

Boise State University  
Independent Auditor's Report  
and Financial Statements  
June 30, 2010 and 2009

Including Single Audit Reports  
for the year ended June 30, 2010



BOISE  STATE  
U N I V E R S I T Y



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**ENRICH**



**BOISE STATE**  
UNIVERSITY



**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, 2010 and 2009, 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 unit as described in Note 13. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Boise State University and its discretely presented component unit as of June 30, 2010 and 2009, and the respective changes in financial position and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2010, 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 and certain information in Note 13, *Postemployment Benefits Other Than Pensions*, that is labeled as "required supplementary information" is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

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.



Eugene, Oregon  
October 1, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010**

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Boise State University (the “*University*”) is a publicly supported, multi-disciplinary institution of higher education recognized by the Carnegie Foundation for outreach and community engagement. The University has the largest student enrollment of any university in Idaho, with enrollment of 18,936 and 19,670 for the Fall semesters of fiscal year 2010 (Fall 2009) and fiscal year 2009 (Fall 2008), respectively. The transition of the Seland College of Applied Technology programs to the new College of Western Idaho (“CWI”) began during fiscal year 2009 with the transfer of land and sale of equipment located in Nampa, Idaho. This was completed on July 1, 2010 with the transfer of buildings located in Canyon County, Idaho and the transfer of equipment along with certain fund balances that had been accumulated by Seland College. CWI offers lower division transfer degrees as well as applied technology programs and had 1,062 vocational students and 2,546 lower division academic students for Fall 2009. Boise State University’s enrollment declined as expected in Fall 2009 by 995 applied technology students who now attend CWI, but this decline was partially offset by a net increased academic enrollment of 261. Demand for the services of both institutions continues to grow.

The University’s main campus is located in Boise, Idaho with convenient access to the governmental institutions and commercial and cultural amenities located in the capital city. The metropolitan area has a population of approximately 570,000. The University employed approximately 3,773 faculty and staff (including 975 student employees) as of June 30, 2010.

The University administers baccalaureate, masters and doctoral programs through

seven colleges - Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, and Social Sciences and Public Affairs. Master’s degrees are offered in 73 disciplines, and four doctoral programs include an Ed.D. in Curriculum and Instruction and Ph.D. programs in Geophysics, Geosciences, and Electrical Engineering and Computer Engineering. The University is fully accredited by the Northwest Association of Schools and Colleges, and a number of the University’s academic programs have also obtained specialized accreditation.

The University competes in NCAA intercollegiate athletics as a Division I-A member and fields 17 men’s and women’s teams in 12 sports. The University is the home of over 50 research centers and institutes, including the Center for Health Policy, the Center for Public Policy and Administration, the Environmental Science and Public Policy Research Institute, the Global Business Consortium, the Raptor Research Center, and the Hemingway Western Studies Center. The University also hosts both National Public Radio and Public Radio International on the Boise State Radio Network, which broadcasts in southern Idaho, western Oregon and northern Nevada on a network of 28 stations and translators.

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

The financial statements for fiscal years ended June 30, 2010 and June 30, 2009 are prepared in accordance with Governmental Accounting Standards Board (“GASB”) principles. There are three financial statements presented: the statement of net

assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The Boise State University Foundation, Inc. (the “Foundation”) is a legally separate, tax-exempt entity and is discretely presented for the fiscal years ended June 30, 2010 and

2009. The Foundation reports financial information according to Financial Accounting Standards Board (“FASB”) reporting standards. The University presents component unit financial information on pages immediately following the statements of the University.





## Statement of Net Assets

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

From the data presented, readers of the statement of net assets are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University

owes vendors, investors and lending institutions. Net assets (assets minus liabilities) are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the University's equity in capital assets. The second net asset category is restricted, expendable net assets. Restricted, expendable net assets are available for expenditure by the University for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets provide the amount of equity in assets available to the University for any lawful purpose of the institution.

Summary Statements of Net Assets			
As of June 30			
(Dollars in Thousands)			
	2010	2009	2008
<b>ASSETS:</b>			
Current assets	\$ 92,765	\$ 96,983	\$ 101,473
Capital assets, net	391,436	374,656	348,974
Other assets	102,790	98,320	81,872
Total assets	<u>\$ 586,991</u>	<u>\$ 569,959</u>	<u>\$ 532,319</u>
<b>LIABILITIES:</b>			
Current liabilities	\$ 54,048	\$ 55,651	\$ 47,824
Non-current liabilities	237,718	229,563	208,178
Total liabilities	291,766	285,214	256,002
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	192,322	175,660	167,966
Restricted, expendable	20,985	17,442	22,892
Unrestricted	81,918	91,643	85,459
Total net assets	<u>295,225</u>	<u>284,745</u>	<u>276,317</u>
Total liabilities and net assets	<u>\$ 586,991</u>	<u>\$ 569,959</u>	<u>\$ 532,319</u>

The University's total assets increased during fiscal year 2010 by \$17,032,592 from \$569,958,737 in 2009 to \$586,991,329 in fiscal year 2010. 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. Cash with treasurer decreased due to State of Idaho appropriated budget holdbacks. The University's total liabilities increased during fiscal year 2010 by \$6,553,286 from \$285,213,263 in 2009 to \$291,766,549 in 2010. Approximately, four million of the increase was in notes and bonds payable due to the impact of the current year bond issue and debt payment

activity. In addition, advance ticket sales in athletics and touring shows increased unearned revenue and the amount held for promoters in other liabilities.

While overall net assets increased during fiscal year 2010, unrestricted net assets decreased 11% during fiscal year 2010 by \$9,724,976 from \$91,642,996 in 2009 to \$81,918,020 in 2010. The University's general fund appropriation was reduced by over \$6 million through budget holdbacks during fiscal year 2010. In addition, operating expenses increased related to enrollment growth and strategic initiatives but were partially offset by efforts to control costs.

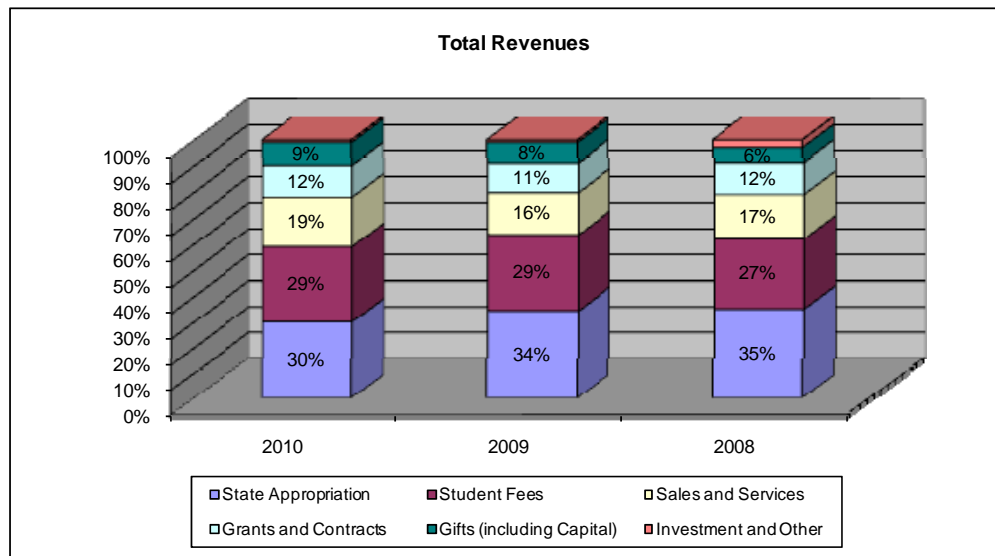




## Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets, as presented on the statement of net assets, are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement is to present the revenues (operating and non-operating) received by the University, and the expenses (operating and non-operating) paid by the institution and any other revenues, expenses, gains and losses received or spent by the University. A publically supported university will normally reflect a net operating loss because state general fund appropriations are not reported as operating revenues. Generally

speaking, operating revenues are generated by providing services to the various customers, students and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues received for which services are not provided. For example, state general funds are non-operating because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services in exchange for those revenues.

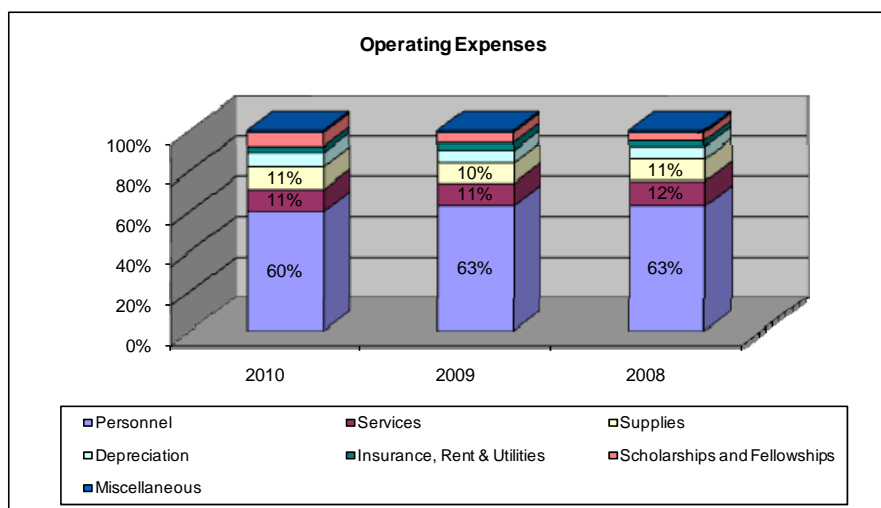
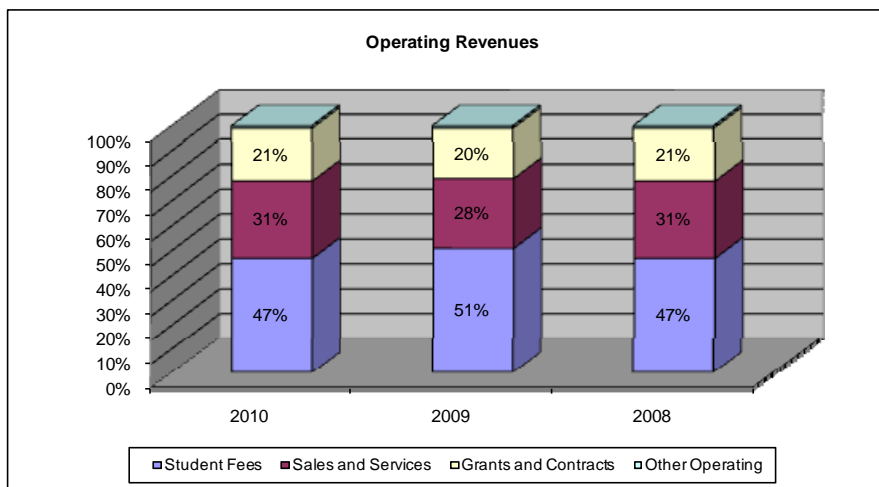


### Summary Statements of Revenues, Expenses, and Changes in Net Assets Fiscal Years Ended June 30 (Dollars in Thousands)

	2010	2009	2008
Operating revenues	\$ 166,713	\$ 155,978	\$ 150,956
Operating expenses	270,685	269,658	257,731
Operating loss	(103,972)	(113,680)	(106,775)
Non-operating revenues and expenses	106,689	119,927	117,241
Income before other revenues, expenses, gains or losses	2,717	6,247	10,466
Other revenues and expenses	7,763	2,181	1,664
<b>Increase in net assets</b>	<b>10,480</b>	<b>8,428</b>	<b>12,130</b>
<b>Net assets—Beginning of year</b>	<b>284,745</b>	<b>276,317</b>	<b>264,187</b>
<b>Net assets—End of year</b>	<b>\$ 295,225</b>	<b>\$ 284,745</b>	<b>\$ 276,317</b>

The statement of revenues, expenses, and changes in net assets reflects an overall increase in net assets during fiscal year 2010. Operating revenues increased by \$10,735,150 from \$155,977,935 in 2009 to \$166,713,085 in 2010. This increase is caused by increases in federal grant revenue and auxiliary sales. Auxiliary sales revenue of over \$5.4 million was generated in event ticket sales and the University's participation in the 2010 Fiesta Bowl. Tuition and fee rate increases were offset by a decrease in enrollment associated with the transition of the Selland College to CWI and additional scholarship allowances.

Operating expenses increased by \$1,027,191 from \$269,657,672 in 2009 to \$270,684,863 in 2010. In general, operating expenses decreased in all categories due to the Selland College transfer and intentional spending reductions put into place by the University. However certain decreases were offset by a few specific activities. The impact of the Fiesta Bowl increased services and supply costs. Supplies expenses also contain nearly \$1 million of purchases to open the new Norco Nursing and Health, Wellness and Counseling building. Scholarships and fellowships increased \$5.9 million due to the federal expansion of the Pell grant program.



## 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)			
	2010	2009	2008
Cash provided (used) by:			
Operating activities	\$ (80,874)	\$ (94,277)	\$ (87,708)
Non-capital financing activities	120,353	129,557	122,022
Capital and related financing activities	(41,934)	(25,284)	(77,279)
Investing activities	(13,868)	(2,210)	45,737
<b>Net change in cash</b>	<b>(16,323)</b>	<b>7,786</b>	<b>2,772</b>
<b>Cash—Beginning of year</b>	<b>50,506</b>	<b>42,720</b>	<b>39,948</b>
<b>Cash—End of year</b>	<b>\$ 34,183</b>	<b>\$ 50,506</b>	<b>\$ 42,720</b>

Overall, cash decreased by \$16,322,881 during the year compared to a cash increase of \$7,785,483 during fiscal year 2009. Cash used in operating activities totaled \$80.9 million in fiscal year 2010 compared to \$94.3 million in fiscal year 2009. This reflects the impact of the transfer of the Seland College to CWI and cost controls offset by increases in Pell awards to students and additional spending on federal sponsored programs. The University

continued to invest heavily in facilities, spending previously issued bond proceeds, donations and reserves. Bond proceeds of \$14 million were offset by repayment of \$10.7 million in bonds and notes. Cash used by investing activities totaled \$13.9 million due to the purchase of investments from the bond proceeds received offset by liquidation of investments for construction spending.

