TOTAL LIABILITIES	\$ 210,237,057	\$ 199,634,878	\$ 15,538,305	\$ 88,387,341
NET POSITION				
Net investment in capital assets	243,070,923	239,981,523	-	-
Restricted for:				
Nonexpendable	-	74,859,032	202,360,584	110,808,319
Expendable	28,851,316	24,796,022	36,006,967	32,145,781
Unrestricted	57,110,972	63,954,298	5,049,512	5,219,854
Total Net Position	329,033,211	403,590,875	243,417,063	148,173,954
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 539,270,268	\$ 603,225,754	\$ 258,955,369	\$ 236,561,296

See notes to financial statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITON FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	University of Idaho 2013	University of Idaho 2012	University of Idaho Foundation (note 18) 2013	University of Idaho Foundation (note 18) 2012
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 105,845,666	\$ 100,824,500	\$ -	\$ -
Land grant endowment income	6,466,800	6,164,400	-	-
Federal appropriations	5,386,942	3,893,046	-	-
Federal grants and contracts	17,136,217	18,656,793	-	-
Gifts (including gifts from Foundation)	17,275,225	16,533,613	-	-
Private grants and contracts	-	1,475	-	-
Net investment income including pledged revenues of UI of \$1,218,954 and \$1,197,651 for FY 2013 and FY 2012 respectively	1,215,985	1,415,725	5,564,399	5,722,066
Net increase (decrease) in fair value of investments	(2,242,474)	1,226,392	17,483,581	(6,602,440)
Change in value of assets held in trust for University	6,131,306	(3,331,972)	(6,131,306)	3,331,972
Distribution of endowment income to University and trust beneficiaries	-	-	(8,616,627)	(6,809,561)
Distribution to University and affiliates	-	-	(9,059,759)	(10,881,846)
Distribution of trust income to life income beneficiaries	-	-	(702,154)	(731,799)
Lease and rental income	-	-	-	-
Property management	-	-	(2,776)	(17,596)
Change to split interest trusts	-	-	507,458	890,618
Interest expense (net of capitalized interest of \$438,974 and \$469,009 for FY 2013 and FY 2012 respectively)	(7,329,495)	(8,084,679)	-	-
Other sources	1,164,690	2,010,651	-	-
Net nonoperating revenues	<u>151,050,862</u>	<u>139,309,944</u>	<u>(957,184)</u>	<u>(15,098,586)</u>
GAIN (LOSS) BEFORE OTHER REVENUES	<u>(872,735)</u>	<u>(3,024,927)</u>	<u>14,252,771</u>	<u>(2,607,159)</u>
OTHER REVENUES				
Capital grants and contracts	1,353,360	788,398	-	-
Projects with Idaho Department of Public Works	5,185,086	2,090,339	-	-
Capital gifts from Foundation	766,963	1,383,234	-	-
Total other revenues	<u>7,305,409</u>	<u>4,261,971</u>	<u>-</u>	<u>-</u>
INCREASE IN NET POSITION BEFORE SPECIAL ITEM	6,432,674	1,237,044	14,252,771	(2,607,159)
SPECIAL ITEM - see Note 20	<u>(80,990,338)</u>	<u>-</u>	<u>80,990,338</u>	<u>-</u>
INCREASE IN NET POSITION	(74,557,664)	1,237,044	95,243,109	(2,607,159)
NET POSITION - Beginning of year	<u>403,590,875</u>	<u>402,353,831</u>	<u>148,173,954</u>	<u>150,781,113</u>
NET POSITION - End of year	<u>\$ 329,033,211</u>	<u>\$ 403,590,875</u>	<u>\$ 243,417,063</u>	<u>\$ 148,173,954</u>

See notes to financial statements

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	University of Idaho 2013	University of Idaho 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts and disbursements		
Tuition and fees	\$ 82,588,940	\$ 85,659,444
Grants and contracts	80,963,993	79,883,129
Sales of services	43,270,591	45,459,303
Payments to or for employees	(209,775,722)	(207,849,698)
Payments to suppliers	(100,961,447)	(100,220,724)
Scholarships disbursed	(22,489,009)	(29,742,995)
Funds held for others	663,042	(7,296)
Student loans collected	2,485,437	2,159,021
Student loans disbursed	(1,801,859)	(1,783,531)
Other receipts	1,120,018	3,062,032
Net cash used by operating activities	<u>(123,936,016)</u>	<u>(123,381,315)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Appropriated general education revenues:		
State general account	105,791,467	100,825,612
Land grant endowment income	6,466,800	6,164,400
Federal Appropriations	5,386,942	3,893,046
Federal Grants and Contracts	17,136,217	18,658,268
Gifts	17,275,225	16,533,613
Other receipts	1,164,693	2,010,651
Net cash provided by noncapital financing activities	<u>153,221,344</u>	<u>148,085,590</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State appropriations, capital	5,185,086	2,090,339
Capital grants and gifts	2,120,322	2,171,632
Capital asset purchases	(27,070,074)	(25,380,225)
Proceeds from capital debt	15,980,090	5,372,306
Principal paid on capital debt	(13,825,320)	(5,310,871)
Interest paid on capital debt	(7,392,964)	(7,417,820)
Net cash used by capital & related financing activities	<u>(25,002,860)</u>	<u>(28,474,639)</u>

See notes to financial statements.

Continued

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	University of Idaho 2013	University of Idaho 2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	109,674,439	87,409,082
Investment income	1,215,985	1,415,725
Purchase of investments	<u>(105,486,060)</u>	<u>(134,731,062)</u>
Net cash provided (used) by investing activities	<u>5,404,364</u>	<u>(45,906,255)</u>
NET INCREASE IN CASH		
Cash - Beginning of year	9,686,832	(49,676,619)
Cash - End of year	<u>15,610,602</u>	<u>65,287,221</u>
	<u>\$ 25,297,434</u>	<u>\$ 15,610,602</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (151,923,597)	\$ (142,334,871)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	23,179,119	22,569,052
Decrease (increase) in assets:		
Receivables, net	(1,492,440)	(564,817)
Inventories and prepaids	(2,191,441)	2,049,979
Increase (decrease) in liabilities:		
Accounts payable	557,195	(5,419,271)
Accrued payroll, benefits and compensated absences	7,317,260	1,874,698
Deposits and deferred revenues	563,452	(1,057,500)
Change in funds held for others	663,042	(7,296)
Other liabilities	<u>(608,606)</u>	<u>(491,289)</u>
Net cash used by operating activities	<u>\$ (123,936,016)</u>	<u>\$ (123,381,315)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital asset write-offs	\$ 2,740,591	\$ -
Donated assets	2,799,828	1,383,234
Change in fair value of investments	(2,912,610)	1,226,392
Change in fair value of assets held in trust	6,131,306	(3,331,972)
Special Item - see Note 20	(80,990,338)	-

See notes to financial statements

STATEMENTS OF BENEFIT PLAN NET POSITION AS OF DECEMBER 31, 2012 AND 2011

	Retiree Benefits Trust 2012	Retiree Benefits Trust 2011	Health Benefits Trust 2012	Health Benefits Trust 2011
Assets				
Cash and short-term investments	\$ 837,798	\$ 554,370	\$ 230,034	\$ 428,095
Interest receivable	52	337	17,610	19,299
Investments, at fair value				
Fixed income securities	12,410,886	9,613,285	2,698,001	3,241,400
Equity securities	<u>10,682,041</u>	<u>8,482,491</u>	-	-
Total investments	<u>23,092,927</u>	<u>18,095,776</u>	<u>2,698,001</u>	<u>3,241,400</u>
 Total assets	 <u>\$ 23,930,777</u>	 <u>\$ 18,650,483</u>	 <u>\$ 2,945,645</u>	 <u>\$ 3,688,794</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,934	\$ 590,710
IBNR liability	<u>-</u>	<u>-</u>	<u>1,851,000</u>	<u>1,690,000</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>1,852,934</u>	 <u>2,280,710</u>
 Net position held in trust for benefits	 <u>\$ 23,930,777</u>	 <u>\$ 18,650,483</u>	 <u>\$ 1,092,711</u>	 <u>\$ 1,408,084</u>

See notes to financial statements

STATEMENTS OF CHANGES IN BENEFIT PLAN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Retiree Benefits Trust 2011	Retiree Benefits Trust 2011	Health Benefits Trust 2011	Health Benefits Trust 2010
Additions				
Contributions				
Employer	\$ 3,000,000	\$ 500,000	\$ 15,257,281	\$ 13,638,605
Plan members	<u>-</u>	<u>-</u>	<u>4,646,405</u>	<u>4,710,283</u>
Total contributions	<u>3,000,000</u>	<u>500,000</u>	<u>19,903,686</u>	<u>18,348,888</u>
Interest	466,221	392,146	85,226	110,329
Realized gain in investments	3,195,431	457,839	3,927	1,773
Unrealized gain in investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,894</u>
Total additions	<u>6,661,652</u>	<u>1,349,985</u>	<u>19,992,839</u>	<u>18,577,884</u>
Deductions				
Insurance claim benefits	-	-	17,243,579	16,611,352
Change in IBNR	-	-	161,000	(128,000)
Realized loss in investments	-	567,418	-	-
Unrealized loss in investments	1,381,358	-	9,373	-
Administrative expenses	<u>-</u>	<u>-</u>	<u>2,894,260</u>	<u>2,751,290</u>
Total deductions	<u>1,381,358</u>	<u>567,418</u>	<u>20,308,212</u>	<u>19,234,642</u>
Net increase (decrease) in assets held in trust for benefits	5,280,294	782,567	(315,373)	(656,758)
Benefit plan net position, beginning of year	<u>18,650,483</u>	<u>17,867,916</u>	<u>1,408,084</u>	<u>2,064,842</u>
Benefit plan net position, end of year	<u>\$ 23,930,777</u>	<u>\$ 18,650,483</u>	<u>\$ 1,092,711</u>	<u>\$ 1,408,084</u>

See notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity—The University of Idaho (“University”) is a publicly-supported comprehensive land grant institution created in 1889 by a statute of the 15th territorial legislature and is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho financial reporting entity. The State Board of Education, appointed by the Governor and confirmed by the State Senate, directs the University. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements to the reader.

The University of Idaho Foundation, Inc. (“Foundation”) is considered a component unit of the University as determined by GASB 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No.14, which requires reporting, as a component unit, an organization that raised and holds economic resources for the direct benefit of a governmental unit. The Foundation was established in 1970 to solicit financial support for the University of Idaho and to manage and invest the resulting charitable gifts. The Foundation is a separate 501(c)(3) corporation comprised of 25 members who serve as a self-perpetuating Board of Directors.

The Foundation receives all gifts to the University and transfers gifts to the donor-specified area within the University on a regular schedule. In addition, the Foundation manages the endowment funds in a pooled investment fund, Consolidated Investment Trust (“CIT”), and transfers a designated percentage of historical investment earnings to the University on an annual basis.

The Foundation also manages a number of split-interest agreements. These are contributions in the form of irrevocable charitable remainder trusts and charitable gift annuities. These gifts have been received from donors subject to obligations to pay stipulated amounts periodically to the donors or designated beneficiaries during their lifetimes or a period of years. These assets for which the Foundation serves as trustee are included in investments, and the present value of the estimated future payments to be made to the donors or other beneficiaries is included in the liabilities. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, amortization of the discount, or the estimated life of the trust.

The University of Idaho Health Benefits Trust (“HBT”) was established in June, 2007 in accordance with the State of Idaho Department of Insurance (“DOI”) requirements. The HBT receives the employer, employee and retiree contributions for the University’s self-insured health plan, and pays the medical, dental, mental health and vision claims, and corresponding administrative processing fees, associated with the health plan. In addition, the HBT maintains a balance sufficient to cover the actuarially-determined incurred-but-not-paid (“IBNR”) claims of the health plan, as well as DOI-required supplemental funding of 30% of the actuarially determined IBNR claims. The HBT is overseen by a group of four independent Trustees who are employed by the University. The Trustees are responsible for overseeing the investment of the Trust monies, and ensuring that the University adequately funds the HBT on an ongoing basis through the aforementioned contributions to allow

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

payment of the ongoing claims. The HBT proceeds are managed on behalf of the Trustees by U.S. Bank.

The University of Idaho Retiree Benefits Trust (“RBT”) was established in April, 2008 to fund the University’s actuarially-determined projected liability for its self-insured retiree health plan. The RBT is overseen by University of Idaho Administration and the Trust proceeds are managed on behalf of the University by Wells Fargo Bank.

The HBT and RBT both have December 31 fiscal year ends. The difference in the fiscal year end from the University does not materially impact the net assets of the University.

Basis of Accounting—For financial statement 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. 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 is presenting its financial statements in accordance with GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and GASB Statement 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities, an amendment of GASB Statement No. 34*.

Cash and Cash Equivalents—The University considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Student Loans Receivable—Loans receivable from students bear interest at rates ranging from 3% to 5% and are generally repayable in installments to the University over a 5- to 10-year period commencing 6 or 9 months from the date of separation from the University. Collections on these student loans are primarily handled through a third party servicer.

Accounts Receivable—Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University’s grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories—All inventories are valued at the lower of first-in-first-out cost or market.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Investments—The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the net change in fair value of investments in the statement of revenues, expenses, and changes in net assets.

Restricted Cash and Cash Equivalents—Cash and cash equivalents that are restricted to make debt service payments, maintain sinking or reserve funds, except for currently due payments, are classified as non-current assets in the statement of net assets.

Capital Assets—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. For equipment, 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. 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, composite method over the estimated useful lives of the assets, generally 40 years for buildings, 20 years for improvements other than buildings, 10 years for library materials and an average of 7 years for equipment. Depreciation is not computed on capitalized collections which include works of art, historical treasures, and various special collections comprising of anthropological, geological, entomological, musical, and wildlife subjects.

In fiscal year 2010, in accordance with the requirements and definitions of GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, the University adopted a policy of capitalizing any intangible assets \$200,000 or greater in value that have an expected useful life of one year or longer. Depreciation on intangible assets is computed using the straight-line, composite method over the estimated useful lives of the assets, primarily consisting of computer software and licenses that generally have a useful life of 5 years. The University adopted this policy in compliance with the State of Idaho guidelines related to the requirements of implementation for GASB No. 51.

Compensated Absences—Employee vacation and compensatory time pay is accrued at year-end for financial statement purposes. Compensated absence costs are included in benefits expense in the statement of revenues, expenses, and changes in net assets.

Waivers—Tuition waivers, provided directly by the University for faculty and staff benefits, amounted to \$947,623 and \$640,586 for the fiscal years ended 2013 and 2012, respectively.

Deferred Revenue—Deferred revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Noncurrent Liabilities—Noncurrent liabilities primarily include (1) principal amounts of revenue bonds payable, and notes payable with contractual maturities greater than one year; and (2) estimated amounts for other liabilities that will not be paid within the next fiscal year.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Net Position—The University's net position is classified as follows:

Net Investment In Capital Assets: This represents the University's investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted—Nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted—Expendable: Restricted expendable net position includes resources for which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, investment income, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board for any lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. 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 toward unrestricted resources.

Income Taxes—The University is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, per letter dated November 7, 1945. The University is also considered a Section 501(c)(3) corporation via letter from the Internal Revenue Service dated August 29, 1961. The University is subject to unrelated business income tax.

Classification of Revenues—The University has classified its revenues as either operating or nonoperating according to the following criteria:

Operating Revenues: Operating revenues include revenues from activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts, and (4) interest on institutional student loans.

Nonoperating Revenues: Nonoperating revenues include revenues from activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Scholarship Discounts and Allowances—Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement 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 third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance. Scholarship allowances for FY2013 and FY2012 are \$21,333,219 and \$23,671,319 respectively.

Use of Estimates—The preparation of financial statements in conformity 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, liabilities, net assets and disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates.

New Accounting Standards—In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The University has reviewed its existing arrangements with other public and non-public entities and has not identified any arrangements that would constitute service concession arrangements under Statement 60.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement amends previous GASB Statements 14 and 34 to improve the financial reporting for governmental financial reporting entities. These amendments relate to the assessment and reporting of potential component units related to the financial reporting entity. The University's sole component unit is the University of Idaho Foundation. The University has reviewed the amendments embodied in Statement 61 to ensure its financial reporting is consistent with such amendments.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporated certain accounting and financial reporting guidance that was issued prior to November 30, 1989 by the FASB and the AICPA, the substance of which did not conflict with nor contradict GASB pronouncements. This Statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Propriety Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The University has reviewed Statement 62 to ensure that its accounting and financial reporting is consistent and in compliance with this guidance.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides guidance to the University regarding the reporting of transactions resulting in the consumption or acquisition of net position in one reporting period that are applicable to future reporting periods, defined as deferred outflows and deferred inflows of resources, respectively. These amounts will be reported on the University's Statement of Net Position in addition to and separate from its current asset and liability portions of its financial statements. The University adopted this standard for its fiscal year ending June 30, 2013.

Reclassification---Certain items previously reported in the financial statements have been reclassified to conform to the current financial statement presentation.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are deposited with various financial institutions. Custodial credit risk on deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. At June 30, 2013, \$12,940,188 of the University's bank balance of \$25,297,434 was exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2012, \$925,431 of the University's bank balance of \$15,610,602 was exposed to custodial credit risk because it was uninsured and uncollateralized.

3. INVESTMENTS

The general investment policy of the University as adopted by the State Board of Education is that investments in securities are to be made with the objectives of maximizing long-term total return, ensuring safety of principal, and providing satisfactory current income. Investment of cash shall be restricted to:

- FDIC passbook savings accounts.
- Certificates of deposit.
- U.S. securities.
- Federal funds repurchase agreements.
- Reverse repurchase agreements.
- Federal agency securities.
- Large money market funds.
- Banker's acceptances.
- Corporate bonds of Aa grade or better.
- Mortgage backed securities of Aa grade or better.
- Commercial paper of prime or equivalent grade.

