BOISE STATE UNIVERSITY

FINANCIAL STATEMENTS FISCAL YEAR 2017

REPORT OF INDEPENDENT AUDITORS AND FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016 INCLUDING SINGLE AUDIT REPORTS FOR THE YEAR ENDED JUNE 30, 2017

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BOISE STATE UNIVERSITY

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BOISE STATE UNIVERSITY

Report of Independent Auditors

The Idaho State Board of Education
Boise State University

Report on the Financial Statements

We have audited the accompanying financial statements of Boise State University (the University) and its discretely presented component unit, Boise State University Foundation, Inc. (the Foundation), as of and for the years ended June 30, 2017 and 2016, 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 foundation, which represents the entirety of the University's discretely presented component unit as described in Note 14. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Boise State University Foundation, Inc. were not audited in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Boise State University and its discretely presented component unit, as of June 30, 2017 and 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain information related to other postemployment benefits on pages 4 through 14 and 76 through 77 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 expenditures of federal 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 October 13, 2017 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
October 13, 2017

BOISE STATE
UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

The following Management's Discussion and Analysis ("MD&A") provides an overview of Boise State University's (the "University") financial performance based on currently known facts, data, and conditions and is designed to assist readers in understanding the accompanying financial statements. The financial statements encompass the University and its discretely presented component unit; however, the MD&A focuses only on the University. Information relating to the Boise State University Foundation can be found in its separately issued financial statements. The University's financial report includes three basic financial statements: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows.

Boise State University is a publicly supported, multi-disciplinary institution of higher education recognized by the Carnegie Foundation for outreach and community engagement. The University has the largest student enrollment of any university in Idaho with an official enrollment of 23,886 for the fall semester of fiscal year 2017 (Fall 2016) as compared to 22,113 for fiscal year 2016 (Fall 2015). The main campus is located in Boise, Idaho with convenient access to the governmental institutions and commercial and cultural amenities located in the capital city. The Boise City-Nampa metropolitan area has an estimated population of 692,000. Approximately 4,896 faculty and staff (including 1,366 student employees) were employed as of June 30, 2017. The University administers baccalaureate, masters, and doctoral programs through seven academic colleges: Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, and Innovation and Design. Within its seven academic colleges and Honors College, Boise State has an array of degree programs that foster student success, lifelong learning, community engagement, innovation, and creativity. More than 4,000 students graduated from Boise State University this academic year, including a record 23 Doctoral candidates. The University is classified as a doctoral research institution by the Carnegie Classification of Institutions of Higher Education. The University is home to 28 research centers and institutes, including the Center for Health Policy, the Public Policy Research Center, the Raptor Research Center, and the Center for Multicultural Educational Opportunities. These centers are conducting and fostering research and initiatives within and across colleges and in partnership with the community and industry. Student athletes compete in National Collegiate Athletic Association intercollegiate athletics at the Division I-A level on 18 men's and women's teams in 13 sports. The University also hosts Boise State Public Radio Network, which broadcasts local news and music, as well as national programs from National Public Radio (NPR), Public Radio International (PRI), and American Public Radio (APM) through 18 sites across Idaho.

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2017 and June 30, 2016 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. The Boise State University Foundation, Inc. (the "Foundation") is a legally separate, tax-exempt entity and is discretely presented for the fiscal years ended June 30, 2017 and 2016. The Foundation reports financial information according to Financial Accounting Standards Board ("FASB") reporting standards. The University presents component unit financial information on pages immediately following the statements of the University. The component unit should not be combined with the financial information of the University. Financial statements of the Foundation may be obtained from the Office of the Chief Financial Officer at the University.

Statements of Net Position

The statements of net position include all assets, deferred outflows, liabilities, and deferred inflows of the University. Assets, deferred outflows, liabilities, and deferred inflows are reported at book value, on an accrual basis as of the statement date. This statement also identifies major categories of the net position of the University as net investment in capital assets; restricted, expendable; and unrestricted. The first category, net investment in capital assets, reflects the University's equity in capital assets. The second net position category, restricted, expendable, is available for expenditure by the University for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position provides the amount of equity in assets available to the University for any lawful purpose of the institution. Changes in net position over time are an indicator of whether the University's financial condition is improving or declining.

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

	2017	2016	2015
ASSETS:			
Current assets	$ 135,172	$ 135,173	$ 145,133
Capital assets, net	478,403	482,627	492,805
Other assets	104,445	60,201	39,167
Total assets	718,020	678,001	677,105
DEFERRED OUTFLOWS OF RESOURCES	15,239	12,625	8,696
Total assets and deferred outflows of resources	$ 733,259	$ 690,626	$ 685,801
LIABILITIES:			
Current liabilities	$ 60,902	$ 57,420	$ 59,082
Non-current liabilities	272,601	241,453	236,167
Total liabilities	333,503	298,873	295,249
DEFERRED INFLOWS OF RESOURCES	2,394	4,231	10,773
NET POSITION:			
Net investment in capital assets	269,288	265,651	271,499
Restricted, expendable	13,617	13,053	14,641
Unrestricted	114,457	108,818	93,639
Total net position	397,362	387,522	379,779
Total liabilities, deferred inflows of resources and net position	$ 733,259	$ 690,626	$ 685,801

The University's total assets and deferred outflows of resources increased during fiscal year 2017 by $42,634,238 from $690,625,743 as of June 30, 2016 to $733,259,981 as of June 30, 2017. The increase is attributed to an increase of assets of approximately $40 million and an increase of deferred outflows of resources of $2.6 million. The asset increase is driven by increases in cash and cash equivalents and investments. Investments include $32 million of construction bond proceeds related to a new fine arts building. Increases in cash relate to $5 million received to reimburse for appropriated payroll expense and $6 million related to athletics received on June 30, 2017. Deferred outflows of resources represent the consumption of resources applicable to a future reporting period, but do not require a further exchange of goods or services; they represent the consumption of net position applicable to a future reporting period and will not be recognized as expenses until that time. The increase in deferred outflows of resources consists of $5.1 million related to pensions, primarily due to the net difference between projected and actual earnings on pension plan investments, net of a decrease of $2.5 million related to the Series 2017A bond refunding.

The University's total assets and deferred outflows of resources increased during fiscal year 2016 by $4,824,621 from $685,801,122 as of June 30, 2015 to $690,625,743 as of June 30, 2016. The increase is attributed to an increase of assets of approximately $895 thousand and an increase of deferred outflows of resources of $3.9 million. The increase in deferred outflows of resources related primarily to the Series 2016A bond refunding.

The University's total liabilities increased during fiscal year 2017 by $34,629,735 from $298,873,852 as of June 30, 2016 to $333,503,587 as of June 30, 2017. The change is driven by increases in the bonds payable of $22 million, net pension liability of $6.6 million and unearned revenue of $3 million. Bonds increased by $32 million of new proceeds offset by debt service. The University share of the state pension liability is .949%. The difference between projected and actual earnings on investments drove the liability increase. Advance ticket sales for auxiliary events drove the increase in unearned revenue.

The University's total liabilities increased during fiscal year 2016 by $3,624,664 from $295,249,188 as of June 30, 2015 to $298,873,852 as of June 30, 2016. The change was driven by increases in the net pension liability of $5.5 million, and capital leases of $4.2 million, offset by decreases in both bonds payable of $4 million and current liabilities of $1.7 million.

Deferred inflows of resources are an acquisition of net position by the University that is applicable to future reporting periods. Deferred inflows will be recognized as an inflow of resources (revenue) in the applicable future periods. Total deferred inflows of resources decreased during fiscal year 2017 by $1.8 million from $4,230,173 as of June 30, 2016 to $2,394,215 as of June 30, 2017. Activity was primarily related to pensions.

Total net position increased during fiscal year 2017 by $9,840,461 from $387,521,718 as of June 30, 2016 to $397,362,179 as of June 30, 2017. Net investment in capital assets increased $3,636,958, and restricted expendable net position increased by $564,811, while unrestricted net position increased $5,638,692. The change in net investment in capital assets is driven by repayment of bonds offset by a decrease in capital assets, net of depreciation. The change in unrestricted net position is primarily related to a net increase in cash, cash equivalents, accounts receivable, and investments of $12.6 million, offset by an increase in accounts payable and accrued liabilities of $4 million, $1 million of additional interest payable, and a $1.2 million reduction in inventory. The University utilizes unrestricted reserves to support debt service and to fund maintenance and growth initiatives.

PHOTO BY ALLISON CORONA

Total net position increased during fiscal year 2016 by $7,742,862 from $379,778,856 as of June 30, 2015 to $387,521,718 as of June 30, 2016. Net investment in capital assets decreased $5,848,508 and restricted expendable net position decreased $1,587,733, while unrestricted net position increased $15,179,103. The change in unrestricted net position is primarily related to an increase in unrestricted assets of $13 million and a decrease in accounts payable and accrued liabilities, interest payable, unearned revenue, and other liabilities of $1.5 million.

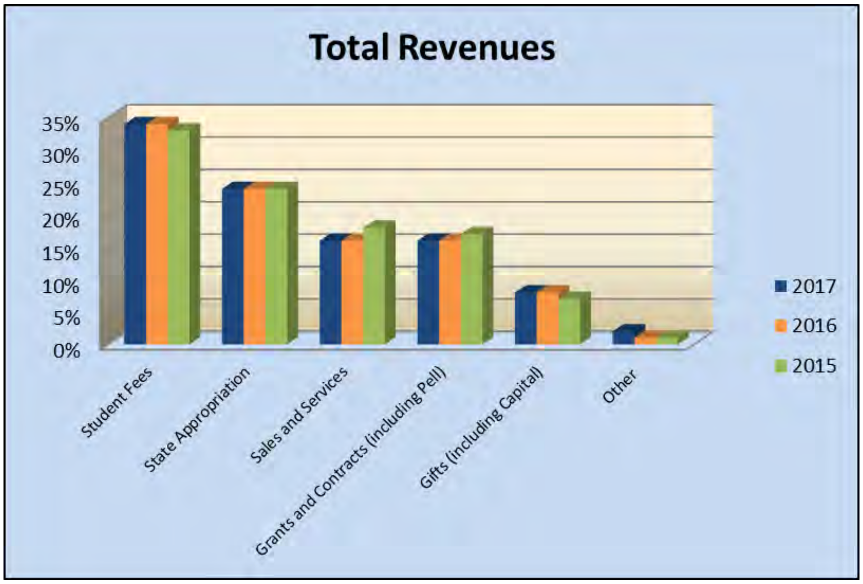
Statements of Revenues, Expenses, and Changes in Net Position

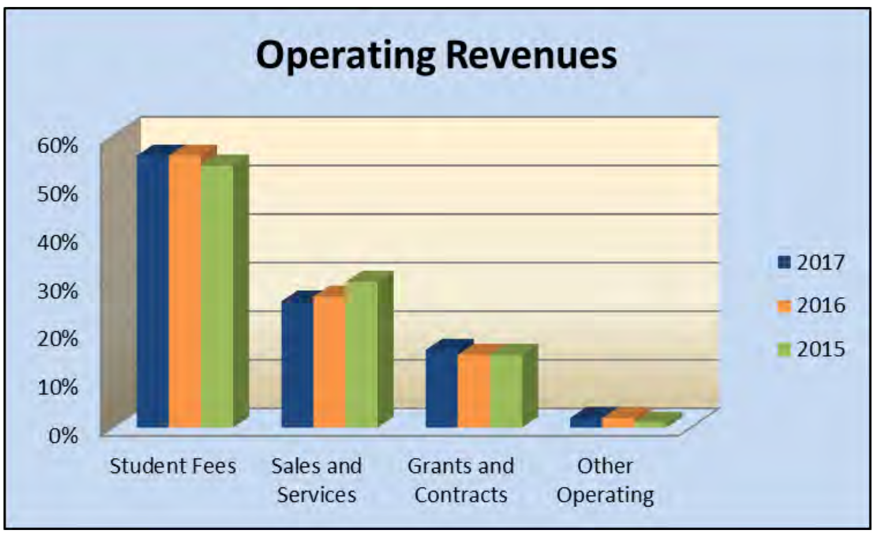
Changes in total net position, as presented on the statements of net position, are based on the activity presented in the statements of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues (operating and non-operating) received, the expenses (operating and non-operating) paid, and any other revenues, expenses, gains and losses received or spent by the University. A publicly supported university will normally reflect a net operating loss because state general fund appropriations are not reported as operating revenues. Generally speaking, operating revenues are generated by providing services to students, and the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues received for which services are not provided. For example, state general funds are non-operating because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services in exchange for those revenues.

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

	2017	2016	2015
Operating revenues	$ 244,090	$ 228,907	$ 219,193
Operating expenses	377,968	356,909	341,023
Operating loss	(133,878)	(128,002)	(121,830)
Non-operating revenues and expenses	137,716	133,524	124,693
Income (loss) before other revenues, expenses, gains or losses	3,838	5,522	2,863
Other revenues and expenses	6,002	2,221	7,091
Increase in net position	$ 9,840	$ 7,743	$ 9,954
Net position—Beginning of year	$ 387,522	$ 379,779	$ 385,327
Cumulative Effect of Implementing GASB 68	-	-	(15,502)
Net position—Beginning of year (as restated)	387,522	379,779	369,825
Increase in net position	9,840	7,743	9,954
Net position—End of year	$ 397,362	$ 387,522	$ 379,779

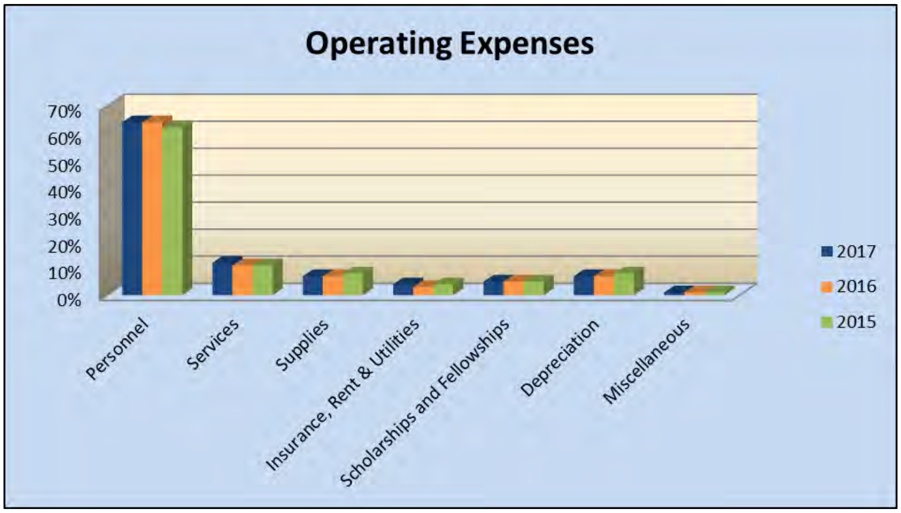
The statements of revenues, expenses, and changes in net position reflect an overall increase in net position during fiscal years 2017 and 2016 of $9,840,461 and $7,742,862, respectively. Increases in operating, non-operating revenues were offset by an increase in operating expense. Other revenues and expenses contain capital related gifts, grants, and appropriations and vary based the timing of construction activity on campus.





Operating revenues increased by $15,182,969 from $228,907,246 in fiscal year 2016 to $244,090,215 in fiscal year 2017. All categories of revenue increased. Student fees, net of scholarship allowance increased $8 million, or 6%, and grant and contract revenue increased $1.4 million, or 2%.

Operating revenues increased by $9,714,418 from $219,192,828 in fiscal year 2015 to $228,907,246 in fiscal year 2016 primarily due to additional student fee revenue.



Operating expenses increased by $21,059,303 from $356,908,800 in 2016 to $377,968,103 in fiscal year 2017. Personnel expenses increased $14 million. Salary related personnel costs attributed to $8.1 million of the increase. In addition to the 3% statewide change in employee compensation, the University added new positions and implemented strategic market adjustments to existing critical positions. The remaining personnel cost increases are primarily related to an increase in benefit premiums of $4 million and an increase of $1.4 million in pension plan expense. Services increased by $5 million. Grant spending increased $1.4 million, and, in addition, the University spent $600 thousand to improve systems used to manage grant activity. Building repairs and maintenance increased $1.3 million related to several projects in the Science and Education buildings. Athletics travel expenses increased by $700 thousand due to the cost of out of state travel. The success of the online MBA program increased the costs of recruiting and student support by $400 thousand. The remaining increases were due to continued growth in programs and enrollment as well as technology support. The net result was a $5.9 million increase in operating loss. However, the net increase in non-operating revenues and expenses of $4.2 million helped offset the operating loss resulting in income before other revenues and expenses of $3.8 million.

Operating expenses increased by $15,886,008 from $341,022,792 in 2015 to $356,908,800 in fiscal year 2016. Personnel expenses increased $16.2 million. Salary related personnel costs attributed to $9.5 million of the increase. In addition to the 2% statewide change in employee compensation, the University added new positions and implemented strategic market adjustments to existing critical positions. The remaining personnel cost increases are primarily related to an increase in benefit premiums of $3 million and an increase of $2 million in pension plan expense. Reductions in expenditures were seen in supplies, and insurance, utilities and rent. The net result was a $6.2 million increase in operating loss. However, the net increase in non-operating revenues and expenses of $8.8 million offset the operating loss resulting in income before other revenues and expenses of $5.5 million.

Statements of Cash Flows

The final statement presented by the University is the statements of cash flows. The statements of cash flows present detailed information about the cash activity of the University during the year. The statements of cash flows are not presented for component units. The statement is divided into five sections. The first section addresses operating cash flows and shows the net cash received and used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities and displays the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section presents cash flows from capital and related financing activities including the cash used for the acquisition and construction of capital and related items. The fourth section reflects cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the statements of revenues, expenses, and changes in net position.

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

	2017	2016	2015
Cash provided (used) by:			
Operating activities	$ (108,598)	$ (109,482)	$ (90,287)
Non-capital financing activities	149,362	140,815	134,299
Capital and related financing activities	(1,151)	(27,124)	(27,671)
Investing activities	(28,494)	(1,815)	(15,385)
Net change in cash and cash equivalents and cash with Treasurer	11,119	2,394	956
Cash—Beginning of year	47,678	45,284	44,328
Cash—End of year	$ 58,797	$ 47,678	$ 45,284

Cash increased by $11,119,591 during fiscal year 2017 compared to a cash increase of $2,392,872 during fiscal year 2016. Cash used in operating activities decreased slightly by $884 thousand in fiscal year 2017 compared to fiscal year 2016. Receipts increased by $16.5 driven by $13 million in student fees. Payments increased $15.2 million driven by $12.4 million in payments to employees. Cash provided by non-capital financing activities increased $8.5 million in fiscal year 2017. Cash provided by state appropriations increased by $8.1 million, while gifts increased $1.8 million in fiscal year 2017 and was offset by a reduction in Pell grant revenue of $1.6 million. Cash provided by capital and related financial activities was heavily impacted by the 2017A bond issuance. The University generated $78 million in cash proceeds, $45 million of which was used to refund the remaining 2007A outstanding bonds.