**Capital Asset and Debt Administration**

The University's capital assets, prior to depreciation, increased by \$29,628,469 from \$545,468,441 in 2009 to \$575,096,910 in 2010. The University continued to build and acquire property and buildings consistent with the Campus Master Plan. Capital asset additions in 2010 included the completion of the Norco building which houses the Department of Nursing and the University Health Center. Construction continues on the Center for Environmental Science and Economic Development building and the Aquatic Center addition to the Student Recreation Center. Total notes, bonds, and capital leases increased by \$3,709,080 from \$232,889,398 in 2009 to \$236,598,478 in 2010, due to the issuance of \$1,195,000 of Series 2010A General Revenue Bonds and \$12,895,000 of Series 2010B Taxable General Revenue Bonds (Build America Bonds – Issuer Subsidy) offset by repayments on outstanding debt.

Limited state funding exists for University buildings. The University continues to leverage student facility fees, donations and grant funding with taxable and tax-exempt bonds to improve and add academic and auxiliary facilities. Unrestricted net assets are intentionally accumulated to provide funds to support debt payments should operating revenues unexpectedly decrease.

**Economic Outlook**

The State of Idaho had another difficult fiscal year that resulted in budget holdbacks for all state agencies. Despite multiple holdbacks during the fiscal year, over \$8 million was transferred from the State's Permanent Building Fund to the general fund to achieve a balanced State budget.

The University's original general fund appropriation for fiscal year 2010 of \$78.3 million was reduced by the impact of

holdbacks totaling over \$6 million. Management absorbed \$4 million of the holdback by utilizing central unrestricted reserves; the remaining \$2 million was remitted from operational balances. The University's appropriated budget for fiscal year 2011 is \$71.9 million, making the 2010 holdbacks permanent. Economic forecasts, while predicting a slow recovery over the next 3 years, also show that holdbacks of some level are still possible in 2011.

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. In addition, the University has focused on retention of students in recent years resulting in higher demand for upper-class course sections. The University's student profile has changed significantly in the last few years. Overall the upcoming Fall 2010 enrollment of 19,993 is up 5.6% over the previous year and is the largest academic student body in the history of the University. Over 80% of the fall freshman class comes directly from high school, an increase of 10% over 2005. In addition, the University has the highest admission standards in the State of Idaho and has increased entrance requirements again for freshman and transfer students enrolled this fall. Graduate enrollment has grown by 51% over the last four years. And finally, with the success of CWI, transfer students are up 27%.

The mixture of decreasing state revenues and an evolving institution with increasing enrollment continues to be the main management challenge for the University. 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 continues to actively plan for future funding scenarios. Several funding models have been developed to allow for a thoughtful reaction to funding factors as they solidify. Budget processes were used during fiscal year 2009 and 2010 to drive current resources to strategic initiatives. Efforts to reduce the cost of delivery of all services while increasing the value added by the same services are on-going in all divisions.

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 83% of the goal of \$175 million, or \$145 million.

The new Aquatics center opens for Fall semester 2010. The Center for Environmental Science and Economic

Development is on target to open for Spring 2011. Construction has also begun on the University's fourth parking deck. The 2010 bonds match donor funding for a new College of Business and Economics building. It is anticipated that bonds will be issued for townhouse-style upperclassman housing during fiscal year 2011. 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. 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, 2010 AND JUNE 30, 2009

	University 2010	University 2009
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash with treasurer	\$ 23,926,523	\$ 28,398,819
Cash and cash equivalents	10,256,498	22,107,083
Student loans receivable	1,307,100	1,324,200
Accounts receivable and unbilled charges, net	18,639,362	19,115,919
Prepaid expense	1,754,323	930,245
Inventories	3,001,744	2,026,012
Investments	31,371,511	20,697,165
Due from component units	2,365,085	2,225,982
Other current assets	143,057	157,631
<b>Total current assets</b>	<b>92,765,203</b>	<b>96,983,056</b>
<b>NON-CURRENT ASSETS:</b>		
Student loans receivable, net	9,148,857	9,410,077
Investments	90,700,869	85,379,385
Investments held in trust	-	474,522
Deferred bond financing costs	2,341,050	2,281,745
Capital assets, net	391,435,724	374,655,659
Other assets	599,626	774,293
<b>Total non-current assets</b>	<b>494,226,126</b>	<b>472,975,681</b>
<b>TOTAL ASSETS</b>	<b>\$ 586,991,329</b>	<b>\$ 569,958,737</b>

See notes to financial statements.



**BOISE STATE UNIVERSITY  
STATEMENTS OF NET ASSETS (CONTINUED)  
JUNE 30, 2010 AND JUNE 30, 2009**

	<b>University 2010</b>	<b>University 2009</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 6,530,710	\$ 5,616,721
Due to state agencies	7,670,360	10,476,683
Accrued salaries and benefits payable	10,872,232	8,846,366
Compensated absences payable	6,366,260	6,358,350
Interest payable	2,622,945	2,685,683
Unearned revenue	11,727,621	10,264,449
Notes and bonds payable	5,390,829	9,288,006
Obligations under capital lease	113,770	381,667
Obligations under capital lease - component unit	295,000	275,000
Other liabilities	2,458,326	1,458,143
<b>Total current liabilities</b>	<b>54,048,053</b>	<b>55,651,068</b>
<b>NON-CURRENT LIABILITIES:</b>		
Unearned revenue	1,807,559	1,902,475
Notes and bonds payable	228,445,927	220,454,152
Obligations under capital lease	271,154	113,775
Obligations under capital lease - component unit	2,081,798	2,376,798
Net Other Post Employment Benefits Obligation	5,110,610	4,186,211
Other liabilities	1,448	528,784
<b>Total non-current liabilities</b>	<b>237,718,496</b>	<b>229,562,195</b>
<b>TOTAL LIABILITIES</b>	<b>291,766,549</b>	<b>285,213,263</b>
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt	192,322,268	175,660,290
Restricted, expendable	20,984,492	17,442,188
Unrestricted	81,918,020	91,642,996
<b>TOTAL NET ASSETS</b>	<b>295,224,780</b>	<b>284,745,474</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 586,991,329</b>	<b>\$ 569,958,737</b>

See notes to financial statements.

**BOISE STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND JUNE 30, 2009**

	<b>Foundation 2010</b>	<b>Foundation 2009</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,567,164	\$ 3,611,765
Accrued interest and other receivables	390,017	796,984
Pledges receivable	5,897,528	7,130,589
Investment in lease - technology building current portion	323,024	302,356
<b>Total current assets</b>	<b>8,177,733</b>	<b>11,841,694</b>
<b>NON-CURRENT ASSETS:</b>		
Restricted cash and cash equivalents	9,778,753	3,939,025
Pledges receivable	10,111,335	18,160,748
Investments	93,625,377	76,709,978
Interest in perpetual trusts	2,526,137	2,160,466
Investments in real estate	10,042,836	10,157,836
Funds held by trustee	568,691	629,704
Investment in lease - technology building	2,255,118	2,578,142
Other assets	721,432	761,831
<b>Total non-current assets</b>	<b>129,629,679</b>	<b>115,097,730</b>
<b>TOTAL ASSETS</b>	<b>\$ 137,807,412</b>	<b>\$ 126,939,424</b>

See notes to financial statements.

**BOISE STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2010 AND JUNE 30, 2009**

	<b>Foundation 2010</b>	<b>Foundation 2009</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 518,923	\$ 1,735,212
Interest payable	49,082	38,568
Prepaid memberships and suites/press box	2,433,217	2,175,529
Liability for split interest trusts	70,309	69,366
Trust earnings payable to trust beneficiaries	20,364	20,364
Long-term liabilities - current portion	295,000	275,000
Deferred revenue - current portion	76,607	76,607
<b>Total current liabilities</b>	<b>3,463,502</b>	<b>4,390,646</b>
<b>NON-CURRENT LIABILITIES:</b>		
Bonds and certificates payable	7,583,000	7,878,000
Deferred revenue	370,523	447,131
Deferred suites/press box revenue	362,567	447,167
Liability under split interest trust agreements	807,898	895,901
Amounts held in custody for others	1,078,113	1,338,946
Trust earnings payable to trust beneficiaries	218,993	237,662
<b>Total non-current liabilities</b>	<b>10,421,094</b>	<b>11,244,807</b>
<b>TO TAL LIABILITIES</b>	<b>13,884,596</b>	<b>15,635,453</b>
<b>NET ASSETS:</b>		
Permanently restricted	61,521,741	58,845,927
Temporarily restricted	55,547,228	49,564,601
Unrestricted	6,853,847	2,893,443
<b>TOTAL NET ASSETS</b>	<b>123,922,816</b>	<b>111,303,971</b>
<b>TO TAL LIABILITIES AND NET ASSETS</b>	<b>\$ 137,807,412</b>	<b>\$ 126,939,424</b>

See notes to financial statements.

**BOISE STATE UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FISCAL YEARS ENDED JUNE 30, 2010 AND JUNE 30, 2009**

	<b>University 2010</b>	<b>University 2009</b>
<b>OPERATING REVENUES:</b>		
Student fees, pledged for bonds	\$ 99,548,370	\$ 96,333,782
Scholarship allowance	(21,161,700)	(17,422,867)
Student fees, net	78,386,670	78,910,915
Federal grants and contracts (including \$3,853,725 and \$2,925,208 of revenues pledged for bonds in 2010 and 2009, respectively)	28,194,109	24,422,557
State and local grants and contracts (including \$522,460 and \$265,854 of revenues pledged for bonds in 2010 and 2009, respectively)	5,382,542	4,451,941
Private grants and contracts (including \$130,838 and \$89,399 of revenues pledged for bonds in 2010 and 2009, respectively)	1,556,517	1,594,043
Sales and services of educational activities, pledged for bonds	2,284,316	1,904,471
Sales and services of auxiliary enterprises, pledged for bonds	49,279,692	42,543,032
Other, pledged for bonds	1,629,239	2,150,976
<b>Total operating revenues</b>	<b>166,713,085</b>	<b>155,977,935</b>
<b>OPERATING EXPENSES:</b>		
Personnel cost	162,286,708	170,015,712
Services	28,991,442	28,312,633
Supplies	29,164,378	27,909,212
Insurance, utilities and rent	9,347,415	9,917,659
Scholarships and fellowships	19,069,193	13,144,875
Depreciation	19,102,965	17,217,330
Miscellaneous	2,722,762	3,140,251
<b>Total operating expenses</b>	<b>270,684,863</b>	<b>269,657,672</b>
<b>OPERATING (LOSS) INCOME</b>	<b>(103,971,778)</b>	<b>(113,679,737)</b>

See notes to financial statements.

**BOISE STATE UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)**  
**FISCAL YEARS ENDED JUNE 30, 2010 AND JUNE 30, 2009**

	<b>University 2010</b>	<b>University 2009</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State appropriations	\$ 78,193,614	\$ 92,834,690
Pell Grants	25,855,407	16,533,564
Gifts (includes gifts from component units equal to \$13,684,049 and \$13,922,062 in 2010 and 2009, respectively)	17,091,367	20,265,154
Net investment income (including \$584,430 and \$1,509,486 of revenues pledged by the University for bonds in 2010 and 2009, respectively)	1,261,210	2,582,815
Change in fair value of investments (including \$247,652 and 26,904 of revenues pledged by the University for bonds in 2010 and 2009, respectively)	376,077	150,596
Interest (net of capitalized interest by the University of \$686,111 and \$62,481 in 2010 and 2009, respectively)	(9,885,671)	(9,662,177)
Gain (loss) on retirement of capital assets	(426,315)	(506,855)
Transfer of assets to College of Western Idaho	(5,263,088)	(2,129,941)
Other	(513,912)	(140,761)
<b>Net non-operating revenues (expenses)</b>	<b>106,688,689</b>	<b>119,927,085</b>
<b>INCOME BEFORE OTHER REVENUES AND EXPENSES</b>	<b>2,716,911</b>	<b>6,247,348</b>
<b>OTHER REVENUES AND EXPENSES:</b>		
Capital appropriations	1,919,048	785,000
Capital grants and gifts	5,843,347	1,395,877
<b>Total other revenue</b>	<b>7,762,395</b>	<b>2,180,877</b>
<b>INCREASE IN NET ASSETS</b>	<b>10,479,306</b>	<b>8,428,225</b>
<b>NET ASSETS—Beginning of year</b>	<b>284,745,474</b>	<b>276,317,249</b>
<b>NET ASSETS—End of year</b>	<b>\$ 295,224,780</b>	<b>\$ 284,745,474</b>

See notes to financial statements.

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

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

See notes to financial statements.



# BOISE STATE UNIVERSITY

## BOISE STATE UNIVERSITY FOUNDATION, INC. STATEMENTS OF ACTIVITIES FISCAL YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Foundation 2009
<b>OPERATING REVENUES:</b>				
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)
<b>Total revenues</b>	<b>(674,543)</b>	<b>(1,084,516)</b>	<b>2,747,010</b>	<b>987,951</b>
Donation from Bronco Athletic Association	103,893	18,805,173	10,279,086	29,188,152
<b>Total revenues &amp; gains</b>	<b>(570,650)</b>	<b>17,720,657</b>	<b>13,026,096</b>	<b>30,176,103</b>
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	-
<b>Total operating revenues</b>	<b>12,547,604</b>	<b>4,599,337</b>	<b>13,029,162</b>	<b>30,176,103</b>
<b>OPERATING EXPENSES:</b>				
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
<b>Total operating expenses</b>	<b>18,336,782</b>	<b>-</b>	<b>-</b>	<b>18,336,782</b>
<b>OPERATING INCOME</b>	<b>(5,789,178)</b>	<b>4,599,337</b>	<b>13,029,162</b>	<b>11,839,321</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
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)
<b>Total non-operating revenues (expenses)</b>	<b>939,626</b>	<b>331,861</b>	<b>-</b>	<b>1,271,487</b>
<b>CHANGE IN NET ASSETS</b>	<b>(4,849,552)</b>	<b>4,931,198</b>	<b>13,029,162</b>	<b>13,110,808</b>
<b>NET ASSETS - Beginning of year</b>	<b>7,742,995</b>	<b>44,633,403</b>	<b>45,816,765</b>	<b>98,193,163</b>
<b>NET ASSETS - End of year</b>	<b>\$ 2,893,443</b>	<b>\$ 49,564,601</b>	<b>\$ 58,845,927</b>	<b>\$ 111,303,971</b>

See notes to financial statements.

