



FY19 ANNUAL FINANCIAL STATEMENTS

Financial Statements for the Years
Ended June 30, 2019 and 2018 and
Independent Auditor's Report.

Including Schedule of Expenditures
of Federal Awards and Single Audit
Documents for the Year Ended
June 30, 2019.



**Idaho State
University**

FINANCE AND BUSINESS AFFAIRS
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ROAR

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IDAHO STATE UNIVERSITY

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Report of Independent Auditors

Idaho State Board of Education
Idaho State University

Report on the Financial Statements

We have audited the accompanying financial statements of Idaho State University (University) and its discretely presented component unit, Idaho State University Foundation, Inc. (Foundation) as of and for the years ended June 30, 2019 and 2018, 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 an opinion on these financial statements based on our audits. We did not audit the financial statements of the Foundation, which represents 100% of the assets, net assets and revenue of the University's discretely presented component unit as described in Note 16. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

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 the University and its discretely presented component unit, as of June 30, 2019 and 2018, 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 in the management's discussion and analysis as listed in the table of contents, and certain information related to pensions and other postemployment benefits on pages 49 and 52 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion 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 awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2019 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 the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Moss Adams LLP

Portland, Oregon
September 27, 2019

Management's Discussion and Analysis For the fiscal year ended June 30, 2019

INTRODUCTION

The following analysis and discussion provides an overview of the financial position and activities of Idaho State University (the University or ISU) for the fiscal year ended June 30, 2019, with comparative information for the fiscal year ended June 30, 2018. This overview has been prepared by management and should be read in association with the financial statements and accompanying footnote disclosures of the University included in this report.

PROFILE OF THE UNIVERSITY

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

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

USING THE FINANCIAL STATEMENTS

Idaho State University's financial statements for the fiscal year 2019 are presented in this report for your review. Condensed operations and financial position data are presented in this section in order to illustrate certain increases and decreases over fiscal year 2018. The emphasis of the following discussions about these statements is on changes in current year data versus the prior year.

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

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

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

IMPACT FROM CHANGES IN FINANCIAL REPORTING REQUIREMENTS

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

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

FINANCIAL HIGHLIGHTS

Comparison of fiscal year 2019 to fiscal year 2018

The University's financial position at June 30, 2019, reflects the following changes versus the previous fiscal year.

- Assets increased by \$0.9 million to end the year at \$349.3 million.
- Liabilities decreased by \$6.1 million to end the year at \$98.0 million.
- Net position, invested in capital assets totaled \$156.6 million an increase of \$15.2 million.
- Net position, which is the residual of assets and deferred outflows after deducting liabilities and deferred inflows, increased by \$3.9 million to end at \$252.1 million.

Other significant changes to operations were as follows:

- Operating revenues totaled \$123.1 million, a decrease of \$0.3 million.
- Operating expenses totaled \$252.6 million, an increase of \$3.4 million.
- Nonoperating revenues, net of expense, totaled \$133.4 million, an increase of \$10.8 million.

Comparison of fiscal year 2018 to fiscal year 2017

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

- Assets increased by \$8.5 million to end the year at \$348.4 million.
- Liabilities increased by \$7.5 million to end the year at \$104.1 million.
- Net position, invested in capital assets totaled \$141.3 million, an increase of \$10.1 million.
- Net position, which is the residual of assets and deferred outflows after deducting liabilities and deferred inflows, decreased by \$1.5 million to end at \$248.2 million. Key components of the \$1.5 million decline in net position are as follows: \$0.9 million in prior period adjustments due to the implementation of GASB 75 for OPEB & SLIRF (see Note 2 for more details), \$0.2 million from primary operations, and \$0.4 million from Federal Perkins loan program.

Other significant changes to operations were as follows:

- Operating revenues totaled \$123.4 million, a decrease of \$6.5 million.
- Operating expenses totaled \$249.2 million, an increase of \$1.8 million.
- Nonoperating revenues, net of expense, totaled \$122.6 million, an increase of \$0.6 million.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Financial Position - Statement of Net Position

The Statement of Net Position is a snapshot of the University's financial position at, June 30, 2019 (fiscal year end). It reports the University's assets and deferred outflows (financial resources), liabilities and deferred inflows (financial obligations), and net position (remaining balance in assets after paying creditors) based on end-of-year data.

Assets are classified as current, noncurrent, or capital. Current assets can be expected to easily convert to cash

to meet the University's expenses within 12 months and include cash and cash equivalents, accounts receivable, inventories, prepaid expenses, and investments.

Noncurrent assets can be expected to be held more than one year and include items such as, student loans receivable. Capital assets are reported net of accumulated depreciation and include construction in progress, furniture and equipment, land, buildings, and improvements.

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

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

Liquidity is an important indicator of financial stability, which can be measured by the number of days an institution is able to operate using unrestricted cash and investments that can be liquidated and spent within one year. The University has maintained its ability to cover operating costs (see ratios later in this section). Within the industry, it is generally considered prudent to maintain reserves to cover operating expenses for at least 60 to 90 days, and at June 30, 2019 the University maintains reserves to cover operating expenses for 214 days.

Net position is divided into three categories:

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

CONDENSED STATEMENT OF NET POSITION

The *Statement of Net Position* reflects the financial position of the University at the end of the fiscal year. The sum of assets and deferred outflows, less liabilities and deferred inflows, represents net position. Changes in net position occur over time and are one important indicator of the financial condition of the University. Net Position is presented in three major categories on the statement, each of which is described in more detail within the footnotes to the statements. A summary comparison of the assets, deferred outflows, liabilities, deferred inflows, and net position for the years ended June 30, 2019, 2018, and 2017 is presented below.

Condensed Statement of Net Position

<i>(dollars in thousands)</i>				
For the Year Ended June 30,	2019	Restated 2018	2019 vs 2018 Change	2017
Assets:				
Current Assets	150,495	161,259	(10,764)	166,812
Noncurrent Assets	11,492	10,109	1,383	1,350
Capital Assets, Net	187,318	177,003	10,315	171,692
Total Assets	349,305	348,371	934	339,854
Deferred Outflows of Resources	7,228	6,864	364	8,768
Total Assets and Deferred				
Outflows of Resources	356,533	355,235	1,298	348,622
Liabilities:				
Current Liabilities	38,673	36,990	1,683	31,865
Noncurrent Liabilities	59,284	67,113	(7,829)	64,696
Total Liabilities	97,957	104,103	(6,146)	96,561
Deferred Inflows of Resources	6,478	2,953	3,525	2,369
Net Position:				
Invested in Capital Assets	156,574	141,343	15,231	131,221
Restricted, Expendable	13,566	12,777	789	4,381
Unrestricted	81,958	94,059	(12,101)	114,090
Net Position	252,098	248,179	3,919	249,692
Total Liabilities, Deferred				
Inflows and Net Position	356,533	355,235	1,298	348,622

SIGNIFICANT CHANGES IN THE STATEMENT OF NET POSITION

Comparison of fiscal year 2019 to fiscal year 2018

- The total net position of the University at June 30, 2019, was \$252.1 million, an increase of \$3.9 million versus the prior year. The University's total net position includes its net investment in capital assets of \$156.6 million. The restricted portion of net position increased \$0.8 million to \$13.6 million, and the unrestricted portion of net position decreased \$12.1 million to a total of \$82.0 million.
- In 2019, the \$10.8 million decrease in current assets is largely due to the \$12.0 million decrease in cash with treasurer, accounts receivable, prepaids, and due from state agencies - which was partially offset by increases of \$1.3 million in cash, inventories and investments. The primary driver of growth in noncurrent assets is attributed to net capital assets and other long-term assets (OPEB SLIRF), which increased

\$10.3 million and \$1.6 million. Deferred outflows of resources is up \$0.4 million due to increases in deferred outflow for pensions and OPEB (other post-employment benefits) of \$0.5 million, offset in part by a decrease in deferred cost of refunding debt of \$0.1 million.

- During the current fiscal year, total liabilities decreased by \$6.1 million, primarily due to decreases in noncurrent liabilities of \$7.8 million and to a net increase in current liabilities of \$1.7 million. The noncurrent liability decrease is due to declines in OPEB of \$1.2 million, \$2.0 million in pensions, and \$4.6 million in notes and bonds payable. The primary drivers for the \$1.7 million increase in current liabilities is unearned revenues \$4.5 million, accrued salaries \$0.7 million, and other smaller increases of \$0.4 million offset in part by declines in due to state \$0.7 million, accrued payables \$2.7 million, and other smaller increases \$0.5 million.

Comparison of fiscal year 2018 to fiscal year 2017

- The total net position of the University at June 30, 2018, was \$248.2 million, a decrease of \$1.5 million versus the prior year. The University's total net position includes its net investment in capital assets, which increased \$10.1 million to \$141.3 million. The restricted portion of net position increased \$8.4 million to \$12.8 million, and the unrestricted portion of net position decreased \$20.0 million.
- In 2018, the \$5.5 million decrease in current assets is largely due to the \$10.1 million decrease in cash, accounts receivable and due from state agencies - which was partially offset by increases of \$4.6 million in cash with treasurer, prepaid expenses and investments. The primary driver of growth in noncurrent assets is attributed to the OPEB SLIRF asset which increased \$9.0 million. Net capital assets

increased \$5.3 million. Deferred outflows of resources is down \$1.9 million due to decreases in deferred outflow for pensions and OPEB (other post-employment benefits) of \$1.8 million and deferred cost of refunding debt of \$0.1 million.

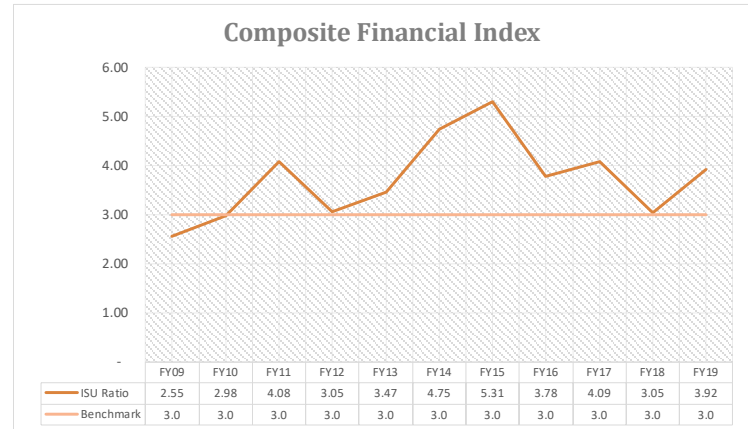
- During the current fiscal year, total liabilities increased by \$7.5 million, primarily due to increases in noncurrent liabilities of \$2.4 million and to a net increase in current liabilities of \$5.1 million. The noncurrent liability increase is due to the \$12.1 million increase in OPEB offset in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

Financial Health Indicators

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

The four core ratios are the viability ratio, the net operating revenues ratio, the return on net assets ratio and the primary reserve ratio. Each of these ratios is adjusted for their strength factor using a common scale then multiplied by the designated weighting factors and summed to compute the composite financial index.

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



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

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

Operating revenues represent the funds obtained from providing goods and services to the University’s customers. They include tuition and fees, grant and contract payments, and sales and service revenue generated by student housing, student dining, and other University operations. Operating expenses are those expenditures made to acquire or produce the services

provided to generate operating revenues and in carrying out the mission of the University.

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

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

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

A comparative statement summarizing the University’s revenues, expenses, and changes in net position for the years ended June 30, 2019, 2018, and 2017, is shown below.

Condensed Statement of Revenue, Expenses and Changes in Net Position

<i>(dollars in thousands)</i>					
For the Year Ended June 30,	2019	Restated 2018	2019 vs 2018 Change	2017	
Operating Revenues	\$ 123,087	\$123,377	\$ (290)	\$129,938	
Operating Expenses	252,645	249,231	3,414	248,179	
Operating Loss	(129,558)	(125,854)	(3,704)	(112,241)	
Nonoperating Revenues, Net of Expenses	133,429	122,559	10,870	123,380	
Capital Additions	48	2,730	(2,682)	126,696	
Increase (Decrease) in Net Position	3,919	(565)	4,484	123,380	
Net Position, Beginning of Year (Previously Reported)	248,179	249,692	(1,513)	248,179	
Cumulative effect of GASB 75 implementation	-	(948)	948	248,179	
Net Position, Beginning of Year (As Restated)	248,179	248,744	(565)	248,179	
Net Position, End of Year	252,098	248,179	3,919	248,179	

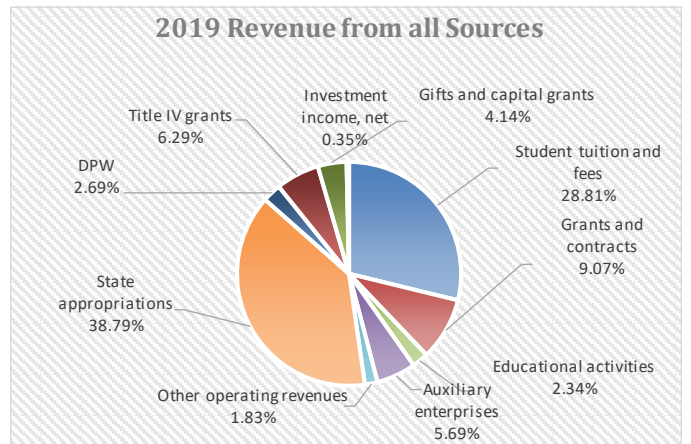
SIGNIFICANT CHANGES IN THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

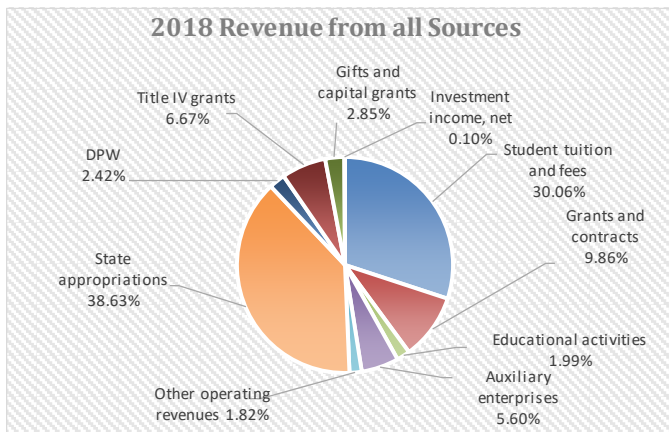
- Total revenues for the year ended June 30, 2019, were \$257.8 million, representing an increase of \$7.8 million over fiscal year 2018. Below is a graphic illustration of revenues by source (both operating and nonoperating) for the years ended June 30, 2019 and 2018. Total revenues for the year ended June 30, 2018, were \$250.1 million, representing a decrease of \$3.2 million over fiscal year 2017.