Cash increased by $2,392,872 during fiscal year 2016 compared to a cash increase of $956,367 during fiscal year 2015. Cash used in operating activities increased $19,195,663 in fiscal year 2016 compared to fiscal year 2015. Increases in payments to employees; scholarships and fellowships; and a reduction in sales and services of auxiliary enterprises revenue combined with an increase in student fee revenue attributed to the increase. Cash provided by non-capital financing activities increased $6,515,473 in fiscal year 2016. Cash provided by gifts increased $5.4 million. State appropriations increased $3.3 million in fiscal year 2016 and was offset by a reduction in Pell grant revenue of $2 million. Although activity is slowed compared to prior years, the University continues to invest in facilities, utilizing unrestricted reserves, donations, and invested assets.

PHOTO BY JOHN KELLY

Capital Asset and Debt Administration

The University's capital assets (prior to depreciation) increased by $1,741,116 from $780,564,698 in 2016 to $782,305,814 in 2017. The University continued to improve infrastructure and acquire property consistent with the Campus Master Plan. These improvements included $9.8 million related to the purchase of over 53,000 square feet in the new City Center Plaza located downtown Boise to house the computer science program, as well as over $4 million of remodel projects across campus. Construction in progress increased $2.8 million as the University began investing in the new $50 million Micron Materials Science Research Building to open in the Fall of 2019.

Additions were offset by the retirement of $16 million ($843 thousand in net book value) of financial systems related to the conversion from PeopleSoft financials to Oracle's ERP cloud system. The conversion will allow the University to leverage state of the art technology, revise and improve business processes, and reduce the cost of infrastructure while delivering improved service. This will create a sustainable infrastructure and ultimately allow reallocation of resources to strategic initiatives.

The University issued $67,860,000, at par, of tax exempt, General Revenue Project and Refunding Bonds, Series 2017A. The bonds were sold at a premium generating an additional $9,894,602 of proceeds. $32 million of the proceeds will be used for the building of a new fine arts building. $45,934,518 of the proceeds, after issuance costs, were used to currently refund all outstanding portions of the 2007A General Revenue Bonds. The University achieved 12.8% net present value savings on the refunding transaction totaling approximately $5 million. Moody's Investor Services and Standard and Poor's Rating Services rated the 2017 bonds and reaffirmed outstanding bonds as Aa3 and A+ with a stable outlook.

Limited state funding exists for University buildings. Therefore, the University continues to leverage student facility fees, donations, and grant funding with taxable and tax-exempt bonds to improve and add academic and auxiliary facilities. In addition, the University entered into a public/private partnership agreement with Education Realty Trust, Inc. (EdR) in 2015 to develop and operate a residential Honors College and additional freshman housing building. The University granted EdR a 50 year ground lease for the $40 million building, and the building reverts to the University at the conclusion of the agreement. The project was funded with developer equity and opened in August of 2017; it is located in the center of campus across from the Student Union. EdR will pay annual rent to the University beginning in fiscal year 2018. EdR will be responsible for daily operations and maintenance of the facility and, in exchange, will earn the rental income. The University will be responsible for any campus life programming. The 236,000 square foot facility includes 656 beds, Honors College offices and classrooms, student common areas, and nearly 15,000 square feet of new food service.

Unrestricted net position is intentionally accumulated to provide funds to support debt payments should operating revenues unexpectedly decrease. The University's debt burden ratio as of June 30, 2017, is 4.2%, representing a decrease from the June 30, 2016 ratio of 4.8%. Management's policy, in accordance with the State Board of Education policy, is to maintain this ratio below 8%.

Economic Outlook

Overall, the State of Idaho finished fiscal year 2017 with $3.45 billion in general fund receipts, which surpassed the predicted amount by 2.8% and was an 8% increase from fiscal year 2016. The revenue growth resulted in two transfers to the Budget Stabilization Fund, which is used to help protect State programs and services from economic downturns. Idaho law requires a transfer of up to 1 percent of the

General Fund when revenue grows by more than 4 percent, which resulted in a $31.8 million transfer. The Legislature also passed "surplus eliminator" legislation this year that resulted in an additional $27.5 million transfer. With the two new transfers, the rainy day account now totals $318.7 million.

According to the July 2017 Idaho Economic Forecast, published by the Division of Financial Management, Idaho is expected to outpace national growth in both job growth and population growth through 2019. Projected increases across the three year forecast in farm and nonfarm income is also a positive signal.

In February 2017, Idaho Governor Butch Otter extended the charter of the K-12 task force to higher education in Idaho. The new 36 member team is studying "K through Career" education and job training needs. The task force is studying access and affordability, funding models, and outcomes across the state. Recommendations will be presented to the Governor and will be considered for funding during the next legislative session. While it is positive that there is focus on education funding as a priority, it is too early to predict the outcome of this exercise on the University. Management continues to expect higher education to compete with other state agencies for future budget dollars.

Executive management remains focused on adopting best practices to improve delivery of a quality education to students at an affordable cost and on sound financial planning. The goal of current initiatives is to ensure that the University is aligned with the needs of its students and the future economy into which they will graduate. The rate and breadth of growth seen over the last decade has slowed as expected; however, strategic and targeted improvements will continue as the institution strives to reach its potential as an innovative university of the future.

BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND JUNE 30, 2016

	University 2017	University 2016
ASSETS		
CURRENT ASSETS:		
Cash with treasurer	$ 41,809,291	$ 43,322,119
Cash and cash equivalents	16,987,840	4,355,421
Student loan receivable	2,077,612	2,190,241
Accounts receivable and unbilled charges, net	25,950,630	22,525,590
Prepaid expense	2,467,877	2,459,258
Inventories	2,212,946	3,399,121
Investments	40,955,647	55,181,028
Due from component units	2,443,128	1,486,354
Other current assets	267,329	253,470
Total current assets	135,172,300	135,172,602
NON-CURRENT ASSETS:		
Student loans receivable, net	9,090,909	8,546,990
Investments	95,294,869	51,384,959
Prepaid bond insurance costs	-	107,418
Capital assets, net	478,403,013	482,627,231
Other assets	59,302	161,411
Total non-current assets	582,848,093	542,828,009
Total assets	718,020,393	678,000,611
DEFERRED OUTFLOWS OF RESOURCES:		
Refunding of debt	6,475,868	9,025,656
Deferred outflows related to pensions	8,763,720	3,599,476
Total deferred outflows of resources	15,239,588	12,625,132
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 733,259,981	$ 690,625,743

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2017 AND JUNE 30, 2016

	University 2017	University 2016
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 9,596,526	$ 5,245,375
Due to state agencies	714,478	168,710
Accrued salaries and benefits payable	13,769,399	15,156,975
Compensated absences payable	8,554,502	7,345,667
Interest payable	3,031,981	2,022,672
Unearned revenue	13,364,890	12,259,713
Bonds payable	8,495,000	8,505,000
Obligations under capital lease - component unit	470,014	830,756
Other liabilities	2,905,351	5,885,728
Total current liabilities	60,902,141	57,420,596
NON-CURRENT LIABILITIES:		
Unearned revenue	2,876,926	997,280
Bonds payable	234,161,946	212,263,896
Obligations under capital lease - component unit	3,622,865	4,092,880
Net other post employment benefits obligation	11,909,000	10,519,000
Net pension liability	19,245,691	12,652,677
Other liabilities	785,018	927,523
Total non-current liabilities	272,601,446	241,453,256
Total liabilities	333,503,587	298,873,852
DEFERRED INFLOWS OF RESOURCES:		
Grants received in advance	282,829	725,552
Deferred inflows related to pensions	2,111,386	3,504,621
Total deferred inflows of resources	2,394,215	4,230,173
NET POSITION:		
Net investment in capital assets	269,287,743	265,650,785
Restricted, expendable	13,617,685	13,052,874
Unrestricted	114,456,751	108,818,059
Total net position	397,362,179	387,521,718
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 733,259,981	$ 690,625,743

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND JUNE 30, 2016

	Foundation 2017	Foundation Restated 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,044,192	$ 2,438,623
Accrued interest and other receivables	2,799,319	448,631
Promises to give, net	11,155,555	12,742,783
Promises to give from Boise State University	471,977	562,425
Funds held by lender	-	4,175,271
Investment in lease - technology building current portion	-	407,117
Total current assets	17,471,043	20,774,850
NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	3,624,560	8,845,346
Promises to give, net	8,374,332	16,124,927
Promises to give from Boise State University	3,543,761	3,952,116
Investments	153,165,698	127,385,569
Interest in perpetual trusts	2,793,639	2,556,305
Investments in real estate	15,975,310	13,399,739
Funds held by trustee	563,041	556,499
Other assets	872,421	787,479
Total non-current assets	188,912,762	173,607,980
TOTAL ASSETS	$ 206,383,805	$ 194,382,830

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2017 AND JUNE 30, 2016

	Foundation 2017	Foundation Restated 2016
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 1,299,179	$ 1,702,881
Interest payable	23,592	19,754
Deferred suites and parking revenue - current portion	469,331	490,801
Liability for split interest trusts	148,394	154,831
Trust earnings payable to trust beneficiaries	20,364	20,364
Long-term liabilities - current portion	886,043	2,859,975
Deferred revenue - current portion	10,133	165,515
Total current liabilities	2,857,036	5,414,121
NON-CURRENT LIABILITIES:		
Certificates payable	-	415,000
Other long-term debt	5,439,302	3,891,934
Donation due to Boise State University	13,494,550	13,494,550
Deferred revenue	-	128,921
Deferred suites and parking revenue	121,809	191,185
Liability under split interest trust agreements	1,716,711	1,902,445
Amounts held in custody for others	1,250,540	756,767
Trust earnings payable to trust beneficiaries	119,862	132,810
Total non-current liabilities	22,142,774	20,913,612
Total liabilities	24,999,810	26,327,733
NET ASSETS:		
Permanently restricted	86,847,803	82,602,000
Temporarily restricted	80,200,504	72,576,131
Unrestricted	14,335,688	12,876,966
Total net assets	181,383,995	168,055,097
TOTAL LIABILITIES AND NET ASSETS	$ 206,383,805	$ 194,382,830

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	University 2017	University 2016
OPERATING REVENUES:		
Student fees, pledged for bonds	$ 158,654,927	$ 149,997,777
Scholarship allowance	(23,096,700)	(22,497,800)
Student fees, net	135,558,227	127,499,977
Federal grants and contracts (including $5,814,464 and $4,464,012 of revenues pledged for bonds in 2017 and 2016, respectively)	31,612,679	28,815,430
State and local grants and contracts (including $717,078 and $444,135 of revenues pledged for bonds in 2017 and 2016, respectively)	4,470,373	4,301,752
Private grants and contracts (including $371,532 and $300,390 of revenues pledged for bonds in 2017 and 2016, respectively)	3,219,084	3,229,288
Sales and services of educational activities, pledged for bonds	4,706,151	3,445,758
Sales and services of auxiliary enterprises, pledged for bonds	59,129,973	58,196,118
Other, pledged for bonds	5,393,728	3,418,923
Total operating revenues	244,090,215	228,907,246
OPERATING EXPENSES:		
Personnel cost	241,717,060	227,553,733
Services	43,723,275	38,361,117
Supplies	29,246,057	28,631,302
Insurance, utilities and rent	13,053,137	12,101,486
Scholarships and fellowships	20,834,602	20,721,776
Depreciation	25,805,716	25,997,744
Miscellaneous	3,588,256	3,541,642
Total operating expenses	377,968,103	356,908,800
OPERATING LOSS	(133,877,888)	(128,001,554)

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	University 2017	University 2016
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	$ 96,474,060	$ 89,985,661
Pell grants	22,615,664	24,169,872
Gifts (includes gifts from component unit equal to $19,127,176 and $18,674,355 in 2017 and 2016, respectively)	28,738,784	28,212,370
Net investment income (including $1,286,147 and $815,931 of revenues pledged by the University for bonds in 2017 and 2016, respectively)	1,311,540	815,931
Change in fair value of investments (including $0 and $6,147 of revenues pledged by the University for bonds in 2017 and 2016, respectively)	(107,188)	145,985
Interest (net of capitalized interest by the University of $62,838 and $15,285 in 2017 and 2016, respectively)	(9,979,021)	(9,243,292)
Loss on retirement of capital assets	(1,205,751)	(495,877)
Other	(131,598)	(67,148)
Net non-operating revenues	137,716,490	133,523,502
INCOME BEFORE OTHER REVENUES AND EXPENSES	3,838,602	5,521,948
OTHER REVENUES AND EXPENSES:		
Capital appropriations	3,299,517	935,431
Capital grants and gifts (includes gifts from component unit equal to $1,869,345 and $850,970 in 2017 and 2016, respectively)	2,702,342	1,285,483
Total other revenue	6,001,859	2,220,914
INCREASE IN NET POSITION	9,840,461	7,742,862
NET POSITION—Beginning of year	387,521,718	379,778,856
INCREASE IN NET POSITION	9,840,461	7,742,862
NET POSITION—End of year	$ 397,362,179	$ 387,521,718

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Foundation 2017
OPERATING REVENUES:				
Gifts	$ 2,663,963	$ 12,151,145	$ 3,815,352	$ 18,630,460
Non-cash donations	4,282	870,000	-	874,282
Non-charitable income	1,641,644	2,274,668	449,581	4,365,893
Interest and dividends	966,795	2,294,996	-	3,261,791
Change in split interest trusts	-	(22,873)	19,993	(2,880)
Change in fair value of investments	595,421	9,568,894	-	10,164,315
Total revenues and gains	5,872,105	27,136,830	4,284,926	37,293,861
Net assets released from restrictions through satisfaction of:				
Program restrictions	19,607,393	(19,607,393)	-	-
Write-off of promises to give	206,913	(154,553)	(52,360)	-
Board and donor designated transfers	(222,211)	208,974	13,237	-
Total operating revenues	25,464,200	7,583,858	4,245,803	37,293,861
OPERATING EXPENSES:				
Distribution of scholarships and general endowments	6,011,812	-	-	6,011,812
Distribution of funds for academic programs	5,054,701	-	-	5,054,701
Distribution of funds for athletic programs:				
Program services	9,447,877	-	-	9,447,877
Fundraising expenses	32,615	-	-	32,615
Management and general	449,516	-	-	449,516
Uncollectable pledge expense	215,568	-	-	215,568
Administrative expense:				
Program services	597,997	-	-	597,997
Fundraising expenses	1,891,483	-	-	1,891,483
Management and general	1,368,331	-	-	1,368,331
Total operating expenses	25,069,900	-	-	25,069,900
OPERATING INCOME	394,300	7,583,858	4,245,803	12,223,961
NON-OPERATING REVENUES (EXPENSES):				
Alumni center building revenue	8,496	-	-	8,496
Amortization of deferred income	-	40,515	-	40,515
Gain on sale of land	1,442,105		-	1,442,105
Interest expense	(117,285)		-	(117,285)
Depreciation Expense	(268,894)		-	(268,894)
Total non-operating revenue	1,064,422	40,515	-	1,104,937
CHANGE IN NET ASSETS	1,458,722	7,624,373	4,245,803	13,328,898
NET ASSETS - Beginning of year	12,876,966	72,576,131	82,602,000	168,055,097
NET ASSETS - End of year	$ 14,335,688	$ 80,200,504	$ 86,847,803	$ 181,383,995

See notes to financial statements.

BOISE STATE UNIVERSITY COMPONENT UNIT
BOISE STATE UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AS RESTATED
FISCAL YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Foundation 2016
OPERATING REVENUES:				
Gifts	$ 2,642,751	$ 33,936,479	$ 3,620,189	$ 40,199,419
Non-cash donations	14,680	-	-	14,680
Non-charitable income	1,565,604	2,263,747	109,452	3,938,803
Interest and dividends	957,867	2,098,101	-	3,055,968
Change in split interest trusts	-	(13,226)	4,607	(8,619)
Change in fair value of investments	(31,906)	(2,651,378)	-	(2,683,284)
Total revenues and gains	5,148,996	35,633,723	3,734,248	44,516,967
Net assets released from restrictions through satisfaction of:				
Program restrictions	22,491,303	(22,491,303)	-	-
Write-off of promises to give	397,541	(372,424)	(25,117)	-
Board and donor designated transfers	-	199,576	(199,576)	-
Total operating revenues	28,037,840	12,969,572	3,509,555	44,516,967
OPERATING EXPENSES:				
Distribution of scholarships and general endowments	4,327,448	-	-	4,327,448
Distribution of funds for academic programs	4,384,164	-	-	4,384,164
Distribution of funds for athletic programs:				
Program services	10,387,843	-	-	10,387,843
Fundraising expenses	21,825	-	-	21,825
Management and general	404,045	-	-	404,045
Uncollectable pledge expense	406,980	-	-	406,980
Administrative expense:				
Program services	478,748	-	-	478,748
Fundraising expenses	1,777,789	-	-	1,777,789
Management and general	1,262,760	-	-	1,262,760
Total operating expenses	23,451,602	-	-	23,451,602
OPERATING INCOME (LOSS)	4,586,238	12,969,572	3,509,555	21,065,365
NON-OPERATING REVENUES (EXPENSES):				
Alumni center building expense	-	(5,785)	-	(5,785)
Amortization of deferred income	-	40,515	-	40,515
Gain on distribution of assets	689,204	-	-	689,204
Interest expense	(71,450)	-	-	(71,450)
Total non-operating revenue	617,754	34,730	-	652,484
CHANGE IN NET ASSETS	5,203,992	13,004,302	3,509,555	21,717,849
NET ASSETS - Beginning of year	7,672,974	59,571,829	79,092,445	146,337,248
NET ASSETS - End of year	$ 12,876,966	$ 72,576,131	$ 82,602,000	$ 168,055,097

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	University 2017	University 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student fees	$ 137,438,711	$ 124,463,401
Grants and contracts	34,777,316	34,229,595
Sales and services of educational activities	4,519,786	3,489,327
Sales and services of auxiliary enterprises	57,542,505	57,933,188
Other operating receipts	5,361,251	3,067,420
Payments to employees	(240,167,186)	(227,747,703)
Payments for services	(43,059,874)	(38,319,001)
Payments for supplies	(27,541,711)	(29,464,178)
Payments for insurance, utilities and rent	(12,817,029)	(12,389,677)
Payments for scholarships and fellowships	(20,690,970)	(20,792,843)
Loans issued to students	(2,194,668)	(2,140,303)
Collections of loans to students	1,571,631	1,728,919
Other payments	(3,337,910)	(3,540,445)
Net cash used in operating activities	(108,598,148)	(109,482,300)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State appropriations	96,474,060	88,419,108
Pell grants	22,615,664	24,169,872
Gifts	30,236,460	28,402,125
Direct lending receipts	84,454,925	81,607,237
Direct lending payments	(84,454,925)	(81,607,237)
Other Payments	36,569	(176,402)
Net cash provided by non-capital financing activities	149,362,753	140,814,703
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and gifts	2,989,736	685,041
Purchases of capital assets	(17,823,297)	(13,769,962)
Proceeds from notes and bonds payable	77,754,602	10,448,984
Principal paid on notes and bonds payable and capital leases	(54,359,450)	(14,407,307)
Interest paid on notes and bonds payable and capital leases	(8,386,985)	(9,633,923)
Payments for bond issuance costs	(354,998)	(352,934)
Other	(970,586)	(94,294)
Net cash used in capital and related financing activities	(1,150,978)	(27,124,395)

See notes to financial statements.