**BOISE STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS  
FISCAL YEARS ENDED JUNE 30, 2010 AND JUNE 30, 2009**

	<b>University 2010</b>	<b>University 2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Student fees	\$ 77,497,698	\$ 76,606,492
Grants and contracts	37,399,071	29,368,192
Sales and services of educational activities	2,267,982	2,293,523
Sales and services of auxiliary enterprises	49,773,211	43,543,267
Other operating receipts	1,780,951	2,310,041
Payments to employees	(159,446,035)	(168,828,538)
Payments for services	(29,963,747)	(28,460,509)
Payments for supplies	(30,382,320)	(25,811,001)
Payments for insurance, utilities and rent	(9,333,585)	(9,915,656)
Payments for scholarships and fellowships	(19,087,268)	(13,138,381)
Loans issued to students	(1,209,076)	(1,009,711)
Collections of loans to students	1,345,808	1,178,827
Other payments	(1,516,560)	(2,413,530)
<b>Net cash used in operating activities</b>	<b>(80,873,870)</b>	<b>(94,276,984)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	78,193,614	92,834,691
Pell grants	25,855,407	16,533,564
Gifts	16,304,420	20,188,788
Direct lending receipts	82,688,314	70,203,424
Direct lending payments	(82,688,314)	(70,203,424)
<b>Net cash provided by non-capital financing activities</b>	<b>120,353,441</b>	<b>129,557,043</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital grants and gifts	5,843,347	1,395,877
Capital appropriations	1,919,048	785,000
Purchases of capital assets	(43,667,508)	(42,997,814)
Proceeds from notes and bonds payable	14,423,101	41,776,907
Principal paid on notes and bonds payable and capital leases	(10,770,993)	(17,944,754)
Interest paid on notes and bonds payable and capital leases	(9,898,677)	(9,398,306)
Payments for bond issuance costs	(252,389)	(506,068)
Other	469,618	1,605,058
<b>Net cash used in capital and related financing activities</b>	<b>(41,934,453)</b>	<b>(25,284,100)</b>

See notes to financial statements.

**BOISE STATE UNIVERSITY**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FISCAL YEARS ENDED JUNE 30, 2010 AND JUNE 30, 2009**

	<b>University 2010</b>	<b>University 2009</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	\$ (193,583,850)	\$ (209,539,306)
Proceeds from sales and maturities of investments	178,188,575	204,456,323
Investment income	<u>1,527,276</u>	<u>2,872,507</u>
<b>Net cash used by investing activities</b>	<u>(13,867,999)</u>	<u>(2,210,476)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER</b>	(16,322,881)	7,785,483
<b>CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year</b>	<u>50,505,902</u>	<u>42,720,419</u>
<b>CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year</b>	<u><u>\$ 34,183,021</u></u>	<u><u>\$ 50,505,902</u></u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (103,971,778)	\$ (113,679,737)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	19,102,965	17,272,704
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	476,557	(2,985,972)
Student loans receivable, net	278,320	762,482
Inventories	(975,732)	1,428,102
Other assets	55,876	1,250,369
Accounts payable and accrued liabilities	(653,175)	(258,716)
Accrued salaries and benefits payable	2,025,866	109,070
Compensated absences payable	7,910	428,707
Unearned revenue	1,368,256	409,324
Other Post Employment Benefits Obligation	924,399	630,579
Other liabilities	<u>486,666</u>	<u>356,104</u>
<b>Net cash used in operating activities</b>	<u><u>\$ (80,873,870)</u></u>	<u><u>\$ (94,276,984)</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:</b>		
Defeasance of debt		<u>\$ 12,064,724</u>
Assets donated to the University	<u>\$ 2,096,501</u>	<u>\$ 610,013</u>
Transfer of assets to College of Western Idaho	<u><u>\$ 5,263,088</u></u>	<u><u>\$ 2,129,941</u></u>

See notes to financial statements.



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BOISE STATE  
UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

THE FISCAL YEARS ENDED JUNE 30, 2010 AND JUNE 30, 2009

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – The University is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho reporting entity, and is directed by the State Board of Education (“SBOE”), a body of eight members. Seven members are appointed and confirmed by the legislature. The elected State Superintendent of Public Instruction serves *ex officio* as the eighth member of the Board. The University is part of the primary government of the State of Idaho and is included in the State’s Comprehensive Annual Financial Report (“CAFR”) within the Business-Type Activities/Enterprise Funds. The CAFR may be obtained from the State Controller:

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

The financial statements for fiscal years ended June 30, 2010 and June 30, 2009 are prepared in accordance with Governmental Accounting Standards Board (“GASB”) principles.

The University considers component units with net assets greater than 5% of the University’s net assets to be significant. As such, the Boise State University Foundation, Inc. (the “Foundation”) is discreetly presented for the fiscal years ended June 30, 2010 and 2009. The Foundation was established for the purpose of soliciting donations

for the exclusive benefit of the University. Financial statements of the Foundation may be obtained from the Vice President for Finance and Administration at the University. The Foundation’s financial statements are prepared in accordance with Financial Accounting Standards Board (“FASB”) pronouncements and in accordance with GAAP.

**Financial Statement Presentation** – The University has adopted GASB 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.

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

The University has the option to apply all FASB pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date. The Foundation is a legally separate, private non-profit

organization that 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 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. 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 tangible items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Intangible assets with a unit cost of \$200,000 or more, and an estimated useful life of greater than one year, are recorded as capital assets. Renovations

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

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

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



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

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

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

*Unrestricted* – Unrestricted net assets represent equity in assets derived mainly from student fees, 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 is excluded from federal income taxes under Section 115 of the Internal Revenue Code, per letter dated April 21, 1989. The University is subject to tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function.

***Classification of Revenues and Expenses*** – The University classifies its revenue and expenses as operating or non-operating according to the following criteria. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues 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. Non-operating revenues and expenses include state appropriations, pell grants, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest

expense and gain or loss on the disposal of capital assets and other non-exchange transactions.

***Scholarship Discounts 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.

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

**Deposits** – Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents include cash on hand of \$111,173 and \$105,946 as of June 30, 2010 and 2009 respectively and amounts deposited with federally chartered institutions and are carried at cost. Custodial credit risk is the risk that in the event of a financial institution failure, the deposits may not be returned. The

State's policy for managing custodial credit risk can be found in the Idaho Code, Section 67-2739.

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

Basis of Custodial Credit Risk as of June 30	2010	2009
Insured	\$ 250,000	\$ 17,439,306
Uncollateralized	6,365,321	-
Collateralized by securities held by the pledging financial institution	3,530,004	4,561,831
<b>Total</b>	<b>\$ 10,145,325</b>	<b>\$ 22,001,137</b>

**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. Additional information about LGIP may be obtained from the State's CAFR.

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 fixed rate fund managers. The State's investment pool is managed by the State Treasurer's Office in compliance with Idaho Code, Sections 67-1201 through 67-1222. The University had original cost of \$103,247,176 and \$87,870,952 invested in the State's external pools as of June 30, 2010 and 2009, respectively. The University also had \$1,934,852 and \$1,236,760 invested in external money market funds as of June 30, 2010 and 2009, respectively.

**Credit Risk of Debt Securities** – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating

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

Investment Type	June 30, 2010 (Dollars in Thousands)				
	Fair Value	AAA	AA	A	Unrated
External Investment Pool *	\$ 105,213	\$ -	\$ -	\$ -	\$ 105,213
Corporate Notes and Bonds	719	-	635	84	-
US Treasury Notes and Bonds	142	142	-	-	-
Federal Home Loan Bank	5,012	5,012	-	-	-
Federal Farm Credit Bank	3,927	3,927	-	-	-
Federal National Mortgage Assoc	2,266	2,266	-	-	-
Federal Home Loan Mortgage Corp	4,670	4,670	-	-	-
	121,949	16,017	635	84	105,213
Investments held on behalf of employee benefit plans:					
- Bond/Equity Mutual Funds	80	-	-	-	80
- Equity Mutual Funds	30	-	-	-	30
- Income Mutual Funds	13	-	-	-	13
	123	-	-	-	123
<b>Total Investments</b>	<b>\$ 122,072</b>	<b>\$ 16,017</b>	<b>\$ 635</b>	<b>\$ 84</b>	<b>\$ 105,336</b>
<b>% of Total</b>		13%	1%	0%	86%

\* In December, 2009 the state elected to discontinue its rating from Standard and Poor's on its' previously AAA rated Local Government Investment Pool (LGIP).

Investment Type	June 30, 2009 (Dollars in Thousands)					
	Fair Value	AAA	AA	A	BBB	Unrated
External Investment Pool	\$ 89,237	\$ 89,237	\$ -	\$ -	\$ -	\$ -
Corporate Notes and Bonds	497	-	97	308	92	-
US Treasury Notes and Bonds	139	139	-	-	-	-
Federal Home Loan Bank	9,979	9,979	-	-	-	-
Federal Farm Credit Bank	2,018	2,018	-	-	-	-
Federal National Mortgage Assoc	1,936	1,936	-	-	-	-
Federal Home Loan Mortgage Corp	2,745	2,745	-	-	-	-
	106,551	106,054	97	308	92	-
Investments held on behalf of employee benefit plans:						
- Bond/Equity Mutual Funds	-	-	-	-	-	-
- Equity Mutual Funds	-	-	-	-	-	-
- Income Mutual Funds	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Investments</b>	<b>\$ 106,551</b>	<b>\$ 106,054</b>	<b>\$ 97</b>	<b>\$ 308</b>	<b>\$ 92</b>	<b>\$ -</b>
<b>% of Total</b>		100%	0%	0%	0%	0%

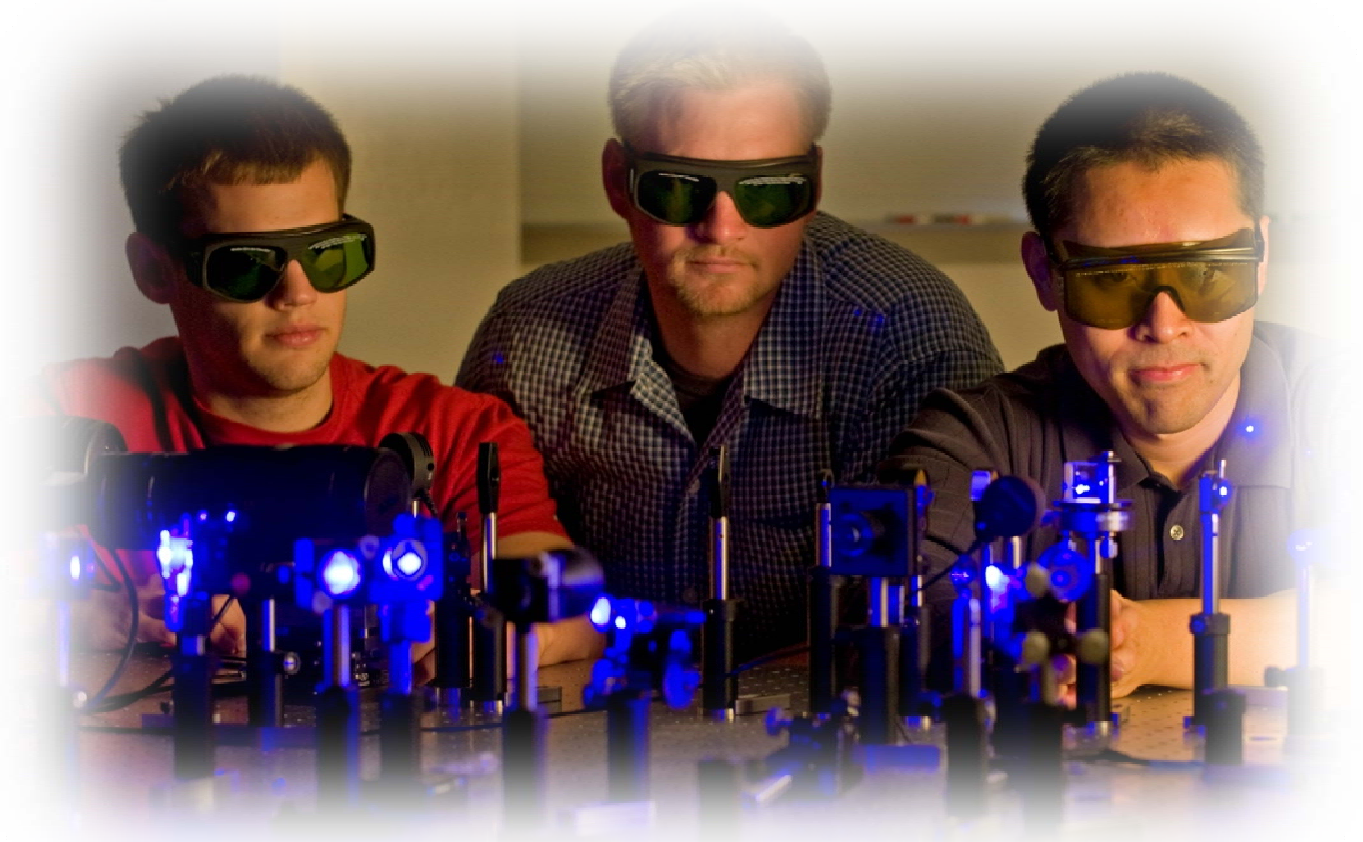


***Concentration of Credit Risk*** – When investments are concentrated in one issuer, the concentration represents heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5% of the total government investments are concentrated in any one issuer. Investments in obligations explicitly guaranteed by the U.S. Government, mutual funds, and other pooled investments are exempt from disclosure.

As of June 30, 2010, the University had no investments where 5% or more of its investments were concentrated with a single issuer.

