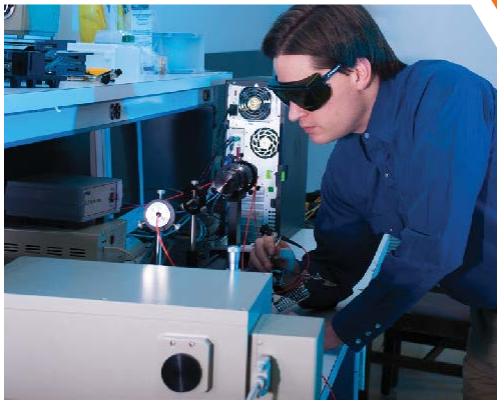


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2018 ANNUAL FINANCIAL REPORT

Financial Statements for the Years Ended June 30, 2018 and 2017 and Independent Auditor's Report.

Including Schedule of Expenditures of Federal Awards and Single Audit Documents for the Year Ended June 30, 2018.

Pocatello | Idaho Falls

Idaho State
UNIVERSITY

Meridian | Twin Falls

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IDAHO STATE UNIVERSITY

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2018 Annual Financial Report

Report of Independent Auditors

Idaho State Board of Education
Idaho State University

Report on the Financial Statements

We have audited the accompanying financial statements of Idaho State University (University) and its discretely presented component unit, Idaho State University Foundation, Inc. (Foundation) as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Idaho State University Foundation, Inc., which represents the entirety of the University's discretely presented component unit as described in Note 16. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Idaho State University and its discretely presented component unit, as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

In the year ended June 30, 2018, the University adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which modified the presentation of the financial statements by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to other postemployment benefits (OPEB) provided through defined benefit OPEB plans. In addition, GASB Statement 75 requires disclosure of information related to OPEB. As discussed in Note 2 to the financial statements, the adoption of GASB Statement 75 resulted in the restatement of beginning net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* certain information related to pensions and other postemployment benefits on pages 46 and 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

America. In our opinion, the schedule of federal expenditures and awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2018 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Moss Adams LLP

Portland, Oregon
September 28, 2018

Management's Discussion and Analysis For the fiscal year ended June 30, 2018

INTRODUCTION

The following analysis and discussion provides an overview of the financial position and activities of Idaho State University (the University or ISU) for the fiscal year ended June 30, 2018, with comparative information for the fiscal year ended June 30, 2017. This overview has been prepared by management and should be read in association with the financial statements and accompanying footnote disclosures of the University included in this report.

PROFILE OF THE UNIVERSITY

Idaho State University, a Carnegie-classified doctoral research and teaching institution founded in 1901, attracts students from around the world to its Idaho campuses. At the main campus in Pocatello, and at locations in Meridian, Idaho Falls and Twin Falls, ISU offers access to high-quality education in more than 250 programs. Over 12,000 students attend ISU, receiving education and training in those programs. Idaho State University is the state's designated lead institution in health professions.

Idaho State University faculty and students are leading the way in cutting-edge research and innovative solutions in the areas of energy, health professions, nuclear research, teaching, humanities, engineering, performing and visual arts, technology, biological sciences, pharmacy and business. Idaho State University combines exceptional academics amidst the grand natural beauty of the West. ISU is located in an outdoor-lover's paradise and is just a short drive to some of America's greatest natural wonders and exciting outdoor recreation opportunities.

USING THE FINANCIAL STATEMENTS

Idaho State University's financial statements for the fiscal year 2018 are presented in this report for your review. Condensed operations and financial position data are presented in this section in order to illustrate certain increases and decreases over fiscal year 2017. The emphasis of the following discussions about these statements is on changes in current year data versus the prior year.

The financial statements presented in this report include the University and its discretely presented component unit, the Idaho State University Foundation, Inc. (Foundation). The financial statements include the University's Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles and standards of the Governmental Accounting Standards Board (GASB). GASB establishes governmental accounting and financial reporting standards for state and local governments, including public colleges and universities.

Management's discussion and analysis highlights supplementary information regarding the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position.

IMPACT FROM CHANGES IN FINANCIAL REPORTING REQUIREMENTS

GASB No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, implemented for the year ending June 30, 2018, had significant implications for all public colleges and universities with defined-benefit plans. The cost of postemployment benefit expense is now recognized

during the employee service period – the time worked until separation or retirement. Each employer's proportionate share of the OPEB liability is calculated based on its annual contributions as a percentage of the contributions of all participating employers, and reported on the Statement of Net Position along with deferred inflows and outflows relating to changes in the net pension liability. A restatement to beginning net position for fiscal year 2018 was necessary to give a retroactive effect to the implementation of the standard.

FINANCIAL HIGHLIGHTS

Comparison of fiscal year 2018 to fiscal year 2017

The University's financial position at June 30, 2018, reflects declines versus the previous fiscal year.

- Assets decreased by \$0.5 million to end the year at \$339.4 million.
- Liabilities increased by \$7.5 million to end the year at \$104.1 million.
- Net position, invested in capital assets totaled \$141.3 million, an increase of \$10.1 million.
- Net position, which is the residual of assets and deferred outflows after deducting liabilities and deferred inflows, decreased by \$11.2 million to end at \$238.5 million. Key components of the \$11.2 million decline in net position are as follows: \$10.6 million in prior period adjustments due to the implementation of GASB 75 for OPEB (see Note 2 for more details), \$0.2 million from primary operations, and \$0.4 million from Federal Perkins loan program.

Other significant changes to operations were as follows:

- Operating revenues totaled \$123.4 million, a decrease of \$6.5 million.
- Operating expenses totaled \$249.2 million, an increase of \$1.8 million.

- Nonoperating revenues, net of expense, totaled \$122.6 million, an increase of \$0.6 million.

Comparison of fiscal year 2017 to fiscal year 2016

The University's financial position at June 30, 2017, reflects gains over the previous fiscal year.

- Assets decreased by \$4.6 million to end the year at \$339.9 million.
- Liabilities decreased by \$3.4 million to end the year at \$96.6 million.
- Net position, which is the residual of assets and deferred outflows after deducting liabilities and deferred inflows, increased by \$4.5 million to end at \$249.7 million.

Other significant changes to operations were as follows:

- Operating revenues totaled \$129.9 million, a decrease of \$11.9 million.
- Operating expenses totaled \$247.4 million, a decrease of \$0.8 million.
- Nonoperating revenues, net of expense, totaled \$122.0 million, an increase of \$11.4 million.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Financial Position - Statement of Net Position

The Statement of Net Position is a snapshot of the University's financial position at, June 30, 2018 (fiscal year end). It reports the University's assets and deferred outflows (financial resources), liabilities and deferred inflows (financial obligations), and net position (remaining balance in assets after paying creditors) based on end-of-year data.

Assets are classified as current, noncurrent, or capital. Current assets can be expected to easily convert to cash to meet the University's expenses

within 12 months and include cash and cash equivalents, accounts receivable, inventories, prepaid expenses, and investments. Noncurrent assets can be expected to be held more than one year and include items such as, student loans receivable. Capital assets are reported net of accumulated depreciation and include construction in progress, furniture and equipment, land, buildings, and improvements.

Liabilities are classified as current or noncurrent. Current liabilities are obligations that are due and payable within 12 months and include payroll and benefits, amounts payable to suppliers for goods and services received, and debt principal payments due within one year. Noncurrent liabilities are obligations payable after more than one year and include installment contracts and bond commitments.

Deferrals represent the consumption and acquisition of resources applicable to future reporting periods. Deferred outflows of resources reflect expenditures applicable to future reporting periods and so will not be recognized as an expense until then. Deferred inflows of resources are revenue that is associated with future reporting periods and so it will not be recognized as revenue until then.

Liquidity is an important indicator of financial stability, which can be measured by the number of days an institution is able to operate using unrestricted cash and investments that can be liquidated and spent within one year. The University has maintained its ability to cover operating costs (see ratios later in this section). Within the industry, it is generally considered prudent to maintain reserves to cover operating expenses for at least 60 to 90 days. At fiscal year-end, the University has better coverage than the industry average.

Net position is divided into three categories:

- **Net investment in capital assets:** represents capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted, expendable:** consists of funds subject to restrictions established by outside entities directing their use, such as scholarships, research grants/awards, loans, capital projects, and debt service.
- **Unrestricted:** represent those funds available to the University for the general and educational obligations to meet current expenses for any purpose. Unrestricted net assets are not subject to externally imposed stipulations; however, the University has designated the majority of unrestricted net assets for various academic programs and university support functions.

CONDENSED STATEMENT OF NET POSITION

The *Statement of Net Position* reflects the financial position of the University at the end of the fiscal year. The sum of assets and deferred outflows, less liabilities and deferred inflows, represents net position. Changes in net position occur over time and are one important indicator of the financial condition of the University. Net Position is presented in three major categories on the statement, each of which is described in more detail within the footnotes to the statements. A summary comparison of the assets, deferred outflows, liabilities, deferred inflows, and net position for the years ended June 30, 2018, 2017, and 2016 is presented below.

Condensed Statement of Net Position

(dollars in thousands)		2018 vs 2017		
For the Year Ended June 30,	2018	2017	Change	2016
Assets:				
Current Assets	\$ 161,259	\$ 166,812	\$ (5,553)	\$ 170,695
Noncurrent Assets	1,100	1,350	(250)	1,277
Capital Assets, Net	177,003	171,692	5,311	172,493
Total Assets	339,362	339,854	(492)	344,465
Deferred Outflows of Resources	6,205	8,768	(2,563)	8,599
Total Assets and Deferred Outflows of Resources	345,567	348,622	(3,055)	353,064
Liabilities:				
Current Liabilities	36,990	31,865	5,125	37,133
Noncurrent Liabilities	67,113	64,696	2,417	62,825
Total Liabilities	104,103	96,561	7,542	99,958
Deferred Inflows of Resources	2,953	2,369	584	7,870
Net Position:				
Invested in Capital Assets	141,343	131,221	10,122	126,984
Restricted, Expendable	3,109	4,381	(1,272)	5,053
Unrestricted	94,059	114,090	(20,031)	113,199
Total Net Position	\$ 238,511	\$ 249,692	\$ (11,181)	\$ 245,236
Total Liabilities, Deferred Inflows and Net Position	\$ 345,567	\$ 348,622	\$ (3,055)	\$ 353,064

SIGNIFICANT CHANGES IN THE STATEMENT OF NET POSITION

Comparison of fiscal year 2018 to fiscal year 2017

- The total net position of the University at June 30, 2018, was \$238.5 million, a decrease of \$11.2 million versus the prior year. The University's total net position includes its net investment in capital assets, which increased \$10.1 million to \$141.3 million. The restricted portion of net position decreased \$1.3 million to \$3.1 million, and the unrestricted portion of net position decreased \$20.0 million to a total of \$94.0 million.
- In 2018, the \$5.5 million decrease in current assets is largely due to the \$10.1 million decrease in cash, accounts receivable and due from state agencies - which was partially offset by increases of \$4.6 million in cash with treasurer, prepaid expenses and investments.

The primary driver of growth in noncurrent assets is attributed to net capital assets, which increased \$5.3 million. Deferred outflows of resources is down \$2.6 million due to decreases in deferred outflow for pensions and OPEB (other post-employment benefits) of \$2.5 million and deferred cost of refunding debt of \$0.1 million.

- During the current fiscal year, total liabilities increased by \$7.5 million, primarily due to increases in noncurrent liabilities of \$2.4 million and to a net increase in current liabilities of \$5.1 million. The noncurrent liability increase is due to the \$12.1 million increase in OPEB offset in part by declines in liabilities for pension \$4.6 million and notes and bonds payable \$5.1 million. The primary drivers for the \$5.1 million increase in current liabilities is unearned revenues \$1.6 million, due to state \$0.5 million, accrued salaries \$0.6 million, accrued payables \$2.0 million, and other smaller increases \$0.4 million.

Comparison of fiscal year 2017 to fiscal year 2016

- The total net position of the University at June 30, 2017, was \$249.7 million, an increase of \$4.5 million over the prior year. The University's total net position includes its investment in capital assets, net of related debt, which increased \$4.2 million to \$131.2 million. The restricted portion of net position decreased \$0.7 million to \$4.4 million, and the unrestricted portion of net position increased \$0.9 million to a total of \$114.1 million.
- In 2017, the decrease in current assets is largely due to the \$7.5 million decrease in cash with treasurer along with smaller declines in accounts receivable \$1.3 million, prepaid expenses \$0.2

million and student loans receivable \$0.3 million, which was partially offset by increases of \$3.0 million in cash and cash equivalents and \$2.3 million in due from State agencies. The primary driver of decline in noncurrent assets is attributed to net capital assets, which decreased \$0.8 million. Deferred outflows of resources is up \$0.2 million due to increases in deferred outflow for pensions of \$0.3 million and an decline in deferred cost of refunding of \$0.1 million.

- Total liabilities decreased by \$3.4 million in 2017 versus 2016, primarily due to decreases in current liabilities of \$5.3 million and to a net increase in noncurrent liabilities of \$1.9 million. Noncurrent liability increases in other post-employment benefits payable of \$1.2 million and pension liability of \$5.7 million were partially offset by declines in notes and bonds payable for debt service payments of \$5.0 million. Deferred inflows of resources reflect a decrease of \$5.5 million due to a reduction in deferred inflow for pensions.

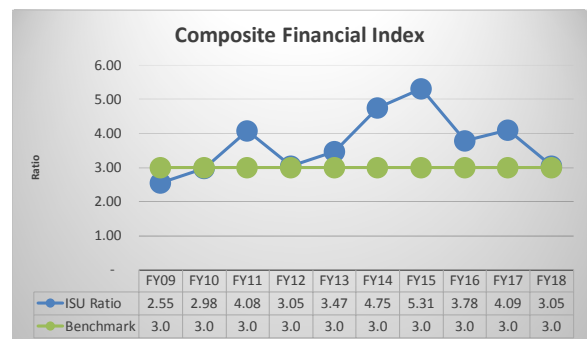
Financial Health Indicators

There are a number of ratios used to evaluate financial health of institutions. Each ratio measures one aspect of performance. The Composite Financial Index (CFI), combines four core ratios into a single metric. Blending the four key metrics of financial health into a single number provides a more balanced view of the institution's financial health. A shortcoming in one measure may be offset by the strength of another measure.

The four core ratios are the viability ratio, the net operating revenues ratio, the return on net assets

ratio and the primary reserve ratio. Each of these ratios is adjusted for their strength factor using a common scale then multiplied by the designated weighting factors and summed to compute the composite financial index.

The graph that follows displays the CFI of Idaho State University over the past ten years compared to the benchmark established for universities in the State of Idaho by the State Board of Education.



Results of Operations - Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position is comparable to the Income Statement of for-profit entities. It reflects the sources and amounts of revenues earned and the expense types and amounts incurred during the year, grouped as operating, nonoperating or other. The Statement of Revenues, Expenses, and Changes in Net Position reports the revenues earned and expenses incurred during the year on an accrual basis, identified as operating and nonoperating activities as prescribed by GASB.

Operating revenues represent the funds obtained from providing goods and services to the University's customers. They include tuition and fees, grant and contract payments, and sales and service revenue

generated by student housing, student dining, and other University operations. Operating expenses are those expenditures made to acquire or produce the services provided to generate operating revenues and in carrying out the mission of the University.

