

BOISE STATE UNIVERSITY

Independent Auditor's Report and Financial Statements

June 30, 2009 and 2008

Including Single Audit Reports
for the year ended June 30, 2009



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BOISE  STATE
UNIVERSITY

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INDEPENDENT AUDITOR'S REPORT

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the accompanying financial statements of Boise State University (University) as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Boise State University's discretely presented component units as described in Note 13. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University, and its discretely presented component unit, as of June 30, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2009, 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* and should be considered in assessing the results of our audit.

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

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

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Eugene, Oregon
September 30, 2009

BOISE  STATE
UNIVERSITY

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

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

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2009 and June 30, 2008 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles. There are three financial statements presented: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The University discloses, as a component unit, any significant organizations that raise and hold economic resources for the direct benefit of the University. Organizations that are legally separate, tax-exempt entities that satisfy the criteria of GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14"* should be discretely presented as component units. The Boise State University Foundation, Inc. (the "Foundation") is discretely presented for the year ended June 30, 2009 and the Foundation is combined with the Bronco Athletic Association, Inc. for discreet presentation as of June 30, 2008. The component units report their financial information according to Financial Accounting Standards Board ("FASB")

reporting standards. The University presents component unit financial information on pages immediately following the statements of the University.

Statement of Net Assets

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

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

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the University's equity in capital assets. The second net asset category is restricted, expendable net assets. Restricted, expendable net assets are available for

expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the

assets. The final category is unrestricted net assets. Unrestricted net assets are available to the University for any lawful purpose of the institution.

| Summary Statements of Net Assets | | | |
|---|-------------------|-------------------|-------------------|
| As of June 30 | | | |
| (Dollars in Thousands) | | | |
| | 2009 | 2008 | 2007 |
| ASSETS: | | | |
| Current assets | \$ 96,983 | \$ 101,473 | \$ 94,485 |
| Capital assets, net | 374,656 | 348,974 | 304,028 |
| Other assets | 98,320 | 81,872 | 118,979 |
| Total assets | <u>\$ 569,959</u> | <u>\$ 532,319</u> | <u>\$ 517,492</u> |
| LIABILITIES: | | | |
| Current liabilities | \$ 55,651 | \$ 47,824 | \$ 39,923 |
| Non-current liabilities | 229,563 | 208,178 | 213,382 |
| Total liabilities | 285,214 | 256,002 | 253,305 |
| NET ASSETS: | | | |
| Invested in capital assets, net of related debt | 175,660 | 167,966 | 160,800 |
| Restricted, expendable | 17,442 | 22,892 | 20,246 |
| Unrestricted | 91,643 | 85,459 | 83,141 |
| Total net assets | <u>284,745</u> | <u>276,317</u> | <u>264,187</u> |
| Total liabilities and net assets | <u>\$ 569,959</u> | <u>\$ 532,319</u> | <u>\$ 517,492</u> |

The University's total assets increased during fiscal year 2009 by \$37,639,907 from \$532,318,830 in 2008 to \$569,958,737 in 2009. Capital assets continued to grow due to the University's large construction projects. Cash and investments increased by the net of bond proceeds for construction less current year construction spending. The

University's total liabilities increased during fiscal year 2009 by \$29,211,682 from \$256,001,581 in 2008 to \$285,213,263 in 2009. The majority of the increase was in notes and bonds payable due to the impact of the current year bond issue and normal debt payment activity.

Statement of Revenues, Expenses, and Changes in Net Assets

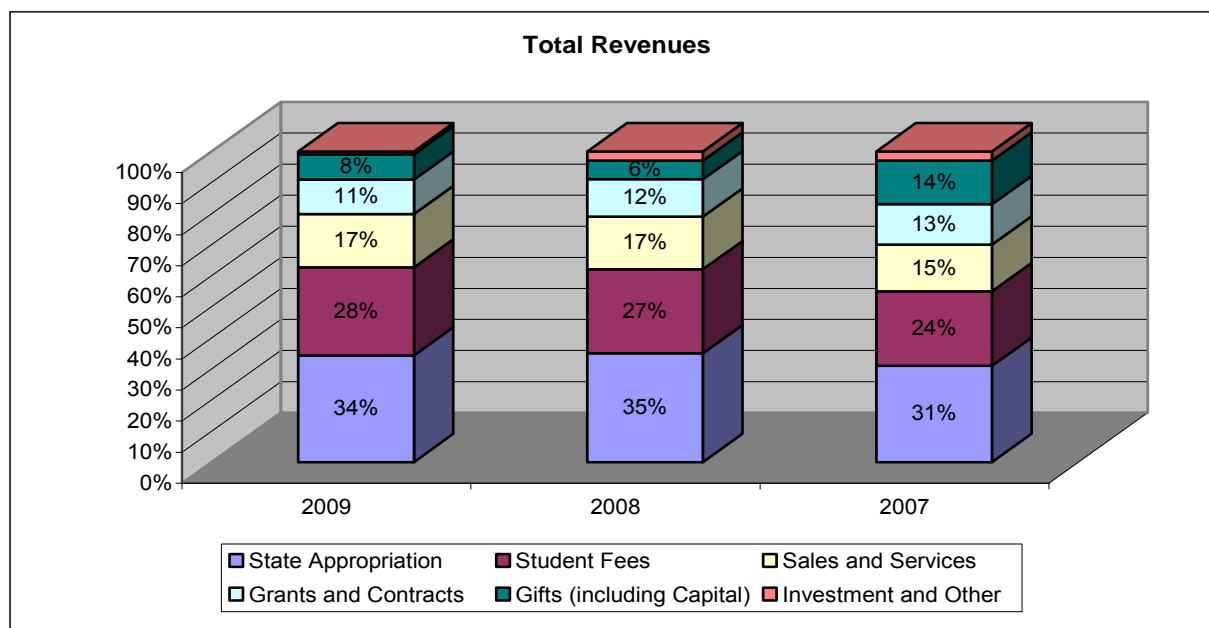
Changes in total net assets, as presented on the statement of net assets, are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement is to present the revenues (operating and non-operating) received by the University, and the expenses (operating and non-operating)

paid by the institution and any other revenues, expenses, gains and losses received or spent by the University. The University will always reflect a net operating loss because state general fund appropriations are not reported as operating revenues. Generally speaking, operating revenues are generated by providing

services to the various customers, students and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues received for which services are not provided. For example, state general funds are non-operating as defined by GASB Statement No. 34, “*Basic Financial Statements and*

Management’s Discussion and Analysis for State and Local Governments” and GASB Statement No. 35, “*Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities*” because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services in exchange for those revenues.



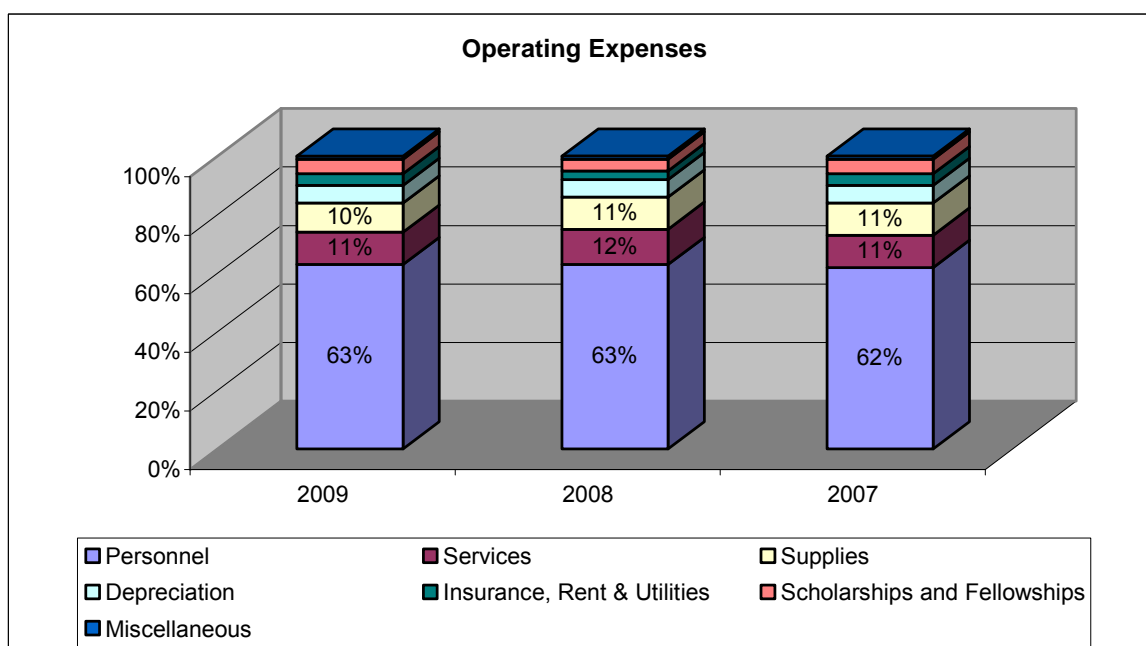
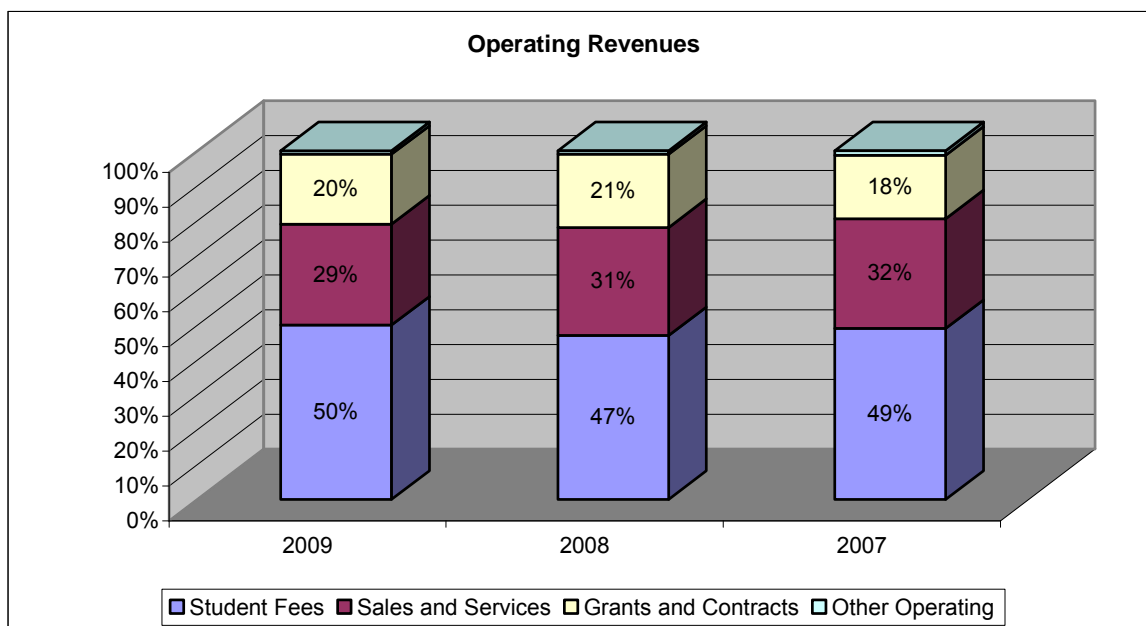


Summary Statements of Revenues, Expenses, and Changes in Net Assets
Fiscal Years Ended June 30
(Dollars in Thousands)

| | 2009 | 2008 | 2007 |
|---|-------------------|-------------------|-------------------|
| Operating revenues | \$ 155,978 | \$ 150,956 | \$ 134,989 |
| Operating expenses | 269,658 | 257,731 | 230,575 |
| Operating loss | (113,680) | (106,775) | (95,586) |
| Non-operating revenues and expenses | 119,927 | 117,241 | 113,471 |
| Income before other revenues, expenses, gains or losses | 6,247 | 10,466 | 17,885 |
| Other revenues and expenses | 2,181 | 1,664 | 24,207 |
| Increase in net assets | 8,428 | 12,130 | 42,092 |
| Net assets—Beginning of year | 276,317 | 264,187 | 222,095 |
| Net assets—End of year | \$ 284,745 | \$ 276,317 | \$ 264,187 |

The statement of revenues, expenses, and changes in net assets reflects an overall increase in net assets during fiscal year 2009. Operating revenues increased by \$5,022,339 from \$150,955,596 in 2008 to \$155,977,935 in 2009. This increase is caused by increases in student fees. Tuition and fee rates increased by five percent and Fall enrollment increased by two percent, increasing net student fee revenues by \$5.6 million. Operating expenses increased by

\$11,927,094 from \$257,730,578 in 2008 to \$269,657,672 in 2009. Sixty percent of this increase relates to personnel costs. Medical insurance premiums increased \$2.4 million. The University implemented a two percent salary increase after considering State holdbacks while the workforce remained relatively flat. Another \$3 million of the increase was in the area of scholarships and fellowships which has been an emphasis for the University.



Statement of Cash Flows

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

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

| Summary Statements of Cash Flows | | | |
|--|------------------|------------------|------------------|
| Fiscal Years Ended June 30 | | | |
| (Dollars in Thousands) | | | |
| | 2009 | 2008 | 2007 |
| Cash provided (used) by: | | | |
| Operating activities | \$ (94,277) | \$ (87,708) | \$ (75,715) |
| Non-capital financing activities | 129,557 | 122,022 | 111,215 |
| Capital and related financing activities | (25,284) | (77,279) | 42,072 |
| Investing activities | (2,210) | 45,737 | (67,273) |
| Net change in cash | 7,786 | 2,772 | 10,299 |
| Cash—Beginning of year | 42,720 | 39,948 | 29,649 |
| Cash—End of year | \$ 50,506 | \$ 42,720 | \$ 39,948 |

Overall, cash increased by \$7,785,483 during the year compared to a cash increase of \$2,772,033 during fiscal year 2008. Cash used in operating activities totaled \$94.3 million in fiscal year 2009 compared \$87.7 million in fiscal year 2008. The largest area of change is payments to employees and is consistent with the increase in operating expenses. The significant use of cash for capital and related financing activities in 2009 related to spending on construction

projects in progress during the year and nearly \$12 million of defeased bonds were offset by \$43 million of new bonds issued. The spending on construction projects is a continuation of the trend from previous years as the campus plant continues to change rapidly. Cash used by investing activities totaled \$2.2 million due to the purchase of investments from the bond proceeds received offset by liquidation of investments for construction spending. The

rate of liquidation of investments was consistent with the previous year's cash flow.

Capital Asset and Debt Administration

The University's capital assets, prior to depreciation, increased by \$39,775,200 from \$505,693,241 in 2008 to \$545,468,441 in 2009. The University continued to build and acquire property and buildings consistent with the Campus Master Plan. Capital asset additions in 2009 included the completion of the Stueckle Sky Club stadium addition and the Student Union expansion and renovation. Construction continues on the Norco Nursing and University Health Center. Total notes, bonds, and capital leases increased by \$24,307,154 from \$208,582,244 in 2008 to \$232,889,398 in 2009, due to the issuance of \$42,595,000 of Series 2009A General revenue bonds offset by repayments on outstanding debt.

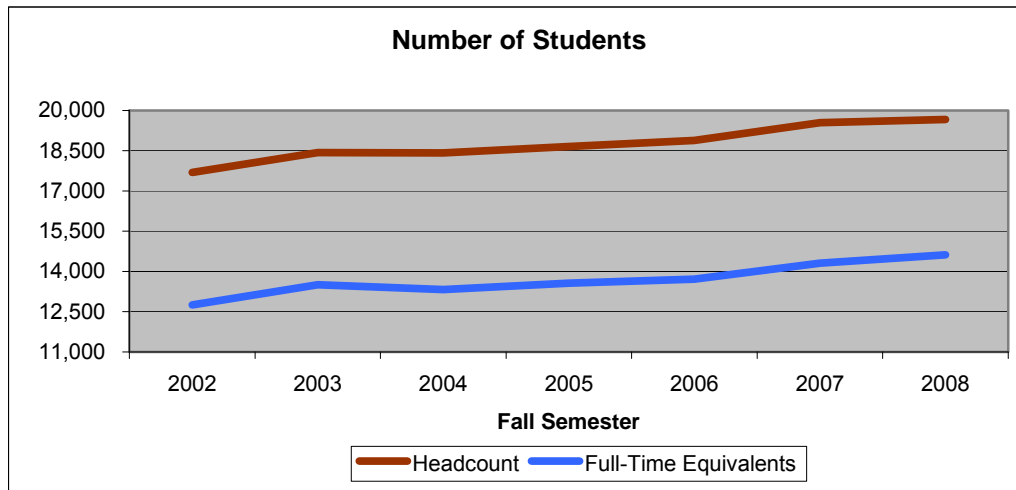
Economic Outlook

The State of Idaho had a difficult fiscal year that resulted in budget holdbacks for all state agencies. Revenues for the year ended June 30, 2009 were 15.3 percent below those of the previous year. Tax revenues for fiscal year 2010 continue to be below budgeted projections. The State's fiscal year 2010 budget was finalized prior to the end of 2009. As a result, revenues in the current state budget are 3.4 percent higher than what was realized in 2009. Agencies are aware that a holdback of some level is highly likely in 2010.

Concurrent, with reducing state budgets, the University is continuing to see increased academic demand. In light of the economic downturn, students are returning to complete degrees or retrain in new disciplines.