As of June 30, 2009, 9% of the University's investments were in the AAA rated Federal Home Loan Bank program.

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





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

future changes in interest rates. Approximately 10% of total investments are invested in securities with periods longer than 5 years.

June 30, 2010 (Dollars in Thousands)							
Investment Type	Investment Maturities In Years						
	Fair Value	Less Than 1	1 to 5	6 to 10	11 to 15	16 to 20	21 to 25
External Investment Pool	\$ 105,213	\$ 105,213	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Notes and Bonds	719	-	93	626	-	-	-
US Treasury Notes and Bonds	142	-	53	58	-	-	31
Federal Home Loan Bank	5,012	149	1,631	3,232	-	-	-
Federal Farm Credit Bank	3,927	-	100	3,827	-	-	-
Federal National Mortgage Assoc	2,266	-	2,211	-	-	-	55
Federal Home Loan Mortgage Corp	4,670	-	100	4,507	-	-	63
	121,949	105,362	4,188	12,250	-	-	149
Investments held on behalf of employee benefit plans:							
- Bond/Equity Mutual Funds	80	80	-	-	-	-	-
- Equity Mutual Funds	30	30	-	-	-	-	-
- Income Mutual Funds	13	13	-	-	-	-	-
	123	123	-	-	-	-	-
<b>Total Investments</b>	<b>\$ 122,072</b>	<b>\$ 105,485</b>	<b>\$ 4,188</b>	<b>\$ 12,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149</b>

June 30, 2009 (Dollars in Thousands)							
Investment Type	Investment Maturities In Years						
	Fair Value	Less Than 1	1 to 5	6 to 10	11 to 15	16 to 20	21 to 25
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
	106,551	96,100	10,049	248	-	-	154
Investments held on behalf of employee benefit plans:							
- Bond/Equity Mutual Funds	-	-	-	-	-	-	-
- Equity Mutual Funds	-	-	-	-	-	-	-
- Income Mutual Funds	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Total Investments</b>	<b>\$ 106,551</b>	<b>\$ 96,100</b>	<b>\$ 10,049</b>	<b>\$ 248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 154</b>

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

department or agent but not in the University's name. While none of the University's investments are insured, the University's investments are either held in the University's name or the investments are not securities that exist in book entry or physical form.

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

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

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

	2010	2009
Student fees	\$ 11,234,587	\$ 9,477,875
Auxiliary enterprises and other operating activities	2,485,734	3,318,731
Federal, state, and private grants and contracts	1,496,700	2,336,696
Unbilled charges	6,383,671	6,785,697
<b>Accounts receivable and unbilled charges</b>	<b>21,600,692</b>	<b>21,918,999</b>
Less allowance for doubtful accounts	(2,961,330)	(2,803,080)
<b>Accounts receivable and unbilled charges, net</b>	<b>\$ 18,639,362</b>	<b>\$ 19,115,919</b>

### 4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable as of June 30, 2010 and 2009. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to maximum of 100% if the participant complies with certain provisions. The Federal Government reimburses the University for amounts cancelled under these provisions.

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

As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, to absorb loans that will ultimately be written off. The allowance for uncollectible loans was \$23,801 and \$23,200 as of June 30, 2010 and 2009, 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, 2010.

## 5. CAPITAL ASSETS, NET

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

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

The University reclassified software with cost of \$14,607,467 and accumulated depreciation of \$9,657,158 from furniture and equipment to intangibles as of June 30, 2010. In addition to accounts payable for

construction costs, the estimated cost to complete property authorized or under construction at June 30, 2010 is \$54,878,745. 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, 2009:

	2009 (Dollars in Thousands)				
	Balance July 1, 2008	Additions	Transfers	Retirements	Balance June 30, 2009
<b>Capital assets not being depreciated:</b>					
Land	\$ 41,339	\$ 3,429	\$ -	\$ (1,847)	\$ 42,921
Construction in progress	56,490	33,176	(67,786)	-	21,880
<b>Total assets not being depreciated</b>	<b>97,829</b>	<b>36,605</b>	<b>(67,786)</b>	<b>(1,847)</b>	<b>64,801</b>
<b>Other capital assets:</b>					
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
<b>Total other capital assets</b>	<b>407,864</b>	<b>9,085</b>	<b>67,786</b>	<b>(4,068)</b>	<b>480,667</b>
<b>Less accumulated depreciation:</b>					
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)
<b>Total accumulated depreciation</b>	<b>(156,719)</b>	<b>(17,217)</b>	<b>-</b>	<b>3,124</b>	<b>(170,812)</b>
<b>Other capital assets, net</b>	<b>251,145</b>	<b>(8,132)</b>	<b>67,786</b>	<b>(944)</b>	<b>309,855</b>
<b>Capital assets summary:</b>					
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
<b>Total cost of capital assets</b>	<b>505,693</b>	<b>45,690</b>	<b>-</b>	<b>(5,915)</b>	<b>545,468</b>
<b>Less accumulated depreciation</b>	<b>(156,719)</b>	<b>(17,217)</b>	<b>-</b>	<b>3,124</b>	<b>(170,812)</b>
<b>Capital assets, net</b>	<b>\$ 348,974</b>	<b>\$ 28,473</b>	<b>\$ -</b>	<b>\$ (2,791)</b>	<b>\$ 374,656</b>

## 6. UNEARNED REVENUE

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

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

	2010	2009
Student fees	\$ 3,699,055	\$ 2,954,986
Prepaid ticket sales	4,463,346	5,385,243
Other unearned revenue	5,372,779	3,826,695
<b>Unearned revenue</b>	<b>\$ 13,535,180</b>	<b>\$ 12,166,924</b>

## 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, 2010 and 2009:

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

	2009 (Dollars in Thousands)				
	Beginning Balance July 1, 2008	Additions	Reductions	Ending Balance June 30, 2009	Amounts due within one year
<b>Long-term debt:</b>					
Revenue bonds payable	\$ 195,370	\$ 42,595	\$ (16,635)	\$ 221,330	\$ 5,030
Basis adjustment arising from defeasance	(2,473)	(402)	103	(2,772)	-
Premium on revenue bonds	3,551	483	(199)	3,835	-
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
<b>Total long-term debt</b>	<b>208,582</b>	<b>42,676</b>	<b>(18,369)</b>	<b>232,889</b>	<b>9,945</b>
<b>Other liabilities:</b>					
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	-
<b>Long-term liabilities</b>	<b>\$ 214,636</b>	<b>\$ 43,390</b>	<b>\$ (18,520)</b>	<b>\$ 239,506</b>	<b>\$ 9,945</b>

## 8. NOTES AND BONDS PAYABLE

The University issues bonds to finance a portion of the construction of academic and auxiliary facilities. The University is required by bonding resolution to establish a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments of arbitrage due to the United States. The arbitrage liability was \$1,448 and \$528,784 at June 30, 2010 and 2009, respectively. Management believes the University is in compliance with all bond covenants as of June 30, 2010 and

2009. During the fiscal year ended June 30, 2010, the University issued \$1,195,000, at par, of tax exempt General Revenue Bonds, Series 2010A and \$12,895,000, at par, of taxable General Revenue Bonds, Series 2010B (Build America Bonds - Issuer Subsidy). The University anticipates receiving an annual interest subsidy from the Federal Government over the life of the 2010B bond issue. Proceeds of the Series 2010 Bonds (2010A and 2010B bonds) in the amount of \$14,160,360 were received by the University for designated projects and costs of issuance.

***Pledged Revenue*** – The University has pledged certain revenues as collateral for debt instruments. The pledged revenue amounts and coverage requirements are as follows for the year ended June 30, 2010:

	<u>2010</u>
<b>Pledged revenues:</b>	
Student fees	99,548,370
Rentals	7,903,505
Residence dining income	2,812,644
Other	1,629,239
Sales & service	40,847,859
F&A recovery	4,507,023
Investment income	<u>832,082</u>
<b>Total pledged revenue</b>	158,080,722
Less operations and maintenance	(59,532,528)
<b>Pledged revenues, net</b>	<u>98,548,194</u>
<b>Debt service</b>	<u>15,163,108</u>
<b>Debt service coverage</b>	<u>650%</u>
<b>Coverage requirement</b>	110%



## Bonds Payable at June 30, 2010:

Bond Issue	(Dollars in Thousands)					
	Original Face Value	Range of Annual Principal Amounts	Range of Semi Annual Interest Percentages	Maturity Date	Outstanding Balance 2010	Outstanding Balance 2009
General Revenue Bonds, Series 2010A	1,195	\$285 - \$315	3.00% - 4.00%	2015	\$ 1,195	\$ -
General Revenue Bonds, Series 2010B	12,895	\$325 - \$795	3.94% - 6.31%	2040	12,895	-
General Revenue Bonds, Series 2009A	42,595	\$720 - \$2,870	3.25% - 5.00%	2039	41,225	42,595
General Revenue Bonds, Series 2007A	96,365	\$145 - \$7,880	4.00% - 5.00%	2037	96,365	96,365
General Revenue Bonds, Series 2007B	25,860	\$510 - \$1,760	4.00% - 5.00%	2037	25,860	25,860
General Revenue Bonds, Series 2007C	2,850	\$125 - \$600	5.21% - 5.21%	2014	1,845	2,360
General Revenue Bonds, Series 2005A	21,925	\$140 - \$2,695	3.25% - 5.00%	2034	18,600	20,560
General Revenue Bonds, Series 2004A	31,480	\$795 - \$2,205	3.00% - 5.00%	2033	27,375	28,240
General Revenue Bonds, Series 2003	6,620	\$265 - \$1,715	3.25% - 5.00%	2017	4,955	5,230
General Revenue Bonds, Series 2002	38,255	\$30 - \$45	5.375%	2012	75	120
<b>Bonds before premium</b>					230,390	221,330
Premium on bonds (including basis adjustments)					1,191	1,063
<b>Total bonds outstanding</b>					<u>\$ 231,581</u>	<u>\$ 222,393</u>

All bonds are at parity and are senior to notes payable. Notes Payable at June 30, 2010 consisted of the following:

Notes Payable	(Dollars in Thousands)						Outstanding Balance 2010	Outstanding Balance 2009
	Original Face Value	Terms	Interest Rate	Maturity Date	Collateralized by			
2006 Bank note payable	3,381	11 year monthly amortization	4.77%	2016	1	\$ 2,255	\$ 2,537	
Loan-line of credit	5,000	8 year quarterly amortization	49% of lender's prime rate	2011	2	-	1,487	
Private note	3,325	Interest Only - Monthly	30 day LIBOR plus 2.35%	2010	1	-	3,325	
Total notes payable						\$ 2,255	\$ 7,349	

(1) Bronco Athletic Association guarantee

(2) Unsecured

Principal and interest maturities on bonds payable as of June 30, 2010 are as follows:

Bonds Payable 2010 (Dollars in Thousands)					
Principal			Interest		Total
2011	\$	5,095	\$	10,634	\$ 15,729
2012		5,785		10,501	16,286
2013		6,095		10,223	16,318
2014		6,435		9,938	16,373
2015		6,840		9,629	16,469
2016-2020		40,490		42,958	83,448
2021-2025		39,575		33,597	73,172
2026-2030		40,475		25,014	65,489
2031-2035		50,140		14,784	64,924
2036-2040		29,460		2,909	32,369
Total	\$	230,390	\$	170,187	\$ 400,577

As of June 30, 2010, debt in the amount of \$37,850,000 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 \$38,466,301 for the payment of maturities on refunded bonds.

<b>Refunded Bond Issue</b>	<b>Original Issue Amount</b>	<b>Principal Payments</b>	<b>Defeased Amount</b>	<b>Liability Outstanding 6/30/2010</b>
2001 Student Fee Refunding Rev Bonds	4,455,000	1,315,000	3,350,000	3,140,000
2002 Student Union & Hsg System	38,255,000	3,470,000	34,710,000	34,710,000
<b>Totals</b>	<b>\$ 42,710,000</b>	<b>\$ 4,785,000</b>	<b>\$ 38,060,000</b>	<b>\$ 37,850,000</b>

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

Principal and interest maturities on notes payable as of June 30, 2010 are as follows:

Notes Payable 2010 (Dollars in Thousands)					
	Principal		Interest		Total
2011	\$	296	\$	100	\$ 396
2012		310		86	396
2013		325		70	395
2014		340		55	395
2015		357		39	396
2016-2020		628		26	654
Total	\$	2,256	\$	376	\$ 2,632

## 9. LEASE OBLIGATIONS

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

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

Future minimum capital lease obligations under these agreements as of June 30, 2010, are as follows:

Future minimum capital lease obligations			
	Building	Equipment	Total
2011	\$ 430	\$ 134	\$ 564
2012	426	134	560
2013	431	134	565
2014	429	22	451
2015	432	-	432
2016-2017	848	-	848
<b>Total minimum obligations</b>	<b>2,996</b>	<b>424</b>	<b>3,420</b>
Less interest	(619)	(39)	(658)
<b>Present value of minimum obligations</b>	<b>\$ 2,377</b>	<b>\$ 385</b>	<b>\$ 2,762</b>



Following are the changes in assets under capital lease for the fiscal years ended June 30, 2010 and 2009:

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

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

**Operating Lease Obligations** – The University has entered into various non-cancellable operating lease agreements covering certain equipment. The lease terms range from one to five years. The expense for operating leases was \$307,400 for the year ended June 30, 2010 and \$368,843 for the year ended June 30, 2009.

Future minimum lease payments on non-cancellable leases at June 30, 2010 are as follows:

<b>Future minimum operating lease obligations</b>	
2011	\$ 147,941
2012	75,127
2013	33,964
2014	9,013
2015	1,083
<b>Total future minimum operating lease obligations</b>	<b>\$ 267,128</b>

## 10. RETIREMENT PLANS AND TERMINATION PAYMENTS

### *Public Employee Retirement System of Idaho*

– The Public Employee Retirement System of Idaho (PERSI) administers the PERSI Base Plan which is a cost-sharing, multiple-employer defined benefit retirement plan governed by Idaho Code, Sections 59-1301 through 59-1399. The funding policy, including contribution and vesting requirements, for the PERSI Base Plan is determined by the PERSI Retirement Board as defined by Idaho law. PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee Retirement System of Idaho, P.O. Box 83720, Boise, Idaho 83720-0078.