Nonoperating revenues are resources for which goods and services are not provided and include state appropriations, federal student aid, gifts, and investment income. Nonoperating expenses include such expenditures as interest expense on long-term debt and amortization of bond insurance costs. One of ISU's primary sources of revenue is appropriations provided by the state of Idaho, which, as directed by GASB standards, are classified as nonoperating revenue. As a result, the University's financial statements typically show an operating loss. A more comprehensive assessment of the operations of the University is reflected in the change in net position at the end of the year.

Other revenues and expenses include capital gifts or grants and gains or losses on the disposal of capital assets.

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

A comparative statement summarizing the University's revenues, expenses, and changes in net position for the years ended June 30, 2018, 2017, and 2016, is shown below.

Condensed Statement of Revenue, Expenses and Changes in Net Position

(dollars in thousands)	2018 vs 2017			
For the Year Ended June 30,	2018	2017	Change	2016
Operating Revenues	\$ 123,377	\$129,938	\$ (6,561)	\$141,805
Operating Expenses	249,231	247,448	1,783	248,285
Operating Loss	(125,854)	(117,510)	(8,344)	(106,480)
Nonoperating Revenues, Net of Expenses	122,559	121,965	594	110,610
Capital Additions	2,730	-	2,730	-
Increase (Decrease) in Net Position	(565)	4,455	(5,020)	4,130
Net Position, Beginning of Year (Previously Reported)	249,692	245,237	4,455	241,107
Cumulative effect of GASB 75 implementation	(10,616)	-	(10,616)	-
Net Position, Beginning of Year (As Restated)	239,076	245,237	(6,161)	241,107
Net Position, End of Year	238,511	249,692	(11,181)	245,237

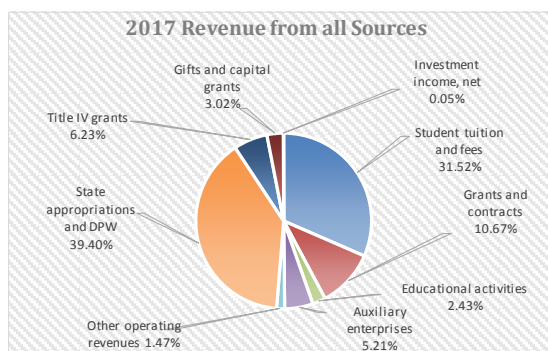
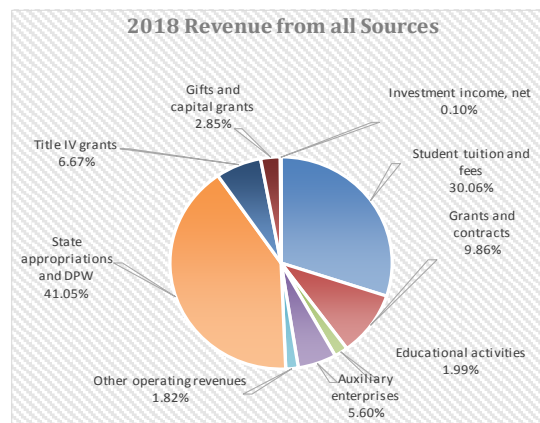
SIGNIFICANT CHANGES IN THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

- Total revenues for the year ended June 30, 2018, were \$250.1 million, representing a decrease of \$3.2 million over fiscal year 2017. Below is a graphic illustration of revenues by source (both operating and nonoperating) for the years ended June 30, 2018 and 2017. Total revenues for the year ended June 30, 2017, were \$253.3 million, representing a decrease of \$1.2 million over fiscal year 2016.

Operating Revenue from all Sources

Condensed Statement of Revenue, Expenses and Changes in Net Position

(dollars in thousands)	2018 vs 2017			
For the Year Ended June 30,	2018	2017	Change	2016
Student Tuition and Fees	\$ 75,162	\$ 79,831	\$ (4,669)	\$ 87,209
Grants and Contracts	24,667	27,030	(2,363)	29,521
Auxiliary Enterprises	14,015	13,196	819	14,237
Educational Activities	4,976	6,153	(1,177)	6,980
Other Operating Revenues	4,557	3,728	829	3,858
Total Operating Revenues	123,377	129,938	(6,561)	141,805
Appropriations	102,659	99,810	2,849	90,182
Title IV Grants	16,682	15,793	889	16,668
Capital Grants and Gifts	7,120	7,653	(533)	5,632
Investment Income, net	235	126	109	189
Total Nonoperating Revenues	126,696	123,382	3,314	112,671
Total Revenues	250,073	253,320	(3,247)	254,476



As the above graphs show, the University's primary sources of revenue are state appropriations and tuition and fees. State appropriations contribute a significant share of the funds needed for instructional activities. Tuition and fees represent the next largest source of revenue.

- **State Appropriations:** The largest component of nonoperating revenue is state appropriations. In 2018, state funding increased overall by \$2.9 million, or 2.9%, over the prior year. Funding from the Department of Public Works (DPW) increased \$1.8 million due to an increase in the number and extent of building projects in 2018 versus 2017. State appropriations for general education increased by \$1.0 million to \$77.4 million in 2018 from \$76.4 million in 2017, a

1.2% increase. Other state appropriations increased \$0.4 million, and career technical education decreased \$0.3 million versus 2017.

- **Tuition and Fees:** Net tuition and fee revenue of \$75.1 million reflects a decline of \$4.7 million over the prior year due to a decline in international student enrollment and an increase in scholarship awards.
- **Grants and Contracts:** Fiscal year 2018 federal grants and contracts revenue of \$8.5 million was \$0.4 million less than the prior year. Private grant revenue was \$5.9 million in 2018, down \$0.6 million from 2017. State grant revenue decreased by \$1.4 million over 2017 to \$10.2 million for 2018. In total, grant revenue decreased by \$2.4 million in 2018 to \$24.6 million.
- **Federal Title IV Grants:** There was a \$0.9 million increase in Title IV revenue from the prior year.
- **Educational and Auxiliary:** Revenue decreased \$0.4 million to \$18.9 million for fiscal year 2018.
- **Other Revenue:** Revenues increased \$0.8 million to \$4.5 million in 2018.

Expenses

Operating expenses consist mainly of employee compensation, supplies and services costs, and student scholarships and fellowships, all of which enable us to carry out the mission of the University. Nonoperating expenses are generally those associated with interest on debt and any loss on disposal of fixed assets. Salaries, wages, and benefits are the major support cost for the University's programs, followed by services and supplies, scholarships, and other operating expenses. The table below compares expenses for fiscal years ending June 30, 2018, 2017, and 2016.

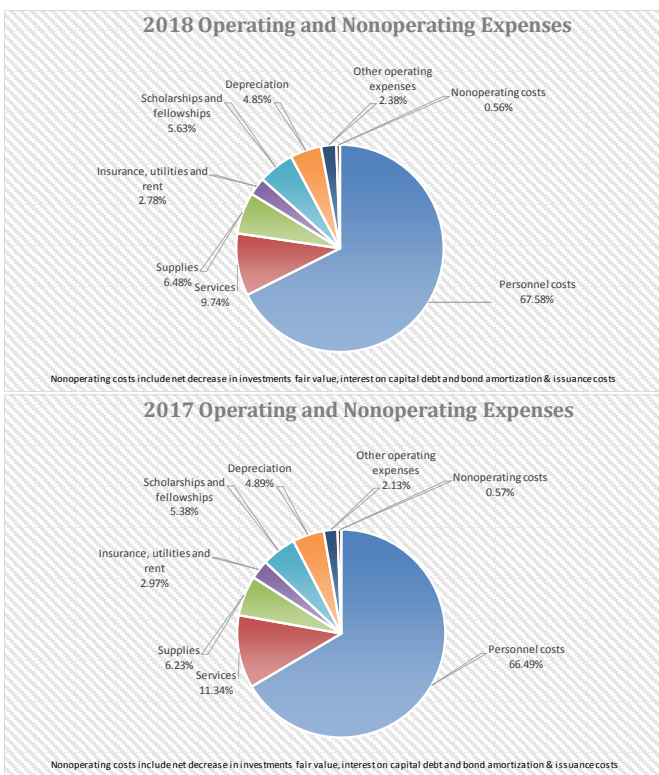
Summary Statement of Expenses

(dollars in thousands)

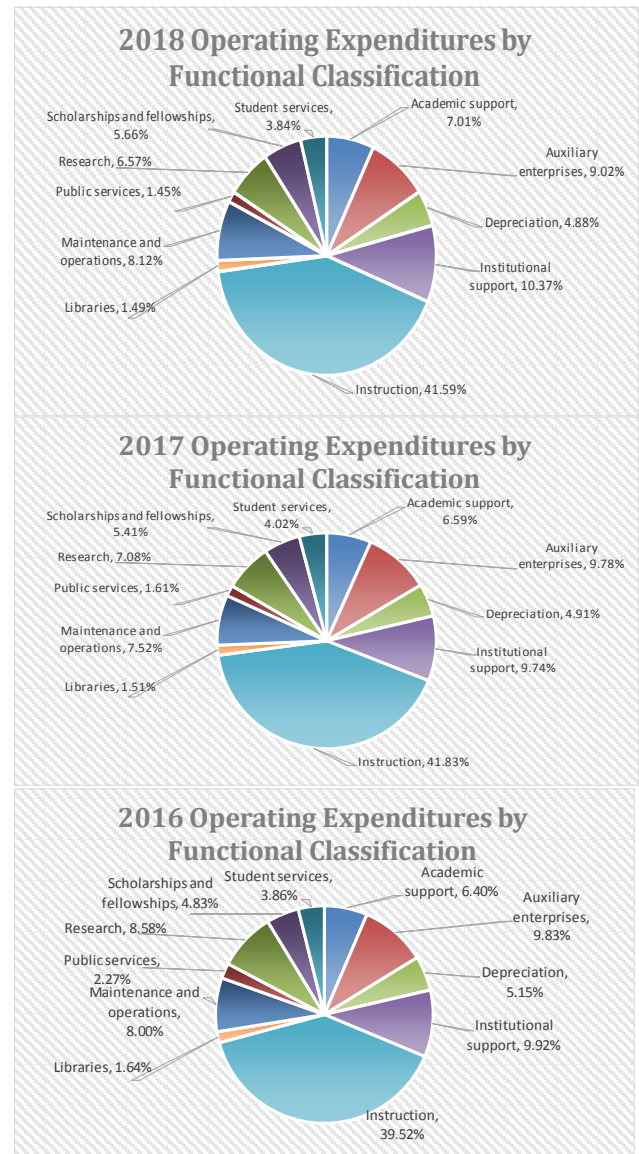
For the Year Ended June 30,	2018	2017	2018 vs 2017 Change	2016
Operating Expenses				
Personnel costs	\$ 169,374	\$ 165,477	\$ 3,897	\$ 160,776
Services	24,406	28,225	(3,819)	30,142
Supplies	16,250	15,510	740	18,917
Insurance, utilities and rent	6,962	7,391	(429)	7,486
Scholarships and fellowships	14,103	13,396	707	11,961
Depreciation expense	12,163	12,158	5	12,776
Other operating expenses	5,973	5,291	682	6,226
Total operating expenses	\$ 249,231	\$ 247,448	\$ 1,783	\$ 248,284

Nonoperating Expenses

Amortization of bond insurance costs	\$ 3	\$ 5	\$ (2)	\$ 7
Bond issuance costs	-	-	-	186
Interest on capital asset related debt	1,208	1,313	(105)	1,704
Loss on disposal of fixed assets	196	99	97	164
Total nonoperating expenses	\$ 1,407	\$ 1,417	\$ (10)	\$ 2,061



The amount varies by year depending on several factors including the types and timing of projects undertaken. See Footnote 13 for additional details regarding functional expenses.



An alternative view of operating expenses is by functional (programmatic) classification. Instructional expenses by far comprise the largest single category of operating costs. Fluctuations in expenses for maintenance and operations are largely impacted by noncapitalized facility improvements associated with project expenses that are not capitalized to an asset.

- Operating expenses in fiscal year 2018 increased by \$1.8 million, or 0.7%, from the

prior year. The largest component of this cost is personnel costs which increased \$3.9 million. Scholarships and fellowships increased by \$0.7 million. Supplies and miscellaneous expenses each increased by \$0.7 million. The increases were offset by decreases in services and insurance of \$3.8 million and \$0.4 million, respectively. Operating expenses in fiscal year 2017 decreased from 2016 by \$0.8 million, or 0.3%, from the prior year.

- Nonoperating expenses driven by interest on capital asset related debt, decline each year due to annual principal debt payments.

CASH FLOWS

The Statement of Cash Flows presents the inflows and outflows of cash for the year; summarized by operating, noncapital financing, capital and related financing, and investing activities.

The various sources of cash, along with their application and use, are presented in the *Statement of Cash Flows*. This analytical perspective is useful in assessing the ability of the University to satisfy its financial obligations as they come due. The statement classifies the flow of cash in the following four categories.

Operating activities – Displays the net cash flow required to conduct the day-to-day operating activities of the University and reflects the continued need for funding from the state of Idaho.

Noncapital financing activities – Reflects the net cash flow of nonoperating transactions not related to investing or capital financing activities, and includes funds provided by state appropriations.

Capital and related financing activities – Includes payments for the acquisition of capital assets, proceeds from long-term debt, and debt repayment.

Investing activities – Details the funds involved in the purchase and sale of investments and reflects the change in rates of return on invested funds.

The statement summarizes the net cash flow and reconciles to the operating income or loss, as reflected on the *Statement of Revenues, Expenses, and Changes in Net Position*.

A comparative summary of the *Statement of Cash Flows* for the years ended June 30, 2018, 2017, and 2016, is presented below.

Summary Statement of Cash Flows

(dollars in thousands)	2018	2017	2018 vs 2017 Change	2016
For the Year Ended June 30,				
Cash and cash equivalents (used in) or provided by:				
Operating activities	\$ (104,231)	\$ (109,930)	\$ 5,699	\$ (89,325)
Noncapital financing activities	117,622	121,476	(3,854)	119,760
Capital and related financing activities	(15,815)	(16,070)	255	(13,657)
Investing activities	15	19	(4)	18
Net increase in cash	(2,409)	(4,505)	2,096	16,796
Cash and cash equivalents, beginning of year	123,082	127,587	(4,505)	110,791
Cash and cash equivalents, end of year	\$ 120,673	\$ 123,082	\$ (2,409)	\$ 127,587

For purposes of the *Statement of Cash Flows*, the University considers all highly liquid investments with an original maturity of three months or less and all nonnegotiable certificates of deposit to be cash equivalents.

CAPITAL ASSET AND DEBT ACTIVITIES

The University considers the effective management of the institution's physical resources as a fundamental element of its financial stewardship, including the prudent use of debt to finance such resources. The development and maintenance of our physical resources is a key factor in creating and sustaining a learning environment that permits education to flourish, but

continues to be a challenge due to lack of adequate funding.

Capital Assets

Idaho State University's total capital assets increased by \$5.3 million; from \$171.7 million in 2017 to \$177.0 million in 2018, with capital additions outpacing depreciation expense.

Capital Assets

(dollars in thousands)

	2018 vs 2017			
For the Year Ended June 30,	2018	2017	Change	2016
Land	\$ 5,012	\$ 5,013	\$ (1)	\$ 5,013
Construction in progress	4,169	4,875	(706)	2,862
Buildings, net	140,359	136,078	4,281	138,557
Intangibles, net	1,163	1,273	(110)	1,384
Equipment, net	16,046	14,167	1,879	14,310
Library materials, net	10,254	10,286	(32)	10,367
Total capital assets, net	\$ 177,003	\$ 171,692	\$ 5,311	\$ 172,493

A summary of changes in capital assets is disclosed in Note 6.