Operating Revenue from all Sources

Condensed Statement of Revenue, Expenses and Changes in Net Position

<i>(dollars in thousands)</i>				
For the Year Ended June 30,	2019	2018	2019 vs 2018 Change	2017
Student Tuition and Fees	\$ 74,278	\$ 75,162	\$ (884)	\$ 79,831
Grants and Contracts	23,387	24,667	(1,280)	27,030
Auxiliary Enterprises	14,679	14,015	664	13,196
Educational Activities	6,030	4,976	1,054	6,153
Other Operating Revenues	4,713	4,557	156	3,728
Total Operating Revenues	123,087	123,377	(290)	129,938
Appropriations	106,948	102,659	4,289	99,808
Title IV Grants	16,221	16,682	(461)	15,793
Capital Grants and Gifts	10,666	7,120	3,546	7,653
Investment Income, net	908	235	673	126
Total Nonoperating Revenues	134,743	126,696	8,047	123,380
Total Revenues	257,830	250,073	7,757	253,318





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

- **State Appropriations:** The largest component of nonoperating revenue is state appropriations. In 2019, state funding increased overall by \$3.3 million, or 3.5%, over the prior year. Funding from the Department of Public Works (DPW) increased \$0.9 million due to an increase in the number and extent of building projects in 2019 versus 2018. State appropriations for general education increased by \$2.8 million to \$80.2 million in 2019 from \$77.4 million in 2018, a 3.7% increase. Other state appropriations increased \$0.4 million, and career technical education increased \$0.2 million versus 2018.
- **Tuition and Fees:** Net tuition and fee revenue of \$74.3 million reflects a decline of \$0.9 million over the prior year due to a decline in international student enrollment and an increase in scholarship awards.
- **Grants and Contracts:** Fiscal year 2019 federal grants and contracts revenue of \$8.8 million was \$0.3 million more than the prior year. Private

grant revenue was \$5.8 million in 2019, down \$0.1 million from 2018. State grant revenue decreased by \$1.4 million over 2018 to \$8.8 million for 2019. In total, grant revenue decreased by \$1.3 million in 2019 to \$23.4 million.

- **Federal Title IV Grants:** There was a \$0.5 million decrease in Title IV revenue from the prior year.
- **Educational and Auxiliary:** Revenue increased \$1.7 million to \$20.7 million for fiscal year 2019.
- **Other Revenue:** Revenues increased \$0.2 million to \$4.7 million in 2019.

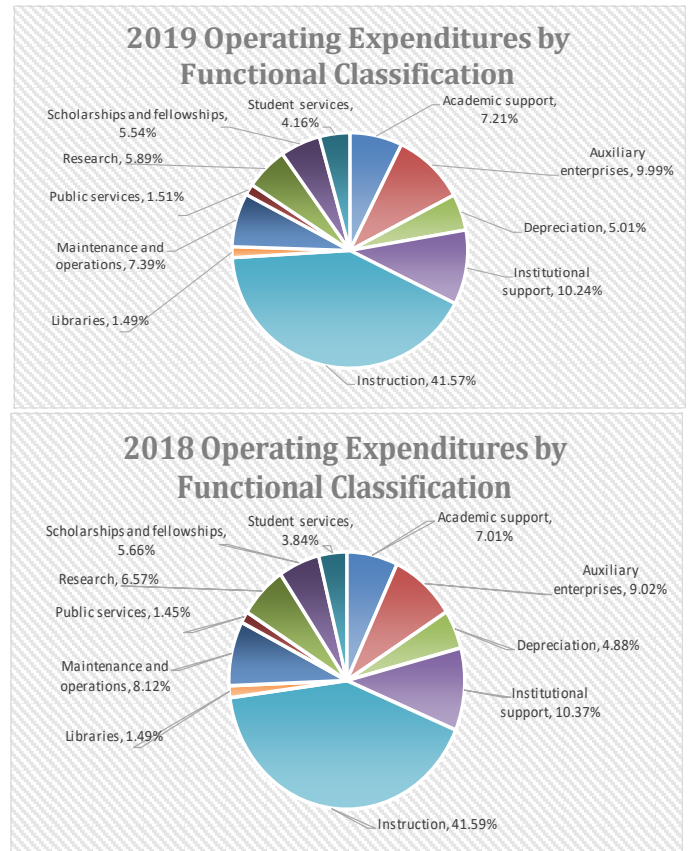
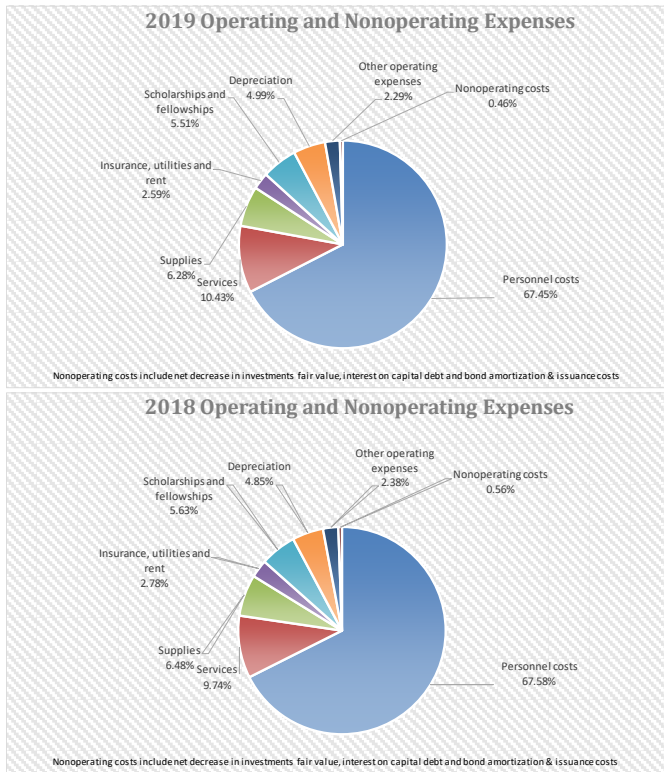
Expenses

Operating expenses consist mainly of employee compensation, supplies and services costs, and student scholarships and fellowships, all of which enable us to carry out the mission of the University. Nonoperating expenses are generally those associated with interest on debt and any loss on disposal of fixed assets. Salaries, wages, and benefits are the major support cost for the University’s programs, followed by services and supplies, scholarships, and other operating expenses. The table below compares expenses for fiscal years ending June 30, 2019, 2018, and 2017.

Summary Statement of Expenses

(dollars in thousands)

For the Year Ended June 30,	2019	2018	2019 vs 2018 Change	2017
Operating Expenses				
Personnel costs	\$ 171,191	\$ 169,374	\$ 1,817	\$ 165,478
Services	26,480	24,406	2,074	28,225
Supplies	15,926	16,250	(324)	15,510
Insurance, utilities and rent	6,580	6,962	(382)	7,391
Scholarships and fellowships	13,993	14,103	(110)	13,396
Depreciation expense	12,667	12,163	504	12,158
Other operating expenses	5,808	5,973	(165)	5,291
Total operating expenses	\$ 252,645	\$ 249,231	\$ 3,414	\$ 247,449
Nonoperating Expenses				
Amortization of bond insurance costs	\$ 2	\$ 3	\$ (1)	\$ 5
Bond issuance costs	-	-	-	-
Interest on capital asset related debt	1,115	1,208	(93)	1,313
Loss on disposal of fixed assets	149	196	(47)	99
Total nonoperating expenses	\$ 1,266	\$ 1,407	\$ (141)	\$ 1,417



An alternative view of operating expenses is by functional (programmatic) classification. Instructional expenses by far comprise the largest single category of operating costs. Fluctuations in expenses for maintenance and operations are largely impacted by noncapitalized facility improvements associated with project expenses that are not capitalized to an asset. The amount varies by year depending on several factors including the types and timing of projects undertaken. See Footnote 13 for additional details regarding functional expenses.

- Operating expenses in fiscal year 2019 increased by \$3.4 million, or 1.0%, from the prior year. The largest components of the increase are services and personnel costs which increased \$2.1 million and \$1.8 million respectively. Depreciation increased by \$0.5 million. The increases were offset in part by decreases in other areas. Supplies and other operating expenses decreased by \$0.5 million, insurance and scholarships decreased by \$0.5 million. Operating expenses in fiscal year 2018 increased from 2017 by \$1.8 million, or 0.7%, from the prior year.

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

CASH FLOWS

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

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

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

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

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

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

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

A comparative summary of the *Statement of Cash Flows* for the years ended June 30, 2019, 2018, and 2017, is presented below.

Summary Statement of Cash Flows

(dollars in thousands)		2019 vs 2018		
For the Year Ended June 30,	2019	2018	Change	2017
Cash and cash equivalents (used in) or provided by:				
Operating activities	\$(111,619)	\$(104,231)	\$ (7,388)	\$(109,930)
Noncapital financing activities	129,924	117,622	12,302	121,476
Capital and related financing activities	(27,499)	(15,815)	(11,684)	(16,070)
Investing activities	333	15	318	19
Net increase in cash	(8,861)	(2,409)	(6,452)	(4,505)
Cash and cash equivalents, beginning of year	120,672	123,082	(2,410)	127,587
Cash and cash equivalents, end of year	\$ 111,811	\$ 120,673	\$ (8,862)	\$ 123,082

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

CAPITAL ASSET AND DEBT ACTIVITIES

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

Capital Assets

Idaho State University's total capital assets increased by \$10.3 million; from \$177.0 million in 2018 to \$187.3 million in 2019, with capital additions outpacing depreciation expense.

Capital Assets

<i>(dollars in thousands)</i>		2019 vs 2018		
For the Year Ended June 30,	2019	2018	Change	2017
Land	\$ 8,513	\$ 5,012	\$ 3,501	\$ 5,013
Construction in progress	18,254	4,169	14,085	4,875
Buildings, net	134,897	140,359	(5,462)	136,078
Intangibles, net	1,052	1,163	(111)	1,273
Equipment, net	14,386	16,046	(1,660)	14,167
Library materials, net	10,216	10,254	(38)	10,286
Total capital assets, net	\$ 187,318	\$ 177,003	\$ 10,315	\$ 171,692

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

Debt

Total notes and bonds payable declined by \$5.0 million from \$36.4 million at June 30, 2018, to \$31.4 million at June 30, 2019. The University continues to pay down existing debt according to the debt schedule detailed in the notes of this report.

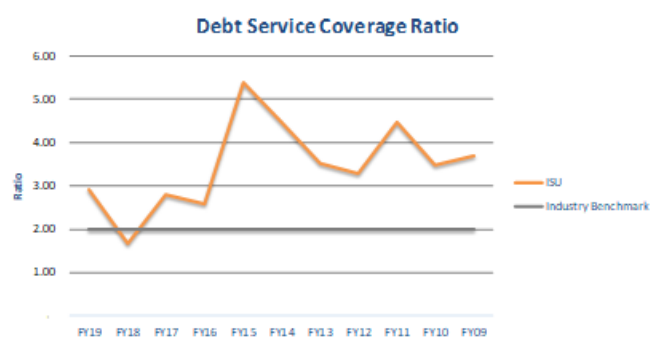
Debt

<i>(dollars in thousands)</i>		2019 vs 2018		
For the Year Ended June 30,	2019	2018	Change	2017
Notes and bonds payable	\$ 31,424	\$ 36,434	\$ (5,010)	\$ 41,338

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

Debt Ratios

The debt service coverage ratio provides an indicator of the University's ability to repay annual principal and interest relative to its overall expenses. The graph below shows the University's debt service ratio for the past ten years and indicates the University has sufficient resources to pay its long-term debt obligations 2.91 times over.



ECONOMIC OUTLOOK

The financial position of Idaho State University continues to remain stable. As we move into 2019-2020, enrollment and retention remain our top priority and challenge. The University believes there is opportunity to improve enrollment based on population growth in the State, along with many other factors. To capture this growth and improve enrollment, the University has implemented ongoing enhanced recruitment efforts. In addition, the University launched a statewide marketing campaign aimed at increasing awareness, and implemented new branding this past summer.

In the State of Idaho, the unemployment rate is near 3 percent, with employment gains of 2.2 to 2.9 percent. In addition, the State of Idaho ranked 11th in the country in terms of financial stability. These factors may provide opportunities for growing appropriations to state funded universities for fiscal 2021 and beyond. At the federal level, the research funding environment has improved and federal financial aid funding remains steady according to Moody's. The Consumer Confidence Index is at its highest level since 2000 and other leading economic indices are all up. Expected job growth in Idaho reflects national demand with the highest expected growth being in health care, social assistance, and professional and business services.

The University's revenue outlook continues its healthy trend. The primary sources of University funding comes predominately from tuition and fees, and state appropriations. During the year, the University proposed and received approval for a 6.0% undergraduate resident tuition and fee increase for fiscal year 2020. The University's general state appropriation for fiscal year 2020 has increased by 4.8% from its FY2019 funding levels in both permanent and one-time funding.

Strategic investments aimed at bolstering recruitment, retention, and student success are the key focus. The University is releasing a bond issue in the coming

months. The bond issue is a reflection of prudent financial management that allows the University to invest in current initiatives while retaining cash balances for intentional investment opportunities. The current market creates an opportunity to take advantage of low interest rates, while keeping debt service low. Bond proceeds will be utilized for renovations and upgrades across the institution. The Housing Project will update and modernize residence halls to provide a more comfortable living and studying space for students. Additionally, restoring a historic campus landmark, the Davis Field Project, will elevate the affinity of students, alumni, and the community. This project will improve a track and field and soccer venue, and allow the University to host NCAA and conference championships.

