OPPORTUNITY and INNOVATION

2013 Financial Report

Idaho State UNIVERSITY


UNIVERSITY

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President Arthur C. Vailas

Message from the President

When Natalie Malm graduated from high school last year, she already knew about the rigors of college studies.

The 19-year old junior is now studying pre-pharmacy at Idaho State University and is excited about her future. Through the Early College Program, she was able to take a full semester of classes while still in high school, giving her a head start on her future at ISU.

The Early College Program is just one of the many ways we work hard to make sure talented students have the opportunity to succeed. At Idaho State University, we are on a constant mission to improve opportunities for our students and to provide access to a high-quality education that will serve them now and in the future.

Our students study hard in the classrooms, but we also want to make sure they succeed in their future career.

Our Career Path Internship program offers paid, relevant work experience for our students, and gives them the opportunity to learn about their chosen field in a real work environment. Through this program and more, ISU students are working in laboratories doing innovative research that will make a difference, helping Idahoans in our health clinics, and working with local businesses to put their classroom knowledge into action.

As you read the stories in this report, you will see what a wonderful year we have had at Idaho State University with the help of our faculty, staff, friends and especially our students. They are the next generation of leaders, and the reason our institution is here.

Go Bengals!

Arthur C. Vailas, Ph.D.
University President

An Opportunity of a Lifetime

The bones of a 14-year-old girl were found carelessly tossed into a rubbish heap. Her bones showed clear marks of cannibalism. There were four shallow chop marks on her forehead, a cleaver strike to the back of the skull, and numerous gouges on her jaw that made it clear that she had been dismembered and almost certainly consumed. It was equally clear she had been there a long time.

Four centuries, in fact.

Her remains—a partial skull and teeth— were excavated at the site of Jamestown Colony in 2012, and she was quickly dubbed "Jane of Jamestown." Jamestown journals had recorded instances of cannibalism in America's first British colony, but Jane's bones were the first substantive proof that the colonists had succumbed to eating one another during the "Starving Time." Everyone wanted to know who this unfortunate young girl was.

To the envy of forensic anthropologists the world over, ISU anthropology student Michelle Carpenter spent last summer working in the Smithsonian on Jane's remains. Carpenter isn't allowed to share her results yet, but she loves that she was right in the middle of that mystery.

Forensic anthropology is, as Carpenter explains, always a mystery. "It's not the kind of mystery that you read about, one where someone else figures out all the clues and puts the picture together for you. No, a forensic anthropologist is in the mystery." Carpenter has to gather random clues, do wildly varied research, and dig until she finds the answers that put all the pieces together. There will always be more mysteries to solve, and she can spend her whole life moving from one wild puzzle to another.

Working at the Idaho Museum of Natural History (IMNH) perfectly prepared Carpenter for working at the Smithsonian. In some ways, the IMNH had little choice. Carpenter said that she volunteered at the museum so often and was willing to stay so late to finish projects that they finally had to give her a job. IMNH's Mary Thompson recommended that Carpenter apply for a summer internship at the Smithsonian. Carpenter didn't think that she had a chance, but she applied for three and got one, working with her dream researcher, Nicole Little.

She arrived terrified, overwhelmed by all the tasks that lay ahead and the state-of-the-art equipment that she didn't know how to run. More than anything, she was in awe of all the researchers, famous scientists that she had only read about and now would work with side by side. She desperately wanted to make a good impression, particularly on Dr. Douglas Owsley, one of the premier forensic anthropologists in the world.

When he came in to talk to her about the bone analysis that they would be doing, he spoke about analyzing the bones for heavy metals. She interrupted him to say that the heavy metal concentration would tell them if the remains were from an upper- or lower-class individual. Owsley looked at her and said, "How long do I have you?"

"Until August."

"I might have to keep you a little longer than that."

It was one of the best moments of her summer and gave her the opportunity to work on his team and on Jane. Dr. Owsley reluctantly let her come back to ISU, where she will graduate in May 2014. The future is a mystery, and that is just how Carpenter likes it. There is no doubt she will solve it.

ISU students Jennifer Hernandez and Michelle Carpenter

Solutions, Both Casual and Critical

It wasn't the typical dinner conversation at Joe's Crab Shack, but no discussion with Dr. Eric Burgett is likely to be typical. He is the director and primary researcher at ISU's Research and Innovation in Science and Engineering (RISE) complex, a facility specializing in energy-related research, nanotechnology and materials science. People bring Burgett problems that would take most people decades of lab work to solve. He often just needs a stack of napkins.

For example, one of his colleagues mentioned that there could soon be a worldwide shortage of technetium-99m (Tc-99m), a radioactive nuclear isotope that is used in tens of millions of medically diagnostic procedures each year. That shortage had the potential to strand millions of patients worldwide who desperately needed Tc-99m to help find their brain tumors, treat their thyroid disease, and perform thousands of other medical tasks.

This is the kind of problem that Burgett lives for: a real-world dilemma that requires an innovative and integrative solution, resulting in a commercially viable product. He immediately went to work.

By the next morning, Burgett had developed a solution. At dinner that night, he proceeded to draw out its details on a stack of Crab Shack napkins. The table was soon covered in schematics, showing the basis for a workable solution that would allow for the modification of existing hospital equipment to create a reliable and nearly ubiquitous source of Tc-99m. To the amazement of his colleague, he showed how to solve a global dilemma by making small modifications to the existing infrastructure, equipment and procedures without a radical change in staff—all before dessert.

Burgett also took on this problem: Nuclear engineering modelers and simulators need a steady supply of perfect, pure uranium oxide crystals to test how different conditions change nuclear fuel's performance.

Burgett's solution was to grow pure uranium oxide crystals. How does one grow uranium crystals?

Very carefully.

Uranium only grows at temperatures between 3,200-3,400 °C, temperatures so hot that structural materials like steel were vaporized 1,000 °C ago. Nothing should survive those conditions, but Burgett and his team created a proprietary method capable of routinely producing large single crystals of uranium oxide, crystals that are now being studied all over the country and can only be made at the RISE Complex.

RISE has many more projects, all developed with specific commercial viability in mind. Altogether, as Dr. Howard Grimes, ISU's vice president of Research and Economic Development, explains, $60 billion is spent per year on research and development at university research facilities and only $2 billion of demonstrable value is produced.

This is largely because research facilities lack RISE's very simple approach: The starting point is always to fix something, and the search for solutions always starts with existing technology.

So, bring your nuclear, energy, or materials-related dilemmas to Burgett and his crew at RISE and then watch them get right to work on them. Bringing crab legs and napkins are not required, but highly recommended.

The technology that RISE is creating isn't just cutting edge, it's sci-fi movie cool. Here are just a few examples:

- Want to measure strain and flux in a nuclear reactor accurately and in real time? Use the most sensitive stress/strain sensor ever created, capable of being applied onto nuclear fuel materials and steel I-beams to measure the nanostrain in a nuclear reactor in real time, all measured wirelessly with a beam of light.
- Need to make something invisible—a sensor or Harry Potter, perhaps? A new technology Burgett is developing — the plasmonically-cloaked nanoparticles sensors—can manipulate visible light waves so that they will simply flow around the object without the slightest disturbance.
- Wish you never had to charge your phone, your tablet, or your computer ever again? Harness the power of a pure uranium oxide crystal and have enough fuel to power a device throughout its lifespan without a single charge.
- Want to be able to produce an image at nanometer scale? Use their Focused Ion Beam (which can also carve the ISU logo inside the D of a dime).

Eric Burgett

Getting Defensive

The American government has invested heavily in safeguards ranging from securing our borders against smuggled weapons to stopping the proliferation of nuclear arms, and the Idaho Accelerator Center plays a key role in those safeguards.

The U.S. Department of Defense (DOD) issued Dr. Alan Hunt, associate professor of physics, and the IAC a challenge in August 2012: they wanted a non-destructive, non-invasive way to detect fissionable materials (materials that could be used in a nuclear bomb) in the millions of cargo containers that flow into the US each year. It is physically impossible to visually inspect the contents of all those containers, leaving our country vulnerable to the threat of smuggled nuclear materials and weapons. The DOD needed a much better, more efficient way to peer into each container without actually looking at it.