Additionally, the University completed the transfer of the Seland College to the College of Western Idaho ("CWI") during the current fiscal year. The transition included the sale of approximately \$800,000 in assets at net book value and the donation of land at cost of \$1.8 million on which the main academic building for the new college is built. The donation is included in other non-operating expense. The building was financed and owned by the State of Idaho and was not carried in the University's statements. While the transaction did not have a significant financial statement impact, it does have a significant programmatic impact. Approximately, 700 Full-Time Equivalent students previously attending Boise State University in the Seland College professional technical programs are now attending CWI.

However, in spite of the initial impact of the opening of CWI, all indications are that enrollment will continue to strengthen in future years. Applications and admissions remain strong while retention is improving. Summer session enrollment was 10 percent higher than the previous summer. Graduate student enrollment is up 6.8 percent and first time degree seeking student admissions are up 4 percent in Fall of 2009 compared to Fall of 2008.



Other variables including federal stimulus funding, potential reductions in gifts, and potential increases or decreases in federal student aid could also have an impact on the University's future funding package.

Management has taken several actions to plan for future funding scenarios. A portion of reserves has been set aside to absorb a potential holdback of state funding. Several funding models have been developed to allow for a thoughtful reaction to factors as they solidify.

There has been continued progress on major initiatives despite the current economy. The comprehensive fundraising campaign, Destination Distinction, is designed to support students, faculty, strategic initiatives, research and infrastructure and has raised 65% of the goal of \$175 million, or \$114 million.

Construction has completed on the Student Union expansion. The Norco Nursing and University Health Center will open during

the fall of 2009. The 2009A bonds provide funding for an additional parking garage as well as the Center for Environmental Science and Economic Development. It is anticipated that bonds will be issued for the new College of Business and Economics during fiscal year 2010 and the President recently announced a new Institute for the Arts and Humanities that may be located on the land vacated by the College of Business. Emphasis will continue to be placed on developing the campus in line with the Campus Facilities Master Plan.

The University's strategic plan, *Charting the Course*, lays out a road map for Boise State University to become a "Metropolitan Research University of Distinction." The destination will be reached through Academic Excellence, Public Engagement, Vibrant Culture, and Exceptional Research. In general, the economic uncertainty has not changed the path the University is taking however certain initiatives may be impacted in terms of the timing of their completion.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY STATEMENTS OF NET ASSETS JUNE 30, 2009 AND JUNE 30, 2008

| | University 2009 | University 2008 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash with treasurer | \$ 28,398,819 | \$ 26,728,659 |
| Cash and cash equivalents | 22,107,083 | 15,991,760 |
| Student loans receivable | 1,324,200 | 1,226,174 |
| Accounts receivable and unbilled charges, net | 19,115,919 | 16,153,379 |
| Prepaid expense | 930,245 | 2,085,349 |
| Inventories | 2,026,012 | 3,454,114 |
| Investments | 20,697,165 | 33,136,060 |
| Due from component units | 2,225,982 | 2,359,966 |
| Other current assets | <u>157,631</u> | <u>337,086</u> |
| Total current assets | <u>96,983,056</u> | <u>101,472,547</u> |
| NON-CURRENT ASSETS: | | |
| Student loans receivable, net | 9,410,077 | 10,270,584 |
| Investments | 85,379,385 | 67,711,203 |
| Investments held in trust | 474,522 | 497,136 |
| Deferred bond financing costs | 2,281,745 | 2,467,950 |
| Capital assets, net | 374,655,659 | 348,974,477 |
| Other assets | <u>774,293</u> | <u>924,933</u> |
| Total non-current assets | <u>472,975,681</u> | <u>430,846,283</u> |
| TOTAL ASSETS | <u>\$ 569,958,737</u> | <u>\$ 532,318,830</u> |

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2009 AND JUNE 30, 2008

| | University 2009 | University 2008 |
|--|-----------------------|-----------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities | \$ 5,616,721 | \$ 4,900,006 |
| Due to state agencies | 10,476,683 | 8,717,329 |
| Accrued salaries and benefits payable | 8,846,366 | 8,760,727 |
| Compensated absences payable | 6,358,350 | 5,929,643 |
| Interest payable | 2,685,683 | 2,363,632 |
| Unearned revenue | 10,264,449 | 9,705,125 |
| Notes and bonds payable | 9,288,006 | 5,799,412 |
| Obligations under capital lease | 381,667 | 393,226 |
| Obligations under capital lease - component unit | 275,000 | 265,000 |
| Other liabilities | 1,458,143 | 989,317 |
| Total current liabilities | <u>55,651,068</u> | <u>47,823,417</u> |
| NON-CURRENT LIABILITIES: | | |
| Unearned revenue | 1,902,475 | 2,052,475 |
| Notes and bonds payable | 220,454,152 | 198,904,846 |
| Obligations under capital lease | 113,775 | 567,962 |
| Obligations under capital lease - component unit | 2,376,798 | 2,651,798 |
| Net Other Post Employment Benefits Obligation | 4,186,211 | 3,555,632 |
| Other liabilities | 528,784 | 445,451 |
| Total non-current liabilities | <u>229,562,195</u> | <u>208,178,164</u> |
| TOTAL LIABILITIES | <u>285,213,263</u> | <u>256,001,581</u> |
| NET ASSETS: | | |
| Invested in capital assets, net of related debt | 175,660,290 | 167,965,615 |
| Restricted, expendable | 17,442,188 | 22,892,158 |
| Unrestricted | 91,642,996 | 85,459,476 |
| TOTAL NET ASSETS | <u>284,745,474</u> | <u>276,317,249</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 569,958,737</u> | <u>\$ 532,318,830</u> |

See notes to financial statements.

BOISE STATE UNIVERSITY
COMPONENT UNITS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND JUNE 30, 2008

| | Component Unit 2009 | Component Units 2008 |
|---|---------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 3,611,765 | \$ 1,857,146 |
| Accrued interest and other receivables | 796,984 | 150,852 |
| Pledges receivable - current portion | 7,130,589 | 10,536,671 |
| Certificate of Deposit | - | 2,000,000 |
| Investment in lease - technology building current portion | 302,356 | 291,166 |
| Total current assets | 11,841,694 | 14,835,835 |
| NON-CURRENT ASSETS: | | |
| Restricted cash and cash equivalents | 3,939,025 | 9,725,906 |
| Pledges receivable | 18,160,748 | 17,308,132 |
| Investments | 76,709,978 | 87,367,744 |
| Interest in perpetual trusts | 2,160,466 | 2,765,876 |
| Investments in real estate | 10,157,836 | 1,718,064 |
| Funds held by trustee | 629,704 | 763,879 |
| Investment in lease - technology building | 2,578,142 | 2,880,499 |
| Other assets | 761,831 | 830,266 |
| Total non-current assets | 115,097,730 | 123,360,366 |
| TOTAL ASSETS | \$ 126,939,424 | \$ 138,196,201 |

BOISE STATE UNIVERSITY
COMPONENT UNITS
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2009 AND JUNE 30, 2008

| | Component Unit 2009 | Component Units 2008 |
|---|---------------------------|----------------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 1,735,212 | \$ 180,294 |
| Interest payable | 38,568 | 41,383 |
| Prepaid memberships and suites/press box | 2,175,529 | 950,748 |
| Liability for split interest trusts | 69,366 | 77,068 |
| Trust earnings payable to trust beneficiaries | 20,364 | 20,364 |
| Long-term liabilities - current portion | 275,000 | 265,000 |
| Deferred revenue - current portion | 76,607 | 1,987,676 |
| Total current liabilities | 4,390,646 | 3,522,533 |
| NON-CURRENT LIABILITIES: | | |
| Bonds and certificates payable | 7,878,000 | 3,095,000 |
| Deferred revenue | 447,131 | 523,739 |
| Deferred suites/press box revenue | 447,167 | 535,725 |
| Liability under split interest trust agreements | 895,901 | 877,225 |
| Amounts held in custody for others | 1,338,946 | 1,968,347 |
| Trust earnings payable to trust beneficiaries | 237,662 | 225,637 |
| Total non-current liabilities | 11,244,807 | 7,225,673 |
| TOTAL LIABILITIES | 15,635,453 | 10,748,206 |
| NET ASSETS: | | |
| Permanently restricted | 58,845,927 | 56,151,641 |
| Temporarily restricted | 49,564,601 | 63,437,160 |
| Unrestricted | 2,893,443 | 7,859,194 |
| TOTAL NET ASSETS | 111,303,971 | 127,447,995 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 126,939,424 | \$ 138,196,201 |

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

| | University 2009 | University 2008 |
|---|--------------------|--------------------|
| OPERATING REVENUES: | | |
| Student fees, pledged for bonds | \$ 96,333,782 | \$ 88,429,134 |
| Scholarship allowance | (19,103,067) | (16,846,698) |
| Student fees, net | 77,230,715 | 71,582,436 |
| Federal grants and contracts (including \$2,925,208 and \$2,126,616 of revenues pledged for bonds in 2009 and 2008, respectively) | 24,422,557 | 25,400,745 |
| State and local grants and contracts (including \$265,854 and \$655,473 of revenues pledged for bonds in 2009 and 2008, respectively) | 4,451,941 | 3,587,127 |
| Private grants and contracts (including \$89,399 and \$305,263 of revenues pledged for bonds in 2009 and 2008, respectively) | 1,594,043 | 1,860,851 |
| Sales and services of educational activities, pledged for bonds | 1,496,087 | 2,107,319 |
| Sales and services of auxiliary enterprises, pledged for bonds | 44,223,232 | 44,512,074 |
| Other, pledged for bonds | 2,559,360 | 1,905,044 |
| Total operating revenues | 155,977,935 | 150,955,596 |
| OPERATING EXPENSES: | | |
| Personnel cost | 170,015,712 | 162,599,726 |
| Services | 28,312,633 | 29,621,624 |
| Supplies | 27,909,212 | 28,392,395 |
| Insurance, utilities and rent | 9,917,659 | 8,468,058 |
| Scholarships and fellowships | 13,144,875 | 10,276,477 |
| Depreciation | 17,217,330 | 15,208,376 |
| Miscellaneous | 3,140,251 | 3,163,922 |
| Total operating expenses | 269,657,672 | 257,730,578 |
| OPERATING (LOSS) INCOME | (113,679,737) | (106,774,982) |

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

| | University 2009 | University 2008 |
|---|-----------------------|-----------------------|
| NON-OPERATING REVENUES (EXPENSES): | | |
| State appropriations | \$ 92,834,690 | \$ 92,409,481 |
| Pell Grants | 16,533,564 | 14,308,303 |
| Gifts (includes gifts from component units equal to \$13,922,062 and \$8,907,838 in 2009 and 2008, respectively) | 20,265,154 | 15,616,249 |
| Net investment income (including \$1,509,486 and \$2,837,082 of revenues pledged by the University for bonds in 2009 and 2008, respectively) | 2,582,815 | 6,502,202 |
| Change in fair value of investments (including \$26,904 and (\$8,272) of revenues pledged by the University for bonds in 2009 and 2008, respectively) | 150,596 | 355,432 |
| Interest (net of capitalized interest by the University of \$62,481 and \$437,151 in 2009 and 2008, respectively) | (9,662,177) | (10,433,981) |
| Gain (loss) on retirement of capital assets | (506,855) | (1,025,874) |
| Other | (2,270,702) | (490,410) |
| Net non-operating revenues (expenses) | <u>119,927,085</u> | <u>117,241,402</u> |
| INCOME BEFORE OTHER REVENUES AND EXPENSES | 6,247,348 | 10,466,420 |
| OTHER REVENUES AND EXPENSES: | | |
| Capital appropriations | 785,000 | 523,006 |
| Capital grants and gifts | <u>1,395,877</u> | <u>1,140,843</u> |
| Total other revenue | <u>2,180,877</u> | <u>1,663,849</u> |
| INCREASE IN NET ASSETS | 8,428,225 | 12,130,269 |
| NET ASSETS—Beginning of year | <u>276,317,249</u> | <u>264,186,980</u> |
| NET ASSETS—End of year | <u>\$ 284,745,474</u> | <u>\$ 276,317,249</u> |

See notes to financial statements.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
COMPONENT UNITS
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2009

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Component Unit 2009 |
|--|---------------------|---------------------------|---------------------------|---------------------------|
| OPERATING REVENUES: | | | | |
| Gifts | \$ 669,440 | \$ 5,792,463 | \$ 2,315,911 | \$ 8,777,814 |
| In-kind contributions | 1,272,137 | 3,050,000 | - | 4,322,137 |
| BAA membership | 2,711,734 | 50,253 | - | 2,761,987 |
| Non-charitable income | 264,765 | 2,468,114 | 437,916 | 3,170,795 |
| Interest and dividends | 801,580 | 1,893,963 | 93 | 2,695,636 |
| Change in split interest trusts | - | (89,501) | (6,910) | (96,411) |
| Change in fair value of investments | (6,394,199) | (14,249,808) | - | (20,644,007) |
| Total revenues | (674,543) | (1,084,516) | 2,747,010 | 987,951 |
| Donation from Bronco Athletic Association | 103,893 | 18,805,173 | 10,279,086 | 29,188,152 |
| Total revenues & gains | (570,650) | 17,720,657 | 13,026,096 | 30,176,103 |
| Net assets released from restrictions through satisfaction of: | | | | |
| Program restrictions | 13,075,328 | (13,075,328) | - | - |
| Board and donor designated transfers | 42,926 | (45,992) | 3,066 | - |
| Total operating revenues | 12,547,604 | 4,599,337 | 13,029,162 | 30,176,103 |
| OPERATING EXPENSES: | | | | |
| Distribution of scholarships | 2,602,869 | - | - | 2,602,869 |
| Distribution of funds for academic programs | 3,569,008 | - | - | 3,569,008 |
| Distribution of funds for athletic programs: | | | | |
| Program services | 6,909,854 | - | - | 6,909,854 |
| Fundraising expenses | 190,307 | - | - | 190,307 |
| Management and general | 516,973 | - | - | 516,973 |
| Uncollectable pledge expense | 636,013 | - | - | 636,013 |
| Repair & maintenance on building | 133,051 | - | - | 133,051 |
| Administrative expense: | | | | |
| Program services | 231,011 | - | - | 231,011 |
| Fundraising expenses | 2,321,240 | - | - | 2,321,240 |
| Management and general | 1,226,456 | - | - | 1,226,456 |
| Total operating expenses | 18,336,782 | - | - | 18,336,782 |
| OPERATING INCOME | (5,789,178) | 4,599,337 | 13,029,162 | 11,839,321 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Lease income | - | 255,254 | - | 255,254 |
| Amortization of deferred income | - | 76,607 | - | 76,607 |
| Gain on sale of property | 1,428,507 | - | - | 1,428,507 |
| Interest on capital asset - related debt | (372,938) | - | - | (372,938) |
| Depreciation and amortization expense | (115,943) | - | - | (115,943) |
| Total non-operating revenues (expenses) | 939,626 | 331,861 | - | 1,271,487 |
| CHANGE IN NET ASSETS | (4,849,552) | 4,931,198 | 13,029,162 | 13,110,808 |
| NET ASSETS - Beginning of year | 7,742,995 | 44,633,403 | 45,816,765 | 98,193,163 |
| NET ASSETS - End of year | \$ 2,893,443 | \$ 49,564,601 | \$ 58,845,927 | \$ 111,303,971 |

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
COMPONENT UNITS
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2008

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Component Units 2008 |
|--|---------------------|---------------------------|---------------------------|----------------------------|
| OPERATING REVENUES: | | | | |
| Gifts | \$ 675,025 | \$ 33,451,121 | \$ 2,819,060 | \$ 36,945,206 |
| In-kind contributions | 1,106,415 | - | - | 1,106,415 |
| BAA membership | 2,308,543 | - | - | 2,308,543 |
| Non-charitable income | 551,538 | (68,012) | 328,736 | 812,262 |
| Interest and dividends | 1,111,361 | 2,110,352 | - | 3,221,713 |
| Change in split interest trusts | - | (218,035) | 2,768 | (215,267) |
| Change in fair value of investments | (319,469) | (2,759,692) | - | (3,079,161) |
| Total revenues | 5,433,413 | 32,515,734 | 3,150,564 | 41,099,711 |
| Net assets released from restrictions through satisfaction of: | | | | |
| Program restrictions | 8,900,049 | (8,880,510) | (19,539) | - |
| Board and donor designated transfers | 59,426 | (190,929) | 131,503 | - |
| Total operating revenues | 14,392,888 | 23,444,295 | 3,262,528 | 41,099,711 |
| OPERATING EXPENSES: | | | | |
| Distribution of scholarships | 2,150,589 | - | - | 2,150,589 |
| Distribution of funds for academic programs | 2,890,361 | - | - | 2,890,361 |
| Donations to Boise State University Athletics | 3,866,888 | - | - | 3,866,888 |
| Administrative expense: | | | | |
| Program services | 231,900 | - | - | 231,900 |
| Fundraising expenses | 2,906,652 | - | - | 2,906,652 |
| Management and general | 2,148,955 | - | - | 2,148,955 |
| Total operating expenses | 14,195,345 | - | - | 14,195,345 |
| OPERATING INCOME | 197,543 | 23,444,295 | 3,262,528 | 26,904,366 |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Amortization of deferred income | - | 76,607 | - | 76,607 |
| Gain on sale of property | 443,730 | - | - | 443,730 |
| Interest on capital asset - related debt | (168,114) | - | - | (168,114) |
| Depreciation and amortization expense | (52,382) | - | - | (52,382) |
| Total non-operating revenues (expenses) | 223,234 | 76,607 | - | 299,841 |
| CHANGE IN NET ASSETS | 420,777 | 23,520,902 | 3,262,528 | 27,204,207 |
| NET ASSETS - Beginning of year as restated | 7,438,417 | 39,916,258 | 52,889,113 | 100,243,788 |
| NET ASSETS - End of year | \$ 7,859,194 | \$ 63,437,160 | \$ 56,151,641 | \$ 127,447,995 |