BOISE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	University 2017	University 2016
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	$ (300,095,210)	$ (236,359,273)
Proceeds from sales and maturities of investments	270,781,721	233,286,078
Investment income	819,453	1,258,059
Net cash used in investing activities	(28,494,036)	(1,815,136)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER	11,119,591	2,392,872
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year	47,677,540	45,284,668
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year	$ 58,797,131	$ 47,677,540
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Operating loss	$ (133,877,888)	$ (128,001,554)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	25,805,716	26,002,301
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(3,425,040)	(4,749,311)
Student loans receivable, net	(431,290)	(296,013)
Inventories	1,186,175	(818,594)
Other assets	326,244	(86,361)
Deferred outflows related to pensions	(5,164,244)	(4,618,668)
Deferred inflows	(1,835,958)	(1,886,367)
Accounts payable and accrued liabilities	2,149,058	(5,647)
Accrued salaries and benefits payable	(1,387,576)	(876,059)
Compensated absences payable	1,208,835	355,900
Unearned revenue	1,987,496	34,299
Net Pension Liability	6,593,014	5,548,636
Other post employment benefits obligation	1,390,000	944,862
Other liabilities	(3,122,691)	(1,029,724)
Net cash used in operating activities	$ (108,598,149)	$ (109,482,300)
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Assets donated to the University	3,739,994	730,834
Donated building maintenance	-	993,608
Total non-cash transactions	$ 3,739,994	$ 1,724,442

See notes to financial statements.

BOISE STATE
UNIVERSITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial statements for fiscal years ended June 30, 2017 and June 30, 2016 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles which constitute Generally Accepted Accounting Principles ("GAAP") for governmental entities. The University considers component units with net position greater than 5% of the University's net position to be significant. As such, the Boise State University Foundation, Inc. (the "Foundation") is discretely presented for the fiscal years ended June 30, 2017 and 2016. The Foundation was established for the purpose of soliciting donations for the exclusive benefit of the University. Financial statements of the Foundation may be obtained from the Office of the Chief Financial Officer at the University. The Foundation's financial statements are prepared in accordance with Financial Accounting Standards Board ("FASB") pronouncements.

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.

The Foundation is a legally separate, private non-profit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation are different from GASB revenue recognition criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the University.

Cash with Treasurer – Balances classified as Cash with Treasurer are amounts that have been remitted to the State of Idaho as a result of the student fee collection process and, once remitted, are under the control of the State Treasurer.

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

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

Investments – The University accounts for its investments at fair value. Unrealized gains or losses on the carrying value of investments are reported as a component of change in fair value of investments in the statement of revenues, expenses, and changes in net position. Investments externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets as well as investment amounts of maturities that exceed one year, are classified as non-current assets in the statement of net position. The University deposits certain funds for investment with the Idaho State Treasury. Funds deposited with the State Treasury can be subject to securities lending transactions initiated by the State Treasury.

Capital Assets, Net – Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of the gift. The University’s capitalization policy includes all tangible items with a unit cost greater than $5,000 and an estimated useful life of greater than one year. Intangible assets with a unit cost greater than $200,000 and an estimated useful life of greater than one year are recorded as capital assets. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 5 to 20 years for intangibles, 10 years for library books, and 5 to 13 years for equipment. The University has certain collections that it does not capitalize, including the Nell Shipman Film Collection and Albertson’s Library Special Collections. These collections adhere to the University’s policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items.

Deferred Outflows of Resources – Deferred outflows of resources are a consumption of net position by the University that is applicable to future reporting periods. Similar to assets, they have a positive effect on the University’s net position. Deferred outflows will be not be recognized as an outflow (expensed) until the applicable future periods.

Non-current Liabilities – Non-current liabilities include principal amounts of bonds payable, notes payable, and long-term capital lease obligations, net other post-employment benefit obligations, net pension liability, non-current unearned revenue, deferred compensation plans, and accrued expenses.

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/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.

Deferred Inflows of Resources – Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position. Deferred inflows will be recognized as an inflow of resources (revenue) in the applicable future periods.

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 net investment in capital assets.
>
> ***Restricted, Expendable*** – Restricted, expendable net position includes resources for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
>
> ***Unrestricted*** – Unrestricted net position represents equity in assets derived mainly from student fees, sales and services of educational departments, auxiliary enterprises, and state appropriations. These resources are used for transactions related to the educational and general operations of the University, and may be used to meet current expenses for any lawful purpose and in accordance with SBOE policy. When an expense is incurred that can be paid using either restricted or unrestricted resources, the expense allocation is made on a case by case basis. Restricted resources remain classified as such until spent.

***Income and Unrelated Business Income* Taxes** – The University is excluded from federal income taxes under Section 115 of the Internal Revenue Code, per determination letter dated April 21, 1989. The University is subject to tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function.

Classification of Revenues and Expenses – Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts that are essentially contracts for services, and (4) interest earned on institutional student loans. Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions. Non-operating revenues and expenses include state appropriations, Pell grants, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest expense, and gain or loss on the disposal of capital assets and other non-exchange transactions.

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

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

Reclassifications – Certain items previously reported for the Base Plan in the 2016 financial statements have been reclassified to conform to the current 2017 financial statement presentation. Certain net position balances in the 2016 financial statements have been reclassified from unrestricted to restricted to conform with the current 2017 financial statement presentation. Such reclassifications had no effect on the previously reported total change in net position.

New Accounting Standards – In June of 2015, the GASB issued Statement No. 73, "*Accounting and Financial Reporting of Pensions Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"* was issued for fiscal years beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Management has concluded this has no impact to the University's current year financial statements.

In June of 2015, the GASB issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or "OPEB"). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the impact this standard will have on the University's financial statements.

In August of 2015, the GASB issued Statement No. 77, "*Tax Abatement Disclosures.*" The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has concluded this has no impact to the University's current year financial statements.

PHOTO BY PATRICK SWEENY

In December of 2015, the GASB issued Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*" It relates to pension plans that are (1) not a state or local governmental pension plan, (2) used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) have no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Management has determined that GASB No. 78 did not apply based on the above criteria.

In December 2015, the GASB issued Statement No. 79, "*Certain External Investment Pools and Pool Participants.*" This Statement establishes criteria that would permit a qualifying external investment pool to measure its investments at amortized cost for financial reporting purposes. An external investment pool is an arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. These investment funds pool the resources of participants for the purposes of investing in short-term, high quality securities as permitted under state law. GASB No. 79 is effective for the fiscal year ending June 30, 2016 except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing (paragraphs 18, 19, 23-26 and 40). These provisions are effective for the fiscal year ending June 30, 2017. This statement addresses the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. The implementation of this statement did not have a material impact to the University's current year financial statements.

In January 2016, the GASB issued Statement No. 80, "*Blending Requirements for Certain Component Units – An Amendment of GASB No. 14.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. Management has concluded this has no impact to the University's current year financial statements.

In March 2016, the GASB issued Statement No. 82, "*Pension Issue.*" This Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements. It establishes the definition for covered payroll as the payroll on which contributions to a pension plan are based. GASB No. 82 is effective for fiscal years beginning after June 15, 2016, except for the requirements for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. The University has implemented GASB No. 82.

Subsequent Events – The University opened a new Honors and freshman residential housing project in August 2017. This project will operate under a service concession arrangement; beginning with the Fall 2017 semester, the University will receive ground lease revenue and will pass rents collected through to the owner of the building.

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

Deposits – Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents include cash on hand of $95,440 and $95,491 as of June 30, 2017 and 2016, respectively, and amounts deposited with federally chartered institutions carried at cost. Custodial credit risk is the risk that in the event of a financial institution failure, the deposits may not be returned. The State's policy for managing custodial credit risk can be found in the Idaho Code, Section 67-2739. Cash that is restricted in purpose from an external source and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a non-current asset.

Basis of Custodial Credit Risk
As of June 30
(Dollars in Thousands)

	2017	**2016**
Insured	$ 250	$ 250
Collateralized by securities held by the pledging financial institution	16,642	4,010
Total cash and cash equivalents	$ 16,892	$ 4,260

Investments – Idaho Code, Section 67-1210 limits credit risk by restricting the investment activities of the Local Government Investment Pool ("LGIP") and state agencies. Idaho Code also gives the SBOE the authority to establish investment policies for the University. Section V, Subsection D of the Idaho SBOE Governing Policies and Procedures authorizes investments in all of the investment types substantially similar for the State Treasurer.

Objectives of the University's investment policy are, in order of priority, safety of principal, ensuring necessary liquidity, and achieving a maximum return. Covenants of certain bond resolutions also restrict investment of related funds to U.S. Government or government-guaranteed securities. The University invests in external investment pools managed by both State of Idaho and other fixed rate investment fund managers. The State's investment pool is managed by the Idaho State Treasurer's Office.

The University had original cost of $89,366,235 and $61,430,780 invested in the State's external pools as of June 30, 2017 and 2016, respectively.

Credit Risk of Debt Securities – The University's investment policy addresses the credit quality of investments in debt securities. The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

Ratings, as of June 30, are presented below using the Moody's scale. AAA ratings signify that the portfolio holdings are judged to be of the highest quality, subject to the lowest level of credit risk. Moody's has a separate rating scale for short-term debt obligations, including commercial paper. The P-1 rating is Prime-1 for issuers having a superior ability to repay short-term debt obligations.

Credit Risk of Debt Securities
As of June 30, 2017
(Dollars in Thousands)

Investment Type	Fair Value	AA	A	BBB+	Unrated
External investment pool - LGIP	$ 89,366	$ -	$ -	$ -	$ 89,366
Corporate notes and bonds	24,858	5,866	14,471	4,521	-
Federal Agency Coupon Securities	18,917	18,917	-	-	-
Certificates of Deposits	2,460	-	-	-	2,460
	135,601	24,783	14,471	4,521	91,826
Investments held on behalf of employee benefit plans:					
Bond/equity mutual funds	298	-	-	-	298
Equity mutual funds	291	-	-	-	291
Income mutual funds	57	-	-	-	57
	646	-	-	-	646
Bank of New York Mellon trust acct	4	-	-	-	4
Total investments	$136,251	$ 24,783	$ 14,471	$ 4,521	$ 92,476
% of Total	100%	18%	11%	3%	68%

Credit Risk of Debt Securities
As of June 30, 2016
(Dollars in Thousands)

Investment Type	Fair Value	AAA	AA	A	Unrated
External investment pool - LGIP	$ 58,324	$ -	$ -	$ -	$ 58,324
External investment pool - DBF	3,107	-	-	-	3,107
Corporate notes and bonds	36,648	2,382	24,227	10,034	5
Federal Agency Coupon Securities	5,356	5,356	-	-	-
Certificates of Deposits	2,483	-	-	-	2,483
	105,918	7,738	24,227	10,034	63,919
Investments held on behalf of employee benefit plans:					
Bond/equity mutual funds	311	-	-	-	311
Equity mutual funds	275	-	-	-	275
Income mutual funds	62	-	-	-	62
	648	-	-	-	648
Total investments	$106,566	$ 7,738	$ 24,227	$ 10,034	$ 64,567
% of Total	100%	7%	23%	9%	61%

Concentration of Credit Risk – The University's investment policy addresses diversification of investments. GASB Statement 40 requires governments to provide note disclosure when 5% of the total government investments are concentrated in any one issuer. Investments in obligations explicitly guaranteed by the U.S. Government, mutual funds, and other pooled investments are exempt from disclosure. As of June 30, 2017 and 2016, the University has no 5% issuer concentrations.

Interest Rate Risk – The University's investment policy provides the maximum maturity of any security purchased will be five years and the average weighted maturity of any managed portfolio will not exceed thirty-six months. Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. Approximately 32.7% of total investments are invested in securities with maturities longer than 1 year as of June 30, 2017.

Investment Maturities In Years
As of June 30, 2017
(Dollars in Thousands)

Investment Type	Fair Value	Less than 1	1 to 5
External investment pool	$ 89,366	$ 89,366	$ -
Corporate notes and bonds	24,858	2,324	22,534
Federal Agency Coupon Securities	18,917	-	18,917
Certificates of Deposit	2,460	-	2,460
	135,601	91,690	43,911
Investments held on behalf of employee benefit plans:			
Bond/Equity mutual funds	298	-	298
Equity mutual funds	291	-	291
Income mutual funds	57	-	57
	646	-	646
Bank of New York Mellon trust acct	4	-	4
Total investments	$ 136,251	$ 91,690	$ 44,561

Investment Maturities In Years
As of June 30, 2016
(Dollars in Thousands)

Investment Type	Fair Value	Less than 1	1 to 5
External investment pool	$ 61,431	$ 61,431	$ -
Corporate notes and bonds	36,648	5,524	31,124
Federal Agency Coupon Securities	5,356	-	5,356
Certificates of Deposit	2,483	491	1,992
	105,918	67,446	38,472
Investments held on behalf of employee benefit plans:			
Bond/equity mutual funds	311	311	-
Equity mutual funds	275	275	-
Income mutual funds	62	62	-
	648	648	-
Total investments	$ 106,566	$ 68,094	$ 38,472

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

Fair Value Measurement – The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The University has the following recurring fair value measurements as of June 30:

Fair Value Measurement as of June 30, 2017
(Dollars in Thousands)

Investment Type	06/30/17	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pool	$ 89,366	$ -	$ 89,366	$ -
Corporate notes and bonds	24,858	-	24,858	-
Federal agency coupon securities	18,917	-	18,917	-
Certificates of deposits	2,460	-	2,460	-
Investments held on behalf of employee benefit plans:				
Bond/Equity mutual funds	298	298	-	-
Equity mutual funds	291	291	-	-
Income mutual funds	57	57	-	-
Total investments measured at fair value	$ 136,247	$ 646	$ 135,601	$ -

Fair Value Measurement as of June 30, 2016
(Dollars in Thousands)

Investment Type	06/30/16	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate notes and bonds	$ 36,648	$ -	$ 36,648	$ -
Federal agency coupon securities	5,356	-	5,356	-
Certificates of deposits	2,483	-	2,483	-
Investments held on behalf of employee benefit plans:				
Bond/equity mutual funds	311	311	-	-
Equity mutual funds	275	275	-	-
Income mutual funds	62	62	-	-
Total investments measured at fair value	$ 45,135	$ 648	$ 44,487	$ -
Investments measured at NAV:				
External investment pool - Diversified Bond Fund	3,107			
Total investments measured at NAV	3,107			
Total investments measured at fair value	$ 48,242			

In fiscal year 2016, the LGIP investment was determined using the amortized cost. LGIP is an investment pool with the primary purpose of providing a safe liquid vehicle for investing idle funds and to obtain the best interest rate available at the time of investment. The fair value of the Diversified Bond Fund (DBF) was determined using net asset value (NAV) per share (or its equivalent) of the investment. DBF has been created by Idaho State Treasurer's Office as the alternative investment to the short term investment funds such as LGIP. The University's investment in the DBF, assume less liquidity and more price volatility for the potential of greater return over the long run. As of June 30, 2017, the University's portfolio does not include any DBF investments.

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portion due to the University, as of June 30, 2017 and 2016, by various customers, students, and constituencies of the University as a result of providing services to said groups. Amounts due to the University are reviewed on a quarterly basis for collectability; the allowance for doubtful accounts is adjusted to reflect what management deems to be collectable.

Accounts Receivable and Unbilled Charges as of June 30
(Dollars in Thousands)

	2017	2016
Student fees & third party receivables	$ 13,437	$ 15,174
Unbilled charges	9,860	7,727
Auxiliary enterprises and other operating activities	2,088	1,651
Federal, state, and private grants and contracts	4,120	1,564
Accounts receivable and unbilled charges	29,505	26,116
Less allowance for doubtful accounts	(3,554)	(3,590)
Accounts receivable and unbilled charges, net	$ 25,951	$ 22,526

▪PHOTO BY ALLISON CORONA

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable as of June 30, 2017 and 2016. The Program provides a cancellation benefit to borrowers at rates of 12.5% to 30% per year up to maximum of 100% if the participant complies with certain provisions. The Federal Government reimburses the University for amounts cancelled under these provisions. However, since 2009 the Federal Government has not appropriated funds to reimburse cancellations. Loans receivable from students bear interest at rates ranging from 5% to 10% and are generally repayable in installments to the University over a 5 to 10 year period commencing 3 or 9 months after the date of separation from the University. The University outsources the loan servicing to a third party vendor. As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. In the event the University should withdraw from the Program or the Federal Government were to cancel the Program, the University would be required to repay $8,209,463 as of June 30, 2017.