The IAC immediately went to work on the answer, using X-ray radiography as a possible solution. In less than a year, the IAC presented the DOD with an elegant, working solution that could quickly and accurately see nuclear materials through any walls that tried to hide it.

In its simplest terms, fissionable material has a unique signature, a signature that scientists can read when they shine the right energy on it. Consider it like a very high-tech version of invisible ink. The IAC created a device that can X-ray a shipping container from a distance and read the signature of any nuclear contents that are hidden within it. Now, we can filter millions of unknown containers to find the one that could damage America on an epic scale.

Hunt is equally proud of the technology that he and his colleagues created and the speed with which they developed it. Their hard work could ultimately save lives.

Resourceful and Impressive Science

The speed limit sign is the first introduction to the Idaho State University Research and Innovation in Science and Engineering (RISE) facility, and it is a fitting one. It says "Speed Limit 4π."

The RISE staff and students take their science very seriously and joke about everything else. As graduate student Scott McBeath explains, "normal here isn't normal for most people," and he's right: RISE is extraordinary in every way.

Dr. Eric Burgett, associate professor of nuclear engineering and director of RISE, explains that the facility is impressive—more than 200,000 square feet of research space ready to welcome whatever challenge the nuclear science, nanotechnology and materials science world wants to take on next. RISE houses an amazing array of state-of-the-art equipment, most of which is the best in the nation with unsurpassed capabilities not found anywhere else in the world. Burgett jokes that RISE is the Robin Hood of nuclear science, taking used equipment and castoffs and turning them into a wealth of educational opportunities with some really unique capabilities. For example, they have a nuclear simulator and high-performance computer cluster built entirely from donated, battered computer monitors and parts.

But as impressive as the facility is, Burgett knows that it is the people who fill it who are truly amazing. RISE is designed to harness the best and brightest minds, turning students into polished and experienced professionals that the nuclear industry is scrambling to hire. That is exactly why McBeath and his colleague, Brycen Wendt, chose to come here.

RISE offers an educational experience unlike any other in the world. Every student—undergraduate and graduate, technical and academic—is being put to work, doing exactly what that they have been trained to do. McBeath will graduate with his master's degree in May 2014 with a resume that shows how he helped to develop the Light Gauge project—sensors that can be embedded into a nuclear reactor's structural material to give stress readings in real time wirelessly through a beam of light. His colleague, Wendt, spent his master's program creating an automated calibration system for nuclear data measurements. They didn't just study something; they created something, and they will be ready to do the same for their employer.

It isn't precisely true that students are working on what they have been trained to do; they do far more. Just like the real world will require of them, students are challenged to be excellent in their particular field and to take on tasks in other fields, too.

To accomplish this, most students are assigned to be instrument leads. For example, one student will be completely in charge of the Focused Ion Beam and the dual beam. That student makes sure that the equipment stays healthy, is operational, and helps run any experiments that need that equipment.

Students are taken out of their comfort zones. Mechanical engineering students do material work. Electrical engineers do simulation work. Every future job will require that breadth of skills, and the only way to get them is to practice. All of the disciplines collaborate and share ideas about how to best use each other's strengths.

A diverse education is best accomplished by a diverse student body. RISE is the No. 1 employer of female undergraduate and graduate students at ISU in technical fields. They also recruit heavily from the student veteran population. Students are drawn from programs across campus, all bringing their own visions into this unique facility.

McBeath and Wendt both described the work here as . . . well, not work. It's fun. The research is so innovative, and the people they work with are so good that they love to be here. They laugh and joke while they pursue the coolest science around.

It is clear that students are incredibly lucky to study at the RISE, almost as lucky as their future employers will be to hire them.

ISU student Scott McBeath

A 'Marvelously Attractive' Isotope

Copper-67, according to Dr. Alan Hunt of the Idaho Accelerator Center (IAC), is one marvelously attractive medical isotope. Researchers can take Copper-67, dress it up with all the right receptors, and introduce it into a patient's system. Copper-67 immediately goes searching for its soul mate, a cancer cell which will find this radioactive isotope completely irresistible.

While Copper-67 is especially agreeable to being incorporated into the specialized drugs that can target specific cancer cells, Copper-67 isn't just a one-trick isotope. It is a theragnostic isotope, which means that it can both detect the presence of cancer cells and eradicate those cells in one treatment. So, essentially, the relationship between the isotope and the cancer cell isn't destined to last long and is sure to have a traumatic ending, which is exactly the point. The isotope grabs onto the cancer cell and lives just long enough to show doctors where a tumor lies before taking the cancer cell out altogether.

The benefits of using Copper-67 are apparent, but researchers needed to get a consistent supply. They turned to the experts at the IAC. Dr. Hunt and his team figured out the nuts and bolts of how to make the isotope, essentially by using their accelerators to knock a proton off zinc 68.

Once they perfected that process, they had to create a method to separate Copper-67 from the rest of the materials. They mastered that challenge, too. Now, the IAC can create a steady supply of Copper-67 on demand.

Cancer cells all over the world had better watch out. Copper-67 is coming for them.

Getting the Most Out of Things

Caitlin Rushlow, a Ph.D. student and hydrologist at ISU, won her first Toolik Olympic medals in 2012.

Her favorite gold medal was in the "Run Around the Lake" event, bestowed on her at the medal ceremony of the Alaskan Toolik Field Station Summer Olympic Games. Granted, the Toolik Olympics might be slightly less famous than their global counterparts, but the events are no less hotly contested. Scientists from all over the world competed against each other and against the Arctic conditions to claim their medals, and Rushlow triumphed in multiple events.

Working at Toolik for the past two summers did more than just make Rushlow an Olympian; it transformed her from a humble geologist to a field-tested hydrologist, large vehicle operator, construction specialist and mentor. Her research required her to take on tasks from driving huge trucks down Alaska's treacherous Dalton Highway to coaxing a reluctant undergraduate student to take a thousand field samples a day.

Her work wouldn't have been possible without the amazing facilities and staff at Toolik, fondly nicknamed the "Hilton of the North." Nestled in the Alaskan Brooks Range, Toolik is a researcher's dream and Rushlow's version of heaven on earth. Toolik has everything from a working lab with sinks and counters to a mechanical staff who can help repair vehicles or teach researchers how to use power tools to construct their experiments. It even has a fully-staffed kitchen that cooks three delicious meals a day, and a support staff who makes sure that researchers have lots of opportunities to relax after a hard day of research.

And the researchers need the help to relax. With 24 hours of daylight and incessant curiosity, everyone needs a few reminders that rest helps research. So, the camp has lots of evening activities from broom hockey to badminton. All these activities are aimed at getting the researchers to take a break and enjoy each other's company. That relaxed interaction also leads to great collaboration, bringing divergent disciplines together in creative and innovative ways that can solve the puzzles that confront them all.

And Rushlow and her team are taking on one of the biggest puzzles of them all: global warming.

Everyone seems to have a fervent opinion on global warming, but Rushlow and her mentor, ISU's Dr. Sarah Godsey, assistant professor of geosciences, saw a way to contribute hard data to this debate. They went to the Arctic to test a hypothesis: As hill slopes thaw, this increases not only the water flowing on the surface, but it changes the amount of water stored in the soil below it, too. Different conditions—like heavy water flow, sporadic thawing and freezing, consistent light flow—can radically change the nutrient content of the soil, leaving it enriched or impoverished.

The Arctic permafrost—essentially soil that remains frozen year round—offered the perfect place to test their hypothesis. They looked for existing water tracks, places where water flows naturally during rainfall or snowmelt. They set up greenhouses at the top of the water track to increase the snowmelt and then set up weirs at the bottom to pool the water. Then they took measurements. Millions of them. Supported by a National Science Foundation grant and the incredible staff and facilities at Toolik, their team will have three full years of data to support their findings.

Work in the Arctic permafrost has local and global implications. What they learn in the Arctic can be extended to the hillsides of Pocatello and Boise or Spain and Brazil. Particularly in Idaho where we invest so deeply into our natural resources and rely so heavily upon our soil, we need to understand the complicated interaction of climate, water and nutrients within our soil to be prepared for short- and long-term climate changes.

Saving the planet won't be a single heroic event based on one experiment; it will be a million tiny decisions that all work together to preserve this beautiful world. Convincing people to make those tiny changes is an Olympic-sized effort. Rushlow and the research she is doing is part of that, and she knows that she is up to the task. She has the gold medals to prove it.