In accordance with established investment policy, the University may invest in various mortgage-backed securities, such as collateralized mortgage obligations. These securities are recorded at fair value in the statement of net assets. Investment income, including change in fair value of investments, is recognized as revenue in the statement of revenues, expenses and changes in net assets.

The following table represents the fair value of investments by type at June 30, 2013 and June 30, 2012 respectively:

	2013 Fair Value	2012 Fair Value
Corporate bonds	\$ 39,205,568	\$ -
U.S. government agency securities	15,701,774	601,886
Mortgage/asset-backed securities	7,766,928	-
Money market mutual funds	688,324	-
Mutual funds - U.S. government securities	-	69,192,464
Total	\$ 63,362,594	\$ 69,794,350

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as the risk a government may face should interest rate variances affect the fair value of investments. The University does not presently have a formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments. As of June 30, 2013 and June 30, 2012 respectively, the University had the following investments subject to interest rate risk:

Investment Securities Subject to Interest Rate Risk at June 30, 2013

Investment Maturities in Years

Investment Type	Total Fair Value	<1	1-5	6-10	11-15	>15
Corporate bonds	\$ 39,205,568	\$ -	\$ 1,156,379	\$ 37,517,189	\$ 532,000	\$ -
U.S. government agency securities	15,701,774	601,940	6,365,905	8,733,928	-	-
Mortgage/asset-backed securities	7,766,928	-	7,766,928	-	-	-
Money market mutual funds	688,324	688,324	-	-	-	-
Total	\$ 63,362,594	\$ 1,290,264	\$ 15,289,213	\$ 46,251,117	\$ 532,000	\$ -

Investment Securities Subject to Interest Rate Risk at June 30, 2012

Investment Maturities in Years

Investment Type	Total Fair Value	<1	1-5	6-10	11-15	>15
U.S. government agency securities	\$ 601,886	\$ 601,886	\$ -	\$ -	\$ -	\$ -
Mutual funds - U.S. government securities	69,192,464	4,151,548	24,909,287	40,131,629	-	-
Total	\$ 69,794,350	\$ 4,753,434	\$ 24,909,287	\$ 40,131,629	\$ -	\$ -

Interest rate risk disclosed for Mutual Funds - Government Securities is related to the mutual funds' underlying assets.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. Statement No. 40 requires disclosure of credit quality ratings for investments in debt securities. The University does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued upon standards set by Standard and Poor's.) As of June 30, 2013 and June 30, 2012, the University had the following investment credit risk:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Investment Securities Subject to Credit Risk at June 30, 2013

Credit Rating	Corporate Bonds	U.S. Government	Mortgage	Money Market Mutual Funds	Mutual funds -	Total
		Agency Securities	Asset-Backed Securities		Government Securities	
AAA	\$ 1,365,990	\$ 601,940	\$ 1,764,479	\$ 688,324	\$ -	\$ 4,420,733
AA	10,389,075	15,099,834	4,518,439	-	-	30,007,347
A	27,450,503	-	1,484,011	-	-	28,934,514
Total	\$ 39,205,568	\$ 15,701,774	\$ 7,766,928	\$ 688,324	\$ -	\$ 63,362,594

Investment Securities Subject to Credit Risk at June 30, 2012

Credit Rating	Corporate Bonds	U.S. Government	Mortgage	Money Market Mutual Funds	Mutual funds -	Total
		Agency Securities	Asset-Backed Securities		Government Securities	
AAA	\$ -	\$ 601,886	\$ -	\$ -	\$ 69,192,464	\$ 69,794,350
Total	\$ -	\$ 601,886	\$ -	\$ -	\$ 69,192,464	\$ 69,794,350

Concentration of Credit Risk

Per Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. The University does not presently have a formal policy that addresses concentration of risk. As of June 30, 2013 the University had the following concentration of credit risk (the University did not have any investments at June 30, 2012 that represented a 5 percent or greater concentration in any one issuer):

Investment Securities Subject to Concentration of Credit Risk at June 30, 2013

	Percentage of	
	Total Fair Value	Total Investments
Federal National Mortgage Association (FNMA)	\$ 9,499,085	14.99%
Federal Home Loan Mortgage Corporation (FGLMC)	6,202,689	9.79%
Total	\$ 15,701,774	24.78%

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the University will not be able to recover the value of its investments that are in the possession of an outside party. The University does not have an investment policy for custodial credit risk. At June 30, 2013 and June 30, 2012 all investments were held by the University or its counterparty in the University's name.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

4. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Receivables and unbilled charges consisted of the following at June 30, 2013 and June 30, 2012, respectively:

	2013	2012
Student tuition and fees, including Federal financial aid funds	\$ 4,694,804	\$ 3,978,111
Auxiliary enterprises	1,112,274	1,700,547
Educational Activities	782,960	1,440,486
Federal appropriations	58,828	4,629
Federal Financial Aid Funds	88,862	173,093
Grants and contracts	14,872,267	14,273,403
Due from Foundation	8,503,853	6,625,510
	<u>\$ 30,113,848</u>	<u>\$ 28,195,779</u>
Less allowance for doubtful accounts	(331,782)	(293,000)
	<u>\$ 29,782,066</u>	<u>\$ 27,902,779</u>
Net accounts receivable and unbilled charges	<u>\$ 29,782,066</u>	<u>\$ 27,902,779</u>

5. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (“Program”) comprise substantially all of the loans receivable at June 30, 2013 and June 30, 2012. Under this Program, the federal government provides approximately 67% of the funding for the Program with the University providing the balance. The Program provides for the cancellation of a loan at rates of 12.5% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The federal government reimburses the University for amounts cancelled under these provisions.

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 allowance for uncollectible loans was \$1,918,371 for June 30, 2013 and \$1,710,069 at June 30, 2012.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

6. CAPITAL ASSETS

Capital assets at June 30, 2013 and 2012 consisted of the following:

	<u>Year ended June 30, 2013</u>				<u>Balance June 30, 2013</u>
	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	
Capital assets not being depreciated:					
Land	\$ 19,375,352	\$ 6,247,488	\$ 700	\$ -	\$ 25,623,540
Capitalized collections	2,258,593	47,931	-	-	2,306,524
Equipment construction in progress	258,546	889,911	(413,297)	(11,011)	724,149
Construction in progress	<u>7,762,746</u>	<u>1,483,071</u>	<u>(6,236,761)</u>	<u>(357,642)</u>	<u>2,651,414</u>
Total capital assets not being depreciated	<u>\$ 29,655,237</u>	<u>\$ 8,668,401</u>	<u>\$ (6,649,358)</u>	<u>\$ (368,653)</u>	<u>\$ 31,305,627</u>
Capital assets being depreciated:					
Buildings	\$ 493,913,741	\$ 7,974,594	\$ 5,430,549	\$ (551,885)	\$ 506,766,999
Other improvements	54,219,158	992,547	796,982	-	56,008,687
Furniture and equipment	88,596,424	5,603,534	421,827	(2,192,806)	92,428,979
Library materials	<u>74,853,611</u>	<u>4,371,485</u>	<u>-</u>	<u>(333,218)</u>	<u>78,891,878</u>
Total capital assets being depreciated	<u>711,582,934</u>	<u>18,942,160</u>	<u>6,649,358</u>	<u>(3,077,909)</u>	<u>734,096,543</u>
Less accumulated depreciation:					
Buildings	(181,539,860)	(11,771,242)	-	547,102	(192,764,000)
Other improvements	(31,316,855)	(2,281,725)	-	-	(33,598,580)
Furniture and equipment	(73,451,043)	(5,605,772)	-	2,025,756	(77,031,059)
Library materials	<u>(58,294,061)</u>	<u>(3,520,380)</u>	<u>-</u>	<u>333,218</u>	<u>(61,481,223)</u>
Total accumulated depreciation	<u>(344,601,819)</u>	<u>(23,179,119)</u>	<u>-</u>	<u>2,906,076</u>	<u>(364,874,862)</u>
Capital assets being depreciated - net	<u>\$ 366,981,115</u>	<u>\$ (4,236,959)</u>	<u>\$ 6,649,358</u>	<u>\$ (171,833)</u>	<u>\$ 369,221,681</u>
Capital assets summary:					
Capital assets not being depreciated	\$ 29,655,237	\$ 8,668,401	\$ (6,649,358)	\$ (368,653)	\$ 31,305,627
Capital assets being depreciated	<u>711,582,934</u>	<u>18,942,160</u>	<u>6,649,358</u>	<u>(3,077,909)</u>	<u>734,096,543</u>
Total cost of capital assets	741,238,171	27,610,561	-	(3,446,562)	765,402,170
Less accumulated depreciation	<u>(344,601,819)</u>	<u>(23,179,119)</u>	<u>-</u>	<u>2,906,076</u>	<u>(364,874,862)</u>
Capital assets - net	<u>\$ 396,636,352</u>	<u>\$ 4,431,442</u>	<u>\$ -</u>	<u>\$ (540,486)</u>	<u>\$ 400,527,308</u>

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized for acquisition, or under construction, at June 30, 2013 is approximately \$10,240,000. These costs will be financed by state appropriations, institutional funds, gifts, grants and contracts, the Department of Public Works, and/or long-term borrowings.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

	<u>Year ended June 30, 2012</u>				<u>Balance June 30, 2012</u>
	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	
Capital assets not being depreciated:					
Land	\$ 19,220,253	\$ 155,139	\$ -	\$ (40)	\$ 19,375,352
Capitalized collections	2,204,030	60,027	-	(5,464)	2,258,593
Equipment construction in progress	241,262	660,312	(628,693)	(14,335)	258,546
Construction in progress	<u>16,984,295</u>	<u>5,181,918</u>	<u>(14,403,410)</u>	<u>(57)</u>	<u>7,762,746</u>
Total capital assets not being depreciated	<u>\$ 38,649,840</u>	<u>\$ 6,057,396</u>	<u>\$ (15,032,103)</u>	<u>\$ (19,896)</u>	<u>\$ 29,655,237</u>
Capital assets being depreciated:					
Buildings	\$ 472,271,448	\$ 8,475,235	\$ 13,418,717	\$ (251,659)	\$ 493,913,741
Other improvements	50,677,501	2,565,635	984,693	(8,671)	54,219,158
Furniture and equipment	85,354,038	4,549,308	628,693	(1,935,615)	88,596,424
Library materials	<u>71,388,798</u>	<u>3,970,288</u>	<u>-</u>	<u>(505,475)</u>	<u>74,853,611</u>
Total capital assets being depreciated	<u>679,691,785</u>	<u>19,560,466</u>	<u>15,032,103</u>	<u>(2,701,420)</u>	<u>711,582,934</u>
Less accumulated depreciation:					
Buildings	(170,324,871)	(11,392,321)	-	177,332	(181,539,860)
Other improvements	(29,102,075)	(2,223,451)	-	8,671	(31,316,855)
Furniture and equipment	(69,600,847)	(5,642,396)	-	1,792,200	(73,451,043)
Library materials	<u>(55,488,652)</u>	<u>(3,310,884)</u>	<u>-</u>	<u>505,475</u>	<u>(58,294,061)</u>
Total accumulated depreciation	<u>(324,516,445)</u>	<u>(22,569,052)</u>	<u>-</u>	<u>2,483,678</u>	<u>(344,601,819)</u>
Capital assets being depreciated - net	<u>\$ 355,175,340</u>	<u>\$ (3,008,586)</u>	<u>\$ 15,032,103</u>	<u>\$ (217,742)</u>	<u>\$ 366,981,115</u>
Capital assets summary:					
Capital assets not being depreciated	\$ 38,649,840	\$ 6,057,396	\$ (15,032,103)	\$ (19,896)	\$ 29,655,237
Capital assets being depreciated	<u>679,691,785</u>	<u>19,560,466</u>	<u>15,032,103</u>	<u>(2,701,420)</u>	<u>711,582,934</u>
Total cost of capital assets	718,341,625	25,617,862	-	(2,721,316)	741,238,171
Less accumulated depreciation	<u>(324,516,445)</u>	<u>(22,569,052)</u>	<u>-</u>	<u>2,483,678</u>	<u>(344,601,819)</u>
Capital assets - net	<u>\$ 393,825,180</u>	<u>\$ 3,048,810</u>	<u>\$ -</u>	<u>\$ (237,638)</u>	<u>\$ 396,636,352</u>

7. ACCOUNTS PAYABLE

Accounts payable consisted of the following at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Operating activities	\$ 3,014,493	\$ 2,461,011
Taxes payable	27,265	23,552
Total accounts payable and accrued liabilities	<u>\$ 3,041,758</u>	<u>\$ 2,484,563</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

8. OPERATING LEASES

The University has entered into various noncancellable operating lease agreements covering certain equipment. The lease terms range from one to five years. The expense for operating leases was \$3,552,880 for the year ended June 30, 2013 and \$3,191,148 for the year ended June 30, 2012.

Future minimum lease payments on noncancellable leases at June 30, 2013 are as follows:

2014	\$ 3,233,698
2015	17,383
2016	15,822
2017	12,449
2018	5,623
Total future minimum lease obligations	<u>\$ 3,284,975</u>

9. LONG-TERM LIABILITIES

Long-term liability activity for years ended June 30, 2013 and 2012 is as follows:

	Ending Balance June 30, 2012	Additions	Reductions	Ending Balance June 30, 2013	Amounts Due within One Year
Bonds, Notes and Capital Lease Obligations:					
Bonds Payable	\$ 155,795,000	\$ 15,070,000	\$ 10,500,000	\$ 160,365,000	\$ 5,325,000
Notes Payable	5,301,487	-	2,843,276	2,458,211	725,527
Capital Lease Obligations	287,702	-	140,171	147,531	147,530
	<u>161,384,189</u>	<u>15,070,000</u>	<u>13,483,447</u>	<u>162,970,742</u>	<u>6,198,057</u>
Premium on Bonds	2,746,194	653,624	727,265	2,672,553	243,026
Deferred Bond Refunding Costs	(5,391,195)	256,466	(397,518)	(4,737,211)	(336,920)
Totals	<u>\$ 158,739,188</u>	<u>\$ 15,980,090</u>	<u>\$ 13,813,194</u>	<u>\$ 160,906,084</u>	<u>\$ 6,104,163</u>

	Ending Balance June 30, 2011	Additions	Reductions	Ending Balance June 30, 2012	Amounts Due within One Year
Bonds, Notes and Capital Lease Obligations:					
Bonds Payable	\$ 160,535,000	\$ -	\$ 4,740,000	\$ 155,795,000	\$ 4,817,894
Notes Payable	1,017,422	4,929,328	645,263	5,301,487	1,172,006
Capital Lease Obligations	-	442,977	155,275	287,702	140,171
	<u>161,552,422</u>	<u>5,372,305</u>	<u>5,540,538</u>	<u>161,384,189</u>	<u>6,130,071</u>
Premium on Bonds	3,009,029	-	262,835	2,746,194	262,833
Deferred Bond Refunding Costs	(5,802,463)	-	(411,268)	(5,391,195)	(411,268)
Totals	<u>\$ 158,758,988</u>	<u>\$ 5,372,305</u>	<u>\$ 5,392,105</u>	<u>\$ 158,739,188</u>	<u>\$ 5,981,636</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

10. NOTES AND BONDS PAYABLE

Notes and bonds payable consisted of the following at June 30, 2013 and 2012:

Description	Balance Outstanding 2013	Balance Outstanding 2012
<p>Student Fee Refunding and Revenue Bonds, Series 2003, (original balance of \$17,585,000), consisting of serial bonds due in annual installments commencing in 2003 and increasing periodically from \$935,000 to a maximum of \$4,465,000, plus interest from 4.00% to 5.25% through the year 2022, collateralized by a pledge of net revenues of the Student Housing System, net revenues derived from the Telecommunications System, and certain other pledged revenues. The Series 2003 bonds were issued to provide funds to finance the cost of renovating and equipping certain research facilities on the University's campus, to refund a portion of the University's bank line of credit for a borrowing incurred for improvements to research facilities, to currently refund the outstanding Series 1994 Facility Refunding and Improvement Revenue Bonds in the principal amount of \$8,335,000 and the Series 1994 Student Building Fee Refunding Revenue Bonds in the principal amount of \$3,905,000, and to pay bond issuance expenses. On May 29, 2013, Series 2013A were issued to refund 100% of the outstanding principle amount of the Series 2003 Bonds.</p>	\$ -	\$ 6,575,000
<p>General Revenue Refunding Bonds, Series 2005A, (original balance of \$30,740,000), consisting of bonds due in annual installments commencing in 2005 and fluctuating periodically from \$790,000 to a maximum of \$2,265,000, plus interest from 4.00% to 5.00% through the year 2026, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. Revenues pledged to the Recreation Center Bonds and to the Activity Center Bonds are pledged to the 2005A bonds on a subordinate basis until the retirement of the Recreation Center Bonds and Activity Center Bonds. The Series 2005A bonds were issued to advance refund the Series 1996 Student Fee Revenue Bonds (Telecommunications Infrastructure Facilities Project) in the principal amount of \$2,700,000, to advance refund the Series 1997 Student Fee Revenue Bonds (University Commons Project) in the principal amount of \$12,965,000, to advance refund the Series 1997 Student Fee Revenue Bonds (University Commons Supplemental Project) in the principal amount of \$4,120,000, to advance refund the Series 1999C Student Fee Revenue Bonds (University Infrastructure and Facilities Improvement Projects) in the principal amount of \$4,065,000, to advance refund all of the outstanding Series 1999D Student Fee Revenue Bonds (Kibbie and Enrollment Services Centers Improvement Projects) in the principal amount of \$6,020,000, to fund the debt service reserve account, and to pay bond issuance expenses.</p>	24,060,000	24,890,000