The PERSI Base Plan requires that both the members and the employer contribute. These contributions, in

addition to earnings from investments, fund the PERSI Base Plan benefits.

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

The annual service retirement allowance for each month of credited service is 2% of the average monthly salary for the highest consecutive 42 months.

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>PERSI:</b>			
University required contribution rate	10.39%	10.39%	10.39%
Percentage of covered payroll for employees	6.23%	6.23%	6.23%
University contributions required and paid	\$ 2,742,751	\$ 3,135,557	\$ 3,144,020

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

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and select their vendor option. Vendor options include Teachers Insurance and Annuity Association – College Retirement Equities and Variable Annuity Life Insurance Company.

Faculty and exempt employees hired before July 1, 1990, had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Participants are immediately fully invested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. The University contribution rate for the ORP increased in fiscal year 2010 to 9.27%. The contribution rate for fiscal years 2009 and 2008 was 9.258%.

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

	2010		2009		2008
ORP:					
University contribution	\$	7,340,409	\$	7,411,340	\$ 6,559,111
Employee contribution	\$	5,519,278	\$	5,579,722	\$ 5,243,778
Total contribution	\$	12,859,687	\$	12,991,062	\$ 11,802,889
University contribution rate		9.27%		9.26%	9.26%
Employee contribution rate		6.97%		6.97%	6.97%

Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute to the PERSI Base Plan through July 1, 2025. The contribution rate is 1.49% of the annual covered payroll. During the fiscal years ended June 30, 2010, 2009, and 2008, this supplemental funding payment to PERSI was \$1,172,848, \$1,187,141, and \$1,127,467, respectively. This amount is not included in the regular University PERSI Base Plan contribution discussed previously.

**Termination Payments** – Employees

who qualify for retirement under the PERSI Base Plan or the ORP are eligible to use 50% of the cash value of their unused sick leave (with limits based on years of service) to purchase health insurance for the retiree. The University partially funds these obligations by remitting 0.65% of employee gross payroll to the Sick Leave Insurance Reserve fund administered by the PERSI. The total contributions for the fiscal years ended June 30, 2010, 2009, and 2008, were \$683,227, \$714,027, and \$669,231, respectively.



**11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*****Summary of Plans -***

The University participates in other postemployment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. The Life Insurance benefit is a single-employer defined benefit plan. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of June 30, 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 State's CAFR.

***Plan Descriptions and Funding Policy:******Retiree Healthcare Plan -***

This plan allows retirees to purchase healthcare insurance coverage for themselves and eligible dependents. A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themselves and eligible dependents. To be eligible, University employees must enroll within 60 days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have 10 or more years (20,800 or more hours) of credited state service. An officer or employee must be an active employee on or before June 30, 2009, and retire directly from 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 maximum benefit is \$1,860 per retiree per year. The University contributed \$16.44 per active non-retired employee per month towards the retiree premium cost. Beginning January 1, 2010, coverage was not available to Medicare eligible retirees or their Medicare-eligible dependents.

***Long-Term Disability Plan –***

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

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60% of monthly pre-disability salary or \$4,000, whichever is less. The benefit does not increase with inflation and may be offset by other sources of income such as Social Security, Workers' Compensation, unemployment benefits, and certain retirement benefits. The State is self-insured for employees who became disabled prior to July 1, 2003; the State pays 100% the cost of

this benefit. The amount of the contribution is based on active claims and the number of insured individuals.

Employees disabled on or after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The University pays 100% of the cost of the premiums. The University's contribution rate for the period was 0.324% of payroll in fiscal year 2010. 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% 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 \$7.61 per active employee per month in fiscal year 2010.

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% 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 their annual salary at retirement. The University pays 100% of the cost of basic life insurance for eligible retirees. The University's contribution for the period as a percent of payroll was 2.037% for retirees under age 65, 1.568% for retirees between the ages of 65 and 69, and 1.081% for retirees over age 70.



**Annual OPEB Cost -**

The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer. The following table illustrates the annual OPEB cost, the amount of contributions made, the increase (decrease) in the net OPEB obligation (NOO), and the NOO (funding excess) for the for the plans for the fiscal years ended June 30, 2010 and 2009:

<b>2010 Annual OPEB Cost and Net OPEB Obligation</b> (Dollars in Thousands)					
	<b>Retiree Healthcare Plan</b>	<b>Long-Term Disability Plan</b>			<b>Retiree Life Insurance</b>
		<b>Income</b>	<b>Life Insurance</b>	<b>Healthcare</b>	
Annual OPEB cost					
Annual Required Contribution	\$ 336	\$ 97	\$ 77	\$ 177	\$ 979
Interest	122	(3)	-	4	63
Adjustment to ARC	(163)	4	-	(5)	(84)
Annual OPEB Cost	295	98	77	176	958
Contributions Made	(173)	(78)	(83)	(98)	(248)
Increase (Decrease) in Net OPEB Obligation	122	20	(6)	78	710
Net OPEB Obligation – Beginning of Year	2,745	(66)	(6)	81	1,432
Net OPEB Obligation (Funding Excess) – End of Year	\$ 2,867	\$ (46)	\$ (12)	\$ 159	\$ 2,142
Percentage of AOC Contributed	58.64%	79.59%	107.79%	55.68%	25.89%

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

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

Annual OPEB Cost and Net OPEB Obligation Comparison (Dollars in Thousands)						
		Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
			Income	Life Insurance	Healthcare	
Annual OPEB Cost	2010	\$ 336	\$ 97	\$ 77	\$ 177	\$ 979
	2009	\$ 350	\$ 109	\$ 87	\$ 191	\$ 929
	2008	\$ 3,641	\$ 26	\$ 77	\$ 168	\$ 898
Percentage of AOC Contributed	2010	58.64%	79.59%	107.79%	55.68%	25.89%
	2009	111.02%	96.03%	147.37%	96.06%	24.89%
	2008	23.52%	371.32%	55.11%	56.21%	18.30%
Net OPEB Obligation (Funding Excess) – End of Year	2010	\$ 2,867	\$ (46)	\$ (12)	\$ 159	\$ 2,142
	2009	\$ 2,745	\$ (67)	\$ (4)	\$ 80	\$ 1,432
	2008	\$ 2,785	\$ (71)	\$ 35	\$ 73	\$ 734

**Funded Status and Funding Progress – Required Supplementary Information** - The following tables illustrate 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)							(6)
	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	UAAAL 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	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

Effective July 1, 2009, legislative changes to the Retiree Healthcare Plan regarding eligibility stipulate that an officer or employee must be an active employee on or before June 30, 2009, and retire directly from State service; the maximum benefit is \$1,860 per retiree

per year. Additionally, any retiree will remain eligible until they are eligible for Medicare. Beginning January 1, 2010, coverage was not available to Medicare-eligible retirees or their Medicare-eligible dependents. These changes have significantly reduced the liability.

Schedule of Employer Contributions - Required Supplementary Information: (Dollars in Thousands)				
OPEB Plan	Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions	Actual Contributions as Percentage of ARC
Life Insurance	06/30/08	\$898	\$164	18.30
	06/30/09	\$941	\$231	24.58
	06/30/10	\$979	\$248	25.89



**Actuarial Methods and Assumptions** – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding status and funding progress, presented as required supplementary information, contains multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the plan at the time of each

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

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

	Retiree	Long-Term Disability Plan			Retiree Life
	Healthcare Plan	Income	Life Insurance	Healthcare	Insurance Plan
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level 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 UNIT

The Boise State University Foundation, Inc. (the “Foundation”) is discreetly presented within the financial statements as a component unit. The Foundation was established to engage in activities to benefit and support the University, including receiving contributions and holding, protecting, managing, and investing donated funds. The Foundation is a non-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education’s administrative rules, the Foundation must be independent of and cannot be controlled by the University. A memorandum of understanding between

the Foundation and the University defines the relationship between the two entities in accordance with these rules.

The Foundation’s financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted, temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing permanently restricted pledges, the method of accounting for split interest gifts, and the presentation of the financial information.

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

The Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered investments and are shown as restricted cash and cash equivalents as the funds have been designated by the Foundation for investment purposes. Cash deposits at times during the year ended June 30, 2010 and 2009 exceeded FDIC insured limits.

Investments are recorded in accordance with Accounting Standards Codification (ASC) 958 (formerly Statement of Financial Accounting Standards (SFAS) No. 124, “*Accounting for Certain Investments Held by Not-for-Profit Organizations*”). Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment

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

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

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

for *investments* is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover

the value of its investment or collateral securities that are in the possession of another party.

Basis of Custodial Credit Risk as of June 30	2010	2009
Uninsured and uncollateralized	\$ 960,111	\$ 5,808,971





**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	\$ 4,359,066	\$ 2,228,502	\$ 5,998,571	\$ 12,586,139
Aa1	-	1,646,703	-	1,646,703
Aa2	-	3,395,765	12,284,070	15,679,835
Aa3	12,025	809,515	-	821,540
A1	-	422,028	156,817	578,845
A2	-	4,452,317	-	4,452,317
A3	-	4,684,995	-	4,684,995
Baa1	-	5,076,276	10,997	5,087,273
Baa2	-	514,558	-	514,558
B1	-	-	18,905	18,905
Unrated	-	17,150	12,555	29,705
Total	<u>\$ 4,371,091</u>	<u>\$ 23,247,809</u>	<u>\$ 18,481,915</u>	<u>\$ 46,100,815</u>

**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, 2010, are as follows:

Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
US Treasury Bonds	\$ 4,371,091	\$ 1,549,045	\$ 12,025	\$ 2,285,452	\$ 524,569
Corporate Bonds	23,247,809	8,617,067	11,250,467	3,380,275	-
Bond Mutual Funds	18,481,915	22,304	12,555	18,447,056	-
<b>Rated securities</b>	<u>\$ 46,100,815</u>	<u>\$ 10,188,416</u>	<u>\$ 11,275,047</u>	<u>\$ 24,112,783</u>	<u>\$ 524,569</u>

## (b) Pledges Receivable

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

Pledges receivable consist of the following as of June 30:

	<u>2010</u>	<u>2009</u>
Receivable in less than one year	\$ 5,897,528	\$ 7,130,589
Receivable in one to five years	11,254,357	19,804,837
Receivable in more than five years	1,544,647	2,300,603
	<u>18,696,532</u>	<u>29,236,029</u>
Less allowance	\$ (890,000)	\$ (890,000)
Less discount	<u>(1,797,669)</u>	<u>(3,054,692)</u>
Total	<u>\$ 16,008,863</u>	<u>\$ 25,291,337</u>

### (c) Donated Services

The University provided staffing and other general office support to the Foundation totaling \$354,178 and \$1,257,477 in fiscal years ending June 30, 2010 and 2009, respectively. The University loaned eight employees to the Foundation during fiscal year 2010 and was reimbursed for the costs of those

employees. Additionally, volunteers make substantial contributions of time to support the Foundation for which no value is assigned. The value of volunteer services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation.



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

Functional Categories	2010				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 72,763	\$ 10,280	\$ 2,192	\$ -	\$ 85,235
Research	10,929	3,989	907	-	15,825
Public service	7,123	4,090	270	-	11,483
Libraries	3,781	1,646	-	-	5,428
Student services	9,512	1,837	24	-	11,373
Plant operations	5,881	10,093	-	-	15,974
Institutional support	12,963	2,982	7	-	15,953
Academic support	12,892	3,872	118	-	16,882
Auxiliary enterprises	25,130	31,326	2,095	-	58,551
Scholarships	1,313	110	13,456	-	14,880
Depreciation	-	-	-	19,103	19,103
<b>Total operating expenses</b>	<b>\$ 162,287</b>	<b>\$ 70,226</b>	<b>\$ 19,069</b>	<b>\$ 19,103</b>	<b>\$ 270,685</b>

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	9,232	-	-	15,424
Institutional support	15,497	3,747	9	-	19,253
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
<b>Total operating expenses</b>	<b>\$ 170,016</b>	<b>\$ 69,280</b>	<b>\$ 13,145</b>	<b>\$ 17,217</b>	<b>\$ 269,657</b>



## 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 effect on financial position of the University.

The University has performed a review of potential pollution remediation obligations and found that there were no triggering events that would cause the University to record a pollution remediation liability as of June 30, 2010.

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



**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, 2010, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 1, 2010. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph on this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.



Eugene, Oregon  
October 1, 2010

**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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-01.

**INTERNAL CONTROL OVER COMPLIANCE**

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-01. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.

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

Eugene, Oregon  
October 1, 2010



**BOISE STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

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*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   none reported

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>
Multiple	Research and Development Cluster

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 Cluster:

84.042	Student Support Services
84.044	Talent Search
84.047	Upward Bound
84.217	McNair Post-Baccalaureate Achievement

**BOISE STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

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State Fiscal Stabilization Fund Cluster:

84.394                      State Fiscal Stabilization Fund – Education State Grants,  
Recovery Act

14.251                      Economic Development Initiative

Dollar threshold used to distinguish  
between type A and type B programs:

\$ 887,715

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, 2010**

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**Section II - Financial Statement Findings**

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**None.**

**BOISE STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

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**FINDING 2010-01—Procurement: Suspension and Debarment Certifications**

*Federal Program:* CFDA 14.251 Economic Development Initiative

*Federal Agency:* Department of Housing and Urban Development

*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 was one 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 entity. The entity was not on the Excluded Parties List.

*Context* – This major program had only one transaction during the year, which related to procurement of this vendor contract.

*Effect* –Not verifying that subrecipients or vendors are suspended or debarred permits the possibility for suspended or debarred parties to inappropriately receive federal funds.

*Cause* – This covered transaction was procured by DPW rather than following the University's standard procurement procedures. In addition, the University was in the process of updating its policies and procedures during fiscal year 2010 and this contract occurred prior to the implementation of the new policies and procedures.