Idaho State University continues to support and implement initiatives that align with the Idaho State Board of Education's strategic plan. This includes awarding enough degrees and certificates to meet the projected workforce needs, focusing on career readiness upon graduation, and improving the high school "go-on" rates to college. This year, ISU will update its strategic plan to reflect President Kevin Satterlee's newly shared vision for the institution. The strategy focuses on improving recruitment and retention, promoting ISU's identity and culture, strengthening relationships and partnerships, and building infrastructure. The new strategic plan will uniquely position the institution to leverage its robust program offerings—the most certificate and degree programs in the state—to support economic mobility for the region and nation.

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

Annual Financial Statements

IDAHO STATE UNIVERSITY		
STATEMENT OF NET POSITION		
AS OF JUNE 30, 2019 AND 2018		
		RESTATED
<i>(dollars in thousands)</i>	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,145	\$ 36,501
Cash with Treasurer	74,665	84,172
Investments	21,287	20,729
Student loans receivable, net	11	23
Accounts receivable and unbilled charges, less allowance for doubtful accounts of \$1,892 and \$2,427, respectively	11,018	11,652
Due from state agencies	3,794	4,734
Inventories	271	180
Prepaid expenses	2,304	3,268
Total current assets	150,495	161,259
NONCURRENT ASSETS:		
Student loans receivable, less allowance for doubtful loans of \$387 and \$567, respectively	659	834
Assets held in trust	245	240
Prepaid bond insurance costs	23	26
Capital assets, net	187,318	177,003
Other long-term assets	10,565	9,009
Total noncurrent assets	198,810	187,112
TOTAL ASSETS	349,305	348,371
DEFERRED OUTFLOWS OF RESOURCES		
Deferred cost of refunding	663	758
Deferred outflows for pensions and OPEB	6,565	6,106
Total deferred outflows of resources	7,228	6,864
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 356,533	\$ 355,235
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 2,802	\$ 5,529
Due to state agencies	17	749
Accrued salaries and benefits payable	10,394	9,686
Compensated absences payable	5,394	5,246
Deposits	305	341
Funds held in custody for others	1,381	1,144
Unearned revenues	13,752	9,240
Accrued interest payable	303	339
Notes and bonds payable	4,325	4,715
Total current liabilities	38,673	36,989
NONCURRENT LIABILITIES:		
Total other post-employment benefits payable (Total OPEB)	21,066	22,308
Pension liability	11,119	13,087
Notes and bonds payable	27,099	31,719
Total noncurrent liabilities	59,284	67,114
TOTAL LIABILITIES	97,957	104,103
DEFERRED INFLOWS OF RESOURCES		
Deferred cost of refunding	5	10
Deferred inflows for pensions and OPEB	6,473	2,943
Total deferred inflows of resources	6,478	2,953
NET POSITION:		
Net investment in capital assets	156,574	141,343
Restricted, expendable	13,566	12,777
Unrestricted	81,958	94,059
Total net position	252,098	248,179
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 356,533	\$ 355,235

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2019 AND 2018

<i>(dollars in thousands)</i>	2019	2018
ASSETS		
Cash and cash equivalents	\$ 2,170	\$ 8,750
Operating investments	15,660	2,936
Promises to give, net	2,134	2,088
Life insurance cash surrender value	127	123
Inventory	405	685
Pharmacy receivables, net	226	198
Miscellaneous receivables, net	39	77
Prepaid expenses	128	135
Property and equipment, net	337	212
Goodwill, net	199	199
Donated land held for sale	656	1,252
Investments held under split interest agreements	2,642	2,560
Investments	56,346	57,665
TOTAL ASSETS	\$ 81,069	\$ 76,880
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 322	\$ 858
Scholarships and other payables to Idaho State University	81	172
Obligations to beneficiaries under split-interest agreements	1,103	1,161
Funds held in custody for others	950	1,210
Long-term debt	3,667	4,210
Total liabilities	6,123	7,611
Net Assets (Deficit)		
Net assets without donor restrictions	622	(88)
Net assets with donor restrictions	74,324	69,357
Total net assets	74,946	69,269
TOTAL LIABILITIES AND NET ASSETS	\$ 81,069	\$ 76,880

See Accompanying Notes to Financial Statements

Annual Financial Statements

IDAHO STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

<i>(dollars in thousands)</i>	2019	RESTATED 2018
OPERATING REVENUES		
Student tuition and fees (net of scholarship discounts and allowances of \$30,218 and \$27,912, respectively)	\$ 74,278	\$ 75,162
Federal grants and contracts	8,832	8,525
State and local grants and contracts	8,764	10,220
Private grants and contracts	5,791	5,922
Sales and services of educational activities	6,030	4,976
Sales and services of auxiliary enterprises	14,679	14,015
Other	4,713	4,557
Total operating revenues	123,087	123,377
OPERATING EXPENSES		
Personnel costs	171,191	169,374
Services	26,480	24,406
Supplies	15,926	16,250
Insurance, utilities and rent	6,580	6,962
Scholarships and fellowships	13,993	14,103
Depreciation	12,667	12,163
Miscellaneous	5,808	5,973
Total operating expenses	252,645	249,231
OPERATING LOSS	(129,558)	(125,854)
NONOPERATING REVENUES (EXPENSES)		
State appropriations:		
State general account - general education	80,244	77,405
Endowment income	3,739	3,610
Other state appropriations	3,704	3,485
Career technical education	12,336	12,104
Department of Public Works	6,925	6,055
Title IV grants	16,221	16,682
Gifts (including \$9,399 and \$3,698 from the Idaho State University Foundation, respectively)	10,618	4,390
Net investment income	908	235
Amortization of bond insurance costs	(2)	(3)
Interest on capital asset related debt	(1,115)	(1,208)
(Loss) on disposal of capital assets	(149)	(196)
Net nonoperating revenues	133,429	122,559
(LOSS) INCOME BEFORE OTHER REVENUES AND EXPENSES	3,871	(3,295)
OTHER REVENUES (EXPENSES)		
Capital gifts and grants	48	2,730
Net other revenues (expenses)	48	2,730
(DECREASE) INCREASE IN NET POSITION	3,919	(565)
NET POSITION, BEGINNING OF YEAR (PREVIOUSLY REPORTED)	248,179	249,692
CUMULATIVE EFFECT OF GASB 75 IMPLEMENTATION (NOTE 2)	-	(948)
NET POSITION, BEGINNING OF YEAR (AS RESTATED)	248,179	248,744
NET POSITION, END OF YEAR	\$ 252,098	\$ 248,179

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

<i>(dollars in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and gifts	\$ 713	\$ 11,731	\$ 12,444
Contributed services	342	-	342
Interest and dividends	258	1,371	1,629
Net realized/unrealized gain (loss) on investments	479	1,156	1,635
Fees, charges, and miscellaneous	1,096	21	1,117
Pharmacy revenue	5,597	-	5,597
Less cost of goods sold	(4,781)	-	(4,781)
Net pharmacy charges	816	-	816
Net change in value of split-interest agreements and life insurance	4	140	144
Donor designated transfers	(22)	22	-
Net assets released from program restrictions	9,474	(9,474)	-
TOTAL REVENUES	13,160	4,967	18,127
EXPENSES			
Program Services			
Academic, development and program support	9,399	-	9,399
Endowment and private resource management	75	-	75
Pharmacy expenses	1,005	-	1,005
Support services			
Management and general	1,449	-	1,449
Fundraising	522	-	522
TOTAL EXPENSES	12,450	-	12,450
CHANGE IN NET ASSETS	710	4,967	5,677
NET ASSETS (Deficit), beginning of year	(88)	69,357	69,269
NET ASSETS (Deficit), end of year	\$ 622	\$ 74,324	\$ 74,946

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

<i>(dollars in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and gifts	\$ 862	\$ 8,966	\$ 9,828
Contributed services	356	-	356
Interest and dividends	176	426	602
Net realized/unrealized gain (loss) on investments	1,249	4,091	5,340
Fees, charges, and miscellaneous	999	30	1,029
Pharmacy revenue	5,935	-	5,935
Less cost of goods sold	(4,959)	-	(4,959)
Net pharmacy charges	976	-	976
Net change in value of split-interest agreements and life insurance	35	63	98
Donor designated transfers	902	(902)	-
Net assets released from program restrictions	3,508	(3,508)	-
TOTAL REVENUES	9,063	9,166	18,229
EXPENSES			
Program services			
Academic, development and program support	3,698	-	3,698
Pharmacy expenses	1,049	-	1,049
Support services			
Management and general	1,306	-	1,306
Fundraising	731	-	731
TOTAL EXPENSES	6,784	-	6,784
CHANGE IN NET ASSETS	2,279	9,166	11,445
NET ASSETS (Deficit), beginning of year	(2,367)	60,191	57,824
NET ASSETS (Deficit), end of year	\$ (88)	\$ 69,357	\$ 69,269

See Accompanying Notes to Financial Statements

Annual Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

<i>(dollars in thousands)</i>	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Student fees	\$ 59,484	\$ 60,006
Grants and contracts	23,624	26,464
Sales and services of educational activities	9,174	7,706
Sales and services from auxiliary enterprises	14,730	13,251
Other operating revenue	4,903	4,253
Collection of loans to students	505	423
Payments to and on behalf of employees	(167,580)	(164,314)
Payments to suppliers	(54,666)	(50,213)
Payments for scholarships and fellowships	(1,654)	(1,604)
Loans issued to students	(138)	(203)
Net cash used by operating activities	(111,618)	(104,231)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	103,348	96,603
Title IV grants	16,190	16,560
Gifts	10,390	4,047
Agency receipts	21,953	20,454
Agency payments	(22,056)	(19,319)
Direct lending receipts	52,812	52,300
Direct lending payments	(52,713)	(53,023)
Net cash provided by noncapital financing activities	129,924	117,622
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(21,429)	(9,751)
Sale of capital assets	-	-
Principal paid on capital debt	(4,715)	(4,539)
Interest paid on capital debt	(1,355)	(1,525)
Amortization and write-off of bond financing	1	-
Net cash used by financing activities	(27,499)	(15,815)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(10,230)
Proceeds from sales and maturities of investments	-	10,232
Investment net of income and expenses	333	13
Net cash used by investing activities	333	15
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,860)	(2,409)
CASH AND CASH EQUIVALENTS--Beginning of year	120,672	123,082
CASH AND CASH EQUIVALENTS--End of year	\$ 111,812	\$ 120,673
RECONCILIATION OF NET OPERATING LOSS TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Operating Loss	\$(129,558)	\$(125,853)
Adjustments to reconcile net operating loss to net cash used by operating activities		
Depreciation	12,667	12,163
Maintenance costs paid by Department of Public Works and other	1,648	1,570
Change in assets and liabilities		
Accounts receivable, net	1,724	4,720
Prepaid expenses	966	(1,429)
Student loans receivable, net	186	180
Inventory	(90)	20
Accounts payable and accrued liabilities	(2,862)	2,110
Accrued salaries and benefits payable	(389)	2,199
Deposits	8	16
Unearned revenue	4,540	1,584
Noncurrent assets	(902)	59
Pension liability, deferred inflows and outflows (pensions & opeb)	444	(1,570)
Net cash used in operating activities	\$(111,618)	\$(104,231)
NONCASH CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital assets acquired as a gift	\$ 48	\$ 2,731

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY

Notes to Financial Statements

Years Ended June 30, 2019 And 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only

in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Cash Equivalents

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

Cash with Treasurer

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

Investments

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

Student Loans Receivable

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

Accounts Receivable

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

Inventories

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

Capital Assets

Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at date of the gift. The University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Intangible assets with a unit cost of \$200,000 or more and an estimated useful life of greater than one year are recorded as capital assets. Library books and subscriptions with perpetual access are capitalized. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

The University houses collections at the Idaho Museum of Natural History that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and

preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. The University charges these collections to operations at the time of purchase, in accordance with Generally Accepted Accounting Principles.

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

Deferred Inflows and Outflows of Resources

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

Deferred Outflows of Resources	RESTATED	
	2019	2018
\$ in thousands		
Pensions	\$ 4,820	\$ 4,801
Total OPEB	827	646
SLIRF	918	659
Total Deferred Outflows of Resources	6,565	6,106

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

Deferred Inflows of Resources	RESTATED	
	2019	2018
\$ in thousands		
Pensions	\$ 3,736	\$ 2,943
Total OPEB	1,998	-
SLIRF	739	-
Total Deferred Outflows of Resources	6,473	2,943

Unearned Revenues

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

Compensated Absences

Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. Amounts included in accrued salaries and benefits payable in the Statement of Net Position are \$5,393,673 and \$5,245,803 at June 30, 2019 and 2018, respectively.

Noncurrent Liabilities

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

Net Position

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

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

Restricted, Expendable – Restricted, expendable includes resources, which the University is legally or

contractually obligated to use in accordance with restrictions imposed by external third parties.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, restricted resources are generally applied first.

Income and Unrelated Business Income Taxes

The University, as a political subdivision of the State of Idaho, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated business income tax expense in the fiscal years ended June 30, 2019 or 2018.

Classification of Revenues

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

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student fees net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state, and local

grants and contracts and federal appropriations, and (4) interest on institutional student loans.

Nonoperating Revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as gifts and contributions, and other revenue resources defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

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

Pensions

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

with the benefit terms. Investments are reported at fair value.

Total Other Post-Employment Benefits

The State of Idaho administers post-employment benefits for healthcare, disability, and life insurance for retired or disabled employees of State agencies. For purposes of measuring the total OPEB liability and total OPEB expense, information about the net position of the State of Idaho Plan (State Plan) and additions to or deductions from the plan's net position have been determined on the same basis as they are reported by the State Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms, these benefits are funded on a pay-as-you-go basis.

Use of Accounting Estimates

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

Accounting Standards Implemented

The University is required to implement the provisions of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75 or The Statement). GASB 75 is effective for the fiscal year ending June 30, 2018. Effective for fiscal year ending June 20, 2019, an additional component subject to GASB 75, the Sick Leave Insurance Reserve Fund (SLIRF), administered by the Public Employee Retirement System of Idaho (PERSI), was implemented.