Student Loans Receivable as of June 30
(Dollars in Thousands)

	2017	2016
Student loans receivable - current	$ 2,078	$ 2,190
Student loans receivable - non-current	9,190	8,640
Student loans receivable	11,268	10,830
Less allowance for doubtful accounts	(99)	(93)
Student loans receivable, net	$ 11,169	$ 10,737

PHOTO BY ALLISON CORONA

5. CAPITAL ASSETS, NET

Following are the changes in capital assets for the fiscal year ended June 30, 2017:

	2017 *(Dollars in Thousands)*				
	Balance June 30, 2016	Additions	Transfers	Retirements	Balance June 30, 2017
Capital assets not being depreciated:					
Land	$ 67,427	$ 350	$ -	$ -	$ 67,777
Construction in progress	1,883	7,503	(4,730)	-	4,656
Total assets not being depreciated	$ 69,310	$ 7,853	$ (4,730)	$ -	$ 72,433
Other capital assets:					
Buildings and improvements	$ 579,130	$ 10,073	$ 4,476	$ (322)	$ 593,357
Furniture and equipment	71,613	3,240	254	(2,557)	72,550
Library materials	32,324	1,788	-	(2,257)	31,855
Intangibles	28,187	-	-	(16,076)	12,111
Total other capital assets	711,254	15,101	4,730	(21,212)	709,873
Less accumulated depreciation:					
Buildings and improvements	(201,808)	(16,995)	-	319	(218,484)
Furniture and equipment	(51,062)	(5,373)	-	2,376	(54,059)
Library materials	(24,623)	(1,585)	-	1,912	(24,296)
Intangibles	(20,444)	(1,853)	-	15,233	(7,064)
Total accumulated depreciation	(297,937)	(25,806)	-	19,840	(303,903)
Other capital assets, net	$ 413,317	$ (10,705)	$ 4,730	$ (1,372)	$ 405,970
Capital assets summary:					
Capital assets not being depreciated	$ 69,310	$ 7,853	$ (4,730)	$ -	$ 72,433
Other capital assets at cost	711,254	15,101	4,730	(21,212)	709,873
Total cost of capital assets	780,564	22,954	-	(21,212)	782,306
Less accumulated depreciation	(297,937)	(25,806)	-	19,840	(303,903)
Capital assets, net	$ 482,627	$ (2,852)	$ -	$ (1,372)	$ 478,403

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2017 is $ 46,016,572. These costs will be funded by 2017A bond proceeds, private and state donations, and available reserves.

The University experienced several losses related to water and fire damage to three buildings during the period. Insurance proceeds received of $1,034,162 were used to restore the facilities and are included in other operating revenue. Services expense includes $1,113,976 of repairs and maintenance costs associated with these restorations.

Following are the changes in capital assets for the year ended June 30, 2016:

	2016 (*Dollars in Thousands*)				
	Balance June 30, 2015	Additions	Transfers	Retirements	Balance June 30, 2016
Capital assets not being depreciated:					
Land	$ 66,477	$ 950	$ -	$ -	$ 67,427
Construction in progress	7,009	2,063	(7,189)	-	1,883
Total assets not being depreciated	$ 73,486	$ 3,013	$ (7,189)	$ -	$ 69,310
Other capital assets:					
Buildings and improvements	$ 568,463	$ 5,050	$ 6,069	$ (452)	$ 579,130
Furniture and equipment	66,996	6,473	1,008	(2,864)	71,613
Library materials	32,575	1,930	-	(2,181)	32,324
Intangibles	28,075	-	112	-	28,187
Total other capital assets	696,109	13,453	7,189	(5,497)	711,254
Less accumulated depreciation:					
Buildings and improvements	(185,532)	(16,613)	-	337	(201,808)
Furniture and equipment	(48,030)	(5,713)	-	2,681	(51,062)
Library materials	(24,848)	(1,608)	-	1,833	(24,623)
Intangibles	(18,380)	(2,064)	-	-	(20,444)
Total accumulated depreciation	(276,790)	(25,998)	-	4,851	(297,937)
Other capital assets, net	$ 419,319	$ (12,545)	$ 7,189	$ (646)	$ 413,317
Capital assets summary:					
Capital assets not being depreciate	$ 73,486	$ 3,013	$ (7,189)	$ -	$ 69,310
Other capital assets at cost	696,109	13,453	7,189	(5,497)	711,254
Total cost of capital assets	769,595	16,466	-	(5,497)	780,564
Less accumulated depreciation	(276,790)	(25,998)	-	4,851	(297,937)
Capital assets, net	$ 492,805	$ (9,532)	$ -	$ (646)	$ 482,627

6. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Following are the changes in deferred outflows related to refunding of debt (representing the difference between the reacquisition price and the net carrying amount of the old debt) and related to pensions for the years ended June 30, 2017 and 2016.

	2017 (Dollars in Thousands)			
	Ending Balance June 30, 2016	Additions	Reductions	Ending Balance June 30, 2017
Deferred outflows of resources:				
2004-2012A Bond refunding	$ 1,026	$ -	$ (62)	$ 964
2007A Bond refunding	558	-	(558)	-
2005-2013A Bond refunding	448	-	(26)	422
2005-2013B Bond refunding	411	-	(61)	350
2007A-2015 Bond refunding	632	-	(31)	601
2007B-2015 Bond refunding	538	-	(538)	-
2007A-2016 Bond refunding	2,200	-	(105)	2,095
2009A-2016 Bond refunding	3,212	-	(1,168)	2,044
2007A-2017 Bond refunding	-	322	(322)	-
Refunding of debt	9,025	322	(2,871)	6,476
Deferred outflows of resources related to pensions	3,600	8,335	(3,172)	8,763
Total deferred outflows of resources	$ 12,625	$ 8,657	$ (6,043)	$ 15,239

	2016 (Dollars in Thousands)			
	Ending Balance June 30, 2015	Additions	Reductions	Ending Balance June 30, 2016
Deferred outflows of resources:				
2004-2012A Bond refunding	$ 1,087	$ -	$ (61)	$ 1,026
2007A Bond refunding	1,148	-	(590)	558
2005-2013A Bond refunding	475	-	(27)	448
2005-2013B Bond refunding	472	-	(61)	411
2007A-2015 Bond refunding	662	-	(30)	632
2007B-2015 Bond refunding	1,214	-	(676)	538
2007A-2016 Bond refunding	-	2,219	(19)	2,200
2009A-2016 Bond refunding	-	3,416	(204)	3,212
Refunding of debt	5,058	5,635	(1,668)	9,025
Deferred outflows of resources related to pensions	3,637	3,600	(3,637)	3,600
Total deferred outflows of resources	$ 8,695	$ 9,235	$ (5,305)	$ 12,625

▪PHOTO BY JESSICA VARGAS

Deferred inflows of resources includes grant and contract revenue received for which all eligibility requirements have been met except for the passage of time, and deferred inflows of resources related to pensions.

Deferred inflows of resources as of June 30
(Dollars in Thousands)

	2017	2016
Grants received in advance	$ 283	$ 725
Deferred inflows of resources related to pensions	2,111	3,505
Deferred inflows of resources	$ 2,394	$ 4,230

7. UNEARNED REVENUE AND LONG-TERM LIABILITIES

Unearned revenue includes amounts received for prepaid ticket sales, auxiliary enterprise revenue received not earned, student fees, grant and contract revenue not meeting eligibility requirements, and other amounts received prior to the end of the fiscal year that will be earned in subsequent years. Student fees represent the portion of summer school revenues related to the number of days of instruction in the subsequent fiscal year and prepaid fall semester fees.

Unearned revenue as of June 30
(Dollars in Thousands)

	2017	2016
Prepaid ticket sales and auxiliary enterprises	$ 8,685	$ 5,970
Student fees	6,119	5,940
Grants and contracts	938	894
Other unearned revenue	500	453
Unearned revenue	$ 16,242	$ 13,257

Following are the changes bonds and notes payable, capital leases, non-current unearned revenue, other post-employment benefit obligations, and other liabilities for the fiscal years ended June 30, 2017 and 2016:

	2017 (Dollars in Thousands)				
	Ending Balance June 30, 2016	Additions	Reductions	Ending Balance June 30, 2017	Amounts due within one year
Long-term debt:					
Bonds payable	$ 206,925	$ 67,860	$ (53,475)	$ 221,310	$ 8,495
Premium on bonds	13,844	9,895	(2,392)	21,347	-
Capital lease obligations - component unit	4,924	-	(831)	4,093	470
Total long-term debt	225,693	77,755	(56,698)	246,750	8,965
Other liabilities:					
Non-current unearned revenue	997	2,018	(138)	2,877	-
Net other post employment benefits	10,519	1,390	-	11,909	-
Net pension liability	12,653	6,593	-	19,246	-
Non-current other	928	-	(143)	785	140
Total other liabilities	25,097	10,001	(281)	34,817	140
Long-term liabilities	$ 250,790	$ 87,756	$ (56,979)	$ 281,567	$ 9,105

▪PHOTO BY KATE JOHNSTON

	2016 (Dollars in Thousands)				
	Ending Balance June 30, 2015	Additions	Reductions	Ending Balance June 30, 2016	Amounts due within one year
Long-term debt:					
Bonds payable	$ 217,990	$ 66,145	$ (77,210)	$ 206,925	$ 8,505
Premium on bonds	6,819	7,964	(939)	13,844	-
Notes payable	634	-	(634)	-	-
Capital lease obligations - component unit	752	5,000	(828)	4,924	831
Total long-term debt	226,195	79,109	(79,611)	225,693	9,336
Other liabilities:					
Non-current unearned revenue	1,144	-	(147)	997	-
Net other post employment benefits	9,574	945	-	10,519	-
Net pension liability	7,104	5,549	-	12,653	-
Non-current other	1,139	-	(211)	928	140
Total other liabilities	18,961	6,494	(358)	25,097	140
Long-term liabilities	$ 245,156	$ 85,603	$ (79,969)	$ 250,790	$ 9,476

8. BONDS AND NOTES PAYABLE

The University issues bonds to finance a portion of the construction of academic and auxiliary facilities. The University is required by bonding resolution to establish a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments of arbitrage due to the United States. The University had no arbitrage liability as of June 30, 2017 and 2016. All bonds are at parity. Management believes the University is in compliance with all bond covenants as of June 30, 2017 and 2016. During the fiscal year ended June 30, 2017, the University issued $67,860,000, of tax-exempt General Revenue Project and Refunding Bonds, Series 2017A. The proceeds, after issuance costs, were deposited into an irrevocable trust to advance refund portions of the 2007A General Revenue Bonds. The aggregate difference in debt service between the refunding debt and refunded debt was $6,503,614, and the net present value of the savings due to refunding was $5,006,090.

Bonds Payable – Bonds payable include the following as of June 30, 2017*:*

	June 30, 2017 (Dollars in Thousands)					
Bond Issue	**Original Face Value**	**Range of Annual Principal Amounts**	**Range of Semi-Annual Interest Percentages**	**Maturity Date**	**Outstanding Balance 2017**	**Outstanding Balance 2016**
General Revenue Bonds, Series 2017A	$ 67,860	$640 - $4,525	2.000% - 5.000%	2047	$ 67,860	$ -
General Revenue Bonds, Series 2016A	$ 66,145	$930 - $5,470	3.000% - 5.000%	2039	66,145	66,145
General Revenue Bonds, Series 2015A	$ 31,210	$700 - $2,280	2.000% - 5.000%	2037	29,380	29,380
General Revenue Bonds, Series 2013A	$ 14,195	$65 - $1,300	2.000% - 5.000%	2033	11,675	12,260
General Revenue Bonds, Series 2013B	$ 11,760	$550 - $2,575	0.670% - 2.836%	2023	7,380	9,870
General Revenue Bonds, Series 2012A	$ 33,330	$305 - $3,455	2.000% - 5.000%	2042	25,070	28,525
General Revenue Bonds, Series 2010B	$ 12,895	$325 - $ 795	3.940% - 6.310%	2040	12,235	12,570
General Revenue Bonds, Series 2009A	$ 42,595	$720 - $2,870	3.250% - 5.000%	2039	1,565	2,305
General Revenue Bonds, Series 2007A	$ 96,365	$145 - $7,880	4.000% - 5.000%	2037	-	45,155
General Revenue Bonds, Series 2007B	$ 25,860	$510 - $1,760	4.000% - 5.000%	2037	-	715
Bonds before premium					221,310	206,925
Premium on bonds					21,347	13,844
Total bonds outstanding					$ 242,657	$ 220,769

Bonds Payable – Principal and interest maturities as of June 30, 2017 are as follows:

Bonds Payable 2017
(Dollars in Thousands)

	Principal	Interest	Total
2018	$ 8,495	$ 9,459	$ 17,954
2019	9,435	9,323	18,758
2020	9,920	9,147	19,067
2021	9,850	8,876	18,726
2022	9,965	9,172	19,137
2023-2027	40,595	35,538	76,133
2028-2032	48,365	25,170	73,535
2033-2037	60,575	12,965	73,540
2038-2042	16,300	3,699	19,999
2043-2047	7,810	1,209	9,019
Total	$ 221,310	$ 124,558	$ 345,868

▪PHOTO BY ALLISON CORONA

Extinguished Debt – As of June 30, 2017, debt in the amount of $25,195,000 is considered legally defeased through refunding of prior issues by a portion of the current issues. The refunded bonds (Series 2009A General Revenue Bonds) had an original issue amount of $42,595,000. Escrowed funds are held in trust in the amount of $27,137,595 for the payment of maturities on these refunded bonds. Neither the debt nor the escrowed assets are reflected in the University's financial statements.

Pledged Revenue – The University has pledged certain revenues as collateral for all revenue bond instruments. The pledged revenue amounts and coverage requirements are as follows for the year ended June 30, 2017:

	2017 (Dollars in Thousands)
Pledged revenues:	
Student fees	$ 158,655
Rentals	11,605
Residence dining income	5,888
Other	5,394
Sales & service	46,343
F&A recovery	6,903
Investment income	1,286
Total pledged revenue	236,074
Less operations and maintenance	(65,110)
Pledged revenues, net	$ 170,964
Debt service	$ 17,835
Debt service coverage	959%
Coverage requirement	110%

9. LEASE OBLIGATIONS

Capital Lease Obligations – The University has entered into capital lease agreements covering buildings the University leases from the Foundation. In 2015, the University entered into a ten-year agreement with the Foundation to lease a portion of the Alumni and Friends Center. At the end of the lease agreement, title will transfer to the University. Construction was completed and the facility was occupied as of October 2016.

Assets under capital lease are included in capital assets, net of depreciation. Amortization of assets under capital lease is included in depreciation expense. Future minimum capital lease obligations under this agreement as of June 30, 2017 are as follows:

Future minimum capital lease obligations (Dollars in Thousands)		
2018	$	562
2019		562
2020		562
2021		562
2022		562
Thereafter		1,689
Total minimum obligations		4,499
Less interest		(406)
Present value of minimum obligations	$	4,093

The book value, accumulated depreciation, and net book value for capitalized leased assets, in whole dollars, as of June 30, 2017 are as follows:

Assets under capital leases:	**Book Value**	**Accumulated Depreciation**	**Net Book Value**
Buildings and improvements	$ 13,885	$ (5,220)	$ 8,665

PHOTO BY JESSICA VARGAS

Operating Lease Obligations - The University has entered into various non-cancellable operating lease agreements covering certain space and equipment. The lease terms range from one to ten years. The expense for operating leases was $985,816 for the year ended June 30, 2017 and $1,585,630 for the year ended June 30, 2016.

Future minimum lease payments on non-cancellable operating leases at June 30, 2017 are as follows:

Future minimum operating lease obligations
(Dollars in Thousands)

2018	$	998
2019		704
2020		345
2021		231
2022		119
Thereafter		102
Total future minimum operating lease obligations	$	2,499

10. RETIREMENT PLANS AND POST RETIREMENT USE OF UNUSED SICK LEAVE

***Public Employee Retirement System of* Idaho** – The Public Employee Retirement System of Idaho (PERSI) administers the PERSI Base Plan which is a cost-sharing, multiple-employer defined benefit retirement plan governed by Idaho Code Title 59, Chapter 13. 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 required supplementary information. The annual financial report may be obtained on the PERSI website at www.persi.idaho.gov.

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

The annual service retirement allowance for each month of credited service is 2% of the average monthly salary for the highest consecutive 42 months. Approximately 921 employees contribute to this plan.

Employer contributions to PERSI are made as set forth in Section 59-1322 of Idaho Code and described in Section 59.01.03 of the Idaho Administrative Procedure Act. Employee contributions are set at 60% of employer contributions per Section 59-1333 of Idaho Code. Contributions for the three fiscal years ended June 30 are as follows:

PERSI Contributions

(Dollars in Thousands)

	2017	**2016**	**2015**
University contributions required and paid	$ 3,345	$ 3,139	$ 3,046
Employee contributions	2,007	1,883	1,827
Total contributions	$ 5,352	$ 5,022	$ 4,873
University required contribution rate	11.32%	11.32%	11.32%
Percentage of covered payroll for employees	6.79%	6.79%	6.79%

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

New faculty and professional employees hired on or after July 1, 1990 are automatically enrolled in the ORP. Vendor options include Teachers Insurance and Annuity Association/Consolidated Retirement Equities Fund (TIAA-CREF) and Variable Annuity Life Insurance Corporation (VALIC). Faculty and professional employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Participants are immediately vested in both their contributions as well as the University's contributions to their account upon enrollment. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

The employee contribution requirement for the ORP is based on a percentage of total covered compensation. Employer contributions are determined by the State of Idaho. Approximately 1,970 employees contribute to this plan.

Although enrollees in the ORP no longer actively participate in PERSI, the University is required to contribute to the PERSI Base Plan through July 1, 2025. During the fiscal years ended June 30, 2017, 2016, and 2015, this supplemental funding payment to PERSI was $1,852,748, $1,681,494, and $1,596,035, respectively. This amount is not included in the regular University PERSI Base Plan contribution discussed previously.

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

ORP Contributions
(Dollars in Thousands)

	2017	2016	2015
University contribution	$ 11,560	$ 10,480	$ 9,957
Employee contribution	8,691	7,891	7,498
Total contribution	$ 20,251	$ 18,371	$ 17,455
University contribution rate	9.26%	9.26%	9.26%
Employee contribution rate	6.97%	6.97%	6.97%

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

401(k) - PERSI Choice Plan (PCP) – This is only available to active PERSI members that work 20 hours/week for five or more months. The Choice Plan contains employee gain sharing distributions, any voluntary employee contributions made, and the earnings on those funds. Approximately 162 employees contribute to this plan.

▪PHOTO BY BROOKE SUTTON

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 through a select group of vendors. The plan is funded exclusively through employee pre-tax contributions. Approximately 119 employees contribute to this plan.

403(b) Plan – The 403(b) plan 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 through a select group of vendors. The plan is funded exclusively by employee pre-tax contributions. Approximately 312 employees contribute to this plan.

Roth 403(b) Plan – The Roth 403(b) is an after-tax saving option through payroll deduction with tax-free withdrawals of interest and earnings at retirement. All University employees are eligible to participate in this plan. Approximately 81 employees contribute to this plan.

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 with approval from the state's higher education institutions only. The plan is funded by participant-specific contributions from the employees and the respective institutions.

Supplemental Retirement Plan Contributions, in thousands, for the year ended June 30, 2017 are as follows:

Supplemental Contributions:	**401(k)-PCP**	**403(b)**	**457(b)**	**Roth 403(b)**	**Supplemental 403(b)**
Employee contribution	$ 404	$ 2,428	$ 1,072	$ 311	$ 28
University contribution	N/A	N/A	N/A	N/A	N/A

Post Retirement Use of Unused Sick Leave – Employees who qualify for retirement under the PERSI Base Plan or the ORP are eligible to convert up to 50% of the value of their unused sick leave (with limits based on years of service) to pay for certain retiree health and/or life insurance premiums. The University partially funds these obligations by remitting 0.65% of employee gross payroll to the PERSI. The total contributions for the fiscal years ended June 30, 2017, 2016, and 2015 were $983,052, $928,751, and $884,848, respectively.