Debt

Total notes and bonds payable declined by \$4.9 million from \$41.3 million at June 30, 2017, to \$36.4 million at June 30, 2018. The University continues to pay down existing debt according to the debt schedule detailed in the notes of this report.

Debt

(dollars in thousands)

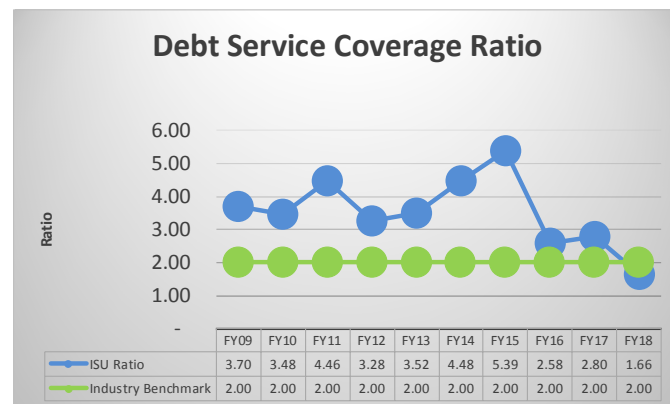
	2018 vs 2017			
For the Year Ended June 30,	2018	2017	Change	2016
Notes and bonds payable	\$36,434	\$41,338	\$ (4,904)	\$46,471

A summary of changes in debt is disclosed in Note 8.

Debt Ratios

The debt service coverage ratio provides an indicator of the University's ability to repay annual principal and interest relative to its overall expenses. The graph

below shows the University's debt service ratio for the past eight years and indicates the University has sufficient resources to pay its long-term debt obligations 1.66 times over.



ECONOMIC OUTLOOK

The economic outlook for the United States, the State of Idaho, and Idaho State University is encouraging in spite of the special challenges facing higher education: increased competition for students and tuition pricing pressures. Management believes the economic forecasts described below present great opportunities for Idaho State University (ISU).

The Congressional Budget Office's (CBO) economic forecast projects real GDP for the country to grow by 3.1 percent. The growth over the prior year is largely the result of increases in government spending, reductions in taxes, and faster growth in private investment. In 2019, the pace of GDP growth is expected to slow to 2.4 percent due to slower growth in business investment and government purchases.

In addition, the CBO forecasts excess demand for goods, services, and labor over the next few years will put upward pressure on prices, wages, and interest rates. Higher interest rates, along with other factors will restrain demand. As excess demand dissipates, the

unemployment rate will rise and inflation and interest rates will fall.

The Federal Open Market Committee (FOMC) anticipates that the nation's unemployment rate will drop to 3.6 percent in 2018, and 3.5 percent in 2019 and 2020. The U.S. core inflation rate, which strips out volatile gas and food prices, will be 2 percent in 2018 and 2.1 percent in 2019 and 2020. Actions by the Fed will create more supply in the Treasuries market which will help to raise the yield on the 10-year Treasury note and drive up long-term interest rates.

The Bureau of Labor Statistics' (BLS) most recent occupational outlook shows total employment will increase by 20.5 million jobs over the years 2010 to 2020. While 88 percent of all occupations will experience growth, the fastest growth will occur in healthcare, personal care and social assistance, and construction. The most significant growth, forecasted at 5.7 million jobs, will occur in healthcare and other forms of social assistance as the American population ages. The next most substantial increase, 2.1 million jobs, will occur in professional and technical occupations: computer systems design, especially mobile technologies and management, scientific, and technical consulting. Businesses will need advice on planning and logistics; implementing new technologies; and complying with workplace safety, environmental, and employment regulations.

The BLS expects other substantial increases will occur in education, predicted to be 1.8 million jobs; retail, 1.7 million jobs; hotel/restaurants, 1 million jobs; and miscellaneous services (human resources, seasonal and temporary workers, and waste collection) at 1.6 million jobs. As housing recovers, construction will add 1.8 million jobs while other areas of manufacturing will lose jobs due to technology and outsourcing.

Furthermore, jobs requiring a master's degree are expected to grow the fastest while those that need only a high school diploma will grow the slowest. It is

expected that the currently employed as well as job seekers will desire to improve their skills in order to maintain or advance their careers.

In the State of Idaho tax revenues are up, the unemployment rate is around 3 percent, and the PERSI retirement system earned a healthy 17.4 percent return last year. In addition, the State of Idaho ranked 7th in the country in terms of financial stability. This may provide opportunities for growing appropriations to state funded universities for fiscal 2019. At the federal level the research funding environment has improved and federal financial aid funding remains steady according to Moody's. The Consumer Confidence Index is at its highest level since 2000 and other leading economic indices are all up. Expected job growth in Idaho reflects national demand with the highest expected growth being in health care, social assistance, and professional and business services.

Higher education in general and ISU specifically are in position to benefit from the high level of consumer confidence, the higher trending levels of other leading economic indices, the financial strength and stability of and low unemployment rate in the State of Idaho, anticipated job growth in health care and professional and technical occupations, as well as increased demand for advanced degrees. With its competitive pricing ISU can capitalize on its strengths in the health professions and professional and business services, increase enrollments, and generate positive net revenue to continue to serve its constituents. Specific areas of potential growth are occupational therapy, speech pathology, nursing, physician training, radiographic science, clinical psychopharmacology, dietetics, rehabilitation science, education, accounting and other business management disciplines.

Idaho State University continues to support and implement plans and initiatives that align with the Idaho State Board of Education's strategic plans, specifically related to awarding enough degrees and certificates to meet the education and forecasted workforce needs, focusing on career readiness upon graduation, and

improving the high school “go-on” rates to college. ISU’s 2018-2022 strategic plan focuses on growing enrollment, strengthening retention, and enhancing community and industry partnerships, which will uniquely position the university to leverage its unique and robust programs to meet the educational needs of the University’s service region and generate graduates well positioned to meet future workforce needs.

The audited financial statements included in this report, along with the accompanying notes to the financial statements, provide pertinent information and details related to the financial activities discussed in this analysis.

Annual Financial Statements

IDAHO STATE UNIVERSITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018 AND 2017

<i>(dollars in thousands)</i>	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 36,501	\$ 41,849
Cash with Treasurer	84,172	81,233
Investments	20,729	20,516
Student loans receivable, net	23	15
Accounts receivable and unbilled charges, less allowance for doubtful accounts of \$2,426,998 and \$2,475,164, respectively	-	-
Due from state agencies	11,651	15,190
Inventories	4,734	5,969
Prepaid expenses	180	200
	3,269	1,840
Total current assets	161,259	166,812
NONCURRENT ASSETS:		
Student loans receivable, less allowance for doubtful loans of \$567,377 and \$607,901, respectively	834	1,022
Assets held in trust	240	234
Prepaid bond insurance costs	26	29
Capital assets, net	177,003	171,692
Other long-term assets	-	65
Total noncurrent assets	178,103	173,042
TOTAL ASSETS	339,362	339,854
DEFERRED OUTFLOWS OF RESOURCES		
Deferred cost of refunding	758	854
Deferred outflows for pensions and total OPEB	5,447	7,914
Total deferred outflows of resources	6,205	8,768
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 345,567	\$ 348,622
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 5,529	\$ 3,549
Due to state agencies	749	280
Accrued salaries and benefits payable	9,687	9,077
Compensated absences payable	5,246	5,146
Deposits	341	376
Funds held in custody for others	1,144	880
Unearned revenues	9,240	7,637
Accrued interest payable	339	381
Notes and bonds payable	4,715	4,539
Total current liabilities	36,990	31,865
NONCURRENT LIABILITIES:		
Total other post-employment benefits payable (Total OPEB)	22,307	10,184
Pension liability	13,087	17,713
Notes and bonds payable	31,719	36,799
Total noncurrent liabilities	67,113	64,696
TOTAL LIABILITIES	104,103	96,561
DEFERRED INFLOWS OF RESOURCES		
Deferred cost of refunding	10	15
Deferred inflow for pensions	2,943	2,354
Total deferred inflows of resources	2,953	2,369
NET POSITION:		
Net investment in capital assets	141,343	131,221
Restricted, expendable	3,109	4,381
Unrestricted	94,059	114,090
Total net position	238,511	249,692
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 345,567	\$ 348,622

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2018 AND 2017

<i>(dollars in thousands)</i>	2018	2017
ASSETS		
Cash and cash equivalents	\$ 8,750	\$ 1,390
Promises to give, net	2,088	2,780
Life insurance cash surrender value	123	688
Inventory	685	451
Pharmacy receivables, net	198	169
Miscellaneous receivables, net	77	68
Prepaid expenses	135	126
Property and equipment, net	212	264
Goodwill, net	199	199
Donated land held for sale	1,252	1,467
Investments held under split interest agreements	2,560	2,155
Investments	60,601	54,836
TOTAL ASSETS	\$ 76,880	\$ 64,593
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 858	\$ 273
Scholarships and other payables to Idaho State University	172	192
Obligations to beneficiaries under split-interest agreements	1,161	744
Funds held in custody for others	1,210	810
Long-term debt	4,210	4,750
Total liabilities	7,611	6,769
Net Assets (Deficit)		
Unrestricted	(1,184)	(3,949)
Temporarily restricted	26,752	19,737
Permanently restricted	43,701	42,036
Total net assets	69,269	57,824
TOTAL LIABILITIES AND NET ASSETS	\$ 76,880	\$ 64,593

See Accompanying Notes to Financial Statements

Annual Financial Statements

IDAHO STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

<i>(dollars in thousands)</i>	2018	2017
OPERATING REVENUES		
Student tuition and fees (net of scholarship discounts and allowances of \$30,218 and \$27,912, respectively)	\$ 75,162	\$ 79,831
Federal grants and contracts	8,525	8,890
State and local grants and contracts	10,220	11,644
Private grants and contracts	5,922	6,496
Sales and services of educational activities	4,976	6,153
Sales and services of auxiliary enterprises	14,015	13,196
Other	4,557	3,728
Total operating revenues	123,377	129,938
OPERATING EXPENSES		
Personnel costs	169,374	165,477
Services	24,406	28,225
Supplies	16,250	15,510
Insurance, utilities and rent	6,962	7,391
Scholarships and fellowships	14,103	13,396
Depreciation	12,163	12,158
Miscellaneous	5,973	5,291
Total operating expenses	249,231	247,448
OPERATING LOSS	(125,854)	(117,510)
NONOPERATING REVENUES (EXPENSES)		
State appropriations:		
State general account - general education	77,405	76,474
Endowment income	3,610	3,610
Other state appropriations	3,485	3,093
Career technical education	12,104	12,401
Department of Public Works	6,055	4,232
Title IV grants	16,682	15,793
Gifts (including \$3,698 and \$7,076 from the Idaho State University Foundation, respectively)	4,390	7,653
Net investment income	235	126
Net Increase (decrease) investments fair value	-	-
Amortization of bond insurance costs	(3)	(5)
Bond issuance costs	-	-
Interest on capital asset related debt	(1,208)	(1,313)
(Loss) on disposal of capital assets	(196)	(99)
Net nonoperating revenues	122,559	121,965
(LOSS) INCOME BEFORE OTHER REVENUES AND EXPENSES	(3,295)	4,455
OTHER REVENUES (EXPENSES)		
Capital gifts and grants	2,730	-
Net other revenues (expenses)	2,730	-
(DECREASE) INCREASE IN NET POSITION	(565)	4,455
NET POSITION, BEGINNING OF YEAR (PREVIOUSLY REPORTED)	249,692	245,237
CUMULATIVE EFFECT OF GASB 75 IMPLEMENTATION (NOTE 2)	(10,616)	-
NET POSITION, BEGINNING OF YEAR (AS RESTATED)	239,076	245,237
NET POSITION, END OF YEAR	\$ 238,511	\$ 249,692

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

<i>(dollars in thousands)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Contributions and gifts	\$ 862	\$ 7,190	\$ 1,776	\$ 9,828
Contributed services	356	-	-	356
Interest and dividends	176	426	-	602
Net realized/unrealized gain (loss) on investments	1,249	4,091	-	5,340
Fees, charges, and miscellaneous	999	30	-	1,029
Pharmacy revenue	5,935	-	-	5,935
Less cost of goods sold	(4,959)	-	-	(4,959)
Net pharmacy charges	976	-	-	976
Net change in value of split-interest agreements and life insurance	35	(3)	66	98
Donor designated transfers	902	(824)	(78)	-
Net assets released from program restrictions	3,994	(3,895)	(99)	-
TOTAL REVENUES	9,549	7,015	1,665	18,229
EXPENSES				
Program support to Idaho State University				
Donations/transfers	891	-	-	891
Scholarships	1,742	-	-	1,742
Athletic	80	-	-	80
Department support	984	-	-	984
Support services				
Management and general	1,306	-	-	1,306
Fundraising	731	-	-	731
Pharmacy expenses	1,049	-	-	1,049
TOTAL EXPENSES	6,783	-	-	6,783
CHANGE IN NET ASSETS	2,766	7,015	1,665	11,446
NET ASSETS (Deficit), beginning of year	(3,950)	19,737	42,036	57,823
NET ASSETS (Deficit), end of year	\$ (1,184)	\$ 26,752	\$ 43,701	\$ 69,269

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

<i>(dollars in thousands)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Contributions and gifts	\$ 1,421	\$ 2,704	\$ 1,191	\$ 5,316
Contributed services	378	-	-	378
Interest and dividends	162	340	-	502
Net realized/unrealized gain (loss) on investments	648	5,157	-	5,805
Fees, charges, and miscellaneous	812	27	-	839
Pharmacy revenue	5,226	-	-	5,226
Less cost of goods sold	(4,309)	-	-	(4,309)
Net pharmacy charges	917	-	-	917
Net change in value of split-interest agreements and life insurance	71	(837)	63	(703)
Donor designated transfers	(573)	533	40	-
Net assets released from program restrictions	6,575	(6,575)	-	-
TOTAL REVENUES	10,411	1,349	1,294	13,054
EXPENSES				
Program support to Idaho State University				
Donations/transfers	1,390	-	-	1,390
Scholarships	1,911	-	-	1,911
Athletic	9	-	-	9
Department support	3,766	-	-	3,766
Support services				
Management and general	727	-	-	727
Fundraising	1,394	-	-	1,394
Pharmacy expenses	813	-	-	813
TOTAL EXPENSES	10,010	-	-	10,010
CHANGE IN NET ASSETS	401	1,349	1,294	3,044
NET ASSETS (Deficit), beginning of year	(4,351)	18,388	40,742	54,779
NET ASSETS (Deficit), end of year	\$ (3,950)	\$ 19,737	\$ 42,036	\$ 57,823