GASB 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with Other Post Employment Benefits (OPEB). The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, which are legally enforceable liabilities associated with the retirement of tangible capital assets. The requirements of this Statement are effective for the fiscal year ending June 30, 2019. This Statement does not impact ISU.

In April 2018 GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including

Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for fiscal year ending June 30, 2019. This adoption of GASB Statement 88 did not have a material impact of the ISU financial statements.

Upcoming Accounting Standards

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments, and for accounting and financial reporting of those activities. The requirements of this Statement are effective for the fiscal year ending June 20, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement is effective for reporting periods beginning after December 15, 2019.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018 GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority

equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018.

In May 2019 GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020.

2. RESTATEMENT OF NET POSITION

GASB 75 was effective for financial statement periods beginning after June 15, 2017, with the effects of accounting changes to be applied retroactively by restating the financial statements. The Statement requires the University to record its proportionate share of the Other Post Employment Benefits including the Idaho Sick Leave Insurance Reserve Fund (SLIRF). The University adopted GASB 75 in the prior year, but the SLIRF was omitted from the 2018 calculations and not reported in the prior year financial statements. As a result, net position as of July 1, 2017 has been restated to record the sick leave reserve fund excess funding and related deferred outflows of resources.

Net Position Restated – The cumulative effect of implementing GASB 75 (including the SLIRF adjustment noted below) decreases the net position end of year for June 30, 2017, by \$947,995 from \$249,691,605 to \$248,743,610.

\$ in thousands					
Total Other Post-Employment Benefits GASB 75 Implementation Restatements	June 30, 2017 (Originally Reported)	Cumulative Effect of GASB 75 Implementation	June 30, 2017 (Previously Reported)	SLIRF Correction of Error (Part of GASB 75 Implementation)	June 30, 2017 (As Restated)
OPEB Liability	(\$10,184)	(\$11,389)	(\$21,573)		(\$21,573)
Deferred Outflows - OPEB	-	838	838		838
Deferred Outflows - SLIRF				659	659
Net OPEB Asset	65	(65)	-	9,009	9,009
Total	(\$10,119)	(\$10,616)	(\$20,735)	\$9,668	(\$11,067)
Net Position					
Net Investment in Capital Assets	\$131,221	-	\$131,221	-	\$131,221
Restricted, expendable	4,381	-	4,381	9,668	14,049
Unrestricted	114,090	(\$10,616)	103,474	-	103,474
Total Net Position	\$249,692	(\$10,616)	\$239,076	\$9,668	\$248,744
2018					
Net Position, Beginning of Year (Previously Reported)					\$249,692
Cumulative Effect of GASB 75 Implementation (Note 2)				(\$948)	
Net Position, Beginning of Year (As Restated)					\$248,744
Net Position, End of Year					\$248,179

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

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

Cash with Treasurer is under the custody of the Idaho State Treasurer and is recorded at fair value, which approximates cost. The University's deposits are maintained in commercial checking accounts which, as of June 30, 2019, have insurance coverage up to \$250,000 through the Federal Deposit Insurance Corporation (FDIC). At June 30, 2019 and 2018, total deposits consisted of the following:

<i>(dollars in thousands)</i>	2019	2018
Cash	\$ 42,297	\$ 40,884
Cash equity with the State Treasurer	74,665	84,172
Total Deposits	\$ 116,962	\$ 125,056

The deposit amounts subject to custodial credit risk at June 30, 2019 and 2018 consisted of the following:

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

<i>(dollars in thousands)</i>	2019	2018
Insured	\$ 250	\$ 250
Uncollateralized	-	-
Collateralized by securities held by the pledging financial institution	42,047	40,634
Total Deposits	\$ 42,297	\$ 40,884

At June 30, 2019 and 2018, the University had \$90,753 and \$113,241 respectively, of cash on hand in various change funds. The carrying amount of the University's cash and cash equivalents at June 30, 2019 and 2018, was \$111,810,338 and \$120,672,339, respectively. The net difference between deposits and the carrying amount of cash and cash equivalents is a reflection of deposits in transit, outstanding checks, and investment of the daily float.

Investments

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

Investments Measured at Fair Value

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

government's principal market or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value does not take into consideration transaction costs. The following tables classify the fair value of the University's investments at June 30, 2019 and 2018, respectively:

<i>(dollars in thousands)</i>	June 30, 2019	in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Certificates of deposit	\$ 9,657	\$ -	\$ 9,657	\$ -
Debt securities				
Fixed income - Government Bonds	8,150	-	8,150	-
Fixed income - Corporate Bonds	3,480	-	3,480	-
Total debt securities	11,630	-	11,630	-
Total investments by fair value	\$ 21,287	\$ -	\$ 21,287	\$ -

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

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

The following table represents the fair value of investments by type and interest rate risk at June 30, 2019 and 2018, respectively:

Notes to the Financial Statements

(dollars in thousands)		Investment Maturities	Investment Maturities		
			1-3 years	3-5 years	5+ years
Fiscal Year	University Investments	Fair Value			
2019	Fixed Income - CD	\$ 9,657	\$ 9,155	\$ 502	\$ -
2019	Fixed Income - Corporate Bonds	3,480	3,480	-	-
2019	Fixed Income - Government Bonds	8,150	7,647	503	-
		\$ 21,287	\$ 20,282	\$ 1,005	\$ -
2018	Fixed Income - CD	\$ 3,188	\$ 3,188	\$ -	\$ -
2018	Fixed Income - Corporate Bonds	6,764	6,764	-	-
2018	Fixed Income - Government Bonds	10,777	9,369	1,409	-
		\$ 20,729	\$ 19,321	\$ 1,409	\$ -

Credit Risk

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

Fixed income investment ratings as of June 30, 2019, are presented below using credit risk ratings issued upon standards set by Moody's Investors Service. 'Aaa' rated obligations are judged to be of the highest quality, with minimal credit risk. 'Aa' rated obligations are judged to be of high quality and are subject to very low credit risk. 'A' rated obligations are considered upper-medium grade and are subject to low credit risk. Issuers rated 'NP' or 'Not Prime' do not fall within any of the prime rating categories.

(dollars in thousands)		Credit Rating	Credit Rating				
			Aaa	Aa	A	NP	Unrated
Fiscal Year	University Investments	Fair Value					
2019	Fixed Income - CD	\$ 9,657	\$ 5,134	\$ 252	\$ 2,010	\$ 1,005	\$ 1,256
2019	Fixed Income - Corporate Bonds	3,480	-	-	3,480	-	-
		\$ 13,137	\$ 5,134	\$ 252	\$ 5,490	\$ 1,005	\$ 1,256

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

Concentration of Credit Risk

Concentration of credit risk is defined per GASB Statement No. 40 as the risk of loss attributed to the magnitude of an investment in a single issuer other than the federal government. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. At present, the University does not have a formal policy that addresses concentration of risk. As of June 30, 2019 and June 30, 2018, the University has the following concentration of credit risk:

Investment Securities Subject to Concentration of Credit Risk	At June 30, 2019		At June 30, 2018	
	Total Fair Value	Percentage of Total Investments	Total Fair Value	Percentage of Total Investments
(dollars in thousands)				
Federal National Mortgage Association (FNMA)	\$ 1,402	6.59%	\$ 2,029	9.53%
Federal Home Loan Mortgage Corporation (FHLMC)	4,050	19.03%	4,314	20.27%
Total	\$ 5,452	25.61%	\$ 6,343	29.80%

Custodial Credit Risk

Custodial credit risk for investments is defined as the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of its investments that are in the possession of an outside party. The University does not have a policy that specifically addresses custodial credit risk. As of June 30, 2019, all investments were held by the University or its counterparty in the University’s name.

Interest Rate Risk

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

Foreign Currency Risk

The University does not presently have a policy that addresses foreign currency risk. As of June 30, 2019, all investments held by the University were denominated in U.S. Dollars; therefore, no foreign currency risk needs to be considered at this time.

4. ACCOUNTS RECEIVABLE AND DUE FROM STATE AGENCIES

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

<i>(dollars in thousands)</i>	2019	2018
Accounts receivable	\$12,910	\$14,079
Less allowance for doubtful accounts	(1,892)	(2,427)
	11,018	11,652
Due from state agencies	3,794	4,734
Net accounts receivable and Due from state	\$ 14,812	\$ 16,386

5. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the Program) comprise substantially all of the loans receivable at June 30, 2019 and 2018. Under the Program, the federal government provides approximately 75% of the funding for the Program, with the University providing the balance. The Program provides cancellation provisions for borrowers engaging in teaching, public service, service in the military or law enforcement, as well as other disciplines. The Department of Education reimburses the University each year for the principal and interest canceled in its Perkins Loan Fund for all of the cancellation provisions except death, total and permanent disability, and bankruptcy. The University must deposit this reimbursement into its Perkins loan fund. In the event the University should withdraw from the Program or the government were to cancel the Program, the amount the University would be liable for as of June 30, 2019 and 2018, is \$1,355,647 and \$1,315,999, respectively.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management’s opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2019 and 2018, the allowance for uncollectible loans was \$386,821 and \$567,377, respectively.

6. CAPITAL ASSETS

Capital Assets at June 30, 2019 and 2018, consisted of the following:

(dollars in thousands)	Balance				Balance				Balance
	June 30, 2017	Additions	Transfer Completed Assets	Retirements	June 30, 2018	Additions	Transfer Completed Assets	Retirements	
Non-depreciable Capital Assets									
Land	\$ 5,013	\$ 1	\$ -	\$ (2)	\$ 5,012	\$ 3,500	\$ -	\$ -	\$ 8,512
Construction in progress	4,875	3,730	(4,436)	-	4,169	14,946	(861)	-	18,254
Total Non-depreciable Capital Assets	9,888	3,731	(4,436)	(2)	9,181	18,446	(861)	-	26,766
Depreciable Capital Assets									
Buildings and improvements	252,978	5,850	4,436	-	263,264	77	861	-	264,202
Intangibles	2,215	-	-	-	2,215	-	-	-	2,215
Furniture, fixtures and equipment	55,670	5,717	-	(2,152)	59,235	2,263	-	(2,104)	59,394
Library materials	62,208	2,371	-	-	64,579	2,345	-	-	66,924
Total Depreciable Capital Assets	373,071	13,938	4,436	(2,152)	389,293	4,685	861	(2,104)	392,735
Less accumulated depreciation and amortization:									
Buildings and improvements	(116,901)	(6,004)	-	-	(122,905)	(6,400)	-	-	(129,305)
Intangibles	(942)	(110)	-	-	(1,052)	(110)	-	-	(1,162)
Furniture, fixtures and equipment	(41,503)	(3,645)	-	1,959	(43,189)	(3,774)	-	1,955	(45,008)
Library materials	(51,922)	(2,403)	-	-	(54,325)	(2,383)	-	-	(56,708)
Total accumulated depreciation and amortization	(211,268)	(12,162)	-	1,959	(221,471)	(12,667)	-	1,955	(232,183)
Total Depreciable Capital Assets, Net	161,803	1,776	4,436	(193)	167,822	(7,982)	861	(149)	160,552
Capital Assets Summary									
Non-depreciable Capital Assets	9,888	3,731	(4,436)	(2)	9,181	18,446	(861)	-	26,766
Depreciable Capital Assets	373,071	13,938	4,436	(2,152)	389,293	4,685	861	(2,104)	392,735
Capital assets	382,959	17,669	-	(2,154)	398,474	23,131	-	(2,104)	419,501
Less accumulated depreciation and amortization	(211,268)	(12,162)	-	1,959	(221,471)	(12,667)	-	1,955	(232,183)
Capital assets, net	\$ 171,691	\$ 5,507	\$ -	\$ (195)	\$ 177,003	\$ 10,464	\$ -	\$ (149)	\$ 187,318

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

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2019, is \$36,959,275. These costs will be financed by available resources of Idaho State University and DPW funding commitments.

7. UNEARNED REVENUES

Unearned revenues consist of the following at June 30:

<i>(dollars in thousands)</i>	2019	2018
Student Fees	\$ 4,425	\$ 4,452
Auxiliary enterprises and other	8,132	3,676
Grants and contracts	1,162	1,049
Other ticket sales	33	63
Total Unearned Revenue	\$ 13,752	\$ 9,240

8. NONCURRENT LIABILITIES

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

<i>(dollars in thousands)</i>	Balance Outstanding			Balance Outstanding			Balance Outstanding	Amounts Due Within
Description	6/30/2017	Additions	Reductions	6/30/2018	Additions	Reductions	6/30/2019	One Year
General Revenue Bonds, Series 2004C (original balance of \$2,305,000), consisting of term bonds payable in annual amounts increasing periodically from \$95,000 to a maximum of \$190,000, plus interest of 4.880% through the year 2022. All bonds are collateralized by certain student fees and other revenues.	850	-	(165)	685	-	(170)	515	180
General Revenue Bonds, Series 2006 (original balance of \$10,000,000), consisting of term bonds payable in annual amounts increasing periodically from \$320,000 to a maximum of \$805,000, plus interest of 5.260% through the year 2028. All bonds are collateralized by certain student fees and other revenues.	6,930	-	(480)	6,450	-	(505)	5,945	535
General Revenue Refunding Bonds, Series 2012 (original balance of \$27,530,000), consisting of serial bonds payable in annual amounts increasing periodically from \$965,000 to a maximum of \$3,470,000, plus interest from 2.00% to 4.00% through the year 2023. All bonds are collateralized by certain student fees and other revenues.	17,940	-	(2,835)	15,105	-	(2,960)	12,145	2,495
General Revenue Refunding Bonds, Series 2013 (original balance of \$3,810,000), consisting of serial bonds payable in annual amounts from \$334,000 to a maximum of \$1,669,000, plus interest from 2.25% to 2.75% through the year 2020. All bonds are collateralized by certain student fees and other revenues.	1,114	-	(364)	750	-	(370)	380	380
General Revenue Refunding Bonds, Series 2016 (original balance of \$12,780,000), consisting of serial bonds payable in annual amounts from \$300,000 to a maximum of \$1,250,000, plus interest from 2.00% to 5.00% through the year 2034. All bonds are collateralized by certain student fees and other revenues.	12,780	-	(695)	12,085	-	(710)	11,375	735
	39,614	-	(4,539)	35,075	-	(4,715)	30,360	4,325
Premium on bonds	1,763	-	(368)	1,395	-	(298)	1,097	-
Discount on bonds	(39)	-	3	(36)	-	3	(33)	-
Totals	\$ 41,338	\$ -	\$ (4,904)	\$ 36,434	\$ -	\$ (5,010)	\$ 31,424	\$ 4,325

Advance Refunding of Debt – Series 2016 Bonds

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

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

Principal and interest maturities on notes and bonds payable in future periods for the year ending June 30, 2019, are as follows:

<i>(dollars in thousands)</i>	Bonds	
	Principal	Interest
2020	\$ 4,325	\$ 1,214
2021	4,530	1,063
2022	4,690	903
2023	4,925	730
2024-2028	8,880	1,685
2029-2033	2,700	293
2034	310	9
	<u>\$ 30,360</u>	<u>\$ 5,897</u>

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

<i>(dollars in thousands)</i>	2019	2018
	Student Facility Fee Revenue Bonds Series 2004C, 2006, 2012, 2013, and 2016	
Pledged Revenues		
Student fees	\$ 49,577	\$ 49,615
Student facilities fee	3,525	3,595
Revenue of student housing system	7,328	6,553
CAES lease payment	850	850
	<u>\$ 61,280</u>	<u>\$ 60,613</u>
Debt service	\$ 6,070	\$ 6,064
Pledged revenue to debt coverage	10.1	10.0
Coverage requirement	1.1	1.1

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

9. LEASES

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

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

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

ISU leases building and office facilities under various noncancelable operating leases. Total costs for such leases were \$145,195 and \$127,790 for the years ended June 30, 2019 and 2018, respectively.

