

University of Idaho



FINANCIAL STATEMENTS FOR THE YEARS
ENDED JUNE 30, 2017 AND 2016 AND
REPORT OF INDEPENDENT AUDITORS

INCLUDING SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND SINGLE AUDIT
DOCUMENTS

FOR THE YEAR ENDED JUNE 30, 2017

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Report of Independent Auditors

Idaho State Board of Education
University of Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Idaho (University) and the discretely presented component unit, University of Idaho Foundation (Foundation), as of and for the years ended June 30, 2017 and 2016, and the aggregate remaining fund information of the University (the University of Idaho Health Benefits Trust and the University of Idaho Retiree Benefits Trust), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the University of Idaho Foundation, which represent 100% of the assets, net position, and revenues of the discretely presented component unit, or the University of Idaho Health Benefits Trust, which represent 11%, 4%, and 92%, of the assets, net position and revenues of the aggregate remaining fund information, respectively. Those 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 and the University of Idaho Health Benefits Trust, are based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditor's Responsibility (continued)

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

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

Auditor's Opinion

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, 2017 and 2016, and the aggregate remaining fund information of the University, as of December 31, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the schedules of University's proportionate share of net pension liability – PERSI base plan, University contributions – PERSI base plan, funding progress – Retiree Benefits Trust, and employer contributions – Retiree Benefits Trust on page 73 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 opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and are 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 29, 2017, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 29, 2017

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

The University of Idaho ("University") is a doctoral-research intensive land-grant institution, with the principal responsibility for research and granting Ph.D. degrees in Idaho. The University serves state, national and international communities by providing academic instruction and conducting research that advances fundamental knowledge. In addition to its main campus in Moscow, the University has instructional centers in Coeur d'Alene, Boise, Twin Falls and Idaho Falls as well as research and extension centers located across the state.

Overview

The Management's Discussion and Analysis is designed to provide an easy to read analysis of the University's financial condition, results of operations and cash flows based on facts, decisions and conditions known at the date of the auditor's reports, June 30, 2017.

The discussion and analysis that follows provides an overview of the University's financial activities for the fiscal year ended June 30, 2017 in comparison to 2016 and 2015. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. They are prepared using the accrual basis of accounting, whereby revenues are recognized when goods and services are provided and expenses are recognized when goods or services are received, regardless of when cash is exchanged.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement No. 14, these statements also present information for the University of Idaho Foundation, Inc. ("Foundation"), which qualifies as a component unit of the University.

In accordance with GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, the University has included financial statements for the Health Benefits Trust (HBT) and Retirement Benefits Trust (RBT). The HBT was established to meet the requirements of the State of Idaho Department of Insurance in order to manage the University's self-insurance program. Separate audited financial statements are prepared for the HBT and may be obtained by contacting the Vice President for Finance for the University of Idaho. These statements and related supplementary information are presented after the University's financial statements and preceding the notes to the financial statements.

Statement of Net Position

The statement of net position outlines the University's financial condition at fiscal year-end. This is a point-in-time financial statement and presents end-of-year data concerning assets, liabilities and net position. From the data presented, readers are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors and lending institutions. Finally, it provides a picture of the net position (assets minus liabilities) and its availability for expenditure by the University. Trends in net position are a useful indicator of whether the entity's financial condition is improving or declining.

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

The statement of net position is presented in a classified format, which differentiates between current and noncurrent assets and liabilities, and also groups net position into four categories which are:

1. Net Investment in Capital Assets - the University's investment in property, plant, and equipment - net of depreciation and outstanding debt obligations related to those capital assets.
2. Restricted Nonexpendable - the corpus of nonexpendable restricted resources is available only for investment purposes. These assets are held in perpetuity.
3. Restricted Expendable - subject to external donor or grantor stipulations regarding their use. The University may expend these assets for purposes as determined by donors and/or external entities.
4. Unrestricted - may be expended for any lawful purpose of the University.

Condensed Statement of Net Position			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2017	2016	2015
ASSETS			
Current assets	\$ 68,831	\$ 72,015	\$ 63,438
Capital assets - net	443,783	437,766	400,400
Other noncurrent assets	96,403	108,395	141,828
Total assets	<u>\$ 609,017</u>	<u>\$ 618,176</u>	<u>\$ 605,666</u>
Deferred Outflows of Resources	<u>\$ 18,562</u>	<u>\$ 8,660</u>	<u>\$ 8,803</u>
Total assets and Deferred Outflows	<u><u>\$ 627,579</u></u>	<u><u>\$ 626,836</u></u>	<u><u>\$ 614,469</u></u>
LIABILITIES			
Current liabilities	\$ 34,820	\$ 44,313	\$ 46,180
Noncurrent liabilities	220,667	214,086	209,098
Total Liabilities	<u>\$ 255,487</u>	<u>\$ 258,399</u>	<u>\$ 255,278</u>
Deferred Inflows of Resources	<u>\$ 4,090</u>	<u>\$ 6,885</u>	<u>\$ 18,542</u>
Total Liabilities and Deferred Inflows	<u><u>\$ 259,577</u></u>	<u><u>\$ 265,284</u></u>	<u><u>\$ 273,820</u></u>
NET POSITION			
Net investment in capital assets	\$ 258,253	\$ 258,039	\$ 248,984
Restricted nonexpendable	-	-	-
Restricted expendable	39,605	36,162	33,152
Unrestricted	70,144	67,350	58,513
Total net position	<u>\$ 368,002</u>	<u>\$ 361,551</u>	<u>\$ 340,649</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 627,579</u></u>	<u><u>\$ 626,836</u></u>	<u><u>\$ 614,469</u></u>

Total assets and deferred outflows of resources for the University fiscal year 2017 were \$627.6 million, an increase of \$0.7 million (+0.1%) when compared to prior year.

Current assets decreased \$3.2 million (-4.4%) to \$68.8 million due to decreases in cash/cash equivalents, prepaid expenses and accounts receivable. Unrestricted cash decreased slightly by \$0.4 million (-1.3%) due to the purchase

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

of non-capital furnishings for Integrated Research and Innovation Center (IRIC) and the College of Education projects as they were completed in fiscal year 2017 (FY17). The University maintains higher cash balances at fiscal year-end in order to meet ongoing expenditures upon completion of its annual drawdown of state appropriations by April or May but prior to its receipt of revenues for the next academic term. Additionally, the University chose not to move any operating cash into its longer-term investments in FY17 while capital projects were underway. Prepaid expenses of \$0.9 million were significantly lower at year-end FY17 compared to the fiscal year 2016 (FY16) ending balances of \$1.4 million due to health insurance claims accruals at fiscal year-end 2016 (FYE16) that were not duplicated at FYE 2017. The University changed to a prefunding model for claims expenses beginning in January 2017. Accounts receivable of \$31.1 million decreased \$2.5 million (-7.3%) when compared to FYE16. This significant decrease was due to a \$1.6 million decrease in student account balances combined with a \$1.6 million decrease in accrued grants and contracts revenue accrued at June 30, 2017. This lower grants accrual related to a decrease in year-end accrued grant payroll expenses to which this revenue is directly related. In addition, the allowance for doubtful accounts did not decrease at the same rate as accounts receivable for FY17, thereby resulting in a slightly higher proportional allowance at year-end compared to student accounts receivable balances.