See Accompanying Notes to Financial Statements

Annual Financial Statements

IDAHO STATE UNIVERSITY STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

<i>(dollars in thousands)</i>	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Student fees	\$ 60,006	\$ 62,574
Grants and contracts	26,464	25,627
Sales and services of educational activities	7,706	6,772
Sales and services from auxiliary enterprises	13,251	14,445
Other operating revenue	4,253	3,666
Collection of loans to students	423	752
Payments to and on behalf of employees	(164,314)	(162,207)
Payments to suppliers	(50,213)	(59,214)
Payments for scholarships and fellowships	(1,604)	(1,842)
Loans issued to students	(203)	(503)
Net cash used by operating activities	(104,231)	(109,930)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	96,603	95,497
Title IV grants	16,560	15,756
Gifts	4,047	7,132
Agency receipts	20,454	25,574
Agency payments	(19,319)	(22,890)
Direct lending receipts	52,300	55,645
Direct lending payments	(53,023)	(55,238)
Net cash provided by noncapital financing activities	117,622	121,476
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(9,751)	(9,704)
Sale of capital assets	-	35
Principal paid on capital debt	(4,539)	(4,698)
Interest paid on capital debt	(1,525)	(1,703)
Net cash used by financing activities	(15,815)	(16,070)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(10,230)	(11,471)
Proceeds from sales and maturities of investments	10,232	11,471
Investment net of income and expenses	13	19
Net cash used by investing activities	15	19
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,409)	(4,505)
CASH AND CASH EQUIVALENTS--Beginning of year	123,082	127,587
CASH AND CASH EQUIVALENTS--End of year	\$ 120,673	\$ 123,082
RECONCILIATION OF NET OPERATING LOSS TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Operating Loss	\$ (125,853)	\$ (117,510)
Adjustments to reconcile net operating loss to net cash used by operating activities		
Depreciation	12,163	12,158
Maintenance costs paid by Department of Public Works and other	1,570	1,526
Change in assets and liabilities		
Accounts receivable, net	4,720	(4,267)
Prepaid expenses	(1,429)	236
Student loans receivable, net	180	209
Inventory	20	36
Accounts payable and accrued liabilities	2,110	(2,324)
Accrued salaries and benefits payable	2,199	(664)
Deposits	16	(12)
Unearned revenue	1,584	762
Noncurrent assets	59	(1)
Pension liability, deferred inflows and outflows (pensions & opeb)	(1,570)	(79)
Net cash used in operating activities	\$ (104,231)	\$ (109,930)
NONCASH CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital assets acquired as a gift	\$ 2,731	\$ -

IDAHO STATE UNIVERSITY

Notes to Financial Statements

Years Ended June 30, 2018 And 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Idaho State University (the University) is part of the public system of higher education in the State of Idaho (the State). The system is considered part of the State of Idaho financial reporting entity. The State Board of Education (SBOE), appointed by the Governor and affirmed by the legislature, directs the system. The University is headquartered in Pocatello, Idaho with satellite campuses in Idaho Falls, Meridian, and Twin Falls, Idaho. Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

The financial reporting entity is reported as Idaho State University in the financial statements. The reporting entity also includes the Idaho State University Foundation, Inc. (the Foundation), which is reported as a discrete component unit in the financial statements. The Foundation was established to provide support for private fundraising efforts of the University and to manage privately donated funds. The Foundation is considered a component unit of the University as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - and amendment of GASB Statements No. 14 and No. 34*. Additional detail and discussion related to the Foundation can be found in Note 16 of this report.

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. 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.

Cash Equivalents

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

Cash with Treasurer

Balances classified as Cash with Treasurer are amounts that are required to be 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. Interest accruing on the balance is maintained in a separate fund and must be appropriated by the legislature before any expenditure can occur.

Investments

The University accounts for its investments at fair value. Investment income is recorded on the accrual basis. Changes in unrealized gains and losses on the carrying value of investments are reported as a component of net investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Student Loans Receivable

Loans receivable from students bear interest at rates ranging from 3.00% to 5.00% and are generally payable to the University in installments over a 0.83 to 10 year period, commencing 6 or 9 months after the date of separation from the University.

Accounts Receivable

Accounts receivable consist of fees charged to students as well as auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Idaho. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

Inventories, consisting primarily of items held by University Stores, are valued at the lower of first-in, first-out ("FIFO") cost or market.

Capital Assets

Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at date of the gift. The University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. 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. Library books and subscriptions with perpetual access are capitalized. 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.

The University houses collections at the Idaho Museum of Natural History that it does not capitalize. 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. The University charges these collections to operations at the time of purchase, in accordance with Generally Accepted Accounting Principles.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 12 to 25 years for land improvements, 10 years for library books, and 5 to 13 years for equipment. Depreciation is not applied to land or construction in progress.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that apply to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Unearned Revenues

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

Compensated Absences

Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. Amounts included in accrued salaries and benefits payable in the Statement of Net Position are \$5,245,803 and \$5,146,415 at June 30, 2018 and 2017, respectively.

Noncurrent Liabilities

Noncurrent liabilities include the principal portions of revenue bonds payable, notes payable with contractual maturities greater than one year, and other post-employment benefits payable.

Net Position

Net position is identified as the residual of all elements presented in the Statement of Net Position. The University's net position is classified as follows:

Net Investment in Capital Assets – 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 includes resources, which the University is legally or contractually obligated to use in accordance with restrictions imposed by external third parties.

Unrestricted – Unrestricted includes resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the University, and may be used at the discretion of the

institution 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, restricted resources are generally applied first.

Income and Unrelated Business Income Taxes

The University, as a political subdivision of the State of Idaho, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated business income tax expense in the fiscal years ended June 30, 2018 or 2017.

Classification of Revenues

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

Operating Revenues – Operating revenues include activities that have the 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 and federal appropriations, and (4) interest on institutional student loans.

Nonoperating Revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as gifts and contributions, and other revenue resources defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

and GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

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

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to or deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total Other Post-Employment Benefits

The State of Idaho administers post-employment benefits for healthcare, disability, and life insurance for retired or disabled employees of State agencies. For purposes of measuring the total OPEB liability and total OPEB expense, information about the net position of

the State of Idaho Plan (State Plan) and additions to or deductions from the plan's net position have been determined on the same basis as they are reported by the State Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms, these benefits are funded on a pay-as-you-go basis.

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.

Accounting Standards Implemented

The University is required to implement the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75 or The Statement). GASB 75 is effective for the fiscal year ending June 30, 2018. GASB 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post Employment Benefits (OPEB). The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

2018

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

2. RESTATEMENT OF NET POSITION

GASB 75 is effective for financial statement periods beginning after June 15, 2017, with the effects of accounting changes to be applied retroactively by restating the financial statements. The Statement requires the University to record its proportionate share of the Other Post Employment Benefits.

The University adopted this new pronouncement in the current year. It is not practical for the Public Employee Retirement System of Idaho (PERSI) to determine the amounts of all deferred inflows of resources and deferred outflows of resources related to OPEB as of the beginning of the plan year. As a result, the prior year has not been restated for deferred inflows of resources, deferred outflows of resources, total OPEB liability and total OPEB expense. Since the restatement of the prior year is not practical, the cumulative effect of applying this Statement is reported as a restatement of beginning net position as of June 30, 2017.

Net Position Restated – The cumulative effect of implementing GASB 75 decreases the net position end of year for June 30, 2017, by \$10,616,389 from \$249,691,605 to \$239,075,216.

Total Other Post-Employment Benefits GASB 75 Implementation Restatements	June 30, 2017 (Previously Reported)	Cumulative Effect of GASB 75 Implementation	June 30, 2017 (As Restated)
Total OPEB Liability	(\$10,184)	(\$11,389)	(\$21,573)
Deferred Outflows of Resources	-	838	838
OPEB Asset	65	(65)	-
Total	(\$10,119)	(\$10,616)	(\$20,735)
Net Position			
Net Investment in Capital Assets	\$131,221	-	\$131,221
Restricted, expendable	4,381	-	4,381
Unrestricted	114,090	(10,616)	103,474
Total Net Position	\$249,692	(\$10,616)	\$239,076

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

Cash with Treasurer, Cash and Cash Equivalents, and Other Deposits

Cash with Treasurer is under the custody of the Idaho State Treasurer and is recorded at fair value, which approximates cost. The University's deposits are maintained in commercial checking accounts which, as of June 30, 2018, have insurance coverage up to \$250,000 through the Federal Deposit Insurance Corporation (FDIC). At June 30, 2018 and 2017, total deposits consisted of the following:

(dollars in thousands)	2018	2017
Cash	\$ 40,884	\$ 47,537
Cash equity with the State Treasurer	84,172	81,233
Total Deposits	\$ 125,056	\$ 128,770

The deposit amounts subject to custodial credit risk at June 30, 2018 and 2017 consisted of the following:

**Basis of Custodial Credit Risk
As of June 30**

<i>(dollars in thousands)</i>	2018	2017
Insured	\$ 250	\$ 250
Uncollateralized	-	-
Collateralized by securities held by the pledging financial institution	40,634	47,287
Total Deposits	\$ 40,884	\$ 47,537

At June 30, 2018 and 2017, the University had \$113,241 and \$181,766, respectively, of cash on hand in various change funds. The carrying amount of the University's cash and cash equivalents at June 30, 2018 and 2017, was \$120,672,339 and \$123,082,430, respectively. The net difference between deposits and the carrying amount of cash and cash equivalents is a reflection of deposits in transit, outstanding checks, and investment of the daily float.

Investments

The general investment policy of the University as adopted by the State Board of Education outlines that investments in securities are to be made with the objective of maximizing long-term total return, ensuring safety of principal, and providing satisfactory current income. Investments generally include direct obligations of the U.S. government and its agencies, municipal and corporate bonds, mortgage-backed securities, mutual funds, and certificates of deposit. These securities are recorded at fair value in the Statement of Net Position. Investment income, including change in fair value of investments, is recognized as revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

Investments Measured at Fair Value

Fair Value is described as an exit price. Fair value measurements assume a transaction takes place in a

government's principal market or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value does not take into consideration transaction costs. The following tables classify the fair value of the University's investments at June 30, 2018 and 2017, respectively:

Fair Value Measurements Using				
<i>(dollars in thousands)</i>	Quoted Prices in Active Markets for Identical Assets			
	June 30, 2018	(Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Certificates of deposit	\$ 3,188	\$ -	\$ 3,188	\$ -
Debt securities				
Fixed income - Government Bonds	10,777	-	10,777	-
Fixed income - Corporate Bonds	6,764	-	6,764	-
Total debt securities	17,541	-	17,541	-
Total investments by fair value	\$ 20,729	\$ -	\$ 20,729	\$ -

Fair Value Measurements Using				
<i>(dollars in thousands)</i>	Quoted Prices in Active Markets for Identical Assets			
	June 30, 2017	(Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Certificates of deposit	\$ 3,239	\$ -	\$ 3,239	\$ -
Debt securities				
Fixed income - Government Bonds	16,981	-	16,981	-
Fixed income - Corporate Bonds	296	-	296	-
Total debt securities	17,277	-	17,277	-
Total investments by fair value	\$ 20,516	\$ -	\$ 20,516	\$ -

Certificates of deposit and debt securities classified in Level 2 of the fair value hierarchy are valued using a variety of pricing techniques, including but not limited to fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price. The University does not hold any securities that would be classified as Level 1, quoted in active markets, or Level 3, significant unobservable inputs, for fair value measurement.

The following table represents the fair value of investments by type and interest rate risk at June 30, 2018 and 2017, respectively:

Notes to the Financial Statements

(dollars in thousands)		Investment Maturities			
Fiscal Year	University Investments	Fair Value	1-3 years	3-5 years	5+ years
2018	Fixed Income - CD	\$ 3,188	\$ 3,188	\$ -	\$ -
2018	Fixed Income - Corporate Bonds	6,764	6,764	-	-
2018	Fixed Income - Government Bonds	10,777	9,369	1,408	-
		\$ 20,729	\$ 19,321	\$ 1,408	\$ -
2017	Fixed Income - CD	\$ 3,239	\$ 2,236	\$ 1,002	\$ -
2017	Fixed Income - Corporate Bonds	296	296	-	-
2017	Fixed Income - Government Bonds	16,981	7,758	7,804	1,418
		\$ 20,516	\$ 10,290	\$ 8,806	\$ 1,418

Credit Risk

Credit risk is the risk the issuer or other counterparty to an investment will not fulfill its obligation, causing the University to experience a loss of principal, or that negative perceptions of the issuer's ability to make these payments will cause prices to decline. The University does not presently have a formal policy that addresses credit risk.

Fixed income investment ratings as of June 30, 2018, are presented below using credit risk ratings issued upon standards set by Moody's Investors Service. 'Aaa' rated obligations are judged to be of the highest quality, with minimal credit risk. 'Aa' rated obligations are judged to be of high quality and are subject to very low credit risk. 'A' rated obligations are considered upper-medium grade and are subject to low credit risk. Issuers rated 'NP' or 'Not Prime' do not fall within any of the prime rating categories.

(dollars in thousands)		Credit Rating					
Fiscal Year	University Investments	Fair Value	Aaa	Aa	A	NP	Unrated
2018	Fixed Income - CD	\$ 3,188	\$ 180	\$ -	\$ 1,503	\$ 250	\$ 1,255
2018	Fixed Income - Corporate Bonds	6,764	999	783	4,982	-	-
		\$ 9,952	\$ 1,179	\$ 783	\$ 6,485	\$ 250	\$ 1,255

Credit risk disclosed for Fixed Income – Government Bonds is related to the mutual funds' underlying assets. The mutual fund typically holds most of its exposure in mortgage-backed securities, including collateralized mortgage obligations, issued or guaranteed by U.S. Government agencies or government-sponsored entities. In addition, it targets maintaining an average credit quality rating that is equivalent to the highest rating available from a Nationally Recognized Statistical Rating Organization. According to GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Concentration of Credit Risk

Concentration of credit risk is defined per GASB Statement No. 40 as the risk of loss attributed to the magnitude of an investment in a single issuer other than the federal government. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. At present, the University does not have a formal policy that addresses concentration of risk. As of June 30, 2018 and June 30, 2017, the University has the following concentration of credit risk:

Investment Securities Subject to Concentration of Credit Risk				
(dollars in thousands)	At June 30, 2018		At June 30, 2017	
	Total Fair Value	Percentage of Total Investments	Total Fair Value	Percentage of Total Investments
Federal National Mortgage Association (FNMA)	\$ 2,029	9.79%	\$ 2,388	11.64%
Federal Home Loan Mortgage Corporation (FGLMC)	4,314	20.81%	4,163	20.29%
Total	\$ 6,343	30.60%	\$ 6,551	31.93%

Custodial Credit Risk

Custodial credit risk for investments is defined as the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of its investments that are in the possession of an outside party. The University does not have a policy that specifically addresses custodial credit risk. As of June 30, 2018, all investments were held by the University or its counterparty in the University's name.

Interest Rate Risk

Interest rate risk is the risk the value of fixed income securities will decline because of a change in interest rates. Currently, the University does not have a formal policy that addresses interest rate risk. Interest rate risk disclosed for Fixed Income – Government Bonds is related to the mutual funds' underlying assets.

Foreign Currency Risk

The University does not presently have a policy that addresses foreign currency risk. As of June 30, 2018, all investments held by the University were denominated in U.S. Dollars; therefore, no foreign currency risk needs to be considered at this time.

4. ACCOUNTS RECEIVABLE AND DUE FROM STATE AGENCIES

Accounts receivable and due from state agencies consisted of the following at June 30:

<i>(dollars in thousands)</i>	2018	2017
Accounts receivable	\$14,078	\$17,665
Less allowance for doubtful accounts	(2,427)	(2,475)
	11,651	15,190
Due from state agencies	4,734	5,969
Net accounts receivable and Due from state	\$16,385	\$21,159

5. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the Program) comprise substantially all of the loans receivable at June 30, 2018 and 2017. Under the Program, the federal government provides approximately 75% of the funding for the Program, with the University providing the balance. The Program provides cancellation provisions for borrowers engaging in teaching, public service, service in the military or law enforcement, as well as other disciplines. The Department of Education reimburses the University each year for the principal and interest canceled in its Perkins Loan Fund for all of the cancellation provisions except death, total and permanent disability, and bankruptcy. The University must deposit this reimbursement into its Perkins loan fund. In the event the University should withdraw from the Program or the government were to cancel the Program, the amount the University would be liable for as of June 30, 2018 and 2017, is \$1,315,999 and \$1,705,292, respectively.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2018 and 2017, the allowance for uncollectible loans was \$567,377 and \$607,901, respectively.