Future minimum lease payments at June 30, 2019, for all leases are as follows:

(dollars in thousands)

Fiscal Years	Payments
2020	\$ 115
2021	74
2022-2026	205
2027-2031	83
2032-2036	28
Totals	\$ 505

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

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

(dollars in thousands)

Fiscal Years	Income
2020	1,192
2021	1,175
2022-2026	5,736
2027-2031	2,825
2032-2036	1,439
Totals	\$ 12,367

Battelle Energy Alliance, LLC makes all lease payments directly to the trustee. Rental income is restricted and is

to be used solely for debt service on the 2006 Revenue bonds; the proceeds were used to construct the facility. As of June 30, 2019, the book value of the building is \$13,993,795, which is net of accumulated depreciation of \$3,707,053.

10. OPTIONAL RETIREMENT PLANS AND TERMINATION PAYMENTS

Optional Retirement Plan – Effective July 1, 1990, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and professional employees. The ORP is governed by Idaho Code, Sections 33-107A and 33-107B. The employee contribution requirement for the ORP is based on a percentage of the total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by, and may be amended by, the State of Idaho.

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

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

Contributions required and paid are as follows:

<i>(dollars in thousands)</i>	2019	2018	2017
University contributions required and paid	\$ 7,482	\$ 7,100	\$ 7,130
Employee contributions	5,634	5,348	5,369
Total Contribution	\$ 13,116	\$ 12,448	\$ 12,499
University required contribution rate	9.26%	9.24%	9.26%
Employee contribution rate	6.97%	6.96%	6.97%

Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute a percentage of the annual covered payroll to PERSI. Effective July 1, 2007, the percentage was changed from 3.03% to 1.49%, allowing the difference of 1.54% to be used to increase the University’s contribution to ORP retirement accounts. In addition, the payoff period of the unfunded liability obligation was extended from July 1, 2015, to July 1, 2025. During the years ended June 30, 2019 and 2018, supplemental funding payments to PERSI were \$1,207,434 and \$1,146,650, respectively. These amounts are not included in the regular University PERSI contribution discussed previously.

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

401(k) – PERSI Choice Plan (PCP):

This is only available to active PERSI members. The Choice Plan contains employee gain-sharing distributions, any voluntary employee contributions made, and the earnings on those funds. Approximately 92 employees contributed to this plan during the fiscal year ended June 30, 2019.

457(b) – Deferred Compensation Plan:

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

participate in this plan. The plan is funded exclusively through employee pre-tax contributions. Approximately 47 employees contributed to this plan during the fiscal year ended June 30, 2019.

403(b) Plan:

The 403(b) is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively by employee pre-tax contributions. Approximately 175 employees contributed to this plan during the fiscal year ended June 30, 2019.

Roth 403(b) Plan:

The Roth 403(b) is a voluntary retirement savings plan covered under Section 403(b) of the Internal Revenue Code. All University employees are eligible to participate in this plan. The plan is funded exclusively by employee post-tax contributions. Approximately 34 employees contributed to this plan during the fiscal year ended June 30, 2019.

Supplemental Retirement 403(b) Plan:

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

Supplemental Retirement Plan Contributions for the fiscal year ended June 30, 2019, are as follows:

<i>(dollars in thousands)</i>	401(k) - PCP	403(b)	457(b)	Roth 403(b)	Supplemental 403(b)
Employee contributions	\$ 313	\$ 1,300	\$ 516	\$ 157	\$ -
University contributions	N/A	N/A	N/A	N/A	-

Termination Payments – Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of their unused sick leave to continue their medical insurance coverage through the University. The University partially funds these obligations by depositing 0.65% of employee gross payroll to PERSI, who administers the plan for all participating ISU employees and retirees under a trust fund. The total contributions for the years ended June 30, 2019 and 2018, were \$692,288 and \$658,800, respectively.

II. PENSION PLAN

Plan Description

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

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2018, was as follows:

Retirees and beneficiaries currently receiving benefits	46,907
Terminated employees entitled to but not yet receiving benefits	13,133
Active plan members	71,112
Total	131,152

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law.

The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by State statute at 60% of the employer rate. As of June 30, 2018, it was 6.79% for general employees. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees. The University's contributions were \$2,875,913 for the year ended June 30, 2019, and \$2,745,502 for the year ended June 30, 2018.

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

At June 30, 2019, the University reported a liability of \$11,119,175 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2018 and 2017, the University's proportion was 0.75 and 0.83 percent, respectively. Since the prior measurement date, the University's proportion of the collective net pension liability decreased by 0.08 percent.

For the year ended June 30, 2019, the University recognized pension expense of \$1,194,512.

At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

\$ in thousands	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes for the Year		
Differences between expected and actual experience	\$ (592)	\$ (339)
Changes in assumptions or other inputs	\$ (2,264)	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 451
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	681
Total Changes (prior to post-measurement date contributions)	(2,856)	793
Beginning Balances, June 30 2018	4,801	2,943
Ending Balance, June 30, 2019 before subsequent contributions	\$ 1,944	\$ 3,736
University contributions subsequent to the measurement date	2,876	-
Total Changes	19	793
Ending Balance, June 30, 2019 before subsequent contributions	\$ 4,820	\$ 3,736

Deferred outflows of resources amounting to \$2,875,913 and related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

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 4.8 years. The amortization of the net difference between projected and actual investment earnings on pension plan investments is amortized over a closed 5-year period inclusive of this fiscal year. The amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

(dollars in thousands)

Years ended June 30:	Pension Expense (Revenue) due to Amortizations
2020	\$355.30
2021	(\$419)
2022	(\$1,293)
2023	(\$435)
	(\$1,792)

Actuarial Assumptions

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

Inflation	3.00%
Salary increases including inflation	3.75%
Investment rate of return	7.05%, net
Cost-of-living adjustments	1%

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.73%	3.37%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			4.19%
Portfolio Standard Deviation			14.16%

Actuarial Assumptions

Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Rate of Return, Net of Investment Expenses	7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

\$ in thousands	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 27,834	\$ 11,119	\$ (2,721)

Pension plan fiduciary net position

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

Payables to the pension plan

At June 30, 2019, the University reported payables to the defined benefit pension plan of \$183,790 for legally required employer contributions and no payables to report for legally required employee contributions, which had been withheld from employee wages but not yet remitted to PERSI.

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans

The University participates in other postemployment benefit plans relating to healthcare, disability, and life insurance for retired or disabled employees 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, 2018. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the Office of the Idaho State Controller, 700 W State Street, 4th Floor, P.O. Box 83720, Boise, ID 83720-0011 | www.sco.idaho.gov.

The Public Employee Retirement System of Idaho (PERSI) administers the Sick Leave Insurance Reserve Fund (SLIRF) which is subject to the guidance of GASB Statements No. 74, 75, and 85.

Plan Descriptions and Funding Policy

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

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

For up to 30 months following the date of disability, an employee may continue healthcare coverage under the State plan. The University pays 100 percent of the University's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University was charged \$4.58 per active employee per month in fiscal year 2019.

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 0.29 percent of payroll. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

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

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

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

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

Summary of Significant Accounting Policies

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

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2018, for the Retiree Healthcare, Long-Term Disability and Retiree Life Insurance plans. There have been no significant changes between the valuation date and the fiscal year end.

The total OPEB liability as of June 30, 2018 was based on the 2017 PERSI Experience study for demographic assumptions and the July 1, 2017 OPEB Valuation for the economic and OPEB specific assumptions.

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

	Retiree	Long-Term Disability Plan			Life Insurance
	Healthcare Plan	Healthcare	Life Insurance	Income	Plan
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity
Discount Rate	3.87%	3.87%	3.87%	3.87%	3.87%
Healthcare Cost Trend Rates	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020 grading to an ultimate rate of 4.20% for 2074 and later years	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020 grading to an ultimate rate of 4.20% for 2074 and later years	NA	NA	NA
Retirees' Share of Benefit-Related Costs	83.9% of projected health insurance premiums for retirees	NA	NA	NA	NA

Mortality Rates

Mortality Rates for the plans were based on the RP-2000 Mortality for Employees, healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments.

Discount Rate

The actuary used a discount rate of 3.87 percent to measure the total OPEB liability. The discount rate was based on 20-year Bond Buyer Go Index.

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

The total OPEB liability components of the measurement date of June 30, 2018 (Beginning Balances)

Notes to the Financial Statements

and changes in OPEB liability for the fiscal year ended June 30, 2019 (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
Changes for the Year						
Service Cost	\$ (116)	\$ (18)			\$ (679)	\$ (813)
Interest on Total OPEB Liability	(103)	(6)	(8)	(6)	(695)	(817)
Plan Changes	-	-	-	-	-	-
Economic/Demographic Gains (Losses)	13	(70)	0	(4)	325	264
Assumption Changes	1,052	41	10	(8)	687	1,782
Expected Benefit Pmts	271	94	42	32	387	826
Net Changes	1,117	41	45	14	25	1,242
Total OPEB Liability, Beginning Balance	(2,976)	(197)	(238)	(172)	(18,724)	(22,307)
Total OPEB Liability, Ending Balance	\$ (1,859)	\$ (156)	\$ (193)	\$ (158)	\$ (18,699)	\$ (21,065)

OPEB expense and deferrals for the year ended June 30, 2019 (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
Increase (Decrease)						
OPEB Expense	\$ (349)	\$ (20)	\$ 115	\$ (16)	\$ 846	\$ 575

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
Increase (Decrease)						
Deferred Outflows						
Beginning Balance, June 30, 2018	\$ 271	\$ 94	\$ 42	\$ 32	\$ 387	\$ 826
Changes for the Year						
Prior year contributions subsequent to the measurement date	(271)	(94)	(42)	(32)	(387)	(826)
Difference between Expected & Actual Experience	-	61	-	-	-	61
Changes of Assumptions	-	-	-	-	179	179
Benefit Payments Subsequent to the Measurement Date	212	70	42	30	233	587
Ending Balance, June 30, 2019	\$ 212	\$ 131	\$ 42	\$ 30	\$ 412	\$ 827

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
Deferred Inflows						
Beginning Balance, June 30, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes for the Year						
Difference between Expected & Actual Experience	(11)	-	-	-	(287)	(298)
Changes of Assumptions	(805)	(31)	-	-	(785)	(1,621)
Change in Proportion	(74)	(5)	-	-	-	(79)
Ending Balance, June 30, 2019	\$ (890)	\$ (36)	\$ -	\$ -	\$ (1,072)	\$ (1,998)

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

Expense (Revenue) (dollars in thousands)

Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
2020	\$ (15)	\$ (1)	\$ -	\$ -	\$ 24	\$ 9
2021	(15)	(1)	-	-	24	9
2022	(15)	(1)	-	-	24	9
2023	(15)	(1)	-	-	24	9
2024	(15)	(1)	-	-	24	9
2025	(1)	(1)	-	-	24	22
2026	-	(1)	-	-	24	23
2027	-	-	-	-	12	12
	\$ (74)	\$ (5)	\$ -	\$ -	\$ 179	\$ 100

Discount Rate Sensitivity

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

The following represents the total OPEB liability calculated using the discount rate of 3.87 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (2.87%) or 1 percent higher (4.87%) than the current rate (dollars in thousands):

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% Decrease (2.87%)	\$ 1,961	\$ 160	\$ 203	\$ 165	\$ 22,794	\$25,283
Discount Rate (3.87%)	1,859	156	193	158	18,699	21,065
1% Increase (4.87%)	1,761	152	185	152	15,567	17,817

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

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

(dollars in thousands)	Retiree Healthcare Plan	Long-Term Disability Plan			Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% Decrease	\$ 1,717	\$ 145	\$ 193	\$ 158	\$ 22,794	\$25,007
Current Trend Rate	1,859	156	193	158	18,699	21,065
1% Increase	2,021	168	193	158	15,567	18,107

Sick Leave Insurance Reserve Trust Funds

Plan Description

The PERSI administers the Sick Leave Insurance Reserve Fund (SLIRF), cost sharing, multiple-employer defined benefit OPEB plan that provides payments of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The SLIRF is classified as a trust fund. For State and school employers, unused sick leave benefits are subject to the guidance of Governmental Accounting Standard Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and GASB Statement 85, Omnibus 2017.

The PERSI issues a publicly available financial report that includes financial statements and required supplementary information, which can be found at (http://www.persi.idaho.gov/investments/annual_financial_report.cfm). The PERSI also provides a 'Schedule of Employer Allocations and Collective OPEB Amounts' for the SLIRF, which can be found at <https://www.persi.idaho.gov/Employers/gasb.cfm>.