Noncurrent assets decreased from \$546.2 million to \$540.2 million during FY17, a decrease of \$6.0 million (-1.1%). Restricted cash and cash equivalents decreased by \$12.0 million (-62.8%) due to University spend-down of restricted bond proceeds as its IRIC and College of Education capital projects were completed. These projects had been primarily financed by the University's issuance of its Series 2014 bonds in July 2015. The University's unrestricted long-term, noncurrent investments decreased by \$0.4 million from \$78.6 million to \$78.2 million by FYE 17. This was a result of unrealized losses incurred in the University's long-term, fixed-asset portfolio as the bond markets experienced a downturn in the first half of calendar 2017. These unrealized losses were partially offset in FY17 by continued reinvestment of all income and realized capital gains back into the portfolio. Net capital assets of \$443.8 million increased by \$6.0 million (+1.4%) from the FYE 16 balance of \$437.8 million. This increase was attributable to the completions of the IRIC and College of Education projects, as well as additional capital projects and assets completed and purchased during the year. These increases were offset by the FY17 increase in accumulated depreciation of \$20.8 million and net capital asset retirements of \$3.6 million for the year. Total assets of the University decreased by \$9.2 million (-1.5%) to \$609.0 million as of year-end June 30, 2017.

Deferred outflows of resources increased from \$8.7 million to \$18.6 million in FY17 (+114.3%). In FY15, the University implemented GASB Statement 68 related to defined benefit pension plans. At year-end FY17, the University recognized deferred outflows of \$16.7 million for its FY17 contributions and changes in actuarial assumptions to the Public Employee Retirement System of Idaho (PERSI) program, an increase of \$9.9 million (+146.4%) from FYE 16. Since the measurement date for the University's required recognition of its portion of the net PERSI liability is and will continue to be as of the preceding year at June 30th, the University recognizes its current year PERSI contributions as deferred outflows of resources rather than expensing them upon incurrence. The balance of the University's deferred amounts on refunding decreased slightly to \$1.8 million as a result of ongoing amortization of these balances.

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

Current liabilities decreased \$9.5 million (-21.4%) to \$34.8 million in fiscal year 2017. Accounts payable decreased \$0.7 million due to lower year-end FY17 accrued construction costs of \$2.0 million, offset by increased accruals for VandalStore, food service, IRIC, EPSCoR (the National Science Foundation's "Experimental Program to Stimulate Competitive Research"), and other smaller operations totaling \$1.3 million. Accrued salaries and benefits decreased by \$8.6 million from \$13.9 million to \$5.3 million in FY17. Accrued salaries were \$7.6 million lower at June 30, 2017 due to a shorter accrual period (one less pay period required accrual at FYE17). Accrued benefits of \$4.4 million decreased \$1.0 million due to decreased employer payroll taxes associated with the lower payroll accrual.

Noncurrent liabilities increased \$6.6 million (+3.1%) to \$220.7 million over the prior year total of \$214.1 million. FYE17 notes and bonds payable decreased by \$5.7 million from FYE16 due to debt service payments made during the year with no issuance of new debt by the University in FY17. FYE16 had experienced a similar decrease from fiscal year-end 2015 (FYE15) also due to continued payment of debt service without any additional debt being issued during FY16. Additional FYE17 and FYE16 debt information can be found in footnotes 9 and 10 to these financial statements. Additionally, the University's portion of the PERSI FY16 net pension liability (the PERSI plan's measurement date lags by one fiscal year) increased by \$12.3 million (+51.3%) from \$24.0 million at FYE 16 to \$36.3 million at FYE 17. This was due to PERSI's significantly lower investment income in FY16 when compared to FY15 (-44.8%), combined with increased benefits costs of 6.8% for that same time period. The University's proportionate share of the aggregate PERSI net pension liability decreased slightly in FY17 to 1.79% for the PERSI 2016 fiscal year from 1.81% for the PERSI 2015 fiscal year.

Total liabilities of the University decreased by \$2.9 million (-1.1%) to \$255.5 million as of year-end June 30, 2017.

Deferred inflows of resources of \$4.1 million at FYE 17 decreased by \$2.8 million (-40.6%) from the FYE 16 balance of \$6.9 million. This decrease was related to changes in actuarial/investment experience and changes in assumptions related to the Idaho PERSI fiscal year 2016 plan performance. FYE16 deferred inflows of resources decreased \$11.7 million from their FYE15 balance of \$18.6 million also due to changes in actuarial/investment experience and changes in assumptions related to the PERSI fiscal year 2015 plan performance.

The University's net position increased by \$6.5 million (+1.8%) to \$368.0 million for the year ended June 30, 2017. Unrestricted net position increased by \$2.8 million to \$70.1 million (+4.1%) as of year-end 2017, while restricted expendable net position increased by \$3.5 million to the year-end total of \$39.6 million. Net investment in capital assets increased by \$0.2 million to \$258.3 million at June 30, 2017.

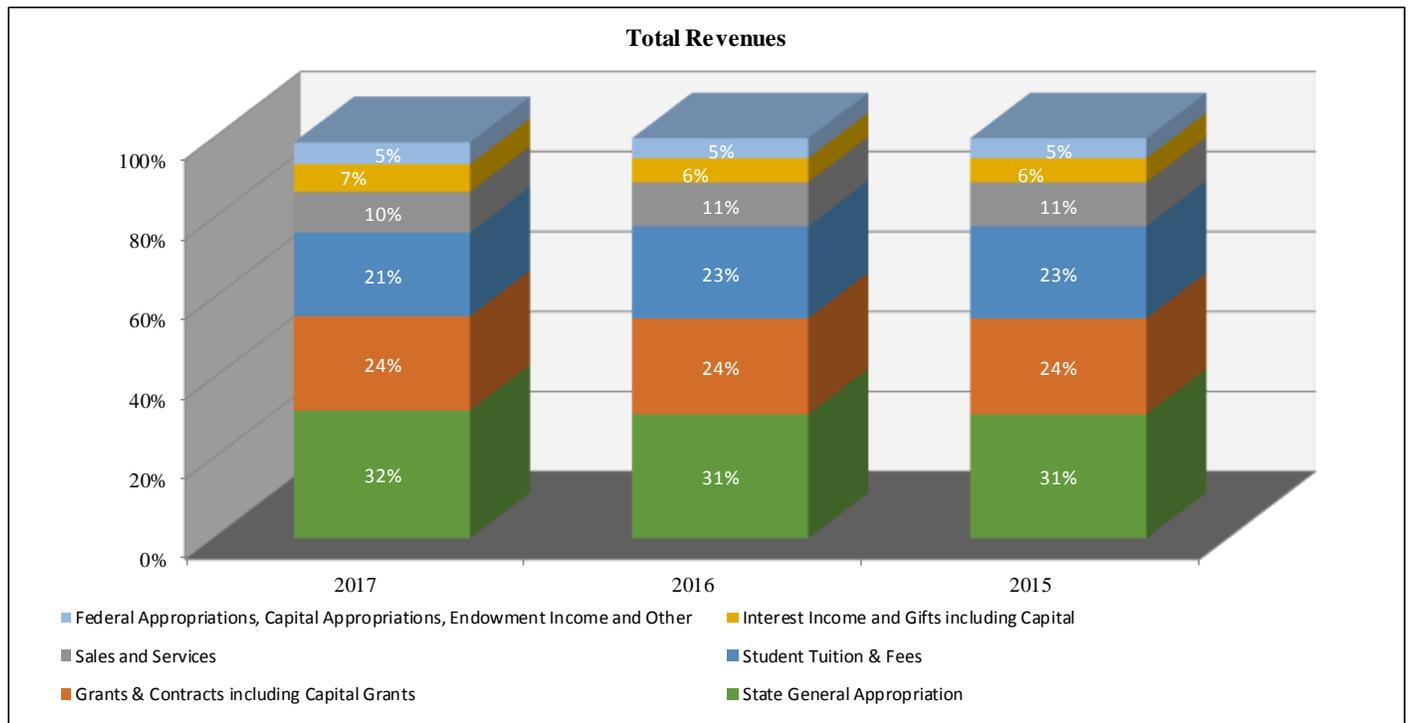
Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year, classifying activities as either operating or non-operating. The GASB 34 reporting model classifies state appropriations, gifts, federal appropriations, and investment income as non-operating revenue, which results in a net operating loss.