ISU student Caitlin Rushlow (far right) and other researchers at the Alaskan Toolik Field Station

Athletic Achievements . . . Not Only in Sports

Jesse Sorenson, the Bengal's men's track team leader in the 200 meters and 400 meters, knows exactly what number he needs to hit with each lap. He knows which numbers he needs in the microbiology lab, too. He approaches his sport and his academics with the same meticulous research, sorting through a sea of information to find the best possible resources. Sorenson is driven to be the best in everything that he does, and that is why he chose to compete for ISU.

At ISU, he has been supported in both of his passions. Sorenson explains that Coach Dave Nielsen and the rest of the track coaching staff work constantly to provide a welcoming atmosphere, going far out of their way to make sure that their team is free of drama and conflict. Since his first day at ISU, his coaches have prioritized his academic achievement as strongly as his athletic achievement.

Sorenson credits his microbiology professors, too. They understand his love of his sport. He has had many professors go out of their way to help him and his fellow students. Just like the athletes on the field, ISU professors put in extra time and effort to be excellent at their job. They are flexible, caring and concerned about Sorenson, which pushes him to work even harder.

Academic achievement is a high priority throughout the ISU athletic department. The evidence of that is everywhere. When Assistant Athletic Director for Academics Matt Steuart first started in this role at ISU eight years ago, he was the sole academic advisor. Now, there are three academic advisors on staff. It is a significant investment into the minds of ISU's athletes, and that investment is paying off. In addition to numerous Big Sky wins, the academic achievements are getting notice, too.

ISU was recognized as having one of the top 11 athletic departments in the nation in academic performance. Their overall grade point average (GPA) was 3.18 through 2012-13, and ISU's athletes have a 4-year graduation rate that is 15 percent higher than the general student population, with 68 athletes graduating last year. Fifty-three students were named to the Big Sky Conference All-Academic team in Fall 2012, beating the previous record. Steuart's favorite statistic is that ISU boasts183 All-Academic All-Conference athletes, which blows Eastern Washington (the previous leader in the conference) out of the water.

Steuart loves to see his athletes grow. Many of them arrive academically unfocused and soon find themselves lost at college, but they come fueled by the love of their sport. They have tasted excellence and crave more. The work ethic that it took to get there can be and must be steered into academics, which is where Steuart and his team come in. They provide resources and support of all kinds to help their athletes channel that drive for excellence into their education. The athletic department pushes them to be stronger on the field, court and track, but students are required to thrive in the classroom too. High academic standards must be met or athletes are removed from practice and given ample support to build their GPA back to the required range.

Following the lead of Athletic Director Jeff Tingey, everyone agrees that strong academics are the key to true success. They keep their eye on the end goal, which isn't winning titles and games. Winning feels phenomenal and it feeds the hunger that drives excellence, but sports are really an avenue through college to a degree. It is education that will continue to open doors for students, long after they leave competitive sports behind.

Sorenson plans to conquer medical school after he graduates this year. He loves to research and see his ideas tested, either in the lab or on the track. His work with Dr. Gene Scalarone, professor of biological sciences, in advanced immunology was "absolutely fun" research that resulted in his first peer-reviewed academic publication, a record that Sorenson is as proud of as his many wins at track meets.

ISU student Jesse Sorenson

College is Best Conquered as a Tribe

A horde of oozing, rotting zombies invaded ISU's Quad last summer. The undead lurched after teams of young students from the Fort Hall Indian Reservation, hungry for their delicious and delightful braaaaaaaaiiiiiiiinnnnnnnssssss.

The zombie outbreak was no accident. Nolan Brown, senior political science major and president of Native American United Students' organization, and his dedicated team from the ISU Native American Student Services purposely infected Native Americans United (NAU) members, friends and family with zombie fever. These dedicated people all sacrificed their time, talents and lives, at least for the two days of Bengal Warrior Boot Camp (BWBC), while they tried to snack on the young brains.

Brains, you see, are exactly what Brown craves; he just doesn't want to eat them. He wants to bring those bright young minds from the reservation to ISU, ready for the challenges of the classroom. BWBC, now entering its fifth year, is a key step in that process. Last year, it brought more than 50 students ranging from 8-12th grades onto ISU's campus and introduced them to everything that would make them successful college students.

The students need to know how to handle the physical and mental challenges of college life. So the BWBC created a gauntlet of challenges that test the students' capabilities. Working as teams, they conquered the Alpine Tower Challenge and the 1.25 mile, zombie-infested obstacle course that wound from the Quad to the top of ISU's Red Hill. They also met with several college departments to see where their college education could take them and took a whole series of courses that taught the life skills that are necessary for college and far beyond.

Most importantly, they were immersed in the system that would support them all the way through college. NAU members helped, taught, teased and pushed them to find creative solutions to the problems that they faced. The BWBC is only one small part of the NAU's mission to bring native students to campus and help them thrive there. The NAU hosts leadership conferences, the Native American Heritage Night, the Miss Native ISU pageant, and gives scholarships. It also gathers its members together, creating study groups full of people willing to help with any subject from English to physics.

College is best conquered as a tribe.

ISU invests significant time and effort into welcoming the Fort Hall students here. Mark Edwards, a diversity advisor, spends a day each week meeting prospective Native American students. He travels to the Bannock Creek Community Center where he tutors and gives advice. The NAU members tutor their younger peers at the high school. Everyone wants to prepare Native American students and welcome them to ISU.

The need for that is apparent. As Brown explains, Native American students have the lowest enrollment and graduation rates of any ethnic group on campus. Everyone suffers because of that. ISU needs the diversity of experience and cultural history that these students bring into the classroom, and the Native American Tribes need strong, bright, and well-educated leaders. As Brown says, "In my eyes, it is up to our generation to inspire ourselves and those just younger than ourselves to become professionals, to have good careers, and to further the development of our tribe."

So, for the good of their tribe, a horde of dedicated people were zombified, infected by the creativity and leadership of Nolan Brown and the NAU. Everyone knows that a mind is a terrible thing to waste. A zombie won't waste a single, soon-to-be-college-educated neuron.

Native American students at the Bengal Warrior Boot Camp

Warrior 2 Warrior Leadership Symposium

The Warrior 2 Warrior Leadership Symposium brought fierce minds together from across the nation and across generations. Created and organized by Nolan Brown, senior political science major and president of Native American United Students' organization, the Symposium offered a free day of classes, speakers and workshops by Native American leaders. Participants even got a free lunch, along with a stellar performance by Gary "Litefoot" Davis, one of the first Native American rappers and director of the Native American Economic Consortium.

Davis delivered a highly motivational talk that ranged from living a traditional and drug-free lifestyle to furthering the economic development of the tribe.

The conference drew tribal leadership, ISU students and the general public, along with many students from local high schools like Blackfoot High and Sho-Ban High, which brought its entire senior class. The conference was so successful that Nolan and the NAU are working to make it an annual tradition, strengthening tribal leadership for years to come.

Reaching the Top

The woman on the top of the mountain wasn't born there.

It's Sheridan Hapsic's personal motto, and completely fitting considering that she plays soccer in the tops of the Idaho mountains, far from her California roots. Hapsic has spent her life gradually building her skills—one drill, one practice, one game at a time. Her motto is also fitting because her goalkeeping was key to her team's victory at the Big Sky Conference in 2012, earning her the MVP award as well.

Hapsic loves the pressure of playing goalie for ISU's women's soccer team. Goalkeeper is, contrary to popular opinion, an intensely mental position that requires her to stay fiercely focused, learn quickly and shake off whatever doesn't go as planned. Goalie also puts Hapsic in a position where she can perform for her team, and she did exactly that at the Big Sky Conference Tournament.

Her team was locked in a vicious battle against University of Montana for the championship. After 110 scoreless minutes, the game came down to a penalty shoot-out, which tests every skill that a goalie has. ISU won on the last kick. Team members ran towards each other across the field as Montana players dropped to their knees, defeated. The feeling of winning the Big Sky Conference title, according to Hapsic, is indescribable.

That indescribable feeling is one that ISU's athletes know well. Our women's softball and basketball teams also dominated the Big Sky in the 2012-13 season. These stellar athletes chose to play for ISU because of the great support they receive here, both on and off the field.