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

| | University 2009 | University 2008 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Student fees | \$ 76,606,492 | \$ 71,885,722 |
| Grants and contracts | 29,368,192 | 29,622,388 |
| Sales and services of educational activities | 2,293,523 | 1,090,768 |
| Sales and services of auxiliary enterprises | 43,543,267 | 46,538,010 |
| Other operating receipts | 2,310,041 | 1,835,440 |
| Payments to employees | (168,828,538) | (156,114,962) |
| Payments for services | (28,460,509) | (29,902,423) |
| Payments to suppliers | (25,811,001) | (29,649,076) |
| Payments for insurance, utilities and rent | (9,915,656) | (8,530,197) |
| Payments for scholarships and fellowships | (13,138,381) | (10,258,202) |
| Loans issued to students | (1,009,711) | (2,193,043) |
| Collections of loans to students | 1,178,827 | 1,229,530 |
| Other payments | (2,413,530) | (3,262,295) |
| Net cash used in operating activities | (94,276,984) | (87,708,340) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 92,834,691 | 92,490,491 |
| Pell Grants | 16,533,564 | 14,308,303 |
| Gifts | 20,188,788 | 15,223,189 |
| Direct lending receipts | 70,203,424 | 52,905,243 |
| Direct lending payments | (70,203,424) | (52,905,243) |
| Net cash provided by non-capital financing activities | 129,557,043 | 122,021,983 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Capital grants and gifts | 1,395,877 | 512,651 |
| Capital appropriations | 785,000 | 523,005 |
| Purchases of capital assets | (42,997,814) | (59,756,312) |
| Proceeds from notes and bonds payable | 41,776,907 | - |
| Principal paid on notes and bonds payable and capital leases | (17,944,754) | (8,432,473) |
| Interest paid on notes and bonds payable and capital leases | (9,398,306) | (10,348,168) |
| Payments for bond issuance costs | (506,068) | - |
| Other | 1,605,058 | 222,648 |
| Net cash used in capital and related financing activities | (25,284,100) | (77,278,649) |

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

| | University 2009 | University 2008 |
|---|------------------------|------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments | \$ (209,539,306) | \$ (215,368,992) |
| Proceeds from sales and maturities of investments | 204,456,323 | 254,113,364 |
| Investment income | 2,872,507 | 6,992,667 |
| Net cash used by investing activities | (2,210,476) | 45,737,039 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER | 7,785,483 | 2,772,033 |
| CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year | 42,720,419 | 39,948,386 |
| CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year | \$ 50,505,902 | \$ 42,720,419 |
| RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES: | | |
| Operating loss | \$ (113,679,737) | \$ (106,774,982) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation and amortization | 17,272,704 | 15,266,618 |
| Changes in assets and liabilities: | | |
| Accounts receivable and unbilled charges, net | (2,985,972) | (2,159,542) |
| Student loans receivable, net | 762,482 | (1,201,167) |
| Inventories | 1,428,102 | (685,610) |
| Other assets | 1,250,369 | (3,117,272) |
| Accounts payable and accrued liabilities | (258,716) | 517,329 |
| Accrued salaries and benefits payable | 109,070 | 2,120,061 |
| Compensated absences payable | 428,707 | 874,670 |
| Unearned revenue | 409,324 | 2,866,728 |
| Other Post Employment Benefits Obligation | 630,579 | 3,555,632 |
| Other liabilities | 356,104 | 1,029,195 |
| Net cash used in operating activities | \$ (94,276,984) | \$ (87,708,340) |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS: | | |
| Defeasance of debt | \$ 12,064,724 | |
| Donated assets | \$ 610,013 | \$ 518,461 |
| Donation of land to the College of Western Idaho | \$ 1,846,614 | |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

THE FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

GASB Statement No. 39, “*Determining Whether Certain Organizations are Component Units*” requires that significant component units be discretely presented. The University considers component units with net assets greater than five percent of the University’s net assets to be significant. During the year ended June 30, 2009 certain assets were transferred from the Bronco Athletic Association, Inc. (The “Association”) to the Boise State University Foundation, Inc. which reduced the Association’s net assets to an insignificant amount. As such, the Foundation is discretely presented for the year ended June 30, 2009, while the Foundation and Association are combined for discrete presentation for the year ended June 30, 2008. The Foundation was established

for the purpose of soliciting donations for the exclusive benefit of the University. The Association is a fund raising organization that provides financial assistance and services to the University intercollegiate athletic department. Financial statements of the component units may be obtained from the Vice President for Finance and Administration at the University. Component units’ financial statements are prepared in accordance with Financial Accounting Standards Board (“FASB”) pronouncements and in accordance with GAAP.

Financial Statement Presentation – The University has adopted GASB Statement No. 49, “*Accounting and Financial Reporting for Pollution Remediation Obligations*”. This Statement addresses accounting and financial reporting standards for pollution (including contamination), remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. There were no triggering events that would cause the University to record a liability as of June 30, 2009.

Basis of Accounting – For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting in

accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

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

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

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

Cash and Cash Equivalents – The University considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Cash

balances that are restricted and not expected to be expended within the subsequent fiscal year are classified as non-current assets.

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

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

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

Capital Assets, net – Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of gift. The University’s capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and land

improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

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

Non-current Liabilities – Non-current liabilities include principal amounts of revenue bonds payable, notes payable, and long-term capital lease obligations, net other post employment benefit obligations, non-current unearned revenue and arbitrage liabilities (presented in other liabilities).

Net Assets – The University's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital

assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

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

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

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

Income and Unrelated Business Income Taxes – The University, as a political subdivision of the State of Idaho, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated

business income tax expense in the fiscal years ended June 30, 2009 or 2008.

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

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

Scholarship Discounts and Allowances – Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for

goods and services provided by the University, and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount or allowance.

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

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

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

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

Deposits – Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents are deposited with federally chartered institutions and are carried at cost. Custodial risk is the risk that in the event of a financial institution failure, the deposits may not be returned. The State’s policy for managing custodial

risk can be found in the Idaho Code, Section 67-2739.

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

| Basis of Custodial Risk as of June 30 | 2009 | | 2008 | |
|---|------|------------|------|------------|
| | | | | |
| Insured | \$ | 17,439,306 | \$ | 100,000 |
| Uncollateralized | | 105,946 | | 130,583 |
| Collateralized by securities held by the pledging financial institution | | 4,561,831 | | 15,761,177 |
| Total | \$ | 22,107,083 | \$ | 15,991,760 |

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

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

The University invests in external investment pools managed by the State of Idaho and other money market fund providers. The State’s investment pool is managed by the State Treasurer’s Office in compliance with Idaho Code, Sections 67-1201 through 67-1222. The University had original cost of \$87,870,952 and \$49,575,762 invested in the State’s external pools as of June 30, 2009 and 2008, respectively. The University also had \$1,236,760 and \$434,341 invested in AAA rated external money market funds as of June 30, 2009 and June 30, 2008 respectively.

Credit Risk Debt Securities – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the

credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

Ratings, as of June 30, are presented below using the Moody's scale. AAA ratings signify that the portfolio holdings provide extremely strong protection against losses from credit defaults.

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

As of June 30, 2009, 84 percent of investments were in the state's AAA

rated external investment pool and 9 percent were in the federal government sponsored AAA rated Federal Home Loan Bank program.

As of June 30, 2008, 49 percent of investments were in the state's AAA rated external investment pool, 33 percent were in an AA rated 104 percent collateralized repurchase agreement, and 8 percent were in the AAA rated Federal National Mortgage Association loan program. Management believes the investment ratings; government sponsorship of the investments and over collateralization of the repurchase agreement mitigates any risk concentration.

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



| Investment Type | June 30, 2009 (Dollars in Thousands) | | | | | |
|---------------------------------|--------------------------------------|-------------|-------------------|--------------|---------------|--------------|
| | Fair Value | % of Total | AAA | AA | A | BBB |
| External Investment Pool | \$ 89,237 | 84% | \$ 89,237 | \$ - | \$ - | \$ - |
| Corporate Notes and Bonds | 497 | 0% | - | 97 | 308 | 92 |
| US Treasury Notes and Bonds | 139 | 0% | 139 | - | - | - |
| Federal Home Loan Bank | 9,979 | 9% | 9,979 | - | - | - |
| Federal Farm Credit Bank | 2,018 | 2% | 2,018 | - | - | - |
| Federal National Mortgage Assoc | 1,936 | 2% | 1,936 | - | - | - |
| Federal Home Loan Mortgage Corp | 2,745 | 3% | 2,745 | - | - | - |
| Total Investments | \$ 106,551 | 100% | \$ 106,054 | \$ 97 | \$ 308 | \$ 92 |
| % of Total | | | 100% | 0% | 0% | 0% |

| Investment Type | June 30, 2008 (Dollars in Thousands) | | | | | |
|---------------------------------|--------------------------------------|-------------|------------------|------------------|---------------|-------------|
| | Fair Value | % of Total | AAA | AA | A | BBB |
| External Investment Pool | \$ 50,013 | 49% | \$ 50,013 | \$ - | \$ - | \$ - |
| Corporate Notes and Bonds | 1,322 | 1% | 100 | 877 | 345 | - |
| Guaranteed Investment Contract | 33,522 | 33% | - | 33,522 | - | - |
| US Treasury Notes and Bonds | 135 | 0% | 135 | - | - | - |
| Federal Farm Credit Bank | 1,431 | 2% | 1,431 | - | - | - |
| Federal Home Loan Bank | 4,357 | 4% | 4,357 | - | - | - |
| Federal Home Loan Mortgage Corp | 2,452 | 3% | 2,452 | - | - | - |
| Federal National Mortgage Assoc | 8,112 | 8% | 8,112 | - | - | - |
| Total Investments | \$ 101,344 | 100% | \$ 66,600 | \$ 34,399 | \$ 345 | \$ - |
| % of Total | | | 66% | 34% | 0% | 0% |

Interest Rate Risk – Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. Less than 1% of total investments are invested in securities with periods longer than 5 years.

| June 30, 2009 (Dollars in Thousands) | | | | | | |
|--------------------------------------|--------------------------------|-------------|-----------|---------|---------|--|
| Investment Type | Investment Maturities In Years | | | | | |
| | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | Over 10 | |
| External Investment Pool | \$ 89,237 | \$ 89,237 | \$ - | \$ - | \$ - | |
| Corporate Notes and Bonds | 497 | 244 | 156 | 97 | - | |
| US Treasury Notes and Bonds | 139 | - | 54 | 56 | 29 | |
| Federal Home Loan Bank | 9,979 | 4,749 | 5,230 | - | - | |
| Federal Farm Credit Bank | 2,018 | - | 2,018 | - | - | |
| Federal National Mortgage Assoc | 1,936 | 1,870 | - | - | 66 | |
| Federal Home Loan Mortgage Corp | 2,745 | - | 2,591 | 95 | 59 | |
| Total | \$ 106,551 | \$ 96,100 | \$ 10,049 | \$ 248 | \$ 154 | |

| June 30, 2008 (Dollars in Thousands) | | | | | | |
|--------------------------------------|--------------------------------|-------------|--------|---------|---------|--|
| Investment Type | Investment Maturities In Years | | | | | |
| | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | Over 10 | |
| External Investment Pool | \$ 50,013 | \$ 50,013 | \$ - | \$ - | \$ - | |
| Guaranteed Investment Contract | 33,522 | 33,522 | - | - | - | |
| Corporate Notes and Bonds | 1,322 | 200 | 552 | 570 | - | |
| US Treasury Notes and Bonds | 135 | - | 53 | 55 | 28 | |
| Federal Home Loan Bank | 4,357 | 4,188 | 169 | - | - | |
| Federal Farm Credit Bank | 1,431 | 1,431 | - | - | - | |
| Federal National Mortgage Assoc | 8,112 | 7,961 | 75 | - | 76 | |
| Federal Home Loan Mortgage Corp | 2,452 | 2,288 | - | - | 164 | |
| Total | \$ 101,344 | \$ 99,603 | \$ 849 | \$ 624 | \$ 268 | |

Investment Custodial Credit Risk - The University's investment securities are exposed to custodial credit risk if the securities are (i) uninsured, (ii) are not registered in the name of the University, or (iii) if they are held by either the counterparty or the counterparty's trust department or agent but not in the

University's name. While none of the University's investments are insured, the University's investments are either held in the University's name or the investments are not securities that exist in book entry or physical form. Therefore, the University has no investment custodial credit risk.

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

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

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

| | 2009 | 2008 |
|--|----------------------|----------------------|
| Student fees | \$ 9,477,875 | \$ 7,704,526 |
| Auxiliary enterprises and other operating activities | 3,318,731 | 3,216,340 |
| Federal, state, and private grants and contracts | 2,336,696 | 1,338,493 |
| Unbilled charges | 6,785,697 | 6,208,594 |
| Accounts receivable and unbilled charges | 21,918,999 | 18,467,953 |
| Less allowance for doubtful accounts | (2,803,080) | (2,314,574) |
| Accounts receivable and unbilled charges, net | \$ 19,115,919 | \$ 16,153,379 |

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable at June 30, 2009 and 2008. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to maximum of 100% if the participant complies with certain provisions. The Federal Government reimburses the University for amounts cancelled under these provisions.

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

As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, to absorb loans that will ultimately be written off. The allowance for uncollectible loans was \$23,200 and \$23,400 for the fiscal years ending June 30, 2009 and 2008, respectively.

In the event the University should withdraw from the Program or the Federal Government was to cancel the Program, the University would be required to repay \$8,209,463 as of June 30, 2009.

5. CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended June 30, 2009:

| | 2009 (Dollars in Thousands) | | | | |
|--|-----------------------------|------------------|-----------------|-------------------|--------------------------|
| | Balance July 1, 2008 | Additions | Transfers | Retirements | Balance June 30, 2009 |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 41,339 | \$ 3,429 | \$ - | \$ (1,847) | \$ 42,921 |
| Construction in progress | 56,490 | 33,176 | (67,786) | - | 21,880 |
| Total assets not being depreciated | <u>97,829</u> | <u>36,605</u> | <u>(67,786)</u> | <u>(1,847)</u> | <u>64,801</u> |
| Other capital assets: | | | | | |
| Building and improvements | 318,712 | 263 | 66,156 | (27) | 385,104 |
| Furniture and improvements | 57,017 | 6,805 | 1,630 | (2,403) | 63,049 |
| Library materials | 32,135 | 2,017 | - | (1,638) | 32,514 |
| Total other capital assets | <u>407,864</u> | <u>9,085</u> | <u>67,786</u> | <u>(4,068)</u> | <u>480,667</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (97,938) | (10,298) | - | 18 | (108,218) |
| Furniture and equipment | (36,054) | (5,068) | - | 1,889 | (39,233) |
| Library materials | (22,727) | (1,851) | - | 1,217 | (23,361) |
| Total accumulated depreciation | <u>(156,719)</u> | <u>(17,217)</u> | <u>-</u> | <u>3,124</u> | <u>(170,812)</u> |
| Other capital assets, net | <u>251,145</u> | <u>(8,132)</u> | <u>67,786</u> | <u>(944)</u> | <u>309,855</u> |
| Capital assets summary: | | | | | |
| Capital assets not being depreciated | 97,829 | 36,605 | (67,786) | (1,847) | 64,801 |
| Other capital assets at cost | 407,864 | 9,085 | 67,786 | (4,068) | 480,667 |
| Total cost of capital assets | <u>505,693</u> | <u>45,690</u> | <u>-</u> | <u>(5,915)</u> | <u>545,468</u> |
| Less accumulated depreciation | <u>(156,719)</u> | <u>(17,217)</u> | <u>-</u> | <u>3,124</u> | <u>(170,812)</u> |
| Capital assets, net | <u>\$ 348,974</u> | <u>\$ 28,473</u> | <u>\$ -</u> | <u>\$ (2,791)</u> | <u>\$ 374,656</u> |

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2009 is \$40,481,243. These costs will be paid from available reserves and construction proceeds from outstanding debt.