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

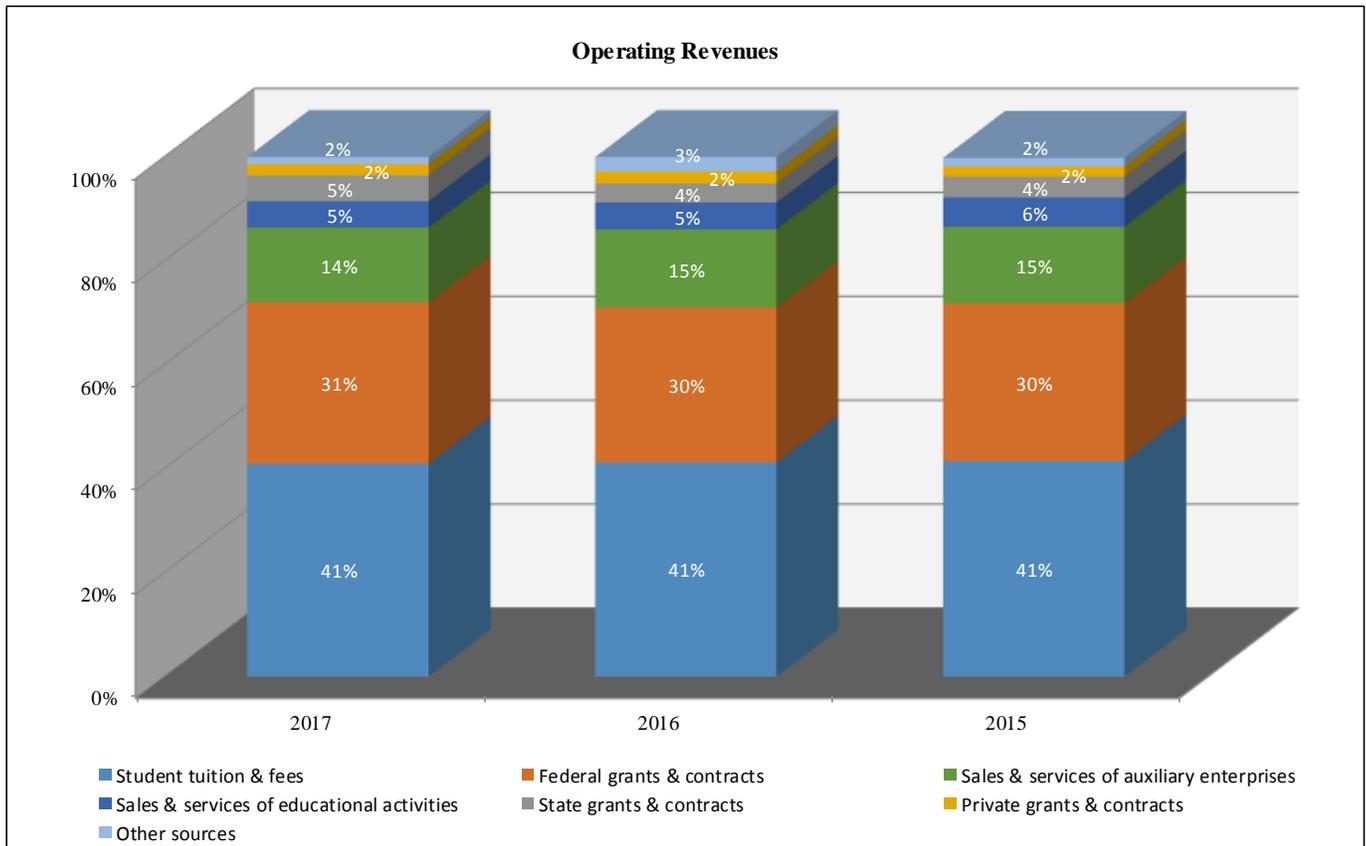
Operating revenues are derived from exchange transaction activities associated with providing goods and services for instruction, research, public service or related support to entities separate from the University. Examples include student tuition and fees, sales and services, grants and contracts. Operating expenses are those expenses paid to acquire or produce the goods and services to carry out the functions of the University. Examples include salaries, benefits, scholarships, and purchases of supplies. Non-operating revenues are primarily derived from activities that are non-exchange transactions, e.g., gifts and contributions; and from sources defined as such by GASB Statement No. 9, e.g., investment income; and from sources defined as such by GASB Statement Nos. 33 and 34, e.g., state and federal appropriations.

When comparing all of the University's sources of revenue in fiscal year 2017, as shown in the chart below, state appropriations account for 32% of the total revenue received while grants and contracts account for 24%, and student tuition and fees are 21% of the total.



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

When isolating the review to only operating revenues, as shown in the graph below, approximately 85% of total operating revenues in fiscal year 2017 were generated from three key revenue sources. Student tuition and fees account for 40% of total operating revenues while federal grants and contracts account for 31%, and sales and services of auxiliary enterprises account for 14%. All other categories account for 5% or less.



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

Condensed Statement of Revenues, Expenses and Changes in Net Position			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2017	2016	2015
Operating revenues	\$ 215,984	\$ 212,592	\$ 214,750
Operating expenses	<u>398,017</u>	<u>374,933</u>	<u>364,536</u>
Operating loss	(182,033)	(162,341)	(149,786)
Net nonoperating revenues	<u>176,307</u>	<u>173,193</u>	<u>170,280</u>
Gain (loss) before other revenues	(5,726)	10,852	20,494
Other revenues	12,177	10,051	3,966
Increase In Net Position	6,451	20,903	24,460
Net Position - Beginning of year (Previously reported)	361,551	340,648	345,580
Cumulative effect implementing GASBS 68 (Note 19)	-	-	(29,392)
Net Position - Beginning of year (Restated)	<u>361,551</u>	<u>340,648</u>	<u>316,188</u>
Net Position - End of year	<u>\$ 368,002</u>	<u>\$ 361,551</u>	<u>\$ 340,648</u>

The statement of revenues, expenses and changes in net position details the \$6.5 million increase in net position for fiscal year 2017. This increase was below the prior year increase of \$20.9 million.