Soccer team members spend four hours a day together training, but they are best friends, too. They push each other as hard academically as they do athletically. Mediocrity is unacceptable anywhere.

Hapsic's dad, George, is her mentor and taught her everything she knows about success through his example. He requires excellence of himself, and she sees herself as his carbon copy. He continually takes on new challenges and pushes until he conquers them all, and so does she. When she looked at colleges, she knew that she needed to find a coach with that same mentality, and she found Coach Allison Gibson.

"Coach Gibson is amazing in every way, shape and form," Hapsic says. "She expects the same from everyone, no matter what our level is, and she always does the same things that she expects of us. No one wants a coach who sits in a chair on the sidelines. If we have a practice at 6 a.m., she is right there working out with us. If you need her, she will spend three hours helping you."

It is clear that coach and players alike love this sport. Joy is shared in all the things they do to prepare for a game and for the celebration afterward.

Before each game, the players get pumped up by cranking up the music and turning on the disco ball. They hit the field ready to play as hard as they can every time, pushing for themselves and for their team.

After the Big Sky finals game and after the massive dog pile of ecstatic women, Hapsic and her team stayed on the field. They laid down and just soaked up the moment, reveling in how very happy they were. The women on top of these mountains might not all have been born here, but Hapsic and the rest of her team have definitely earned the right to be here and to be Big Sky champions.

Sheridan Hapsic, #7, joins her teammates in celebration

Roping a Title

In college rodeo, there are no brackets. No divisions. No baby steps that lead up to the championship.

University teams enter the College National Finals Rodeo (CNFR) to be battle-tested by competing against the very best college rodeo athletes from across the country. In 2013, 47 college teams rode into the CNFR. Idaho State University's women's rodeo team rode out as the 2013 CNFR champions.

Freshman Kimberlyn Fitch was the point leader. As a freshman, she scored 370 of the 520 team points at the 2013 CNFR and was named CNFR Rookie of the Year. ISU Rodeo Club advisor Melisa Moon Giannini says that Fitch is "one of the best rodeo athletes to represent Idaho State University throughout its history."

Fitch's love of rodeo started early. She got her first pony as a birthday present when she was 5 years old. She begged her parents to let her rodeo, so they bought her an old horse to learn barrel patterns on. After that, Fitch was hooked. Her parents started taking her to junior rodeos and everything progressed from there. Now she competes in breakaway roping, barrel racing and team roping. Her horse is named Diva, "a really cool horse who gives 100 percent every time."

Diva sounds just like her owner. Fitch also gives 100 percent every time as she practices every day, on her own and with her team. Being part of the ISU team has been pivotal to Fitch's success, both at the CNFR and in college as a whole. Impressive as Fitch's points are, they aren't enough to win by herself. She needed her teammates — Shelby Freed, Megan Gunter and Kiana Wanner all placed in their events, too. Her coaches were just as essential, like Kent Shiozawa who mentored Fitch in breakaway roping.

Being part of the team also makes going to college more fun than just studying alone. Fitch found a group of people who look out for her, make sure she is doing well and offers any help whenever she needs it, and she does the same for them. They study, practice and win events like the CNFR together.

The experience of competing at the CNFR was amazing, according to Fitch. The facilities and the organizers were "very cool," and she loved competing in front of that loud, large crowd. And, no doubt, the crowd loved watching Fitch, Diva and the rest of the ISU rodeo team dominate event after event. Her favorite memory was when she roped her last calf and realized that she had just won the breakaway roping at the national finals.

"You have to prepare for every possible outcome," Fitch says, "and then just go and do your best." The ISU women's rodeo teams prepared together and then pitted themselves against the strongest competitors in the country. At the 2013 CNFR, the ISU women's rodeo team proved that their best was amazing.

ISU student Kimberlyn Fitch

A Better Point of View

When people think of NASA, they think of astronauts peering deep into the galaxy to discover bold new worlds, but that is only part of what NASA does. NASA's satellites spend much of the time peering back at this world, recording data that will help us to understand and make better decisions about our beautiful, ever-changing planet.

It is our planet's changes that Keith Weber, the director for ISU's Geographic Information Systems (GIS) Center, is interested in too. He has been studying the changes in Idaho's rangelands for nearly two decades. Those lands have caught the world's attention as they have frequently caught fire. In 2012 alone, approximately 1.76 million acres of Idaho burned, costing more than $214 million just to extinguish the flames.

The true costs of those blazes are far higher, with estimates ranging from a conservative $428 million to as high as $6.4 billion. Wildfires wipe out homes and infrastructure like culverts, bridges and power lines. Traffic has to be diverted. Recreational areas are decimated and inaccessible for years while the land recuperates. Tourists don't plan vacations when they see the news reports of a land on fire. Smoke pollutes the air, causing illness and disease. The destruction of grazing lands damages the livestock industry, reducing the number of animals produced and increasing the expense of raising them.

The best way to ease the ravages of fire isn't simply to suppress it; it is to understand the land that is burning.

Keith Weber, along with his GIS students, collaborated with NASA to create RECOVER, the Rehabilitation Capability Convergence for Ecosystem Recovery tool. Its first job was to help the land manager create a recovery plan after a fire, creating a database that combines all the research that used to take days to find. A land manager could now spend his time creating a better plan to heal the land faster and make choices that will keep it healthy in the future.

Next, RECOVER sets out to help manage the fires themselves, surveying them in real time. By using NASA's satellites and cloud technology, RECOVER can create a fire-specific website in about two minutes. A fire manager can be on the ground at the fire site and have any combination of data literally at her fingertips from the app on her smartphone. She can also upload anything that she wishes—like patches of invasive weeds that need removed or endangered species that need protection—and that information is instantly and precisely available to all of her peers. If she sees a set of data points that might be useful, Weber's staff will find them and make them appear with a click of a button, usually in just minutes.

News about RECOVER is getting around. While the Bureau of Land Management (BLM), Forest Service and Idaho Department of Lands already make heavy use of it, Federal Emergency Management Agency (FEMA) contacted Weber about using this technology to help with other kinds of natural disasters, like floods from hurricanes. The transportation department wants to use it too, because RECOVER can help them to predict where fires will cut off roads or where fire-generated landslides will likely occur. They can use preventative measures to protect the transportation infrastructure.

RECOVER's applications are as varied as the planet it documents. Weber and the GIS Center plan to help it expand throughout the country by offering to train other states on how to implement this technology.

As Weber explains, Idaho's rangelands are impacted most by wildfires, invasive weeds and livestock grazing practices, but those are only secondary factors. The ultimate factor in the health of our lands is the human decision making process. We decide how to care for this world. With RECOVER, we can use the skies to save the planet.

Keith Weber, center, with students

Training the Next Generation of Energy Technicians

Edith Bales is one of Lawrence Beaty's favorite student success stories. When she found Beaty and the programs that he directs for the Energy Systems Technology and Education Center (ESTEC), Bales had been on nearly every kind of governmental assistance and had just barely passed her GED. Her math skills were so low that she needed multiple remedial classes just to prepare her to start his programs. It would have been easy to assume that Bales was the kind of person who was going to struggle to survive throughout her life.

As Beaty well knows, the best cure for poverty—and many of his students are living in poverty when they arrive—is a good job. And the energy industry, which Beaty loves and has pursued on six continents, is full of good jobs.

Too full.

Beaty explains that the energy industry has two major dilemmas: the first is that 25 percent of the workforce is currently eligible to retire, and the second is that most of the existing workforce have been trained on the job, with little formal training to help them handle the increasingly evolving technical aspects of the field.

ESTEC was formed to alleviate both problems at once. ESTEC trains the next generation of energy technicians in its two-year programs, but it also trains people who are already working in the field. The Nuclear Energy Institute (NEI) designated ESTEC as the Northwest Regional Center of Excellence for Nuclear Education and Training, one of only five sites in the country to receive that honor. Companies send their employees from all over the world to Beaty for a weeklong intensive training to catch their skills up to the standards that his ISU students have already.

Beaty's students, full-time and temporary, all work on tasks of gradually increasing complexity on the same state-of-the-art equipment that they will handle in the field. Any theoretical study, like applied mathematics, is immediately tested in the lab. ESTEC instructor Steve Larsen doesn't expect his students to believe a mathematical equation is worth the study it takes to master it. He hands his students electrical equipment and has them prove the math for themselves. Do the equation right, and it works. Do it wrong, and the mistake is shockingly apparent. Literally.