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Description	Balance Outstanding 2013	Balance Outstanding 2012
<p>General Revenue Bonds, Series 2007B, (original balance of \$35,035,000), consisting of bonds due in annual installments, commencing in 2015 and fluctuating periodically from \$200,000 to a maximum of \$34,235,000 plus interest from 4.25% to 4.50% through the year 2041, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2007B bonds were issued to finance certain electrical upgrades and to fund capital maintenance and replacement of the University's utility corridor, central steam plant and central chiller, and related improvements located on the University's main campus.</p>	35,035,000	35,035,000
<p>General Revenue Refunding Bonds, Series 2010A, (original balance of \$10,230,000), consisting of serial bonds due in annual installments commencing in 2011 and fluctuating periodically from \$585,000 to a maximum of \$2,075,000, plus interest from 2.25% to 5.00% through the year 2016, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010A bonds were issued to refund the Series 1996 Student Fee Refunding Revenue Bonds in the principal amount of \$3,125,000 and to refund the Series 1997B Student Fee Refunding Revenue Bonds in the principal amount of \$7,290,000.</p>	3,975,000	6,130,000
<p>General Revenue Refunding Bonds, Series 2010B, (original balance of \$10,150,000), consisting of term bonds due beginning in 2024 and fluctuating periodically from \$1,660,000 to a maximum of \$2,430,000, plus interest from 4.01% to 4.65% through the year 2032, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010B bonds were issued to pay off an interim loan from Wells Fargo Bank, N.A. which funded improvements to the University's Kibbie Dome.</p>	10,150,000	10,150,000
<p>General Revenue Refunding Bonds, Series 2010C, (original balance of \$13,145,000), consisting of term bonds due beginning in 2037 with two payments of \$6,390,000 and \$6,755,000, plus interest from 6.42% to 6.52% through the year 2041, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010C bonds were issued to finance and reimburse costs incurred by the University for certain capital improvements to the University's Kibbie Dome.</p>	13,145,000	13,145,000

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Description	Balance Outstanding 2013	Balance Outstanding 2012
Adjustable Rate General Revenue Refunding Bonds, Series 2011, (original balance of \$60,765,000), consisting of term bonds carrying interest at 5.25% through March 31 st , 2021, at which time the bonds are subject to mandatory tender for purchase. The bonds may be converted to another term interest period through 2041. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2011 bonds were issued to refund the University's Series 2007A General Revenue Refunding Bonds and to pay the costs of issuance of the Series 2011 bonds.	58,930,000	59,870,000
General Revenue and Refunding Bonds, Series 2013A, (original balance of \$8,745,000), consisting of serial bonds commencing in 2014, plus interest from 2.00% to 5.00% through 2028, and term bonds due 2033, plus interest at 3.375%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2013A bonds were issued to provide funds to finance certain improvements at the Moscow Campus of the University, to refund all outstanding Series 2003 Student Fee Refunding and Revenue Bonds, to pay off the University's 2010 Wells Fargo note payable issued to fund the University's prior track and field renovations, and to pay costs of issuance associated with the Series 2013A Bonds.	8,745,000	-
Taxable General Revenue Bonds, Series 2013B, (original balance of \$6,325,000), consisting of serial bonds commencing in 2014, plus interest from 0.70% to 4.00% through 2030, and term bonds due 2033, plus interest at 4.30%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2013B were issued to provide funds to finance and reimburse costs incurred by the University to acquire land for an outdoor science center in McCall, Idaho and to pay costs associated with the issuance of the Series 2013B Bonds.	6,325,000	-
Other indebtedness, consisting of notes payable with interest rates ranging from 3.245% to 5.00% due through the year 2019.	2,458,210	5,301,487
Sub-total	162,823,210	161,096,487
Premium on Bonds	2,672,551	2,746,195
Deferred amount on Refunding - 2005A, 2007A, 2010A, 2013A	(4,737,208)	(5,391,195)
TOTAL BONDS & NOTES PAYABLE	\$ 160,758,553	\$ 158,451,487

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Principal and interest maturities on bonds and notes payable, excluding amortization of bond premium and principal and interest on bonds subject to an in-substance debt defeasance are as follows for the years ending June 30:

	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2014	5,325,000	7,364,000	726,000	98,000
2015	6,195,000	7,236,000	683,000	64,000
2016	6,460,000	6,964,000	634,000	36,000
2017	4,445,000	6,679,000	403,000	4,000
2018	4,620,000	6,488,000	11,000	1,000
2019-2023	20,175,000	29,478,000	2,000	-
2024-2028	21,375,000	24,286,000	-	-
2029-2033	18,780,000	18,013,000	-	-
2034-2038	21,205,000	10,650,000	-	-
2039-2043	51,785,000	2,334,000	-	-
	<u>\$ 160,365,000</u>	<u>\$ 119,492,000</u>	<u>\$ 2,459,000</u>	<u>\$ 203,000</u>

In August 2010, the University entered into a line of credit agreement with Wells Fargo Bank to finance improvements to the Dan O'Brien Outdoor Track and Field Complex. The total available line of credit extended to the University under this agreement was \$2,500,000. This note was refinanced with the Series 2013A bond issuance.

Pledged Revenues – As stated in the bond descriptions above, the University has pledged certain revenues as collateral for debt instruments comprised of all outstanding University bond issuances. The pledged revenue amounts for the year ended June 30, 2013 and 2012 are as follows:

	<u>FY13</u>	<u>FY12</u>
Source of Pledged Revenues		
Student Fees	\$ 82,657,950	\$ 77,929,726
Sales and Services Revenues	45,689,284	44,354,807
Other Operating Revenues	2,983,307	3,495,016
Investment Income	1,218,954	1,197,651
F&A Recovery Revenues	10,408,306	10,590,922
Total Pledged Revenues	\$ 142,957,801	\$ 137,568,122
Debt Service on the Recreation Center Bonds and Activity Center Bonds	170,317	170,317
Revenues Available for Debt Service	\$ 142,787,483	\$ 137,397,805
Debt Service on Bonds	12,720,128	12,902,303
Debt Service Coverage	11.2	10.6

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Debt Defeased Through Advance Refunding – The University has defeased certain debt obligations through advanced refunding. These advance refundings are comprised of the University’s Series 2005A, Series 2007A, 2010A, 2011 and 2013A bond issuances. The specific debt, principal payments, refunded amounts and remaining balances for the refunded bonds are as follows:

Refunded Issue	Original Issue Amount	Principal Payments	Refunded Amount	Balance 6/30/13
Student Fee Refunding Revenue Bonds, Series 1996	\$ 9,285,000	\$ 6,160,000	\$ 3,125,000	\$ -
Student Fee Refunding Revenue Bonds, Series 1997B	12,380,000	5,090,000	7,290,000	-
Student Fee Revenue Bonds (Recreation Center Project), Series 1999	20,115,000	795,000	19,320,000	-
Student Fee Revenue Bonds, Series 1999A	1,470,000	295,000	1,175,000	-
Student Fee Revenue Bonds, Series 1999B	6,150,000	1,180,000	4,970,000	-
Student Fee Revenue Bonds, Series 1999C	6,305,000	2,240,000	4,065,000	-
Student Fee Revenue Bonds, Series 2001	40,930,000	2,895,000	38,035,000	-
Student Fee Refunding and Revenue Bonds, Series 2003	17,585,000	12,040,000	5,545,000	-
General Revenue Refunding Bonds, Series 2007A	62,445,000	2,945,000	59,500,000	-
Totals	<u>\$ 176,665,000</u>	<u>\$ 33,640,000</u>	<u>\$ 143,025,000</u>	<u>\$ -</u>

During the year ended June 30, 2013, the University issued the Series 2013A bonds in the total amount of \$8,745,000 consisting of serial bonds due in annual installments commencing in 2014 and one term bond due in 2033 with interest rates ranging from 2.00% to 5.00% through fiscal year 2033. The Series 2013A bonds were issued, in part, to advance refund 100% of the outstanding balance of \$5,545,000 of the Series 2003 bonds. For this purpose, the Series 2013A bonds totaled \$5,270,000 in par amount. The refunded Series 2003 bonds had interest rates ranging from 4.00% to 5.25% through fiscal year 2022. All bond premium, accrued interest and certain closing costs in the amount of \$131,877 were refinanced in the issuance of the Series 2013A bonds.

The Series 2013A bond issuance was undertaken by the University to restructure the existing Series 2003 bond’s total debt service (principal and interest) payment terms and to secure new fixed interest rates of 2.00% to 5.00% for the succeeding nine year period. Due to an upfront savings strategy, in fiscal year 2014, the refunding of the Series 2003 bonds will result in cash flow savings of \$488,041 based on the reduced debt service payments during that period.

11. CAPITAL LEASE OBLIGATION

The University has entered into various capital lease agreements covering computer-related software 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. Future minimum lease obligations under these agreements at June 30, 2013, are as follows:

FY 2014	<u>\$ 155,276</u>
Total minimum lease obligations	\$ 155,276
Less interest	<u>(7,746)</u>
Present value of minimum lease obligations	<u>\$ 147,530</u>

12. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST

The University of Idaho (“University”) is self-insured for the health insurance benefits it provides to employees and retirees. In June, 2007, the University established an affiliated but independent trust for the purpose of funding and paying its medical, mental health, dental and vision claims and their associated administrative costs under its health insurance plan for both active and retired employees. This trust, known as the University of Idaho Health Benefits Trust (“HBT”), was established as a tax-exempt entity under Section 115(1) of the Internal Revenue Code of 1986, as amended. The HBT is administered by a board of four trustees who are members of the University’s active staff and faculty. The HBT is maintained in an independent trust account established with U.S. Bank. This trust account is maintained under the sole control of the HBT board of trustees.

The HBT receives its funding for the payment of University health plan claims through a combination of employer, employee and retiree contributions. These contribution amounts are established in advance of the health plan year based upon independent actuarial valuation which takes into account health plan participant demographics, health plan design, expected health claim costs, and expected investment returns on HBT reserves.

Employer and employee contributions are made to the HBT on a bi-weekly basis corresponding to the University’s payroll schedule. Retiree contributions are billed and collected by the University quarterly and deposited to the HBT each calendar quarter. Additional employer funding may be provided by the University to the HBT as necessary to ensure the solvency of the HBT. Deposits into the HBT are irrevocable and may only be utilized for the payment of participating employee and retiree health plan claims, the associated administrative costs of such claims, and other necessary incidental costs attributable to the administration of the HBT.

Payments under the HBT are initiated via electronic request by University personnel on a weekly basis based upon processed claim information provided to the University by its contracted health plan claim administrators. All retiree-related costs incurred on an annual basis within the HBT apply toward the calculation of the University’s Annual Required Contribution (“ARC”) as determined under the requirements of Governmental Accounting Standard Board Statement 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” The funding of the University’s liability under GASB 45 is recorded separately from the HBT under a second trust, the “University of Idaho Retiree Benefits Trust” as disclosed in Footnote 12 of these financial statements.

The financial statements of the HBT are audited annually on a calendar-year basis, and are publicly available via public records request by writing to: University of Idaho, Attn. General Accounting, 875 Perimeter Drive MS3166, Moscow, ID 83844-3166.

13. RETIREMENT PLANS

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (“PERSI”), a cost-sharing multiple-employer public retirement system, was created by the Idaho State Legislature. PERSI provides benefits based on members’ years of service, age, and compensation. In addition, benefits are provided for disability or death, and for survivors of eligible members or beneficiaries. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. The benefits and obligations to contribute to the plan were established and may be amended by the Idaho State Legislature. Financial reports for the plan are available from PERSI upon request sent to Public Employee Retirement System of Idaho, P.O. Box 83720, Boise, Idaho 83720-0078.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2% of the average monthly salary for the highest consecutive 42 months.

For the three years ended June 30, 2013, 2012 and 2011, the required contribution rate as determined by PERSI was 10.39% and 6.23% of covered payroll for the University and employees, respectively. The University’s contributions required and paid were \$5,262,492, \$5,217,910, and \$5,270,141 for the years ended June 30, 2013, 2012 and 2011, respectively.

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

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

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. The contribution requirements (and amounts paid) for the three years ended June 30, 2013, 2012 and 2011 were \$13,718,868, \$13,299,794, and \$13,079,670, respectively, that consisted of \$7,829,148 from the University and \$5,889,720 from employees for 2013, \$7,593,175 from the University and \$5,706,619 from employees for 2012, and \$7,465,789 from the University and \$5,613,881 from employees for 2011.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Although enrollees in the ORP no longer belong to PERSI, the University is required by the State of Idaho to contribute supplemental payments to PERSI for these enrollees in the amount of 1.49% of the annual covered payroll. The University will be required to make these annual supplemental payments through July 1, 2025. During the three years ended June 30, 2013, 2012 and 2011, these supplemental funding payments made to PERSI were \$1,250,386, \$1,223,679, and \$1,196,093 respectively. These supplemental amounts are not included in the regular University PERSI contribution discussed previously.

The University also contributes to the federal Civil Service and Thrift Savings retirement programs on behalf of its federal employees. The contribution requirements (and amounts paid) for the three years ended June 30, 2013, 2012 and 2011 were \$279,951, \$188,674 and \$191,983 respectively, that consisted of \$177,585 from the University and \$102,366 from employees for 2013, \$143,208 from the University and \$45,466 from employees for 2012, and \$143,742 from the University and \$48,241 from employees for 2011.

14. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS) AND RETIREE BENEFITS TRUST

A. PLAN DESCRIPTION

The University of Idaho (“University”) provides medical and dental benefits to eligible retirees, disabled employees, spouses, and survivors. The University also provides life insurance benefits to eligible retirees. Long-term disabled employees are treated as retirees and eligible for these same retiree benefits. These benefits represent a single-employer defined benefit plan administered by the University. The University has established a trust to fund the medical and dental portions of these post-employment benefits as described below in Section B.

Under certain conditions the University pays a portion of the coverage for retirees and disabled employees and the retiree or disabled employee pays the remainder. Spouses and survivors are always required to pay 100% of the cost for these benefits. 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. Employees who were hired on or after January 1, 2002 are not eligible for this benefit. Employees hired after January 1, 2002 are eligible to participate in the University’s health insurance plan, but the University does not cover any portion of their premiums, deductibles, or coinsurance; those costs are the sole responsibility of the employee. All University post-employment benefits may be further established or amended by the University or the State Board of Education.

Funding for these benefits is comprised of both University and retiree contributions, combined with appropriated funding by the State of Idaho. The University determines the defined premium costs that will be borne by its retiree plan participants, and the State of Idaho Legislature determines the amount of annual state appropriations that will be granted to the University for employee and retiree benefits, provided to the University as a fixed annual amount per full-time equivalent employee. The University allocates this appropriated sum to its various employee and retiree benefits, including the

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

retiree health insurance program. The University solely bears the risk for adverse financial performance within the retiree health insurance program, subject to a cap of \$200,000 per retiree per year, after which the University is reinsured. Retiree premium rates through calendar year 2013 range from \$0.00 to \$2,232.57 per month, depending upon the retiree's status and number of dependents including spouse. Retiree health plan performance is reviewed annually and premium rates are then annually adjusted by the University as necessary.

B. TRUST DESCRIPTION

The University of Idaho established the Retiree Benefits Trust ("RBT") in 2008 to fund the future payments required to provide post-employment benefits other than pension ("OPEB") as described in Section A. above. The RBT is an independent, irrevocable trust administered on behalf of the University by Wells Fargo Bank as trustee. Funding and payment of the annual, ongoing retiree medical and dental benefits under the University's Health Benefits Trust ("HBT"), as described in Footnote 12 to these financial statements, do apply toward the funding of the RBT to meet the requirements of the Annual Contribution Rate ("ARC").

The RBT financial statements are audited annually on a calendar-year basis as an integral part of the University's annual audit as represented in these statements.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — Financial statements for the RBT are prepared using the accrual basis of accounting. University contributions are recorded and recognized in the period in which they are paid into the RBT.

Valuation of Investments – Investments are reported at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the net change in fair value of investments in the statement of changes in plan assets.

D. PLAN MEMBERSHIP, CONTRIBUTION AND FUNDING STATUS

The number and class of retirees and employees are disclosed in the following table. These retiree and disabled counts do not include spouses or surviving spouses. These counts are as follows:

	Medical	Dental	Life	Sick Pay
Active	882	940	90	1,201
Retirees	838	204	871	N/A
Disableds	8	N/A	N/A	-
Retirees (Sick Leave)	N/A	N/A	N/A	11
Total Inactive	846	204	871	11
Total Combined	1,728	1,144	961	1,212

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The University's ongoing obligations and liabilities are actuarially determined. These actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and are subject to continual revision based upon actual results. Actuarial projections of benefits are based upon the types of benefits provided under the University's retiree health plan and the pattern of cost sharing between the University and retirees at the time of valuation. The University's actuarial calculations are based upon long-term expectations and include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and corresponding asset values.

The Entry Age Normal cost method and the Level Dollar amortization method have been utilized to actuarially calculate the University's Present Value of Benefits ("PVB"), Actuarial Accrued Liability ("AAL"), Annual Required Contribution ("ARC") and Annual OPEB Cost ("AOC") for the retiree health plan. Due to the University's establishment of the RBT to hold the funds required to finance its unfunded OPEB liability, the Unfunded Accrued Liability ("UAL") is amortized with interest over a 30-year period. All expected amortization payments are discounted to the end of the year. These actuarial calculations utilize an estimated discount rate of 6.25% and an estimated salary inflation rate of 3.00%. The discount rate of 6.25% is based upon the University's historical and long-term expected investment returns on the trust that has been established to fund these future benefits. All retiree medical, prescription drug, dental, sick pay conversion and life insurance benefits are included in the University's actuarial calculations. The results of these calculations are summarized as follows:

	<u>Entry Age Normal Level</u> <u>Dollar Cost Method</u>
Present Value of Benefits (PVB)	\$67,831,000
Actuarial Accrued Liability (AAL)	63,465,000
Annual Required Contribution (ARC) ¹	3,723,000
Estimated Pay-As-You-Go Contributions ²	3,110,000
Contributions to Qualifying Trust	<u>1,000,000</u>
Total Actual Annual Contributions	4,110,000
Net Annual OPEB Cost (AOC) - Funding Excess	651,000
Total Actual Annual Contributions as % of ARC	110.4%

¹The ARC reflects a 30-year level dollar amortization of the unfunded AAL. The amortization also reflects interest at the discount rate.