The SLIRF is made up of two trust funds administered by the PERSI - a trust for payment of school district employee benefits and a trust for payment of State employee benefits. The SLIRF trust for payment of State employee benefits is governed by Idaho Code Sections 67-5333 and 59-1365.

The SLIRF is a fund that exists for the payment of unused sick leave benefits in the form of insurance premiums for State and school district employees who separate from service by reason of retirement. The assets of the two trusts are commingled for investment purposes. All State government employers are statutorily required to contribute to a sick leave account administered by the PERSI. Employer's contributions are a percentage of payroll collected each pay cycle and are held in trust for future benefits. The State is responsible for any unfunded benefit obligations through contribution rate adjustments.

The number of participating employers and membership in the State SLIRF as of June 30, 2018 is as follows:

	Classes of Employees and Number of Participating Employers
Active Employees	21,995
Retirees and Beneficiaries	4,467
Total	26,462
Number of Participating Employers	13

State employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program as follows:

Credited Hours of Service	Maximum Allowable Sick Leave Hours
0-10,400 (0-5 years)	420
10,401-20,800 (5-10 years)	480
20,801-31,200 (10-15 years)	540
31,201 + (15 years or more)	600

Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement.

The University contribution rate was 0.65 percent of covered salary at June 30, 2019 and June 30, 2018. Contribution percentages are based on the number of days of paid sick leave earned during the contract year.

Net OPEB Liability (Asset), OPEB Expense, and Deferrals

At June 30, 2019, the University reported a total net OPEB SLIRF (asset) of \$(10.6) million for its proportionate share. The net OPEB SLIRF (asset) was measured as of July 1, 2018, and the total OPEB SLIRF (asset) used to calculate the net OPEB SLIRF (asset) was determined by an actuarial valuation as of that date. The University’s proportion of the net OPEB SLIRF (asset) was based on the University’s share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2018 and 2017, the University’s proportion was 9.21 and 9.47 percent, respectively. Since the prior measurement date, the University’s proportion of the collective net pension liability decreased by 0.26 percent.

(dollars in thousands)	Net SLIRF OPEB Liability (Asset)
Changes for the Year	
Service Cost	\$ 384
Interest	571
Effect of plan changes	(531)
Assumption Changes	17
Contributions Employer	(659)
Net investment income	(1,594)
Proportion Changes	252
Administrative expense	4
Net Changes	(1,556)
Total OPEB (Asset), Beginning Balance	(9,009)
Total OPEB (Asset), Ending Balance	\$ (10,565)

For the year ended June 30, 2019, the University recognized an OPEB SLIRF expense reduction of \$1,075,129.

Increase (Decrease)	
(dollars in thousands)	SLIRF
Net SLIRF Expense (offset)	\$ (1,075)

At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB SLIRF from the following sources:

Increase (Decrease)	
(dollars in thousands)	
Deferred Outflows	
Beginning Balance, June 30, 2018	\$ 659
Changes for the Year	
Prior year contributions subsequent to the measurement date	(659)
Changes in Proportion	14
Difference between Expected & Actual Experience	-
Changes of Assumptions	212
Benefit Payments Subsequent to the Measurement Date	692
Ending Balance, June 30, 2019	\$ 918

Increase (Decrease)	
Deferred Inflows	
Beginning Balance, June 30, 2018	\$ -
Changes for the Year	
Difference between Expected & Actual Experience	\$ (445)
Investments	(294)
Changes of Assumptions	-
Changes in Proportion	-
Ending Balance, June 30, 2019	\$ (739)

Deferred outflows of resources amounting to \$691,959 and related to OPEB SLIRF resulting from employer

contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB SLIRF (asset) in the year ending June 30, 2019.

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 6.2 years. The amortization of the net difference between projected and actual investment earnings on pension plan investments is amortized over a closed 5-year period inclusive of this fiscal year. The amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Years ended June 30:	SLIRF Expense (Revenue) due to Amortizations
2020	(\$115,669)
2021	(\$115,669)
2022	(\$115,669)
2023	(\$115,669)
2024	(\$42,232)
2025	(\$8,444)
	(\$513,352)

Summary of Significant Accounting Policies

Generally speaking, significant accounting and investment policies for the SLIRF are the same as detailed for the PERSI pension plans as described in the beginning of Note 8 below the section 'Summary of Significant Accounting Policies'. For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB and additions/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERSI.

Actuarial Assumptions

Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the State net OPEB liability (asset) are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future.

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

	Actuarial Assumptions OPEB SLIRF
Inflation	3.00%
Salary Increases	3.75%
Salary Inflation	3.75%
Investment rate of return	7.05%, net of OPEB SLIRF plan investment expense
Health care trend rate	N/A *

*Health care trend rate is not applicable as the benefit is based on the unused sick leave hours at

Long-term Expected Rate of Return

The long-term expected rate of return on State OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimates ranges of expected future real rates of return (expected returns, net of OPEB 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 PERSI relies primarily on an approach which builds upon the

latest capital market assumptions. The assumptions and the PERSI's formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of the PERSI's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.73%	3.37%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			4.19%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by the PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.05%

The discount rate used to measure the OPEB liability (asset) was 7.05 percent. The projection of cash flows used to determine the discount rate assumed that contributions from Fund employers will be made at the current contribution rate. Based on these assumptions, the OPEB Fund's 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 OPEB Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB 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 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

(dollars in thousands)	Employer's net OPEB SLIRF liability (asset)
1% Decrease (6.05%)	\$ (10,207)
Discount Rate (7.05%)	(10,565)
1% Increase (8.05%)	(10,904)

Discount Rate

13. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION*(dollars in thousands)*

2019

	Personnel		Insurance, Scholarships Utilities and			Depreciation		Miscellaneous	Operating Expenses Totals
	Costs	Services	Supplies	and Rent	Fellowships				
	Academic support	\$ 14,805	\$ 1,918	\$ 1,228	\$ 39	\$ -	\$ -		
Auxiliary enterprises	12,372	5,568	2,537	2,112	-	-	2,654	25,243	
Depreciation	-	-	-	-	-	12,667	-	12,667	
Institutional support	17,025	6,485	2,102	172	-	-	90	25,874	
Instruction	91,992	6,423	4,566	246	-	-	1,795	105,022	
Libraries	2,602	224	920	-	-	-	30	3,776	
Maintenance and operations	9,456	2,685	2,700	3,786	-	-	39	18,666	
Public services	3,147	249	277	34	-	-	105	3,812	
Research	11,263	1,761	1,154	153	-	-	547	14,878	
Scholarships and fellowships	-	-	-	-	13,993	-	-	13,993	
Student services	8,529	1,167	442	38	-	-	314	10,490	
Total operating expenses	\$ 171,191	\$ 26,480	\$ 15,926	\$ 6,580	\$ 13,993	\$ 12,667	\$ 5,808	\$ 252,645	

(dollars in thousands)

2018

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

14. CONTINGENCIES AND LEGAL MATTERS

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

15. RISK MANAGEMENT

The University participates in the State of Idaho Risk Management Program, which manages property and general liability risk. That program provides liability (cap) protection to \$500,000 per occurrence. Insurance premium payments are made to the state risk management program based on rates determined by a state agency's loss trend experience and asset value covered. Presently, Idaho State University's total insured property value is \$1,098,635,329.

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

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

16. COMPONENT UNIT DISCLOSURE

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

The financial activity is reported for the year ended June 30, 2019.

During the fiscal years 2019 and 2018, gifts of \$9,399,019 and \$3,697,597, respectively, were transferred from the Foundation to the University. The Foundation is audited annually and received an unmodified audit opinion in 2019 and 2018.

Please see the financial statements for the Foundation on pages 17, 19 and 20 of this report.

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

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

Required Supplementary Information

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

\$ in thousands	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.7538335%	0.8326157%	0.8738085%	0.9137234%	0.9202007%
Employer's proportionate share of the net pension liability	\$ 11,119	\$ 13,087	\$ 17,713	\$ 12,032	\$ 6,774
Employer's covered-employee payroll	24,254	25,858	25,617	25,593	25,094
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	45.84%	50.61%	69.15%	47.01%	27.00%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	90.68%	87.26%	91.38%	94.95%

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

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

\$ in thousands	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,876	\$ 2,746	\$ 2,927	\$ 2,896	\$ 2,897
Contributions in relation to the statutorily required contribution	2,876	2,746	2,927	2,896	2,897
Contribution (deficiency) excess	-	-	-	-	-
Employer's covered-employee payroll	25,470	24,254	25,858	25,617	25,593
Contributions as a percentage of covered-employee payroll	11.29%	11.32%	11.32%	11.30%	11.32%

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

Required Supplementary Information

Required Supplementary Information

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

(dollars in thousands)	2019	2018
Changes for the Year		
Service Cost	\$ 813	\$ 787
Interest on Total OPEB Liability	817	785
Plan Changes	-	-
Economic/Demographic Gains (Losses)	(264)	-
Assumption Changes	(1,894)	-
Expected Benefit Pmts	(826)	(838)
Net Changes	(1,353)	734
Total OPEB Liability, Beginning Balance	22,419	21,573
Total OPEB Liability, Ending Balance	\$ 21,065	\$ 22,307
Employer's covered-employee payroll	\$ 98,846	\$ 100,538
Total OPEB liability as a percentage of covered-employee payroll	21.31%	22.19%

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

Required Supplementary Information

Required Supplementary Information Schedule of Employer's Proportionate Share of OPEB-SLIRF Liability (Asset)

SLIRF - Base Plan Last 10 - Fiscal Years*

\$ in thousands	2019	2018
Employer's portion of the net OPEB-SLIRF liability (asset)	0.0920529%	0.0947043%
Employer's proportionate share of the net OPEB-SLIRF liability (asset)	\$ 10,565	\$ 9,009
Employer's covered-employee payroll	96,790	99,367
Employer's proportional share of the net OPEB-SLIRF liability (asset) as a percentage of its covered-employee payroll	10.92%	9.07%
Plan fiduciary net position as a percentage of the total OPEB-SLIRF liability (asset)	225.45%	204.12%

*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.

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

\$ in thousands	2019	2018
Statutorily required contribution	\$ 692	\$ 659
Contributions in relation to the statutorily required contribution	692	659
Contribution (deficiency) excess	-	-
Employer's covered-employee payroll	98,846	96,790
Contributions as a percentage of covered-employee payroll	0.70%	0.68%

*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.

Required Supplementary Information

Required Supplementary Information

Schedule of Changes in Employer's OPEB-SLIRF Liability and Related Ratios Last 10 - Fiscal Years*

(dollars in thousands)	2019	2018
Changes for the Year		
Service Cost	\$ 384	\$ -
Interest	571	
Effect of plan changes	(531)	
Assumption Changes	17	
Contributions Employer	(659)	(676)
Net investment income	(1,594)	
Proportion Changes	252	864
Administrative expense	4	
Net Changes	(1,556)	188
Total OPEB Liability (Asset), Beginning Balance	(9,009)	(9,197)
Total OPEB Liability (Asset), Ending Balance	\$ (10,565)	\$ (9,009)
Employer's covered-employee payroll	\$ 98,846	\$ 96,790
Total OPEB liability (asset) as a percentage of covered-employee payroll	10.69%	9.31%

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

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

The Idaho State Board of Education
Idaho State University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Idaho State University (the University) and its discretely presented component unit, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Idaho State University Foundation (Foundation), a discretely presented component unit, as described in our report of the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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.

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

Moss Adams LLP

Portland, Oregon
September 27, 2019

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
Idaho State University

Report on Compliance for Each Major Federal Program

We have audited Idaho State University's (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on both of the University's major federal programs for the year ended June 30, 2019. 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 both 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 programs. 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, 2019.

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 programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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

Moss Adams LLP

Portland, Oregon
September 27, 2019

**IDAHO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

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

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

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Schedule of Expenditures of Federal Awards