11. PENSION PLANS

Public Employee Retirement System of Idaho – Boise State 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 that three members who are Idaho citizens not be members of the Base Plan except by reason of having served on the Board.

Certain items previously reported for the Base Plan in the 2016 financial statements have been reclassified to conform to the current 2017 financial statement presentation. Such reclassifications had no effect on the previously reported Base Plan position.

Membership data related to the PERSI Base Plan as of June 30, 2016 and June 30, 2015 were as follows:

	2016	2015
Retirees and beneficiares currently receiving benefits	44,181	42,657
Terminated employees entitled to but not yet receiving benefits	12,251	11,859
Active plan members	68,517	67,008

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 with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon 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. 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) that are adequate 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, 2016 it was 6.79% of their annual pay. The employer contribution rate is set by the Retirement Board and was 11.32% of covered compensation. The University contributions were $3,345,459 and $3,138,685 for the years ended June 30, 2017 and 2016, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2017 and June 30, 2016, the University reported a liability of $19,245,691 and $12,652,677, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively 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 share of contributions by the University in the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2016 and 2015, the University proportion was 0.949% and 0.961%, respectively.

▪PHOTO BY JOHN KELLY

For the years ended June 30, 2017 and 2016, respectively, the University recognized pension expense of $3,327,793 and $2,521,350. At June 30, 2017 and 2016, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Sources of Deferrals

(Dollars in Thousands)

	As of June 30, 2017	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 1,918
Changes in assumptions or other inputs	428	193
Aggregated difference between projected and actual earnings on pension plan investments	4,990	-
The University contributions subsequent to the measurement date	3,346	-
Total	$ 8,764	$ 2,111

Sources of Deferrals

(Dollars in Thousands)

	As of June 30, 2016	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 1,517
Changes in assumptions or other inputs	461	-
Aggregated difference between projected and actual earnings on pension plan investments	-	1,988
The University contributions subsequent to the measurement date	3,139	-
Total	$ 3,600	$ 3,505

The University reported $3,345,459 as deferred outflows of resources related to pensions resulting from current year employer contributions recorded subsequent to the measurement date and 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 is amortized over a closed 5 year period including the Base Plan's fiscal year 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:	Expense
	(Dollars in Thousands)
2017	20
2018	20
2019	2,233
2020	1,229

Actuarial Assumptions – Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payrolls. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code is 25 years.

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:	
Inflation	3.25 percent
Salary increases	4.25 - 10.00% percent
Salary inflation	3.75%
Investment rate of return	7.10 percent, net of investment expenses
Cost-of-living adjustments	1.00%

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

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2016 is based on the results of an actuarial valuation for that date.

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. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. 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 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. The capital market assumptions are as of January 1, 2016.

		Target Allocation	**Long-Term Expected Real Rate of Return***
Asset Class:	**Index:**		
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI ACWI ex USA	15.00%	7.55%
*Arithmetic return			
Actuarial Assumptions:			
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.08%
Portfolio Standard Deviation			12.59%
Portfolio Long-Term Expected Rate of Return			7.50%
Less: Assumed Investment Expenses			0.40%
Long-Term Expected Rate of Return, Net of Investment Expenses			**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)	$ 37,753	$ 19,246	$ 3,855

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

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.

Payables to the Pension Plan – At June 30, 2017, the University reported payables to the defined benefit pension plan of $78,176 for legally required employer contributions and $130,331 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

12. POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans

Boise State 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. Boise State 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 following location:

http://www.sco.idaho.gov/web/scoweb.nsf/displayview?ReadForm&L1=Accounting&L2=Financial+Reports+and+Public+Information#

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 that 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 $9.54 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 $9.00 per active employee per month in fiscal year 2017.

▪PHOTO BY ALLISON CORONA

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 0.264 percent of payroll in fiscal year 2017. 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. The University's contribution for the period as a percent of payroll was 1.177% for retirees under age 65, 0.894% for retirees between the ages of 65 and 69, and 0.600% for retirees over age 70.

Annual Other Post Employment Benefit (OPEB) Cost – The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer. The following table illustrates the annual OPEB cost, the amount of contributions made, the increase (decrease) in the net OPEB obligation (NOO), and the NOO (funding excess) for the current year. The University has OPEB assets of $0 and OPEB liabilities of $11,909,000, resulting in net OPEB obligation of $11,909,000 as of June 30, 2017.

2017 Annual OPEB Cost and Net OPEB Obliation

(Dollars in Thousands)

		Long-Term Disability Plan			Retiree
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Life Insurance
Annual OPEB cost					
Annual required contribution	$ 629	$ 44	$ 85	$ 65	$ 1,612
Interest	112	2	1	2	242
Adjustment to ARC	(236)	(4)	(3)	(4)	(509)
Annual OPEB cost	505	42	83	63	1,345
Contributions made	(251)	(171)	(70)	(43)	(209)
Increase (decrease) in net OPEB obligation	254	(129)	13	20	1,136
Net OPEB obligation – beginning of year	2,992	33	33	67	7,394
Net OPEB obligation (funding excess) – end of year	$ 3,246	$ (96)	$ 46	$ 87	$ 8,530
Percentage of AOC contributed	49.70%	407.10%	84.30%	68.30%	15.50%

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

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

		Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
			Healthcare	Life Insurance	Income	
Annual OPEB cost	2015	$ 364	$ 146	$ 127	$ 74	$ 1,089
	2016	$ 321	$ 144	$ 125	$ 73	$ 1,196
	2017	$ 505	$ 42	$ 83	$ 63	$ 1,345
Percentage of AOC contributed	2015	74.50%	138.40%	82.70%	81.10%	16.80%
	2016	124.30%	117.40%	67.20%	71.20%	16.90%
	2017	49.70%	407.10%	84.30%	68.30%	15.50%
NOO (funding excess) – end of year	2015	$ 3,070	$ 58	$ (8)	$ 46	$ 6,400
	2016	$ 2,992	$ 33	$ 33	$ 67	$ 7,394
	2017	$ 3,246	$ (96)	$ 46	$ 87	$ 8,530

Funded Status and Funding Progress – The following table illustrates the funded status and the funding progress for the University as of June 30, 2017:

Funded Status and Funding Progress
(Dollars in Thousands)

	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1) : (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree healthcare plan	07/01/16	$0	$ 4,041	$ 4,041	0.00%	$ 178,494	2.3%
Long-term disability plan:							
Healthcare	07/01/16	$0	$ 462	$ 462	0.00%	$ 178,494	0.3%
Life insurance	07/01/16	$0	$ 385	$ 385	0.00%	$ 178,494	0.2%
Income	07/01/16	$0	$ 295	$ 295	0.00%	$ 178,494	0.2%
Retiree life insurance plan	07/01/16	$0	$ 20,145	$ 20,145	0.00%	$ 178,494	11.3%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information immediately following the notes to the financial statements contains multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

	Retiree Healthcare	Long-Term Disability Plan			Retiree Life
	Plan	Healthcare	Life Insurance	Income	Insurance Plan
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Dollar Amount	Level Dollar Amount	Level Percentage of Payroll
Amortization period	10 years Open	30 years Open	5 years Open	5 years Open	30 years Open
Assumptions:					
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%
Investment return	3.30%	3.30%	3.30%	3.30%	3.30%
OPEB increases	N/A	N/A	N/A	N/A	N/A
Projected salary increases	3.00%	3.00%	3.00%	3.00%	3.00%
Healthcare cost initial Trend rate	3.80%	3.80%	N/A	N/A	N/A
Healthcare cost ultimate Trend rate	4.20%	4.20%	N/A	N/A	N/A

13. RISK MANAGEMENT

The University obtains workers' compensation coverage from the Idaho State Insurance Fund. The University's workers' compensation premiums are based on its payroll, its own experience, as well as that of the State of Idaho as a whole. The University carries commercial insurance for other risks of loss, including but not limited to employee bond and crime, out of state workers' compensation, business interruption, media liability, and automobile physical damage insurance. There have been no significant reductions in coverage or claims in excess of coverage within the past three years.

▪PHOTO BY PATRICK SWEENEY

14. COMPONENT UNIT

The Boise State University Foundation, Inc. (the "Foundation") was established in 1964 to engage in activities to benefit and support Boise State University (the University), including receiving contributions and holding, protecting, managing, and investing donated funds. The Foundation is a nonprofit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of, and cannot be controlled by, the University. A memorandum of understanding between the Foundation and the University defines the relationship between the two entities in accordance with the State Board of Education's policies.

The Foundation's financial statements are prepared in accordance with the standards set by the Financial Accounting Standards Board (FASB). The Foundation classifies net assets, revenues, gains, and other support and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Foundation. The restrictions stipulate that resources be maintained permanently but permit the Foundation to expend the investment revenues and gains generated in accordance with the provisions of the agreements.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Foundation and/or the passage of time and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Foundation's Board of Directors.

The Foundation reports contributions as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Unrestricted – Net assets available for use in general operations. Unrestricted Board-designated net assets consist of net assets designated by the Board of Directors for operating reserves and quasi-endowment.

Cash and Cash Equivalents – For purposes of cash flows, the Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered investments and are shown as restricted cash and cash equivalents as the funds have been designated by the Foundation for investment purposes. Cash deposits at times during the years ended June 30, 2017 and 2016 exceeded FDIC insured limits.

PHOTO BY ALLISON CORONA

Investments in Real Estate – Investments in real estate are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair market value at the date of the gift. Cost includes expenditures for major improvements. Gains and losses from sales are included in income as they occur. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Real estate investments held by the endowment are categorized as Investments under noncurrent assets on the Foundation's financial statements.

Investments – Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment gains and losses are reported in the statements of activities and consist of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

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

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

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

Investment Type	2017	2016	Percent of Total
US treasury bonds	$ 10,097,228	$ 6,831,730	6.5%
Corporate bonds	39,006,372	23,309,724	25.5%
Bond mutual funds	28,391,088	25,849,699	18.5%
Equity funds	29,873,336	32,559,002	19.5%
International equity funds	37,372,870	32,996,441	24.4%
Private equity investments	2,600,955	2,760,379	1.7%
Real estate and specialty assets	4,838,527	2,005,049	3.2%
Hedge funds	594,003	706,868	0.4%
Insurance annuities	391,319	366,677	0.3%
Total investments	$ 153,165,698	$ 127,385,569	100%

Fair Value of Assets and Liabilities – measured on a recurring basis as of June 30:

	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Active Markets (Level 2)	Quoted Prices in Active Markets (Level 3)	2017
Assets				
Investments:				
Growth investments				
US equities	$ 29,873,336	$ 243,556	$ -	$ 30,116,892
International equities	30,249,334	7,123,536	-	37,372,870
Private equity/special situations	-	-	2,600,955	2,600,955
Risk reduction investments:				-
Cash and cash equivalents (at cost)	3,624,560	-	-	3,624,560
US/Global fixed income	60,799,481	16,842,970	-	77,642,451
Hedge funds	106,752	-	487,251	594,003
Real and specialty assets	1,955,504	2,875,732	7,291	4,838,527
Investments total	126,608,967	27,085,794	3,095,497	156,790,258
Investments in perpetual trusts:				
Growth investments				
US equities	1,208,451	-	-	1,208,451
International equities	369,414	-	-	369,414
Risk reduction investments:				-
Cash and cash equivalents	99,374	-	-	99,374
US/Global fixed income	844,464	-	-	844,464
Real and specialty assets	271,936	-	-	271,936
Investments in perpetual trusts total	2,793,639	-	-	2,793,639
Total assets, at fair value	$129,402,606	$ 27,085,794	$ 3,095,497	$ 159,583,897
Liabilities				
Liabilities under split interest trust agreements	$ -	$ -	$ 1,865,105	$ 1,865,105
Trust earnins payable to trust beneficiary	-	-	140,226	140,226
Total liabilities, at fair value	$ -	$ -	$ 2,005,331	$ 2,005,331

	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Active Markets (Level 2)	Quoted Prices in Active Markets (Level 3)	2016
Assets				
Investments:				
Growth investments				
US equities	$ 32,559,002	$ 225,950	$ -	$ 32,784,952
International equities	27,169,175	5,827,266	-	32,996,441
Private equity/special situations	-	-	2,760,379	2,760,379
Risk reduction investments:				-
Cash and cash equivalents (at cost)	8,845,346	-	-	8,845,346
US/Global fixed income	39,222,319	16,909,561	-	56,131,880
Hedge funds	53,075	-	653,793	706,868
Real and specialty assets	1,924,773	-	80,276	2,005,049
Investments total	109,773,690	22,962,777	3,494,448	136,230,915
Investments in perpetual trusts:				
Growth investments				
US equities	915,759	-	-	915,759
International equities	427,413	-	-	427,413
Risk reduction investments:				-
Cash and cash equivalents	108,727	-	-	108,727
US/Global fixed income	538,679	-	-	538,679
Hedge funds	287,633	-	-	287,633
Real and specialty assets	278,094	-	-	278,094
Investments in perpetual trusts total	2,556,305	-	-	2,556,305
Total assets, at fair value	$112,329,995	$ 22,962,777	$ 3,494,448	$ 138,787,220
Liabilities				
Liabilities under split interest trust agreements	$ -	$ -	$ 2,057,276	$ 2,057,276
Trust earnins payable to trust beneficiary	-	-	153,174	153,174
Total liabilities, at fair value	$ -	$ -	$ 2,210,450	$ 2,210,450

Custodial, Credit, and Interest Rate Risk

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

Basis of Custodial Credit Risk as of June 30	2017	2016
Uninsured and uncollateralized	$ 2,294,547	$ 5,490,754

Investments of the Foundation are uninsured and uncollateralized and held in the name of either the Foundation or the custodian.

Credit Risk – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's, and Fitch's.

The Foundation has a legal agreement with its expendable restricted fund manager which defines ratings acceptable to the Foundation, and its policy defines benchmark indices by which to measure overall performance of these investments.

The ratings presented below use the Moody's scale for balances as of June 30, 2017.

Moody's Scale Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Total
Aaa	$ 10,097,228	$ 3,371,405	$ 14,474,225	$ 27,942,858
Aa1	-	1,773,947	-	1,773,947
Aa2	-	5,338,860	4,442,684	9,781,544
Aa3	-	1,271,650	-	1,271,650
A1	-	7,028,537	-	7,028,537
A2	-	3,564,687	2,250,120	5,814,807
A3	-	5,951,630	-	5,951,630
Baa1	-	8,262,151	-	8,262,151
Baa2	-	1,952,166	2,324,724	4,276,890
Ba2	-	-	4,824,503	4,824,503
B2	-	-	41,212	41,212
Unrated	-	491,339	33,620	524,959
Total	$ 10,097,228	$ 39,006,372	$ 28,391,088	$ 77,494,688

Interest Rate Risk – Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. While the Foundation does not have a policy regarding maturities of investments, it invests restricted funds in pools with differing maturities, and its policy defines benchmark indices by which to measure overall performance of these investments.

Investment Type	**Fair Value**	**< 1 yr**	**1-3 yr**	**3-10 yr**	**>10 yr**
US treasury bonds	$ 10,097,228	$ 1,621,811	$ 1,430,292	$ 7,045,125	$ -
Corporate bonds	39,006,372	11,473,531	10,355,491	17,177,350	-
Bond mutual funds	28,391,088	-	62,322	28,226,449	102,317
Total rated securities	$ 77,494,688	$ 13,095,342	$ 11,848,105	$ 52,448,924	$ 102,317

▪PHOTO BY JOHN KELLY

Promises to Give – Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections.

Promises to give are written off when deemed uncollectable. At June 30, 2017 and 2016, the allowance was $450,000.

Unconditional promises to give are reflected at the present value of estimated future cash flows using a discount rate based on Treasury bond rates at the date of the pledge and range from 0.35% to 3.62% as of June 30, 2017 net of an allowance for uncollectible pledges based on past collection experience. Unconditional promises to give are estimated to be collected as follows at June 30, 2017 and 2016:

Promises to Give	**2017**	**2016**
Receivable in less than one year	$ 11,627,532	$ 13,305,208
Receivable in one to five years	11,103,143	19,108,827
Receivable in more than five years	1,706,710	2,563,743
	24,437,385	34,977,778
Less allowance	(450,000)	(450,000)
Less discount	(441,760)	(1,145,527)
Total	$ 23,545,625	$ 33,382,251

During fiscal year 2016, a conditional pledge totaling $1 million was received for the purpose of matching amounts raised in support of the new Fine Arts building. As of June 30, 2016, the outstanding balance of the conditional pledge was $750,000, which was not included in pledges receivable. During fiscal year 2017, the remaining balance was matched and is now included in promises to give receivable. At June 30, 2016, the Foundation had one conditional gift of $243,788 that was included in deferred revenue under noncurrent liabilities. The conditions associated with the gift were met during fiscal year 2017.

As of June 30, 2017 and 2016, promises to give include a receivable related to the Alumni Building Capital Lease from the University in the amount of $4,015,738 and $4,514,541, respectively.

Investment in Real Estate – Activity for the year ended June 30, 2017 and 2016 is as follows:

Real Estate	**2017**	**2016**
Land	$ 1,542,005	$ 1,583,972
Donated property held for resale	870,000	-
Construction in Progress	-	11,815,767
Total real estate, not depreciated	$ 2,412,005	$ 13,399,739
Buildings	13,822,477	-
Less accumulated depreciation	(259,172)	-
Total real estate, depreciated	$ 13,563,305	$ -
Total real estate	$ 15,975,310	$ 13,399,739

The Foundation began construction on the new Alumni and Friends Center in April 2015. The construction was funded through a combination of private donations and tax exempt bonds. The building was completed in October 2016. The Foundation, Alumni Relations, University Advancement, and other departments moved into the building upon completion.

The Foundation will own the building until the retirement of the bond financing. At that time, the Foundation will donate the building to Boise State University.

Donated Services – Donated services to the Foundation by the University recorded as in-kind donations for the years ended June 30 were:

Donated services	**2017**	**2016**
Office space	$ 4,282	$ 14,680

Restatement of Financial Statements – As of July 1, 2016, the Foundation implemented Accounting Standards Update (ASU) 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This update requires that debt issuance costs related to a recognized debt liability be presented in the statement of financial position as a direct reduction from the carrying amount of that debt liability. Adoption of this ASU requires retroactive application by restating the financial statements of all prior periods presented. The implementation resulted in the decrease of noncurrent assets and noncurrent long-term debt of $162,632 as of June 30, 2016 and an increase of interest expense and a decrease of amortization expense of $23,355 for the year ended June 30, 2016.

15. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS

2017
(Dollars in Thousands)

Functional Categories	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$106,333	$ 12,024	$ 3,514	$ -	$ 121,871
Research	18,477	8,318	1,180	-	27,975
Public service	10,633	6,257	530	-	17,420
Libraries	3,751	2,056	-	-	5,807
Student services	15,001	3,136	83	-	18,220
Plant operations	10,428	13,568	-	-	23,996
Institutional support	23,942	6,033	3	-	29,978
Academic support	22,172	3,313	186	-	25,671
Auxiliary enterprises	30,108	35,015	2,947	-	68,070
Scholarships	872	(110)	12,392	-	13,154
Depreciation	-	-	-	25,806	25,806
Total operating expenses	$ 241,717	$ 89,610	$ 20,835	$ 25,806	$ 377,968

2016
(Dollars in Thousands)

Functional Categories	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 101,489	$ 10,631	$ 3,190	$ -	$ 115,310
Research	15,019	6,118	1,344	-	22,481
Public service	11,028	6,555	493	-	18,076
Libraries	3,719	1,954	-	-	5,673
Student services	14,113	2,500	63	-	16,676
Plant operations	9,512	11,835	-	-	21,347
Institutional support	21,573	5,369	5	-	26,947
Academic support	21,601	3,966	300	-	25,867
Auxiliary enterprises	28,499	33,619	3,208	-	65,326
Scholarships	1,001	88	12,119	-	13,208
Depreciation	-	-	-	25,998	25,998
Total operating expenses	$ 227,554	$ 82,635	$ 20,722	$ 25,998	$ 356,909

16. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal, state and local, and private grants and contracts includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the federal government. University officials are of the opinion that the effect of these refunds, if any, will not have a significant effect on financial position or the results of operations of the University.

The University has performed a review of potential pollution remediation obligations and found that there were no triggering events that would cause the University to record a pollution remediation liability as of June 30, 2017. Based on present knowledge, the University's management believes any ultimate liability in these matters will not materially affect the financial position or the results of operations of the University.

▪PHOTO BY ALLISON CORONA

REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits

Schedule of Funding Progress –

Schedule of Funding Progress - Required Supplementary Information:
(Dollars in Thousands)

	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1) : (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree healthcare plan	7/1/2014	$0	$ 2,999	$ 2,999	0.00%	$ 160,896	1.9%
	7/1/2015	$0	$ 2,872	$ 2,872	0.00%	$ 170,359	1.7%
	7/1/2016	$0	$ 4,041	$ 4,041	0.00%	$ 178,494	2.3%
Long-term disability plan:							
Healthcare	7/1/2014	$0	$ 1,026	$ 1,026	0.00%	$ 160,896	0.6%
	7/1/2015	$0	$ 942	$ 942	0.00%	$ 170,359	0.6%
	7/1/2016	$0	$ 462	$ 462	0.00%	$ 178,494	0.3%
Life Insurance	7/1/2014	$0	$ 568	$ 568	0.00%	$ 160,896	0.4%
	7/1/2015	$0	$ 458	$ 458	0.00%	$ 170,359	0.3%
	7/1/2016	$0	$ 385	$ 385	0.00%	$ 178,494	0.2%
Income	7/1/2014	$0	$ 398	$ 398	0.00%	$ 160,896	0.2%
	7/1/2015	$0	$ 331	$ 331	0.00%	$ 170,359	0.2%
	7/1/2016	$0	$ 295	$ 295	0.00%	$ 178,494	0.2%
Retiree life insurance plan	7/1/2014	$0	$ 16,346	$ 16,346	0.00%	$ 160,896	10.2%
	7/1/2015	$0	$ 18,248	$ 18,248	0.00%	$ 170,359	10.7%
	7/1/2016	$0	$ 20,145	$ 20,145	0.00%	$ 178,494	11.3%

Schedule of Employer Contributions –

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

OPEB Plan	Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions	Actual Contributions as Percentage of ARC
Retiree Life insurance	06/30/15	$1,261	$183	15%
	06/30/16	$1,392	$202	15%
	06/30/17	$1,612	$209	15%

PERSI – Base Plan

***Schedule of Employer's Proportionate Share of Net Pension Liability, Presented in Whole Dollars** –*

Schedule of Employer's Proportionate Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

Employer's Fiscal Year	Employer's portion of net the pension liability	Employer's proportionate share of the net pension liability	Employer's covered-employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.009493948	$19,245,691	$27,726,901	69.41%	87.26%
2016	0.009608384	$12,652,677	$26,908,074	47.02%	91.38%

*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, 2015.

***Schedule of Employer Contributions, Presented in Whole Dollars** –*

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years*

Employer's Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2017	$3,345,459	$3,345,459	-	$29,553,525	11.32%
2016	$3,138,685	$3,138,685	-	$27,726,901	11.32%
2015	$3,045,994	$3,045,994	-	$26,908,074	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 (University's year-end).

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
Boise 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 Boise State University (University), and its discretely presented component unit, Boise State University Foundation, Inc. (Foundation) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Boise State University's basic financial statements, and have issued our report thereon dated October 13, 2017. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on Boise 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 The University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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
October 13, 2017

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

The Idaho State Board of Education
Boise State University

Report on Compliance for Each Major Federal Program

We have audited Boise 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 each of the University's major federal programs for the year ended June 30, 2017. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

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 each of the University's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-01 and 2017-02. Our opinion on each major federal program is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-01 and 2017-02 that we consider to be significant deficiencies.

The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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
October 13, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 2 CFR 200.516(a)? ☒ Yes ☐ No

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

CFDA Number(s)	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Programs*
Various	Research & Development Cluster	Unmodified
Various	Student Financial Assistance Cluster	Unmodified
84.027A	Special Education Cluster	Unmodified
11.611	Manufacturing Extension Partnership	Unmodified

Dollar threshold used to distinguish between type A and type B programs: $ 952,195

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-001 Reporting
Significant Deficiency in Internal Controls over Compliance, Non-compliance

Federal Programs: Research and Development Cluster (various CFDA numbers) and Special Education Cluster (CFDA #84.027A)

Criteria:
The University is required to submit financial and performance reports within a specified time frame after a reporting period.

Condition:
The University is not in compliance with the federal requirement requiring timely submission of reports. During our testing of this compliance requirement we found that there were multiple instances of reports submitted after the deadline during fiscal year 2017.

For the Research and Development Cluster, one financial report was filed 4 months after the due date and another financial report was filed 2 days after the due date.

For the Special Education Cluster, one performance report was filed 15 days after the due date and another performance report was filed 13 days after the due date.

Questioned costs:
None.

Context:
Of the 11 financial reports examined for the Research and Development Cluster, 2 were submitted late.

Of the 3 performance reports examined for the Special Education Cluster, 2 were submitted late.

Effect:
Reports were not submitted within the required timeframe.

Cause:
There was insufficient monitoring of the deadlines by the Office of Sponsored Programs.

Repeat finding:
No.

Recommendation:
The University should establish and monitor a control system to ensure all reports are prepared and submitted in accordance with the federal requirements.

Views of responsible officials and planned corrective actions:
BSU implemented a new financial system during FY 2017. The post-award work list and calendaring software in the new financial system did not initially function as expected. Prior to this year's Single Audit and continuing to this date, the Office of Sponsored Programs has focused on enhancing the effectiveness of this software to ensure reporting compliance. OSP management has also implemented a process to review and update all work list deliverables and will monitor report deliverable submissions monthly.

FINDING 2017-002 Reporting
Significant Deficiency in Internal Control over Compliance, Non-compliance

Federal Program: Research and Development Cluster, various CFDA numbers

Criteria:
The University is required to submit financial reports, which are due within a specified timeframe after the reporting period. The federal cash receipts, and federal cash disbursements included in these reports should match or reconcile to the general ledger or other supporting documentation before the reports are filed.

Condition:
During our testing of quarterly SF-425 reports, we noted an instance where the amounts reported on the SF-425 did not match supporting documentation.

Questioned costs:
None.

Context:
Of the 11 financial reports tested, one report did not agree to supporting documentation.

Effect:
The University submitted a report that did not tie to supporting documentation.

Cause:
Due to system conversions during the current fiscal year, there was a lack of a formalized review process to ensure submitted reports agreed to underlying supporting documentation.

Repeat finding:
No.

Recommendation:
We recommend the University ensure all reports are accurate, submitted on a timely basis, and are supported by the general ledger detail or other documents supporting the revenues and expenditures prior to submitting them to the federal awarding agencies.

Views of responsible officials and planned corrective actions:
The financial report contained a typographical error and as such did not match the supporting documentation. The supporting financial information was correct, and the correct amount was drawn from the sponsor. OSP will implement a process to review financial reports for typographical errors.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
Student Financial Assistance - Cluster				
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Federal Pell Grants	84.063		$ -	$ 22,637,817
Federal Supplemental Educational Opportunity Grants	84.007		-	439,394
Federal Direct Subsidized Loans	84.268		-	25,860,395
Federal Direct Unsubsidized Loans	84.268		-	45,026,138
Federal Direct Parent Loans	84.268		-	7,561,866
Federal Perkins Loans (Note 3)	84.038		-	12,705,798
Federal College Work-Study (CWS)	84.033		-	291,772
Federal CWS Job Location Costs (JLC)	84.033		-	36,595
Total U.S. Department of Education Direct Programs			-	114,559,775
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct Programs:				
Nursing Students Loans (Note 3)	93.364		-	5,039
Total U.S. Department of Health And Human Services Direct Programs			-	5,039
Total Student Financial Assistance Cluster			-	114,564,814
IDEA - Cluster				
U.S. DEPARTMENT OF EDUCATION:				
Pass Through Programs:				
SESTA 17-18	84.027A	18-5001	-	37
SESTA 15-16	84.027A	065031	-	53,304
SESTA 16-17	84.027A	17-500	-	1,353,008
SESTA 16-17 Program Income	84.027A	17-500	-	13,621
SPDG 16-17	84.027A	17-500	-	70,479
Total U.S. Department of Education			-	1,490,449
Total IDEA Cluster			-	1,490,449
Research and Development - Cluster				
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Ecological Mapping, Genetic an	10.001		-	48,241
Black-backed Woodpeckers in Bo	10.675		-	14,637
Caribou-Targhee NF Woodpecker	10.XXX		-	26,741
Hummingbird Migration Monitor	10.NA		-	3,678
IBO Point Count Surveys	10.XXX		-	55,658
IBO Point Count Surveys in	10.XXX		-	215,445
Integrated Monitoring by Bird Conservation Region (MBCR)	10.XXX		-	35,923
Intermountain Bird Observatory	10.XXX		-	27,831
Nez Perce-Clearwater National Forest Bird Monitoring	10.XXX		-	95,007
Northern Goshawk Monitoring	10.XXX		-	22,572
Woodpecker Mgmt Indicator Spec	10.XXX		-	12,114
Bioenergy and soil C storage	10.310		-	15,309
GHG mitigation of AD systems	10.310		(68)	5,297
Novel Vaccines to Prevent Bovi	10.310		-	50,304
Develop Operat. Snow Melt II	10.907		-	30,788
Bromide Uptake in Crops Follow	10.025		115,851	255,004
Predicting plant uptake of inorganic bromide following soil fum	10.ADV		-	4,084
Summer Meal Program Participation by Rural vs Urban School District	10.XXX		-	1,184
Take-up by Rural vs Urban School Districts...	10.253		-	14,592
Subtotal U.S. Department of Agriculture Direct Programs			115,783	934,409

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF AGRICULTURE (continued)				
Pass Through Programs:				
Challenges and Opportunities for Expansion of the Wine Grape Prod	10.170	2016 SCBGP-FB	-	4,481
Sunnyslope Soils Analysis	10.170	14SCBGP-ID-0016	-	24,343
Web-based STB & Visual. Tool	10.170	61145SPECRP16	-	28,293
IDL Wildfire Land Use Planning	10.664	15-DG-11010000-007	-	9,966
National Wellness Policy Study Yr 1 & Yr 2	10.597	PAF# 2015-01794-03-01	-	13,562
Approaches to Enhancing Wellness Policy Implementation - YR 1	10.310	1600632-14127	-	26,123
Approaches to Enhancing Wellness Policy Implementation - YR 2	10.310	1600632-14127	-	6,656
Subtotal U.S. Department of Agriculture Pass Through Programs			-	113,424
Total U.S. Department of Agriculture			115,783	1,047,833
U.S. DEPARTMENT OF COMMERCE				
Direct Programs:				
2016 NIST SURF Program	11.620		-	5,550
NIST SURF Program Grant Proposal Participant Support	11.620		-	38,698
Subtotal U.S. Department of Commerce Direct Programs			-	44,248
Pass Through Programs:				
BCAL Virtual Watersheds	11.468	10-345A-RGE067	-	(1,183)
Subtotal U.S. Department of Commerce Pass Through Programs			-	(1,183)
Total U.S. Department of Commerce			-	43,065
U.S. DEPARTMENT OF DEFENSE				
Direct Programs:				
Phase-Controlled Magnetron Dev - Yr 1	12.800		4,337	77,818
Phase-Controlled Magnetron Dev - Yrs 2&3	12.800		-	25,177
STDP for Pattern Recognition	12.800		-	127,920
Reconfigurable Electronics	12.910		-	1,658
Reconfigurable Electronics-2	12.910		-	206
Combining Remotely Sensed Vege	12.431		-	165
Dugway Proving Ground	12.NA		-	17,611
Dugway Proving Ground-2	12.NA		-	22,229
Turbulent Lateral Boundary Conditions	12.431		-	29,246
Adaptive Management Monitorin	12.300		-	64,293
Impact of Radiation on Spatio-Temporal Pattern Recognition	12.351		-	773
Subtotal U.S. Department of Defense Direct Programs			4,337	367,096
Pass Through Programs:				
Nucleic Acid Memory Year 2	12.XXX	DARPA: HR0011-13-30002	-	52
Radiation Effects - UG	12.351	12-724	-	12,982
Assessing Operational War Fighter Performance - YR 2	12.XXX	Release No. 4	-	81,122
Emerging IMU Technology	12.XXX	Release No. 4	-	111,870
2-Dimensional Materials for Flexible Hybrid Electronics	12.XXX	16-S7700-03-C2	-	42,996
Do Not Use BSU Device and IML BEOL Optimization	12.XXX	Not Provided	-	(880)
BSU Device and IML BEOL Optimization	12.XXX	Not Provided	-	199,119
External Evaluation of Technol	12.556	Not Provided	-	21,374
Fabrication Memristive Devices	12.XXX	Not Provided	-	462
Bearing Steel Corrosion Analys	12.XXX	6820	-	(70)
Optoelectric Properties of Strain-Engineered Germanium Dots	12.800	E257GUA159	-	9,191
Nucleic Acid Memory	12.XXX	DARPA: HR0011-13-30002	-	134,136
Bearing Steels Corrosion Testi	12.XXX	FA8650-14-D-2348	-	1,714
Electrochemical Measurement	12.XXX	987-001-114	-	(30)
Subtotal U.S. Department of Defense Pass Through Programs			-	614,038
Total U.S. Department of Defense			4,337	981,134

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF THE INTERIOR (continued)				
Direct Programs:				
Intermediate-range climate	15.560		-	40,352
Agreement Between Bureau of Land Management and Boise St	15.231		-	1,790
Analysis and Modeling of Golde	15.231		-	17,039
Assessing the Value of Arbuscular Mycorrhizal Inoculation	15.231		-	787
BLM Cottonwood Integrated Bird Surveys Using IMBRC Protocols	15.XXX		-	4,126
BLM Idaho Statewide Integrated Monitoring in Bird Conservation Regions	15.231		-	36,054
Birds of Pray Remote Sensing	15.231		-	34,066
Idaho Long-billed Curlew Breed	15.231		-	79,926
NLCS - NM - Craters of the Moo	15.231		-	61,123
OHV Trails and Eagle Behavior	15.238		-	16,651
Overlapping Layers of Fire Management Examined through the Lens	15.232		-	19,930
Pygmy Rabbit Diet Quality	15.238		-	431
Quantify Dietary Quality of Sagebrush and Differentiate Species	15.238		-	5,528
Restoring the Health of Public	15.231		-	53,074
The Influences of Owyhee	15.XXX		-	2,410
Western Burrowing Owl Monitoring	15.232		-	12,061
Analysis of Arbuscular Mycorrh	15.NA		-	2,713
Bats, People, and Properties: conservation and conflict	15.945		-	30,019
Enhancing the Protected Areas	15.945		-	8,207
Radiometric Dating of Volcanic Rocks in the John Day Basin	15.945		-	18,433
American Temperature Grassland	15.669		-	9,870
Eagle Parasites and Disease	15.655		-	3,391
Golden Eagle Research	15.678		-	114,932
HIP Monitoring Data Analyses	15.657		-	19,340
IBCP Coordinator Positions and the Lucky Peak Migration Study	15.678		-	8,121
NA - Conservation Assessments and Strategies for Western Golden Eagles	15.ADV		-	4,392
USFWS Support for the IBCP Coo	15.XXX		-	2,254
Western Eagle Research	15.655		-	682
Advanced Interpretation of Avi	15.808		-	79,233
Analysis of GSM Telemetry Data	15.808		-	1,097
CESU Watershed Vulnerability	15.808		-	4,448
Determine Mineral Nitrogen	15.808		-	3,808
Evaluate GAP Data Systems & Ot	15.811		-	572,824
Evaluating Mathematical Visual	15.XXX		-	17,561
Kodiak Earthquake Hazards	15.807		-	90
Modeling long term effects	15.808		-	78,380
Protected Areas Inventory	15.811		-	732
Salt Lake City Downtown Seismi	15.807		-	7,897
Seismic Profiling in Downtown Salt Lake City	15.807		-	17,482
Seismic Profiling of Faults Related to the 1886 Charleston, SC	15.807		-	3,946
Conservation Assessments and Strategies for Western Golden Eagles Y1	15.678		-	2,170
Subtotal U.S. Department of the Interior Direct Programs			-	1,397,370
Pass Through Programs:				
Assessing the Dietary Quality	15.NA	Not Provided	-	824
Climate Change in Great Basin	15.820	G14AP00097	-	70
Bird Conservatory of The Rockies - Bird Survey	15.XXX	Not Provided	-	2,289
Bird Survey, Data and Analysis - NGPJV	15.XXX	Not Provided	-	6,488
Bird Survey, Data and Analysis - WWF	15.XXX	Not Provided	-	11,390
Sound as Systems of Biodiversity and Human Experiences	15.945	1002954D-BSU	-	1,935
Evaluation of Long-billed Curlew Reproductive Success	15.231	002556	-	3,664
USFS - Bird Survey, Data and A	15.XXX	Not Provided	-	(450)
Subtotal U.S. Department of the Interior Pass Through Programs			-	26,210
Total U.S. Department of the Interior			-	1,423,580