ESTEC students start out working on small boards that can't do any damage to anyone or anything. By the time they are finished with the program, his students have worked on, mastered, and are OSHA-certified to handle life-threatening amounts of energy, hydraulics and more, just like they will do for their employers.

Employers are begging for more of ESTEC's students. ESTEC graduates are the most effective advertising the program has. ESTEC graduates, like Edith Bales, are perfectly trained to handle the demands of a complicated industry, transforming their own lives in the process.

By the time Bales finished her two-year ESTEC program, she had left remedial math so far behind that she was tutoring calculus. More importantly, she was recruited for a job that paid $85,000 a year, a salary so high that she proudly called Beaty to inform him that she was buying her first house and made too much to qualify for even a penny of assistance from any program anywhere. That is success by any definition.

Professor Lawrence Berry, INL Deputy Director Juan Alvarez and congressman Mike Simpson


ISU student David Bush

Growing Through an Internship

Biology student and Career Path Intern (CPI) David Bush had a problem. Well, technically, he had 52,000 problems.

The rattlesnakes that he studies as part of his internship are cantankerous research subjects. In addition to living in inhospitable places and being filled with poisonous venom, rattlesnakes are cold-blooded. This isn't a problem for the reptiles, but it is definitely a problem for the traditional motion-sensing photography techniques that are usually used to study animals. Because rattlesnakes are the same temperature as their environment, their body heat can't trigger the camera. Another warm-blooded animal has to stumble into the camera's range to activate it, and researchers have to hope that a rattlesnake just happens to be there at the same time.

This photographic lottery meant that Bush was handed 52,000 images, instructed to find the frames that had rattlesnakes tucked in them. He painstakingly did so, aided by vats of coffee and gallons of Red Bull.

Bush and his mentor, Dr. Chuck Peterson, professor of biological sciences, knew that there had to be a far better solution to this problem. They experimented until they found it: they set up their cameras on time intervals instead of heat signatures. The results were transformational and now represent the cutting-edge research approach for their field.

Bush's research was possible because of the CPI program. This program employs students in their chosen fields, matches them with mentors who can guide their professional

development, and gives them real work experience that fully prepares them to transition into the workforce after graduation.

When Bush heard about the CPI opportunity from Dr. Peterson, he jumped at the chance. His first two years at college had been fine, but he couldn't see much use for most of what he was learning.

He wanted to get into actual science, the kind where he tested out his hypotheses and gathered his own data, rather than just reading about it in books. Dr. Peterson gave him the perfect opportunity to do just that. Dr. Peterson gave Bush ample guidance with a lot of autonomy. Bush did every experimental step himself, from gathering the raw data to presenting it at a professional conference full of scientists who will actually use his ideas to change their own research.

These experiences have been and continue to be revolutionary for Bush's education. He no longer takes classes like statistics because they are required; he is taking them because he knows he will need them to justify his research findings. All of the required courses finally make sense, and he pursues the knowledge in a class rather than just racking up credit for taking them.

Because of his participation in the CPI program, Bush will graduate from ISU in May 2014 with field experience that most students don't get until deep into their graduate work. He is adamant that the CPI program has been absolutely transformational in his education, and he hopes that every student takes advantage of it.

Bush may have had 52,000 problems, but becoming a brilliant scientist isn't one of them. With the CPI program, Dr. Peterson's guidance and his strong desire to learn everything there is to know about the natural world, he is well on his way.

Overcoming the Odds

By every statistic, Crystal Perry and Kasey Kasper shouldn't be graduating from ISU's medical assistant program. They both arrived at ISU with a hard-earned GED, their odds of completing any college program were around 5 percent.

It isn't that students like Perry and Kasper aren't smart enough or driven enough to finish a course of study. These two, like many others, are bright, strong, motivated people who are determined to become polished professionals who can provide a comfortable life for themselves and their families.

Many GED students arrive with a lack of basic writing, math and study skills. They often don't have role models who can help guide them through the incredibly complicated process of attending college. Many students look at the mountain of remedial classes and blizzard of required paperwork, and give up hope.

Unlike most, when Perry and Kasper took the leap to get their GED, they landed in the safety net of the Successful Transitions and Retention Track (START) program. START put Perry and Kasper into a cohort together, and they have been friends ever since. The students in each cohort study and solve problems together. They help each other tackle problems as diverse as writing a concise essay to applying for financial aid. They grow together, building a network of people who care about them and who understand the challenges they face.

If the cohort can't solve a problem, then the whole START staff is there to back them up. There are remedial classes in English and math with tutors always available for extra support. All kinds of counseling are available. If a student runs into an obstacle, Amy Christensen and the START staff are always willing to come early, stay late and work over lunch hours. They will give five minutes or five hours, whatever is needed to keep a student on track and in class. Perry says she often feels guilty that they are so willing to drop anything to get her the support she needs, but that is exactly what START is designed to do.

The J.A. Albertson Foundation and ISU invest in this program because they see potential in these students, and it is an investment. Every service, from remedial classes to emergency funds for child care, is provided free to any qualified student who needs it. The START program even provides a free backpack.

Minds like Perry's and Kasper's are well worth the investment. Both doubt that they could have navigated college without this program. Now they mentor others, showing their peers the way through college to a better life.

Both Perry and Kasper are on track to graduate from the medical assistant program in December 2014, but neither thinks their education will end there. They are already debating between whether to pursue a licensed practical nurse, registered nurse, or physician assistant program next. Wherever their careers take them, their academic success will be built upon the START program's foundation. Their odds of success are splendid.

Mysteries Beneath the Snake River Plain

In 2012, the U.S. Department of Energy (DOE) issued a challenge to universities across the nation: Find innovative ways to study the geothermal energy buried deep in the Snake River Plain. Fourteen universities took up the challenge, including ISU, Boise State University and the University of Idaho.

Idaho State University took first place at the 2012 National Geothermal Student Competition, leaving Boise State University to comfort itself with a highly respectable second and University of Idaho placing in the top eight for the country.

The DOE started the competition to advance geothermal education and to spark interest in geothermal careers, but ISU had sparked that interest long before. Michael Ginsbach, one of the team members, expressed his love for the mystery of geosciences. He says that he loves to "see what's down below and really try to figure out what's down there. That search is the most interesting part for me."

He and his teammates—Rebecca Ohly, Adam Koster, and Holly Young, with geoscience professor and advisor Michael McCurry—studied the Snake River Plain on the assumption that it has what is called a blind geothermal system. Essentially, even though there isn't much heat on the surface, there is likely ample heat far below, but still close enough to be in reach with the right technology. To find out, the team drilled 1,000-foot-deep wells, recording rock properties, temperature and the chemistry of subsurface materials to make a model of what is going on deeper underground. Their research won the competition, got presented to a conference of the best minds in geothermal sciences, and will be influential in the development of new geothermal sites.

The win also highlights ISU's strong dedication to hands-on research. As Ohly says, she hopes that this win will "lend recognition to both ISU and the potential geothermal

resources that are available in this region," recognition that was only possible because of the "amazing research opportunities my teammates and I have had at ISU."

The work has huge potential. A 2006 study by the Massachusetts Institute of Technology listed the Snake River Plain as one of six regions in the country that has potential for geothermal development. That means it is possible that we are walking on top of a clean and vast energy source, and we need the next generation of scientists trained to find ways to tap it.

ISU's students will surely lead that next generation. They graduate from ISU as innovative and field-tested scientists who are poised to solve the mysteries of what lies beneath our beautiful plain and meet our world's energy needs in the process.


Idaho State University

Vice President of Finance and Administration Jim Fletcher

Message from the Vice President for Finance and Administration

We are pleased to announce that Idaho State University continues to focus on and achieve excellent financial performance, while maintaining a course that ensures educational excellence for our students. Despite negative outlooks for the U.S. higher education sector, the University has a healthy overall financial profile and has not had any layoffs, furloughs, or salary reductions. The institution continues to take key strategic steps towards financial and academic excellence by fulfilling its mission through vigilant management of strategically aligned expenditures.