Following are the changes in capital assets for the year ended June 30, 2008:

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

6. UNEARNED REVENUE

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

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

| | 2009 | 2008 |
|-------------------------|----------------------|----------------------|
| Student fees | \$ 2,954,986 | \$ 2,218,574 |
| Prepaid ticket sales | 5,385,243 | 6,276,294 |
| Other unearned revenue | 3,826,695 | 3,262,732 |
| Unearned revenue | <u>\$ 12,166,924</u> | <u>\$ 11,757,600</u> |

7. LONG-TERM LIABILITIES

Following are the changes in bonds and notes payable, capital leases, non-current unearned revenue, due to state agencies (related to capital projects), net other post employment benefit obligations, and other liabilities for the fiscal years ended June 30, 2009 and 2008:

| | 2009 (Dollars in Thousands) | | | | |
|--|--------------------------------------|------------------|--------------------|------------------------------------|-----------------------------------|
| | Beginning Balance July 1, 2008 | Additions | Reductions | Ending Balance June 30, 2009 | Amounts due within one year |
| Long-term debt: | | | | | |
| Revenue bonds payable | \$ 195,370 | \$ 42,595 | \$ (16,635) | \$ 221,330 | \$ 5,030 |
| Premium on revenue bonds | 1,078 | 81 | (96) | 1,063 | - |
| Notes payable | 8,256 | - | (907) | 7,349 | 4,258 |
| Capital lease obligations | 961 | - | (466) | 495 | 382 |
| Capital lease obligations - component unit | 2,917 | - | (265) | 2,652 | 275 |
| Total long-term debt | 208,582 | 42,676 | (18,369) | 232,889 | 9,945 |
| Other liabilities: | | | | | |
| Non-current unearned revenue | 2,053 | - | (151) | 1,902 | - |
| Net other post employment benefits | 3,556 | 630 | - | 4,186 | - |
| Non-current other | 445 | 84 | - | 529 | - |
| Total other liabilities | 6,054 | 714 | (151) | 6,617 | - |
| Long-term liabilities | \$ 214,636 | \$ 43,390 | \$ (18,520) | \$ 239,506 | \$ 9,945 |

| | 2008 (Dollars in Thousands) | | | | |
|--|--------------------------------------|-----------------|-------------------|------------------------------------|-----------------------------------|
| | Beginning Balance July 1, 2007 | Additions | Reductions | Ending Balance June 30, 2008 | Amounts due within one year |
| Long-term debt: | | | | | |
| Revenue bonds payable | \$ 202,920 | \$ - | \$ (7,550) | \$ 195,370 | \$ 4,886 |
| Premium on revenue bonds | 1,226 | - | (148) | 1,078 | - |
| Notes payable | 9,139 | - | (883) | 8,256 | 914 |
| Capital lease obligations | 1,334 | - | (373) | 961 | 393 |
| Capital lease obligations - component unit | 3,172 | - | (255) | 2,917 | 265 |
| Total long-term debt | 217,791 | - | (9,209) | 208,582 | 6,458 |
| Other liabilities: | | | | | |
| Non-current unearned revenue | 1,577 | 536 | (60) | 2,053 | - |
| Net other post employment benefits | - | 3,556 | - | 3,556 | - |
| Non-current other | - | 445 | - | 445 | - |
| Total other liabilities | 1,577 | 4,537 | (60) | 6,054 | - |
| Long-term liabilities | \$ 219,368 | \$ 4,537 | \$ (9,269) | \$ 214,636 | \$ 6,458 |

8. NOTES AND BONDS PAYABLE

The University is required by bonding resolution to establish a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments of rebateable arbitrage to the United States. The arbitrage liability was \$528,784 and \$445,450 at June 30, 2009 and 2008, respectively. Management believes the University is in compliance with all bond covenants as of June 30, 2009 and 2008.

The University issued \$42,595,000, at par, of General Revenue and Refunding

Bonds (Series 2009A) during the period ended June 30, 2009. Proceeds of the 2009A Bond in the amount of \$30,775,920 were received by the University for designated projects and costs of issuance and \$12,064,724 was deposited in trust to refund portions of the Series 1998 Student Refunding and Improvement Bonds, Series 1998 Student Union and Housing System Refunding Bonds, and the Series 2001 Student Building Fee Revenue Bonds. The aggregate difference in debt service between the refunding debt and refunded debt was \$897,134 and the net present value of the savings due to refunding was \$811,010.

Pledged Revenue – As stated in the bond descriptions below, the University has pledged certain revenues as collateral for debt instruments. The pledged revenue amounts and coverage requirements are as follows for the year ended June 30, 2009:

| | Series | | |
|---------------------------------|--|---------------------|----------------------|
| | 2004A, 2005A, 2007A, 2007B, 2007C, 2009A | 1998, 2002, 2003 | Total |
| Pledged revenues: | | | |
| Student fees | \$ 90,745,612 | \$ 5,588,169 | \$ 96,333,781 |
| Rentals | 374,983 | 7,554,198 | 7,929,181 |
| Residence dining income | - | 2,837,775 | 2,837,775 |
| Other | 1,120,706 | 1,438,654 | 2,559,360 |
| Sales & service | 34,002,350 | 950,013 | 34,952,363 |
| F&A recovery | 3,280,461 | - | 3,280,461 |
| Investment income | 1,391,758 | 144,632 | 1,536,390 |
| Total pledged revenue | 130,915,870 | 18,513,441 | 149,429,311 |
| Less operations and maintenance | (46,026,133) | (11,599,763) | (57,625,896) |
| Pledged revenues, net | \$ 84,889,737 | \$ 6,913,678 | \$ 91,803,415 |
| Debt service | \$ 10,157,569 | \$ 565,676 | \$ 10,723,245 |
| Debt service coverage | 836% | 1222% | 856% |
| Coverage requirement | 110% | 120% | |

Bonds payable, at June 30, 2009 consisted of the following:

| Bond Issue | (Dollars in Thousands) | | | | | | |
|---|------------------------|-----------------------------------|---|---------------|------------------|--------------------------|--------------------------|
| | Original Face Value | Range of Annual Principal Amounts | Range of Semi Annual Interest Percentages | Maturity Date | Pledged Revenues | Outstanding Balance 2009 | Outstanding Balance 2008 |
| General Revenue Bonds, Series 2009A | \$ 42,595 | \$720 - \$2,870 | 3.25% - 5.00% | 2039 | 2 | \$ 42,595 | \$ - |
| General Revenue Bonds, Series 2007A | \$ 96,365 | \$145 - \$7,880 | 4.00% - 5.00% | 2037 | 2 | 96,365 | 96,365 |
| General Revenue Bonds, Series 2007B | \$ 25,860 | \$510 - \$1,760 | 4.00% - 5.00% | 2037 | 2 | 25,860 | 25,860 |
| General Revenue Bonds, Series 2007C | \$ 2,850 | \$125 - \$600 | 5.21% - 5.21% | 2014 | 2 | 2,360 | 2,850 |
| Student Union and Housing System Refunding and Improvement Bonds, Series 2002 | \$ 38,255 | \$30 - \$45 | 5.375% | 2012 | 1 | 120 | 165 |
| General Revenue Bonds, Series 2004A | \$ 31,480 | \$795 - \$2,205 | 3.00% - 5.00% | 2033 | 2 | 28,240 | 29,035 |
| General Revenue Bonds, Series 2005A | \$ 21,925 | \$140 - \$2,695 | 3.25% - 5.00% | 2034 | 2 | 20,560 | 21,010 |
| Student Fee Refunding and Improvement Revenue Bonds, Series 1998 | \$ 24,060 | \$395 - \$1,285 | 4.70% - 5.10% | 2014 | 3 | - | 5,490 |
| Student Union and Housing System Refunding Revenue Bonds, Series 1998 | \$ 7,860 | \$875 - \$1,170 | 4.70% - 5.125% | 2015 | 1 | - | 7,100 |
| Student Union and Housing System Refunding Revenue Bonds, Series 2003 | \$ 6,620 | \$265 - \$1,715 | 3.25% - 5.00% | 2017 | 1 | 5,230 | 5,495 |
| Student Fees Refunding Revenue Bonds, Series 1996 | \$ 14,115 | \$1,365 | 5.15% | 2009 | 3 | - | 1,365 |
| Student Building Fee Refunding Revenue Bonds, Series 2001 | \$ 4,455 | \$205 - \$220 | 4.375% - 4.50% | 2011 | 3 | - | 635 |
| Bonds before premium | | | | | | 221,330 | 195,370 |
| Premium on bonds | | | | | | 1,063 | 1,078 |
| Total bonds outstanding | | | | | | <u>\$ 222,393</u> | <u>\$ 196,448</u> |

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

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

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

Notes payable, at June 30, 2009 consisted of the following:

| Notes Payable | (Dollars in Thousands) | | | | | | |
|----------------------------|------------------------|-------------------------------|----------------------------|---------------|-------------------|--------------------------|--------------------------|
| | Original Face Value | Terms | Interest Rate | Maturity Date | Collateralized by | Outstanding Balance 2009 | Outstanding Balance 2008 |
| 2006 Bank note payable | \$ 3,381 | 11 year monthly amortization | 4.77% | 2016 | 1 | \$ 2,537 | \$ 2,804 |
| Loan-line of credit | \$ 5,000 | 8 year quarterly amortization | 49% of lender's prime rate | 2011 | 2 | 1,487 | 2,127 |
| Private note | \$ 3,325 | Interest Only - Monthly | 30 day LIBOR plus 2.35% | 2010 | 1 | 3,325 | 3,325 |
| Total notes payable | | | | | | \$ 7,349 | \$ 8,256 |

(1) Bronco Athletic Association guarantee, subordinate to bonds

(2) Unsecured

Principal and interest maturities on bonds payable are as follows for the year ending June 30, 2009:

| Bonds Payable 2009 (Dollars in Thousands) | | | |
|--|-------------------|-------------------|-------------------|
| | Principal | Interest | Total |
| 2010 | \$ 5,030 | \$ 10,187 | \$ 15,217 |
| 2011 | 5,095 | 9,918 | 15,013 |
| 2012 | 5,500 | 9,691 | 15,191 |
| 2013 | 5,800 | 9,422 | 15,222 |
| 2014 | 6,135 | 9,145 | 15,280 |
| 2015-2019 | 36,660 | 40,981 | 77,641 |
| 2020-2024 | 39,490 | 32,068 | 71,558 |
| 2025-2029 | 36,465 | 24,071 | 60,536 |
| 2030-2034 | 45,050 | 15,133 | 60,183 |
| 2035-2039 | 36,105 | 3,916 | 40,021 |
| Total | \$ 221,330 | \$ 164,532 | \$ 385,862 |

At June 30, 2009, debt in the amount of \$38,060,000 is considered extinguished through refunding of prior issues by a portion of the current issues. Escrowed funds are held in trust in the amount of

\$38,925,023 for the payment of maturities on refunded bonds. Neither the debt nor the escrowed assets are reflected in the University's financial statements.

Principal and interest maturities on notes payable are as follows for the year ended June 30, 2009:

| Notes Payable 2009 (Dollars in Thousands) | | | | |
|--|------------------|-----------|-----------------|-----------------|
| | Principal | | Interest | Total |
| 2010 | \$ 4,258 | \$ | 216 | \$ 4,474 |
| 2011 | 957 | | 109 | \$ 1,066 |
| 2012 | 486 | | 86 | \$ 573 |
| 2013 | 325 | | 70 | \$ 395 |
| 2014 | 341 | | 55 | \$ 396 |
| 2015-2019 | 981 | | 64 | \$ 1,045 |
| Total | \$ 7,349 | \$ | 599 | \$ 7,948 |

9. CAPITAL LEASE OBLIGATIONS

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

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

Future minimum lease obligations under these agreements at June 30, 2009, are as follows:

| | Building | Equipment | Total |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2010 | \$ 423,014 | \$ 416,140 | \$ 839,154 |
| 2011 | 429,899 | 117,216 | 547,115 |
| 2012 | 425,796 | - | 425,796 |
| 2013 | 430,753 | - | 430,753 |
| 2014 | 429,453 | - | 429,453 |
| 2015-2017 | 1,280,451 | - | 1,280,451 |
| Total minimum obligations | 3,419,366 | 533,356 | 3,952,722 |
| Less interest | (767,568) | (37,914) | (805,482) |
| Present value of minimum obligations | <u>\$ 2,651,798</u> | <u>\$ 495,442</u> | <u>\$ 3,147,240</u> |

Following are the changes in assets under capital lease for the years ended June 30, 2009 and 2008:

| | 2009 (Dollars in Thousands) | | | |
|--|-----------------------------|-----------------|-----------------|--------------------------|
| | Balance July 1, 2008 | Additions | Retirements | Balance June 30, 2009 |
| Assets under capital leases: | | | | |
| Buildings and Improvements | \$ 6,973 | \$ - | \$ - | \$ 6,973 |
| Equipment | 2,589 | | (188) | 2,401 |
| Total being amortized | \$ 9,562 | \$ - | \$ (188) | \$ 9,374 |
| Less accumulated amortization | | | | |
| Buildings and improvements | (2,960) | (189) | - | (3,149) |
| Equipment | (2,138) | (60) | - | (2,198) |
| Total accumulated amortization | (5,098) | (249) | - | (5,347) |
| Assets under capital lease, net | \$ 4,464 | \$ (249) | \$ (188) | \$ 4,027 |

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

10. RETIREMENT PLANS AND TERMINATION BENEFITS

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (“PERSI”), a cost-sharing, multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on member’s years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school

district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. The benefits were established and may be amended by the Idaho State Legislature. Obligations to contribute to the plan are established by the PERSI Board as defined by Idaho Law. Financial reports for the plan are available from PERSI’s website www.persi.idaho.gov. After 60 months of credited service, members become fully vested in retirement benefits earned to date and receive a lifetime benefit at retirement. Members are eligible for

retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service

retirement allowance is 2% of the average monthly salary for the highest consecutive 42 months.

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

| | 2009 | 2008 | 2007 |
|---|--------------|--------------|--------------|
| PERSI: | | | |
| University required contribution rate | 10.39% | 10.39% | 10.39% |
| Percentage of covered payroll for employees | 6.23% | 6.23% | 6.23% |
| University contributions required and paid | \$ 3,135,557 | \$ 3,144,020 | \$ 3,036,069 |

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

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and

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

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

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

| | 2009 | 2008 | 2007 |
|------------------------------|---------------|---------------|--------------|
| ORP: | | | |
| University contribution | \$ 7,411,340 | \$ 6,559,111 | \$ 5,059,669 |
| Employee contribution | \$ 5,579,722 | \$ 5,243,778 | \$ 4,529,497 |
| Total contribution | \$ 12,991,062 | \$ 11,802,889 | \$ 9,589,166 |
| University contribution rate | 9.26% | 9.26% | 7.72% |
| Employee contribution rate | 6.97% | 6.97% | 6.97% |

The University contribution rate for ORP is 9.258%. Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute to PERSI. The contribution rate for PERSI

has decreased from 3.03% to 1.49% of the annual covered payroll as of July 1, 2007. These annual supplemental payments are required through July 1, 2025. During the years ended June 30,

2009, 2008, and 2007, this supplemental funding payment to PERSI was \$1,187,141, \$1,127,467, and \$1,908,399, respectively. This amount is not included in the regular University PERSI contribution discussed previously.

Termination Benefits – Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of their unused sick leave, with limits based on years of service, to continue their medical insurance coverage through the University. The benefit is classified under GASB Statement No. 16, “*Accounting for Compensated Absences.*” The

University partially funds these obligations by depositing 0.65% of employee gross payroll with PERSI, who administers the plan as a cost-sharing, multiple-employer plan. The total contributions for the years ended June 30, 2009, 2008, and 2007 were \$714,027, \$669,231 and \$608,815, respectively.

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

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans – The University participates in other postemployment benefit plans (OPEB) relating to health, disability, and life insurance administered by the State of Idaho as agent of multiple-employer defined benefit plans. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of July 1, 2008. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Detail of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained as follows:

*Office of the Idaho State Controller
700 W. State Street, 4th Floor
Boise, Idaho 83702
P.O. Box 83720
Boise, ID 83720-0011
www.sco.idaho.gov*

Plan Description and Funding Policy:

Healthcare Plan – This plan allows retirees to purchase healthcare insurance coverage for themselves and eligible dependents. A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to have the retiree health insurance coverage for themselves and eligible dependents. To be eligible, University employees must enroll within sixty days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have ten or more years (20,800 or more hours) of credited state service. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The University contributed \$26 per

active non-retired employee per month towards the retiree premium cost.

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

Long-Term Disability Plan – This plan provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% of their monthly salary for the first 30 months of disability. If after 30 months the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60% of their monthly salary the employee is considered totally disabled. To qualify for long-term disability, the waiting period is the longer of 26 weeks of continuous total disability or exhaustion of accrued sick leave. The gross benefit equals the lesser of 60 percent of pre-disability monthly salary or \$4,000. The benefit does not increase with inflation and may be offset by other sources of income such as Social Security, Workers' Compensation, unemployment benefits, and certain retirement benefits. The State of Idaho is self-insured for

employees who became disabled prior to July 1, 2003; the State pays 100% of the cost of this benefit. The amount of contribution is based on active claims and the number of insured individuals.

Employees disabled after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The University pays 100 percent of the cost of the premiums. The University's contribution for the period was 0.328 percent of payroll in fiscal year 2009. This portion of the long-term disability income benefit is not included in the actuarial estimate.

For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the State plan. The University pays 100 percent of the University's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University's contribution for the period was \$6.96 per active employee per month in fiscal year 2009.

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

is actuarially determined based on actual claims experience.

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

basic life insurance. The University contribution for the period as a percent of payroll was 2.037% for retirees under age 65, 1.568% for retirees between the ages of 65 and 69, and 1.081% for retirees over the age of 70.