6. CAPITAL ASSETS

Capital Assets at June 30, 2018 and 2017, consisted of the following:

	Balance				Balance				Balance
(dollars in thousands)	June 30, 2016	Additions	Transfer Completed Assets	Retirements	June 30, 2017	Additions	Transfer Completed Assets	Retirements	June 30, 2018
Non-depreciable Capital Assets									
Land	\$ 5,013	\$ -	\$ -	\$ -	\$ 5,013	\$ 1	\$ -	\$ (2)	\$ 5,012
Construction in progress	2,862	2,098	(85)	-	4,875	3,730	(4,436)	-	4,169
Total Non-depreciable Capital Assets	7,875	2,098	(85)	-	9,888	3,731	(4,436)	(2)	9,181
Depreciable Capital Assets									
Buildings and improvements	249,490	3,425	85	(22)	252,978	5,850	4,436	-	263,264
Intangibles	2,215	-	-	-	2,215	-	-	-	2,215
Furniture, fixtures and equipment	55,435	3,611	-	(3,376)	55,670	5,717	-	(2,152)	59,235
Library materials	59,852	2,356	-	-	62,208	2,371	-	-	64,579
Total Depreciable Capital Assets	366,992	9,392	85	(3,398)	373,071	13,938	4,436	(2,152)	389,293
Less accumulated depreciation and amortization:									
Buildings and improvements	(110,933)	(5,991)	-	23	(116,901)	(6,004)	-	-	(122,905)
Intangibles	(831)	(111)	-	-	(942)	(110)	-	-	(1,052)
Furniture, fixtures and equipment	(41,125)	(3,620)	-	3,242	(41,503)	(3,645)	-	1,959	(43,189)
Library materials	(49,485)	(2,437)	-	-	(51,922)	(2,403)	-	-	(54,325)
Total accumulated depreciation and amortization	(202,374)	(12,159)	-	3,265	(211,268)	(12,162)	-	1,959	(221,471)
Total Depreciable Capital Assets, Net	164,618	(2,767)	85	(133)	161,803	1,776	4,436	(193)	167,822
Capital Assets Summary									
Non-depreciable Capital Assets	7,875	2,098	(85)	-	9,888	3,731	(4,436)	(2)	9,181
Depreciable Capital Assets	366,992	9,392	85	(3,398)	373,071	13,938	4,436	(2,152)	389,293
Capital assets	374,867	11,490	-	(3,398)	382,959	17,669	-	(2,154)	398,474
Less accumulated depreciation and amortization	(202,374)	(12,159)	-	3,265	(211,268)	(12,162)	-	1,959	(221,471)
Capital assets, net	\$ 172,493	\$ (669)	\$ -	\$ (133)	\$ 171,691	\$ 5,507	\$ -	\$ (195)	\$ 177,003

The Performing Arts Center was constructed by the Foundation with contributions and the proceeds from the Foundation's Multi-Mode Variable Rate Revenue Bond, issued in 2001. The facility was constructed on land leased by the Foundation from the University for \$1 a year for a 20 year term. The land and improvements were, in turn, leased back to the University for \$1 a year for 20 years, with a provision that title to the improvements transfers to the University at the earlier of the end of the lease or retirement of the bonds. A security interest in the land and improvements is held through a Deed of Trust issued by the Foundation to Wells Fargo Bank, N.A. The excess of the fair value of the improvements (i.e., cost) over the gross rents payable by the University were recorded as an asset of the University in recognition of the permanent transfer of rights of use to the University for only nominal consideration.

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2018, is \$10,266,702. These costs will be financed by available resources of Idaho State University.

7. UNEARNED REVENUES

Unearned revenues consist of the following at June 30:

<i>(dollars in thousands)</i>	2018	2017
Student Fees	\$ 4,452	\$ 4,474
Auxiliary enterprises and other	3,676	2,404
Grants and contracts	1,049	693
Other ticket sales	63	66
Total Unearned Revenue	\$ 9,240	\$ 7,637

8. NONCURRENT LIABILITIES

Notes and bonds payable, which were used to acquire capital assets, consisted of the following at June 30:

<i>(dollars in thousands)</i>	Balance			Balance			Balance		Amounts
Description	Outstanding	Additions	Reductions	Outstanding	Additions	Reductions	Outstanding	Due Within	
	6/30/2016			6/30/2017			6/30/2018	One Year	
Note payable to a financial institution due in semi-annual installments varying from maximum of \$2,993,916 to \$16,696 plus interest of 5.08% through 09/01/2016	340	-	(340)	-	-	-	-	-	
General Revenue Bonds, Series 2004C (original balance of \$2.305,000), consisting of term bonds payable in annual amounts increasing periodically from \$95,000 to a maximum of \$190,000, plus interest of 4.880% through the year 2022. All bonds are collateralized by certain student fees and other revenues.	1,005	-	(155)	850	-	(165)	685	170	
General Revenue Bonds, Series 2006 (original balance of \$10,000,000), consisting of term bonds payable in annual amounts increasing periodically from \$320,000 to a maximum of \$805,000, plus interest of 5.260% through the year 2028. All bonds are collateralized by certain student fees and other revenues.	7,385	-	(455)	6,930	-	(480)	6,450	505	
General Revenue Bonds, Series 2007 (original balance of \$16,120,000), consisting of term bonds payable in annual amounts increasing periodically from \$270,000 to a maximum of \$1,055,000, plus interest from 3.90% to 5.00% through the year 2032. All bonds are collateralized by certain student fees and other revenues.	670	-	(670)	-	-	-	-	-	
General Revenue Refunding Bonds, Series 2012 (original balance of \$27,530,000), consisting of serial bonds payable in annual amounts increasing periodically from \$965,000 to a maximum of \$3,470,000, plus interest from 2.00% to 4.00% through the year 2023. All bonds are collateralized by certain student fees and other revenues.	20,665	-	(2,725)	17,940	-	(2,835)	15,105	2,960	
General Revenue Refunding Bonds, Series 2013 (original balance of \$3,810,000), consisting of serial bonds payable in annual amounts from \$334,000 to a maximum of \$1,669,000, plus interest from 2.25% to 2.75% through the year 2020. All bonds are collateralized by certain student fees and other revenues.	1,466	-	(352)	1,114	-	(364)	750	370	
General Revenue Refunding Bonds, Series 2016 (original balance of \$12,780,000), consisting of serial bonds payable in annual amounts from \$300,000 to a maximum of \$1,250,000, plus interest from 2.00% to 5.00% through the year 2034. All bonds are collateralized by certain student fees and other revenues.	12,780	-	-	12,780	-	(695)	12,085	710	
	44,311	-	(4,697)	39,614	-	(4,539)	35,075	4,715	
Premium on bonds	2,202	-	(439)	1,763	-	(368)	1,395	-	
Discount on bonds	(42)	-	3	(39)	-	3	(36)	-	
Totals	\$ 46,471	\$ -	\$ (5,133)	\$ 41,338	\$ -	\$ (4,904)	\$ 36,434	\$ 4,715	

Advance Refunding of Debt – Series 2016 Bonds

On April 7, 2016, General Revenue Refunding Bonds, Series 2016, were issued by the University to refund 2004B and 2007 series bonds to achieve debt service savings and to pay the costs of issuance of the Series 2016 Bonds. The Series 2016 Bonds were issued in the aggregate principal amount of \$12,780,000 and bear interest from the date of issuance of 2% to 5% payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2016.

The University completed the advance refunding to reduce its total debt service payments over the next 18 years by \$2.3 million and to obtain an economic gain of \$1.9 million (difference between the present values, on the bonds issuance date, of the prior and refunding debt service payments).

Principal and interest maturities on notes and bonds payable in future periods for the year ending June 30, 2018, are as follows:

(dollars in thousands)	Bonds	
	Principal	Interest
2019	\$ 4,715	\$ 1,355
2020	4,325	1,214
2021	4,530	1,063
2022	4,690	903
2023	4,925	730
2024-2028	8,880	1,685
2029-2033	2,700	292
2034	310	9
	\$ 35,075	\$ 7,251

Pledged Revenue — Current outstanding issuances are 2004C, 2006, 2007, 2012, 2013, and 2016. The University has pledged certain revenues as collateral for these bonds. The pledged revenue amounts as of June 30 are as follows:

(dollars in thousands)	2018	2017
Student Facility Fee Revenue Bonds Series 2004C, 2006, 2007, 2012, 2013, and 2016		
Pledged Revenues		
Student fees	\$ 49,615	\$ 50,174
Student facilities fee	3,595	3,714
Revenue of student housing system	6,552	6,089
CAES lease payment	850	850
	\$ 60,612	\$ 60,827
Debt service	\$ 6,064	\$ 6,051
Debt service coverage	10.0	10.1
Coverage requirement	1.1	1.1

As indicated, the student facilities fee is pledged for Series 2004C, Series 2006, Series 2007, Series 2012, Series 2013, and Series 2016 bonds. The Revenue of the Housing System is pledged for the Series 2012, 2013, and 2016 bonds and the Center for Advanced Energy Studies (CAES) lease payments are pledged for Series 2006 bonds.

9. LEASES

The University is a lessor in a ground lease agreement with Portneuf Medical Center (lessee) that expires on May 31, 2032. The lease allowed for the construction of a sports medicine facility (the Facility) on the premises, which was completed in September 1994. The lessee pays rent of \$1 per year for the ground lease, payable on the date of the execution of the lease and annually thereafter on the anniversary date of such execution.

The University leases a weight/training room and associated common areas from Portneuf Medical Center (lessor). This lease has an expiration date of May 31, 2032. Rent for the weight/training room portion of the lease is \$1 per year. Rent for shared use of the common areas is \$14,000 per year. Rents for the initial term and renewal term are payable on the date of

the execution of the lease and annually thereafter on the anniversary date of such execution. Upon expiration of the lease term, the Facility shall become the property of the University.

ISU leases building and office facilities under various noncancelable operating leases. Total costs for such leases were \$365,515 and \$341,510 for the years ended June 30, 2018 and 2017, respectively.

Future minimum lease payments at June 30, 2018, for all leases are as follows:

(dollars in thousands)

Fiscal Years	Payments
2019	\$ 423
2020	367
2021	346
2022-2026	1,625
2027-2031	1,421
2032-2036	1,467
Totals	\$ 5,649

In 2006, Idaho State University entered into a lease agreement with Battelle Energy Alliance, LLC for facilities located in the CAES facility. The lease commenced September 2009, and extends through March 5, 2028.

Future minimum rental income on this operating lease is as follows:

(dollars in thousands)

Fiscal Years	Income
2019	850
2020	850
2021	850
2022	850
2023-2027	4,251
2028	638
Totals	\$ 8,289

Battelle Energy Alliance, LLC makes all lease payments directly to the trustee. Rental income is restricted and is to be used solely for debt service on the 2006 Revenue bonds; the proceeds were used to construct the facility. As of June 30, 2018, the book value of the building is \$14,348,069, which is net of accumulated depreciation of \$3,352,780.

10. OPTIONAL RETIREMENT PLANS AND TERMINATION PAYMENTS

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 professional employees. The ORP is governed by Idaho Code, Sections 33-107A and 33-107B. The employee contribution requirement for the ORP is based on a percentage of the total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by, and may be amended by, the State of Idaho.

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

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

Contributions required and paid are as follows:

<i>(dollars in thousands)</i>	2018	2017	2016
University contributions required and paid	\$ 7,100	\$ 7,130	\$ 6,373
Employee contributions	5,348	5,369	4,800
Total Contribution	\$ 12,448	\$ 12,499	\$ 11,173
University required contribution rate	9.24%	9.26%	9.24%
Employee contribution rate	6.96%	6.97%	6.96%

Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute a percentage of the annual covered payroll to PERSI. Effective July 1, 2007, the percentage was changed from 3.03% to 1.49%, allowing the difference of 1.54% to be used to increase the University's contribution to ORP retirement accounts. In addition, the payoff period of the unfunded liability obligation was extended from July 1, 2015, to July 1, 2025. During the years ended June 30, 2018 and 2017, supplemental funding payments to PERSI were \$1,146,650 and \$1,150,402, respectively. These amounts are not included in the regular University PERSI contribution discussed previously.

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

401(k) – PERSI Choice Plan (PCP):

This is only available to active PERSI members. The Choice Plan contains employee gain-sharing distributions, any voluntary employee contributions made, and the earnings on those funds. Approximately 91 employees contributed to this plan during the fiscal year ended June 30, 2018.

457(b) – Deferred Compensation Plan:

The 457(b) is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All University employees are eligible to

participate in this plan. The plan is funded exclusively through employee pre-tax contributions. Approximately 49 employees contributed to this plan during the fiscal year ended June 30, 2018.

403(b) Plan:

The 403(b) is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively by employee pre-tax contributions. Approximately 175 employees contributed to this plan during the fiscal year ended June 30, 2018.

Roth 403(b) Plan:

The Roth 403(b) is a voluntary retirement savings plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively by employee post-tax contributions. Approximately 27 employees contributed to this plan during the fiscal year ended June 30, 2018.

Supplemental Retirement 403(b) Plan:

The Supplemental 403(b) plan was established by the Idaho State Board of Education as of June 23, 2011, for the benefit of a limited group of participants from the state's higher education institutions. The plan is funded by contributions from the employees and the respective institutions, as set forth in Appendix A to the Plan document and as administered by the Idaho State Board of Education.

Supplemental Retirement Plan Contributions for the fiscal year ended June 30, 2018, are as follows:

Supplemental Contributions:

<i>(dollars in thousands)</i>	401(k) - PCP	403(b)	457(b)	Roth 403(b)	Supplemental 403(b)
Employee contributions	\$ 316	\$ 1,246	\$ 520	\$ 117	\$ 7
University contributions	N/A	N/A	N/A	N/A	10

Termination Payments – Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of their unused sick leave to continue their medical insurance coverage through the University. The University partially funds these obligations by depositing 0.65% of employee gross payroll to PERSI, who administers the plan for all participating ISU employees and retirees under a trust fund. The total contributions for the years ended June 30, 2018 and 2017, were \$658,800 and \$670,714, respectively.

II. PENSION PLAN

Plan Description

The University contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board. Changes to the Base Plan benefit structure may only be authorized by the State of Idaho Legislature.

Employee membership data related to the PERSI Base Plan, as of June 30, 2017, was as follows:

Retirees and beneficiaries currently receiving benefits	45,468
Terminated employees entitled to but not yet receiving benefits	12,669
Active plan members	70,073
Total	128,210

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits upon reaching five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon reaching attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from

investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by State statute at 60% of the employer rate. As of June 30, 2017, it was 6.79% for general employees. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees. The University's contributions were \$2,745,502 for the year ended June 30, 2018, and \$2,927,405 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the University reported a liability of \$13,087,288 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017 and 2016, the University's proportion was 0.83 and 0.87 percent, respectively. Since the prior measurement date, the University's proportion of the collective net pension liability increased by 0.04 percent.