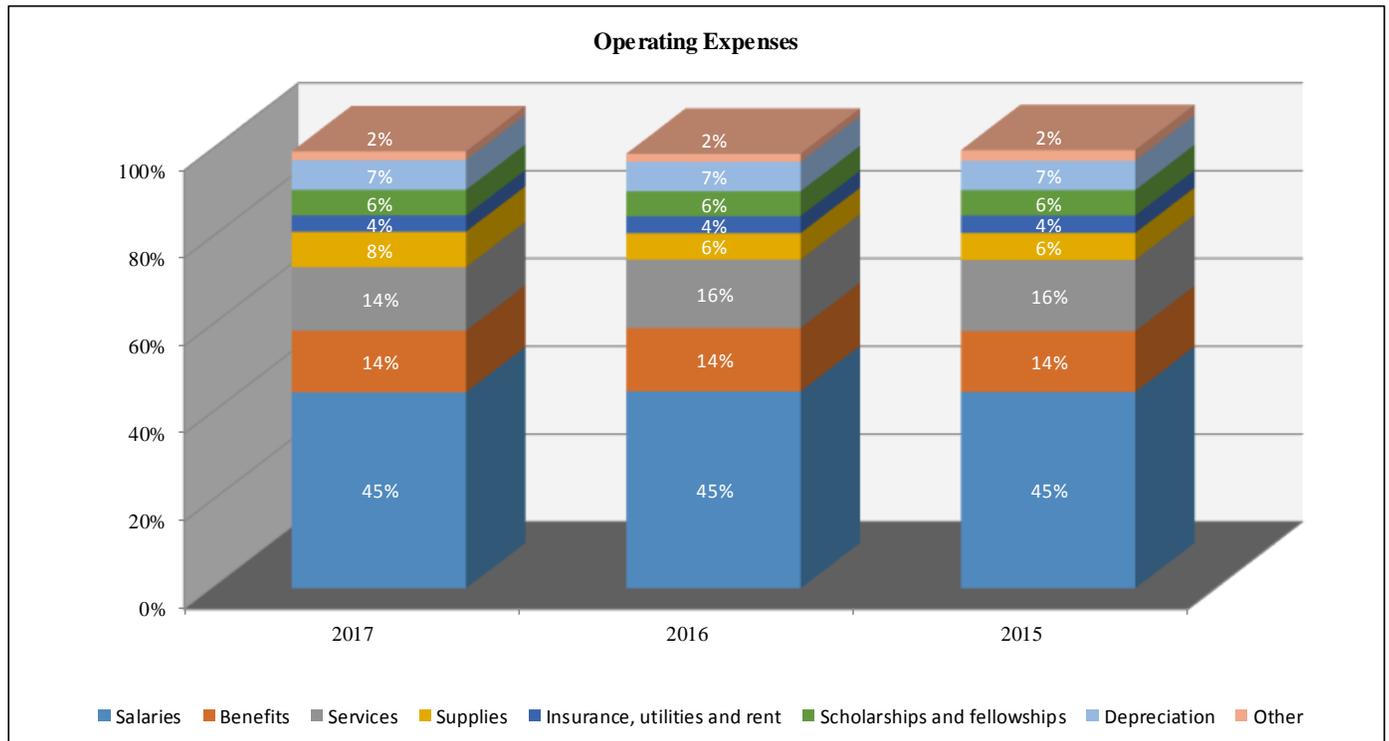
Operating revenues increased slightly by 1.6% from \$212.6 million in FY16 to \$216.0 million in FY17. Student tuition and fees, net of scholarship allowance, decreased \$1.3 million to \$86.3 million (-1.5%). The Idaho State Board of Education approved a 3% increase in student tuition and fees for FY17. Total student headcount enrollments in both undergraduate and graduate levels experienced a 2.1% increase in the fall of 2016 over fall 2015 to 11,780 students, and corresponding spring 2017 enrollments increased 0.9% from their spring 2016 level to 10,535 students. However, the fall 2016 headcount increases were driven by dual-credit enrollments of high-school students, so the related full-time equivalent (FTE) fall 2016 enrollments were down 2.0% to 9,422, although spring 2017 FTE enrollments increased by 0.6% to 8,662 from FY16. FY 17 enrollments were down in both semesters for undergraduate and law school students, but increased for graduate students as well as first-year medical school students enrolled in the Washington-Wyoming-Alaska-Montana-Idaho (WWAMI) program. Other factors decreasing net tuition and fee revenues in FY17 were an increase in waivers of \$0.8 million (+5.0%) to \$17.5 million for the year, as well as an increase in the scholarship allowance during the year of \$1.3 million (+5.8%) to \$24.1 million. University of Idaho leadership remains committed to effecting strategies for increasing future enrollments at all levels within the University.

Both Federal and State grants and contracts revenues were higher in FY17 compared to FY16. Federal grants and contracts revenues in FY17 of \$67.1 million increased by \$3.7 million (+5.8%) from \$63.4 million in FY16. State grants revenues were \$10.7 million for FY17, compared to \$7.8 million in FY16, an increase in the current year of \$2.9 million (+37.6%). These increases were a reflection of higher awards being received in FY16. Awards are generally reflected as revenues in succeeding years when monies are actually expended on related grants, therefore the higher FY16 awards resulted in higher FY17 revenues. Awards in FY17 were somewhat lower at \$78.0 million as compared to \$82.0 million in FY16, a decrease of \$4.0 million (-4.9%). Private grants and contracts revenues of \$4.6 million were down \$0.2 million (-4.8%) from \$4.8 million in FY16. Private grants and contracts are generally

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

smaller grants than Federal and State awards, and their revenues tend to fluctuate more from year-to-year. FY17 sales and services of educational activities revenues of \$11.0 million were consistent with the FY16 total. Sales and services revenues related to auxiliary enterprises of \$31.1 million were only down \$0.1 million from \$31.2 million in FY16. While housing, textbook and supply sales, and rental revenues were down \$1.2 million (-8.6%) due primarily to the lower enrollments, combined dining and other food/catering revenues were up \$0.1 million (+3.6%) and Athletics NCAA and conference payments were up \$1.1 million (+53.5%). A significant portion of the Athletics increase was due to receipt of one-time NCAA monies of \$0.6 million. Other sources of operating revenue decreased \$1.4 million (-21.9%) to \$4.8 million due to decreases in a variety of revenues: pharmacy rebates related to the University's self-insured health plan were up \$0.5 million but were offset by decreases in miscellaneous revenues of a one-time Defense Advanced Research Project Agency (DARPA) prize of \$0.75 million received in FY16, and decreased revenues related to the University's health plan and billings to an agency agreement of \$0.2 million.

In fiscal year 2017, as shown in the graph below, 73% of operating expenses were generated from three key expenditure sources. Total personnel costs (salaries and benefits) account for 59% of total operating expenses while services expenditures account for 14%. All other categories each account for 8% or less.