Annual OPEB Cost – The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer in accordance with GASB Statement Nos. 43 and 45.



The following table illustrates the annual OPEB cost, the amount of contributions made, and the increase (decrease) in the net OPEB obligation, for the plans as of June 30:

| 2009 Annual OPEB Cost <i>(Dollars in Thousands)</i> | | | | | | |
|---|--|----------------------------------|---------------------------|-------------------|--|--------------|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total |
| | | Income | Life Insurance | Healthcare | | |
| Annual OPEB cost | | | | | | |
| Annual Required Contribution | \$ 402 | \$ 109 | \$ 86 | \$ 193 | \$ 941 | \$ 1,731 |
| Interest | 140 | (4) | 2 | 4 | 32 | 174 |
| Adjustment to ARC | (192) | 5 | (2) | (5) | (44) | (238) |
| Annual OPEB Cost | 350 | 110 | 86 | 192 | 929 | 1,667 |
| Contributions Made | (389) | (105) | (127) | (185) | (231) | (1,037) |
| Increase (Decrease) in Net OPEB Obligation | (39) | 5 | (41) | 7 | 698 | 630 |
| Net OPEB Obligation – Beginning of Year | 2,784 | (71) | 35 | 74 | 734 | 3,556 |
| Net OPEB Obligation (Funding Excess) – End of Year | \$ 2,745 | \$ (66) | \$ (6) | \$ 81 | \$ 1,432 | \$ 4,186 |
| Percentage of AOC Contributed | 111.02% | 96.03% | 147.37% | 96.06% | 24.89% | 62.18% |

| 2008 Annual OPEB Cost <i>(Dollars in Thousands)</i> | | | | | | |
|---|--|----------------------------------|---------------------------|-------------------|--|--------------|
| | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total |
| | | Income | Life Insurance | Healthcare | | |
| Annual OPEB cost | | | | | | |
| Annual Required Contribution | \$ 1,378 | \$ 25 | \$ 41 | \$ 39 | \$ 359 | \$ 1,842 |
| Interest | 2,090 | - | 32 | 121 | 496 | 2,739 |
| Adjustment to ARC | 173 | 1 | 4 | 8 | 43 | 229 |
| Annual OPEB Cost | 3,641 | 26 | 77 | 168 | 898 | 4,810 |
| Contributions Made | (856) | (97) | (42) | (95) | (164) | (1,254) |
| Increase (Decrease) in Net OPEB Obligation | 2,785 | (71) | 35 | 73 | 734 | 3,556 |
| Net OPEB Obligation – Beginning of Year | - | - | - | - | - | - |
| Net OPEB Obligation (Funding Excess) – End of Year | \$ 2,785 | \$ (71) | \$ 35 | \$ 73 | \$ 734 | \$ 3,556 |
| Percentage of AOC Contributed | 23.52% | 371.32% | 55.11% | 56.21% | 18.30% | 26.08% |

Annual OPEB Cost Comparison – The following table compares the annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation (funding excess) for the for the years ended June 30:

| Annual OPEB Cost Comparison (Dollars in Thousands) | | | | | | | |
|---|------|-------------------------------|---------------------------|-------------------|------------|-----------------------------------|----------|
| | | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan | Total |
| | | | Income | Life Insurance | Healthcare | | |
| Annual OPEB Cost | 2009 | \$ 350 | \$ 109 | \$ 87 | \$ 191 | \$ 929 | \$ 1,666 |
| | 2008 | \$ 3,641 | \$ 26 | \$ 77 | \$ 168 | \$ 898 | \$ 4,810 |
| Percentage of AOC Contributed | 2009 | 111.02% | 96.03% | 147.37% | 96.06% | 24.89% | 62.18% |
| | 2008 | 23.52% | 371.32% | 55.11% | 56.21% | 18.30% | 26.08% |
| Net OPEB Obligation (Funding Excess) – End of Year | 2009 | \$ 2,745 | \$ (67) | \$ (4) | \$ 80 | \$ 1,432 | \$ 4,186 |
| | 2008 | \$ 2,785 | \$ (71) | \$ 35 | \$ 73 | \$ 734 | \$ 3,556 |

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

| Funding Status and Funding Progress - Required Supplementary Information: (Dollars in Thousands) | | | | | | | |
|---|--------------------------------|--|--------------------------------------|---|--------------------------------------|-------------------------------------|--|
| | Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Accrued Liability (AAL) | (3) Unfunded AAL (UAAL) (2) - (1) | (4) Funded Ratios (1) : (2) | (5) Annual Covered Payroll | (6) UAAL as a Percentage of Covered Payroll (3) : (5) |
| Retiree Healthcare Plan | 7/1/2006 | \$0 | \$38,594 | \$38,594 | 0.0% | \$122,474 | 31.5 |
| | 7/1/2008 | \$0 | \$2,656 | \$2,656 | 0.0% | \$130,760 | 2.0 |
| Long-Term Disability Plan: | | | | | | | |
| Income | 7/1/2006 | \$0 | \$697 | \$697 | 0.0% | \$122,474 | 0.6 |
| | 7/1/2008 | \$0 | \$715 | \$715 | 0.0% | \$130,760 | 0.5 |
| Life Insurance | 7/1/2006 | \$0 | \$1,160 | \$1,160 | 0.0% | \$122,474 | 0.9 |
| | 7/1/2008 | \$0 | \$1,026 | \$1,026 | 0.0% | \$130,760 | 0.8 |
| Healthcare | 7/1/2006 | \$0 | \$1,093 | \$1,093 | 0.0% | \$122,474 | 0.9 |
| | 7/1/2008 | \$0 | \$1,227 | \$1,227 | 0.0% | \$130,760 | 0.9 |
| Retiree Life Insurance Plan | 7/1/2006 | \$0 | \$10,060 | \$10,060 | 0.0% | \$122,474 | 8.2 |
| | 7/1/2008 | \$0 | \$10,895 | \$10,895 | 0.0% | \$130,760 | 8.3 |



Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. Any variations in future experience from that

expected from these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

| Actuarial Cost Method | Retiree Healthcare Plan | Long-Term Disability Plan | | | Retiree Life Insurance Plan |
|-------------------------------------|-----------------------------|---------------------------------|---|-------------------------------------|-----------------------------|
| | Projected Unit Credit | Income Projected Unit Credit | Life Insurance Projected Unit Credit | Healthcare Projected Unit Credit | Projected Unit Credit |
| Amortization Method | Level Percentage of Payroll | Level Dollar Amount | Level Percentage of Payroll | Level Percentage of Payroll | Level Percentage of Payroll |
| Amortization Period | 11 years Closed | 8 years Closed | 30 years Open | 30 years Open | 30 years Open |
| Assumptions: | | | | | |
| Inflation Rate | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Investment Return | 4.50% | 5.25% | 5.25% | 4.50% | 4.50% |
| OPEB Increases | N/A | N/A | N/A | N/A | 3.75% |
| Projected Salary Increases | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% |
| Healthcare Cost Initial Trend Rate | 13.60% | N/A | N/A | 13.60% | N/A |
| Healthcare Cost Ultimate Trend Rate | 5.00% | N/A | N/A | 5.00% | N/A |

12. RISK MANAGEMENT

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

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



13. COMPONENT UNITS

Boise State University Foundation, Inc. – The net assets of the Foundation represent 77% of the combined component unit at June 30, 2008 and 100% of the combined component unit as of June 30, 2009, as presented in the

financial statements and, as such, the Foundation has been determined by management to be a major component unit as defined by GASB Statement No. 39.

Condensed financial statement data is as follows:

| BOISE STATE UNIVERSITY FOUNDATION, INC. | | | |
|--|-------------|--------------------|-----------------------|
| CONDENSED STATEMENTS OF FINANCIAL POSITION | | | |
| JUNE 30, 2009 AND JUNE 30, 2008 | | | |
| | <u>2009</u> | | <u>2008</u> |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ | 3,611,765 | \$ 1,740,682 |
| Pledges receivable | | 7,130,589 | 7,898,655 |
| Other current assets | | 1,099,340 | 427,244 |
| Total current assets | | <u>11,841,694</u> | <u>10,066,581</u> |
| NON-CURRENT ASSETS: | | | |
| Restricted cash and cash equivalents | | 3,939,025 | 9,725,906 |
| Investments | | 76,709,978 | 87,367,744 |
| Capital assets | | 10,157,836 | 228,020 |
| Investment in lease | | 2,578,142 | 2,880,499 |
| Accounts receivable and other | | 21,712,749 | 13,131,596 |
| Total non-current assets | | <u>115,097,730</u> | <u>113,333,765</u> |
| TOTAL ASSETS | \$ | <u>126,939,424</u> | \$ <u>123,400,346</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES: | | | |
| | \$ | <u>4,390,646</u> | \$ 656,342 |
| NON-CURRENT LIABILITIES: | | | |
| Bonds and certificates payable | | 7,878,000 | 3,095,000 |
| Amounts held in custody for others | | 1,338,946 | 19,829,240 |
| Other | | 2,027,861 | 1,626,601 |
| Total non-current liabilities | | <u>11,244,807</u> | <u>24,550,841</u> |
| TOTAL LIABILITIES | | <u>15,635,453</u> | <u>25,207,183</u> |
| NET ASSETS: | | | |
| Permanently restricted | | 58,845,927 | 45,816,765 |
| Temporarily restricted | | 49,564,601 | 44,633,403 |
| Unrestricted | | 2,893,443 | 7,742,995 |
| Total net assets | | <u>111,303,971</u> | <u>98,193,163</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ | <u>126,939,424</u> | \$ <u>123,400,346</u> |

| BOISE STATE UNIVERSITY FOUNDATION, INC. | | | |
|--|-------------|---------------------------|-----------------------------|
| CONDENSED STATEMENTS OF ACTIVITIES | | | |
| FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008 | | | |
| | <u>2009</u> | | <u>2008</u> |
| OPERATING REVENUES: | | | |
| Gifts | \$ | 11,539,801 | \$ 22,071,412 |
| Donation from the BAA | | 29,188,152 | - |
| Investment income | | 2,695,636 | 2,719,292 |
| Change in fair value of investments | | (20,644,007) | (2,646,810) |
| Other income | | 7,396,521 | 1,703,410 |
| Total operating revenues | | <u>30,176,103</u> | <u>23,847,304</u> |
| OPERATING EXPENSES | | <u>18,336,782</u> | <u>8,851,259</u> |
| OPERATING INCOME (LOSS) | | <u>11,839,321</u> | <u>14,996,045</u> |
| NON-OPERATING REVENUES (EXPENSES): | | | |
| Gain on sale of property | | 1,428,507 | 443,730 |
| Other | | (157,020) | (97,151) |
| Net non-operating revenues | | <u>1,271,487</u> | <u>346,579</u> |
| INCREASE IN NET ASSETS | | <u>13,110,808</u> | <u>15,342,624</u> |
| NET ASSETS—Beginning of year | | <u>98,193,163</u> | <u>82,850,539</u> |
| NET ASSETS—End of year | \$ | <u><u>111,303,971</u></u> | \$ <u><u>98,193,163</u></u> |

(a) Foundation Operations

The Foundation was established to engage in activities to benefit and support the University, including receiving contributions and holding, protecting, managing, and investing donated funds. The Foundation is a non-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of and cannot be controlled by the University. A memorandum of understanding between the Foundation and the University defines the relationship between the two entities in accordance with these rules.

Change in Accounting Standards and Corrections of an Error

In prior years the Foundation followed the financial reporting standards set by the Governmental Accounting Standards Board (GASB). As a result of recent requirements established by the Idaho State Board of Education requiring the Foundation to operate more autonomously, the Foundation reevaluated its reporting policy. It was determined that under Generally Accepted Accounting Principles it was more appropriate for the Foundation to report in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted,

temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing permanently restricted pledges, the method of accounting for split interest gifts, and the presentation of the financial information.

During the year, management discovered that in 2008 the conditional portions of two pledges totaling \$5.6 million were recorded at the time the pledge was made. Revenue on conditional pledges is to be recorded when the conditions are met. In these cases, the condition is met when matching funds are promised or given to the Foundation, which was not met in 2008. Therefore, the 2008 financial statements have been restated to reflect the correction of the error. The impact of these changes has resulted in a restatement of beginning net assets for

the beginning of the fiscal year starting July 1, 2007 and the related changes to the statement of financial position and statement of activities as of and for year ended June 30, 2008.

Additional detail related to these changes is included in the Foundation's audited financial statements.

The Foundation has historically been the investment agent for funds raised and held by the Bronco Athletic Association ("BAA"). Included in amounts held in custody for others on behalf of the Association are \$17,860,893 at June 30, 2008. During 2009, the BAA donated its financial assets to the Foundation. For 2009 and thereafter, all BAA gifts will be recorded as gifts to the Foundation and recorded in funds designated to Athletics.

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

The Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered investments and are shown as restricted cash and cash equivalents as the funds have been designated by the Foundation for investment purposes. Cash deposits at times during the year ended June 30, 2009 and 2008 exceeded FDIC insured limits.

Investments are recorded in accordance with Statement of Financial Accounting Standards (SFAS) No. 124, *"Accounting for Certain investments Held by Not-for-Profit Organizations."* Investments in equity and debt securities that have

readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.



Custodial Credit Risk –Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk

for *investments* is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

| Basis of Custodial Credit Risk as of June 30 | 2009 | 2008 |
|--|--------------|--------------|
| Uninsured and uncollateralized | \$ 5,808,971 | \$ 2,620,384 |

Credit Risk – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in

terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

| Moody's Scale Rating | US Treasury Bonds | Corporate Bonds | Bond Mutual Funds | Fair Value |
|-------------------------|----------------------|--------------------|----------------------|---------------|
| Aaa | \$ 3,523,222 | \$ 1,062,298 | \$ 4,327,061 | \$ 8,912,581 |
| Aa1 | - | 1,094,907 | - | 1,094,907 |
| Aa2 | | 3,201,741 | 6,455,432 | 9,657,173 |
| Aa3 | - | 996,359 | - | 996,359 |
| A1 | | 4,134,827 | 82,175 | 4,217,002 |
| A2 | - | 208,121 | - | 208,121 |
| Baa1 | | 2,190,109 | - | 2,190,109 |
| Baa2 | - | 508,350 | - | 508,350 |
| Unrated | - | - | 15,945 | 15,945 |
| Total | \$ 3,523,222 | \$ 13,396,712 | \$ 10,880,613 | \$ 27,800,547 |

Interest Rate Risk – Investments in debt securities that are fixed for a longer period of time are likely to experience greater variability in their fair values due to future changes in interest rates. Maturities by investment type, as of June 30, 2009, are as follows:

| Investment Type | Fair Value | < 1 yr | 1-3 yr | 3-10 yr | >10 yr |
|-------------------------------|----------------------|----------------------|-------------------|----------------------|-------------------|
| Rated Securities: | | | | | |
| US Treasury Bonds | \$ 3,523,222 | \$ 1,008,557 | \$ - | \$ 2,002,515 | \$ 512,150 |
| Corporate Bonds | 13,396,712 | 9,075,140 | 499,565 | 3,822,007 | - |
| Bond Mutual Funds | 10,880,613 | 4,878 | 93,815 | 10,781,920 | - |
| Total Rated Securities | \$ 27,800,547 | \$ 10,088,575 | \$ 593,380 | \$ 16,606,442 | \$ 512,150 |

(c) Pledges Receivable

Unconditional promises to give (pledges) are recognized as an asset and contribution revenue in the period in which the promise is received less an allowance, if any, for uncollectible pledges based on past collection experience. Pledges to be received after one year are discounted to present value.

Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Pledges receivable in current assets include pledges which are due within one year.



Pledges receivable consist of the following at June 30:

| | | <u>2009</u> | <u>2008</u> |
|------------------------------------|----|--------------------|----------------------|
| Receivable in less than one year | \$ | 7,130,589 | \$ 7,898,655 |
| Receivable in one to five years | | 19,804,837 | 8,813,584 |
| Receivable in more than five years | | 2,300,603 | 1,481,250 |
| | | <u>29,236,029</u> | <u>18,193,489</u> |
| Less allowance | \$ | (890,000) | \$ (340,000) |
| Less discount | | <u>(3,054,692)</u> | <u>(1,183,259)</u> |
| Total | \$ | <u>25,291,337</u> | <u>\$ 16,670,230</u> |

(d) Donated Services

The University provided staffing and other general office support to the Foundation totaling \$1,257,477 and \$1,094,563 in fiscal years ending June 30, 2009 and 2008, respectively. Additionally, volunteers make substantial contributions of time to

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

Other Component Unit –

Net assets of the Association at June 30, were as follows:

| Bronco Athletic Association | | | |
|-----------------------------|---------------------|-----------|-------------------|
| | 2009 | | 2008 |
| Net assets: | | | |
| Restricted - non-expendable | \$ 1,443,710 | \$ | 11,824,920 |
| Restricted - expendable | - | | 17,313,713 |
| Unrestricted | 500 | | 116,199 |
| Total net assets | \$ 1,444,210 | \$ | 29,254,832 |



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

| Functional Categories | 2009 | | | | |
|---------------------------------|-------------------|------------------------------|------------------------------|------------------|-------------------|
| | Personnel Cost | Services, Supplies and Other | Scholarships and Fellowships | Depreciation | Total |
| Instruction | \$ 82,720 | \$ 11,280 | \$ 2,229 | \$ - | \$ 96,229 |
| Research | 7,555 | 2,786 | 314 | - | 10,654 |
| Public service | 7,415 | 4,400 | 547 | - | 12,362 |
| Libraries | 3,745 | 1,605 | - | - | 5,350 |
| Student services | 8,792 | 1,995 | 43 | - | 10,830 |
| Plant operations | 6,192 | 8,327 | - | - | 14,519 |
| Institutional support | 15,497 | 4,652 | 9 | - | 20,158 |
| Academic support | 13,011 | 4,150 | 82 | - | 17,243 |
| Auxiliary enterprises | 23,872 | 29,614 | 3,348 | - | 56,834 |
| Scholarships | 1,217 | 472 | 6,573 | - | 8,262 |
| Depreciation | - | - | - | 17,217 | 17,217 |
| Total operating expenses | \$ 170,016 | \$ 69,280 | \$ 13,145 | \$ 17,217 | \$ 269,658 |

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

15. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of the Federal Government. University officials are of the opinion that the effect of these refunds, if any,

will not have a significant affect on the financial position of the University.