² Estimated Pay-As-You-Go Contributions are net of estimated retiree contributions.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The following table shows the components of the University's annual OPEB cost for the fiscal year ending June 30, 2013, the amount actually contributed to the plans, and changes in the University's net OPEB funding excess:

<u>OPEB Component</u>	<u>Amount</u>
Annual required contribution (ARC)	\$ 3,723,000
Interest earned on net OPEB obligation	(114,000)
Adjustments to ARC	<u>144,000</u>
Annual OPEB cost (expense)	3,753,000
Contributions made	<u>(4,404,000)</u>
Increase in OPEB funding excess	(651,000)
Net OPEB funding excess, beginning of the year	<u>(1,821,000)</u>
Net OPEB funding excess, end of the year	<u>\$ (2,472,000)</u>

Funded Status, Utilizing Entry Age Normal Cost Method and Level Dollar Amortization Method of UAAL – As of June 30, 2013:

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Sick Pay</u>	<u>Total</u>
Present Value of Benefits (PVB)					
Retirees	\$34,022,000	\$138,000	\$4,184,000	\$137,000	\$38,481,000
Actives	<u>25,531,000</u>	<u>181,000</u>	<u>280,000</u>	<u>3,358,000</u>	<u>29,350,000</u>
Total	\$59,553,000	\$319,000	\$4,464,000	\$3,495,000	\$67,831,000
Actuarial Accrued Liability (AAL)					
Retirees	\$34,022,000	\$138,000	\$4,184,000	\$137,000	\$38,481,000
Actives	<u>23,111,000</u>	<u>168,000</u>	<u>276,000</u>	<u>1,429,000</u>	<u>24,984,000</u>
Total	\$57,133,000	\$306,000	\$4,460,000	\$1,566,000	\$63,465,000
Assets	<u>\$19,602,000</u>	<u>\$105,000</u>	<u>\$1,530,000</u>	<u>\$537,000</u>	<u>\$21,774,000</u>
Unfunded AAL(UAAL)	\$37,531,000	\$201,000	\$2,930,000	\$1,029,000	\$41,691,000
Assets as % of AAL (Funded Ratio)	34.3%	34.3%	34.3%	34.3%	34.3%
UAAL as % of Annual Covered Payroll	67.0%	0.3%	5.0%	1.6%	33.7%
Annual Required Contribution (ARC)					
Normal Cost ¹	\$331,000	\$2,000	\$2,000	\$278,000	\$613,000
Amortization of Unfunded AAL ²	<u>\$2,799,000</u>	<u>\$15,000</u>	<u>\$219,000</u>	<u>\$77,000</u>	<u>\$3,110,000</u>
Total ARC	\$3,130,000	\$17,000	\$221,000	\$355,000	\$3,723,000
Estimated Benefit Payments (pay-as-you-go) ³	\$2,662,000	\$50,000	\$352,000	\$46,000	\$3,110,000
Covered Payroll	\$56,043,000	\$58,985,000	\$58,985,000	\$64,607,000	\$123,592,000

¹Includes interest to year end.

²Level dollar basis for 30 years. Interest charged at the discount rate and paid at the end of the year.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The accompanying schedule of University contributions presents trend information about the amounts contributed to the plan by the University in comparison to the ARC, an amount that is actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the University and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the University and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation is as follows:

	Retiree Benefits <u>Trust ("RBT")</u>
Valuation Date	7/1/2012
Reporting Date	6/30/2013
Measurement Date	4/1/2013
Actuarial Cost Method	Entry Age Normal
Actuarial Amortization Method	Level Dollar to decrement age
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Fair Market Value
 Actuarial Assumptions:	
Discount Rate	6.25%
Healthcare Cost Trend Rates:	
Medical and drug initial	9.0%
Medical and drug ultimate	5%
Dental initial	5%
Dental ultimate	5%
Inflation Rate - All Other	N/A
Administrative Costs - Medical & Dental	Included in Claim Costs
- Life Insurance	10%

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Retiree Benefits Trust Required Supplementary Information Schedule of Funding Progress

<u>Fiscal Year End Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percent of Covered Payroll (b-a)/(c)</u>
6/30/2008	\$ 4,325,000	\$ 83,011,000	\$ 78,686,000	5.21%	\$ 120,560,000	65.27%
6/30/2009	8,333,000	77,141,000	68,808,000	10.80%	129,435,000	53.16%
6/30/2010	13,768,000	75,973,000	62,205,000	18.12%	124,584,000	49.93%
6/30/2011	19,159,000	74,563,000	55,404,000	25.70%	121,834,000	45.47%
6/30/2012	21,774,000 *	73,240,000	51,466,000	29.73%	123,237,000	41.76%
6/30/2013	24,753,000	63,465,000	38,712,000	39.00%	123,592,000	31.32%

* Assets as of 06/30/2012 were shown as \$21,753,000 in the prior valuation report. However, they were updated to \$21,774,000 due to the GASB trust being notified of a bank statement adjustment in September 2012.

Retiree Benefits Trust Required Supplementary Information Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 7,157,000	101%
2009	6,362,000	101%
2010	5,863,000	116%
2011	5,250,000	107%
2012	4,806,000	108%
2013	3,723,000	110%

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

17. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

The following table shows the University's operating expenses by natural classifications within their functional classifications for the years ending June 30, 2013 and 2012:

<u>Expenses 2013</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Services</u>	<u>Supplies</u>	<u>Ins, utilities & rent</u>	<u>Scholarships & Fellowships</u>	<u>Depreciation</u>	<u>Other</u>	<u>Totals</u>
Instruction	\$ 57,159,824	\$ 25,827,354	\$ 7,541,385	\$ 4,489,388	\$ 592,285	\$ 9,985,909	\$ -	\$ 2,247,741	\$ 107,843,887
Research	36,359,095	12,307,637	16,338,299	6,736,976	810,367	1,937,632	-	(1,589,888)	72,900,119
Public Service	14,559,354	5,896,503	4,997,666	1,130,164	340,221	707,318	-	2,476,168	30,107,395
Academic Support	8,074,917	3,060,360	1,734,763	944,656	168,195	47,213	-	253,356	14,283,458
Libraries	2,422,268	1,082,256	550,187	617,824	4,195	49,917	-	9,385	4,736,032
Student Services	7,496,087	3,062,496	1,424,774	512,215	299,275	41,920	-	896,812	13,733,579
Institutional Support	14,976,417	(162,359)	6,368,888	(1,385,548)	341,471	(642,703)	-	735,495	20,231,660
Plant Operations	6,838,115	3,396,456	2,773,625	2,628,075	8,942,665	17,316	23,179,119	108,534	47,883,906
Scholarships & Fellowships	619,712	34,716	160,548	19,238	-	9,388,978	-	202,359	10,425,552
Auxiliary Enterprises	10,178,246	3,903,528	13,739,512	7,303,710	2,253,866	955,508	-	999,751	39,334,119
	<u>\$ 158,684,035</u>	<u>\$ 58,408,947</u>	<u>\$ 55,629,647</u>	<u>\$ 22,996,698</u>	<u>\$ 13,752,540</u>	<u>\$ 22,489,009</u>	<u>\$ 23,179,119</u>	<u>\$ 6,339,711</u>	<u>\$ 361,479,708</u>

<u>Expenses 2012</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Services</u>	<u>Supplies</u>	<u>Ins, utilities & rent</u>	<u>Scholarships & Fellowships</u>	<u>Depreciation</u>	<u>Other</u>	<u>Totals</u>
Instruction	\$ 53,154,131	\$ 24,312,717	\$ 6,330,266	\$ 4,129,657	\$ 493,736	\$ 3,823,258	\$ -	\$ 2,088,540	\$ 94,332,305
Research	37,246,896	11,217,416	16,923,658	6,404,011	919,066	2,546,531	-	(1,470,104)	73,787,474
Public Service	13,973,733	4,670,739	4,837,893	1,170,694	332,375	1,011,070	-	1,845,333	27,841,836
Academic Support	7,039,009	2,250,871	1,433,536	948,111	144,656	139,663	-	281,485	12,237,329
Libraries	2,236,431	892,955	446,340	596,712	4,580	94,258	-	26,055	4,297,332
Student Services	7,037,376	2,512,434	1,075,985	440,000	344,871	110,857	-	427,829	11,949,353
Institutional Support	16,091,750	2,639,905	6,583,927	(692,992)	225,597	(323,529)	-	682,879	25,207,537
Plant Operations	6,982,921	3,022,892	2,754,885	2,463,760	9,858,128	17,133	22,569,052	172,343	47,841,115
Scholarships & Fellowships	493,395	28,666	134,692	1,741	-	11,193,944	-	92,231	11,944,669
Auxiliary Enterprises	10,450,779	3,469,379	14,029,045	6,685,045	2,327,992	1,794,335	-	865,587	39,622,161
	<u>\$ 154,706,421</u>	<u>\$ 55,017,974</u>	<u>\$ 54,550,226</u>	<u>\$ 22,146,739</u>	<u>\$ 14,651,000</u>	<u>\$ 20,407,520</u>	<u>\$ 22,569,052</u>	<u>\$ 5,012,178</u>	<u>\$ 349,061,110</u>

16. 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 make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the federal government. The University considers any such potential refunds likely to be immaterial.

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

17. RISK MANAGEMENT

The University participates in the State of Idaho's risk and insurance program, which includes liability and property coverage. The State of Idaho's Retained Risk Fund has a \$500,000 cap for tort claims. The University's premiums are based on the State's actuarial calculations and are weighted for losses sustained by the University. Deductibles for the programs include \$2,000 for property losses, \$500 for auto physical damage, \$5,000 for boiler and machinery losses, \$500 for fine art losses and \$50 for inland marine losses. There are no casualty deductibles.

The State Fund of Idaho, a competitive state fund, writes the University's Worker's Compensation coverage. The University's premiums and the State Fund loss experience modifications are based on the loss experience of all State agencies.

18. COMPONENT UNIT

The University of Idaho Foundation, Inc. (Foundation) is a legally separate, 501(c)(3) component unit of the University of Idaho (University) which was established in 1970. The mission of the University of Idaho Foundation, Inc. Moscow, Idaho is to secure, manage, and distribute private support to enhance the growth and development of the University of Idaho. A Board of Directors comprised of up to 25 members governs and conducts the business of the Foundation, meeting three to four times each fiscal year. The officers of the Foundation are Chairman, Vice-Chairman, Treasurer, Secretary, and Past Chairman. Committees include: the Executive Committee, Committee on Directors, Operations and Finance Committee, Investment Committee, Audit Committee, Gift Acceptance Committee, and other committees appointed by the Chairman as necessary to carry out the business of the Foundation. An Executive Director manages the operations of the Foundation. The Foundation professional staff also includes the Director of Finance; Director, Endowment and Gift Administration; Assistant Director, Finance; a Financial Specialist and support staff. The Foundation strategically partners with the leadership team at the University of Idaho including the President, the Vice President of University Advancement, the Vice President for Finance and Administration, and the Executive Director of Planning and Budget. Separate audited financial statements are prepared by the Foundation and may be obtained by contacting University of Idaho Foundation, PO Box 443143, Moscow, Idaho 83844-3143.

The majority of the resources, or income earned from those resources, that the Foundation holds and invests are restricted to the activities of the University by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University and because these resources provide a significant amount of support to the University, the Foundation has been determined to be a component unit of the University and is discretely presented in the University's financial statements. Significant accounting policies associated with the University, described in Note 1, apply to the Foundation, when applicable. Significant disclosures at June 30, 2013 and 2012 are as follows:

INVESTMENTS—Investments in marketable securities are recorded at fair value as determined by quoted market prices. At June 30, 2013, the fair value of restricted and unrestricted investments was \$221,713,115 and \$3,495,776 respectively. At June 30, 2012, the fair value of restricted and unrestricted investments was \$201,730,137 and \$3,710,250 respectively.

The majority of investments held by the Foundation are part of the pooled endowment fund referred to as the Consolidated Investment Trust (CIT). The CIT was established by the Regents of the University of Idaho to pool endowment funds received by the University and the Foundation. The CIT utilizes the market value share method of accounting. The fair value of the CIT's portfolio is divided by the number of outstanding unit participation shares owned by the individual endowments to determine the value of a share when additional contributions are added.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

The following table represents the fair value of investments by type at June 30, 2013 and 2012 respectively:

Investment Type	2013	2012
U.S. Government Agency Obligations	\$ 3,651,648	\$ 2,740,091
Corporate Bonds	40,650,686	40,930,535
Preferred Stock	1,122,907	1,563,836
Municipal Securities	359,871	512,534
U.S. Treasuries	15,951,065	16,031,090
Common Stock	112,328,151	93,903,684
International Equity Funds	15,664,067	14,840,153
Mutual Funds	17,486,019	17,158,258
Private Equity	7,718,833	6,749,573
Real Assets	10,274,933	11,009,940
Foreign Currency	711	693
	<u>\$ 225,208,891</u>	<u>\$ 205,440,387</u>

Interest Rate Risk

Interest rate risk is defined by Statement No. 40 as the risk a government may face should interest rate variances affect the fair value of investments. The Foundation does not presently have a formal policy that addresses interest rate risk.

As of June 30, 2013, the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. Corporations	\$ 40,650,686	\$ 3,045,324	\$ 26,631,899	\$ 9,410,238	\$ 1,563,225
U.S. Government Agency Obligations	3,651,648	5,045	3,043,262	316,964	286,377
U.S. Treasuries	15,951,065	45,855	9,415,063	6,490,147	-
Municipal Securities	359,871	-	150,730	5,007	204,134
	<u>\$ 60,613,270</u>	<u>\$ 3,096,224</u>	<u>\$ 39,240,954</u>	<u>\$ 16,222,356</u>	<u>\$ 2,053,736</u>

As of June 30, 2012, the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. Corporations	\$ 40,930,535	\$ 7,587,682	\$ 22,258,245	\$ 8,518,240	\$ 2,566,368
U.S. Government Agency Obligations	2,740,091	1,067,704	577,944	588,944	505,499
U.S. Treasuries	16,031,090	823,041	1,023,475	14,184,574	-
Municipal Securities	512,534	85,436	221,058	5,010	201,030
	<u>\$ 60,214,250</u>	<u>\$ 9,563,863</u>	<u>\$ 24,080,722</u>	<u>\$ 23,296,768</u>	<u>\$ 3,272,897</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. Statement No. 40 requires disclosure of credit quality ratings for investments in debt securities. The Foundation does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued upon standards set by Standard and Poor's.) As of June 30, 2013 and 2012 respectively, the Foundation had the following investment credit risk:

Credit Rating	U.S. Government Agency Obligations	Corporate Debt	Municipal Securities	Total
AAA	\$ -	\$ 485,540	\$ -	\$ 485,540
AA	3,638,980	9,591,151	-	13,230,131
A	-	15,346,277	275,065	15,621,342
BBB	-	11,155,465	-	11,155,465
BB	-	1,990,609	39,999	2,030,608
B	-	1,591,550	-	1,591,550
CCC	-	36,040	-	36,040
CC	-	-	-	-
D	-	33,639	-	33,639
Not Rated	12,668	420,415	44,807	477,890
Total	\$ 3,651,648	\$ 40,650,686	\$ 359,871	\$ 44,662,205

Investment Securities Subject to Credit Risk at June 30, 2012

Credit Rating	U.S. Government Agency Obligations	Corporate Debt	Municipal Securities	Total
AAA	\$ -	\$ 2,122,528	\$ -	\$ 2,122,528
AA	2,725,352	10,490,561	-	13,215,913
A	-	12,215,784	338,006	12,553,790
BBB	-	11,685,766	5,010	11,690,776
BB	-	2,036,731	40,023	2,076,754
B	-	1,426,225	-	1,426,225
CCC	-	137,889	-	137,889
CC	-	22,035	-	22,035
D	-	18,215	-	18,215
Not Rated	14,739	774,801	129,495	919,035
Total	\$ 2,740,091	\$ 40,930,535	\$ 512,534	\$ 44,183,160

Concentration of Credit Risk

Per Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation has a formal policy addressing concentration of credit risk. Investments shall be diversified with the intent to minimize the risk of large realized and unrealized losses to the invested assets. The total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holding in individual issues, corporations, or industries.

- Not more than 5% of the total equity portfolio valued at market may be invested in the common stock of any one corporation.
- Debt securities of any one issuer shall not exceed 5% of the market value of the total bond portfolio at the time of purchase (except U.S. Treasury or other federal agencies).

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

- With the exception of passively managed portfolios, not more than 20% of the total portfolio may be invested in any one investment manager, fund, or pool.

As of June 30, 2013 and 2012 respectively, the Foundation had not invested more than 5 percent of their investments in any one issuer.