FY17 operating expenses increased by \$23.1 million (+6.2%) over FY16 to \$398.0 million. Total personnel costs of \$235.8 million in FY17 were \$13.6 million higher than the 2016 level of \$222.2 million. Salaries expense increased \$9.5 million (+5.6%) due to a FY17 across-the-board change in employee compensation (CEC) of 3% combined with

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

additional merit increases awarded and the filling of position vacancies. Benefits expense increased \$4.1 million (+7.6%) in FY17 due to increases in several expense categories. Employer health care expenses of \$20.6 million increased \$1.6 million due to increased employee and retiree claims costs and related administrative services fees, FICA/FICA Medicare employer costs increased \$1.1 million due to the FY17 salary increases, employer retirement costs increased \$1.0 million, and other costs such as employer-provided life, disability and worker's compensation insurances, staff and staff spouse tuition/fee waivers and terminal leave accounted for the remaining \$0.4 million of benefits expense increase. FY17 supplies expenditures increased by \$5.8 million (+22.2%) to \$32.1 million. This increase was predominantly related to purchases of non-capital furnishings for the IRIC, College of Education and first floor Library projects of \$1.4 million, \$1.3 million of non-capitalizable computer equipment for the first floor Library, \$0.5 million in photographic equipment for the College of Education Doceo Center an increase in research supplies of \$0.5 million, and \$1.7 million in additional non-capital repair and remodeling projects across campus. Scholarship expenses of \$23.2 million increased by \$1.9 million (+9.2%) over their FY16 level due to increased awards during the fiscal year. Depreciation expense increased by \$1.7 million (+6.8%) to \$26.9 million due to the College of Education and IRIC projects coming online in FY17. Other operating expenses of \$7.6 million increased \$0.6 million (+9.0%) from FY16 due to increased expenditures of \$0.7 million related to the University's Higher Education Research Council, Idaho Global Entrepreneurial Mission (HERC-IGEM) grants for research combined with increased expenditures of \$0.4 million on the University's Idaho Millennium Fund grants to provide anti-tobacco education. These increases in other operating revenues were offset by decreases in expenditures for a wide variety of other funds. FY17 services and insurance/utilities/rent expenses were comparable to their FY16 levels.

The University's net operating loss increased (\$19.7 million) (+12.1%) to (\$182.0 million) in FY17 compared to the FY16 net operating loss of (\$162.3 million).

Nonoperating revenues, net of interest expense, increased \$3.1 million (+1.8%) to \$176.3 million in FY17. State appropriation revenues, including land grant endowment income, increased by \$11.7 million (+9.0%) to \$142.0 million, due to several factors. The University received an overall increase of \$8.2 million in state general education funding consisting of increases for salaries and benefits of \$5.1 million (change in employee compensation and benefits increases and one additional payroll incurred in FY17), \$0.5 million for the Complete College Idaho initiative, \$1.0 million for a computer science program in Coeur d'Alene, \$0.7 million for increased state costs (Idaho risk management, state controller's office and rental expenses) and \$0.7 million increase in occupancy funding. Land grant endowment income increased \$0.9 million to \$10.1 million in FY17 based on income generated from endowed lands by the State of Idaho. FY17 Federal appropriations were down \$0.4 million to \$5.1 million from their FY16 levels. FY17 Federal grants and contracts (Pell grant) revenues decreased by \$3.0 million (-17.4%) to \$14.1 million, primarily due to the University's increased proportion of part-time students who receive lower award amounts. A net decrease of \$6.1 million in the fair market value of investments at fiscal year-end 2017 was due to declines in the fixed asset markets in the latter half of FY17. The University did continue to reinvest all income and realized capital gains back into its investment portfolio during the year. Interest expense decreased 20.2% from \$7.5 million to \$6.0 million due to the University issuing no new debt in FY17, continued normal pay down of principal on existing debt, and capitalization of FY17 interest expense related to the bond funding of the IRIC and College of Education projects.

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

The University's loss before other revenues of (\$5.7 million) in FY17 decreased (\$16.5 million) from its gain before other revenues in FY16 of \$10.8M million.

Other revenues increased by \$2.1 million in FY17 due to a \$3.7 million increase in capital funds from the Foundation offset by a \$1.6 million decrease in funding for campus improvements and capital projects from the Idaho Department of Public Works ("DPW"). Capital grants and contracts revenues of \$0.8 million were \$0.1 million above their FY16 levels. In FY16, the Foundation had provided \$1.3 million in funding for capital projects, an increase of \$0.8 million over the same revenues for FY15. DPW provided funding of \$8.1 million for campus improvements and capital projects in FY16, and increase over FY15's funding level of \$2.5 million.

As stated previously, the University's overall increase in net position of \$6.5 million was down from its net position increase in FY16 of \$20.9 million.

Statement of Cash Flows

The statement of cash flows presents detailed information about the cash activities of the University during the year ended June 30, 2017. The statement is divided into five parts. The first part details operating cash flows and the net cash used by the operating activities of the University. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section, cash flows from capital and related financing activities, shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds and interest received. The fifth section reflects the net change in cash position.

Condensed Statement of Cash Flows			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash provided (used) by:			
Operating activities	\$ (163,073)	\$ (140,042)	\$ (137,712)
Noncapital financing activities	182,490	174,534	176,946
Capital and related financing activities	(32,257)	(64,983)	18,550
Investing activities	379	214	399
Net change in cash	(12,461)	(30,277)	58,183
Cash beginning of the year	51,211	81,488	23,305
Cash end of the year	<u>\$ 38,750</u>	<u>\$ 51,211</u>	<u>\$ 81,488</u>

Operating activities used \$163.1 million in cash during fiscal year 2017, resulting in an increase of \$23.0 million (+16.4%) from fiscal year 2016 levels. This increase was related to a slight reduction in net tuition and fees revenue of \$1.2 million (-1.3%), combined with an increase in operating grants and contracts revenues of \$9.0 million

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

(+12.0%), offset by increased expenditures for payroll and benefits (+\$19.7 million), suppliers (+\$7.1 million) and scholarships (+\$1.9 million). Non-capital financing activities provided \$182.5 million in cash during fiscal year 2017, an increase from FY16 of \$8.0 million. This increase resulted from increased state appropriations and land grant endowment income (+\$11.7 million), offset by decreases in federal appropriations (-\$0.4 million), nonoperating federal grants and contracts (-\$3.0 million), and gifts and other receipts (-\$0.3 million). Capital and related financing activities used \$32.3 million of net cash in FY 2017 compared to \$65.0 million in FY 2016 (-\$32.7 million). This was a result of the University receiving lower state capital appropriations in FY17 (-\$1.6 million), this decrease being offset by increased other capital gifts and grants (+3.8 million) and decreased capital asset purchases (-\$29.6 million) as the College of Education and IRIC projects finished and came online. Net investing activities generated \$0.4 million in cash in fiscal year 2017, as compared to using \$0.2 million in fiscal year 2016.