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF JUSTICE				
Pass Through Programs:				
IRAD Evaluation ISP	16.738	BSUIRAD2016	-	18,797
Total U.S. Department of Justice Pass Through Programs			-	18,797
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Sensors and Prognostics	20.109		-	15
Subtotal U.S. Department of Transportation Direct Programs			-	15
Pass Through Programs:				
Alternate Cross-Section I-15	20.205	13103	-	17,393
Phase 2: Numberical Analysis	20.205	Key No.19112	-	23,025
NCHRP-192	20.ADV	ADVANCE	-	(1,707)
Year 1 Application of Microbial	20.200	NCHRP-192	-	41,915
Key 19112, US-95, Elephant But	20.205	Key No.19112	-	(65)
Subtotal U.S. Department of Transportation Pass Through Programs			-	80,561
Total U.S. Department of Transportation			-	80,576
NATIONAL AERONAUTICS & SPACE ADMINISTRATION				
Direct Programs:				
Exploring the Fate of Nitrogen Heterocycles in Complex Prebiotic Mixtures	43.001		23,388	98,746
Fossil Cores in the Kepler Dat	43.001		55,529	89,062
Instrinsic Durations of Swift Gamma-Ray Bursts	43.001		-	9,992
Investigating the Formation of Nitrogen Heterocycles	43.001		-	12,326
Modeling Vegetation 2016	43.001		95,330	191,451
Modeling Vegetation Structure	43.001		10,216	70,531
NASA Aeronautics Scholarship Program - Jared Hand	43.002		-	22,500
Remote Sensing for Snow Water	43.001		-	89,619
Some Like it Hot a Study of Thermally Altered Meteorites	43.001		-	24,735
Unstable Roche-Lobe Overflow of Gaseous Planets	43.001		-	18,245
Using NASA Resources to Better Inform Wildlife Conservation	43.001		-	16,587
Magnetic Shape Memory Alloy Ac	43.XXX		-	1,982
Subtotal National Aeronatics & Space Administration Direct Programs			184,463	645,776
Pass Through Programs:				
Flexible Strain Gauge for High Strength Fabric Collaboration Grant	43.008	FPK900-SB-043	-	160
Electrical Power Generation from Space Suit Cover Later Collaboration Grant	43.ADV	Advance	-	127
The Origins of Close-in Extras	43.001	SUB0000051	-	994
2-Dim NanCrystals for Elec.	43.001	None	-	6,229
Boise State Undergraduate Microgravity Research Team	43.008	FPK900-SB-012	-	11,578
Colorimetric Tiling DNA Origam	43.008	FPK900-SB-003	-	13,426
Excitonic Quantum Coherence Towards Quantum Computing	43.008	FPK900-SB-010	-	26,873
High-Speed Broadband	43.008	FPK-548-SB-002	-	18,984
Hybrid Experimental-Computational Approaches to Improve and Pred	43.008	FPK548-SB-004	-	12,870
Investigation Fomamide Chemistry Under Plausible Prebiotic Conditions	43.008	NNX15AI04H	-	20,345
Measuring Socioeconomic Impacts for RECOVER	43.008	FPK900-SB-026	-	8,283
Monitoring Earth's Hydrosphere	43.008	FPK956-SB-001	-	(1,524)
Monitoring Earth's Hydrosphere - UG	43.008	FPK956-SB-001	-	186,168
NASA EPSCoR Fellowship	43.008	FPK175-SB-006	-	1,841
Research Experience for Undergraduates in Computational Science	43.008	FPK900-SB-034	-	1,683
Role Cellular Connectivity in Maintaining Osteogenesis	43.008	FPK548-SB-008	-	5,679
Role Cellular Connectivity in Maintaining Osteogenesis Under Simu	43.ADV	Advance	-	2,680
Space Grade Flexible Hybrid Electronics Collaboration Grant	43.008	FPK548-SB-006	-	2,502
Summer Research Experience for High School Students in Cybersecurity	43.008	FPK900-SB-032	-	5,398
Summer Research Experience for High School Students in Cybersecurity	43.008	FPK900-SB-032	-	7,500
Using Satellite to Investigate Effects of Artificial Nightlight on Large Mammals	43.008	FPK548-SB-003	-	14,401

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
NATIONAL AERONAUTICS & SPACE ADMINISTRATION (continued)				
Pass Through Programs:				
Water Institutions and Agricul	43.001	426672-19824	-	10,661
Subtotal National Aeronatics & Space Administration Pass Through Programs			-	356,858
Total National Aeronatics & Space Administration			184,463	1,002,634
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Direct Programs:				
Support Analysis of Syn-Ashley	45.024		-	7,478
Subtotal Direct Programs			-	7,478
Pass Through Programs:				
Metaffective Fiction	45.129	2015063	-	3,574
Subtotal National Foundation on the Arts and the Humanities Pass Through Programs			-	3,574
Total National Foundation on the Arts and the Humanities			-	11,052
NATIONAL SCIENCE FOUNDATION				
Direct Programs:				
A Parallel Algorithmic Framewo	47.049		-	89,515
Access Ctrl/Oblig Part Support	47.070		-	2,250
Access Ctrl/Obligation Testing	47.070		-	204,505
Acquisition of Electron Probe	47.050		-	40
Aqueous Fullerene Colloids	47.049		-	75,199
Argentina MMCA Paleoclimate	47.050		-	33,851
BD Spokes: Planning: WEST: BD for Policing in the Western United States	47.070		-	61,139
Boise Extravaganza - Participa	47.049		-	8,531
Boise Extravaganza in Set Theo - Mod 2	47.049		-	420
CAREER: A Flores NSF	47.050		-	79,734
CAREER: Achieving Tunable Nano	47.049		-	84,801
CAREER: Characterization Part Support	47.041		-	10,003
CAREER: Single Molecule Charac	47.049		-	69,022
CAREER: Soft Fibrous Tissue	47.041		-	77,124
CAREER: Wind Forecasting	47.041		-	43,080
CC*DNI Engineer: Collaborative	47.070		-	57,203
CC*DNI Networking Infrastructu	47.070		-	247,541
CNH: Soundscapes of Coupled Sy	47.075		61,557	83,733
CRII: SaTC: A System for Privacy Management in Ubiquitous Environments	47.070		-	12,897
Case Study of the Catlina Schi	47.050		-	570
Children and Info Retreival	47.070		-	30,470
Coll Rsrch: Comp Tech Geoscien	47.049		-	62,334
Coll Rsrch: Comp Tech Math	47.049		-	59,991
Collaborative Proposal	47.076		-	48,433
Collaborative Research	47.050		-	87,647
Collaborative Research Vertebr	47.074		-	75,809
Collaborative Research: Direct	47.074		-	131,548
Collaborative Research: RUI	47.050		-	12,863
Collaborative Research: Rise and Fall of Galapagos Seamounts	47.050		-	25,839
Collaborative Research: Validity Evidence for Measurement	47.076		-	4,978
Collaborative Research: Vulnerability of Carbon in Buried Soils	47.050		-	11,885
Connecting the STEM+C Dots: Infusing Computational Thinking	47.076		-	118,016
Defect-Driven Metal Oxides	47.049		-	94,521
EARS: Collaborative Research: Overcoming Prop Challenges	47.041		-	37,064
Eff of Precollege Engineering	47.041		8,744	33,713
Evolution of Innovation	47.074		-	235,304

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
NATIONAL SCIENCE FOUNDATION (continued)				
Direct Programs:				
Evolution of Innovation Participant Support	47.074		-	8,846
Field Testing Raman	47.050		-	57,452
Fostering Transformative Exper	47.076		-	33,436
Gateway Scholarships for Biological Sciences	47.076		-	14,825
GreenTrACS	47.050		-	111,375
Habitat Use by Mammalian	47.074		-	20,201
Habitat Use by Mammalian - PS	47.074		-	(6,158)
INSPIRE: Excitonic Quantum Coherence- A Path to Quantum Computing	47.041		-	57,205
IUSE/PFE:RED: CSP Hatchery	47.041		-	269,129
Irradiation - Electrochemical	47.049		-	57,301
Making Point Clouds Useful for	47.050		-	17,611
Mesoscale Watershed	47.050		-	13,123
Metamorphic & Tectonic Evoluti	47.050		-	13,498
Mobility Pyroclastic Dens	47.050		-	23,679
Mobility Pyroclastic Dens Cmt	47.050		-	65,748
Modeling the Tradeoffs of Food	47.074		-	12,691
NSF Career: Jeff Johnson	47.050		-	11,997
NSF Grad Research Fellowship	47.076		-	3,029
NSF I-Corps Teams	47.041		-	782
NSF Neuromorphic Computing2013	47.070		-	25,873
NSF RTOS	47.075		3,652	9,369
Neupert:PFI:AIR-TT Motionless	47.041		-	14,926
Novel Nanomaterials for Scalab	47.049		-	66,033
OCE-RIG:Crustal & Mantle Proce	47.050		-	56,371
PFI: AIR - TT MOTIONLESS MSM	47.041		-	56,796
PFI:AIR-TT Grantee Meeting	47.041		-	1,605
PIRE:ExTerra (FIRE)	47.083		268,970	541,298
PIRE:ExTerra (FIRE) Mod 1	47.083		-	9,319
Participant Support	47.049		-	11,325
Participant Support - Connecting the STEM+C Dots:	47.076		-	6,000
Permeating Sustainability and Resiliency Concepts in Civil Engineering	47.076		-	53,055
Post-Fire Wind and Water Erosi	47.050		-	28,322
REU - CAD - UG	47.049		-	14,343
REU Energy & Sustainability - UG	47.049		-	14,932
REU Energy Sustainability PS	47.049		-	1,803
REU Participant Support Year 1	47.074		-	2,832
REU Participant Support Yr 2/3	47.074		-	11,600
REU Site: Complexity Across Disciplines	47.049		-	7,219
REU Site: Complexity Across Disciplines Participant Support	47.049		-	28,800
REU Site: Materials for Society	47.049		-	11,335
REU Site: Materials for Society Participant Support	47.049		-	53,107
REU Site: Raptor Res-Part Sup.	47.074		-	55,273
REU Site: Raptor Research	47.074		-	3,495
REU Site: Software Security	47.070		-	20,274
REU Site: Software Security - PS	47.070		-	82,274
REU: Site: Materials Part Supp	47.049		-	(11,654)
SHF: EAGER	47.070		-	12,326
SHF: Medium: Collaborative Research: An Inspector/Executor	47.070		-	864
SHF: Small: The Loop Chain Abstrction for Balancing Locality and Parallelism	47.070		16,018	90,687
SI2-SSE GEM3D COAS	47.070		-	75,539
SI2-SSE GEM3D CS	47.070		-	5,128
SI2-SSE GEM3D ME	47.070		-	128,574
STEM Central STATION	47.076		-	3,286
Scalable NanoManufacturing-ECE	47.041		-	74,194

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
NATIONAL SCIENCE FOUNDATION (continued)				
Direct Programs:				
Scalable NanoManufacturing-MSE	47.041		152,364	235,574
Scalable NanoManufacturing-PPA	47.041		-	12,158
Small: Benchmarking Testing Methods For Acces Control Policies	47.070		-	14,514
Software Artifact Repository	47.076		-	75,919
Stream500: A new Benchmark and Infrastructure for Streaming Analytics	47.070		-	36,897
Synergistic Approach-PS	47.041		-	(2,552)
Synergistic Approach-Yang	47.041		-	2,564
Trace Element Diffusion Rates	47.050		-	59,882
Viscoelastic Mixture Models	47.049		-	4,979
Volcano Acoustics	47.050		-	48,927
Workshops-NEON	47.074		-	24,408
Workshops-NEON Participant Sup	47.074		-	32,569
X Graduate Research Fellowship Program Tara Easter	47.074		-	5,666
Interdisciplinary Flume-Benner	47.050		-	(2,151)
Kestrels and climate change	47.074		-	(91)
CAREER:Soft Fibrous Tiss Yr2-5	47.041		-	68
Twin Boundary Structure and Mobility in Shape Memory Alloys	47.049		-	647
CS10K: IDoCode	47.070		-	219,238
CS10K: IDoCode CIFS	47.070		-	6,816
Collaborative Research: The Redshirt in Engineering Consortium -Llewellyn	47.076		-	36,866
Collaborative Research: The Redshirt in Engineering Consortium- Callahan	47.076		-	7,735
EAGER Germination	47.041		-	43,415
Idaho Scholarships for Transfe	47.076		-	2,680
Noyce Participant Support	47.076		-	105,253
Noyce Phase II: Trajectory	47.076		-	31,305
PERSIST: Promoting Ed Reform	47.076		-	507,107
PERSIST: Supplement Support CO	47.076		-	64,651
PERSIST: Supplemental Support	47.076		-	18,404
Participant Support-S-STEM	47.076		-	162,278
S-STEM 2014	47.076		-	15,816
Subtotal National Science Foundation Direct Programs			511,305	6,435,408
Pass Through Programs:				
Homestake Surface Siesmic Imaging Project	47.049	66B-1097179	-	10,843
AMP-IT-UP Year 1	47.076	RD120-G2	-	18,826
Tech to Teaching	47.076	R9931-G1	-	(22,919)
Reynold Creek Carbon Geo	47.050	13-221B	-	20,944
Reynolds Creek Carbon (BIO)	47.050	13-221B	-	2,902
Reynolds Creek Carbon (GEO)	47.050	13-221B	-	1,603
Reynolds Creek Carbon Bio	47.050	13-221B	-	3,272
MSM Pump: Precision Dosing for Laboratory Research	47.041	7071	-	49,745
Elem Teachers Engaged in Authe	47.076	14-12	-	11,203
Collaborative Research: The Zy	47.074	S-000697	-	19,371
Cyber-enabled Learning	47.076	46138	-	4,821
EPSCoR-NSF Cyber	47.080	KBK990-SB-001	-	134,366
EPSCoR-NSF Diversity	47.080	KBK990-SB-001	-	58,314
EPSCoR-NSF Diversity-PartSpprt	47.080	KBK990-SB-001	-	113,981
EPSCoR-NSF Engagement	47.080	KBK990-SB-001	-	17,625

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
NATIONAL SCIENCE FOUNDATION (continued)				
Pass Through Programs:				
EPSCoR-NSF Engagemnt-PartSpprt	47.080	KBK990-SB-001	-	12,000
EPSCoR-NSF Research	47.080	KBK990-SB-001	-	858,029
EPSCoR-NSF Sustainability	47.080	KBK990-SB-001	-	1,835
EPSCoR-State Cyber	47.080	KBK990-SB-001	-	4,397
EPSCoR-State Management	47.080	KBK990-SB-001	-	14,312
EPSCoR-State Research	47.080	KBK990-SB-001	-	141,361
WC-WAVE - Science	47.079	KBK035-SB-002	-	74,030
WC-WAVE-Workforce Development	47.079	KBK035-SB-002	-	3,894
LSAMP 2	47.076	763668	-	83,552
LSAMP 2 Participants Costs	47.076	763668	-	31,428
Mobile Games for Geoscience Ed	47.076	12100501	-	14,317
Coupling Mantle Volatiles	47.050	A101233	-	16,746
Hot Spring Gases in the Southe	47.050	A101252	-	11,712
Intersections	47.076	05-ID02-NSF2014	4,920	12,340
Kick-Starting the Physics Educ	47.XXX	PHY-0808790	-	5,122
2016 IsoAstro Geochronology Wo	47.050	669K255	-	30,875
Subtotal National Science Foundation Pass Through Programs			4,920	1,760,847
Total National Science Foundation			516,225	8,196,255
U.S. NUCLEAR REGULATORY COMMISSION				
Direct Programs:				
NRC Fac Dev Program: Callahan	77.008		-	115,359
Total U.S. Nuclear Regulatory Commission Direct Programs			-	115,359
U.S. DEPARTMENT OF ENERGY				
Direct Programs:				
Additive Manufacturing of Functional Materials and Sensor Devices	81.121		-	244,845
Effects of High Dose on Laser Welded, Irradiated AIUSI 304SS	81.121		43,775	59,372
Irradiation-Induced Defect Evolution in Nuclear Graphite	81.049		-	69,885
NEUP Power Harvesting Tech	81.121		24,149	198,169
Subtotal U.S. Department of Energy Direct Programs			67,924	572,271
Pass Through Programs:				
2016 Joint Appointment	81.XXX	161634	-	13,616
ATR NSUF Usage of MaCS FY15	81.XXX	00041394-00056-05	-	536,517
Advanced Human Reliability Analysis	81.XXX	00154754	-	23,499
Augmented Reality-Energy Sci.	81.XXX	Release 3 MA 154754	-	12,923
BSU-INL Collaboration for Processing Neutron Radiographic Images	81.XXX	Release No. 13	-	5,942
Boise State University CAES MaCS Individual Projects	81.XXX	DE-AC07-05ID14517	-	208,840
CAES Program Devl FY16 Butt	81.XXX	00041394 - 00060	-	11,150
CAES Program Devl FY16 Solan	81.XXX	00041394 - 00060	-	(127)
CAES Sr. Administrator FY16	81.XXX	PO 19571 MOD 4	-	11
EPRC Conference	81.XXX	Release 068 - 00041394	-	30,524
FORGE: Snake River Plain	81.XXX	154754 Release 2	-	1,904
Human Reliability Assessment	81.XXX	154754 Release 5	-	2,722