For the year ended June 30, 2018, the University recognized pension expense of \$1,822,052.

At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>(dollars in thousands)</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes for the Year		
Differences between expected and actual experience	\$ 1,813	\$ (586)
Changes in assumptions or other inputs	(3,079)	-
Net difference between projected and actual earnings on pension plan investments	(4,593)	784
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	391
Total Changes (prior to post-measurement date contributions)	(5,859)	589
Beginning Balance, June 30 2017	7,914	2,354
Ending Balance, June 30, 2018 before subsequent contributions	\$ 2,055	\$ 2,943
University contributions subsequent to the measurement date	2,746	-
Total Changes	(3,113)	589
Ending Balance, June 30, 2018	\$ 4,801	\$ 2,943

Deferred outflows of resources amounting to \$2,745,502 and related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

The amortization period is based on the remaining expected service lives of all employees that are provided with pensions through the System determined at the beginning of the measurement period. The amortization period was calculated at 4.9 years. The amortization of the net difference between projected and actual investment earnings on pension plan investments is amortized over a closed 5-year period inclusive of this fiscal year. The amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

(dollars in thousands)

Years ended June 30:	Pension Expense (Revenue) due to Amortizations
2019	(\$1,004)
2020	\$937
2021	\$80
2022	(\$901)
	(\$888)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10%
Salary inflation	3.75%
Investment rate of return	7.10%, net
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the

expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach, which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Capital Market Assumptions

Asset Class	Expected Return*	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50%-65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income	3.05%	3.75%	30%	23%-33%
Cash	2.25%	0.90%	0%	0%-5%

Total Fund	Expected Return*	Expected Inflation	Expected Real Return	Expected Risk
Actuary	7.00%	3.25%	3.75%	NA
Portfolio	6.58%	2.25%	4.33%	12.67%

*Expected arithmetic return net of fees and expenses

Data provided by Callan Associates 2015

Actuarial Assumptions

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.08%
Portfolio Long-Term Expected Geometric Rate	7.50%
Assumed Investment Expenses	0.40%
Return, Net of Investment	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

(dollars in thousands)	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 30,418	\$ 13,087	\$ (1,315)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

Payables to the pension plan

At June 30, 2018, the University reported payables to the defined benefit pension plan of \$179,068 for legally required employer contributions and no payables to report for legally required employee contributions, which had been withheld from employee wages but not yet remitted to PERSI.

12. 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 67-5768 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of July 1, 2016. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be

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

Plan Descriptions and Funding Policy

Retiree Healthcare Plan – A retired employee of the University who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themselves and eligible dependents. Employees must enroll within 60 days of the date the active employee policy ends. Additionally, the employee must be receiving PERSI monthly benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from State service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The maximum benefit is \$1,860 per retiree per year. The University contributed \$16 per active employee per month towards the retiree premium cost.

Long-Term Disability Plan – Disabled employees are defined as persons 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 percent 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 percent of their monthly salary, the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the longer of 26 continuous weeks of total disability or exhaustion of accrued sick leave must be met.

For up to 30 months following the date of disability, an employee may continue healthcare coverage under the State plan. The University pays 100 percent of the University's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University was charged \$10.53 per active employee per month in fiscal year 2018.

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 percent 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, employment rehabilitation earnings, and certain retirement benefits. The State is self-insured for employees who became disabled prior to July 1, 2003; the State pays 100 percent of the cost of this benefit. The amount of the contribution is based on active claims and the number of insured individuals.

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The University pays 100 percent of the cost of the premiums. The University's contribution rate for the period was 0.26 percent of payroll. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

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

life insurance benefit for dependent children. These benefits do not increase with inflation. The State is self-insured for employees who became disabled prior to July 1, 2012. The State pays 100 percent of the cost; the contribution is actuarially determined based on actual claims experience.

Principal Life Insurance Company insures employees disabled on or after July 1, 2012, and the obligation for the payment of basic life and dependent life coverage benefits has been effectively transferred. The University pays 100 percent of the premiums. This portion of the basic life insurance and dependent life coverage is not included in the actuarial estimate as this is considered an insured benefit.

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

Summary of Significant Accounting Policies

The financial statements of OPEB plans are reported using the accrual basis of accounting. Contributions are recorded when earned and expenses, including benefits and refunds paid, are recorded when a liability is incurred, regardless of the timing of cash flows.

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2016, and rolled forward to June 30, 2017 for the Retiree Healthcare, Long-Term Disability and Retiree Life Insurance plans. There have been no significant

changes between the valuation date and the fiscal year end.

The total OPEB liability as of June 30, 2017 was based on the 2016 PERSI Experience study for demographic assumptions and the July 1, 2016 OPEB Valuation for the economic and OPEB specific assumptions.

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

	Retiree	Long-Term Disability Plan				Life Insurance Plan
	Healthcare Plan	Healthcare	Life Insurance	Income		
Inflation	2.50%	2.50%	2.50%	2.50%		2.50%
Salary Increases	3.00% general wage growth plus increases due to promotions and longevity	3.00% general wage growth plus increases due to promotions and longevity	3.00% general wage growth plus increases due to promotions and longevity	3.00% general wage growth plus increases due to promotions and longevity		3.00% general wage growth plus increases due to promotions and longevity
Discount Rate	3.58%	3.58%	3.58%	3.58%		3.58%
Healthcare Cost Trend Rates	9.90% claims and 3.80% premiums from year ending June 30, 2017 to year ending June 30, 2018, grading to an ultimate rate of 4.20% for 2096 and later years	9.90% claims and 3.80% premiums from year ending June 30, 2017 to year ending June 30, 2018, grading to an ultimate rate of 4.20% for 2096 and later years	NA	NA		NA
Retirees' Share of Benefit-Related Costs	73.70% of projected health insurance premiums for retirees	NA	NA	NA		NA

Mortality Rates

Mortality Rates for the plans were based on the RP-2000 Mortality for Employees, healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments. Mortality rates for the Long-term Disability Income plan were based on the 2012 Group Long-Term Disability Valuation Table.

Discount Rate

The actuary used a discount rate of 3.58 percent to measure the total OPEB liability. The discount rate was based on 20-year Bond Buyer Go Index.

Total Other Post-Employment Benefit (OPEB) Liability, Expense and Deferrals

The total OPEB liability components of the measurement date of June 30, 2017 (Beginning Balances) and changes in OPEB liability for the fiscal year ended June 30, 2018 (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
Beginning Balance, June 30, 2017	\$ (3,014)	\$ (309)	\$ (281)	\$ (200)	\$ (17,770)	\$(21,573)
Changes for the Year						
Service Cost	(116)	(18)			(652)	(787)
Interest on Total OPEB Liability	(107)	(9)	(9)	(7)	(653)	(785)
Plan Changes						-
Economic/Demographic Gains (Losses)						-
Assumption Changes						-
Expected Benefit Pmts	262	139	52	34	351	838
Net Changes	38	112	43	27	(954)	(734)
Ending Balance, June 30, 2018	\$ (2,976)	\$ (197)	\$ (238)	\$ (172)	\$ (18,724)	\$(22,307)

OPEB expense and deferrals for the year ended June 30, 2018 (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
OPEB Expense	\$ 224	\$ 28	\$ 9	\$ 7	\$ 1,305	\$1,572

Increase (Decrease)							
(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total	
		Healthcare	Life Insurance	Income			
Deferred Outflows							
Beginning Balance, June 30, 2017	\$ 262	\$ 139	\$ 52	\$ 34	\$ 351	\$838	
Changes for the Year							
Prior year contributions subsequent to the measurement date	(262)	(139)	(52)	(34)	(351)	(838)	
Difference between Expected & Actual Experience	-	-	-	-	-	-	
Changes of Assumptions	-	-	-	-	-	-	
Benefit Payments Subsequent to the Measurement Date	90	115	202	28	211	647	
Ending Balance, June 30, 2018	\$ 90	\$ 115	\$ 202	\$ 29	\$ 211	\$647	
Deferred Inflows							
Beginning Balance, June 30, 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Changes for the Year							
Difference between Expected & Actual Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Changes of Assumptions	-	-	-	-	-	-	
Benefit Payments Subsequent to the Measurement Date	-	-	-	-	-	-	
Ending Balance, June 30, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense (revenue) as follows (dollars in thousands):

Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Discount Rate Sensitivity

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability calculated using the discount rate of 3.58 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower

(2.58%) or 1 percent higher (4.58%) than the current rate (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% Decrease (2.58%)	\$ 3,157	\$ 203	\$ 250	\$ 180	\$ 22,931	\$26,721
Discount Rate (3.58%)	2,976	197	238	172	18,724	22,307
1% Increase (4.58%)	2,803	191	228	165	15,512	18,899

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following represents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using trend rates that are 1 percent lower or 1 percent higher than the current trend rates (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% Decrease	\$ 2,706	\$ 182	\$ 238	\$ 172	\$ 18,724	\$22,022
Current Trend Rate	2,976	197	238	172	18,724	22,307
1% Increase	3,288	214	238	172	18,724	22,637

13. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

(dollars in thousands)

2018

	Personnel			Insurance, Scholarships Utilities and and				Operating Expenses
	Costs	Services	Supplies	and Rent	Fellowships	Depreciation	Miscellaneous	Totals
Academic support	\$ 13,924	\$ 1,455	\$ 1,881	\$ 17	\$ -	\$ -	\$ 187	\$ 17,464
Auxiliary enterprises	12,176	4,264	1,968	2,217	-	-	1,852	22,477
Depreciation	-	-	-	-	-	12,163	-	12,163
Institutional support	18,089	4,161	2,881	251	-	-	473	25,855
Instruction	90,541	6,383	4,866	244	-	-	1,630	103,664
Libraries	2,532	299	854	2	-	-	31	3,718
Maintenance and operations	9,170	4,800	2,318	3,922	-	-	31	20,241
Public services	3,028	269	132	93	-	-	90	3,612
Research	12,133	2,053	1,052	171	-	-	962	16,371
Scholarships and fellowships	-	-	-	-	14,103	-	-	14,103
Student services	7,781	722	298	45	-	-	716	9,562
Total operating expenses	\$ 169,374	\$ 24,406	\$ 16,250	\$ 6,962	\$ 14,103	\$ 12,163	\$ 5,972	\$ 249,230

(dollars in thousands)

2017

	Personnel			Insurance, Scholarships Utilities and and				Operating Expenses
	Costs	Services	Supplies	and Rent	Fellowships	Depreciation	Miscellaneous	Totals
Academic support	\$ 13,150	\$ 2,009	\$ 940	\$ 11	\$ -	\$ -	\$ 203	\$ 16,313
Auxiliary enterprises	11,798	5,795	2,493	2,076	-	-	2,034	24,196
Depreciation	-	-	-	-	-	12,158	-	12,158
Institutional support	17,927	4,158	1,488	202	-	-	332	24,107
Instruction	86,844	7,805	6,740	368	-	-	1,739	103,496
Libraries	2,656	224	840	-	-	-	19	3,739
Maintenance and operations	8,896	4,328	1,109	4,281	-	-	(8)	18,606
Public services	3,273	331	190	97	-	-	89	3,980
Research	13,285	2,241	1,178	308	-	-	504	17,516
Scholarships and fellowships	-	-	-	-	13,396	-	-	13,396
Student services	7,649	1,334	532	47	-	-	379	9,941
Total operating expenses	\$ 165,478	\$ 28,225	\$ 15,510	\$ 7,390	\$ 13,396	\$ 12,158	\$ 5,291	\$ 247,448

14. CONTINGENCIES AND LEGAL MATTERS

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

15. RISK MANAGEMENT

The University participates in the State of Idaho Risk Management Program, which manages property and general liability risk. That program provides liability (cap) protection to \$500,000 per occurrence. Insurance premium payments are made to the state risk management program based on rates determined by a state agency's loss trend experience and asset value covered. Presently, Idaho State University's total insured property value is \$1,209,125,258.

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

The University carries commercial insurance for other risks of loss, including but not limited to employee bonds and crime, out of state worker's compensation, business interruption, media liability and automobile physical damage insurance. There have been no significant reductions in coverage or claims in excess of coverage within the past three years.

16. COMPONENT UNIT DISCLOSURE

The Foundation is discretely presented within the financial statements as a component unit. The Foundation is a legally separate, tax-exempt entity with an independent governing board. The majority of resources, or income thereon, which the Foundation holds and invests are restricted to the activities of the University by the donors and not controlled directly the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented in the financial statements.

The financial activity is reported for the year ended June 30, 2018.

During the fiscal years 2018 and 2017, gifts of \$3,697,597 and \$7,076,053, respectively, were transferred from the Foundation to the University. The Foundation is audited annually and received an unmodified audit opinion in 2018 and 2017.

Please see the financial statements for the Foundation on pages 16, 18 and 19 of this report.

Complete audited financial statements are prepared for the Foundation and may be obtained in their entirety by writing to the following:

Idaho State University Foundation
921 S. 8th Ave, Stop 8050
Pocatello, ID 83209-8050

Required Supplementary Information

Required Supplementary Information

Schedule of Employer's Proportionate Share of Net Pension Liability

PERSI - Base Plan Last 10 - Fiscal Years*

<i>(dollars in thousands)</i>	2018	2017	2016	2015
Employer's portion of the net pension liability	0.8326157%	0.8738085%	0.9137234%	0.9202007%
Employer's proportionate share of the net pension liability	\$ 13,087	\$ 17,713	\$ 12,032	\$ 6,774
Employer's covered-employee payroll	25,858	25,617	25,593	25,094
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	50.61%	69.15%	47.01%	26.99%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Data reported is measured as of June 30, 2017 (measurement date).

Schedule of Employer Contributions

PERSI - Base Plan Last 10 - Fiscal Years*

<i>(dollars in thousands)</i>	2018	2017	2016	2015
Statutorily required contribution	\$ 2,746	\$ 2,927	\$ 2,896	\$ 2,897
Contributions in relation to the statutorily required contribution	2,746	2,927	2,896	2,897
Contribution (deficiency) excess	-	-	-	-
Employer's covered-employee payroll	24,254	25,858	25,617	25,593
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.30%	11.32%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Data reported is measured as of June 30, 2017 (measurement date).

Required Supplementary Information

Schedule of Changes in Employer's Total OPEB Liability Last 10 - Fiscal Years*

(dollars in thousands)	2018
Changes for the Year	
Service Cost	\$ (787)
Interest on Total OPEB Liability	(785)
Plan Changes	-
Economic/Demographic Gains (Losses)	-
Assumption Changes	-
Expected Benefit Pmts	838
Net Changes	(734)
Total OPEB Liability, Beginning Balance	(21,573)
Total OPEB Liability, Ending Balance	\$ (22,307)

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Data reported is measured as of June 30, 2017 (measurement date).



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Idaho State Board of Education
Idaho State University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Idaho State University (the University) and Idaho State University Foundation, Inc. (the Foundation), its discretely presented component unit, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Idaho State University's basic financial statements, and have issued our report thereon dated September 28, 2018. Our report includes a reference to other auditors who audited the financial statements of the Foundation as described in our report on Idaho State University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

Portland, Oregon
September 28, 2018

Report of Independent Auditors on Compliance for The Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Idaho State Board of Education
Idaho State University

Report on Compliance for the Major Federal Program

We have audited Idaho State University's (the University) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the University's major federal program for the year ended June 30, 2018. The University's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Moss Adams LLP

Portland, Oregon
September 28, 2018

IDAHO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

		<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	
Various	Student Financial Assistance Cluster	Unmodified

- Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.