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

16. SUBSEQUENT EVENTS

Subsequent to June 30, 2009, Idaho's Governor announced a tiered \$99 million reduction in state general fund spending in response to lower state revenue forecasts. The college and university reduction is 6% of general fund appropriations. The University's

2010 general fund appropriation totals \$78,352,400. The impact of the holdback is approximately \$4.7 million. The University had set aside \$5 million in reserves for this purpose and will not incur layoffs or furloughs as a result of this holdback.



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

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the financial statements of Boise State University (University) and its discretely presented component units as of and for the year ended June 30, 2009, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented component units as described in our report on the University's financial statements. This report does not include the results of other auditors' testing of internal control over financial report or compliance and other matters that are reported on separately by other auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

COMPLIANCE AND OTHER MATTERS

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

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

A handwritten signature in black ink that reads "Moss Adams LLP". The script is cursive and fluid, with the letters "M", "A", and "L" being particularly large and stylized.

Eugene, Oregon
September 30, 2009

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

Idaho State Board of Education
Boise State University
Boise, Idaho

COMPLIANCE

We have audited the compliance of Boise State University (University) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

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

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-01.

INTERNAL CONTROL OVER COMPLIANCE

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the University's internal control that might be significant deficiencies or material weaknesses as defined below. However, as described below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule for findings and questioned costs as item 2009-1 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The University's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's responses and, accordingly, we express no opinion on them.

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

Moss Adams LLP

Eugene, Oregon
September 30, 2009

BOISE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------------------------|---|
| Student Financial Assistance Cluster: | |
| 84.007 | Federal Supplemental Educational Opportunity Grants |
| 84.268 | Federal Direct Loans |
| 84.033 | Federal Work-Study Program |
| 84.038 | Federal Perkins Loan Program |
| 84.063 | Federal Pell Grant Program |
| 84.375 | Academic Competitiveness Grant |
| 84.376 | SMART Grant Science & Math |
| TRIO | |
| 84.042 | Student Support Services |
| 84.044 | Talent Search |
| 84.047 | Upward Bound |
| 84.217 | McNair Post-Baccalaureate Achievement |

Dollar threshold used to distinguish between type A and type B programs: \$ 1,236,941

Auditee qualified as low-risk auditee? X yes _____ no

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

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

FINDING 2009-01—Procurement: Suspension and Debarment Certifications

Federal Program: TRIO Cluster

Federal Agency: Department of Education

Criteria –OMB Circular A-110, Section 13, outlines requirements for recipients of federal financial assistance regarding compliance with the debarment and suspension common rule implementing Executive Orders (E. O. 12549 and 12689). This common rule restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. For covered transactions occurring after November 26, 2003, the recipient must verify that the subrecipient or vendor entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. Covered transactions include procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Condition: There were two covered transactions exceeding \$25,000 for which verification of suspension and debarment status did not occur.

Questioned Costs – None. During the audit, the Excluded Parties List System (EPLS) was checked for the specific entities noting they were excluded from the list.

Context – The University does not have procurement policies / procedures in place that specifically address the issue of suspension and debarment.

Effect – The absence of procedures to require suspension and debarment verifications for all categories of covered transactions permits the possibility for suspended or debarred parties to inappropriately receive federal funds.

Cause – The absence of procedures to require suspension and debarment verifications for all categories of covered transactions appeared to be a lack of awareness of the regulations.

Recommendation – Moss Adams recommends the purchasing office, develop and implement policies to ensure suspension and debarment verifications are performed for all categories of covered transactions. In addition to the development of policies, we further recommend management establish a monitoring or oversight mechanism to ensure compliance.

Management Response - The University concurs with the recommendations. The University currently reviews debarment status for all new vendors and is developing policies to monitor vendor status on an ongoing basis.