Custodial Credit Risk

The Foundation minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. At June 30, 2013 and 2012 all Foundation funds were held in the name of the counterparty for benefit of the Foundation.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation does not presently have a policy that addresses foreign currency risk. The Foundation is exposed to foreign currency risk in foreign stocks that it holds as follows for June 30, 2013 and 2012 respectively:

Investment Securities Subject to Foreign Currency Risk

Currency Type		June 30, 2013 Fair Value	June 30, 2012 Fair Value
AUD	Australia	\$ 2,604,069	\$ 2,743,365
BRL	Brazil	1,194,298	1,328,378
CHF	Switzerland	2,408,312	1,978,669
CLP	Chile	138,639	212,325
CNY	China	1,982,860	1,803,996
EUR	Euro	2,794,562	2,606,455
GBP	Great Britain	7,778,163	6,211,354
HKD	Hong Kong	2,998,233	2,979,964
IDR	Indonesia	308,957	377,627
INR	India	779,082	858,991
JPY	Japan	2,785,957	2,837,498
KRW	Korea	1,875,246	1,714,623
MXN	Mexico	739,088	730,108
MYR	Malaysia	405,936	412,158
PHP	Philippines	184,277	125,282
PLN	Poland	256,125	173,301
RUB	Russia	674,618	611,250
SEK	Sweden	563,831	455,156
SGD	Singapore	1,607,754	1,448,843
THB	Thailand	439,768	297,816
TRY	Turkey	411,701	250,611
TWD	Taiwan	1,615,660	1,443,143
ZAR	South Africa	665,825	954,603
Various	Various	232,147	252,685
		<u>\$ 35,445,108</u>	<u>\$ 32,808,201</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

DISTRIBUTIONS TO UNIVERSITY OF IDAHO AND AFFILIATES

During fiscal years 2013 and 2012, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2013		2012	
	CIT Endowment Income	Gifts and Other Revenues	CIT Endowment Income	Gifts and Other Revenues
Scholarships	\$ 5,232,748	\$ 2,080,691	\$ 4,123,882	\$ 2,578,983
Student loans	177,382	-	168,091	-
Building funds	-	692,905	-	1,287,082
University of Idaho College and Dept Operating Accounts				
Academic Excellence	464,204	15,541	383,873	17,099
Agricultural and Life Sciences	336,937	1,389,860	261,741	1,322,193
Art and Architecture	13,673	67,244	12,820	54,585
Athletics	55,088	674,604	29,153	1,514,098
Business and Economics	351,404	555,799	253,900	526,501
Education	42,604	453,014	23,469	477,957
Engineering	120,720	885,543	77,635	515,181
Law	218,633	243,529	169,589	127,825
Letters, Art and Social Science	489,016	259,101	419,258	394,051
Library	161,539	373	122,427	1,745
Natural Resources	263,729	393,604	178,609	280,304
Science	156,223	174,991	121,687	511,972
Other departments	423,444	1,018,369	305,595	1,231,837
Life beneficiaries	108,895	-	157,464	-
University of Idaho affiliates	388	154,591	368	40,433
TOTAL DISTRIBUTIONS	\$ 8,616,627	\$ 9,059,759	\$ 6,809,561	\$ 10,881,846

DONOR RESTRICTED ENDOWMENTS

The Foundation receives certain gift assets that are restricted for endowment purposes, and by definition the original gift amount will be held in perpetuity for the benefit of the University. Restriction requirement for principal preservation is addressed by Idaho statute, and is applicable lacking any further guidance from the individual gift agreement. During the fiscal years ended June 30, 2013 and 2012, \$6,752,809 and \$5,021,768 was contributed to current endowments, respectively.

The Foundation Board of Directors establishes a spending rate annually for endowments. The approved fiscal year 2013 and 2012 spending rate was set at 4.5% of the three-year rolling average of the CIT's monthly fair market value.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013 AND 2012

During the fiscal year ended June 30, 2013 and 2012, the endowments held by the Foundation had net appreciation (depreciation) on donor-restricted endowments of \$17,497,040 and \$(6,048,938) respectively. Unrealized appreciation is included with the “Restricted–Nonexpendable” fund balance.

19. RELATED ORGANIZATIONS

The Idaho Research Foundation, Inc. (“Research Foundation”) is a separate legal entity that until 2008 provided technology transfer services to the University. In 2008 an agreement was reached between the University and Research Foundation to integrate some of the services into the University. The new role of the Research Foundation is to hold equity from licensing transactions on behalf of the University. The Research Foundation is a legally separate organization which provides a valuable service to the University. It does not provide financial resources to the University and is not reported as a component unit.

The Vandal Boosters, Inc. (“Boosters”) is a fund raising organization that provides financial assistance and services to the University of Idaho intercollegiate athletic department. Contributions received by the University from this organization are recorded as gifts. It does not provide significant financial resources to the University and is not reported as a component unit.

The University of Idaho Alumni Association (“Association”) was established to develop and maintain a positive relationship with alumni, parents, and friends of the University. The Association is a legally separate organization which provides a valuable service to the University. It does not provide significant financial resources to the University and is not reported as a component unit.

20. SPECIAL ITEM

In 1974, the Idaho Board of Regents (“Regents”) authorized the University to transfer the Consolidated Investment Trust (“CIT”) to the University of Idaho Foundation (“Foundation”) in trust under the terms and conditions of an Indenture Agreement. The CIT was established by the University to allow pooling of endowment assets for investment purposes.

On December 13, 2012, the Regents took action to modify the Indenture Agreement to release the assets transferred to the Foundation from the in-trust designation. On February 8, 2013, the University and the Foundation executed a Release and Waiver of Rights and Restrictions Agreement that permanently eliminates any and all revocation privileges associated with the Indenture Assets.

\$80,990,338 represents the fair value of the Indenture Assets that was transferred from the University to the Foundation.

21. RISKS AND UNCERTAINTIES

Per Regents of University of Idaho policy, the University invests in various types of investment securities rated Aa or better. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investments securities may occur in the near term and such changes could affect the amounts reported in the statement of financial position.

There is always existent risk and volatility in the domestic and international investment markets. Consequently, the fair value of the University's investments may be exposed to higher than typical price volatility which could result in a subsequent reduction in fair value of certain investments from the amounts reported as of June 30, 2013.

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

Idaho State Board of Education
 University of Idaho
 Moscow, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the University of Idaho (the University), and its discretely presented component unit, and the aggregate remaining fund information of the University, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the University of Idaho's basic financial statements, and have issued our report thereon dated September 25, 2013. Our report includes reference to other auditors who audited the financial statements of the University of Idaho Foundation, a discretely presented component unit, and the University of Idaho Health Benefits Trust, a fiduciary fund, as described in our report on the University of Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MOSS ADAMS_{LLP}

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Eugene, Oregon
September 25, 2013

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Idaho State Board of Education
University of Idaho
Moscow, Idaho

Report on Compliance for Each Major Federal Program

We have audited the University of Idaho's (the University) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2013. The University's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance the major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose

Moss Adams LLP

Eugene, Oregon
September 25, 2013

**UNIVERSITY OF IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of Major Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued</i>
Various	Research and Development Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
DEPARTMENT OF AGRICULTURE							
Idaho Department of Fish & Game - 080910LETTERNEWINGHAM	10			(140)			(140)
Western Forestry & Conservation Assn - IETIC Director Even Yr Funds	10			(1,135)			(1,135)
Western Forestry & Conservation Assn - IETIC Russell H Hudson Gene Archive	10			2			2
Western Forestry & Conservation Assn - IETIC Director Odd Yr Funds	10			35,765			35,765
Western Forestry & Conservation Assn - IETIC Data Manager II Odd Yr	10			1,601			1,601
USDA Forest Service - 09JV11221632177	10				4,052		4,052
USDA Forest Service - 12-PA-11041203-018	10		3,237				3,237
USDA Forest Service - 12-PA-11041404-074	10		6,539				6,539
USDA Forest Service - 08CS11011800027	10		10,018				10,018
USDA Forest Service - 08-JV-11221633-159	10		25,403				25,403
USDA Forest Service - 08JV11221633281	10		(1,320)				(1,320)
USDA Forest Service - 09CS11221633209	10		-				-
USDA Forest Service - 09JV11221632067	10		4,962				4,962
USDA Forest Service - 10JV11221634247	10		5,344				5,344
USDA Forest Service - 10JV11261900065	10		(1)				(1)
USDA Forest Service - 11-CR-11221632-126	10		(4,163)				(4,163)
USDA Forest Service - 11CS11010500001	10		32,477				32,477
USDA Forest Service - 11DG11132762382	10		95,006				95,006
USDA Forest Service - 11JV11221632153	10		9,920				9,920
USDA Forest Service - 11JV11261975031	10		6,196				6,196
USDA Forest Service - 11JV11261992041	10		6,952				6,952
USDA Forest Service - 12351	10		29,400				29,400
USDA Forest Service - 12351C	10		26,627				26,627
USDA Forest Service - FSN09CR11060500022	10		356				356
USDA-APHIS - 1181301547CA	10		8,522				8,522
USDA-APHIS - 12-8130-1547-CA	10		23,746				23,746
USDA Forest Service - 07CS11221662248	10		8,558				8,558
USDA Forest Service - 07JV11111133088	10		18,465				18,465
USDA Forest Service - 07JV11221659314	10		503				503
USDA Forest Service - 08JV11060123103	10		4,962				4,962
USDA Forest Service - 08JV11221611160	10		35,522				35,522
USDA Forest Service - 08-JV-11221633-159	10		23,766				23,766
USDA Forest Service - 08JV11221633201	10		40,097				40,097
USDA Forest Service - 08JV11221634236	10		23,754				23,754
USDA Forest Service - 08JV11221659036	10		115,830				115,830
USDA Forest Service - 09JV11111133036	10		27,251				27,251
USDA Forest Service - 09JV11221633325	10		36,602				36,602
USDA Forest Service - 09JV11221634294	10		34,167				34,167
USDA Forest Service - 09JV11221634314	10		52,734				52,734
USDA Forest Service - 09JV11221637270	10		(872)				(872)
USDA Forest Service - 10CR11221632182	10		12,833				12,833
USDA Forest Service - 10JV11111133093	10		1,949				1,949
USDA Forest Service - 10JV11221633206	10		15,508				15,508
USDA Forest Service - 10JV11221634252	10		31,192				31,192
USDA Forest Service - 10JV11272162041	10		27,228				27,228
USDA Forest Service - 11CR11061800056	10		9,695				9,695
USDA Forest Service - 11-CS-11221632-092	10		8,832				8,832
USDA Forest Service - 11JV11221611115	10		4,084				4,084
USDA Forest Service - 11JV11221633184	10		23,522				23,522
USDA Forest Service - 11JV11261987105	10		53,943				53,943
USDA Forest Service - 11-PA-11011724-042	10		5,961				5,961
USDA Forest Service - 12-JV-11221633-112	10		11,008				11,008
USDA Forest Service - 13-JV-11221632-082	10		387				387
USDA Forest Service - 13-JV-11221634-065	10		4,666				4,666

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
DEPARTMENT OF AGRICULTURE (Cont.)							
USDA Forest Service - PNW08JV11261900082	10		20,986				20,986
USDA Forest Service - PNW10JV11261987041	10		95,127				95,127
USDA/OCE/ORACBA - 58011111003	10		21,275				21,275
USDA Forest Service - 10CR11221637077	10				45,688		45,688
USDA Forest Service - 10PA11010404038	10				889		889
USDA Forest Service - 12-CR-11221636-108	10				3,202		3,202
USDA Forest Service - 12-CS-11011724-027	10				66,339		66,339
USDA Rural Housing Service - 12029826000945	10				51,739		51,739
USDA Forest Service - 08JV11221611160	10				381,269		381,269
USDA Forest Service - 10CR11221632267	10				18,888		18,888
USDA Forest Service - 11CR11221611214	10				201,799		201,799
USDA Forest Service - 12-JV-11221637-143	10				24,982		24,982
USDA Forest Service - 13-PA-11041404-028	10				21		21
USDA-APHIS - EARLY SETUP	10	WAIT	8,800				8,800
Idaho Apple Commission - 11624	10			17,639			17,639
Idaho Apple Commission - IACAWARDLTR	10			12,876			12,876
Idaho Potato Commission - 11628	10			137,548			137,548
Snake River Table Grape Growers Association - SRTGGAWARDLTR	10			10,819			10,819
Northwest Center for Alternatives to Pesticides - 01-11-UI	10			4,583			4,583
Idaho Bean Commission - 2010AWARD	10	RD		4,423			4,423
Idaho Bean Commission - 2010AWARD	10	RD		5,710			5,710
ARRA DEPARTMENT OF AGRICULTURE (RECOVERY)	10						
ARRA 10JV112282B1015	10	ARRA	23,135				23,135
AGRICULTURE RESEARCH SERVICE							
Agricultural Research-Basic and Applied Research	10		960,032				960,032
University of Alaska - UAF100042	10	001		53,920			53,920
University of Nebraska - 25-6235-0205-003	10	001		814			814
AGRICULTURAL MARKETING SERVICE							
Federal-State Marketing Improvement Program	10	156	25,795				25,795
Specialty Crop Block Grant Program	10	169					
Boise State University - 079G106084A	10	169					
Specialty Crop Block Grant Program - Farm Bill	10	170					
Idaho Bean Commission - 09Z1B	10	170		50,169			50,169
Idaho Department of Agriculture - SCBGP-FB	10	170		24,121			24,121
Idaho Department of Agriculture - SCBGP-FB	10	170		25,072			25,072
Idaho Department of Agriculture - SCBGP-FB	10	170		58,091			58,091
Idaho Department of Agriculture - SCBGP-FB	10	170		72,465			72,465
Idaho Department of Agriculture - SCBGP-FB-2012	10	170		1,165			1,165
Idaho Department of Agriculture - SCBGP-FB-2012	10	170		8,562			8,562
Idaho Department of Agriculture - SCBGP-FB-2012	10	170		10,084			10,084
Idaho Department of Agriculture - SCBGP-FB-2012	10	170		12,507			12,507
Idaho Department of Agriculture - SCBGP-FB-2012	10	170		23,433			23,433
Idaho Potato Commission - 12618	10	170		12,593			12,593
Northwest Center for Alternatives to Pesticides - 02-11-UI	10	170				2,600	2,600
ANIMAL AND PLANT HEALTH INSPECTION SERVICE							
Plant and Animal Disease, Pest Control, and Animal Care	10	025	83,689				83,689
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE							
Grants for Agricultural Research, Special Research Grants	10	200	817,898				817,898
Colorado State University - G-1474-7	10	200		2,287			2,287

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (Cont.)							
Montana State University - G203-11-W3364	10	200		(589)			(589)
Montana State University - G203-11-W3364	10	200		1,010			1,010
Montana State University - G203-11-W3364	10	200		1,036			1,036
Montana State University - G203-11-W3364	10	200		33,255			33,255
Rutgers University - EARLY SETUP	10	200		502			502
University of California, Davis - 200912415FUUII	10	200		-			-
University of California, Davis - 201117720-IDAHO	10	200		19,550			19,550
University of California, Davis - 201223372-04-UOI-HIRNYCK-FOODU	10	200		58,003			58,003
Washington State University - 105577 G003124	10	200		86,075			86,075
Washington State University - 105577G002803	10	200		19,416			19,416
Washington State University - 113389G002558	10	200		10,621			10,621
Washington State University - 113389G002559	10	200		155			155
Washington State University - 113389G002560	10	200		701			701
Washington State University - 113594_G002666	10	200		21,278			21,278
Washington State University - 113594G002706	10	200		378			378
Washington State University - 114878 G002861	10	200		1,940			1,940
Washington State University - 114878 G002873	10	200		27,886			27,886
Washington State University - 115401G002825	10	200		2,197			2,197
Washington State University - 115401G002826	10	200		648			648
Washington State University - 115401G002828	10	200		2,343			2,343
WRAC Project Extension Work 10	10	200				3,961	3,961
Cooperative Forestry Research	10	202	590,032				590,032
Payments to Agricultural Experiment Stations Under the Hatch Act	10	203	3,176,010				3,176,010
Grants for Agricultural Research_Competitive Research Grants	10	206	340,410				340,410
Animal Health and Disease Research	10	207	38,093				38,093
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10	210			85,306		85,306
Sustainable Agriculture Research and Education	10	215					
Colorado State University - G48562	10	215		13,507			13,507
Utah State University - 100893001	10	215		44,836			44,836
Utah State University - 110892008	10	215		9,680			9,680
Washington State University - 109818G002504	10	215		192			192
Higher Education Challenge Grants	10	217	131,225				131,225
Ohio State University Research Foundation - 60020124PORF01188105	10	217				19,034	19,034
Higher Education Multicultural Scholars Program	10	220			26,102		26,102
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10	226			2,355		2,355
Integrated Programs	10	303	748,614				748,614
Kansas State University - S13116	10	303		15,809			15,809
Texas Woman's University - 2045-045-2	10	303		16,003			16,003
Washington State University - 112890_G002647	10	303		35,641			35,641
Washington State University - 112890_G002787	10	303		109,694			109,694
Homeland Security_Agriculture	10	304					
Univ of California Davis - 07-002558-15	10	304		211			211
Univ of California Davis - 201223902-07	10	304		16,569			16,569
International Science and Education Grants	10	305					
University of Arizona - Y561449	10	305				3,195	3,195
Biodiesel	10	306			250,172		250,172
Organic Agriculture Research and Extension Initiative	10	307	18,863				18,863
University of Wisconsin - X378265	10	307		17,051			17,051
Washington State University - 110006G002474	10	307		24,049			24,049
Washington State University - 110036G002574	10	307		25,438			25,438
Utah State University - 10075902	10	307				1,761	1,761
Utah State University - 10075902	10	307				9,347	9,347
Specialty Crop Research Initiative	10	309	160,161				160,161
North Carolina St. University - 2010136505	10	309		6,506			6,506