Office of Finance and Administration
921 South 8th Avenue, Stop 8219 • Pocatello, Idaho 83201-8219

IDAHO STATE UNIVERSITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED
COSTS FOR THE YEAR ENDED JUNE 30, 2018

Finding 2017-001 – Lack of Manual Journal Entry Review, Significant Deficiency in Internal Controls

Criteria: Manual journal entries should be reviewed by an individual separate from the individual posting the entry to the general ledger.

Condition: Certain manual entries posted to the general ledger showed no evidence of review. This appeared to be isolated to one individual.

Current Status: Cleared.

IDAHO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30 , 2018

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
US DEPARTMENT OF AGRICULTURE										
10.902	68-7482-16-503	Soil and Water Conservation	48,294	RESEARCH AND DEVELOPMENT	48,294	9,784,885				
10.170		Specialty Crop Block Grant Program - Farm Bill	40,811	RESEARCH AND DEVELOPMENT	40,811	9,784,885		Idaho State Dept of Agriculture	2017-SCBGP-FB	
10.558		Child and Adult Care Food Program	74,354	N/A	74,354			State of Idaho	USDA	
10.559		Summer Food Service Program for Children	15,078	CHILD NUTRITION	21,540	21,540		State of Idaho	AG1723	
10.559		Summer Food Service Program for Children	6,462	CHILD NUTRITION	21,540	21,540		State of Idaho	AG1724	
TOTAL US DEPARTMENT OF AGRICULTURE			184,999							
US DEPARTMENT OF COMMERCE										
11.303		Economic Development Technical Assistance	22,081	N/A	22,081			Boise State Univ	7742-B	
11.417		Sea Grant Support	11,905	RESEARCH AND DEVELOPMENT	11,905	9,784,885		Univ of Alaska Fairbanks	UAF 14-0076, M1,2,3,4	
11.611		Manufacturing Extension Partnership	59,508	N/A	59,508			Boise State Univ	4801-B, 4801-2015-B, 2016-A, 6	
TOTAL US DEPARTMENT OF COMMERCE			93,494							
US DEPARTMENT OF DEFENSE										
12.351	HDTRA1-17-1-0004, A1	Scientific Research - Combating Weapons of Mass Destruction	120,103	RESEARCH AND DEVELOPMENT	120,103	9,784,885				
12.800	F2KBAB1199M001, 2185, A1, 3238	Air Force Defense Research Sciences Program	60,944	RESEARCH AND DEVELOPMENT	60,944	9,784,885				
12.910	FA9453-15-1-001, A1	Research and Technology Development	72,407	RESEARCH AND DEVELOPMENT	72,407	9,784,885				
12.002		Procurement Technical Assistance For Business Firms	19,999	N/A	39,390			Boise State Univ	7370-B, 7774-D	
12.002		Procurement Technical Assistance For Business Firms	19,391	N/A	39,390			Boise State Univ	7370-C, 7774-E	
TOTAL US DEPARTMENT OF DEFENSE			292,844							
US DEPARTMENT OF HOUSING and URBAN DEVELOPMENT										
14.241		Housing Opportunities for Persons with AIDS	22,513	N/A	22,513			Idaho Housing & Finance Association	HOPWA15-08,16-08 A1, 17-05	
TOTAL US DEPARTMENT OF HOUSING and URBAN DEVELOPMENT			22,513							
US DEPARTMENT OF INTERIOR										
15.224	L16AC00365 A1	Cultural and Paleontological Resources Management	19,891	N/A	22,387					
15.224	L17AC00095	Cultural and Paleontological Resources Management	2,496	N/A	22,387					
15.517	R16AC00036, M1	Fish and Wildlife Coordination Act	38,815	RESEARCH AND DEVELOPMENT	38,815	9,784,885				
15.636	F16AC00496, A1,A2,A3	Alaska Subsistence Management	92,925	RESEARCH AND DEVELOPMENT	92,925	9,784,885				
15.808	G13AC00379 M1-M5	U.S. Geological Survey Research and Data Collection	55,901	RESEARCH AND DEVELOPMENT	124,594	9,784,885				
15.808	G14AC00317 M1,2,3,4,5,6	U.S. Geological Survey Research and Data Collection	30,652	RESEARCH AND DEVELOPMENT	124,594	9,784,885				
15.808	G16AC00278	U.S. Geological Survey Research and Data Collection	38,041	N/A	124,594					
15.810	G17AC00159	National Cooperative Geologic Mapping	12,358	RESEARCH AND DEVELOPMENT	12,358	9,784,885				
15.945	P16AC01179 M1	Cooperative Research and Training Programs - Resources of the Nation	12,442	RESEARCH AND DEVELOPMENT	17,442	9,784,885				
15.815		National Land Remote Sensing Education Outreach and Research	12,453	RESEARCH AND DEVELOPMENT	12,453	9,784,885		AmericaView	AV13-ID01, M1, M2,M3,M4	
15.945		Cooperative Research and Training Programs - Resources of the Nation	5,000	N/A	17,442			Univ of Wyoming	1003410A-ISU	
TOTAL US DEPARTMENT OF INTERIOR			320,974							
US DEPARTMENT OF JUSTICE										
16.560	2017-DN-BX-0173	National Institute of Justice Research, Evaluation, and Development Project Grants	26,478	RESEARCH AND DEVELOPMENT	26,478	9,784,885				
16.562	2015-R2-CX-0017 A1,2	Criminal Justice Research and Development Graduate Research Fellowships	37,701	RESEARCH AND DEVELOPMENT	37,701	9,784,885				
16.021		Justice Systems Response to Families	892	N/A	892			Oneida Crisis Center	GMS 2017-WR-AX 002	
TOTAL US DEPARTMENT OF JUSTICE			65,071							

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
US DEPARTMENT OF LABOR										
17.282		Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	570,868	N/A	570,868			North Idaho College	NIC-TAACCTIV-02, A1, A2,A3	
17.285		Apprenticeship USA Grants	43,069	N/A	43,069			Dept of Labor	ISU-AGE-5610, M1	
TOTAL US DEPARTMENT OF LABOR			613,937							
US DEPARTMENT OF TRANSPORTATION										
20.205		Highway Planning and Construction	56,576	HIGHWAY PLANNING AND CONSTRUCTION	56,576	56,576		Idaho Transportation Dept	ITDNSTI SWA, 2014 AWD 2017	
TOTAL US DEPARTMENT OF TRANSPORTATION			56,576							
NATIONAL AERONAUTICS and SPACE ADMINISTRATION										
43.001	80NSSC17M0073, A1	Science	82,558	RESEARCH AND DEVELOPMENT	452,662	9,784,885				
43.001	NNX12AQ78G M1-8	Science	136,986	RESEARCH AND DEVELOPMENT	452,662	9,784,885				6,862
43.001	NNX14AG35A, M1, M2,3,4,5,6,7	Science	58,036	RESEARCH AND DEVELOPMENT	452,662	9,784,885				
43.001	NNX14AJ86G, A1, A2, A3	Science	81,697	RESEARCH AND DEVELOPMENT	452,662	9,784,885				18,290
43.001	NNX15AM06A, A1-A6	Science	93,385	RESEARCH AND DEVELOPMENT	452,662	9,784,885				
43.008		Education	26,659	RESEARCH AND DEVELOPMENT	96,928	9,784,885		Univ of Idaho	FPK548-SB-007	
43.008		Education	5,747	RESEARCH AND DEVELOPMENT	96,928	9,784,885		Univ of Idaho	FPK900-SB-014	
43.008		Education	5,811	N/A	96,928			Univ of Idaho	FPK900-SB-016, A1, A2	
43.008		Education	3,449	N/A	96,928			Univ of Idaho	FPK900-SB-024	
43.008		Education	1,067	N/A	96,928			Univ of Idaho	FPK900-SB-029	
43.008		Education	1,448	N/A	96,928			Univ of Idaho	FPK900-SB-035	
43.008		Education	7,179	N/A	96,928			Univ of Idaho	FPK900-SB-039, A1	
43.008		Education	391	N/A	96,928			Univ of Idaho	FPK900-SB-044, A1	
43.008		Education	24,494	RESEARCH AND DEVELOPMENT	96,928	9,784,885		Univ of Idaho	FPK900-SB-045, A1	
43.008		Education	20,683	N/A	96,928			Univ of Idaho	FPK900-SB-046, A1	
TOTAL NATIONAL AERONAUTICS and SPACE ADMINISTRATION			549,590							25,152
NATIONAL ENDOWMENT FOR THE HUMANITIES										
45.129		Promotion of the Humanities Federal/State Partnership	2,000	N/A	2,746			Idaho Humanities Council	2017017	
45.129		Promotion of the Humanities Federal/State Partnership	746	N/A	2,746			Idaho Humanities Council	2018014	
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			2,746							
NATIONAL SCIENCE FOUNDATION										
47.041	CBET-1403688	Engineering Grants	15,360	RESEARCH AND DEVELOPMENT	15,360	9,784,885				
47.049	1506417, A1	Mathematical and Physical Sciences	117,838	RESEARCH AND DEVELOPMENT	329,471	9,784,885				26,259
47.049	1615146 A1-7	Mathematical and Physical Sciences	212,078	RESEARCH AND DEVELOPMENT	329,471	9,784,885				
47.049	DMS-1319110	Mathematical and Physical Sciences	(50)	RESEARCH AND DEVELOPMENT	329,471	9,784,885				
47.049	PHY-1307340, A1, A2	Mathematical and Physical Sciences	(395)	RESEARCH AND DEVELOPMENT	329,471	9,784,885				
47.050	1521365	Geosciences	24,077	RESEARCH AND DEVELOPMENT	660,979	9,784,885				
47.050	1653998	Geosciences	28,451	RESEARCH AND DEVELOPMENT	660,979	9,784,885				
47.050	1728563	Geosciences	28,568	RESEARCH AND DEVELOPMENT	660,979	9,784,885				
47.050	1755079	Geosciences	4,466	RESEARCH AND DEVELOPMENT	660,979	9,784,885				
47.050	EAR-1331872, A1-7	Geosciences	443,722	RESEARCH AND DEVELOPMENT	660,979	9,784,885				290,425
47.050	EAR-1349384, NCE	Geosciences	70,527	RESEARCH AND DEVELOPMENT	660,979	9,784,885				
47.050	GEO-1108480 THRU A6	Geosciences	8,228	RESEARCH AND DEVELOPMENT	660,979	9,784,885				
47.050	PLR-1204020, A1,2,3,4	Geosciences	52,940	RESEARCH AND DEVELOPMENT	660,979	9,784,885				52,147
47.070	IIS-1208385, A1	Computer and Information Science and Engineering	3,484	RESEARCH AND DEVELOPMENT	3,484	9,784,885				
47.074	DEB-1241069	Biological Sciences	20,384	RESEARCH AND DEVELOPMENT	20,384	9,784,885				
47.075	1523409	Social, Behavioral, and Economic Sciences	49,750	RESEARCH AND DEVELOPMENT	125,336	9,784,885				
47.075	1551822	Social, Behavioral, and Economic Sciences	71,461	RESEARCH AND DEVELOPMENT	125,336	9,784,885				6,207
47.075	1633750 A1	Social, Behavioral, and Economic Sciences	869	RESEARCH AND DEVELOPMENT	125,336	9,784,885				
47.075	1748986	Social, Behavioral, and Economic Sciences	3,256	RESEARCH AND DEVELOPMENT	125,336	9,784,885				
47.076	1458847	Education and Human Resources	157,598	RESEARCH AND DEVELOPMENT	1,182,575	9,784,885				
47.076	1502015	Education and Human Resources	182,125	RESEARCH AND DEVELOPMENT	1,182,575	9,784,885				11,532
47.076	1611871	Education and Human Resources	38,718	RESEARCH AND DEVELOPMENT	1,182,575	9,784,885				
47.076	DGE-1504528, A1, A2, A3	Education and Human Resources	649,776	RESEARCH AND DEVELOPMENT	1,182,575	9,784,885				
47.076	DUE-1458292	Education and Human Resources	132,982	RESEARCH AND DEVELOPMENT	1,182,575	9,784,885				

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
47.076		Education and Human Resources	21,376	RESEARCH AND DEVELOPMENT	1,182,575	9,784,885		Boise State Univ	7615-A,A1	
47.080		Office of Cyberinfrastructure	8,391	RESEARCH AND DEVELOPMENT	1,216,238	9,784,885		Univ of Idaho	KBK990-SB-002 A1-A11	
47.080		Office of Cyberinfrastructure	86,211	RESEARCH AND DEVELOPMENT	1,216,238	9,784,885		Univ of Idaho	KBK990-SB-002 A1-A11	
47.080		Office of Cyberinfrastructure	890,852	RESEARCH AND DEVELOPMENT	1,216,238	9,784,885		Univ of Idaho	KBK990-SB-002, A1-11	
47.080		Office of Cyberinfrastructure	111,030	RESEARCH AND DEVELOPMENT	1,216,238	9,784,885		Univ of Idaho	KBK990-SB-002, A1-A11	
47.080		Office of Cyberinfrastructure	119,754	RESEARCH AND DEVELOPMENT	1,216,238	9,784,885		Univ of Idaho	KBK990-SB-002, A1-A11	
TOTAL NATIONAL SCIENCE FOUNDATION			3,553,827							386,570
US SMALL BUSINESS ADMINISTRATION										
59.037		Small Business Development Centers	68,762	N/A	128,651			Boise State Univ	6668-C, 6923-C, 7448-C,A1,7982	
59.037		Small Business Development Centers	59,889	N/A	128,651			Boise State Univ	6923-B, 7448-D, A1, 7982-C	
TOTAL US SMALL BUSINESS ADMINISTRATION			128,651							
US NECLEAR REGULATORY AGENCY										
77.008	NRC-HQ-84-16-G-0023	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	71,416	N/A	130,890					
77.008	NRC-HQ-84-16-G-0039, M1	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	59,474	N/A	130,890					
TOTAL US NUCLEAR REGULATORY AGENCY			130,890							
US DEPARTMENT OF ENERGY										
81.113	DE-NA0002488 A1	Defense Nuclear Nonproliferation Research	213,225	RESEARCH AND DEVELOPMENT	213,225	9,784,885				116,974
81.121	DE-NE0008511 A1,A2	Nuclear Energy Research, Development and Demonstration	23,538	RESEARCH AND DEVELOPMENT	451,217	9,784,885				
81.000		Pass Through Funding from Battelle Energy Alliance LLC	30,337	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	00043028 00166 A1,2,3,4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	5,056	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	00168057 A1 A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	16,957	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 002 A1-4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	61,838	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 010, A1-A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	11,027	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 037	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	17,247	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 038	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	200,456	N/A	3,233,031			Battelle Energy Alliance LLC	154652 007 A1-4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	(21,453)	N/A	3,233,031			Battelle Energy Alliance LLC	154652 009 A1,2,3,4,5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	70,813	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 013 A1-5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	159,999	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 014 A1-6	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	60,428	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 015, A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	2,750	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 016 A1, A2, A3,A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	642,278	N/A	3,233,031			Battelle Energy Alliance LLC	154652 018 A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	141,163	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 019 A1, A2, A3	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	12,631	N/A	3,233,031			Battelle Energy Alliance LLC	154652 020 A1, A2,A3,A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	4,755	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 022	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	150,098	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 024 A1,2,3,4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	11,042	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 025	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	14,892	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 026	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	134,705	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 027 A1,A2,A3,A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	31,369	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 028	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	106,087	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 030 A1,A2,A3	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	19,967	N/A	3,233,031			Battelle Energy Alliance LLC	154652 031	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	8,948	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 032	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	99,838	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 033 A1	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	49,998	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 035	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	1,287	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 036	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	14,128	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 039 A1,A2,A3	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	49,988	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 040	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	15,290	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 041	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	8,252	N/A	3,233,031			Battelle Energy Alliance LLC	154652 042	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	8,708	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 043	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	36,551	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	154652 044 A1,2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	12,939	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	161631 005 A1,A2,A3,A4	