*Recommendation* – Moss Adams recommends the purchasing office continue to follow the policies and procedures implemented in fiscal year 2010 related to suspension and debarment. In addition, Moss Adams recommends that the University have procedures in place to identify transactions that do not follow the standard procurement process, but still require verification that a vendor or subrecipient is not suspended or debarred.

*Management Response* - The University concurs with the recommendations. The University will work with the Department of Public Works, our statutory contracting agency, to ensure procedures are put into place to review debarment status when contracts are awarded on behalf of the institution.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE:					
Direct Programs:					
USDA Burrowing Owls	10.206	(3)	\$ 1,200	\$ -	\$ 1,200
Populations of Invasive Plants	10.206	(3)	51,478	-	51,478
Staph Vaccine for Cows	10.310	(3)	12,727	-	12,727
Mycorrhizal Diversity	10.310	(3)	8,262	-	8,262
Dormancy in Lomatium Dissect	10.XXX	(3)	6,549	-	6,549
Production Systems of NW Grape	10.XXX	(3)	(61)	-	(61)
Danskin Project	10.XXX		-	12,048	12,048
Western Birds	10.XXX	(3)	4,975	-	4,975
Christ's Paintbrush	10.XXX	(3)	1,999	-	1,999
Forest Owls	10.XXX	(3)	3,358	-	3,358
Mycorrhizal Fungi	10.XXX	(3)	803	-	803
Pass Through Payments:					
Improving the Competitiveness	10.169		-	6,600	6,600
Child and Adult Care Food Program (Children's Center)	10.558		-	45,210	45,210
Total U.S. Department of Agriculture			\$ 91,290	\$ 63,858	\$ 155,148
U.S. DEPARTMENT OF COMMERCE:					
Direct Programs:					
EDA University Center FY09	11.303		\$ -	\$ (27,127)	\$ (27,127)
EDA University Center FY10	11.303		-	161,100	161,100
Spacio Variability of Snow	11.462	(3)	99,367	-	99,367
Axia Project	11.550		-	39,736	39,736
NIST General FY09	11.611		-	(2,490)	(2,490)
NIST General FY10	11.611		-	530,668	530,668
Total U.S. Department of Commerce			\$ 99,367	\$ 701,887	\$ 801,254
U.S. DEPARTMENT OF DEFENSE:					
Direct Programs:					
DNA Safeguard 2 - Hampikian	12.420	(3)	\$ 216,174	\$ -	\$ 216,174
DNA Safeguard 2 - Andersen	12.420	(3)	179,839	-	179,839
DNA Safeguard 2 - McDougal	12.420	(3)	65,351	-	65,351
DNA Safeguard 2 - Wingett	12.420	(3)	73,551	-	73,551
DNA Safeguard 2 - Alileche	12.420	(3)	126,802	-	126,802
A West Nile Virus Vaccine-KC	12.420	(3)	114,514	-	114,514
A West Nile Virus Vaccine-JT	12.420	(3)	36,801	-	36,801
A West Nile Virus Vaccine-DW	12.420	(3)	57,887	-	57,887
A West Nile Virus Vaccine-GY	12.420	(3)	13,683	-	13,683
DNA Safeguard 3	12.420	(3)	92,279	-	92,279
DNA Safeguard 3	12.420	(3)	37,126	-	37,126

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF DEFENSE (continued):					
Direct Programs (continued):					
DNA Safeguard 3	12.420	(3)	\$ 83,694	\$ -	\$ 83,694
DNA Safeguard 3	12.420	(3)	25,789	-	25,789
DNA Safeguard 3	12.420	(3)	20,091	-	20,091
DNA Safeguard Project	12.420	(3)	(313)	-	(313)
DNA Safeguard Project	12.420	(3)	9,291	-	9,291
DNA Safeguard Project	12.420	(3)	9,066	-	9,066
DNA Safeguard 3	12.420	(3)	12,587	-	12,587
Semicon - Based Nanotechnology	12.431	(3)	218,558	-	218,558
Hydrologic Fluxes and States	12.431	(3)	47,954	-	47,954
Effects of Comp. Question Type	12.630	(3)	7,761	-	7,761
DEPSCoR 08	12.800	(3)	216,580	-	216,580
Depscor Micro-Propulsion	12.800	(3)	(224)	-	(224)
DARPA FFY 2005	12.910	(3)	(6,424)	-	(6,424)
DARPA 3-D Tech for Adv. Sensor	12.910	(3)	1,491,178	-	1,491,178
Reconfigurable Electronics	12.910	(3)	1,044,740	-	1,044,740
Reconfigurable Electronics	12.910	(3)	194,623	-	194,623
Dugway Proving Ground	12.XXX	(3)	46,494	-	46,494
Pass Through Payments:					
DoD General FY04	12.002		-	(2,728)	(2,728)
Coastal Eng & Human Disturbanc	12.300	(3)	55,779	-	55,779
Effects of Fatigue & Load Car.	12.420	(3)	81,990	-	81,990
DEPSCoR FY08	12.630	(3)	68,738	-	68,738
Integrated Pass Elec Comp	12.910	(3)	3,095	-	3,095
NMR Characterization of Chem.	12.XXX	(3)	25,252	-	25,252
Micro Vacuum Backward Wave	12.XXX	(3)	17,396	-	17,396
Processor for Open Source	12.XXX	(3)	89,802	-	89,802
High Power VCSEL Diode Arrays	12.XXX	(3)	25,115	-	25,115
PIP/PTAC Program	12.XXX		-	35,543	35,543
Shielded Cold Cathode	12.XXX	(3)	22,108	-	22,108
OTA Internship	12.XXX	(3)	13,894	-	13,894
OTA Programmatic Agreement	12.XXX		-	22,023	22,023
Copper Plating of VCSEL Device	12.XXX	(3)	13,034	-	13,034
Lepa Pollinators and Predators	12.XXX	(3)	5,728	-	5,728
Dual Well Focal Plane Array	12.XXX	(3)	1,884	-	1,884
DoD STTR 2009 Development	12.XXX	(3)	3,104	-	3,104
Total U.S. Department of Defense			\$ 4,862,371	\$ 54,838	\$ 4,917,209

(continued)



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

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 Sci Bld FY04	14.246		\$ -	\$ 116,195	\$ 116,195
HUD/Enviromental Sci Bld FY06	14.251		-	990,000	990,000
Total U.S. Department of Housing & Urban Development			\$ -	\$ 1,106,195	\$ 1,106,195
U.S. DEPARTMENT OF THE INTERIOR:					
Direct Programs:					
Bromus Tectorum Establishment	15.231	(3)	\$ 5,550	\$ -	\$ 5,550
Breeding Bird/Burrowing Owl	15.231	(3)	63,653	-	63,653
Fire & Erosion in Western Rang	15.231	(3)	3,618	-	3,618
Fire & Erosion W Range Benner	15.231	(3)	38,519	-	38,519
Sage-Grouse Diet Selection	15.231	(3)	5,943	-	5,943
Peppergrass Pollinators	15.238	(3)	3,557	-	3,557
Multiple Teleconnetion Index	15.507	(3)	12,830	-	12,830
Monitoring Songbirds in Idaho	15.635	(3)	22,598	-	22,598
Curlews on Idaho BLM Lands	15.655	(3)	376	-	376
Prince William Sound Seismic	15.807	(3)	76,023	-	76,023
Mt Rose Fault Seismic	15.807	(3)	13,405	-	13,405
SRFS Facilities Operating Acct	15.808		-	55,710	55,710
Raptor Information System	15.808	(3)	489	-	489
Barred Owl Food Habits	15.808	(3)	16,861	-	16,861
Support Anlysis RaptorResearch	15.808		-	4,708	4,708
Identifrog Software	15.808	(3)	5,511	-	5,511
Data Rescue for Bird Movements	15.808		-	2,937	2,937
Raptor Research Building	15.808		-	1,294	1,294
Native Landscape Gardens	15.DAM	(3)	(3,717)	-	(3,717)
SFRWO Songbird Migration	15.XXX	(3)	17,758	-	17,758
Effect Devel Cascade BaldEagle	15.XXX	(3)	1,824	-	1,824
FWS Devel on Cascade Bald Eagl	15.XXX	(3)	9,801	-	9,801
Bumpheads Archaeological Surve	15.XXX		-	9,319	9,319
Antelope Creek Survey	15.XXX		-	10,273	10,273
Mortality of Barn Owls	15.XXX	(3)	5,000	-	5,000
Fungicides Project	15.XXX	(3)	5,743	-	5,743
Harvester Ant Monitoring	15.XXX	(3)	3,737	-	3,737
Endemic Species of Paintbrush	15.XXX	(3)	3,734	-	3,734
Pygmy Rabbit Diet Quality	15.XXX	(3)	5,624	-	5,624
Reconstruct Fire/Dist Sawtooth	15.XXX	(3)	3,054	-	3,054

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF THE INTERIOR (continued):					
Pass Through Payments:					
IBO/IDFG Bird Greatest Conserv	15.634	(3)	\$ 78,483	\$ -	\$ 78,483
Water Balance Modeling	15.805	(3)	8,879	-	8,879
Shrubsteepe Songbirds	15.DAK	(3)	(4,979)	-	(4,979)
ARRA:					
Real-time Volcano Monitoring	15.818	(3, 4)	11,531	-	11,531
Total U.S. Department of the Interior			<u>\$ 415,405</u>	<u>\$ 84,241</u>	<u>\$ 499,646</u>
U.S. DEPARTMENT OF JUSTICE:					
Direct Programs:					
Innocence Assistance Program	16.746		\$ -	\$ 43,094	\$ 43,094
Pass Through Payments:					
Minority Youth Contact	16.540	(3)	19,594	-	19,594
RADAR Video Library FY09	16.727		-	(65)	(65)
RADAR Video Library	16.727		-	24,819	24,819
EVAW with Disabilities	16.XXX		-	6,075	6,075
Total U.S. Department of Justice			<u>\$ 19,594</u>	<u>\$ 73,923</u>	<u>\$ 93,517</u>
U.S. DEPARTMENT OF LABOR:					
Direct Programs:					
OSHA Consultation Program	17.504		\$ -	\$ 157,789	\$ 157,789
OSHA Consultation Program	17.504		-	281,608	281,608
Total U.S. Department of Labor			<u>\$ -</u>	<u>\$ 439,397</u>	<u>\$ 439,397</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
Direct Programs:					
FAA Noise and Emissions Study	20.109	(3)	\$ (15,711)	\$ -	\$ (15,711)
Avionics Decontamination	20.109	(3)	90,917	-	90,917
Inflight Sens Sys Dev & Deploy	20.109	(3)	23,943	-	23,943
Chemical Sensors for Air Cabin	20.109	(3)	48,879	-	48,879
Sensors and Prognostics	20.109	(3)	10,223	-	10,223
Transit Center - DCE	20.500		-	125,212	125,212
TC Construction ID04	20.500		-	(17,600)	(17,600)
Pass Through Payments:					
Evaluation of Concrete Sealer	20.205	(3)	56,048	-	56,048
Road Sensor Testing Project	20.XXX	(3)	12,221	-	12,221

(continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2010**

<b>Federal Grant/Program Number</b>	<b>Federal CFDA Number</b>		<b>Research Expenditures</b>	<b>Non-research Expenditures</b>	<b>Total Expenditures</b>
U.S. DEPARTMENT OF TRANSPORTATION (continued):					
ARRA:					
ITD Artifact Curation Project	20.XXX	(4)	\$ -	\$ 4,511	\$ 4,511
Total U.S. Department of Transportation			<u>\$ 226,520</u>	<u>\$ 112,123</u>	<u>\$ 338,643</u>
U.S. OFFICE OF PERSONNEL MANAGEMENT:					
Direct Programs:					
IPA Agreement - Eric McIndoo	27.011	(3)	\$ 49,948	\$ -	\$ 49,948
IPA Agreement - Cliff Bayer	27.011	(3)	51,756	-	51,756
IPA Agreement - Dr. Zhi Li	27.011	(3)	37,917	-	37,917
Total U.S. Office of Personnel Management			<u>\$ 139,621</u>	<u>\$ -</u>	<u>\$ 139,621</u>
U.S. LIBRARY OF CONGRESS:					
Pass Through Payments:					
Open World Russia Civic Prog	42.XXX		\$ -	\$ 2,070	\$ 2,070
Total U.S. Library of Congress			<u>\$ -</u>	<u>\$ 2,070</u>	<u>\$ 2,070</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
Direct Programs:					
Spacial & Temporal Variations	43.XXX	(3)	\$ 15,624	\$ -	\$ 15,624
Ground-Based Radar Calibration	43.XXX	(3)	8,365	-	8,365
CRRO NASA OM-HET	43.XXX	(3)	266	-	266
Pass Through Payments:					
Calcogenide Glasses-Material	43.000	(3)	26,432	-	26,432
In Situ Aerosol Dispersion	43.XXX	(3)	22,524	-	22,524
NASA EPSCoR Reliability Invest	43.XXX	(3)	140,664	-	140,664
Elec. Propulsion-Cer. Material	43.XXX	(3)	14,629	-	14,629
NASA EPSCoR - Senocak	43.XXX	(3)	5,648	-	5,648
NASA EPSCoR 2008 - 09	43.XXX	(3)	5,457	-	5,457
Magnetic Phase Sintering	43.XXX	(3)	17,319	-	17,319
ISGC NASA K-12 FY 08 Callahan	43.XXX		-	1,661	1,661
Topology Control for Networkin	43.XXX	(3)	(199)	-	(199)
NASA Micro-Gravity Project	43.XXX	(3)	(1,580)	-	(1,580)
NASA ISGC K-12	43.XXX		-	14,898	14,898
Multi-GPU Clusters	43.XXX	(3)	37,918	-	37,918
Soil Moisture at the Hillslope	43.XXX	(3)	24,723	-	24,723
ISGC Fellowship Bateman 09-10	43.XXX	(3)	18,049	-	18,049
ISGC Fellowship Smith 09-10	43.XXX	(3)	18,047	-	18,047
Imaging Permafrost with GPR	43.XXX	(3)	18,049	-	18,049
Thilini Jaksa Fellowship	43.XXX	(3)	15,060	-	15,060