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (Cont.)							
Texas A & M University - 570610	10	309		18,945			18,945
University of Georgia - RF722-193/4692318	10	309		3,971			3,971
University of Wisconsin - 350K825	10	309		1,554			1,554
University of Wisconsin - 350K825	10	309		31,144			31,144
University of Wisconsin - 350K825	10	309		52,480			52,480
Washington State University - 111349G002607	10	309		34,103			34,103
Agriculture and Food Research Initiative (AFRI)	10	310	3,923,058				3,923,058
Boise State University - 5353-A	10	310		1,612			1,612
Boise State University - 5353-A	10	310		77,832			77,832
Oregon State University - C0409AA	10	310		8,950			8,950
Regents University of California Riverside - S-000471	10	310		66,866			66,866
Univ of California Davis - 201015718-13	10	310		66,635			66,635
University of Washington - 729775	10	310		99,560			99,560
University of Washington - 729775	10	310		104,409			104,409
USDA Agricultural Research Ser - 59-1907-2-254	10	310		39,901			39,901
Washington State University - 115337G002918	10	310		84,184			84,184
Washington State University - 115375 G002917	10	310		127,941			127,941
Washington State University - 115375 G002917	10	310		140,310			140,310
Washington State University - 115808G002989	10	310		45,296			45,296
Washington State University - 115808G002989	10	310		201,134			201,134
Washington State University - 115808G002989	10	310		355,611			355,611
Washington State University - 113273G002739	10	310				(376)	(376)
Washington State University - 118978 G003159	10	310				580	580
Beginning Farmer and Rancher Development Program	10	311					
Mountain States Group, Inc. - 10636	10	311				1,483	1,483
Washington State University - G002592	10	311				(696)	(696)
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10	312	125,733				125,733
Cooperative Extension Service	10	500			3,196,570		3,196,570
Kansas State University - S12041	10	500				58,232	58,232
Kansas State University - S12069	10	500				983	983
Kansas State University - S12084	10	500				10,079	10,079
Kansas State University - S12215	10	500				14,190	14,190
Kansas State University - S13083	10	500				10,122	10,122
National 4-H Council - 11413	10	500				3,277	3,277
National 4-H Council - 11413C	10	500				6,787	6,787
National 4-H Council - EYSC 10	10	500				5,676	5,676
New Mexico State University - Q01463	10	500				39	39
New Mexico State University - Q01468	10	500				1,560	1,560
Oregon State University - US070A-B	10	500				1,722	1,722
University of Wyoming - 1000782	10	500				3,015	3,015
University of Wyoming - 1001381	10	500				10,957	10,957
University of Wyoming - 1001769	10	500				6,120	6,120
Utah State University - 110897009	10	500				8,898	8,898
FOOD AND NUTRITION SERVICE							
Child and Adult Care Food Programs	10	558					
Idaho State Department of Ed - 2901	10	558				27,104	27,104
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10	561					
Idaho Dept. of Health & Welfare - WC057500A3	10	561				10	10
Idaho Dept. of Health & Welfare - WC066000	10	561				2,379	2,379
Idaho Dept. of Health & Welfare - WC066000	10	561				3,528	3,528
Idaho Dept. of Health & Welfare - WC066000	10	561				4,345	4,345
Idaho Dept. of Health & Welfare - WC066000	10	561				4,993	4,993
Idaho Dept. of Health & Welfare - WC066000	10	561				8,275	8,275

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
FOOD AND NUTRITION SERVICE (Cont.)							
Idaho Dept. of Health & Welfare - WC066000	10	561				42,414	42,414
Idaho Dept. of Health & Welfare - WC066000	10	561				92,651	92,651
Idaho Dept. of Health & Welfare - WC066000	10	561				94,118	94,118
Idaho Dept. of Health & Welfare - WC066000	10	561				111,892	111,892
Idaho Dept. of Health & Welfare - WC066000	10	561				118,535	118,535
Idaho Dept. of Health & Welfare - WC066000A2	10	561				22,847	22,847
Idaho Dept. of Health & Welfare - WC066000A2	10	561				62,122	62,122
Idaho Dept. of Health & Welfare - WC066000A2	10	561				65,054	65,054
Idaho Dept. of Health & Welfare - WC066000A2	10	561				73,110	73,110
Idaho Dept. of Health & Welfare - WC066000A2	10	561				76,307	76,307
Team Nutrition Grants							
Idaho State Department of Education - 12716	10	574				2,026	2,026
FOREST SERVICE							
Cooperative Forestry Assistance	10	664	34,421				34,421
Idaho Department of Lands - 10-417TO6	10	664				814	814
Idaho Department of Lands - TO4	10	664				3,302	3,302
IDAHO DEPARTMENT OF LANDS - UI/IDL10-417 TO 13-302	10	664				6,558	6,558
Forest Products Lab: Technology Marketing Unit (TMU)	10	674	30,807				30,807
Forest Health Protection	10	680	196,975		4,990		201,965
University of Georgia - RE6774154694378	10	680		6,975			6,975
International Forestry Programs	10	684					
University of Montana - P0006357	10	684				7,968	7,968
RURAL BUSINESS-COOPERATIVE SERVICE							
Rural Energy for America Program	10	868					
Boise State University - 5176-A	10	868				3,568	3,568
NATURAL RESOURCES CONSERVATION SERVICE							
Soil & Water Conservation	10	902	66,174		44,969		111,143
University of Montana - PG11-64804-02	10	902		28,617			28,617
University of Montana - PG126480403	10	902		8,084			8,084
Soil Survey	10	903	16,938				16,938
Environmental Quality Incentives Program	10	912	113,631		27,338		140,969
FOREIGN AGRICULTURAL SERVICE							
Cochran Fellowship Program-International Training-Foreign Participant	10	962			301,987		301,987
TOTAL - DEPARTMENT OF AGRICULTURE			12,689,250	2,812,679	4,738,657	1,016,466	21,257,052
DEPARTMENT OF COMMERCE							
DEPARTMENT OF COMMERCE							
NWFSC-NOAA-F (CB) - AB133F07SE3004	11		(1,175)				(1,175)
NOAA NMFS - AB133F09SE3090	11		346				346
NOAA NMFS - RA133F11SE2476	11		13,195				13,195
NOAA NMFS - RA-133F-12-SE-2324	11		40,950				40,950
NWFSC-NOAA-F (CB) - AB133F07CN0222	11		2,541				2,541
Mote Marine Laboratory - MML170521	11					(399)	(399)
ECONOMIC DEVELOPMENT ADMINISTRATION							
Economic Development Support for Planning Organizations	11	302					
Boise State University - 5461-A	11	302				17,389	17,389
Economic Development_Technical Assistance	11	303			37,406		37,406

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF COMMERCE							
ECONOMIC DEVELOPMENT ADMINISTRATION (Cont.)							
Boise State University - 079G106082-A	11	303				365	365
Boise State University - EARLY SETUP	11	303				108	108
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION							
Sea Grant Support							
University of Rhode Island - 070112/0003168 PO 48400	11	417		17,599			17,599
Climate and Atmospheric Research	11	431	33,270				33,270
Desert Research Institute - 663.9085.02	11	431		(141)			(141)
Oregon State University - NA226BC	11	431		7,535			7,535
Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program							
Columbia River Inter-Tribal - C13-01C1300140	11	438		16,825			16,825
Office of Species Conservation - 01410CW	11	438		40,022			40,022
Unallied Science Program							
Mote Marine Laboratory - MML170394	11	472	12,954				12,954
	11	472		(898)			(898)
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY							
Manufacturing Extension Partnership							
Boise State University - 079G106046A	11	611				441	441
Boise State University - 079G106046-A	11	611				101,154	101,154
Boise State University - 079G106046-A	11	611				107,776	107,776
Boise State University - EARLY SETUP	11	611				306	306
Boise State University - EARLY SETUP	11	611				853	853
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION							
RECOVERY-State Broadband Data and Development Grant Program							
ARRA EdLab Group Foundation - EDLAB2011-11	11	558				50,874	50,874
ARRA EdLab Group Foundation - EDLAB2012-25	11	558				7,475	7,475
TOTAL - DEPARTMENT OF COMMERCE			102,081	80,942	37,406	286,342	506,771
DEPARTMENT OF DEFENSE							
DEPARTMENT OF DEFENSE							
CFD Research Corporation - 20120049	12			11,976			11,976
US Army Corps of Engineers - TOW9127N0920009001	12		22,052				22,052
US Army Corps of Engineers - TOW9127N0920009001	12		32,615				32,615
US Army Corps of Engineers - W912HZ-12-2-0004	12		62,650				62,650
	12		74,610				74,610
US Army Corps of Engineers - W912HZ-12-2-0004	12		199,416				199,416
US Army Corps of Engineers - W912HZ-12-2-0004	12		657,843				657,843
US Army Corps of Engineers - W9-12-HZ-12-2-0004	12		215,381				215,381
US Army Corps of Engineers - W9-12-HZ-12-2-0004	12		487,087				487,087
US Army Corps of Engineers - W912HZ-12-2-0014	12		99,228				99,228
US Army Corps of Engineers - W912HQ12C0009	12		179,629				179,629
US Army Corps of Engineers - W912HQ-12-C-0022	12		229,909				229,909
US Department of the Army - NAFBA1-13-M-0211	12				14,487		14,487
Univ of California Davis - 0800026807	12			(3,796)			(3,796)
Univ of California Davis - 201120677-01	12			22,624			22,624
Univ of California Davis - 2012225101	12			252,343			252,343
Univ of California Davis - 201301358-01	12			38,205			38,205
Univ of California Davis - 201301803-01	12			97,190			97,190
CFD Research Corporation - 1495	12			41,970			41,970
EMD Technologies, LLC - 12528	12			24,471			24,471
Fluorochem, Inc. - UII	12			51,714			51,714

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF DEFENSE							
DEPARTMENT OF DEFENSE (Cont.)							
OFFICE OF THE CHIEF OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY							
Basic and Applied Scientific Research	12	300	790,718				790,718
University of Alaska - UAF120059	12	300		2,573			2,573
Western Kentucky University - WKURF51220110001	12	300		26,667			26,667
Western Kentucky University - WKURF51220110001 (EARLY SETUP)	12	300		48,472			48,472
OFFICE OF THE SECRETARY OF DEFENSE							
Basic Scientific Research - Combating Weapons of Mass Destruction	12	351	237,066				237,066
Basic, Applied, and Advanced Research in Science and Engineering	12	630	122,453				122,453
DEPARTMENT OF DEFENSE U.S. ARMY MEDICAL COMMAND							
Military Medical Research and Development	12	420	173,106				173,106
DEPARTMENT OF THE AIR FORCE MATERIAL COMMAND							
Air Force Defense Research Sciences Program	12	800	44,190				44,190
GE Global Research - 400070053	12	800		122,517			122,517
NATIONAL SECURITY AGENCY							
Mathematical Sciences Grants Program	12	901	14,010				14,010
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY							
Research and Technology Development	12	910	111,793				111,793
TOTAL - DEPARTMENT OF DEFENSE			3,753,756	736,926	14,487	-	4,505,169

DEPARTMENT OF THE INTERIOR

DEPARTMENT OF INTERIOR							
Idaho Department of Fish & Game - 080910LETTERNEWINGHAM	15			(779)			(779)
Western Forestry & Conservation Assn - IETIC Director Even Yr Funds	15			(151)			(151)
Western Forestry & Conservation Assn - IETIC Russell H Hudson Gene Archive	15			118			118
Western Forestry & Conservation Assn - IETIC Director Odd Yr Funds	15			4,590			4,590
Western Forestry & Conservation Assn - IETIC Data Manager II Odd Yr	15			205			205
USDI National Park Service - H1200090004 P12AC10184	15				8,203		8,203
USDI National Park Service - H2380040001P07AC00065	15				1,346		1,346
US Army Corps of Engineers - W9127N-12-P-0322	15		60,152				60,152
US Geological Survey - G12PC00068	15		74,535				74,535
National Park Service - H1200040001 P05AC00001	15		14,741				14,741
National Park Service - H12000890004 P10AC00116	15		(10)				(10)
National Park Service - H1200090004 P09AC00140	15		4,202				4,202
National Park Service - H1200090004 P12AC10605	15		37,247				37,247
National Park Service - H1200090004/P11AC90553	15		60,940				60,940
National Park Service - H8W07060001 J2410070064	15		37,829				37,829
National Park Service - P10AC00662	15		60				60
US Geological Survey - 12497	15		238,153				238,153
USDI Bureau of Indian Affairs - 10877	15		(169)				(169)
USDI Bureau of Indian Affairs - 2KA0273064	15		10,000				10,000
USDI Bureau of Land Management - KAA061023	15		(148)				(148)
USDI National Park Service - 0001090001	15		195,082				195,082
USDI National Park Service - H1200040001 P08AC00040	15		1,615				1,615
USDI National Park Service - H1200040001 P08AC00040	15		2,103				2,103
USDI National Park Service - H1200090004 P10AC00115	15		52,945				52,945
USDI National Park Service - P10AC00099	15		514				514
USDI National Park Service - P11AC90546	15		(1,551)				(1,551)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF THE INTERIOR							
DEPARTMENT OF INTERIOR (Cont.)							
USDI National Park Service - P12AC10215	15		699,025				699,025
USDI-NPS - H2303050007 P05AC00004	15		10,161				10,161
National Park Service - H1200090004 P12AC10797	15		32,873				32,873
National Park Service - H2370094000 P10AC00617	15		11,384				11,384
National Park Service - P08AC00164	15		19,798				19,798
National Park Service - P08AC00166	15		27,997				27,997
National Park Service - P10AC00489	15		41,822				41,822
National Park Service - P11AC90631	15		4,461				4,461
US Fish & Wildlife Service - ORDER F11PX05413	15		6,297				6,297
USDI Fish And Wildlife Service - F10PX80401	15		407				407
USDI National Park Service - H1200040001 J2128070010	15		1				1
USDI National Park Service - H2370094000	15		15,104				15,104
USDI National Park Service - H2370094000 J2301110201	15		578				578
USDI National Park Service - H2370094000/P11AC91345	15		1,217				1,217
USDI National Park Service - H2370094000/P11AC91353	15		1,264				1,264
USDI National Park Service - P10AC00221	15		890				890
USDI National Park Service - P10AC00656	15		8				8
USDI National Park Service - P11AC91351	15		5,004				5,004
USDI-National Park Service - P07AC00042	15		10,695				10,695
National Park Service - H1200090004/P12AC10829	15				20,321		20,321
USDI National Park Service - H2370094000P12AC11137	15				7,732		7,732
National Park Service - H1200090004/P12AC10546	15				3,738		3,738
USDI Bureau Of Land Management - L08AC13735	15				567		567
USDI-NPS - H2303050007 P06AC00017	15				(2)		(2)
Idaho Department of Fish & Game - Pygmy Rabbit DNA	15			1,510			1,510
Department of Interior	15	DAV	80,054				80,054
BUREAU OF LAND MANAGEMENT							
Recreation Resource Management	15	225	94,607		15,575		110,182
Invasive and Noxious Plant Management	15	230	157,693				157,693
ARRA Fish, Wildlife and Plant Conservation Resource Management (RECOVERY)	15	231	4,157				4,157
Fish, Wildlife and Plant Conservation Resource Management	15	231	25,970				25,970
Wildland Fire Research and Studies Program	15	232	32,085		42,215		74,300
Environmental Quality and Protection Resource Management	15	236			68		68
Oregon State University - L0145A-A	15	236		8,871			8,871
Challenge Cost Share	15	238	9,410		(4)		9,406
Management Initiatives	15	239			5,800		5,800
BUREAU OF INDIAN AFFAIRS							
Agriculture on Indian Lands	15	034	46,232		8,315		54,547
BUREAU OF RECLAMATION							
Water 2025	15	507					
US Department of Interior - Bureau of Reclamation - R09AC10428	15	507		41,719			41,719
Desert Research Institute - 646.2150.01	15	507		63,863			63,863
Desert Research Institute - 646250001	15	507		59,217			59,217
Providing Water to At-Risk Natural Desert Terminal Lakes	15	508					
Desert Research Institute - 646050701	15	508		31,335			31,335
Desert Research Institute - TASK3	15	508		11,969			11,969
Fish and Wildlife Coordination Act	15	517	363,548				363,548
SECURE Water Act-Research Agreements	15	560	15,540				15,540
US Department of Interior - Bureau of Reclamation - R09AC10428	15	560		9,634			9,634

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF THE INTERIOR							
BUREAU OF RECLAMATION (Cont.)							
US FISH AND WILDLIFE SERVICE							
Sport Fish Restoration Program							
	15	605					
Idaho Department of Fish & Game - 11309	15	605		17,583			17,583
North Dakota Game & Fish Dept - 11519	15	605		3,768			3,768
Idaho Department of Fish & Game - UI/IDFG09TO1	15	605		23,646			23,646
Idaho Department of Fish & Game - UI/IDGF09TO1	15	605		30,138			30,138
North Dakota Game & Fish Dept - 11519	15	605		(7,919)			(7,919)
North Dakota Game & Fish Dept - 11519C	15	605		5,275			5,275
Wildlife Restoration	15	611					
Idaho Department of Fish & Game - LETTER 08.23.10 CONNELLY	15	611		26,637			26,637
Alaska Dept. of Fish & Game - COOP-11-018	15	611		(4)			(4)
State Wildlife Grants	15	634					
California Department of Fish & Game - P0680033	15	634		(44)			(44)
Idaho Department of Fish & Game - IDFG09TO318	15	634		21,111			21,111
Idaho Department of Fish & Game - LETTER8/16/10 COMPTON	15	634		7,042			7,042
North Dakota Game & Fish Dept - T29R1	15	634		53,299			53,299
Migratory Bird Joint Ventures	15	637					
Pheasants Forever, Inc. - 60181BJ653	15	637		73,671			73,671
Service Training and Technical Assistance (Generic Training)	15	649	3,544				3,544
Research Grants (Generic)	15	650	80,843		9,537		90,380
Endangered Species Conservation	15	657	23,783				23,783
Endangered Species - Candidate Conservation Action Funds	15	660	4,154				4,154
U.S.GEOLOGICAL SURVEY							
Assistance to State Water Resources Research Institutes	15	805	87,039				87,039
U.S. Geological Survey_ Research and Data Collection	15	808	103,169		171,908		275,077
Boise State University - 5492-A	15	808		132,208			132,208
National Cooperative Geologic Mapping Program	15	810	197,027				197,027
Gap Analysis Program	15	811	151,799				151,799
Cooperative Research Units Program	15	812	613,874				613,874
National Geological and Geophysical Data Preservation Program	15	814			566		566
National Climate Change and Wildlife Science Cente	15	820			4,788		4,788
Oregon State University - G5274A-A	15	820		51,751			51,751
Oregon State University - GS240BA	15	820		(3,733)			(3,733)
Oregon State University - GS240BA	15	820		200,990			200,990
Oregon State University - GS254A-B	15	820		15,681			15,681
NATIONAL PARK SERVICE							
Preservation of Japanese American Confinement Sites	15	933	9,155				9,155
Cooperative Research and Training Programs – Resources of the National Park System	15	945	138,404		74,832		213,236
TOTAL - DEPARTMENT OF THE INTERIOR			3,919,313	883,201	375,505	-	5,178,019
DEPARTMENT OF JUSTICE							
DEPARTMENT OF JUSTICE							
ID Coal Agst Sexual/Dom Violence - 2009-WL-AX-0016	16					33,666	33,666
JUVENILE JUSTICE & DELINQUENCY PREVENTION							
Juvenile Mentoring Program	16	726					
National 4-H Council - 11355	16	726			1,643		1,643
National 4-H Council - 13193-R	16	726			11,204		11,204
National 4-H Council - 2011-OJJD-MNTR-112	16	726			42,638		42,638