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
81.000		Pass Through Funding from Battelle Energy Alliance LLC	108,398	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	161631 001 A1, A2, A3	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	3,770	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	161631 002 A1-A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	73,404	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	161631 003 A1-A7	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	89,444	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	161631 004 A1-A5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	33,154	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	161631 007	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	668,680	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	181775 A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	68,484	RESEARCH AND DEVELOPMENT	3,233,031	9,784,885		Battelle Energy Alliance LLC	182024 A1, A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	(2,672)	N/A	3,233,031			Boise State Univ	7554-A, A1,A2	
81.092		Environmental Restoration	323,049	RESEARCH AND DEVELOPMENT	323,049	9,784,885		Idaho Department of Environmental Quality	K111, A1, A2,A3,A4	
81.112		Stewardship Science Grant Program	15,851	RESEARCH AND DEVELOPMENT	15,851	9,784,885		Univ of Rochester	417243G	
81.121		Nuclear Energy Research, Development and Demonstration	26,391	RESEARCH AND DEVELOPMENT	451,217	9,784,885		City College of New York	47846-B, A1	
81.121		Nuclear Energy Research, Development and Demonstration	22,095	RESEARCH AND DEVELOPMENT	451,217	9,784,885		Univ of Wisconsin Madison	572K342, A1,A2,A3	
81.121		Nuclear Energy Research, Development and Demonstration	70,419	RESEARCH AND DEVELOPMENT	451,217	9,784,885		Utah State Univ	200658-336, A1	
81.121		Nuclear Energy Research, Development and Demonstration	289,682	RESEARCH AND DEVELOPMENT	451,217	9,784,885		Wastren Advantage Inc.	ESER-16-5-1, M1,M2	
81.121		Nuclear Energy Research, Development and Demonstration	19,092	RESEARCH AND DEVELOPMENT	451,217	9,784,885		Wastren Advantage Inc.	ESER-16-7-1	
TOTAL US DEPARTMENT OF ENERGY			4,236,373							116,974
US DEPARTMENT OF EDUCATION										
84.007	P007171086	Supplemental Educational Opportunity Grant	321,820	STUDENT FINANCIAL AID	321,820	71,689,084				
84.033	P033A171086	Federal Work Study	559,993	STUDENT FINANCIAL AID	559,993	71,689,084				
84.038	NA	Perkins Loan Program	1,399,481	STUDENT FINANCIAL AID	1,399,481	71,689,084	1,664,351			
84.042	P042A100690, 11	TRIO Student Support Services	(13)	TRIO CLUSTER	307,411	2,100,877				
84.042	P042A150065, 4, 6	TRIO Student Support Services	307,424	TRIO CLUSTER	307,411	2,100,877				
84.044	P044A110422-12, 14	TRIO Talent Search	1	TRIO CLUSTER	681,686	2,100,877				
84.044	P044A160298, YR2	TRIO Talent Search	465,085	TRIO CLUSTER	681,686	2,100,877				
84.044	P044A160300, YR2	TRIO Talent Search	216,600	TRIO CLUSTER	681,686	2,100,877				
84.047	P047A120818, A3, A4, A5, A7	TRIO Upward Bound	1,574	TRIO CLUSTER	659,949	2,100,877				
84.047	P047A170235	TRIO Upward Bound	329,411	TRIO CLUSTER	659,949	2,100,877				
84.047	P047M120151, A1-6	TRIO Upward Bound	103,197	TRIO CLUSTER	659,949	2,100,877				
84.047	P047M170059	TRIO Upward Bound	148,447	TRIO CLUSTER	659,949	2,100,877				
84.047	P047V170053	TRIO Upward Bound	77,320	TRIO CLUSTER	659,949	2,100,877				
84.063	P063P160099	Federal Pell Grant Program	12,395	STUDENT FINANCIAL AID	16,362,150	71,689,084				
84.063	P063P170099	Federal Pell Grant Program	16,350,120	STUDENT FINANCIAL AID	16,362,150	71,689,084				
84.063	P063P150099	Federal Pell Grant Program	(365)	STUDENT FINANCIAL AID	16,362,150	71,689,084				
84.066	P066A160311, YR2	TRIO Educational Opportunity Centers	278,133	TRIO CLUSTER	278,133	2,100,877				
84.217	P217A170169	TRIO McNair Post-Baccalaureate Achievement	173,698	TRIO CLUSTER	173,698	2,100,877				
84.268	P268K170099	Federal Direct Student Loan	313,309	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.268	P268K180099	Federal Direct Student Loan	14,521,392	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.268	P268K170099	Federal Direct Student Loan	60,622	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.268	P268K180099	Federal Direct Student Loan	32,434,566	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.268	P268K170099	Federal Direct Student Loan	4,230	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.268	P268K180099	Federal Direct Student Loan	4,748,226	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.268	P268K180099	Federal Direct Student Loan	938,322	STUDENT FINANCIAL AID	53,020,667	71,689,084				
84.379	P379T180099	Teacher Education Assistance for College and Higher Education (TEACH)	2,793	STUDENT FINANCIAL AID	2,793	71,689,084				
84.002		Adult Education-Basic Grants to States	231,879	N/A	273,527			State of Idaho Professional Technical Education	V002A160012	
84.002		Adult Education-Basic Grants to States	25,498	N/A	273,527			State of Idaho Professional Technical Education	V002A160012	
84.002		Adult Education-Basic Grants to States	16,150	N/A	273,527			State of Idaho Professional Technical Education	V002A160012	
84.010		Title I Grants to Local Educational Agencies	(24)	N/A	763,336			State Department of Education	17-4001	
84.010		Title I Grants to Local Educational Agencies	763,360	N/A	763,336			State Department of Education	17-4434, MOD	
84.048		Career and Technical Education-Basic Grants to States	65,535	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	
84.048		Career and Technical Education-Basic Grants to States	147,668	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	
84.048		Career and Technical Education-Basic Grants to States	12,031	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	
84.048		Career and Technical Education-Basic Grants to States	46,684	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	
84.048		Career and Technical Education-Basic Grants to States	91,487	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	
84.048		Career and Technical Education-Basic Grants to States	18,339	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	
84.048		Career and Technical Education-Basic Grants to States	125,784	N/A	507,528			State of Idaho Professional Technical Education	V048A160012	

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States	72,581	RESEARCH AND DEVELOPMENT	84,729	9,784,885		Idaho Div of Vocational Rehabilitation--320 Boise SWT	MOU 05122017, 12132017	
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States	12,148	N/A	84,729			Idaho Division of Vocational Rehabilitation	MOA JUNE 2017 & DEC 2017	
84.334		Gear Up Scholarship	103,250	N/A	103,250			State of Idaho	P334S06003	
84.366		Mathematics and Science Partnerships	71,285	N/A	91,184			State Department of Education	16MSP22	9,000
84.366		Mathematics and Science Partnerships	19,899	N/A	91,184			State of Idaho STEM Action Center	5821-E, A2, A3/7274-A, A1,7913	
84.367		Supporting Effective Instruction State Grants (formerly Improving Teach	17,856	N/A	31,105			Boise State Univ	7504-C	
84.367		Supporting Effective Instruction State Grants (formerly Improving Teach	13,249	N/A	31,105			Boise State Univ	8007-B,A1	
84.377		School Improvement Grants	93,162	SCHOOL IMPROVEMENT GRANTS CLUSTER	93,162	93,162		State Department of Education	17-4434, MOD	
TOTAL US DEPARTMENT OF EDUCATION			75,715,602				1,664,351			9,000
US DEPARTMENT OF HEALTH AND HUMAN SERVICES										
93.173	1R03DC014042-01, 02, 03	Research Related to Deafness and Communication Disorders	64,401	RESEARCH AND DEVELOPMENT	74,875	9,784,885				
93.173	7R15DC013359-02	Research Related to Deafness and Communication Disorders	10,474	RESEARCH AND DEVELOPMENT	74,875	9,784,885				
93.213	1R15AT009348-01	Research and Training in Complementary and Integrative Health	125,199	RESEARCH AND DEVELOPMENT	125,199	9,784,885				8,000
93.234	90TBSG000701 AND 02	Traumatic Brain Injury State Demonstration Grant Program	203,244	RESEARCH AND DEVELOPMENT	203,253	9,784,885				
93.234	90TBSG0041-01-00	Traumatic Brain Injury State Demonstration Grant Program	9	N/A	203,253	-				
93.273	1R01AA020364-01A1,02, 03,04,05	Alcohol Research Programs	271,425	RESEARCH AND DEVELOPMENT	271,425	9,784,885				93,542
93.359	1 UD7HP28528-01-00, A1, A3	Nurse Education, Practice Quality and Retention Grants	478,132	RESEARCH AND DEVELOPMENT	478,132	9,784,885				
93.853	IR15NS093579-01A1	Extramural Research Programs in the Neurosciences and Neurological Disorders	67,003	RESEARCH AND DEVELOPMENT	167,216	9,784,885				
93.853	R15NS087521	Extramural Research Programs in the Neurosciences and Neurological	100,213	RESEARCH AND DEVELOPMENT	167,216	9,784,885				
93.884	1T0BHP28559-01-00, 02-00, 03-0	Grants for Primary Care Training and Enhancement	260,811	N/A	260,811					18,848
93.918	H76HA24732, Y2, Y3, Y4,Y5,Y6,7	Grants to Provide Outpatient Early Intervention Services with Respect t	238,586	N/A	238,586					
93.925	1 T08HP30213-01-00,02,03	Scholarships for Health Professions Students from Disadvantaged Back	22,180	STUDENT FINANCIAL AID	22,180	71,689,084				
93.107		Area Health Education Centers	28,288	N/A	28,288			Univ of Washington	UWSC10052	
93.136		Injury Prevention and Control Research and State and Community Bas	17,252	RESEARCH AND DEVELOPMENT	17,252	9,784,885		Idaho Department of Health and Welfare	HC956500	
93.145		HIV-Related Training and Technical Assistance	167,134	N/A	167,134			Univ of Washington	UWSC8690 A1, A2,A3,A4	
93.226		Research on Healthcare Costs, Quality and Outcomes	20,918	RESEARCH AND DEVELOPMENT	20,918	9,784,885		Univ of Utah	10042477-06, A1	
93.624		ACA - State Innovation Models: Funding for Model Design and Model	90,427	N/A	90,427			Idaho Department of Health and Welfare	AC061300,A1-5	
93.630		Developmental Disabilities Basic Support and Advocacy Grants	4,320	N/A	4,320			Idaho Council on Developmental Disabilities	EMAIL	
93.658		Foster Care Title IV-E	470,304	N/A	496,696			Idaho Department of Health and Welfare	KC255200, KC261000, A1,A2	
93.658		Foster Care Title IV-E	26,392	N/A	496,696			Idaho Department of Health and Welfare	KC268400, KC272600	
93.758		Preventive Health and Health Services Block Grant funded solely with f	18,501	N/A	18,501			Idaho Department of Health and Welfare	HC954200	
93.778		Medical Assistance Program	(390)	MEDICAID CLUSTER	(390)	(390)		Idaho Department of Health and Welfare	RC060300,4 RC067300,RC071300,1	
93.837		Cardiovascular Diseases Research	3,873	RESEARCH AND DEVELOPMENT	3,873	9,784,885		Univ of Iowa	W000661886M W000724094, A1,A2	
93.859		Biomedical Research and Research Training	156,052	RESEARCH AND DEVELOPMENT	251,433	9,784,885		Univ of Idaho	IAK100-SB-007,IAK200-SB-002,A3	
93.859		Biomedical Research and Research Training	30,091	N/A	251,433			Univ of Nevada Las Vegas	16-746Q-ISU-BSA-00, 01,18-22QN	
93.859		Biomedical Research and Research Training	(1,792)	RESEARCH AND DEVELOPMENT	251,433	9,784,885		Univ of Nevada Las Vegas	17-746Q-ISU-PG63-00	
93.859		Biomedical Research and Research Training	1,155	RESEARCH AND DEVELOPMENT	251,433	9,784,885		Univ of Nevada Las Vegas	17-746Q-ISU-PG65-00	
93.859		Biomedical Research and Research Training	65,927	RESEARCH AND DEVELOPMENT	251,433	9,784,885		Univ of Nevada Las Vegas	18-22QR-ISU-PG77	
93.879		Medical Library Assistance	9,657	N/A	9,657			Univ of Washington	UWSC9004 A1	
93.917		HIV Care Formula Grants	72,367	N/A	171,820			Idaho Department of Health and Welfare	HC835900, A1,A2,A3,A4	
93.917		HIV Care Formula Grants	99,453	N/A	171,820			Idaho Department of Health and Welfare	HC863100, A1,A2,A3,A4	
93.940		HIV Prevention Activities Health Department Based	20,843	N/A	37,395			Idaho Department of Health and Welfare	HC666900 A1-4, HC818000 A1-7	
93.940		HIV Prevention Activities Health Department Based	16,552	N/A	37,395			Idaho Department of Health and Welfare	HC977000	
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,159,001							120,390
US CORPORATION FOR NATIONAL AND COMMUNITY SERVICES										
94.006	AmeriCorps		307,882	N/A	307,882			Serve Idaho	15AFHID0010002 NCE	
TOTAL US CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			307,882							
US DEPARTMENT OF HOMELAND SECURITY										
97.045		Cooperating Technical Partners	14,336	RESEARCH AND DEVELOPMENT	14,336	9,784,885		Boise State Univ	7350-A, A1,A2	
TOTAL US DEPARTMENT OF HOMELAND SECURITY			14,336							
GRANT TOTAL EXPENDITURES			89,449,306				1,664,351			658,086

IDAHO STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2018

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. UNIVERSITY ADMINISTERED LOAN PROGRAMS

The University administers the following Federal Perkins Loan Program (CFDA number 84.038). The outstanding loan balance and total loan disbursements were \$1,664,351 and \$36,000, respectively, for the year ended June 30, 2018. The cumulative administrative costs allowance as of the year ended June 30, 2018 was \$639,959.

Funds distributed as agent for the Federal Direct Lending Program of \$53,020,667 and the Federal Teach Program of \$2,793 are not included in the revenues or expenses of the University.

3. FEDERAL WORK STUDY

The University participates in the Federal Work Study program (FWS). A portion of the federal

award amount for this program is used by the University to fund America Reads. Under the America Reads waiver provided by the U.S. Department of Education, the federal government waives the 25% matching requirement and pays 100% of the wages of FWS students who serve as reading mentors or tutors to preschool and elementary school children.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are recognized following the cost principles contained in OMB Circular A-21, Educational Institutions and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

5. DE MINIMIS INDIRECT COST RATE

Because Idaho State University has a current federally negotiated F & A rate, we are not using the 10% de minimis rate allowed in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

discover OPPORTUNITY

FY18 ANNUAL FINANCIAL STATEMENTS

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