Capital Assets and Debt Management

The University had \$891.0 million and \$864.2 million of capital assets at June 30, 2017 and 2016 respectively, with accumulated depreciation of \$447.2 million and \$426.4 million respectively. The major categories and associated value of capital assets as well as accumulated depreciation at June 30, 2017, 2016 and 2015 are illustrated in the table below:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Capital Asset at Cost			
Buildings and improvements	\$ 661,191	\$ 600,244	\$ 581,379
Equipment	102,958	102,826	96,999
Construction in progress	1,639	40,349	11,070
Library materials	95,112	90,726	86,520
Capitalized collections	2,377	2,381	2,333
Land	27,714	27,641	27,641
Total Capital Assets	<u>\$ 890,991</u>	<u>\$ 864,167</u>	<u>\$ 805,942</u>
Accumulated Depreciation			
Buildings and improvements	\$ 287,011	\$ 270,303	\$ 256,433
Equipment	84,211	83,928	80,620
Library materials	75,987	72,170	68,489
Total Accumulated Depreciation	<u>\$ 447,209</u>	<u>\$ 426,401</u>	<u>\$ 405,542</u>
Total Capital Assets, Net	<u>\$ 443,782</u>	<u>\$ 437,766</u>	<u>\$ 400,400</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Notes and Bonds Payable	<u>\$ 190,112</u>	<u>\$ 195,695</u>	<u>\$ 200,713</u>

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

Building and improvements balances before depreciation increased to \$661.1 million in FY17, an increase of \$60.9 million over ending FY16. This increase was directly related to the completion of the University's Integrated Research and Innovation Center ("IRIC") in early winter 2016, as well as the completion of the University's entire renovation of its College of Education building, which came online in late summer 2016. Correspondingly, there was a decrease of \$38.7 million in the University's construction in progress as of June 30, 2017. FY16 year-end capital asset balances saw an increase of \$18.9 million in buildings and improvements over year-end fiscal year 2015 (FY15) due to a combination of University expenditures of \$10.8 million on numerous projects across the University's campus, as well as recognition of \$8.1 million of DPW projects coming online in FY16. FY16 construction in progress of \$40.3 million also increased \$29.3 million over FY15's ending balance due to progress of the IRIC and College of Education projects. Further details of the University's capital assets and associated accumulated depreciation can be found in footnote 6 to these financial statements.

At June 30, 2017, 2016, and 2015, the University had debt (or similar long-term obligations) of \$190.1 million, \$195.7 million, and \$200.7 million respectively. As stated previously, the decreases in long-term debt in FYs 17 and 16 were related to the University's ongoing debt service payments combined with no new incurrence of debt during those fiscal years. Additional information regarding the University's long-term obligations can be found in footnotes 9 and 10 of these financial statements.

Economic Outlook

Funding for the major activities of the University comes from a variety of sources including tuition and fees, state appropriations, private and government grants and contracts, auxiliary sales and services, donor gifts and investment income. Revenues are also generated through recovery of costs associated with federal grants and contract activities, which serve to offset related administrative and facility costs at the University.

State of Idaho support for the University has increased steadily over the past 3 years, in whole dollars and as a percentage of revenues. The overall economy of the state has shown strong growth in 2017, finishing the year with \$3.4 billion in general fund receipts, which surpassed fiscal year 2016 by 8.3%. The Division of Financial Management is projecting growth in general fund receipts of 4.6% for fiscal year 2018.

The University received approval from the State Board of Education to increase tuition and fees in fiscal year 2017 by 3%. Enrollment was relatively stable in 2017 after several years of declines. Increased investment in strategic enrollment efforts and financial aid management continue to be a critical focus of University leadership and management. The University of Idaho has led efforts with the Idaho State Board of Education to promote and encourage increases in Idaho high-school "go-on" rates to college over the last year and will continue such efforts in future years. In addition, the University has been focusing greater attention on achieving diversified and sustainable growth with respect to its international student population. Finally, significant efforts across all areas of the University continue to remain focused on student retention with promising results seen at both the undergraduate and graduate levels.

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

The University continues to excel as a national leader in high-quality academic research. Recognized by the Carnegie Foundation as a high research activity institution, the University was actively engaged in approximately \$82 million in sponsored programs, grant and contract activities in fiscal year 2017. University efforts toward proactively pursuing new federal, state, industry and other grants and contracts show the ongoing commitment to remain a national leader in academic research. The University submitted 951 proposals in FY17 totaling \$256 million and received awards of \$78.0 million. Significant awards were received across numerous projects with various sponsors, including the Department of Health and Human Services (\$8.4 million), the Idaho Department of Health and Welfare (\$6.8 million), the Idaho Department of Education (\$4.4 million), the National Science Foundation (\$7.2 million), the U.S. Office of Education (\$3.1 million), the National Institute of Food and Agriculture/USDA (\$4.6 million), USDA Agricultural Research Services/Forest Service/Other USDA (\$4.7 million), the U.S. Department of Energy (\$2.5 million), the National Aeronautic Space Administration (\$3.1 million), Columbia River Inter-Tribal (\$2.1 million), Battelle Energy Alliance LLC (\$2.7 million), and research with other universities (\$6.3 million).

The University has set forth a 9-year Strategic Plan, guided by its mission to shape the future through innovative thinking, community engagement and transformative education, which will guide prioritization of resources through 2025. Every member of the University's collective body, comprised of students, faculty and staff, are fully committed to playing an active role in the continued success of the State of Idaho's premier research and land-grant institution.

University of Idaho

STATEMENT OF NET POSITION AS OF JUNE 30, 2017 AND 2016

	University of Idaho 2017	University of Idaho 2016	University of Idaho Foundation (note 17) 2017	University of Idaho Foundation (note 17) 2016
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 31,612,738	\$ 32,033,054	\$ 2,481,963	\$ 4,749,233
Due from state agencies	198,771	231,932	-	-
Prepaid expenses	880,330	1,380,091	-	-
Investments	-	-	15,170,688	14,198,302
Interest receivable	786,079	711,754	227,280	182,030
Student loans receivable - net	2,190,255	2,179,650	-	-
Accounts receivable & unbilled charges - net	31,055,786	33,513,185	-	-
Inventories	1,831,348	1,674,869	-	-
Promises to give - net	-	-	910,718	873,521
Notes receivable	275,830	290,594	101,022	95,417
Total Current Assets	68,831,137	72,015,129	18,891,671	20,098,503
NONCURRENT ASSETS				
Restricted cash and cash equivalents	7,137,023	19,177,557	17,241,911	11,360,144
Student loans receivable - net	8,434,491	8,393,996	-	-
Investments	78,155,110	78,564,134	276,922,808	254,547,511
Promises to give - net	-	-	2,259,698	1,412,391
Notes receivable	-	-	132,719	239,347
Real estate holdings	-	-	4,420,457	5,340,457
Non-depreciable capital assets	31,729,774	70,371,135	-	-
Depreciable capital assets - net	412,052,804	367,394,707	-	-
Other post-employment benefits asset - net	2,677,000	2,259,000	-	-
Other noncurrent assets	-	-	367,354	371,028
Total Noncurrent Assets	540,186,202	546,160,529	301,344,947	273,270,878
TOTAL ASSETS	\$ 609,017,339	\$ 618,175,658	\$ 320,236,618	\$ 293,369,381
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on refunding	1,841,954	1,874,776	-	-
Deferred contributions and changes of assumptions to University's pension plan	16,720,181	6,785,395	-	-
Total Deferred Outflows of Resources	18,562,135	8,660,171	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 627,579,474	\$ 626,835,829	\$ 320,236,618	\$ 293,369,381