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF JUSTICE							
JUVENILE JUSTICE & DELINQUENCY PREVENTION (Cont.)							
Enforcing Underage Drinking Laws Program	16	727					
Department of Juvenile Corrections - 09CC99C01	16	727				2,097	2,097
Department of Juvenile Corrections - 10-CC99-01	16	727				18,985	18,985
BUREAU OF JUSTICE ASSISTANCE							
John R. Justice Prosecutors and Defenders Incentive Act	16	816			25,942		25,942
TOTAL - DEPARTMENT OF JUSTICE			-	-	25,942	110,233	136,175
DEPARTMENT OF STATE							
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS							
Georgetown University - IURX205093212B	19	415				7,274	7,274
International Research & Exchanges Board - UGRAD-UISPRING12	19	415				5,192	5,192
Georgetown University - IU-RX2050-981-13-C	19	415				20,925	20,925
TOTAL - DEPARTMENT OF STATE			-	-	-	33,391	33,391
DEPARTMENT OF TRANSPORTATION							
DEPARTMENT OF TRANSPORTATION							
SWCA Environmental Consultants Inc - 10158	20			10,610			10,610
Federal Transit Administration - ID030029	20		238,301				238,301
Federal Transit Administration - ID04000800	20		279,350				279,350
City of Moscow - 10641	20					5,229	5,229
DEPARTMENT OF TRANSPORTATION							
ARRA Federal Pass Through	20	ARRA					
ARRA Idaho Transportation Dept - 7297PROJA011(960)	20	ARRA				5,725	5,725
ARRA Idaho Transportation Department - 8517	20	ARRA				683	683
FEDERAL HIGHWAY ADMINISTRATION							
Highway Research and Development Program	20	200			240,244		240,244
North Dakota State University - FAR-0020501	20	200		7,242			7,242
Highway Planning and Construction							
Idaho Transportation Department - TOU11102	20	205		46,176			46,176
Idaho Transportation Department - UI-12-01	20	205		41,742			41,742
Washington State University - 116104 G002959	20	205		6,007			6,007
Washington State University - 119421G003091	20	205		17,484			17,484
Idaho Transportation Department - UI-12-2	20	205		17,370			17,370
Idaho Transportation Department - UI-13-01	20	205		6,375			6,375
Idaho Transportation Department - UI-12-03	20	205		12,006			12,006
Idaho Transportation Department - UI-13-02	20	205		19,638			19,638
City of Moscow - 10641	20	205				16,146	16,146
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION							
University Transportation Centers Program	20	701	1,385,338				1,385,338
University of Alaska - UAF130032POFP30329	20	701		44,379			44,379
University of Washington - 739436	20	701		2,874			2,874
University of Washington - 739436	20	701		11,305			11,305
University of Washington - 739436	20	701		35,789			35,789
University of Washington - 739436	20	701		39,104			39,104
University of Washington - 739436	20	701		46,474			46,474
University of Washington - 739436	20	701		112,710			112,710
University of Washington - 739436	20	701		115,066			115,066

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF TRANSPORTATION							
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION (Cont.)							
TOTAL - DEPARTMENT OF TRANSPORTATION			1,902,989	592,351	240,244	27,783	2,763,367
DEPARTMENT OF TREASURY							
INTERNAL REVENUE SERVICE							
Low-Income Taxpayer Clinics	21	008			88,260		88,260
TOTAL - DEPARTMENT OF TREASURY			-	-	88,260	-	88,260
FEDERAL COMMUNICATION COMMISSION							
Federal Communication Commission							
Federal Communications Commission - 12323	32				51,006		51,006
TOTAL - FEDERAL COMMUNICATION COMMISSION			-	-	51,006	-	51,006
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautic Space Ad. - EARLY SETUP	43		(4,862)				(4,862)
NASA Goddard Space Flight Center - NNX08AT68A	43		140,004				140,004
NASA Shared Services Center - NNX09AV04A	43		152,280				152,280
National Aeronautic Space Ad. - NNX07AL05A	43		(712)				(712)
National Aeronautic Space Ad. - NNX07AL05A	43		24,345				24,345
National Aeronautic Space Ad. - NNX07AL05A	43		40,284				40,284
National Aeronautic Space Ad. - NNX08BA10G	43		17,773				17,773
National Aeronautic Space Ad. - NNX09AM99G	43		31,685				31,685
National Aeronautic Space Ad. - NNX10AC34A	43		100,201				100,201
National Aeronautic Space Ad. - NNX10AN29A	43		177,246				177,246
National Aeronautic Space Ad. - NNX10AN30A	43		241,868				241,868
National Aeronautic Space Ad. - NNX10AQ10G	43		21,954				21,954
National Aeronautic Space Ad. - NNX10AQ10G	43		48,638				48,638
National Aeronautic Space Ad. - NNX11AO51H	43		29,806				29,806
NASA Langley Research Center - NNX10AT77A	43				8,851		8,851
National Aeronautic Space Ad. - NNX10AT77A	43				40,698		40,698
National Aeronautic Space Ad. - NNX10AT77A	43				151,032		151,032
Brigham Young University - 090286	43		-				-
Univ of California San Diego - PO#10285590	43			16,517			16,517
University of Arizona - Y503506	43			24,494			24,494
University of Illinois - 2007-05966-02 A3595	43			94,207			94,207
Idaho State Department of Education - 036007	43					2,896	2,896
University of North Dakota - 117916116	43					27,135	27,135
University of Montana - EARLY SET-UP	43	WAIT		10,023			10,023
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
Science	43	001	1,562,907		214,764		1,777,671
University of Maryland - Z661802	43	001		17,092			17,092
University of Maryland - Z662303	43	001		18,404			18,404
Education	43	008	179,190				179,190
Jet Propulsion Laboratories - 1466983	43	008		21,750			21,750
TOTAL - NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			2,762,607	202,487	415,345	30,031	3,410,470

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>							
INSTITUTE OF MUSEUM AND LIBRARY SCIENCES							
Grants to States							
Idaho Commission for Libraries - T12220-01	45	310					
Idaho Commission for Libraries - T12220-23	45	310				1,000	1,000
Idaho Commission for Libraries - T12220-40	45	310				1,000	1,000
NATIONAL ENDOWMENT FOR THE ARTS							
Promotion of the Arts-Grants to Organizations & Individuals	45	024			325		325
Promotion of the Arts_Partnership Agreements	45	025					
Idaho Commission on the Arts - 5204QF4-12	45	025				97	97
Idaho Commission on the Arts - 3526ET-13	45	025				4,731	4,731
Idaho Commission on the Arts - 11470	45	025				-	-
Idaho Commission on the Arts - 4315AE-13	45	025				8,453	8,453
Idaho Commission on the Arts - 4637TW-13	45	025				1,000	1,000
NATIONAL ENDOWMENT FOR THE HUMANITIES							
Promotion of the Humanities_Research	45	161					
Washington State University - 113900G002836	45	161			883		883
TOTAL - NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				-	883	325	17,281
<u>NATIONAL SCIENCE FOUNDATION</u>							
National Science Foundation							
ABET - EARLY SETUP	47			3,006			3,006
Salish Kootenai College - AMP Minority Participation	47			5,996			5,996
Engineering Grants							
Tuskegee University - 34-22420-179-76190	47	041	269,293				269,293
University of Alaska - P0391096	47	041		39,751	4,881		44,632
Mathematical and Physical Sciences							
Geosciences	47	049	317,810				317,810
Desert Research Institute - 663831002	47	050	408,216				408,216
Idaho State University - 11141CRBAO07	47	050		83,870			83,870
Woods Hole Oceanographic Institution - A101022	47	050		6,292			6,292
Computer and Information Science and Engineering	47	070	464,502				464,502
Biological Sciences	47	074	1,461,228				1,461,228
Michigan State University - 61-2075UI	47	074		-			-
Michigan State University - 61-2075UI	47	074		357			357
Michigan State University - 61-2075UI	47	074		19,277			19,277
Michigan State University - 61-2075UI	47	074		22,249			22,249
Michigan State University - 61-2075UI	47	074		23,345			23,345
Michigan State University - 61-2075UI	47	074		37,843			37,843
Michigan State University - 61-2075UI	47	074		40,180			40,180
Michigan State University - 61-2075UI	47	074		43,810			43,810
Michigan State University - 61-2075UI	47	074		45,424			45,424
Michigan State University - 61-2075UI	47	074		54,361			54,361
Michigan State University - 61-2075UI	47	074		84,100			84,100
Michigan State University - 61-2075UI	47	074		133,998			133,998
Villanova University - BAUER/525588	47	074		6,532			6,532
Social, Behavioral, and Economic Sciences	47	075	1,046				1,046
Education and Human Resources	47	076	2,030,463				2,030,463
Lewis-Clark State College - LCSC2011-11	47	076		16,093			16,093
Montana State University - G122-13-W2687	47	076		50,897			50,897
Washington State University - 115393 G002948	47	076		133,190			133,190
Polar Sciences	47	078	236,417				236,417

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>NATIONAL SCIENCE FOUNDATION (Cont.)</u>							
International Science and Engineering (OISE)	47	079	52,188				52,188
Montana State University - G183-11-W3069	47	079		116,195			116,195
Office of Cyberinfrastructure	47	080	3,157,639				3,157,639
Office of Experimental Program to Stimulate Competitive Research	47	081	297,531				297,531
ARRA Trans-NSF Recovery Act Research Support (RECOVERY)	47	082	618,309				618,309
ARRA Southwest Research Institute - B99015JD	47	082		253			253
TOTAL - NATIONAL SCIENCE FOUNDATION			9,314,642	985,669	-	-	10,300,311
<u>SMALL BUSINESS ADMINISTRATION</u>							
Small Business Development Centers	59	037					
Boise State University - 077G106002-12	59	037			19,999		19,999
Boise State University - 077G106005-A	59	037			15,000		15,000
TOTAL - SMALL BUSINESS ADMINISTRATION			-	-	-	34,999	34,999
<u>ENVIRONMENTAL PROTECTION AGENCY</u>							
OFFICE OF THE ADMINISTRATOR							
Environmental Education Grants	66	951			45,481		45,481
OFFICE OF RESEARCH AND DEVELOPMENT							
Science to Achieve Results (STAR) Fellowship Program	66	514	19,569				19,569
Regional Applied Research Efforts (RARE)	66	517	10,844				10,844
OFFICE OF WATER							
Water Pollution Control State, Interstate, and Tribal Program Support	66	419					
Department of Environmental Quality - C873	66	419		(337)			(337)
Nonpoint Source Implementation Grants	66	460					
Department of Environmental Quality - S332	66	460		20,076			20,076
Capitalization Grants for Drinking Water State Revolving Funds	66	468					
Department of Environmental Quality - C883	66	468				16,225	16,225
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE							
Solid Waste Management Assistance Grants	66	808			-		-
TOTAL - ENVIRONMENTAL PROTECTION AGENCY			30,413	19,739	45,481	16,225	111,858
<u>NUCLEAR REGULATORY COMMISSION</u>							
NUCLEAR REGULATORY COMMISSION							
U.S. Nuclear Regulatory Commission - NRC3810957	77				74,354		74,354
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77	006	143,031				143,031
TOTAL - NUCLEAR REGULATORY COMMISSION			143,031	-	74,354	-	217,385
<u>DEPARTMENT OF ENERGY</u>							
DEPARTMENT OF ENERGY							
Idaho Department of Fish & Game - LETTER110309SERVHEEN	81			32,312			32,312
Oak Ridge Institute for Science & Education - 12655	81			9,900			9,900
Northwest Power and Conservation Council - C2013-47	81			3,075			3,075
Northwest Power and Conservation Council - C2012047	81					3,053	3,053
Columbia River Inter-Tribal - C13-01C1300140	81			326,540			326,540

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF ENERGY							
DEPARTMENT OF ENERGY (cont.)							
Bonneville Power Administration - 0053169	81		11,741				11,741
Argonne National Laboratory - 2F-33081	81		7,027				7,027
Department of Energy - DESC00004751	81		172,072				172,072
U.S. Department of Energy - DEFG0203ER41270	81		92,133				92,133
Battelle Energy Alliance LLC - 42246TO108	81					2,081,219	2,081,219
Columbia River Inter-Tribal - C1102C1100240	81			715,490			715,490
Columbia River Inter-Tribal - C11-17 C1101740	81			66,596			66,596
Battelle Energy Alliance LLC - 00042246 TO00027	81			1,255			1,255
Battelle Energy Alliance LLC - 00042246TO46	81			90,197			90,197
Battelle Energy Alliance LLC - 42246TO110	81			3,485			3,485
Battelle Energy Alliance LLC - 42246TO98	81			52,671			52,671
Boise State University - 676G106402-A	81			(1,017)			(1,017)
Coeur d'Alene Tribe - 11596	81			75,228			75,228
Idaho Department of Fish & Game - 11580	81			(977)			(977)
Idaho Department of Fish & Game - 11580	81			8,822			8,822
Idaho Department of Fish & Game - 11580	81			45,683			45,683
Idaho Department of Fish & Game - 2/25/13 LETTER SCHRIEVER	81			8,189			8,189
Idaho Department of Fish & Game - 6/28/11 LETTER SCHRIEVER	81			38,733			38,733
Kootenai Tribe - UI/KTOI TO58178	81			99,054			99,054
Los Alamos National Laboratory - 8007000110M2	81			43,781			43,781
Washington State University - 117844_G003213	81			1,793			1,793
Battelle - 162789	81			9,323			9,323
Battelle - 194975	81			61,899			61,899
Battelle - 42246 TO104	81			41,278			41,278
Battelle - 42246TO106	81			27,895			27,895
Battelle - 84281	81			2,775			2,775
Battelle - 84281/TASK 1	81			302			302
Battelle Energy Alliance LLC - 00042246RO118	81			40,645			40,645
Battelle Energy Alliance LLC - 00042246TO00057	81			86,854			86,854
Battelle Energy Alliance LLC - 00042246TO00065	81			32,952			32,952
Battelle Energy Alliance LLC - 00042246TO00067	81			426			426
Battelle Energy Alliance LLC - 00042246TO00117	81			50,526			50,526
Battelle Energy Alliance LLC - 00042246TO115	81			636			636
Battelle Energy Alliance LLC - 00042246TO115	81			47,366			47,366
Battelle Energy Alliance LLC - 00042246TO119	81			25,882			25,882
Battelle Energy Alliance LLC - 00127434	81			8,358			8,358
Battelle Energy Alliance LLC - 127686	81			160,509			160,509
Battelle Energy Alliance LLC - 128504	81			38,652			38,652
Battelle Energy Alliance LLC - 42246 TO102	81			232,210			232,210
Battelle Energy Alliance LLC - 42246 TO112	81			74,550			74,550
Battelle Energy Alliance LLC - 42246TO0111	81			63,274			63,274
Battelle Energy Alliance LLC - 42246TO103	81			29,239			29,239
Battelle Energy Alliance LLC - 42246TO107	81			59,086			59,086
Battelle Energy Alliance LLC - 42246TO109	81			20,136			20,136
Battelle Energy Alliance LLC - 42246TO113	81			102,162			102,162
Battelle Energy Alliance LLC - 42246TO114	81			57,565			57,565
Battelle Energy Alliance LLC - 42246TO116	81			46,484			46,484
Battelle Energy Alliance LLC - 42246TO120	81			40,810			40,810
Battelle Energy Alliance LLC - 42246TO121	81			7,691			7,691
Battelle Energy Alliance LLC - 42246TO51	81			30,786			30,786
Battelle Energy Alliance LLC - 42246TO72	81			2,053			2,053
Battelle Energy Alliance LLC - 42246TO73	81			21,515			21,515
Battelle Energy Alliance LLC - 42246TO74	81			(137)			(137)
Battelle Energy Alliance LLC - 42246TO74	81			6,818			6,818

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF ENERGY							
DEPARTMENT OF ENERGY (cont.)							
Battelle Energy Alliance LLC - 42246TO74	81			16,057			16,057
Battelle Energy Alliance LLC - 42246TO74	81			16,288			16,288
Battelle Energy Alliance LLC - 42246TO87	81			8,707			8,707
Battelle Energy Alliance LLC - 42246TO92	81			22,572			22,572
Battelle Energy Alliance LLC - 42246TO96	81			86,329			86,329
Battelle Energy Alliance LLC - 42246TO97	81			53,915			53,915
Battelle Energy Alliance LLC - 68389 RELEASE 01	81			27,805			27,805
Battelle Energy Alliance LLC - 68389-01	81			131,389			131,389
Battelle Energy Alliance LLC - 68389-02	81			43,444			43,444
Battelle Energy Alliance LLC - TO00060	81			15,725			15,725
Battelle Energy Alliance LLC - TO00061	81			125,147			125,147
Battelle Energy Alliance LLC - TO9100042246	81			92,183			92,183
Columbia River Inter-Tribal - C11-32 C1103240	81			276			276
Columbia River Inter-Tribal - C11-33 C1103340	81			2,495			2,495
Columbia River Inter-Tribal - C12-36	81			179,000			179,000
Columbia River Inter-Tribal - C12-37/C1203740	81			43,067			43,067
Columbia River Inter-Tribal - C13-12 PO C1301240	81			780			780
Georgia Tech Research Corporation - RD537SD	81			5,266			5,266
Idaho Department of Fish & Game - 021512 LETTER SCHRIEVER	81			36,090			36,090
Idaho Department of Fish & Game - 021513 LETTER SCHRIEVER	81			13,488			13,488
Idaho Department of Fish & Game - 081511 LETTER SCHRIEVER	81			(1,232)			(1,232)
Idaho National Engineering Laboratory - 42246TO99	81			68,877			68,877
Inland Northwest Research Alliance - 605006302	81			196			196
Kootenai Tribe - UI/KTOI TO57791	81			185,079			185,079
Kootenai Tribe - UI/KTOI TO60124	81			27,897			27,897
Los Alamos National Laboratory - 193703-1/182305	81			39,986			39,986
Los Alamos National Laboratory - 210546-1	81			48,662			48,662
Sandia National Laboratories - PO1152148	81			1,000			1,000
University of Wisconsin - 193K340	81			3,938			3,938
University of Wisconsin - 347K815	81			68,336			68,336
University of Wisconsin - 354K756	81			59,606			59,606
Kootenai Tribe - BPA50_SU_UOFL_CLOUD_FY12	81					36,199	36,199
UC Regents - 6934100	81					4,621	4,621
ARRA DEPARTMENT OF ENERGY (RECOVERY)							
ARRA Idaho Power Company - SOW#6	81	ARRA		9,651			9,651
ARRA RENEWABLE ENERGY RESEARCH AND DEVELOPMENT (RECOVERY)							
ARRA Arizona Geological Survey - IDEE0002850	81	087					
ARRA Arizona Geological Survey - ID-EE0002850	81	087		149,059			149,059
	81	087		355,507			355,507
ARRA STEWARDSHIP SCIENC GRANT PROGRAM							
ARRA Western Governors' Association - 30-232-WA2	81	112					
	81	112		25,727			25,727
Office of Science Financial Assistance Program							
Michigan Technological University - 950413Z3	81	049		132,933			132,933
Northern Arizona University - MPC35ZS	81	049		139,063			139,063
Texas A & M University - C1000170	81	049		728			728
The University of Michigan - 3001644205	81	049		9,459			9,459
Washington State University - 105283G002254	81	049		157,521			157,521
Washington State University - 105283G002254	81	049		(2,813)			(2,813)
Washington State University - 105283G002254	81	049		161			161
Washington State University - 105283G002254	81	049		63,244			63,244
Washington State University - 113054G002743	81	049		19,843			19,843