Our year-end financial results reflect an $11.3 million improvement in the University's net position despite pressures on all key revenue sources and weak economic conditions. Total assets increased by $7.6 million to $308.3 million, driven largely by a significant increase of $11.6 million in cash and investments. As part of the ongoing efforts to reduce costs, ISU issued Series 2012 and Series 2013 refunding bonds to take advantage of record-low interest rates and save approximately $3.5 million in interest expense over the next 10 years. Key financial ratios measuring the institution's overall financial health continued to reflect sound performance with all but one ratio significantly above industry benchmarks. The positive trend in these ratios demonstrate the University's ability to operate within available resources, manage its debt strategically, invest in assets that generate resources, and position itself to invest in mission-critical initiatives.

The University is also undergoing a resource allocation and prioritization process to provide a greater infusion of performance metrics into institutional budgeting decisions. It will provide data for better program planning and funding allocation decisions, integrate planning efforts, and reallocate resources from lower to higher priorities, thereby making institutional and State of Idaho missions operational. This initiative will help us manage and allocate our financial resources in ways that will best meet the needs of our students and community.

We are also pleased to announce that, in continued recognition of the dedicated work and contributions our University team members have made toward achieving excellent financial performance, the institution was able to supplement a 2 percent employment compensation increase from the state of Idaho to achieve an average 4.5 percent merit/equity/retention based compensation increase for faculty and staff, the largest increase of any college or university in the state. At the same time, this increase allowed us to bring all employees to a compensation level at least 3% above the poverty line, reduce the pay gap between entry pay levels of classified staff and the pay grade mid-point for those jobs, and eliminate or reduce the number of pay inequity situations.

We all continue to work diligently toward maintaining and achieving strong performance in the coming year and further advancing the vision and mission of Idaho State University.

James A. Fletcher
Vice President for Finance and Administration

Report of Independent Auditors on Summary Financial Statements

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

The Idaho State Board of Education
Idaho State University

The accompanying summary financial statements, which comprise the summary statement of net position as of June 30, 2013 and 2012, the summary statement of revenues, expenses, and changes in net position, and summary statement of cash flows for the years then ended, and the related notes, are derived from the audited financial statements of Idaho State University (the University) and its discretely presented component unit, Idaho State University Foundation, Inc. (the Foundation) as of and for the years ended June 30, 2013 and 2012. We expressed an unmodified opinion on those audited financial statements in our report dated September 30, 2013. The audited financial statements, and the summary financial statements derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements therefore, is not a substitute for reading the audited financial statements of the University and the Foundation.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 2 to the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived, and evaluating whether the summary financial statements are prepared in accordance with the basis described in Note 2. We did not perform any audit procedures regarding the audited financial statements after the date of our repor t on those financial statements.

Opinion

In our opinion, the summary financial statements of the University, and its discretely presented component unit, the Foundation, as of and for the years ended June 30, 2013 and 2012, referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the basis described in Note 2.

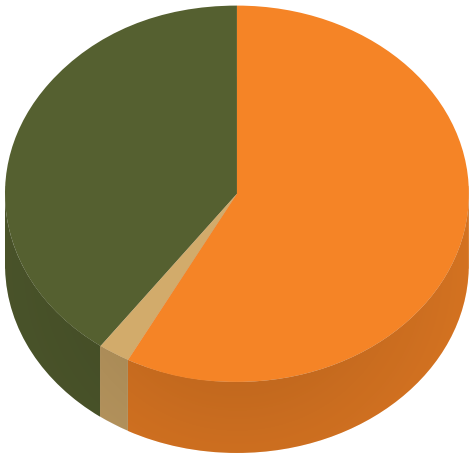
Moss Adams LLP

Eugene, Oregon

May 7, 2014

Idaho State University
Summary Statement of Net Position

For the Years Ended June 30, 2013 and 2012



NET POSITION	*Amount (million)*	*% of Total*
Invested in capital assets	$124.5	58%
Restricted, expendable	$4.6	2%
Unrestricted	$84.1	40%
TOTAL	**$213.2**	

The information in the Summary Statement of Net Position is derived from Idaho State University's June 30, 2013 audited financial statements. The audited financial statements and related notes can be viewed online at isu.edu/finserv/account/ISUSingleAudit2013&SEFA.pdf

ASSETS	*2013*	*2012*
CURRENT ASSETS		
Cash, cash equivalents, and cash with Treasurer	$ 97,037,245	$ 90,466,770
Investments	5,003,471	-
Student loans receivable	279,410	218,025
Accounts receivable and unbilled charges, net	10,920,831	11,354,439
Due from state agencies	6,131,662	3,735,585
Other assets	1,161,234	1,055,240
Total current assets	**120,533,853**	**106,830,059**
NONCURRENT ASSETS		
Student loans receivable, net	1,288,709	1,500,893
Assets held in trust	280,727	273,497
Unamortized bond issuance costs	-	736,712
Prepaid bond insurance costs	99,951	-
Property, plant, and equipment, net	185,999,743	191,215,868
Other long-term assets	62,000	75,000
Total noncurrent assets	**187,731,130**	**193,801,970**
TOTAL ASSETS	**308,264,983**	**300,632,029**
DEFERRED OUTFLOWS OF RESOURCES	*629,729*	*213,460*
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,428,744	3,941,214
Due to state agencies	1,297,696	593,510
Accrued salaries and benefits payable	10,315,434	9,925,660
Compensated absences payable	4,782,004	4,791,459
Deposits and funds held in custody for others	1,033,636	997,663
Unearned revenues	5,468,290	5,362,840
Current portion of long-term obligations	5,570,573	5,433,352
Total current liabilities	**31,896,377**	**31,045,698**
NONCURRENT LIABILITIES		
Other post-employment benefits payable	6,742,000	6,197,000
Notes and bonds payable	56,972,764	61,608,654
Total noncurrent liabilities	**63,714,764**	**67,805,654**
TOTAL LIABILITIES	**95,611,141**	**98,851,352**
DEFERRED INFLOW OF RESOURCES	*34,760*	-
NET POSITION		
Invested in capital assets	124,561,381	125,992,772
Restricted, expendable	4,581,880	5,554,894
Unrestricted	84,105,550	70,446,471
Total net position	**$ 213,248,811**	**$ 201,994,137**

Idaho State University
Summary Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30, 2013 and 2012

OPERATING REVENUES	*2013*	*2012*
Student tuition and fees, net	$73,937,311	$72,360,828
Federal grants and contracts	9,416,032	9,661,792
State and local grants and contracts	11,693,989	10,982,493
Private grants and contracts	9,912,398	11,247,629
Sales and services of educational activities	6,933,778	6,270,535
Sales and services of auxiliary enterprises	13,737,710	13,573,775
Other	3,404,559	5,021,161
Total operating revenues	**129,035,777**	**129,118,213**
OPERATING EXPENSES		
Personnel costs	141,146,294	135,940,976
Services	27,050,947	27,513,868
Supplies	12,773,653	14,200,321
Insurance, utilities and rent	7,375,222	6,364,159
Scholarships and fellowships	16,851,589	20,885,766
Depreciation	12,914,220	12,104,795
Miscellaneous	5,177,497	5,025,236
Total operating expenses	**223,289,422**	**222,035,121**
OPERATING LOSS	*(94,253,645)*	*(92,916,908)*
NONOPERATING REVENUES (EXPENSES)		
State appropriations - general education	62,631,800	57,323,100
Other state appropriations	16,832,047	18,249,604
Title IV grants	24,104,048	26,076,231
Gifts	5,484,315	4,609,727
Net investment income	60,485	144,574
Amortization of bond insurance costs	-	(9,539)
Bond issuance costs	(941,514)	(51,415)
Interest on capital asset related debt net of capitalized	(2,354,492)	(3,177,831)
Net nonoperating revenues	*105,816,689*	*103,164,451*
INCOME BEFORE OTHER REVENUES AND EXPENSES	*11,563,044*	*10,247,543*
OTHER REVENUES AND EXPENSES		
Capital gifts and grants	20,699	854,931
Gain or (loss) on disposal of fixed assets	(329,069)	(10,243)
Net other revenues and expenses	*(308,370)*	*844,688*
INCREASE IN NET POSITION	*11,254,674*	*11,092,231*
NET POSITION, BEGINNING OF YEAR	*201,994,137*	*190,901,906*
NET POSITION, END OF YEAR	*$213,248,811*	*$201,994,137*