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF AGRICULTURE: | | | | |
| Direct Programs | | | | |
| USDA Utilizing GPR & Solute | 10.206 | \$ 5,350 | \$ - | \$ 5,350 |
| USDA Burrowing Owls | 10.206 | 26,385 | - | 26,385 |
| Populations of Invasive Plants | 10.206 | 6,869 | - | 6,869 |
| ESPRI | 10.664 | - | (4) | (4) |
| Outreach to Rural Communities | 10.769 | - | 13,811 | 13,811 |
| Lomatium Dormancy | 10.XXX | 3,978 | - | 3,978 |
| Dormancy in Lomatium Dissect | 10.XXX | 1,887 | - | 1,887 |
| Grape Leaf Hormone Analyses | 10.XXX | 1,416 | - | 1,416 |
| Danskin Rockshelter Arch Coll | 10.XXX | - | 10,206 | 10,206 |
| Production Systems of NW Grape | 10.XXX | 4,093 | - | 4,093 |
| USDA-FS Joint Agreement | 10.XXX | - | 3,258 | 3,258 |
| Pass Through Payments: | | | | |
| Child and Adult Care Food Program (Children's Center) | 10.558 | - | 46,881 | 46,881 |
| Yellowstone Business Partnership | 10.773 | - | 9,959 | 9,959 |
| Total U.S. Department of Agriculture | | <u>\$ 49,978</u> | <u>\$ 84,111</u> | <u>\$ 134,089</u> |
| U.S. DEPARTMENT OF COMMERCE: | | | | |
| Direct Programs: | | | | |
| EDA University Center FY '08 | 11.303 | \$ - | \$ 10,492 | \$ 10,492 |
| EDA University Center FY '09 | 11.303 | - | 167,127 | 167,127 |
| Spacio Variability of Snow | 11.462 | 72,160 | - | 72,160 |
| NIST General FY '08 | 11.611 | - | 79,124 | 79,124 |
| NIST General FY '09 | 11.611 | - | 513,448 | 513,448 |
| NIST General FY '10 | 11.611 | - | 213 | 213 |
| Total U.S. Department of Commerce | | <u>\$ 72,160</u> | <u>\$ 770,404</u> | <u>\$ 842,564</u> |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|--|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF DEFENSE: | | | | |
| Direct Programs: | | | | |
| DNA Safeguard 2 - Hampikian | 12.420 | \$ 252,675 | \$ - | \$ 252,675 |
| DNA Safeguard 2 - Andersen | 12.420 | 67,440 | - | 67,440 |
| DNA Safeguard 2 - McDougal | 12.420 | 50,559 | - | 50,559 |
| DNA Safeguard 2 - Wingett | 12.420 | 23,454 | - | 23,454 |
| DNA Safeguard 2 - Alileche | 12.420 | 34,231 | - | 34,231 |
| DNA Safeguard 2 - Jain | 12.420 | 8,671 | - | 8,671 |
| DEPSCOR '08 | 12.431 | 119,465 | - | 119,465 |
| Semicon - Based Nanotechnology | 12.431 | 23,748 | - | 23,748 |
| Effects of Comp. Question Type | 12.630 | 164,369 | - | 164,369 |
| DEPSCoR FY '08 | 12.630 | 104,694 | - | 104,694 |
| DEPSCoR Micro-Propulsion | 12.800 | 2,448 | - | 2,448 |
| Memory Technology Symposium '09 | 12.800 | - | 5,000 | 5,000 |
| DARPA FY 2005 | 12.910 | 391,945 | - | 391,945 |
| DARPA 3-D Tech for Adv. Sensor | 12.910 | 839,190 | - | 839,190 |
| Reconfigurable Electronics | 12.910 | 435,117 | - | 435,117 |
| Reconfigurable Electronics | 12.910 | 116,677 | - | 116,677 |
| DNA Safeguard Project | 12.XXX | 219,686 | - | 219,686 |
| DNA Safeguard Project | 12.XXX | 29,441 | - | 29,441 |
| DNA Safeguard Project | 12.XXX | (458) | - | (458) |
| ARI Project FY '08 | 12.XXX | 5,911 | - | 5,911 |
| Pass Through Payments: | | | | |
| DoD General FY '04 | 12.002 | - | 74,420 | 74,420 |
| Integrated Passive Electronic Components | 12.800 | 3,016 | - | 3,016 |
| Genetic & Chemical Modification of Phosphotriestrase | 12.XXX | 20,789 | - | 20,789 |
| NMR Characterization of Chemical Composition | 12.XXX | 16,053 | - | 16,053 |
| Coastal Engineering & Human Disturbance | 12.XXX | 74,420 | - | 74,420 |
| Ultra-Low Power Radiation | 12.XXX | 4,167 | - | 4,167 |
| Micro Vacuum Backward Wave | 12.XXX | 54,884 | - | 54,884 |
| Processor for Open Source | 12.XXX | 41,650 | - | 41,650 |
| High Power VCSEL Diode Arrays | 12.XXX | 1,614 | - | 1,614 |
| PIP/PTAC Program | 12.XXX | - | 28,410 | 28,410 |
| Dugway Proving Grounds Site | 12.XXX | - | 2,307 | 2,307 |
| Total U.S. Department of Defense | | \$ 3,105,856 | \$ 110,137 | \$ 3,215,993 |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|--|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT: | | | | |
| Direct Programs: | | | | |
| HUD/Environmental Science Building FY '04 | 14.246 | \$ - | \$ 58,191 | \$ 58,191 |
| HUD/Environmental Science Building FY '05 | 14.246 | - | 892,800 | 892,800 |
| Total U.S. Department of Housing & Urban Development | | <u>\$ -</u> | <u>\$ 950,991</u> | <u>\$ 950,991</u> |
| U.S. DEPARTMENT OF THE INTERIOR: | | | | |
| Direct Programs: | | | | |
| Bromus Tectorum Establishment | 15.000 | \$ 13,062 | \$ - | \$ 13,062 |
| Breeding Bird/Burrowing Owl | 15.231 | 34,453 | - | 34,453 |
| Fire & Erosion in Western Range | 15.231 | 43,380 | - | 43,380 |
| Fire & Erosion W Range Benner | 15.231 | 5,959 | - | 5,959 |
| Monitoring Migrants Camas NWR | 15.635 | (1,327) | - | (1,327) |
| Monitoring Songbirds in Idaho | 15.635 | 666 | - | 666 |
| Seismic Reflection Imaging | 15.807 | (71) | - | (71) |
| Seismic Imaging Seattle Fault | 15.807 | 67,277 | - | 67,277 |
| SRFS Facilities Operating Acct | 15.808 | - | 70,644 | 70,644 |
| Raptor Information System | 15.808 | 3,168 | - | 3,168 |
| Barred Owl Food Habits | 15.808 | 24,114 | - | 24,114 |
| Monitoring Land Treatments | 15.808 | 51,458 | - | 51,458 |
| NCA Monitor Workshop & Report | 15.808 | - | 2,402 | 2,402 |
| Support Analysis Raptor Research | 15.808 | 4,679 | - | 4,679 |
| Native Landscape Gardens | 15.DAM | 3,717 | - | 3,717 |
| Translocation SIGS | 15.XXX | 878 | - | 878 |
| SFRWO Songbird Migration | 15.XXX | (38) | - | (38) |
| Effect Development on Cascade Bald Eagle | 15.XXX | 5,176 | - | 5,176 |
| FWS Development on Cascade Bald Eagle | 15.XXX | 12,061 | - | 12,061 |
| Bumpheads Archaeological Survey | 15.XXX | - | 1,990 | 1,990 |
| Antelope Creek Survey | 15.XXX | - | 1,460 | 1,460 |
| Pass Through Payments: | | | | |
| IBO/IDFG Bird Greatest Conservation | 15.634 | 44,357 | - | 44,357 |
| IWRRI 2 | 15.805 | 3,300 | - | 3,300 |
| Water Balance Modeling | 15.805 | 298 | - | 298 |
| GPR Workshop | 15.XXX | 3,034 | - | 3,034 |
| Total U.S. Department of the Interior | | <u>\$ 319,601</u> | <u>\$ 76,496</u> | <u>\$ 396,097</u> |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF JUSTICE: | | | | |
| Pass Through Payments: | | | | |
| RADAR Video Library 3 | 16.727 | \$ - | \$ (234) | \$ (234) |
| RADAR Video Library 4 | 16.727 | - | 4,753 | 4,753 |
| RADAR Video Library FY '09 | 16.727 | - | 18,041 | 18,041 |
| RADAR Video Library | 16.727 | - | 2,185 | 2,185 |
| End Violence Against Women with Disabilities | 16.XXX | - | 10,314 | 10,314 |
| Nampa Family Justice | 16.XXX | 1,941 | - | 1,941 |
| Total U.S. Department of Justice | | <u>\$ 1,941</u> | <u>\$ 35,059</u> | <u>\$ 37,000</u> |
| U.S. DEPARTMENT OF LABOR: | | | | |
| Direct Programs: | | | | |
| OSHA Consultation Program | 17.504 | \$ - | \$ 130,287 | \$ 130,287 |
| OSHA Consultation Program | 17.504 | - | 302,697 | 302,697 |
| Pass Through Payments: | | | | |
| DOL Lean Manufacturing for Food | 17.261 | - | 19,061 | 19,061 |
| LECP FY 2007 | 17.XXX | - | (44,562) | (44,562) |
| Total U.S. Department of Labor | | <u>\$ -</u> | <u>\$ 407,483</u> | <u>\$ 407,483</u> |
| U.S. DEPARTMENT OF STATE: | | | | |
| Pass Through Payments: | | | | |
| Paving Way to Global Village | 19.XXX | \$ - | \$ 146 | \$ 146 |
| Total U.S. Department of State | | <u>\$ -</u> | <u>\$ 146</u> | <u>\$ 146</u> |
| U.S. DEPARTMENT OF TRANSPORTATION: | | | | |
| Direct Programs: | | | | |
| FAA Noise and Emissions Study | 20.109 | \$ (2,613) | \$ - | \$ (2,613) |
| FAA Center Airliner Cabin Environment | 20.109 | 575 | - | 575 |
| FAA Airliner Cabin Environment 2 | 20.109 | 11,833 | - | 11,833 |
| Avionics Decontamination | 20.109 | 48,744 | - | 48,744 |
| Inflight Sensor System Development & Deployment | 20.109 | 22,520 | - | 22,520 |
| Chemical Sensors for Airliner Cabin | 20.109 | 8,800 | - | 8,800 |
| TC Construction ID '04 | 20.500 | - | 17,600 | 17,600 |
| Pass Through Payments: | | | | |
| Evaluation of Concrete Sealer | 20.205 | 34,317 | - | 34,317 |
| Total U.S. Department of Transportation | | <u>\$ 124,176</u> | <u>\$ 17,600</u> | <u>\$ 141,776</u> |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. OFFICE OF PERSONNEL MANAGEMENT: | | | | |
| Direct Programs: | | | | |
| IPA Agreement - Eric McIndoo | 27.011 | \$ 49,760 | \$ - | \$ 49,760 |
| IPA Agreement - Cliff Bayer | 27.011 | 43,857 | - | 43,857 |
| IPA Agreement - Dr. Zhi Li | 27.011 | 36,454 | - | 36,454 |
| Total U.S. Office of Personnel Management | | <u>\$ 130,071</u> | <u>\$ -</u> | <u>\$ 130,071</u> |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION: | | | | |
| Direct Programs: | | | | |
| Spacial & Temporal Variations | 43.XXX | \$ 91,983 | \$ - | \$ 91,983 |
| Pass Through Payments: | | | | |
| ISGC Fellowship - Oblea Campbell | 43.000 | 15,110 | - | 15,110 |
| NASA Fellowship - Steele | 43.001 | 1,431 | - | 1,431 |
| NASA ISGC - Frary | 43.XXX | (149) | - | (149) |
| NASA ISGC Fellowship - Bonfrisco | 43.XXX | (3,369) | - | (3,369) |
| NASA EPSCoR Reliability Investigation | 43.XXX | 188,658 | - | 188,658 |
| Elec. Propulsion-Cer. Material | 43.XXX | 15,000 | - | 15,000 |
| ISGC Fellowship - Smith 2008-2009 | 43.XXX | 18,119 | - | 18,119 |
| NASA EPSCoR - Senocak | 43.XXX | 24,330 | - | 24,330 |
| NASA EPSCoR 2008-2009 | 43.XXX | 23,159 | - | 23,159 |
| ISGC Fellowship - Munoz 2008-2009 | 43.XXX | 18,123 | - | 18,123 |
| Magnetic Phase Sintering | 43.XXX | 12,951 | - | 12,951 |
| ISGC NASA K-12 FY '08 - Callahan | 43.XXX | - | 9,335 | 9,335 |
| Topology Control for Networking | 43.XXX | 1,191 | - | 1,191 |
| NASA Micro-Gravity Project | 43.XXX | 13,637 | - | 13,637 |
| Total National Aeronautics and Space Administration | | <u>\$ 420,174</u> | <u>\$ 9,335</u> | <u>\$ 429,509</u> |
| NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES: | | | | |
| Direct Programs: | | | | |
| Boise Chamber Music Series FY '08 | 45.024 | \$ - | \$ 7,500 | \$ 7,500 |
| Pass Through Payments: | | | | |
| Routine Stops | 45.129 | - | 3,500 | 3,500 |
| Hemingway Letters Project | 45.129 | 3,500 | - | 3,500 |
| IAL WorldCat Local Project | 45.310 | - | 40,275 | 40,275 |
| Visiting Artist/Scholar FY '09 | 45.XXX | - | 2,746 | 2,746 |
| Total National Foundation on the Arts and the Humanities | | <u>\$ 3,500</u> | <u>\$ 54,021</u> | <u>\$ 57,521</u> |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|--|---------------------------|--------------------------|------------------------------|-----------------------|
| NATIONAL SCIENCE FOUNDATION: | | | | |
| Direct Programs: | | | | |
| NSF MRI Xray Diffraction Syste | 47.041 | \$ 347,140 | \$ - | \$ 347,140 |
| Collaborative Research Planning-2 | 47.041 | 229 | - | 229 |
| Boise Extravaganza Set Theory | 47.049 | 6,191 | - | 6,191 |
| Europe Materials Collaboration | 47.049 | (2,571) | - | (2,571) |
| CAREER : RUI : Ferromagnetic | 47.049 | 80,078 | - | 80,078 |
| Europe Materials Collaboration | 47.049 | (15) | - | (15) |
| MRI: Acquisition of a TEM | 47.049 | 5,390 | - | 5,390 |
| Quantum and Biophysics | 47.049 | 39,753 | - | 39,753 |
| CAREER : M Frary NSF | 47.049 | 68,744 | - | 68,744 |
| CRIF : MU/RUI Equipment | 47.049 | 12,496 | - | 12,496 |
| NSF MRI : Acquisition of XPS | 47.049 | 280,821 | - | 280,821 |
| NSF Lattice Dynamics | 47.049 | 38,229 | - | 38,229 |
| Filtrations of Boolean Algebra | 47.049 | 20,381 | - | 20,381 |
| Enabling Magnetoplasticity | 47.049 | 63,329 | - | 63,329 |
| CAREER : M Frary NSF 2 | 47.049 | 12,500 | - | 12,500 |
| NSF-Web Tools for Time Scale | 47.050 | 14,690 | - | 14,690 |
| Paleozoic Deformation Research | 47.050 | (59) | - | (59) |
| NSF Collaborative Research | 47.050 | 140,139 | - | 140,139 |
| NSF Collaborative Quantification | 47.050 | 30,056 | - | 30,056 |
| NSF Climate Controls on Alluvial Fans | 47.050 | 44,264 | - | 44,264 |
| NSF Timing, Condition, Rates of Thrust | 47.050 | 15,859 | - | 15,859 |
| Freedom from Coordinate System | 47.050 | 26,107 | - | 26,107 |
| Unroofing Central Menderes Metamorphic Complex | 47.050 | 9,352 | - | 9,352 |
| Carboniferous Permian Paleoclimate | 47.050 | 229,006 | - | 229,006 |
| Atmospheric Dust as Archive | 47.050 | 23,805 | - | 23,805 |
| Collaborative Research : S. American Grassland | 47.050 | 14,015 | - | 14,015 |
| Collaborative Research : Testing Mech Mod | 47.050 | 86,142 | - | 86,142 |
| Collaborative Research : Tectonic Rates | 47.050 | 10,197 | - | 10,197 |
| NSF Career Degradation | 47.070 | (3,228) | - | (3,228) |
| NSF Cybertrust: eVoting | 47.070 | 3,229 | - | 3,229 |
| CRI Secure Wireless Networking | 47.070 | 32,646 | - | 32,646 |
| NSF Research Instrumentation | 47.074 | 18,078 | - | 18,078 |
| Chronic Stress in Ecosystems | 47.074 | 33,547 | - | 33,547 |
| PharmEcology Symposium | 47.074 | - | 24,800 | 24,800 |
| MRI : Acquisition of FACS | 47.074 | 441,955 | - | 441,955 |
| IDBR : RUI : Development of COIFM | 47.074 | 62 | - | 62 |
| NSF Scholarships | 47.076 | - | 32,366 | 32,366 |
| Award-Excellence in Mentoring | 47.076 | - | 4,774 | 4,774 |
| Noyce Grant | 47.076 | - | 238,773 | 238,773 |
| NSF Idaho Engineering Scholarship Program | 47.076 | - | 126,939 | 126,939 |
| Acquisition of GC/MS & FT-IR | 47.076 | 114,174 | - | 114,174 |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|--|---------------------------|--------------------------|------------------------------|-----------------------|
| NATIONAL SCIENCE FOUNDATION (continued): | | | | |
| Direct Programs (continued): | | | | |
| New GK-12 Local Resources | 47.076 | \$ - | \$ 104,483 | \$ 104,483 |
| New GK-12 Participants | 47.076 | - | 149,001 | 149,001 |
| S-Stem #2 ID Engineering Scholarship | 47.076 | - | 122,825 | 122,825 |
| NSF-Water Storage & Routing | 47.078 | 64,585 | - | 64,585 |
| Home Hearth Household | 47.078 | 77,482 | - | 77,482 |
| Egypt Collaboration | 47.079 | 6,391 | - | 6,391 |
| Pass Through Payments: | | | | |
| EPSCoR RII Program - Callahan | 47.041 | 42,731 | - | 42,731 |
| EPSCoR RII Program - Sridhar | 47.041 | 137,292 | - | 137,292 |
| EPSCoR RII Program - Medidi | 47.041 | 20,236 | - | 20,236 |
| EPSCoR RII Program - Farid | 47.041 | 13,840 | - | 13,840 |
| EPSCoR RII Program - Plumlee | 47.041 | 11,179 | - | 11,179 |
| Formation Function Phys Gels | 47.049 | 8,609 | - | 8,609 |
| NSF-ID-TIMS | 47.050 | 6,067 | - | 6,067 |
| Chronos System: Geoinformatics | 47.050 | 426 | - | 426 |
| SedDB Supplement PaleoStrat | 47.050 | 2,696 | - | 2,696 |
| Site Survey for IODP 626 | 47.050 | 17,730 | - | 17,730 |
| EPSCoR RII Program - Pierce | 47.050 | 39,365 | - | 39,365 |
| DNA Origami Placement | 47.070 | 12,910 | - | 12,910 |
| EPSCoR RII Program - Feris | 47.074 | 27,086 | - | 27,086 |
| EPSCoR RII Program - Feris | 47.074 | 49,068 | - | 49,068 |
| EPSCoR RII Program - Mooney | 47.075 | 24,829 | - | 24,829 |
| Imprv Comm in Cross - Disc Coll | 47.075 | 12,316 | - | 12,316 |
| Hydrologic Processes EPSCoR | 47.076 | (748) | - | (748) |
| NSF Idaho EPSCoR - Punnoose | 47.076 | 10,592 | - | 10,592 |
| NSF Idaho EPSCoR - McNamara | 47.076 | (91) | - | (91) |
| NSF Idaho EPSCoR - Mead | 47.076 | (187) | - | (187) |
| NSF EPSCoR Instrument - Tenne | 47.XXX | (1) | - | (1) |
| NSF EPSCoR Instrument - Cornell | 47.XXX | 35 | - | 35 |
| NSF EPSCoR Start-Up Funds | 47.XXX | 244 | - | 244 |
| 600MHZ NMR Spectrometer System | 47.XXX | 14,984 | - | 14,984 |
| EPSCoR-Start Up Funds Sridhar | 47.XXX | (10) | - | (10) |
| EPSCoR-Instrumentation for Engineering | 47.XXX | 8,950 | - | 8,950 |
| Multi-Functional Oil Quality S | 47.XXX | (2,175) | - | (2,175) |
| EPSCoR- Additional Funding | 47.XXX | (3,587) | - | (3,587) |
| Summer 2008 IRIS Internship | 47.XXX | 1,972 | - | 1,972 |
| Total National Science Foundation | | \$ 2,861,547 | \$ 803,961 | \$ 3,665,508 |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---------------------------------------|---------------------------|--------------------------|------------------------------|-----------------------|
| SMALL BUSINESS ADMINISTRATION: | | | | |
| Direct Programs: | | | | |
| SBA CY '08 | 59.037 | \$ - | \$ 313,855 | \$ 313,855 |
| SBA CY '09 | 59.037 | - | 250,377 | 250,377 |
| Sustainability Initiative | 59.037 | - | 31,377 | 31,377 |
| Total Small Business Administration | | <u>\$ -</u> | <u>\$ 595,609</u> | <u>\$ 595,609</u> |
| ENVIRONMENTAL PROTECTION AGENCY: | | | | |
| Direct Programs: | | | | |
| Satellite EFC | 66.111 | \$ - | \$ 165,906 | \$ 165,906 |
| EPA Dashboard Grant | 66.463 | - | (1,768) | (1,768) |
| Wastewater Training FY '08 | 66.467 | - | 9,033 | 9,033 |
| Hydrogeophysical Characterization | 66.606 | 258,545 | - | 258,545 |
| EPA Multi-Purpose Sensors | 66.606 | 30,479 | - | 30,479 |
| EPA Multi-Purpose Sensors | 66.606 | 136,944 | - | 136,944 |
| EPA Multi-Purpose Sensors | 66.606 | 922 | - | 922 |
| EPA Multi-Purpose Sensors | 66.606 | (4,404) | - | (4,404) |
| EPA Multi-Purpose Sensors | 66.606 | (482) | - | (482) |
| EPA Multi Purpose Sensors | 66.606 | 4,671 | - | 4,671 |
| 6167 EPA Supplemental Funding | 66.606 | 31,725 | - | 31,725 |
| 6167 EPA Supplemental Funding | 66.606 | (246) | - | (246) |
| 6167 EPA Supplemental Funding | 66.606 | 940 | - | 940 |
| EPA Multi-Purpose Sensors | 66.606 | 15,000 | - | 15,000 |
| EFC 10 Base Grant FY '07 | 66.607 | - | 256,406 | 256,406 |
| EPA Plan2Fund Funder's Tool | 66.XXX | - | 4,262 | 4,262 |
| Pass Through Payments: | | | | |
| Source & Release - CFDA 66419 | 66.419 | 10,618 | - | 10,618 |
| Source & Release - CFDA 66468 | 66.468 | 6,708 | - | 6,708 |
| Alaska Capacity Review FY '09 | 66.468 | - | 1,831 | 1,831 |
| Emission Reduction Analysis | 66.XXX | 8,620 | - | 8,620 |
| Total Environmental Protection Agency | | <u>\$ 500,040</u> | <u>\$ 435,670</u> | <u>\$ 935,710</u> |
| NUCLEAR REGULATORY COMMISSION | | | | |
| Direct Programs | | | | |
| U.S. NRC Fellowship Program | 77.008 | \$ - | \$ 49,399 | \$ 49,399 |
| Total Nuclear Regulatory Commission | | <u>\$ -</u> | <u>\$ 49,399</u> | <u>\$ 49,399</u> |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|--|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF ENERGY: | | | | |
| Direct Programs | | | | |
| Bioreductive Transformations | 81.049 | \$ 10,314 | \$ - | \$ 10,314 |
| Inverse Magnetoplastic Effect | 81.049 | 124,799 | - | 124,799 |
| DOE Wind Energy | 81.087 | 70,915 | - | 70,915 |
| DOE Grant | 81.121 | 8,360 | - | 8,360 |
| ACE Workshop | 81.XXX | 9,196 | - | 9,196 |
| Pass Through Payments: | | | | |
| INRA-Water Research Consortium | 81.049 | 14,758 | - | 14,758 |
| Time-lapse Georadar Monitoring | 81.049 | 5,059 | - | 5,059 |
| Cyberinfrastructure Hydro Site | 81.049 | 39,435 | - | 39,435 |
| Component Technologies R&D | 81.087 | 26,205 | - | 26,205 |
| INRA SFPO Site Facilities | 81.104 | - | 4,389 | 4,389 |
| SSGP Website Maintenance Service | 81.104 | - | 233 | 233 |
| INRA SSGP Fellowship Support 4 | 81.104 | - | 74,575 | 74,575 |
| INRA SSGP Fellowship Support 5 | 81.104 | - | 27,371 | 27,371 |
| UNLV Heat Exchange Material | 81.121 | 51,594 | - | 51,594 |
| INL Influence Grain Boundary | 81.XXX | (1,953) | - | (1,953) |
| EPI Interim Associate Director FY '07 | 81.XXX | 57,901 | - | 57,901 |
| FY '06 IUC/EPI Proposal | 81.XXX | 19,511 | - | 19,511 |
| CAES Consortium | 81.XXX | 96,745 | - | 96,745 |
| Drought,Fire,Snowmelt Central ID | 81.XXX | 11,269 | - | 11,269 |
| Bioprocess Agricultural Waste Water | 81.XXX | 10,891 | - | 10,891 |
| Carbon Sequestration in Mafic Rocks | 81.XXX | 18,953 | - | 18,953 |
| Suitability of Layered Basalt | 81.XXX | 22,058 | - | 22,058 |
| INL Plasma Sintering | 81.XXX | 32,648 | - | 32,648 |
| Societal Nuclear Research LDRD | 81.XXX | 24,237 | - | 24,237 |
| Novel Nanostructured Materials | 81.XXX | 88,308 | - | 88,308 |
| Novel Nanostructured Materials | 81.XXX | 20,716 | - | 20,716 |
| INRA SSRI Course Development 2007-2008 | 81.XXX | - | 1,007 | 1,007 |
| INRA Geophysics Workshop 2007-2008 | 81.XXX | - | 315 | 315 |
| SSGP Course Evaluation 2007-2008 | 81.XXX | - | 15 | 15 |
| INRA SSGP Fellowship Support 6 | 81.XXX | - | 37,896 | 37,896 |
| INRA SSRI Dean Year 6 2007-2008 | 81.XXX | - | 5,023 | 5,023 |
| Design & Synthesis Novel Chelators | 81.XXX | 37,652 | - | 37,652 |
| Detector for Pertechnetate Ion | 81.XXX | 3,910 | - | 3,910 |
| Land Use Impacts on Water Quality | 81.XXX | 16,500 | - | 16,500 |
| Sensors to Detect & Analyze | 81.XXX | 16,500 | - | 16,500 |
| INRA Chronic Stress Ecosystems | 81.XXX | 13,808 | - | 13,808 |
| Synchronous Machine Simulation | 81.XXX | 42,318 | - | 42,318 |
| Ion Mobility Spectrometer Prob | 81.XXX | 76,102 | - | 76,102 |
| ODS Cladding Materials | 81.XXX | 30,547 | - | 30,547 |
| Sensors for Contaminants | 81.XXX | 17,980 | - | 17,980 |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF ENERGY (continued): | | | | |
| Pass Through Payments (continued): | | | | |
| Spark Plasma Sintering of Fuel | 81.XXX | \$ 40,940 | \$ - | \$ 40,940 |
| Forecasting for Wind Energy | 81.XXX | 78,783 | - | 78,783 |
| Dev Lignocellulosic Ethanol | 81.XXX | 11,474 | - | 11,474 |
| CAES Associate Director Spring 2009 | 81.XXX | 38,421 | - | 38,421 |
| Evaluate Actinide Compounds YR1 | 81.XXX | 8,625 | - | 8,625 |
| ACE Workshop - 2009 | 81.XXX | 7,614 | - | 7,614 |
| Wind for Schools | 81.XXX | - | 42,932 | 42,932 |
| Total U.S. Department of Energy | | <u>\$ 1,203,093</u> | <u>\$ 193,756</u> | <u>\$ 1,396,849</u> |
| U.S. DEPARTMENT OF EDUCATION: | | | | |
| Direct Programs: | | | | |
| Federal Pell Grants | 84.063 (1) | \$ - | \$ 16,488,915 | \$ 16,488,915 |
| Federal Supplemental Educational Opportunity Grants | 84.007 (1) | - | 444,124 | 444,124 |
| Federal Direct Subsidized Loans | 84.268 (1) | - | 31,427,547 | 31,427,547 |
| Federal Direct Unsubsidized Loans | 84.268 (1) | - | 34,046,465 | 34,046,465 |
| Federal Direct Parent Loans | 84.268 (1) | - | 1,572,833 | 1,572,833 |
| Federal Perkins Loans | 84.038 (1) | - | 885,492 | 885,492 |
| Federal College Work-Study (CWS) | 84.033 (1) | - | 552,730 | 552,730 |
| Federal CWS Job Location Costs (JLC) | 84.033 (1) | - | 40,438 | 40,438 |
| Federal ACG | 84.375 (1) | - | 402,486 | 402,486 |
| Federal SMART | 84.376 (1) | - | 305,216 | 305,216 |
| Student Success Program 2007-2008 | 84.042 (2) | - | 46,532 | 46,532 |
| Student Success Program 2008-2009 | 84.042 (2) | - | 274,311 | 274,311 |
| ETS I - Yr 1 | 84.044 (2) | - | 63,458 | 63,458 |
| ETS II - Yr 1 | 84.044 (2) | - | 39,086 | 39,086 |
| ETS I - 2008-2009 | 84.044 (2) | - | 420,475 | 420,475 |
| ETS II - 2008-2009 | 84.044 (2) | - | 189,649 | 189,649 |
| Upward Bound Nampa & Caldwell 2007-2008 | 84.047 (2) | - | 110,631 | 110,631 |
| Upward Bound Duck Valley 2007-2008 | 84.047 (2) | - | 70,063 | 70,063 |
| Upward Bound III Boise 2007-2008 | 84.047 (2) | - | 99,567 | 99,567 |
| Upward Bound IV Meridian 2007-2008 | 84.047 (2) | - | 99,888 | 99,888 |
| Upward Bound Nampa & Caldwell 2008-2009 | 84.047 (2) | - | 282,373 | 282,373 |
| Upward Bound Duck Valley 2008-2009 | 84.047 (2) | - | 163,108 | 163,108 |
| Upward Bound III Boise 2008-2009 | 84.047 (2) | - | 138,939 | 138,939 |
| Upward Bound IV Meridian 2008-2009 | 84.047 (2) | - | 130,104 | 130,104 |
| HEP Year 4 | 84.141 | - | 22,844 | 22,844 |
| HEP Year 5 | 84.141 | - | 466,852 | 466,852 |
| CAMP 5/00 | 84.149 | - | (546) | (546) |
| CAMP Year 4 | 84.149 | - | 71,189 | 71,189 |
| CAMP 2008-2009 | 84.149 | - | 423,441 | 423,441 |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|-----|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF EDUCATION (continued): | | | | | |
| Direct Programs (continued): | | | | | |
| Prevention of Drinking Freshman | 84.184 | \$ | - | \$ 93,163 | \$ 93,163 |
| Graduate Bilingual - Year 1 | 84.195 | | - | 121,932 | 121,932 |
| ID Systemic Solution | 84.215 | | 64,895 | - | 64,895 |
| ID Systemic Solution | 84.215 | | 61,545 | - | 61,545 |
| McNair Scholars Program 2007-2008 | 84.217 | (2) | - | 65,378 | 65,378 |
| McNair Scholars Program 2008-2009 | 84.217 | (2) | - | 135,747 | 135,747 |
| Improving Metacomprehension | 84.305 | | 295,592 | - | 295,592 |
| TATERS | 84.325 | | - | 65,586 | 65,586 |
| Pass Through Payments: | | | | | |
| ABE Federal | 84.002A | | - | (1,433) | (1,433) |
| ABE State | 84.002A | | - | 14,751 | 14,751 |
| ABE Staff Development | 84.002A | | - | (953) | (953) |
| ABE Incarcerated FY '08 | 84.002A | | - | (473) | (473) |
| ABE Federal Dir Services FY '09 | 84.002A | | - | 298,449 | 298,449 |
| ABE Teacher Training FY '09 | 84.002A | | - | 18,032 | 18,032 |
| ABE Federal Incarcerated FY '09 | 84.002A | | - | 8,191 | 8,191 |
| ABE El Civics FY '09 | 84.002A | | - | 43,909 | 43,909 |
| ABE Federal Admin (5%) FY '09 | 84.002A | | - | 16,318 | 16,318 |
| ABE Quality PD Pers & Cont | 84.002A | | - | 2,500 | 2,500 |
| ABE IMAS Contract | 84.002A | | - | 5,000 | 5,000 |
| School Improvement Technical Assistance 2008-2009 | 84.010 | | - | 196,590 | 196,590 |
| NSD Tutoring Services 2008-2009 | 84.010 | | - | 16,959 | 16,959 |
| Idaho Building Capacity 2009 | 84.010 | | - | 155,277 | 155,277 |
| SW Regional Special Ed FY '08 | 84.027A | | - | 117,703 | 117,703 |
| SW Regional Special Ed FY '09 | 84.027A | | - | 343,447 | 343,447 |
| Student Organizations FY '08 | 84.048A | | - | (89) | (89) |
| CND Non-Traditional FY '08 | 84.048A | | - | 1,186 | 1,186 |
| Perkins PACE - FY '08 | 84.048A | | - | 305 | 305 |
| Perkins - Tutorial | 84.048A | | - | 272 | 272 |
| Perkins - Partnerships | 84.048A | | - | 32 | 32 |
| Perkins Program Improvement | 84.048A | | - | 3,059 | 3,059 |
| End of Course Assessments | 84.048A | | - | 892 | 892 |
| Perkins - Academic Skills Development | 84.048A | | - | 72,421 | 72,421 |
| Perkins - Secondary to Postsecondary | 84.048A | | - | 41,611 | 41,611 |
| CND - Non-Traditional | 84.048A | | - | 988 | 988 |
| Perkins - PACE FY '09 | 84.048A | | - | 30,825 | 30,825 |
| Perkins - Professional Development | 84.048A | | - | 15,792 | 15,792 |
| Student Organizations | 84.048A | | - | 26,267 | 26,267 |