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (continued):					
Pass Through Payments (continued):					
Elec-Prop Ceramic Materials	43.XXX	(3)	\$ 100,513	\$ -	\$ 100,513
Lunar Seed Repository	43.XXX	(3)	1,888	-	1,888
Alex Sundling Fellowship	43.XXX	(3)	7,532	-	7,532
Quantitative Measurement of SP	43.XXX	(3)	1,966	-	1,966
Measurement of Dust Motion und	43.XXX	(3)	4,609	-	4,609
Total National Aeronautics and Space Administration			<u>\$ 503,503</u>	<u>\$ 16,559</u>	<u>\$ 520,062</u>
NATIONAL FOUNDATION OF THE ARTS AND HUMANITIES:					
Pass Through Payments:					
Women's Voices-American Stages	45.129	(3)	\$ 3,500	\$ -	\$ 3,500
The Poetics of Late Modernism	45.129	(3)	3,427	-	3,427
Basque Interpretive Sign IHC	45.XXX		-	3,580	3,580
Total National Foundation of the Arts and Humanities			<u>\$ 6,927</u>	<u>\$ 3,580</u>	<u>\$ 10,507</u>
NATIONAL SCIENCE FOUNDATION:					
Direct Programs:					
NSF MRI Xray Diffraction Syste	47.041	(3)	\$ (88)	\$ -	\$ (88)
Collaborative Rsrch Planning	47.041	(3)	8,382	-	8,382
Collaborative Rsrch Planning-2	47.041	(3)	78	-	78
Plasmon Nanophotonics	47.041	(3)	58,354	-	58,354
A WATERS Testbed	47.041	(3)	86,188	-	86,188
Air Spring EM Stimulation	47.041	(3)	54,079	-	54,079
Boise Extravaganza Set Theory	47.049	(3)	8,160	-	8,160
CAREER: RUI: Ferromagnetic	47.049	(3)	27,364	-	27,364
Quantum and Biophysics	47.049	(3)	31,845	-	31,845
CAREER:M Frary NSF	47.049	(3)	135,377	-	135,377
NSF MRI : Acquisition of XPS	47.049	(3)	(927)	-	(927)
NSF Lattice Dynamics	47.049	(3)	53,694	-	53,694
Filtrations of Boolean Algebra	47.049	(3)	2,619	-	2,619
Enabling Magnetoplasticity	47.049	(3)	120,451	-	120,451
Collaborative Research : RUI	47.049	(3)	11,321	-	11,321
Collaborative Research : RUI	47.049	(3)	8,939	-	8,939
RBFs For Geophysical Modeling	47.049	(3)	18,501	-	18,501
Subsurface Imaging	47.049	(3)	17,083	-	17,083
NSF Collaborative Research	47.050	(3)	81,800	-	81,800
NSF Collaborative Quantificati	47.050	(3)	17,830	-	17,830
NSF Climate Controls on Alluvi	47.050	(3)	53,770	-	53,770
Freedom from Coordinate System	47.050	(3)	13,981	-	13,981
Carboniferous Permian Paleocli	47.050	(3)	228,691	-	228,691

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
NATIONAL SCIENCE FOUNDATION (continued):					
Direct Programs (continued):					
Atmospheric Dust as Archive	47.050	(3)	\$ 14,199	\$ -	\$ 14,199
Collab Res : S. Amer Grassland	47.050	(3)	50,891	-	50,891
Collab Res : Testing Mech Mod	47.050	(3)	82,248	-	82,248
Collab Res : Tectonic Rates	47.050	(3)	6,345	-	6,345
NSF Laser & Cathodoluminescenc	47.050	(3)	137,842	-	137,842
Stable Isotope Mass Spectromet	47.050	(3)	10,786	-	10,786
NSF Career Degradation	47.070	(3)	761	-	761
NSF Cybertrust: eVoting	47.070	(3)	1,853	-	1,853
CRI Secure Wireless Networking	47.070	(3)	46,424	-	46,424
NSF Research Instrumentation	47.074	(3)	13,734	-	13,734
Chronic Stress in Ecosystems	47.074	(3)	50,938	-	50,938
PharmEcology Symposium	47.074		-	2,565	2,565
MRI : Acquisition of FACS	47.074	(3)	5,292	-	5,292
IDBR:RUI: Develompment of COIFM	47.074	(3)	116,372	-	116,372
PUI Systematics Research	47.074	(3)	25,926	-	25,926
NSF Scholarships	47.076	(3)	894	-	894
Noyce Grant	47.076	(3)	222,944	-	222,944
NSF Idaho Eng Scholarship Prog	47.076	(3)	108,027	-	108,027
Acquisition of GC/MS & FT-IR	47.076	(3)	23,075	-	23,075
New GK-12 Local Resources	47.076		-	108,913	108,913
New GK-12 Participants	47.076		-	252,448	252,448
S-Stem #2 ID Engr Scholarship	47.076	(3)	98,971	-	98,971
STEM Education	47.076	(3)	39,450	-	39,450
STEM Education-PS Costs	47.076	(3)	6,337	-	6,337
STEM Education-COAS	47.076	(3)	8,117	-	8,117
STEM Education-COED	47.076	(3)	4,463	-	4,463
NSF Idaho Step	47.076	(3)	40,571	-	40,571
NSF Idaho Step Part. Support	47.076	(3)	95	-	95
NSF-Water Storage & Routing	47.078	(3)	25,035	-	25,035
Home Hearth Household	47.078	(3)	48,088	-	48,088
Final BOREAS Conference	47.078	(3)	176,866	-	176,866
Egypt Collaboration	47.079	(3)	14,823	-	14,823
Revision of Columnea	47.XXX	(3)	5,220	-	5,220
Pass Through Payments:					
Formation Function Phys Gels	47.049	(3)	9,632	-	9,632
NSF-ID-TIMS	47.050	(3)	5,692	-	5,692
Site Survey for IODP 626	47.050	(3)	(437)	-	(437)
Climate Controls on Alluvial	47.050	(3)	7,673	-	7,673
DNA Origami Placement	47.070	(3)	198,628	-	198,628
Imprv Comm in Cross-Disc Coll	47.075	(3)	23,052	-	23,052
NSF Idaho Epscor McNamara	47.076	(3)	(7,907)	-	(7,907)

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
NATIONAL SCIENCE FOUNDATION (continued):					
Pass Through Payments (continued):					
Pacific Northwest LSAMP	47.076	(3)	\$ 36,912	\$ -	\$ 36,912
Pacific Northwest LSAMP PS	47.076	(3)	3,701	-	3,701
EPSCoR RII Program-Callahan	47.080	(3)	60,933	-	60,933
EPSCoR RII Program-Sridhar	47.080	(3)	262,489	-	262,489
EPSCoR RII Program - Medidi	47.080	(3)	2,668	-	2,668
EPSCoR RII Program- Farid	47.080	(3)	8,160	-	8,160
EPSCoR RII Program-Plumlee	47.080	(3)	3,821	-	3,821
EPSCoR RII Program-Pierce	47.080	(3)	83,060	-	83,060
EPSCoR RII Program-Feris	47.080	(3)	100,383	-	100,383
EPSCoR RII Program - Jorcyk	47.080	(3)	932	-	932
EPSCoR RII Program-Mooney	47.080	(3)	53,466	-	53,466
EPSCoR RII Program-Lowe	47.080	(3)	879	-	879
EPSCoR RII-Cobourn	47.080	(3)	98,502	-	98,502
EPSCoR RII Program-Leon	47.080	(3)	127,409	-	127,409
EPSCoR RII Program - Gribb	47.080	(3)	18,608	-	18,608
EPSCoR RII Program-Flores	47.080	(3)	20,000	-	20,000
EPSCoR Start-up-Leon	47.080	(3)	4,568	-	4,568
EPSCoR Start-up-Coburn	47.080	(3)	12,929	-	12,929
NSF EPSCoR Track II	47.081	(3)	7,476	-	7,476
ARRA:					
REVSYS Trichos Project-ARRA	47.082	(3, 4)	74,284	-	74,284
Ultrafast Laser-ARRA	47.082	(3, 4)	58,475	-	58,475
Total National Science Foundation			<u>\$ 3,700,067</u>	<u>\$ 363,926</u>	<u>\$ 4,063,993</u>
SMALL BUSINESS ADMINISTRATION:					
Direct Programs:					
ID Research and Economic Dev.	59.000	(3)	\$ 64,389	\$ -	\$ 64,389
SBA CY'09	59.037		-	348,121	348,121
Sustainability Initiative	59.037		-	93,624	93,624
SBA CY 10	59.037		-	283,683	283,683
Energy Efficiency	59.037		-	32,144	32,144
SBA Carry Forward FY10	59.XXX		-	12,590	12,590
Total Small Business Administration			<u>\$ 64,389</u>	<u>\$ 770,162</u>	<u>\$ 834,551</u>

(continued)



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
ENVIRONMENTAL PROTECTION AGENCY:					
Direct Programs:					
Satellite EFC	66.111		\$ -	\$ 147,201	\$ 147,201
EFC Competition	66.203		-	50,091	50,091
EFC 10 Base Grant FY07	66.424		-	233,971	233,971
Hydrogeophysical Characterizat	66.606	(3)	309,002	-	309,002
6167 EPA Supplemental Funding	66.606	(3)	57,307	-	57,307
6167 EPA Supplemental Funding	66.606	(3)	468	-	468
EPA Plan2Fund Funder's Tool	66.XXX		-	25,752	25,752
Pass Through Payments:					
Source & Release - CFDA 66419	66.419	(3)	1,431	-	1,431
Add Texas to Funding Database	66.460		-	10,650	10,650
DEQ Internship	66.468		-	2,720	2,720
Alaska Capacity Review FY09	66.468		-	26	26
DEQ Comprehensive Plan Study	66.468		-	9,837	9,837
Emission Reduction Analysis	66.XXX	(3)	1,380	-	1,380
Assistance to ADEC	66.XXX		-	12,409	12,409
IDEQ Nine Mile	66.XXX	(3)	10,516	-	10,516
Total Environmental Protection Agency			\$ 380,104	\$ 492,657	\$ 872,761
NUCLEAR REGULATORY COMMISSION:					
Direct Programs:					
U.S. NRC Fellowship Program	77.008		\$ -	\$ 43,133	\$ 43,133
Total Nuclear Regulatory Commission			\$ -	\$ 43,133	\$ 43,133
U.S. DEPARTMENT OF ENERGY:					
Direct Programs:					
Inverse Magnetoplastic Effect	81.049	(3)	\$ 175,440	\$ -	\$ 175,440
Acquisition of an Ion Slicer	81.121	(3)	149,700	-	149,700
Pass Through Payments:					
INRA-Water Reseach Consortium	81.049	(3)	12,406	-	12,406
Cyberinfrastructure Hydro Site	81.049	(3)	8,792	-	8,792
Surface Water-Groundwater	81.049	(3)	63,122	-	63,122
Novel Nanostructured Materials	81.049	(3)	83,617	-	83,617
Novel Nanostructured Materials	81.049	(3)	24,605	-	24,605
Component Technologies R&D	81.087	(3)	98,795	-	98,795
INRA SSGP Fellowship Support 4	81.104		-	11,610	11,610
INRA SSGP Fellowship Support 5	81.104		-	7,629	7,629
UNLV Heat Exchange Matl	81.121	(3)	275	-	275
ODS Cladding Materials	81.121	(3)	45,433	-	45,433
Spark Plasma Sintering of Fuel	81.121	(3)	125,845	-	125,845

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF ENERGY (continued):				
Pass Through Payments (continued):				
Wind For Schools	81.XXX	\$ -	\$ 37,006	\$ 37,006
INL Influence Grain Boundary	81.XXX (3)	(4)	-	(4)
FY06 IUC/EPI Proposal	81.XXX (3)	7,886	-	7,886
CAES Consortium	81.XXX (3)	174,506	-	174,506
Drought,Fire,Snowmelt C ID	81.XXX (3)	1,703	-	1,703
ACE Workshop	81.XXX (3)	(1,389)	-	(1,389)
Carbon Sequestr in Mafic Rocks	81.XXX (3)	8,095	-	8,095
Suitability of Layered Basalt	81.XXX (3)	25,214	-	25,214
INL PLASMA SINTERING	81.XXX (3)	45,825	-	45,825
Societal Nuclear Research LDRD	81.XXX (3)	16,462	-	16,462
INRA SSGP Fellowship Support 6	81.XXX	-	37,104	37,104
Design & Synth Novel Chelators	81.XXX (3)	24,379	-	24,379
Detector for Peractetate Ion	81.XXX (3)	8,214	-	8,214
Ion Mobility Spectrometer Prob	81.XXX (3)	(1,138)	-	(1,138)
Sensors for Contaminants	81.XXX (3)	56,980	-	56,980
Forecasting for Wind Energy	81.XXX (3)	82,513	-	82,513
Dev Lignocellulosic Ethanol	81.XXX (3)	15,967	-	15,967
CAES Assoc. Director SP09	81.XXX (3)	20,620	-	20,620
Eval. Actinide Compounds YR1	81.XXX (3)	41,575	-	41,575
Eval. Actinide Compounds YR2	81.XXX (3)	38,085	-	38,085
ACE Workshop-09	81.XXX (3)	17,920	-	17,920
CAES Management FY10	81.XXX (3)	65,590	-	65,590
Energy Policy Institute	81.XXX (3)	79,131	-	79,131
Irradiation Creep in Graphite	81.XXX (3)	74,976	-	74,976
Nuclear Graphite Research	81.XXX (3)	14,066	-	14,066
Chalcogenide Glass Radiation	81.XXX (3)	105,670	-	105,670
FY 06 IUC / EPI Proposal	81.XXX (3)	67,404	-	67,404
Societal Nuclear Research LDRD	81.XXX (3)	38,577	-	38,577
Tungsten-Rhenium Cladding	81.XXX (3)	51,214	-	51,214
TRISO-Coated Fuel Durability	81.XXX (3)	104,811	-	104,811
Dev Lignocellulosic Ethanol-2	81.XXX (3)	19,133	-	19,133
INL Economics Impact 2010	81.XXX	-	59,943	59,943
Fabrication of ODS Alloys	81.XXX (3)	13,255	-	13,255
CAES Training	81.XXX (3)	6,269	-	6,269
Idaho Nuclear Engineering Cons	81.XXX (3)	13,679	-	13,679
Fuel Cycle Performance Metrics	81.XXX (3)	7,272	-	7,272
Industry/Partnerships Develop	81.XXX (3)	4,523	-	4,523
Lattice Strain and Rotation	81.XXX (3)	20,596	-	20,596
AD of Fermented Manure	81.XXX (3)	4,222	-	4,222
Transmission Site Suitability	81.XXX (3)	533	-	533
2D Seismic Data Acquisition	81.XXX (3)	2,935	-	2,935