The information in the Summary Statement of Revenues, Expenses and Changes in Net Position is derived from Idaho State University's June 30, 2013 audited financial statements. The audited financial statements and related notes can be viewed online at isu.edu/finserv/account/ISUSingleAudit2013&SEFA.pdf

Idaho State University
Summary Statement of Cash Flows

For the Years Ended June 30, 2013 and 2012

CASH FLOWS FROM OPERATING ACTIVITIES	*2013*	*2012*
Student fees	$64,882,664	$61,863,479
Grants and contracts	31,362,290	30,969,236
Sales and services of educational activities	5,851,796	6,328,257
Sales and services from auxiliary enterprises	13,659,952	13,500,921
Other operating revenue	3,337,962	5,332,920
Collection of loans to students	399,581	309,213
Payments to and on behalf of employees	(137,160,026)	(130,585,954)
Payments to suppliers	(51,480,899)	(47,709,436)
Payments for scholarships and fellowships	(9,965,207)	(13,957,446)
Loans issued to students	(302,790)	(279,815)
Net cash used by operating activities	***(79,414,677)***	***(74,228,625)***
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	76,948,534	71,266,518
Gifts	4,870,217	4,421,656
Title IV grants	24,148,376	26,279,045
Agency account receipts	22,705,449	18,107,252
Agency account payments	(22,542,602)	(17,150,707)
Direct lending receipts	72,493,356	77,934,201
Direct lending payments	(72,514,711)	(77,374,559)
Net cash provided by noncapital financing activities	***106,108,619***	***103,483,406***
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital gifts and grants	-	378,855
Capital Purchases	(7,646,005)	(7,908,352)
Proceeds from sale of assets	-	25,000
Proceeds from advance funding of debt	273,657	-
Cost of issuance for advance refunding bonds	(266,800)	-
Principal paid on capital debt	(5,050,567)	(4,422,405)
Interest paid on capital debt	(2,487,762)	(3,363,842)
Net cash used by financing activities	***(15,177,477)***	***(15,290,744)***
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,000,000)	-
Investment income	54,010	272,979
Net cash used by investing activities	***(4,945,990)***	***272,979***
NET INCREASE IN CASH AND CASH EQUIVALENTS	***6,570,475***	***14,237,016***
CASH AND CASH EQUIVALENTS — Beginning of year	***90,466,770***	***76,229,754***
CASH AND CASH EQUIVALENTS — End of year	***$97,037,245***	***$90,466,770***

The information in the Summary Statement of Cash Flows is derived from Idaho State University's June 30, 2013 audited financial statements. The audited financial statements and related notes can be viewed online at isu.edu/finserv/account/ISUSingleAudit2013&SEFA.pdf

Idaho State University Foundation
Statement of Financial Position

For the Years Ended June 30, 2013 and 2012

ASSETS	*2013*	*2012*
Cash and cash equivalents	$ 716,215	$ 1,335,356
Cash held pursuant to bond requirements	568,684	729,453
Promises to give, net	4,320,795	5,008,945
Life insurance cash surrender value	60,616	69,298
Miscellaneous receivables	985	20,187
Capitalized bond issuance costs, net	125,833	145,303
Donated land held for sale	1,434,502	1,541,502
Investments	44,586,428	40,583,656
Total assets	**$ 51,814,058**	**$ 49,433,700**
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 35,681	$ 32,284
Scholarships and other payables to Idaho State University	221,782	320,200
Obligations to beneficiaries under split-interest agreements	744,490	683,972
Funds held in custody for others	53,329	59,055
Long-term debt	5,800,000	5,900,000
Total liabilities	**6,855,282**	**6,995,511**
Net Assets		
Unrestricted	(4,352,789)	(5,302,030)
Temporarily restricted	16,712,393	16,040,654
Permanently restricted	32,599,172	31,699,565
Total net assets	**44,958,776**	**42,438,189**
TOTAL LIABILITIES AND NET ASSETS	**$ 51,814,058**	**$ 49,433,700**

Idaho State University Foundation
Statement Of Activities

For the Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Contributions and gifts	$ 1,416,376	$ 1,846,446	$ 825,405	$ 4,088,227
Contributed services	747,202	-	-	747,202
Interest and dividends	286,928	270,648	-	557,576
Net realized/unrealized gain on investments	262,905	3,164,453	-	3,427,358
Fees, charges, and miscellaneous	683,706	18,342	-	702,048
Net change in value of split-interest agreements and life insurance	-	(13,661)	37,013	23,352
Total revenues and gains	**3,397,117**	**5,286,228**	**862,418**	**9,545,763**
DONOR DESIGNATED TRANSFERS	*-*	*(37,189)*	*37,189*	*-*
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS	*4,577,300*	*(4,577,300)*	*-*	*-*
Total revenues	**7,974,417**	**671,739**	**899,607**	**9,545,763**
EXPENSES				
Program support to Idaho State University				
Donations/transfers	1,752,259	-	-	1,752,259
Scholarships	1,037,184	-	-	1,037,184
Athletic	388,971	-	-	388,971
Department support	1,960,396	-	-	1,960,396
Support services				
Management and general	387,427	-	-	387,427
Fundraising	1,498,939	-	-	1,498,939
Total expenses	**7,025,176**	**-**	**-**	**7,025,176**
CHANGE IN NET ASSETS	*949,241*	*671,739*	*899,607*	*2,520,587*
NET ASSETS — Beginning of year	*(5,302,030)*	*16,040,654*	*31,699,565*	*42,438,189*
NET ASSETS — End of year	*$ (4,352,789)*	*$ 16,712,393*	*$ 32,599,172*	*$ 44,958,776*

Idaho State University Foundation
Statement Of Activities

For the Year Ended June 30, 2012

		Temporarily	*Permanently*	
REVENUES	***Unrestricted***	***Restricted***	***Restricted***	***Total***
Contributions and gifts	$ 2,686,382	$ 2,786,383	$ 1,686,944	$ 7,159,709
Property contributions	-	107,000	-	107,000
Contributed services	702,555	-	-	702,555
Interest and dividends	289,721	387,437	-	677,158
Net realized/unrealized gain on investments	742,112	(2,242,526)	-	(1,500,414)
Fees, charges, and miscellaneous	660,812	-	-	660,812
Net change in value of annuity and life insurance	-	(45,627)	5,975	(39,652)
Total revenues and gains	**5,081,582**	**992,667**	**1,692,919**	**7,767,168**
DONOR DESIGNATED TRANSFERS	***20,685***	***22,716***	***(43,401)***	-
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS	***1,597,125***	***(1,597,125)***	-	-
Total revenues	**6,699,392**	**(581,742)**	**1,649,518**	**7,767,168**
EXPENSES				
Program support to Idaho State University				
Donations/transfers	2,471,149	-	-	2,471,149
Scholarships	1,033,312	-	-	1,033,312
Athletic	206,432	-	-	206,432
Department support	1,636,399	-	-	1,636,399
Support services				
Management and general	390,538	-	-	390,538
Fundraising	1,469,720	-	-	1,469,720
Total expenses	**7,207,550**	**-**	**-**	**7,207,550**
CHANGE IN NET ASSETS	***(508,158)***	***(581,742)***	***1,649,518***	***559,618***
NET ASSETS — Beginning of year	***(4,793,872)***	***16,622,396***	***30,050,047***	***41,878,571***
NET ASSETS — End of year	***$ (5,302,030)***	***$ 16,040,654***	***$ 31,699,565***	***$ 42,438,189***

Notes to the Summary Financial Statements

1. ORGANIZATION

Idaho State University (the University) is part of the public system of higher education in the State of Idaho (the State). The system is considered part of the State of Idaho financial reporting entity. The State Board of Education (SBOE), appointed by the Governor and affirmed by the legislature, directs the system. The University is headquartered in Pocatello, Idaho with satellite locations in Idaho Falls, Twin Falls, and Meridian, Idaho.