See notes to financial statements

University of Idaho

AS OF JUNE 30, 2017 AND 2016

	University of Idaho 2017	University of Idaho 2016	University of Idaho Foundation (note 17) 2017	University of Idaho Foundation (note 17) 2016
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 4,844,566	\$ 5,589,247	\$ 71,746	\$ 43,042
Accrued salaries and benefits payable	5,287,345	13,855,056	-	-
Compensated absences payable	7,139,661	6,780,580	-	-
Trust earnings payable to trust beneficiaries	-	-	10,675,358	10,236,656
Accrued interest payable	2,225,559	2,263,701	-	-
State teacher education loan advance	171,018	183,086	-	-
Deposits	831,896	836,750	-	-
Unearned revenue	7,153,678	7,313,420	-	-
Funds held in custody for others	1,408,406	1,789,862	-	-
Current portion long-term liabilities	5,721,351	5,583,328	-	-
Other liabilities	36,803	118,498	-	-
Split interest agreements	-	-	1,052,500	983,860
Total Current Liabilities	<u>34,820,283</u>	<u>44,313,528</u>	<u>11,799,604</u>	<u>11,263,558</u>
NONCURRENT LIABILITIES				
Notes and bonds payable	184,390,597	190,111,949	-	-
Net pension liability	36,275,764	23,973,741	-	-
Split interest agreements	-	-	6,497,564	6,363,236
Total Noncurrent Liabilities	<u>220,666,361</u>	<u>214,085,690</u>	<u>6,497,564</u>	<u>6,363,236</u>
TOTAL LIABILITIES	<u>\$ 255,486,644</u>	<u>\$ 258,399,218</u>	<u>\$ 18,297,168</u>	<u>\$ 17,626,794</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred actuarial/investment experience and changes of assumptions to University's pension plan	4,090,434	6,885,314	-	-
Total Deferred Inflows of Resources	<u>4,090,434</u>	<u>6,885,314</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	258,252,892	258,039,101	-	-
Restricted for:				
Nonexpendable	-	-	228,811,089	216,363,531
Expendable	39,604,882	36,161,850	66,176,111	52,567,752
Unrestricted	70,144,622	67,350,346	6,952,250	6,811,304
Total Net Position	<u>368,002,396</u>	<u>361,551,297</u>	<u>301,939,450</u>	<u>275,742,587</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 627,579,474</u>	<u>\$ 626,835,829</u>	<u>\$ 320,236,618</u>	<u>\$ 293,369,381</u>

See notes to financial statements

University of Idaho

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	University of Idaho 2017	University of Idaho 2016	University of Idaho Foundation (note 17) 2017	University of Idaho Foundation (note 17) 2016
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$24,088,936 and \$ 22,770,062 for FY 2017 and FY 2016 respectively)	\$ 86,340,857	\$ 87,620,004	\$ -	\$ -
Federal grants and contracts	67,093,338	63,410,653	-	-
State and local grants and contracts	10,733,003	7,801,714	-	-
Private grants and contracts	4,605,116	4,835,592	-	-
Sales and services of educational activities	10,987,292	11,035,032	-	-
Sales and services of auxiliary enterprises	31,093,403	31,249,897	-	-
Interest on loans receivable	310,038	464,276	-	-
Other sources	4,821,065	6,174,893	777,520	583,221
Gifts	-	-	20,552,299	16,123,165
	<u>215,984,112</u>	<u>212,592,061</u>	<u>21,329,819</u>	<u>16,706,386</u>
Total operating revenue				
OPERATING EXPENSES				
Salaries	177,767,015	168,282,109	-	-
Benefits	58,039,671	53,956,276	-	-
Services	57,696,807	58,537,851	-	-
Supplies	32,135,966	26,300,285	-	-
Insurance, utilities and rent	14,767,793	14,533,248	-	-
Scholarships and fellowships	23,176,051	21,230,400	-	-
Depreciation	26,875,004	25,159,592	-	-
Other	7,558,517	6,933,771	41,928	20,592
Administrative expense	-	-	2,128,616	2,228,528
	<u>398,016,824</u>	<u>374,933,532</u>	<u>2,170,544</u>	<u>2,249,120</u>
Total operating expenses				
OPERATING (LOSS) INCOME	<u>\$ (182,032,712)</u>	<u>\$ (162,341,471)</u>	<u>\$ 19,159,275</u>	<u>\$ 14,457,266</u>

See notes to financial statements

Continued

University of Idaho

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	University of Idaho 2017	University of Idaho 2016	University of Idaho Foundation (note 17) 2017	University of Idaho Foundation (note 17) 2016
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 131,875,900	\$ 121,062,600	\$ -	\$ -
Land grant endowment income	10,095,200	9,171,600	-	-
Federal appropriations	5,060,668	5,504,773	-	-
Federal grants and contracts	14,147,968	17,136,837	-	-
Gifts (including gifts from Foundation)	20,793,785	21,084,665	-	-
Private grants and contracts	-	3,595	-	-
Net investment income	2,323,023	2,138,169	5,959,710	6,360,844
Net increase (decrease) in fair value of investments	(2,353,219)	3,706,587	22,806,192	(1,980,931)
Gain on sale of real estate holdings	-	-	404,200	-
Distribution of endowment income to University and trust beneficiaries	-	-	(10,675,358)	(10,236,656)
Distribution to University and affiliates	-	-	(11,382,658)	(11,169,873)
Distribution of trust income to life income beneficiaries	-	-	(815,552)	(753,860)
Lease and rental income	-	-	43,312	43,941
Property management	-	-	(106,456)	(7,140)
Change to split interest trusts	-	-	804,198	1,134,028
Interest expense (net of capitalized interest of \$1,120,689 and \$405,535 for FY 2017 and FY 2016 respectively)	(5,953,411)	(7,461,496)	-	-
Other sources	316,720	845,780	-	-
Net nonoperating revenues	<u>176,306,634</u>	<u>173,193,110</u>	<u>7,037,588</u>	<u>(16,609,647)</u>
GAIN (LOSS) BEFORE OTHER REVENUES	<u>(5,726,078)</u>	<u>10,851,639</u>	<u>26,196,863</u>	<u>(2,152,381)</u>
OTHER REVENUES				
Capital grants and contracts	756,853	717,334	-	-
Projects with Idaho Department of Public Works	6,450,564	8,074,459	-	-
Capital gifts from Foundation	4,969,760	1,259,265	-	-
Total other revenues	<u>12,177,177</u>	<u>10,051,058</u>	<u>-</u>	<u>-</u>
INCREASE IN NET POSITION	6,451,099	20,902,697	26,196,863	(2,152,381)
NET POSITION - Beginning of year	<u>361,551,297</u>	<u>340,648,600</u>	<u>275,742,587</u>	<u>277,894,968</u>
NET POSITION - End of year	<u>\$ 368,002,396</u>	<u>\$ 361,551,297</u>	<u>\$ 301,939,450</u>	<u>\$ 275,742,587</u>