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF ENERGY (cont.)							
University Coal Research	81	057					
University of North Texas - GF2654/PO NT752-134182	81	057		51,076			51,076
Conservation Research and Development	81	086	40,980				40,980
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81	117					
Boise State University - 5212-B	81	117				9,187	9,187
Boise State University - 5212-B	81	117				56,168	56,168
Nuclear Energy Research, Development & Demonstration	81	121	40,757				40,757
Battelle Energy Alliance LLC - 00042246TO00059	81	121		92,567			92,567
Kansas State University - S08153	81	121		47,676			47,676
TOTAL - DEPARTMENT OF ENERGY			497,643	5,592,167	-	2,190,447	8,280,257
DEPARTMENT OF EDUCATION							
DEPARTMENT OF EDUCATION							
Federal Pass Through	84	928A					
National Writing Project - 92ID01 A16	84	928A				5,399	5,399
ARRA Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	84	390					
ARRA State Board of Vocational Education - MOU 02-27-2010	84	390				(5,496)	(5,496)
ARRA School Improvement Grants, Recovery Act	84	388					
ARRA Idaho State Department of Education - 042100	84	388				80,194	80,194
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS							
Federal Supplemental Educational Opportunity Grants	84	007			494,206		494,206
Federal Work-Study Program	84	033			673,640		673,640
Federal Perkins Loan Program-Federal Capital Contributions	84	038			427		427
Federal Pell Grant Program	84	063			16,221,084		16,221,084
Federal Direct Student Loans	84	268			67,706,661		67,706,661
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES							
Special Education Grants to States							
Idaho State Department of Education - 061044	84	027					
State Department of Education - 093012	84	027				1,838	1,838
State Department of Education - 093012	84	027				292,334	292,334
Special Education Grants to States							
Idaho State Department of Education - 061045	84	027A					
Idaho State Department of Education - 061046	84	027A				16,490	16,490
Idaho State Department of Education - 061046	84	027A				8,940	8,940
Idaho State Department of Education - 073009	84	027A				273,969	273,969
Idaho State Department of Education - 073011	84	027A				173,285	173,285
Idaho State Department of Education - 073012	84	027A				316,420	316,420
Idaho State Department of Education - 074064	84	027A				3,340	3,340
Idaho State Department of Education - 074067	84	027A				1,037	1,037
State Department of Education - 061047	84	027A				5,413	5,413
State Department of Education - 073010	84	027A				66,819	66,819
State Department of Education - 082020	84	027A				(3,100)	(3,100)
State Department of Education - EARLY SETUP	84	027A				480	480
State Department of Education - EARLY SETUP	84	027A				592	592
State Department of Education - EARLY SETUP	84	027A				778	778
Special Education Preschool Grants							
State Department of Education - 093012	84	173					
State Department of Education - 093012	84	173				4,271	4,271
Assistive Technology	84	224			392,765		392,765
Special Education_Grants to States							
Idaho State Department of Education - 061044	84	323					
Idaho State Department of Education - 102016	84	323				1,697	1,697
Idaho State Department of Education - 023017	84	323				7,921	7,921
Idaho State Department of Education - 023017	84	323				10,690	10,690

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF EDUCATION							
DEPARTMENT OF EDUCATION (Cont.)							
Idaho State Department of Education - 035033	84	323				7,063	7,063
Idaho State Department of Education - 4752	84	323				2,498	2,498
Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84	326			89,695		89,695
OFFICE OF POSTSECONDARY EDUCATION							
TRIO_Student Support Services	84	042A			305,130		305,130
TRIO_Talent Search	84	044A			335,117		335,117
TRIO_Upward Bound	84	047			611,462		611,462
TRIO_Upward Bound	84	047A			594,934		594,934
TRIO_Upward Bound	84	047M			117,120		117,120
TRIO_Educational Opportunity Centers	84	066			225,503		225,503
Fund for the Improvement of Postsecondary Education	84	116	54		69		123
TRIO_McNair Post-Baccalaureate Achievement	84	217			89,117		89,117
Gaining Early Awareness and Readiness for Undergraduate Programs	84	334			94,550		94,550
OFFICE OF VOCATIONAL AND ADULT EDUCATION							
Career and Technical Education -- Basic Grants to States	84	048A					
Idaho Division of Professional-Technical Education - FCDPCCUPFC12A665	84	048A		1,495			1,495
Idaho Division of Professional-Technical Education - F-CPD-ACCP-AG-12A-665	84	048A				1,000	1,000
Idaho Division of Professional-Technical Education - F-SPP-ECPS-FC-13A-665	84	048A				3,917	3,917
Idaho Division of Professional-Technical Education - F-SPP-EVAP-FC-13B-665	84	048A				3,976	3,976
Idaho Division of Professional-Technical Education - F-SPP-MACP-GU-13A-665	84	048A				68,200	68,200
Idaho Division of Professional-Technical Education - F-SPP-MPMP-FC-12A-665	84	048A				2,515	2,515
Idaho Division of Professional-Technical Education - F-SPP-PTLI-FC-12A-665	84	048A				(70)	(70)
Idaho Division of Professional-Technical Education - F-SPP-PTLI-FC-13A-665	84	048A				41,302	41,302
Idaho Division of Professional-Technical Education - F-SPP-RCCP-AG13B-665	84	048A				3,750	3,750
Idaho Division of Professional-Technical Education - F-SPP-STEM-CP-13A-665	84	048A				25,513	25,513
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION							
Title I Grants to Local Educational Agencies	84	010					
Idaho State Department of Education - 042100	84	010				327,190	327,190
Idaho State Department of Education - 063057	84	010				2,792	2,792
Migrant Education_College Assistance Migrant Program	84	149			412,665		412,665
Improving Teacher Quality State Grants	84	367					
Idaho State Department of Education - 103040	84	367				22,536	22,536
Improving Teacher Quality State Grants	84	367A					
Idaho State Department of Ed - 052001	84	367A				937	937
TOTAL - DEPARTMENT OF EDUCATION			54	1,495	88,364,145	1,776,430	90,142,124
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Centers for Disease Control & Prevention - 2142011M38775	93		668				668
Dept. Health and Human Services - HHSN27620080008C	93		1,199				1,199
Dept. Health and Human Services - HHSN276201200105P	93		28,921				28,921
Purdue University - 8000053416	93		3,706				3,706
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93	043					

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont.)							
Area Agency on Aging - 111200	93	043				(787)	(787)
HEALTH RESOURCES AND SERVICES ADMINISTRATION							
Area Health Education Centers Point of Service Maintenance & Enhancement Awards	93	107					
ID Area Health Education Center - 13537	93	107				1,997	1,997
Area Health Education Centers Infrastructure Development Awards	93	824					
ID Area Health Education Center - 12735	93	824				590	590
Maternal and Child Health Services Block Grant to the States	93	994					
IDHW - HC788500	93	994				15,000	15,000
ADMINISTRATION FOR CHILDREN AND FAMILIES							
Child Care and Development Block Grant	93	575					
Idaho Dept. of Health & Welfare - WC061000	93	575				(2,149)	(2,149)
Idaho Dept. of Health & Welfare - WC061000	93	575				1	1
Idaho Dept. of Health & Welfare - WC061000	93	575				190,852	190,852
Idaho Dept. of Health & Welfare - WC069400	93	575				4,003	4,003
Idaho Dept. of Health & Welfare - WC069400	93	575				4,071,931	4,071,931
Head Start	93	600					
Mountain States Group, Inc. - 13112-12-13	93	600				1,870	1,870
Mountain States Group, Inc. - 12017	93	600				(184)	(184)
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93	632			553,078		553,078
Association of University Centers on Disabilities - 891-983	93	632				10,873	10,873
ARRA – Early Head Start (RECOVERY)	93	709					-
ARRA Mountain States Group, Inc. - 12017	93	709				(61)	(61)
NATIONAL INSTITUTES OF HEALTH							
National Center for Research Resources	93	389	1,530,521				1,530,521
University of Texas at San Antonio - 130449/130446	93	389		83,326			83,326
ARRA Trans-NIH Recovery Act Research Support (RECOVERY)	93	701	163,634				163,634
Allergy, Immunology and Transplantation Research	93	855	553,375				553,375
University of Maryland - SR00002023	93	855		20,069			20,069
University of Maryland - SR00002024	93	855		34,159			34,159
University of Maryland - SR00002501	93	855		170,352			170,352
University of Texas Southwestern Medical Center at Dallas - GMO900405	93	855		86,687			86,687
University of Washington - 736781	93	855		44,572			44,572
Biomedical Research and Research Training	93	859	3,919,719				3,919,719
Point Loma Nazarene University - 1R15GM102995-01A1	93	859		73			73
Child Health and Human Development Extramural Research	93	865	18,432				18,432
Univ of California Irvine - 2010-2401	93	865		73,850			73,850
Aging Research	93	866					
Oregon Health & Science University - 90024741_ID	93	866		10,480			10,480
Vision Research	93	867	557,259				557,259
CENTERS FOR MEDICARE AND MEDICAID SERVICES							
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93	768					
State of Idaho Independent Living Council - EARLY SET-UP	93	768				2,527	2,527
State of Idaho Independent Living Council - SILC-1	93	768				19,886	19,886
CENTERS FOR DISEASE CONTROL AND PREVENTION							
Public Health Emergency Preparedness	93	069					
Idaho Dept. of Health & Welfare - HC763500	93	069		66,213			66,213
PPHF 2012: Community Transformation Grants -Small Communities Program financed solely by 2012 Public Prevention and Health Funds	93	737					
Coeur d'Alene Tribe - 13050	93	737				9,367	9,367

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont.)</u>							
HEALTH CARE FINANCING ADMINISTRATION							
Medical Assistance Program							
Idaho Dept. of Health & Welfare - KC247200	93	778				625	625
Idaho Dept. of Health & Welfare - KC247200	93	778					
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION							
Block Grants for Prevention and Treatment of Substance Abuse							
Idaho Dept. of Health & Welfare - BC015300	93	959				5,000	5,000
Idaho Dept. of Health & Welfare - BC015300	93	959					
TOTAL - DEPARTMENT OF HEALTH AND HUMAN SERVICES			6,777,434	589,781	553,078	4,331,341	12,251,634
<u>DEPARTMENT OF HOMELAND SECURITY</u>							
Emergency Management Performance Grants							
Idaho Bureau of Homeland Security - TO001-FY-2013/PO BH130271	97	042		62,881			62,881
Idaho Bureau of Homeland Security - TO001-FY-2013/PO BH130271	97	042		62,881			62,881
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97	108	(2,200)				(2,200)
TOTAL - DEPARTMENT OF HOMELAND SECURITY			(2,200)	62,881	-	-	60,681
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>							
AGENCY FOR INTERNATIONAL DEVELOPMENT							
FHI Development 360 LLC - 2029	98					65,723	65,723
Georgetown University - UIRX205070510K	98					9,902	9,902
Purdue University - 8000051144	98			6,595			6,595
Purdue University - 8000051145	98			11,487			11,487
TOTAL - AGENCY FOR INTERNATIONAL DEVELOPMENT			-	18,082	-	75,625	93,707
TOTAL FEDERAL FINANCIAL ASSISTANCE			41,891,013	12,579,283	95,024,235	9,946,594	159,441,125

Notes to Schedule of Expenditures of Federal Awards Period Ended June 30, 2013

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are recognized following the cost principals contained in OMB Circular A-21, *Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

3. University Administered Loan Programs

The University administers the Federal Perkins Loan Program (CDFFA number 84.038). The outstanding student loan balance and total loan disbursements were **\$11,422,927 and \$1,636,721** as of and for the year ended June 30, 2013.

The above expenditures for the Federal Perkins Loan Program include loans to students and administrative cost allowances. The expenditures reported in the Schedule of Expenditures of Federal Awards represent the administrative cost allowance for the year reported. The federal capital contribution was discontinued for FY 2006.

4. Subrecipients

Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as listed on the following pages:

University of Idaho

Notes to Schedule of Expenditures of Federal Awards Period Ended June 30, 2013

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
DEPARTMENT OF AGRICULTURE DEPARTMENT OF AGRICULTURE 08-JV-11221633-159	10.	11,942
AGRICULTURE RESEARCH SERVICE Agricultural Research-Basic and Applied Research	10.001	11,744
AGRICULTURE MARKETING SERVICE Federal-State Marketing Improvement Program	10.156	23,297
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE Grants for Agricultural Research, Special Research Grants Federal Pass Through Montana State University - G203-11-W3364	10.200 10.200 10.200	213,308 21,456
Grants for Agricultural Research, Competitive Research	10.206	232,423
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	57,453
Higher Education Challenge Grants	10.217	93,318
Integrated Programs	10.303	334,695
Specialty Crop Research Initiative Federal Pass Through University of Wisconsin - 350K825	10.309 10.309 10.309	1,782,498 20,831
Agriculture and Food Research Initiative (AFRI) Federal Pass Through Washington State University - 115808G002989	10.310 10.310 10.310	95,907
Cooperative Extension Service Federal Pass Through Utah State University - 110897009	10.500 10.500 10.500	2,440 1,201
FOREST SERVICE Forest Health Protection	10.680	28,000

University of Idaho

Notes to Schedule of Expenditures of Federal Awards Period Ended June 30, 2013

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
NATURAL RESOURCES CONSERVATION SERVICE Environmental Quality Incentives Program	10.912	33,390
FOREIGN AGRICULTURAL SERVICE Cochran Fellowship Program-International Training-Foreign Participant	10.962	169,828
DEPARTMENT OF DEFENSE OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY Basic and Applied Scientific Research	12.300	21,587
OFFICE OF THE SECRETARY OF DEFENSE Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	25,000
OFFICE OF THE AIR FORCE, MATERIEL COMMAND Air Force Defense Research Sciences Program Federal Pass Through GE Global Research - 400070053	12.800 12.800 12.800	28,692
DEPARTMENT OF THE INTERIOR DEPARTMENT OF THE INTERIOR G12PC00068	15.	26,902
BUREAU OF LAND MANAGEMENT Invasive and Noxious Plant Management	15.230	70,000
GEOLOGICAL SURVEY Assistance to State Water Resources Research Institutes	15.805	8,833
FEDERAL HIGHWAY ADMINISTRATION Highway Research and Development Program	20.200	113,987
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION		

University of Idaho

Notes to Schedule of Expenditures of Federal Awards Period Ended June 30, 2013

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
University Transportation Centers Program	20.701	650,296
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
NNX07AL05A	43.	200,000
NNX09AV04A	43.	31,702
NNX10AN29A	43.	135,205
NNX10AN30A	43.	176,333
DESC00004751	43.	240,956
Federal Pass Through		
University of Illinois - 2007-05966-02 A3595	43.	15,396
Aerospace Education Services Program	43.001	266,540
NATIONAL SCIENCE FOUNDATION		
Engineering Grants	47.041	10,492
Mathematical and Physical Sciences	47.049	52,203
Computer and Information Science and Engineering	47.070	56,453
Biological Sciences	47.074	400,595
Polar Programs	47.078	49,127
Office of Cyberinfrastructure	47.080	1,781,313
Office of Experimental Program to Stimulate Competitive Research	47.081	199,867
ARRA Trans-NSF Recovery Act Research Support	47.082	40,817

University of Idaho

Notes to Schedule of Expenditures of Federal Awards Period Ended June 30, 2013

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
DEPARTMENT OF ENERGY		
DEPARTMENT OF ENERGY	81.	
DESC00004751	81.	46,731
Federal Pass Through		
Los Alamos National Laboratory - 8007000110M2	81.	3,511
Battelle Energy Alliance LLC - TO00061	81.	19,581
Battelle Energy Alliance LLC - 00042246TO00057	81.	53,008
ARRA Renewal Energy Research and Development	81.087	
ARRA Federal Pass Through	81.087	40,650
DEPARTMENT OF EDUCATION		
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES		
Assistive Technology	84.224	7,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
ADMINISTRATION FOR CHILDREN AND FAMILIES		
Child Care and Development Block Grant		
Federal Pass Through	93.575	
Idaho Dept. of Health & Welfare - WC061000	93.575	78,511
Idaho Dept. of Health & Welfare - WC069400	93.575	1,540,259
NATIONAL INSTITUTES OF HEALTH		
Biomedical Research and Research Training	93.859	2,309,183
ARRA Trans-NIH Recovery Act Research Support	93.701	
TOTAL FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS		11,834,461 T