2. USE OF THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements consist of the following three statements: Summary Statement of Net Position, Summary Statement of Revenues, Expenses and Changes in Net Position, and Summary Statement of Cash Flows. The summary financial statements were derived from the University's audited financial statements for the fiscal years ended June 30, 2013 and 2012. The summary financial statements aggregate certain line items contained within some audited financial classifications to provide a more summarized presentation and do not include various notes required by generally accepted accounting principles. The University's and its component unit's financial statements and related notes, which are presented in conformity with generally accepted accounting principles, may be viewed at http://www.isu.edu/finserv/account/ISUSingleAudit2013&SEFA.pdf

3. SUMMARY STATEMENT OF NET POSITION

Reflects the financial position of the University at the end of the fiscal year. The difference between assets plus deferred outflows and liabilities plus deferred inflows represent net position. Changes in net position occur over time and are one indicator of the financial condition of the University.

4. SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Presents the revenues earned and expenses incurred during the year on an accrual basis, categorized as operating and nonoperating.

5. SUMMARY STATEMENT OF CASH FLOWS

Provides information about the University's inflows and outflows of cash for the year. This statement aids in assessing the University's ability to meet obligations and commitments as they become due, its ability to generate future cash flows, and its needs for external financing.

SUMMARY OF ACCOUNTING POLICIES AND PRACTICES

6. 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.

7. CASH EQUIVALENTS

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

8. CASH WITH TREASURER

Amounts that are required to be remitted to the State of Idaho as a result of the student fee collection process and, once remitted, these balances are under the control of the State Treasurer. Interest accruing on the balance is maintained in a separate fund and must be appropriated by the legislature before any expenditure can occur.

9. INVESTMENTS

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Investment Income is recorded on the accrual basis. Changes in unrealized gains and losses on the carrying value of investments are reported as a component of net investment income in the Statement of Revenues, Expenses and Changes in Net Position.

10. STUDENT LOANS RECEIVABLE

Loans receivable from students bear interest at rates ranging from 3.00% to 7.00% and are generally payable to the University in installments over a 5 to 10 year period, commencing 6 or 9 months after the date of separation from the University.

11. ACCOUNTS RECEIVABLE

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

12. PROPERTY, PLANT AND EQUIPMENT

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

The University houses collections at the Idaho Museum of Natural History that it does not capitalize. The University charges these collections to operations at the time of purchase, in accordance with generally accepted accounting principles.

13. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources are a consumption of net assets by the University that are applicable to future reporting periods. Similar to assets, they have a positive effect on net position.

14. UNEARNED REVENUES

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

15. COMPENSATED ABSENCES

Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes.

16. NONCURRENT LIABILITIES

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

17. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources are an acquisition of net assets that are applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position.

18. NET POSITION

The University's net position is categorized as follows:

INVESTED IN CAPITAL ASSETS

This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

RESTRICTED, EXPENDABLE

This includes resources which the University is legally or contractually obligated to use in accordance with restrictions imposed by external third parties.

UNRESTRICTED

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

19. INCOME AND UNRELATED BUSINESS INCOME TAXES

The University, as a political subdivision of the State of Idaho, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated business income tax expense in the fiscal years ended June 30, 2013 or 2012.

20. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student fee revenues are reported net of scholarship discounts and allowances in the summary statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount paid by students or other third parties making payments on the students' behalf.

21. 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.

22. CONTINGENCIES AND LEGAL MATTERS

The University is a defendant in litigation arising from the normal course of operations. Based on present knowledge, the University's administration believes any ultimate liability in these matters will not materially affect the financial position of the University. See note 14 of the notes to the University's consolidated financial statements for more information on contingencies and legal matters at June 30, 2013.

23. COMPONENT UNIT DISCLOSURE

The Foundation is discretely presented within the financial statements as a component unit.

The Foundation has adopted a policy of preparing its financial statements based upon generally accepted accounting principles in accordance with standards issued by the Financial Accounting Standards Board.

24. FOUNDATION OPERATIONS

The Foundation was established in March 1967 to provide support for the private fundraising efforts of the University and to manage privately donated funds. The Foundation is a not-for-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of, and cannot be controlled by, the University.

During fiscal year 2013, the Foundation formed a limited liability corporation called Bengal Pharmacy, LLC (the Pharmacy) to serve students, staff and faculty being seen by the student health center and residency program, in addition to 340b patients of Health West in Southeast Idaho. During 2013 the Pharmacy's activity was limited to startup costs and initial operations. It is anticipated during 2014 for the Pharmacy to reach full operations and will have an impact on the financial statements for 2014.

25. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Foundation and the Pharmacy because the Foundation has both control and economic interest in the Pharmacy. All significant intercompany accounts and transactions have been eliminated in consolidation.

26. BASIS OF ACCOUNTING

The Foundation financial statements included in this report have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, whereby revenue is recorded when earned and expenses are recorded when materials or services are received. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

27. INVESTMENTS

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.

28. PROMISES TO GIVE

Unconditional promises to give are recognized as an asset and contribution revenue in the period the promise is received. Promises to give received after one year are discounted at rates commensurate with risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

29. OBLIGATIONS UNDER SPLIT INTEREST AGREEMENTS

The Foundation administers such life income agreements as charitable remainder trusts where an income beneficiary is the lifetime recipient of income and the Foundation is the remainder beneficiary. Upon receipt of the gift, a liability is established for the estimated net present value of the lifetime recipient's interest using applicable mortality tables and a discount rate commensurate with the risks involved. A contribution is recognized for the estimated remainder interest.

30. FAIR VALUE MEASUREMENTS

The Foundation has determined the fair value of certain assets and liabilities in accordance with the provisions of ASC 820-10, Fair Value Measurements, which provides a framework for measuring fair value under generally accepted accounting principles.

31. CAPITALIZED BOND ISSUANCE COSTS

Capitalized bond issuance costs consist of legal costs, underwriting fees, printing and other costs incurred to obtain, secure and rate the multi-mode variable rate revenue bonds issued for the construction of the L.E. and Thelma Stephens Performing Arts Center on May 30, 2001. The issuance costs for the bonds have an original cost of $570,000 at May 30, 2001, and are amortized over the term of the bonds, using the effective interest rate method. Accumulated amortization of these bond costs at the end of June 30, 2013 and 2012 were $444,167 and $424,697, respectively.

32. ENDOWMENTS

The Foundation's endowment consists of approximately 500 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

33. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value option was chosen to measure pledges and annuities in order to mitigate volatility in reported changes in net assets.

The fair value for mutual fund investments is determined based on quoted market prices. For fixed income investments, fair value is determined based on the value of the underlying investments. For co-mingled and pooled marketable investment funds, fair value is obtained by using the net asset value of the underlying investments. At this level, the underlying assets have a direct market reference price that is traceable. For hedge funds, fair value is determined with independent, third party valuations occurring monthly to every six months, depending upon the investment type.

Property held for sale and investments are valued based on property sold that had a similar use, size, and location as the property held by the Foundation. The value of pledges receivable is determined at the present value of expected future cash flows and is fair valued at the time of the gift. In subsequent years, the value is amortized over the life of the pledge.

34. MULTI-MODE VARIABLE RATE REVENUE BONDS

A Multi-Mode Variable Rate Revenue Bond was issued on May 30, 2001 in the amount of $22,170,000. The Bonds fully mature on May 1, 2021 and are secured by donations, pledges and other funds held under the Bond Indenture. Debt balance at June 30, 2013 and 2012 was $5,800,000 and $5,900,000, respectively. Interest payments are made monthly with a mandatory bond redemption of $100,000 due annually on May 1st. Total interest expense and fees during 2013 and 2012 were $106,188 and $91,425, respectively.

OPPORTUNITY and INNOVATION

2013 Financial Report

C.L. "Butch" Otter
Governor, State of Idaho

Idaho State Board of Education

Don Soltman
President

Emma Atchley
Vice President

Rod Lewis
Secretary

Bill Goesling
Member

Milford Terrell
Member

Richard Westerberg
Member

Tom Luna
Superintendent of Public Instruction

Idaho State University Administration

Arthur C. Vailas
University President

Laura Woodworth-Ney
Provost and Vice President for Academic Affairs

James A. Fletcher
Vice President for Finance and Administration

Howard Grimes
Vice President for Research and Economic Development

Patricia Terrell
Vice President for Student Affairs

Jeff Tingey
Director of Athletics

Kent Tingey
Vice President for University Advancement

Brant Wright
University Controller

Idaho State UNIVERSITY

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