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

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
US DEPARTMENT OF AGRICULTURE										
10.001	59-2052-8-003	Agricultural Research Basic and Applied Research	31,221	RESEARCH AND DEVELOPMENT	31,221	8,738,301				
10.310	2018-69002-27983, A1	Agriculture and Food Research Initiative (AFRI)	110,259	RESEARCH AND DEVELOPMENT	122,340	8,738,301				4,401
10.680	18-CA-11046000-616	Forest Health Protection	14,061	RESEARCH AND DEVELOPMENT	14,061	8,738,301				
10.170		Specialty Crop Block Grant Program - Farm Bill	62,704	RESEARCH AND DEVELOPMENT	62,704	8,738,301		Idaho State Dept of Agriculture	2017-SCBGP-FB	
10.310		Agriculture and Food Research Initiative (AFRI)	12,081	RESEARCH AND DEVELOPMENT	122,340	8,738,301		Boise State Univ	7920-B, A1	
10.558		Child and Adult Care Food Program	86,611	OTHER	86,611	4,011,734		State of Idaho	USDA	
10.559		Summer Food Service Program for Children	15,368	CHILD NUTRITION	21,645	21,645		State of Idaho	AG1723	
10.559		Summer Food Service Program for Children	6,277	CHILD NUTRITION	21,645	21,645		State of Idaho	AG1723	
TOTAL US DEPARTMENT OF AGRICULTURE			338,582							4,401
US DEPARTMENT OF COMMERCE										
11.303		Economic Development Technical Assistance	42,337	OTHER	42,337	4,011,734		Boise State Univ	7742-B, 7742-PO129153	
11.611		Manufacturing Extension Partnership	(2,944)	OTHER	(2,944)	4,011,734		Boise State Univ	2016-A, 6803-2019-PO128919	
TOTAL US DEPARTMENT OF COMMERCE			39,393							
US DEPARTMENT OF DEFENSE										
12.351	HDTRA1-17-1-0004, A1	Scientific Research - Combating Weapons of Mass Destruction	161,318	RESEARCH AND DEVELOPMENT	161,318	8,738,301				
12.800	F2KBAB1199M001, 2185, A1, 3238	Air Force Defense Research Sciences Program	54,409	RESEARCH AND DEVELOPMENT	54,409	8,738,301				
12.002		Procurement Technical Assistance For Business Firms	(1,285)	OTHER	18,507	4,011,734		Boise State Univ	7370-B, 7774-D	
12.002		Procurement Technical Assistance For Business Firms	19,792	OTHER	18,507	4,011,734		Boise State Univ	8345PO125149, 8580PO134958	
TOTAL US DEPARTMENT OF DEFENSE			234,234							
US DEPARTMENT OF HOUSING and URBAN DEVELOPMENT										
14.241		Housing Opportunities for Persons with AIDS	23,492	OTHER	23,492	4,011,734		Idaho Housing & Finance Association	HOPWA15-08,16-08 A1, 17-05	
TOTAL US DEPARTMENT OF HOUSING and URBAN DEVELOPMENT			23,492							
US DEPARTMENT OF INTERIOR										
15.224	L16AC00365 A1	Cultural and Paleontological Resources Management	5,176	OTHER	6,942	4,011,734				
15.224	L17AC00095	Cultural and Paleontological Resources Management	1,766	OTHER	6,942	4,011,734				
15.517	R16AC00036, M1	Fish and Wildlife Coordination Act	8,589	RESEARCH AND DEVELOPMENT	8,589	8,738,301				
15.636	F16AC00496, A1,A2,A3	Alaska Subsistence Management	61,399	RESEARCH AND DEVELOPMENT	61,399	8,738,301				
15.808	G13AC00379 M1-M5	U.S. Geological Survey Research and Data Collection	29,089	RESEARCH AND DEVELOPMENT	241,651	8,738,301				
15.808	G14AC00317 M1,2,3,4,5,6	U.S. Geological Survey Research and Data Collection	7,350	RESEARCH AND DEVELOPMENT	241,651	8,738,301				
15.808	G18AC00053, M1	U.S. Geological Survey Research and Data Collection	32,090	RESEARCH AND DEVELOPMENT	241,651	8,738,301				
15.808	G19AC00051, M1	U.S. Geological Survey Research and Data Collection	173,122	RESEARCH AND DEVELOPMENT	241,651	8,738,301				
15.810	G19AC00152	National Cooperative Geologic Mapping	2,816	RESEARCH AND DEVELOPMENT	2,816	8,738,301				
15.945	P16AC01179 M1	Cooperative Research and Training Programs – Resources of the Natik	24,044	RESEARCH AND DEVELOPMENT	25,252	8,738,301				
15.815		National Land Remote Sensing Education Outreach and Research	6,867	RESEARCH AND DEVELOPMENT	6,867	8,738,301		AmericaView	AV18-ID-01	
15.945		Cooperative Research and Training Programs – Resources of the Natik	1,208	OTHER	25,252			Univ of Wyoming	1004044A-ISU	
TOTAL US DEPARTMENT OF INTERIOR			353,516							
US DEPARTMENT OF JUSTICE										
16.306	DJF-18-2100-PR-0010908	DRUGFIRE	50,810	RESEARCH AND DEVELOPMENT	50,810	8,738,301				
16.560	2017-DN-BX-0173	National Institute of Justice Research, Evaluation, and Development Project Grants	87,419	RESEARCH AND DEVELOPMENT	87,419	8,738,301				
16.562	2015-R2-CX-0017 A1,2	Criminal Justice Research and Development Graduate Research Fellowships	8,324	RESEARCH AND DEVELOPMENT	8,324	8,738,301				
16.021		Justice Systems Response to Families	3,635	OTHER	3,635	4,011,734		Oneida Crisis Center	GMS 2017-WR-AX 002	
TOTAL US DEPARTMENT OF JUSTICE			150,188							

Schedule of Expenditures of Federal Awards

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
US DEPARTMENT OF LABOR										
17.285		Apprenticeship USA Grants	19,771	OTHER	19,771	4,011,734		Dept of Labor	ISU-AGE-5610, M1	
TOTAL US DEPARTMENT OF LABOR			19,771							
US DEPARTMENT OF TRANSPORTATION										
20.205		Highway Planning and Construction	31,540	HIGHWAY PLANNING AND CONSTRUCTION	31,540	31,540		Idaho Transportation Dept	AWARDS 2012-2018	
TOTAL US DEPARTMENT OF TRANSPORTATION			31,540							
NATIONAL AERONAUTICS and SPACE ADMINISTRATION										
43.001	80NSSC17M0073, A1	Science	70,834	RESEARCH AND DEVELOPMENT	294,081	8,738,301				
43.001	NNX12AQ78G M1-9	Science	73,163	RESEARCH AND DEVELOPMENT	294,081	8,738,301				(198)
43.001	NNX14AG35A, M1, M2,3,4,5,6,7	Science	72,558	RESEARCH AND DEVELOPMENT	294,081	8,738,301				
43.001	NNX15AM06A, A1-A6	Science	64,735	RESEARCH AND DEVELOPMENT	294,081	8,738,301				
43.001		Science	12,791	RESEARCH AND DEVELOPMENT	294,081	8,738,301		Louisiana State University	PO-000084069	
43.008		Education	11,638	OTHER	12,167	4,011,734		Univ of Idaho	ES0666-SB-783760, A1	
43.008		Education	529	OTHER	12,167	4,011,734		Univ of Idaho	FPK900-SB-044, A1	
TOTAL NATIONAL AERONAUTICS and SPACE ADMINISTRATION			306,248							(198)
NATIONAL ENDOWMENT FOR THE HUMANITIES										
45.129		Promotion of the Humanities Federal/State Partnership	3,500	OTHER	9,369	4,011,734		Idaho Humanities Council	2017070	
45.129		Promotion of the Humanities Federal/State Partnership	1,500	OTHER	9,369	4,011,734		Idaho Humanities Council	2018012	
45.129		Promotion of the Humanities Federal/State Partnership	1,999	OTHER	9,369	4,011,734		Idaho Humanities Council	2018043	
45.129		Promotion of the Humanities Federal/State Partnership	1,395	OTHER	9,369	4,011,734		Idaho Humanities Council	2018047	
45.129		Promotion of the Humanities Federal/State Partnership	975	OTHER	9,369	4,011,734		Idaho Humanities Council	2019306	
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			9,369							
NATIONAL SCIENCE FOUNDATION										
47.041	CBET-1403688	Engineering Grants	5,410	RESEARCH AND DEVELOPMENT	5,410	8,738,301				
47.049	1506417, A1	Mathematical and Physical Sciences	103,937	RESEARCH AND DEVELOPMENT	365,420	8,738,301				25,805
47.049	1615146 A1-7	Mathematical and Physical Sciences	261,483	RESEARCH AND DEVELOPMENT	365,420	8,738,301				29,336
47.050	1521365	Geosciences	10,888	RESEARCH AND DEVELOPMENT	638,635	8,738,301				
47.050	1653998	Geosciences	102,723	RESEARCH AND DEVELOPMENT	638,635	8,738,301				
47.050	1728563	Geosciences	91,674	RESEARCH AND DEVELOPMENT	638,635	8,738,301				
47.050	1755079, A1	Geosciences	15,940	RESEARCH AND DEVELOPMENT	638,635	8,738,301				
47.050	EAR-1331872, A1-9	Geosciences	407,985	RESEARCH AND DEVELOPMENT	638,635	8,738,301				227,432
47.050	EAR-1349384, NCE	Geosciences	9,425	RESEARCH AND DEVELOPMENT	638,635	8,738,301				
47.074	1754224	Biological Sciences	101,849	RESEARCH AND DEVELOPMENT	126,371	8,738,301				
47.074	DBI-1802491	Biological Sciences	24,522	RESEARCH AND DEVELOPMENT	126,371	8,738,301				
47.075	1523409	Social, Behavioral, and Economic Sciences	29,978	RESEARCH AND DEVELOPMENT	313,042	8,738,301				
47.075	1551822	Social, Behavioral, and Economic Sciences	127,507	RESEARCH AND DEVELOPMENT	313,042	8,738,301				69,390
47.075	1748986	Social, Behavioral, and Economic Sciences	155,557	RESEARCH AND DEVELOPMENT	313,042	8,738,301				67,558
47.076	1458847	Education and Human Resources	156,873	RESEARCH AND DEVELOPMENT	1,183,165	8,738,301				
47.076	1502015	Education and Human Resources	166,596	RESEARCH AND DEVELOPMENT	1,183,165	8,738,301				23,678
47.076	1611871	Education and Human Resources	10,248	RESEARCH AND DEVELOPMENT	1,183,165	8,738,301				
47.076	DGE-1504528, A1-4	Education and Human Resources	706,516	RESEARCH AND DEVELOPMENT	1,183,165	8,738,301				
47.076	DUE-1458292	Education and Human Resources	142,932	RESEARCH AND DEVELOPMENT	1,183,165	8,738,301				
47.049		Mathematical and Physical Sciences	9,316	RESEARCH AND DEVELOPMENT	9,316	8,738,301		Univ of Notre Dame	LETTER OF AGREEMENT	
47.076		Education and Human Resources	22,009	RESEARCH AND DEVELOPMENT	22,009	8,738,301		Boise State Univ	7615-A A1	
47.080		Office of Cyberinfrastructure	157	RESEARCH AND DEVELOPMENT	6,597	8,738,301		Univ of Idaho	KBK990-SB-002 A1-A11	
47.080		Office of Cyberinfrastructure	6,001	RESEARCH AND DEVELOPMENT	6,597	8,738,301		Univ of Idaho	KBK990-SB-002, A1-11	
47.080		Office of Cyberinfrastructure	(176)	RESEARCH AND DEVELOPMENT	6,597	8,738,301		Univ of Idaho	KBK990-SB-002, A1-A11	

Schedule of Expenditures of Federal Awards

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
47.080		Office of Cyberinfrastructure	615	RESEARCH AND DEVELOPMENT	6,597	8,738,301		Univ of Idaho	KBK990-SB-002, A1-A11	
47.083		Office of Integrative Activities	34,989	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
47.083		Office of Integrative Activities	10,146	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
47.083		Office of Integrative Activities	550	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
47.083		Office of Integrative Activities	10,950	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
47.083		Office of Integrative Activities	27,074	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
47.083		Office of Integrative Activities	25,609	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
47.083		Office of Integrative Activities	114,197	RESEARCH AND DEVELOPMENT	223,515	8,738,301		Univ of Idaho	CE2559-SB-873905	
TOTAL NATIONAL SCIENCE FOUNDATION			2,893,480							443,199
US SMALL BUSINESS ADMINISTRATION										
59.037		Small Business Development Centers	63,644	OTHER	123,373	4,011,734		Boise State Univ	6668-C, 6923-C, 7448-C,A1,7982	
59.037		Small Business Development Centers	59,729	OTHER	123,373	4,011,734		Boise State Univ	6923-B, 7448-D, A1, 7982-C	
TOTAL US SMALL BUSINESS ADMINISTRATION			123,373							
US NUCLEAR REGULATORY AGENCY										
77.008	NRC-HQ-84-16-G-0023	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	36,156	OTHER	122,196	4,011,734				
77.008	NRC-HQ-84-16-G-0039, M1,2,3	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	86,040	OTHER	122,196	4,011,734				
TOTAL US NUCLEAR REGULATORY AGENCY			122,196							
US DEPARTMENT OF ENERGY										
81.112	DE-NA0003880	Stewardship Science Grant Program	79,958	RESEARCH AND DEVELOPMENT	79,958	8,738,301				
81.113	DE-NA0002488 A1	Defense Nuclear Nonproliferation Research	(690)	RESEARCH AND DEVELOPMENT	(690)	8,738,301				(690)
81.121	DE-NE0008524, M1-M5	Nuclear Energy Research, Development and Demonstration	94,674	RESEARCH AND DEVELOPMENT	94,674	8,738,301				84,174
81.000		Pass Through Funding from Battelle Energy Alliance LLC	(767)	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 010, A1-A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	59,948	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 034 A1, A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	7,746	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 038	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	89,282	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 051, A1, A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	178,470	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	154652 007 A1-6	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	(19,531)	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	154652 009 A1,2,3,4,5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	27,000	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 013 A1-8	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	64,039	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 014 A1-12	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	57,772	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 015, A1-A5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	669,435	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 018 A1-5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	(64,923)	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 019 A1, A2, A3	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	4,700	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	154652 020 A1, A2,A3,A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	17,658	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 024 A1-8	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	17,480	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 027 A1-7	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	15,337	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 028	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	156,680	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 030 A1-A5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	8,452	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	154652 031 A1, A2,A3,A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	9,562	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 032 A1,2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	161	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 033 A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	30,640	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 039 A1,A2,A3,A4	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	105	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 041	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	27,645	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	154652 042	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	51,365	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 043 A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	343,366	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 044 A1,2,3	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	9,142	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 046	