See notes to schedule.

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF EDUCATION (continued) | | | | |
| Pass Through Payments (continued) | | | | |
| Perkins Program Improvement FY '09 | 84.048A | \$ - | \$ 62,410 | \$ 62,410 |
| Perkins - Tech Skills Assessment | 84.048A | - | 7,679 | 7,679 |
| 2008 PTE Survey | 84.048A | - | 15,999 | 15,999 |
| Magic Valley TAH | 84.215 | - | 89 | 89 |
| Teaching American History | 84.215 | - | 206,353 | 206,353 |
| ALP Region III FY '08 | 84.243A | - | 3,174 | 3,174 |
| Advanced Learning Ptnr FY '08 | 84.243A | - | (6,387) | (6,387) |
| Perkins - ALP FY '09 | 84.243A | - | 87,998 | 87,998 |
| Perkins - ALP Reg III FY '09 | 84.243A | - | 63,021 | 63,021 |
| Perkins - ALP Contribution FY '09 | 84.243A | - | 14,249 | 14,249 |
| ICSN Charter Showcase | 84.282 | - | 3,942 | 3,942 |
| Charter Start Workshop | 84.282 | - | 11,963 | 11,963 |
| Secondary RTI Screening | 84.323 | 18,306 | - | 18,306 |
| Transition to Teaching | 84.350B | - | 20,160 | 20,160 |
| Reading First PD 2008-2009 | 84.357 | - | 452,858 | 452,858 |
| Develop Teachers Math Thinking | 84.366 | - | 279,288 | 279,288 |
| National Writing Project | 84.928A | - | 72,522 | 72,522 |
| National Writing Project | 84.928A | - | 482 | 482 |
| National Writing Project | 84.928A | - | (21,322) | (21,322) |
| Radar Network Center Support | 84.XXX | - | 179 | 179 |
| NSD Tutoring Services 2007-2008 | 84.XXX | - | 2,169 | 2,169 |
| Response to Intervention Technical Assistance | 84.XXX | - | 12,685 | 12,685 |
| Caldwell Academy of Leadership 2 | 84.XXX | - | 101,000 | 101,000 |
| Idaho Capacity Builders-Mountain Home | 84.XXX | - | 130,325 | 130,325 |
| Idaho Capacity Builders-Caldwell | 84.XXX | - | 156,583 | 156,583 |
| Caldwell School District Tutoring | 84.XXX | - | 130,573 | 130,573 |
| Reading First 2007-2008 | 84.XXX | - | 48,776 | 48,776 |
| School Improvement Technical Assistance | 84.XXX | - | 11,365 | 11,365 |
| Principals Academy Leadership | 84.XXX | - | 10,745 | 10,745 |
| Total U.S. Department of Education | | \$ 440,338 | \$ 93,066,722 | \$ 93,507,060 |

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:

Direct Programs:

| | | | | |
|---|--------|----------|------|----------|
| Enhancing Health Care Refugees | 93.004 | \$ 1,500 | \$ - | \$ 1,500 |
| Type XI Collagen Isoforms | 93.273 | (9,548) | - | (9,548) |
| GAIN Project | 93.359 | - | 349 | 349 |
| R15 Area Award-Oncostatin M | 93.395 | 15,360 | - | 15,360 |
| Evaluation of DNA Cross Linking | 93.395 | 11,102 | - | 11,102 |
| Evaluation of DNA Cross Linking Years 4-6 | 93.395 | 19,714 | - | 19,714 |
| Oncostatin M-induced VEGF | 93.396 | 21,791 | - | 21,791 |

See notes to schedule.

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|---|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued): | | | | |
| Direct Programs (continued): | | | | |
| NIH Labrum | 93.846 | \$ 90,209 | \$ - | \$ 90,209 |
| Altered cAMP Reg of CD40L | 93.855 | 35,185 | - | 35,185 |
| Pass Through Payments: | | | | |
| ICOA 2008 Needs Assessment B | 93.044 | 6,496 | - | 6,496 |
| Idaho Project Life ~ Year 2 | 93.048 | 27,573 | - | 27,573 |
| Evaluation BOEOS | 93.104 | - | 7,109 | 7,109 |
| Insurance Financing | 93.213 | 28,757 | - | 28,757 |
| United Way Detox Evaluation | 93.243 | 10,493 | - | 10,493 |
| H & W Tobacco Prevention | 93.283 | - | 18,981 | 18,981 |
| NIH Subcontract from WSU | 93.286 | (3,620) | - | (3,620) |
| Health Disparities Intervention | 93.307 | (2,711) | - | (2,711) |
| INBRE YR 3 - Oxford | 93.389 | 3,703 | - | 3,703 |
| INBRE YR 3 - Rohn | 93.389 | (667) | - | (667) |
| INBRE YR 3 - Charlier | 93.389 | (550) | - | (550) |
| INBRE YR 3 - Knowlton | 93.389 | (807) | - | (807) |
| INBRE Yr 4 - Oxford | 93.389 | (31,847) | - | (31,847) |
| INBRE Yr 4 - Jorcyk | 93.389 | 17,193 | - | 17,193 |
| INBRE Yr 4 - Charlier | 93.389 | (691) | - | (691) |
| INBRE Yr 4 - Knowlton | 93.389 | (2,995) | - | (2,995) |
| INBRE YR 5 - Oxford | 93.389 | 265,309 | - | 265,309 |
| INBRE YR 5 - Jorcyk | 93.389 | 68,332 | - | 68,332 |
| INBRE YR 5 - Rohn | 93.389 | 72,059 | - | 72,059 |
| INBRE YR 5 - Charlier | 93.389 | 69,917 | - | 69,917 |
| INBRE YR 5 - Oxford 2 | 93.389 | 64,099 | - | 64,099 |
| INBRE YR 5 - Knowlton | 93.389 | 36,906 | - | 36,906 |
| UNR Lithography Project | 93.389 | 557 | - | 557 |
| Selection of MRI Specs for 2D/ | 93.389 | 5,107 | - | 5,107 |
| INBRE II - Core | 93.389 | 72,750 | - | 72,750 |
| INBRE II - Knowlton | 93.389 | 224 | - | 224 |
| Characterization of Enterotoxi | 93.389 | 3,210 | - | 3,210 |
| INBRE II - Cornell | 93.389 | 28,659 | - | 28,659 |
| INBRE-II - Bioinformatics | 93.389 | 14,392 | - | 14,392 |
| INBRE II - Team | 93.389 | 1,903 | - | 1,903 |
| INBRE II - Knowlton | 93.389 | 11,491 | - | 11,491 |
| INBRE II - Stevens | 93.389 | 23,663 | - | 23,663 |
| INBRE II - Mitchell | 93.389 | 25,981 | - | 25,981 |
| Child Welfare Stipend Programs | 93.658 | - | 203,706 | 203,706 |
| Foster Parent Training Contract | 93.658 | - | 155,340 | 155,340 |
| Academy Training Contract II | 93.658 | - | 263,461 | 263,461 |
| Child Welfare Center Contract II | 93.658 | - | 302,962 | 302,962 |
| Group Model of Maternity Care | 93.884 | 5,225 | - | 5,225 |

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

| Federal Grant/Program Number | Federal CFDA Number | Research Expenditures | Non-research Expenditures | Total Expenditures |
|--|---------------------------|--------------------------|------------------------------|-----------------------|
| U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued): | | | | |
| Pass Through Payments (continued): | | | | |
| HFAY Rural Outreach | 93.912 | \$ 4,429 | \$ - | \$ 4,429 |
| HFAY Rural Outreach II | 93.912 | - | 9,250 | 9,250 |
| ID RADAR Network Center FY '08 | 93.959 | - | 149,959 | 149,959 |
| Rural Family Physician Workforce - II | 93.XXX | 49,422 | - | 49,422 |
| CAQ Pilot Project | 93.XXX | 2,351 | - | 2,351 |
| Total U.S. Department of Health and Human Services | | <u>\$ 1,061,626</u> | <u>\$ 1,111,117</u> | <u>\$ 2,172,743</u> |
| CORPORATION FOR NATIONAL AND COMMUNITY SERVICE: | | | | |
| Pass Through Payments | | | | |
| L & S Promising Practice | 94.005 | \$ - | \$ 46,359 | \$ 46,359 |
| Students In Service | 94.007 | - | 1,731 | 1,731 |
| Total Corporation for National and Community Service | | <u>\$ -</u> | <u>\$ 48,090</u> | <u>\$ 48,090</u> |
| U.S. DEPARTMENT OF HOMELAND SECURITY: | | | | |
| Pass Through Payments | | | | |
| NFA Training | 97.043 | \$ - | \$ (41) | \$ (41) |
| NFA Training FY '09 | 97.043 | - | 6,206 | 6,206 |
| Total U.S. Department of Homeland Security | | <u>\$ -</u> | <u>\$ 6,165</u> | <u>\$ 6,165</u> |
| UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT: | | | | |
| Direct Programs: | | | | |
| Reconstruct Fire/Dist Sawtooth | 98.XXX | \$ 6,407 | \$ - | \$ 6,407 |
| Pass Through Payments: | | | | |
| Dev. of Materials Conn. Centre | 98.002 | 36,921 | - | 36,921 |
| Total United States Agency for International Development | | <u>\$ 43,328</u> | <u>\$ -</u> | <u>\$ 43,328</u> |
| Total Federal Expenditures | | <u>\$ 10,337,429</u> | <u>\$ 98,826,272</u> | <u>\$ 109,163,701</u> |
| <i>See notes to schedule.</i> | | | | |

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

(2) TRIO Cluster is combined and displayed as a major program.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

1. **BASIS OF PRESENTATION**

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

2. **UNIVERSITY ADMINISTERED LOAN PROGRAMS**

The University administers the following loan programs:

| Loan Program | Number | Loan Balances |
|-----------------|--------|---------------|
| Federal Perkins | 84.038 | \$ 10,444,921 |
| Nursing Student | | \$ 5,765 |

Total loan expenditures and disbursements of the Department of Education (Perkins) student financial assistance programs for the year ended June 30, 2009 are identified below:

| Loan Program | Number | Loan Disbursements |
|-----------------|--------|--------------------|
| Federal Perkins | 84.038 | \$ 885,492 |

The expenditures reported in the Schedule of Expenditures of Federal Awards include the administrative cost allowances and the Federal Capital Contribution for the year ended June 30, 2009.

BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

3. **SUBRECIPIENTS**

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

| Program | Federal CFDA Number | Amount Provided to Subrecipients |
|-----------------------------------|------------------------------------|---|
| USDA Utilizing GPR & Solute | 10.206 | \$ 4,999 |
| EDA University Center FY '08 | 11.303 | 7,014 |
| EDA University Center FY '09 | 11.303 | 100,118 |
| NIST General FY '08 | 11.611 | 25,153 |
| NIST General FY '09 | 11.611 | 198,489 |
| DEPSCOR '08 | 12.431 | 20,386 |
| Depscore Micro-Propulsion | 12.800 | 3,500 |
| DARPA FFY 2005 | 12.910 | 174,154 |
| DARPA 3-D Tech for Adv. Sensor | 12.910 | 204,716 |
| Reconfigurable Electronics | 12.910 | 90,266 |
| SBA CY '08 | 59.037 | 130,866 |
| SBA CY '09 | 59.037 | 114,287 |
| Hydrogeophysical Characterization | 66.606 | 15,028 |
| EPA Multi-Purpose Sensors | 66.606 | 21,995 |
| DOE Wind Energy | 81.087 | 861 |
| SW Regional Special Ed FY09 | 84.027 | 17,400 |
| Improving Metacomprehension | 84.305 | 85,324 |
| INBRE YR 5 - Rohn | 93.389 | 17,150 |
| Spacial & Temporal Variations | 43.XXX | 13,793 |
| Forecasting for Wind Energy | 81.XXX | 4,860 |
| Caldwell Academy of Ldrship 2 | 84.XXX | 100,000 |
| Idaho Capacity Bldrs-Caldwell | 84.XXX | (1,272) |
| Rural Fam Phys Wrkfr - II | 93.XXX | 20,500 |
| Total Subrecipients | | <u>\$ 1,369,587</u> |