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF ENERGY (continued)				
Pass Through Programs:				
INL Small Business Survey	81.XXX	154754	-	11,696
Investigation of Irradiation D	81.XXX	DE-AC07-051D14517	-	15,465
Joint Appointment as INL Fellow for Bernard Yurke	81.XXX	161634 Release NO.4	-	26,455
MaCS - ATR Utilization FY15	81.XXX	00041394-00056-05	-	220,006
MaCS - BEA FY15	81.XXX	00041394-00054	-	(3,160)
MaCS - BEA FY16	81.XXX	00041394-00054	-	152,831
Micro-Scale Technique Grain	81.XXX	154754 Release 6	-	37,078
Micro-Scale Technique to Evaluate Grain Boundary Cohesion	81.XXX	154754 Release 6	-	17,795
Multi-Scale Character Yr 2	81.XXX	000041394-00069	-	19,417
Multi-Scale Characterization	81.XXX	000041394-00069	-	5
NSUF Usage of the Microscopy and Characterization Suite (MaCS)	81.XXX	DE-AC0-05ID14517	-	184,149
Performance of CAES Capability Coordination & Program Dev	81.XXX	Release No. 9, Master 154754	-	10,655
SSL_INL Iron Nanoparticles	81.XXX	00041394 - 00065	-	6,164
Zircaloy Oxidation	81.XXX	00041394 - 00066	-	92,599
Conotoxin Chemical Forensics	81.XXX	244960	-	10,891
Ceramic to Metal Joining	81.049	6992	-	31,084
SPRUCE Experiment TLS	81.XXX	4000145196	-	51,607
Semiannual SPRUCE Experiment TLS Assessments and Their Interpretation YR 2	81.XXX	4000145196	-	8,530
Play Fairway Analysis Phase II	81.087	14071101-235	-	96,071
Play Fairway Analysis of the S	81.087	14071101-235	-	167
CAES Program Devl FY14 Gardner	81.XXX	00041394 - 00060	-	(4)
NA - Investigation of Exciton Delocalization and Exciton Coherence	81.ADV	Advance	-	1,879
Butt Joint Appointment FY 15	81.XXX	68390-02	-	55
Magnetic Separation FY15	81.XXX	000041394-0053 Mod 2	-	(5,071)
Subtotal U.S. Department of Energy Pass Through Programs			-	1,833,885
Total U.S. Department of Energy			67,924	2,406,156
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Classroom Physical Activi COHS	84.305A		-	12,772
Classroom Physical Activity	84.305A		-	284,735
RESET: Recognizing Effective Special Education Teachers	84.324A		20,044	356,052
2017-2018 SEED Invitational Leadership Institute to Invest in Dev	84.367D		-	304
Subtotal U.S. Department of Education Direct Programs			20,044	653,863
Pass Through Programs:				
Close - Investigation of Exciton Delocalization and Exciton	84.ADV	Advance	-	2,277
Subtotal U.S. Department of Education Pass Through Programs			-	2,277
Total U.S. Department of Education			20,044	656,140
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Spatiotemporal Dynamics of Transcription and Splicing	93.859		-	9,537
AHL Signal Fidelity	93.859		-	94,366
APoE4 Proteolysis Alzheimer's	93.866		-	45,670
Autophagy Dysfunction in Parki	93.853		-	189,127
COBRE - Lujan	93.859		-	(1,047)
COBRE Admin	93.859		-	7,351
COBRE Albig	93.859		-	(5,748)
COBRE Lujan	93.859		-	(474)

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)				
Direct Programs:				
COBRE Year 2 Carryforward	93.859		-	109,195
COBRE in Matrix Biology; COBRE ADMIN YR 4	93.859		-	71,915
COBRE in Matrix Biology; COBRE BRC YR 4	93.859		-	47,471
COBRE in Matrix Biology; COBRE UZER YR 4	93.859		-	5,360
COBRE in Matrix Biology; COBRE VIVARIUM YR 4	93.859		-	10,121
COBRE in Matrix; COBRE Admin	93.859		-	426,365
COBRE in Matrix; COBRE Albig	93.859		-	174,493
COBRE in Matrix; COBRE BRC	93.859		-	383,221
COBRE in Matrix; COBRE Jorcyk	93.859		-	77,553
COBRE in Matrix; COBRE Lujan	93.859		-	187,407
COBRE in Matrix; COBRE Pilot	93.859		-	118,886
COBRE in Matrix; COBRE Uzer	93.859		-	224,290
COBRE in Matrix;COBRE - Supplement	93.859		-	292,811
COBRE in Matrix;COBRE Mitchell	93.859		-	192,385
COBRE in Matrix;COBRE Vivarium	93.859		-	120,968
Ident and Char of Integrin	93.859		-	35,935
Identification and Characterization on an Integrin - Notch Signaling Axis	93.859		-	50,085
NIH K25 Career Award	93.859		-	41,037
COBRE - BRC	93.859		-	2,019
Subtotal U.S. Department of Health and Human Services Direct Programs			-	2,910,299
Pass Through Programs:				
Idaho MIECHV Prgm Eval Yr 5	93.505	HC881600	-	19,219
Idaho MIECHV Program Year 2	93.505	HC857500	-	199,145
MIECHV Program Evaluation Expansion Project Year 3	93.505	HC857500	-	103,776
MIECHV Year 6	93.505	HC881600	-	78,567
INBRE 3 - YR 3	93.859	IAK200-SB-015	-	142,479
INBRE 3 - YR 4	93.859	IAK200-SB-015	-	68,073
Idaho SHIP Model Test - POST I	93.624	DCK817-SB-001	-	142,994
Idaho SHIP Model Test - PRE IR	93.624	DCK817-SB-001	-	140,339
Brief, Bullying Bystander Inte	93.859	16-746Q-BSU-MG28-00	-	229
Clinical Translational Research Infrastructure Network IDeA-CTR	93.859	17-746Q-BSU-PG67-00	-	59,990
Efficacy of Web-Based Interven	93.859	16-746Q-BSU-PG38-00	-	(806)
IdeA-CTR Boise State - Year 4	93.859	16-746Q-BSU-BS8-01	-	22,525
Subtotal U.S. Department of Health and Human Services Pass Through Programs			-	976,530
Total U.S. Department of Health and Human Services			-	3,886,829
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
Lidar for SE Idaho	97.045		-	119
Lidar for SE Idaho 2	97.045		-	193,275
Total U.S. Department of Homeland Security Direct Programs			-	193,394
Total Research and Development Cluster			908,776	20,062,804

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
TRIO - Cluster				
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Boise State University Upward Bound III, Boise 17-18	84.047A		-	25,766
Boise State University Upward Bound III, Boise 17-18 Participant Support	84.047A		-	3,694
ETS I 2015-2016	84.044A		-	71,866
ETS I, Canyon and Owyhee Counties 16-17	84.044A		-	363,417
ETS II 2015-2016	84.044A		-	36,322
ETS II, Ada and Boise Counties 16-17	84.044A		-	173,833
McNair Scholars Program 15-16	84.217A		-	87,742
McNair Scholars Program 16-17	84.217A		-	155,882
SSS Teacher Prep 15-16	84.042A		-	38,736
SSS Teacher Prep 16-17	84.042A		-	200,450
Student Success Program 15-16	84.042A		-	58,491
TRiO Rising Scholars 16-17	84.042A		-	266,294
UB I Canyon County 2015-2016	84.047A		-	129,612
UB I Canyon County 2016-2017	84.047A		-	235,526
UB II Duck Valley 2015-2016	84.047A		-	53,121
UB II Duck Valley 2016-2017	84.047A		-	254,852
UB III - Borah & Capital 15-16	84.047A		-	(11)
UB III - Borah & Capital 16-17	84.047A		-	228,086
UB IV Meridian 2015-2016	84.047A		-	82,289
UB IV Meridian 2016-2017	84.047A		-	165,871
Veterans Upward Bound 15-16	84.047V		-	55,239
Veterans Upward Bound 16-17	84.047V		-	200,731
ETS I 2014-2015	84.044A		-	(1,298)
ETS II 2014-2015	84.044A		-	(596)
Total U.S. Department of Education Direct Programs			-	2,885,917
Total TRIO Cluster			-	2,885,917
Other Programs				
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
RBDG Operation Excellence	10.351		6,049	7,434
SBDC Nampa Business Accelerator Shared Manufacturing Lab	10.351		-	26,199
NRCS Support of the Idaho Bird Conservation Partnership	10.932		-	677
Subtotal U.S. Departmen of Agriculture Direct Programs			6,049	34,310
Pass Through Programs:				
Child and Adult Care Food Program (Childrens Center)	10.558	170IDCCDF	-	5,146
Subtotal U.S. Departmen of Agriculture Pass Through Programs			-	5,146
Total U.S. Departmen of Agriculture			6,049	39,456
U.S. DEPARTMENT OF COMMERCE				
Direct Programs:				
TechHelp 1B4ID FY17	11.303		53,067	104,068
Business to Business Network	11.611		-	34,871
NIST Base Grant Re-compete	11.611		125,658	377,198
NIST Re-Compete Year 2 Program Income	11.611		74,200	123,872
NIST Re-compete program income	11.611		213,626	355,494
TechHelp Re-compete year 2	11.611		47,722	269,640
Subtotal U.S. Department of Commerce Direct Programs			514,273	1,265,143

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF COMMERCE (continued)				
Pass Through Programs:				
M-TAC Program Income	11.611	70NANB14H020	-	242
Subtotal U.S. Department of Commerce Pass Through Programs			-	242
Total U.S. Department of Commerce			514,273	1,265,385
U.S. DEPARTMENT OF DEFENSE				
Direct Programs:				
PTAC	12.002		-	19,764
PTAC FY17	12.002		-	224,811
NSA GenCyber Teacher Camp	12.903		-	27,722
NSA GenCyber Teacher Camp Participant Support	12.903		-	42,601
Subtotal U.S. Department of Defense Direct Programs			-	314,898
Pass Through Programs:				
Boise Math Teachers' Circle - AY	12.901	H98230-15-1-0204	-	298
Positive Action to Support Military Students' Social-Emotional Skills	12.556	HE1254-16-1-0040	-	4,903
Subtotal U.S. Department of Defense Pass Through Programs			-	5,201
Total U.S. Department of Defense			-	320,099
U.S. DEPARTMENT OF THE INTERIOR				
Direct Programs:				
Lichen Curation Management	15.231		-	2,235
Space for USGS Snake River Fie - COAS	15.808		-	97,533
Total U.S. Department of the Interior Direct Programs			-	99,768
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
DNA Innocence Program, Idaho Innocence Project at Boise State University	16.820		-	52,427
IIP Wrongful Conviction Review	16.746		-	70,828
Total U.S. Department of Justice Direct Programs			-	123,255
U.S. DEPARTMENT OF LABOR				
Direct Programs:				
OSHCON FY17 Admin	17.504		-	59,122
OSHCON FY17 Consultation	17.504		-	300,619
Occ Safety & Health-Admin Bdgt	17.504		-	34,682
Occ Safety & Health-Prog Bdgt	17.504		-	112,422
OSHA Administration	17.504		-	(12,709)
Subtotal U.S. Department of Labor Direct Programs			-	494,136
Pass Through Programs:				
Apprenticeship Idaho	17.285	THP-AGE-7615	-	29,426
Subtotal U.S. Department of Labor Pass Through Programs			-	29,426
Total U.S. Department of Labor			-	523,562
U.S. DEPARTMENT OF TRANSPORTATION				
Pass Through Programs:				
DBE - Participant Support	20.XXX	13158	-	15,018
ITD Disadvantaged Business Ent	20.XXX	13158	-	18,984
Shuttle Purchase	20.500	1736-2016-2-P-1-BSU	-	344,841
Total U.S. Department of Transportation Pass Through Programs			-	378,843

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
NATIONAL AERONAUTICS & SPACE ADMINISTRATION				
Direct Programs:				
NASA MUREP ASTAR Fellowship	43.008		-	45,218
NASA MUREP ASTAR Fellowship -	43.008		-	63,263
Subtotal National Aeronautics & Space Administration Direct Programs			-	108,481
Pass Through Programs:				
ACE Academy Living Lab	43.008	FPK900-SB-031	-	6,233
Aerospace Day at Boise State 2017 and Engineering and Science Festival	43.008	FPK900-SB-025	-	5,219
Aerospace Day at Boise State 2017 and Engineering and Science Festival - Part	43.008	FPK900-SB-025	-	604
Closed - ISGC Scholar and Fellow Enhanc	43.008	FPK900-SB-005	-	1,891
G-Forces	43.008	NNX15AI04H	-	2,280
Idaho TECH Challenge Mars Rover Competition in Boise	43.001	FPK900-SB-023	-	310
Idaho TECH Challenge Mars Rover Competition in Boise Participant Costs	43.001	FPK900-SB-023	-	175
Subtotal National Aeronautics & Space Administration Pass Through Programs			-	16,712
Total National Aeronautics & Space Administration			-	125,193
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Pass Through Programs:				
Fall Library Sciences Tuition Grant	45.310	LS-00-16-0013-16	-	1,000
LSTA Continuing Education and Library Services	45.310	CE1700-10	-	900
Library Science Tuition Grant	45.310	LS-00-15-0013-15	-	1,000
Library Science Tuition Grant 2016	45.310	CE1600-38	-	1,000
Lecture Series for "First Foli	45.129	2016020	-	4,189
Public Lecture on the Metaphysics of Virtual Reality	45.129	2017010	-	1,200
Total National Foundation on the Arts and the Humanities Pass Through Programs			-	9,289
U.S. SMALL BUSINESS ADMINISTRATION				
Direct Programs:				
ISBDC: FAST Partnership 15-16	59.058		-	19,150
Idaho SBDC Fast 2017	59.058		-	126,883
SBA 2014 Program Income	59.037		-	(136)
SBA 2016	59.037		246,297	400,850
SBA 2016 PG Income	59.037		-	8,898
SBA 2017	59.037		-	136,621
SBA 2017 Program Income 1	59.037		-	5,674
SBA 2017 Region III	59.037		-	102,537
Total U.S. Small Business Administration Direct Programs			246,297	800,477
U.S. DEPARTMENT OF ENERGY				
Direct Programs:				
Boise State University Nuclear Science and Engineering Fellowship - Kempf	81.121		-	52,505
IAC - Research Project	81.117		-	1,479
Industrial Assessment Center	81.117		134,066	212,440
Industrial Assessment for the Intermountain West	81.117		8,415	113,161
Kiyo Scholar & Fellowship	81.121		-	56,529
Subtotal U.S. Department of Energy Direct Programs			142,481	436,115
Pass Through Programs:				
Collegiate Wind Competition	81.XXX	AFC-5-52004-06	-	6,654
Wind Application Center	81.XXX	AGZ-6-62005-01	-	14,509
Wind for Schools (Wfs) Wind Application Center (WAC) Operation Plan	81.XXX	AFG-7-70131-01	-	5,482
FY17 INL/BEA EPI Joint Appointment	81.XXX	Release 01, Master 161634	-	50,252
INL Lean Transformation and Development Support	81.XXX	178886	5,368	12,132
INL/BEA EPI Joint Appointment	81.XXX	Release 01, Master 161634	-	11,888
MACs Operations Support	81.XXX	DE-AC07-05ID14517	-	36,556

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF ENERGY (continued)				
Pass Through Programs:				
Lab Corps - Ritter	81.XXX	Release 67 MOA#41394	-	2,281
Subtotal U.S. Department of Energy Pass Through Programs			5,368	139,754
Total U.S. Department of Energy			147,849	575,869
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
CAMP 2015-2016	84.149A		-	18,860
CAMP 2016-2017	84.149A		-	412,201
HEP 2015-2016	84.141		-	16,177
HEP 2016-2017	84.141		-	446,338
Rural Endorsement and Development Opportunities (REDO)	84.365		-	88,768
Vs-Grant-DeptofEd (CofE4VSS)	84.116G		-	133,768
CAMP 2017-2018	84.149A		-	542
HEP 2017-2018	84.141		-	1,013
Subtotal U.S. Department of Education Direct Programs			-	1,117,667
Pass Through Programs:				
IBC 15-16 1003a	84.010A	16-4020	-	26,080
IBC 15-16 1003g	84.377A	16-4020	-	2,378
IBC 15-16 State	84.010A	16-4020	-	(16,553)
IBC 16-17 1003A	84.010A	17-4000	-	599,483
IBC 16-17 1003G	84.377A	17-4000	-	96,802
MSP Professional Dev. Math	84.366B	00027493	-	84,681
MSP Professional Dev. Math - Participant Support	84.366B	00027493	-	18,600
School Improvement 15-16 Admin	84.010A	16-4019	-	2,282
School Improvement 15-16 State	84.010A	16-4019	-	1,463
i-STEM Prof Dev Initiative	84.366	12MSP17	13,444	92,604
i-STEM Prof Dev Stipends	84.366	12MSP17	-	(26,400)
SAHE Grant - Professional Development with Idaho Teachers	84.367	S367B150047	21,406	108,446
College Ready Writers Program	84.367D	05-ID02-SEED2016	-	7,516
College Ready Writers Program Participant Support	84.367D	05-ID02-SEED2016	-	4,236
2017-2018 CRWP High-Need School Grant	84.367D	05-ID02-SEED2017-CRWPPD	-	591
NWP Teacher Leadership 15-16	84.367D	05-ID02-SEED2012	-	2,462
iSTEM 2016	84.366	EBK895-SB-001	43,572	252,340
iSTEM 2016 Stipends	84.366	EBK895-SB-001	-	56,586
iSTEM 2017	84.366	EBK895-SB-001	-	84,023
Subtotal U.S. Department of Education Pass Through Programs			78,422	1,397,620
Total U.S. Department of Education			78,422	2,515,287
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
TEAM for Social Work Yr 3	93.243		-	176,512
Youth Behavioral Health Internship (YBHI) for Masters in Counseling Students	93.243		-	46,944
Subtotal U.S. Department of Health and Human Services Direct Programs			-	223,456
Pass Through Programs:				
Collaborating for Health Conf.	93.XXX	HC896800	-	(2,682)
Strategic Prevention Framework for the Idaho College of Health Coalition	93.243	5U79SPO20168-02	-	86,558
Collaboration for Health Conference	93.XXX	HC929800	-	143
Lifespan Respite	93.XXX	90LR0034-01-00	-	30,556
Scholars Program 2015/2016	93.XXX	KC255400	-	1,387
Scholars Program FY17	93.XXX	KC255400	-	166,913

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Programs Grantor/Program or Cluster Title	CFDA#	Pass-Through Programs Entity Identifying Number	Passed Through to Subrecipients	Total
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)				
Pass Through Programs:				
Students Helping in the Naturalization of Elders	93.XXX	IOR-1721	-	8,866
Montana Critical APGAR Program	93.XXX	6850	2,284	16,410
Job Hazard Analysis in Agriculture: Developing Tools to Evaluate the Effect	93.262	UWSC9704	-	3,722
STAC-Tech Year 3	93.143	753929	-	1,738
Strategic Prevention Framework - COED	93.XXX	6641	-	(3,646)
Regional Alcohol Drug Awarene	93.XXX	6806	-	(6,785)
Strategic Prevention Framework	93.243	5U79SPO20168-02	-	(4,904)
Collaborating for Health Confe	93.XXX	HC896800	-	2,435
Subtotal U.S. Department of Health and Human Services Pass Through Programs			2,284	300,711
Total U.S. Department of Health and Human Services			2,284	524,167
Total Other Programs			995,174	7,300,650
Total Expenditures			1,903,950	146,304,634

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of the University under programs of the federal government for the year ended June 30, 2017. 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). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the 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. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. UNIVERSITY ADMINISTERED LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by the University, and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2017 consists of:

CFDA Number	Program Name	Outstanding Balance at June 30,2017
84.038	Federal Perkins Loan	11,041,803
93.364	Nursing Students Loans	5,039

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