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF ENERGY (continued):					
ARRA:					
Nat. Geothermal Database-ARRA	81.087	(3, 4)	\$ 744,712	\$ -	\$ 744,712
NGDS Data Acquisition-ARRA	81.087	(3, 4)	48,282	-	48,282
Total U.S. Department of Energy			<u>\$ 2,858,293</u>	<u>\$ 153,292</u>	<u>\$ 3,011,585</u>
U.S. DEPARTMENT OF EDUCATION:					
Direct Programs:					
Federal Supplemental Educational Opportunity Grants	84.007	(1)	\$ -	\$ 564,886	\$ 564,886
Federal College Work-Study (CWS)	84.033	(1)	-	578,914	578,914
Federal CWS Job Location Costs (JLC)	84.033	(1)	-	36,452	36,452
Federal Perkins Loans	84.038	(1)	-	1,070,884	1,070,884
Federal Pell Grants	84.063	(1)	-	25,855,407	25,855,407
Federal Direct Subsidized Loans	84.268	(1)	-	36,646,713	36,646,713
Federal Direct Unsubsidized Loans	84.268	(1)	-	41,231,675	41,231,675
Federal Direct Parent Loans	84.268	(1)	-	2,181,082	2,181,082
Federal ACG	84.375	(1)	-	591,802	591,802
Federal SMART	84.376	(1)	-	806,680	806,680
Student Success Program 08-09	84.042A	(2)	-	50,309	50,309
Student Success Program 09-10	84.042A	(2)	-	308,549	308,549
ETS I - 2008-2009	84.044A	(2)	-	75,158	75,158
ETS II - 2008-2009	84.044A	(2)	-	35,571	35,571
ETS II 2009-2010	84.044A	(2)	-	174,596	174,596
ETS I 2009-2010	84.044A	(2)	-	382,901	382,901
Upward Bound III Boise 2007-08	84.047A	(2)	-	(57)	(57)
UB Nampa & Caldwell 2008-2009	84.047A	(2)	-	126,348	126,348
UB - Duck Valley 2008-2009	84.047A	(2)	-	100,986	100,986
Upward Bound III Boise 08-09	84.047A	(2)	-	119,280	119,280
Upward Bound IV Meridian 08-09	84.047A	(2)	-	124,192	124,192
UB Duck Valley 2009-2010	84.047A	(2)	-	184,051	184,051
UB Canyon County 2009-2010	84.047A	(2)	-	237,551	237,551
Upward Bound IV Meridian 09-10	84.047A	(2)	-	124,915	124,915
Upward Bound III - Boise 09-10	84.047A	(2)	-	115,158	115,158
Veteran's UB	84.047V	(2)	-	137,452	137,452
HEP Year 5	84.141A		-	26,309	26,309
High School Equivalency Prog.	84.141A		-	428,121	428,121
CAMP 2008-2009	84.149A		-	31,203	31,203
CAMP 2009-2010	84.149A		-	388,573	388,573
Prev of HR Drinking Freshman	84.184H		-	(269)	(269)
Graduate Bilingual, Yr I	84.195N		-	113,604	113,604
ID Systemic Solutions FY10-ENG	84.215K	(3)	67,785	-	67,785
ID Systemic Solutions FY10-ED	84.215K	(3)	71,683	-	71,683

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued):					
Direct Programs (continued):					
ID Systemic Solution	84.215K	(3)	\$ 35,745	\$ -	\$ 35,745
ID Systemic Solution	84.215K	(3)	23,231	-	23,231
McNair Scholars 2008-2009	84.217A	(2)	-	66,636	66,636
McNair Scholars Program 09-10	84.217A	(2)	-	137,169	137,169
Improving Metacomprehension	84.305B	(3)	252,474	-	252,474
TATERS	84.325T		-	146,242	146,242
Pass Through Payments:					
ABE - Federal Dir Svcs FY 09	84.002A		-	(2,151)	(2,151)
ABE - Teacher Train FY 09	84.002A		-	1,372	1,372
ABE - Federal Admin (5%) FY 09	84.002A		-	(292)	(292)
ABE - Academy of Excellence	84.002A		-	800	800
SW Regional Special Ed FY09	84.027		-	46,927	46,927
SW REGIONAL SPECIAL ED FY 10	84.027		-	460,823	460,823
TATERS 2009 Leadership Academy	84.027		-	5,102	5,102
SW Regional Special Ed FY08	84.027A		-	(1,944)	(1,944)
Perkins - Academic Skills Dev	84.048A		-	(856)	(856)
Perkins - Pace FY 09	84.048A		-	(81)	(81)
Student Organizations	84.048A		-	1,981	1,981
Perkins Prog Improvement FY'09	84.048A		-	3,751	3,751
Teaching American History	84.215X		-	229,140	229,140
Perkins - ALP FY 09	84.243A		-	1,321	1,321
Perkins - ALP Reg III FY 09	84.243A		-	1,864	1,864
Transition to Teaching	84.350B		-	15,227	15,227
Develop Teachers Math Thinking	84.366		-	291,941	291,941
Enhancing Teacher PCK Inquiry	84.366		-	1,124	1,124
National Writing Project	84.928A		-	32,984	32,984
National Writing Project	84.928A		-	4,500	4,500
National Writing Project-TICI	84.928A		-	1,000	1,000
RTI/PBS Implementation	84.XXX	(3)	98,525	-	98,525
ARRA:					
State Fiscal Stabilization Funds	84.394A	(3, 4)	417,667	3,682,595	4,100,262
Total U.S. Department of Education			\$ 967,110	\$ 117,976,171	\$ 118,943,281
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Direct Programs:					
Eval.of DNA CrossLinking YR4-6	93.395	(3)	\$ (205)	\$ -	\$ (205)
Eval.of DNA CrossLinking YR4-6	93.395	(3)	54,823	-	54,823
Oncostatin M-induced VEGF	93.396	(3)	55,553	-	55,553
NIH Labrum	93.846	(3)	13,684	-	13,684
Altered cAMP Reg of CD40L	93.855	(3)	517	-	517
Improvement of RNA Search	93.859	(3)	51,248	-	51,248

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

Federal Grant/Program Number	Federal CFDA Number		Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued):					
Pass Through Payments:					
Idaho Project Life - Year 3	93.048	(3)	\$ 31,827	\$ -	\$ 31,827
ADRC	93.048		-	18,412	18,412
Idaho Project Life-Supp	93.048	(3)	3,714	-	3,714
United Way Detox Evaluation	93.241	(3)	2,083	-	2,083
United Way Detox Evaluation	93.243	(3)	27,706	-	27,706
H & W Tobacco Prevention	93.283		-	14,470	14,470
Promoting Fall Protection	93.283	(3)	19,881	-	19,881
Mercury Checklist for Schools	93.359	(3)	23,687	-	23,687
Selection of MRI Specs for 2D/	93.389	(3)	(1)	-	(1)
INBRE II - Core	93.389	(3)	242,481	-	242,481
INBRE II - Knowlton	93.389	(3)	(224)	-	(224)
Characterization of Enterotoxi	93.389	(3)	7,570	-	7,570
OSM in Bone Mestasis	93.389	(3)	14,201	-	14,201
INBRE II-CORNELL	93.389	(3)	41,836	-	41,836
INBRE-II Bioinformatics	93.389	(3)	80,611	-	80,611
INBRE II-Team	93.389	(3)	87,106	-	87,106
INBRE II-Knowlton	93.389	(3)	31,391	-	31,391
INBRE II-Stevens	93.389	(3)	112,289	-	112,289
INBRE II-Mitchell	93.389	(3)	50,650	-	50,650
INBRE II - Year 2	93.389	(3)	15,807	-	15,807
Role of Monocyte Chemoattractan	93.389	(3)	11,981	-	11,981
INBRE II-Core	93.389	(3)	70,792	-	70,792
INBRE II-Cornell	93.389	(3)	18,564	-	18,564
INBRE II-Bioinformatics	93.389	(3)	15,601	-	15,601
INBRE II-Team	93.389	(3)	4,631	-	4,631
INBRE II-VA Hospital	93.389	(3)	30,004	-	30,004
INBRE II-Mitchell	93.389	(3)	23,231	-	23,231
Child Welfare Stipend Programs	93.658		-	11,655	11,655
Foster Parent Training Contrac	93.658		-	23,956	23,956
Academy Training Contract II	93.658		-	18,045	18,045
CW Center Contract II	93.658		-	19,410	19,410
Group Model of Maternity Care	93.884	(3)	2,775	-	2,775
Improving Health and Education	93.938		-	509	509
ID RADAR Network Center FY08	93.959		-	(5,275)	(5,275)
Substance Abuse Program	93.959		-	145,699	145,699
Rural Fam Phys Wrkfr - II	93.XXX	(3)	5,491	-	5,491
CAQ Pilot Project	93.XXX	(3)	4,903	-	4,903
Switch hVISA to VISA Mechanism	93.XXX	(3)	4,857	-	4,857
Child Welfare Center	93.XXX		-	212,040	212,040
CWC - Academy	93.XXX		-	180,496	180,496
CWC - Scholars	93.XXX		-	107,738	107,738

(continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2010**

<b>Federal Grant/Program Number</b>	<b>Federal CFDA Number</b>		<b>Research Expenditures</b>	<b>Non-research Expenditures</b>	<b>Total Expenditures</b>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued):					
Pass Through Payments (continued):					
Family Resource Training	93.XXX		\$ -	\$ 121,742	\$ 121,742
Analysis of Vibrio Fischeri	93.XXX		-	5,774	5,774
CHC CAQ Project	93.XXX	(3)	4,327	-	4,327
ARRA:					
Eval of DNA Cross Linking-ARRA	93.701	(3, 4)	19,562	-	19,562
Zebrafish Development-ARRA	93.701	(3, 4)	21,826	-	21,826
MCP-1 and Liver Regeneration	93.701	(3, 4)	23,489	-	23,489
INBRE 2 Supplement-ARRA	93.701	(3, 4)	82,558	-	82,558
Construction of BSU BRV-ARRA	93.702	(3, 4)	29,963	-	29,963
Total U.S. Department of Health and Human Services			<u>\$ 1,342,790</u>	<u>\$ 874,671</u>	<u>\$ 2,217,461</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
Pass Through Payments:					
L & S Promising Practice	94.005		\$ -	\$ 6,410	\$ 6,410
Students In Service	94.007		-	(7)	(7)
Students in Service YR 3	94.007		-	2,009	2,009
Total Corporation for National and Community Service			<u>\$ -</u>	<u>\$ 8,412</u>	<u>\$ 8,412</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:					
Pass Through Payments:					
All-Hazard Mitigation Plan	97.017	(3)	\$ 33,003	\$ -	\$ 33,003
NFA Training FY 09	97.043		-	(6)	(6)
Total U.S. Department of Homeland Security			<u>\$ 33,003</u>	<u>\$ (6)</u>	<u>\$ 32,997</u>
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
Pass Through Payments:					
Dev. of Materials Conn. Centre	98.002	(3)	\$ 103,555	\$ -	\$ 103,555
Total U.S. Agency for International Development			<u>\$ 103,555</u>	<u>\$ -</u>	<u>\$ 103,555</u>
Total Federal Expenditures			<u>\$ 15,813,909</u>	<u>\$ 123,341,089</u>	<u>\$ 139,154,998</u>

- (1) Student Financial Aid Cluster is combined and displayed as a major program.  
(2) TRIO Cluster is combined and displayed as a major program.  
(3) R&D is combined and displayed as a major program.  
(4) ARRA funds are combined and displayed as a major program.



NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

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 many 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	\$ 10,163,358
Nursing Student		\$ 5,636

Total loan expenditures and disbursements of the Department of Education (Perkins) student financial assistance programs for the year ended June 30, 2010 are identified below:

Loan Program	Number	Loan Disbursements
Federal Perkins	84.038	\$ 1,070,884

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, 2010.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

3. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the University provided federal awards to sub-recipients as follows:

Program	Federal CFDA Number	Amount Provided to Subrecipients
Improving the Competitiveness	10.169	\$ 5,495
EDA University Center FY09	11.303	(28,739)
EDA University Center FY10	11.303	87,466
NIST General FY09	11.611	(10)
NIST GENERAL FY10	11.611	158,964
Hydrologic Fluxes and States	12.431	746
DEPSCOR 08	12.800	66,168
DARPA 3-D Tech for Adv. Sensor	12.910	476,562
DARPA FFY 2005	12.910	(2,357)
Reconfigurable Electronics	12.910	208,419
Acquisition of GC/MS & FT-IR	47.076	6,873
STEM Education	47.076	3,965
SBA CY 10	59.037	134,937
SBA CY'09	59.037	170,095
Satellite EFC	66.111	7,200
Hydrogeophysical Characterizat	66.606	8,200
Nat. Geothermal Database-ARRA	81.087	332,436
Enhancing Teacher PCK Inquiry	84.366	729
Eval.of DNA CrossLinking YR4-6	93.395	12,881
Copper Plating of VCSEL Device	12.XXX	2,875
High Power VCSEL Diode Arrays	12.XXX	9,607
Elec-Prop Ceramic Materials	43.XXX	9,674
Spacial & Temporal Variations	43.XXX	(172)
Forecasting for Wind Energy	81.XXX	13,480
Improving Metacomprehension	84.305B	61,105
Caldwell Academy of Ldrship 2	84.XXX	100,000
PALS II 2009-2010	84.XXX	125,000
Total Subrecipients		<u>\$ 1,971,599</u>