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Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
							Guarantee, End of Audit Period Outstanding Loan Balance			
81.000		Pass Through Funding from Battelle Energy Alliance LLC	33,154	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	154652 047	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	1,879	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 048	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	22,527	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 049	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	21,714	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 050, A1	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	51,273	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 053	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	30,139	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 054	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	9,531	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 056	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	3,509	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 057	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	8,625	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 058	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	1,962	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 059	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	11,198	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 060	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	3,034	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154652 061	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	25,809	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	154654 052	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	119,505	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	161631 001 A1-5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	107,881	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	161631 003 A1-A11	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	(35,790)	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	161631 004 A1-A5	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	62,952	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	161631 007 A1	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	75,546	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	161631 010 A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	110,712	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Battelle Energy Alliance LLC	161631 011, A1,A2	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	1,500	OTHER	2,707,413	4,011,734		Battelle Energy Alliance LLC	218185	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	28,886	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		Mission Support & Test Services LLC	PO 205380	
81.000		Pass Through Funding from Battelle Energy Alliance LLC	251,103	RESEARCH AND DEVELOPMENT	2,707,413	8,738,301		UT Battelle, LLC	4000163768, M1	
81.049		Office of Science Financial Assistance Program	(13,047)	RESEARCH AND DEVELOPMENT	(13,047)	8,738,301		Univ of Notre Dame	UND 20234, M1,2,3	
81.092		Environmental Restoration	325,570	RESEARCH AND DEVELOPMENT	325,570	8,738,301		Idaho Department of Environmental Quality	K111, A1-6	
81.121		Nuclear Energy Research, Development and Demonstration	23,306	RESEARCH AND DEVELOPMENT	404,898	8,738,301		City College of New York	47846- B, A1	
81.121		Nuclear Energy Research, Development and Demonstration	57,397	RESEARCH AND DEVELOPMENT	404,898	8,738,301		Utah State Univ	200658-336, A1	
81.121		Nuclear Energy Research, Development and Demonstration	318,716	RESEARCH AND DEVELOPMENT	404,898	8,738,301		Wastren Advantage Inc.	ESER-16-5-1, M1-4	
81.121		Nuclear Energy Research, Development and Demonstration	5,479	RESEARCH AND DEVELOPMENT	404,898	8,738,301		Wastren Advantage Inc.	ESER-16-7-1	
TOTAL US DEPARTMENT OF ENERGY			3,598,776							83,484
US DEPARTMENT OF EDUCATION										
84.007	P007A181086	Supplemental Educational Opportunity Grant	376,347	STUDENT FINANCIAL AID	376,347	70,725,039				
84.033	P033A181086	Federal Work Study	631,282	STUDENT FINANCIAL AID	631,282	70,725,039				
84.038	NA	Perkins Loan Program	1,040,623	STUDENT FINANCIAL AID	1,040,623	70,725,039	1,401,451			
84.042	P042A150065, 4, 6, 7	TRIO Student Support Services	273,642	TRIO CLUSTER	273,642	2,492,298				
84.044	P044A110422-12, 14	TRIO Talent Search	(1)	TRIO CLUSTER	757,785	2,492,298				
84.044	P044A160298, YR2, YR3	TRIO Talent Search	512,603	TRIO CLUSTER	757,785	2,492,298				
84.044	P044A160300, YR2, YR3	TRIO Talent Search	245,183	TRIO CLUSTER	757,785	2,492,298				
84.047	P047A170235, A1 TO A7	TRIO Upward Bound	443,875	TRIO CLUSTER	1,060,239	2,492,298				
84.047	P047M120151, A1-6	TRIO Upward Bound	45	TRIO CLUSTER	1,060,239	2,492,298				
84.047	P047M170059, YR2, A5	TRIO Upward Bound	327,714	TRIO CLUSTER	1,060,239	2,492,298				
84.047	P047V170053, YR 2	TRIO Upward Bound	288,605	TRIO CLUSTER	1,060,239	2,492,298				
84.063	P063P170099	Federal Pell Grant Program	32,769	STUDENT FINANCIAL AID	15,867,325	70,725,039				
84.063	P063P180099	Federal Pell Grant Program	15,835,922	STUDENT FINANCIAL AID	15,867,325	70,725,039				
84.063	P063P160099	Federal Pell Grant Program	(1,366)	STUDENT FINANCIAL AID	15,867,325	70,725,039				
84.066	P066A160311, YR2, YR3	TRIO Educational Opportunity Centers	219,046	TRIO CLUSTER	219,046	2,492,298				
84.217	P217A170169, YR 2	TRIO McNair Post-Baccalaureate Achievement	181,586	TRIO CLUSTER	181,586	2,492,298				
84.268	P268K180099	Federal Direct Student Loan	77,183	STUDENT FINANCIAL AID	52,712,862	70,725,039				
84.268	P268K190099	Federal Direct Student Loan	13,131,608	STUDENT FINANCIAL AID	52,712,862	70,725,039				
84.268	P268K180099	Federal Direct Student Loan	80,425	STUDENT FINANCIAL AID	52,712,862	70,725,039				

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Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
84.268	P268K190099	Federal Direct Student Loan	32,311,349	STUDENT FINANCIAL AID	52,712,862	70,725,039				
84.268	P268K180099	Federal Direct Student Loan	22,319	STUDENT FINANCIAL AID	52,712,862	70,725,039				
84.268	P268K190099	Federal Direct Student Loan	5,774,867	STUDENT FINANCIAL AID	52,712,862	70,725,039				
84.268	P268K190099	Federal Direct Student Loan	1,315,111	STUDENT FINANCIAL AID	52,712,862	70,725,039				
84.002		Adult Education-Basic Grants to States	234,764	OTHER	290,585	4,011,734		State of Idaho Professional Technical Education		
84.002		Adult Education-Basic Grants to States	39,645	OTHER	290,585	4,011,734		State of Idaho Professional Technical Education		
84.002		Adult Education-Basic Grants to States	16,176	OTHER	290,585	4,011,734		State of Idaho Professional Technical Education		
84.010		Title I Grants to Local Educational Agencies	(3,510)	OTHER	501,371	4,011,734		State Department of Education	17-4434, MOD	
84.010		Title I Grants to Local Educational Agencies	504,881	OTHER	501,371	4,011,734			19-4403	
84.048		Career and Technical Education-Basic Grants to States	147,570	OTHER	447,259	4,011,734		State of Idaho Professional Technical Education		
84.048		Career and Technical Education-Basic Grants to States	10,199	OTHER	447,259	4,011,734		State of Idaho Professional Technical Education		
84.048		Career and Technical Education-Basic Grants to States	55,335	OTHER	447,259	4,011,734		State of Idaho Professional Technical Education		
84.048		Career and Technical Education-Basic Grants to States	92,243	OTHER	447,259	4,011,734		State of Idaho Professional Technical Education		
84.048		Career and Technical Education-Basic Grants to States	17,105	OTHER	447,259	4,011,734		State of Idaho Professional Technical Education		
84.048		Career and Technical Education-Basic Grants to States	124,807	OTHER	447,259	4,011,734		State of Idaho Professional Technical Education		
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States	85,743	RESEARCH AND DEVELOPMENT	86,075	8,738,301		Idaho Div of Vocational Rehabilitation-320 Boise SWT	MOU 05122017, 12132017,4162019	1,000
84.126		Rehabilitation Services Vocational Rehabilitation Grants to States	332	OTHER	86,075	4,011,734		Idaho Division of Vocational Rehabilitation	MOA JUNE 2017 & DEC 2017	
84.334		Gear Up Scholarship	77,000	STUDENT FINANCIAL AID	77,000	70,725,039		State of Idaho	P334506003	
84.367		Supporting Effective Instruction State Grants (formerly Improving Tea	152	OTHER	152	4,011,734		Boise State Univ	8007-B,A1,A2	
84.377		School Improvement Grants	(2,580)	SCHOOL IMPROVEMENT GRANTS CLUSTER	36,000	36,000		State Department of Education	17-4434, MOD	
84.377		School Improvement Grants	38,580	SCHOOL IMPROVEMENT GRANTS CLUSTER	36,000	36,000		State Department of Education	19-4403	
TOTAL US DEPARTMENT OF EDUCATION			74,559,179				1,401,451			1,000
US DEPARTMENT OF HEALTH AND HUMAN SERVICES										
93.173	1R03DC014042-01, 02, 03	Research Related to Deafness and Communication Disorders	13,307	RESEARCH AND DEVELOPMENT	75,345	8,738,301				
93.173	7R15DC013359-02	Research Related to Deafness and Communication Disorders	62,038	RESEARCH AND DEVELOPMENT	75,345	8,738,301				
93.213	1R15AT009348-01	Research and Training in Complementary and Integrative Health	86,513	RESEARCH AND DEVELOPMENT	86,513	8,738,301				
93.234	90TBSG000701 AND 02	Traumatic Brain Injury State Demonstration Grant Program	114,952	RESEARCH AND DEVELOPMENT	182,977	8,738,301				
93.234	90TBSG0041-01-00, 02-00	Traumatic Brain Injury State Demonstration Grant Program	68,025	OTHER	182,977	4,011,734				1,385
93.273	1R01AA020364-01A1,02, 03,04,05	Alcohol Research Programs	198,409	RESEARCH AND DEVELOPMENT	198,409	8,738,301				5,283
93.359	1 UD7HP28528-01-00, A1, A3	Nurse Education, Practice Quality and Retention Grants	203,358	RESEARCH AND DEVELOPMENT	203,358	8,738,301				
93.853	1R15NS093579-01A1	Extramural Research Programs in the Neurosciences and Neurological Disorders	94,582	RESEARCH AND DEVELOPMENT	115,689	8,738,301				
93.853	R15NS087521	Extramural Research Programs in the Neurosciences and Neurological Disorders	21,107	RESEARCH AND DEVELOPMENT	115,689	8,738,301				
93.884	1T0BHP28559-01-00, 02-00, 03-0	Grants for Primary Care Training and Enhancement	236,492	OTHER	236,492	4,011,734				22,896
93.918	H76HA24732, Y2, Y3, Y4,Y5,Y6,7	Grants to Provide Outpatient Early Intervention Services with Respect	238,767	OTHER	278,782	4,011,734				
93.918	P06HA32167	Grants to Provide Outpatient Early Intervention Services with Respect	40,015	OTHER	278,782	4,011,734				
93.925	1 T08HP30213-01-00,02,03,04	Scholarships for Health Professions Students from Disadvantaged Bac	19,600	STUDENT FINANCIAL AID	19,600	70,725,039				
93.107		Area Health Education Centers	116,619	OTHER	116,619	4,011,734		Univ of Washington	UWSC10052, A1,A2,A3	12,288
93.145		HIV-Related Training and Technical Assistance	155,056	OTHER	155,056	4,011,734		Univ of Washington	UWSC8690 A1, A2,A3,A4,A5	
93.226		Research on Healthcare Costs, Quality and Outcomes	20,359	RESEARCH AND DEVELOPMENT	20,359	8,738,301		Univ of Utah	10042477-06, A1, A2	
93.236		Grants to States to Support Oral Health Workforce Activities	54,986	RESEARCH AND DEVELOPMENT	54,986	8,738,301		Idaho Department of Health and Welfare	HC138500, A1	
93.426		Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	99,193	RESEARCH AND DEVELOPMENT	99,193	8,738,301		Idaho Department of Health and Welfare	HC126600	
93.624		ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	106,672	OTHER	106,672	4,011,734		Idaho Department of Health and Welfare	AC061300,A1-7	
93.658		Foster Care Title IV-E	390,872	OTHER	493,648	4,011,734		Idaho Department of Health and Welfare	KC255200, KC261000, A1,A2	
93.658		Foster Care Title IV-E	102,776	OTHER	493,648	4,011,734		Idaho Department of Health and Welfare	KC268400, KC272600	

Schedule of Expenditures of Federal Awards

Federal CFDA	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total	Cluster Total	Loan/Loan Guarantee, End of Audit Period Outstanding Loan Balance	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity, if assigned	Total Amount Passed Through to Subrecipients
93.758		Preventive Health and Health Services Block Grant funded solely with	16,140	OTHER	16,140	4,011,734		Idaho Department of Health and Welfare	HC110700	
93.778		Medical Assistance Program	(10)	MEDICAID CLUSTER	(10)	(10)		Idaho Department of Health and Welfare	RC060300,4 RC067300,RC071300,1	
93.837		Cardiovascular Diseases Research	6,100	RESEARCH AND DEVELOPMENT	6,377	8,738,301		Univ of Iowa	S00201-01, A1, A2	
93.837		Cardiovascular Diseases Research	277	RESEARCH AND DEVELOPMENT	6,377	8,738,301		Univ of Iowa	W000661886M W000724094, A1,A2	
93.859		Biomedical Research and Research Training	98,387	RESEARCH AND DEVELOPMENT	166,743	8,738,301		Univ of Idaho	IAK100-SB-007,IAK200-SB-002,A3	
93.859		Biomedical Research and Research Training	30,078	RESEARCH AND DEVELOPMENT	166,743	8,738,301		Univ of Idaho	SI3394-SB-825965	
93.859		Biomedical Research and Research Training	1,828	OTHER	166,743	4,011,734		Univ of Nevada Las Vegas	16-746Q-ISU-BS4-00, 01,18-22QN	
93.859		Biomedical Research and Research Training	15,657	RESEARCH AND DEVELOPMENT	166,743	8,738,301		Univ of Nevada Las Vegas	GR.07324	
93.859		Biomedical Research and Research Training	20,793	RESEARCH AND DEVELOPMENT	166,743	8,738,301		Univ of Nevada Las Vegas	GR.07324	
93.917		HIV Care Formula Grants	54,333	OTHER	164,264	4,011,734		Idaho Department of Health and Welfare	HC109300, A1	
93.917		HIV Care Formula Grants	21,335	RESEARCH AND DEVELOPMENT	164,264	8,738,301		Idaho Department of Health and Welfare	HC135300	
93.917		HIV Care Formula Grants	6,747	OTHER	164,264	4,011,734		Idaho Department of Health and Welfare	HC835900, A1,A2,A3,A4	
93.917		HIV Care Formula Grants	81,849	OTHER	164,264	4,011,734		Idaho Department of Health and Welfare	HC863100, A1,A2,A3,A4,A5	
93.940		HIV Prevention Activities Health Department Based	44,534	OTHER	44,534	4,011,734		Idaho Department of Health and Welfare	HC977000 A1	
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,841,746							41,852
US CORPORATION FOR NATIONAL AND COMMUNITY SERVICES										
94.006		AmeriCorps	135,230	OTHER	135,230	4,011,734		Serve Idaho	15AFHID0010002 NCE	
94.006		AmeriCorps	276,234	OTHER	276,234	4,011,734		Serve Idaho	18AFHID0010002 & 2019	
TOTAL US CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			411,464							
GRANT TOTAL EXPENDITURES			86,056,547				1,401,451			573,738

I. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

2. DE MINIMIS INDIRECT COST RATE

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

3. FEDERAL WORK STUDY

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

4. UNIVERSITY ADMINISTERED LOAN PROGRAMS

The University administers the following Federal Perkins Loan Program (CFDA number 84.038). The outstanding loan balance and total loan disbursements were \$1,401,451 and \$0, respectively, for the year ended June 30, 2019. The cumulative administrative costs allowance as of the year ended June 30, 2019 was \$639,959.

Funds distributed as agent for the Federal Direct Lending Program of \$52,712,862 are not included in the revenues or expenses of the University.



**Idaho State
University**

FY19 ANNUAL FINANCIAL STATEMENTS

FINANCE AND BUSINESS AFFAIRS

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ROAR