See notes to financial statements

University of Idaho

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	University of Idaho 2017	University of Idaho 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts and disbursements		
Tuition and fees	\$ 87,723,908	\$ 88,884,749
Grants and contracts	84,056,994	75,046,659
Sales of services - net	41,616,692	41,661,990
Payments to or for employees	(244,860,959)	(225,202,961)
Payments to suppliers	(112,642,177)	(105,515,796)
Scholarships disbursed	(23,176,051)	(21,230,400)
Funds held for others	(381,456)	555,161
Student loans collected	2,275,909	2,546,372
Student loans disbursed	(2,091,296)	(2,352,874)
Other receipts	4,405,226	5,564,775
Net cash used by operating activities	<u>(163,073,210)</u>	<u>(140,042,325)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Appropriated general education revenues:		
State general account	131,875,900	121,062,600
Land grant endowment income	10,095,200	9,171,600
Federal appropriations	5,060,668	5,504,773
Federal grants and contracts	14,147,968	17,140,432
Gifts	20,793,785	21,084,665
Other receipts	516,638	569,761
Net cash provided by noncapital financing activities	<u>182,490,159</u>	<u>174,533,831</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State appropriations, capital	6,450,564	8,074,459
Capital grants and gifts	5,726,613	1,976,599
Capital asset purchases	(32,891,740)	(62,525,329)
Proceeds from capital debt	-	-
Principal paid on capital debt - net	(5,550,507)	(4,950,476)
Interest paid on capital debt	(5,991,553)	(7,558,581)
Net cash used by capital & related financing activities	<u>(32,256,623)</u>	<u>(64,983,328)</u>

See notes to financial statements.

University of Idaho

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	University of Idaho 2017	University of Idaho 2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	6,453,122	12,943,823
Investment income	2,323,023	307,427
Purchase of investments	(8,397,321)	(13,037,146)
Net cash provided (used) by investing activities	<u>378,824</u>	<u>214,104</u>
NET CHANGE IN CASH		
Cash - Beginning of year	(12,460,850)	(30,277,718)
Cash - End of year	<u>\$ 38,749,761</u>	<u>\$ 51,210,611</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (182,032,712)	\$ (162,341,471)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	26,875,004	25,159,592
Decrease (increase) in assets:		
Receivables, net	2,179,980	(215,440)
Inventories and prepaids	343,282	442,284
Net other post-employment benefits assets	(418,000)	258,000
Increase (decrease) in liabilities:		
Accounts payable	(744,680)	466,337
Accrued payroll, benefits and compensated absences	(8,636,268)	(3,222,576)
Deposits and unearned revenues	(164,596)	(999,328)
Change in funds held for others	(381,459)	555,160
Other liabilities	(93,761)	(144,883)
Net cash used by operating activities	<u>\$ (163,073,210)</u>	<u>\$ (140,042,325)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital asset write-offs	\$ (1,722,415)	\$ (156,380)
Amortization of deferred amounts on refunding and bond premium	(433,257)	(569,667)
Donated assets	42,654	110,594
Change in fair value of investments	(2,128,384)	3,799,910

See notes to financial statements

STATEMENTS OF BENEFIT PLAN NET POSITION AS OF DECEMBER 31, 2016 AND 2015

	Retiree Benefits Trust 2016	Retiree Benefits Trust 2015	Health Benefits Trust 2016	Health Benefits Trust 2015
Assets				
Cash and short-term investments	\$ 940,680	\$ 878,152	\$ 220,077	\$ 643,401
Accounts receivable	-	-	404,525	378,900
Interest receivable	320	139	13,738	13,731
Investments, at fair value				
Fixed income securities	17,372,861	15,882,237	3,350,190	2,843,640
Equity securities	12,932,742	12,436,500	-	-
Total assets	<u>\$ 31,246,603</u>	<u>\$ 29,197,028</u>	<u>\$ 3,988,530</u>	<u>\$ 3,879,672</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 527,913	\$ 390,307
IBNR liability	-	-	2,127,490	1,871,000
Total liabilities	<u>-</u>	<u>-</u>	<u>2,655,403</u>	<u>2,261,307</u>
Net position held in trust for benefits	<u>\$ 31,246,603</u>	<u>\$ 29,197,028</u>	<u>\$ 1,333,127</u>	<u>\$ 1,618,365</u>

See notes to financial statements

STATEMENTS OF CHANGES IN BENEFIT PLAN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Retiree Benefits Trust 2016	Retiree Benefits Trust 2015	Health Benefits Trust 2016	Health Benefits Trust 2015
Additions				
Contributions				
Employer	\$ 249,286	\$ 630,000	\$ 19,690,100	\$ 17,233,208
Plan members	-	-	5,258,667	4,965,414
Total contributions	<u>249,286</u>	<u>630,000</u>	<u>24,948,767</u>	<u>22,198,622</u>
Net investment (loss) income	1,876,429	(39,439)	48,119	31,665
Total additions	<u>2,125,715</u>	<u>590,561</u>	<u>24,996,886</u>	<u>22,230,287</u>
Deductions				
Insurance claim benefits	-	-	21,399,469	18,972,225
Change in IBNR	-	-	256,490	(539,000)
Administrative expenses	76,140	73,014	3,626,165	3,358,183
Total deductions	<u>76,140</u>	<u>73,014</u>	<u>25,282,124</u>	<u>21,791,408</u>
Net increase (decrease) in assets held in trust for benefits	2,049,575	517,547	(285,238)	438,879
Benefit plan net position, beginning of year	<u>29,197,028</u>	<u>28,679,481</u>	<u>1,618,365</u>	<u>1,179,486</u>
Benefit plan net position, end of year	<u>\$ 31,246,603</u>	<u>\$ 29,197,028</u>	<u>\$ 1,333,127</u>	<u>\$ 1,618,365</u>

See notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The University of Idaho (“University”) is a publicly-supported comprehensive land grant institution created in 1889 by a statute of the 15th territorial legislature and is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho’s financial reporting entity. The State Board of Education, appointed by the Governor and confirmed by the State Senate, directs the University. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements to the reader.

The University of Idaho Foundation, Inc. (“Foundation”) is considered a component unit of the University as determined by GASB 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No.14, which requires reporting, as a component unit, an organization that holds economic resources raised for the direct benefit of a governmental unit. The Foundation was established in 1970 to solicit financial support for the University of Idaho and to manage and invest the resulting charitable gifts. The Foundation is a separate 501(c)(3) corporation comprised of 25 members who serve as a self-perpetuating Board of Directors.

The Foundation receives all gifts to the University and transfers gifts to the donor-specified area within the University on a regular schedule. In addition, the Foundation manages the endowment funds in a pooled investment fund, Consolidated Investment Trust (“CIT”), and transfers a Board approved percentage of historical investment earnings to the University on an annual basis.

The Foundation also manages a number of split-interest agreements. These are contributions in the form of irrevocable charitable remainder trusts and charitable gift annuities. These gifts have been received from donors subject to obligations to pay stipulated amounts periodically to the donors or designated beneficiaries during their lifetimes or a period of years. These assets for which the Foundation serves as trustee are included in investments, and the present value of the estimated future payments to be made to the donors or other beneficiaries is included in the liabilities. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, amortization of the discount, or the estimated life of the trust.

The University of Idaho Health Benefits Trust (“HBT”) was established in June 2007 in accordance with the State of Idaho Department of Insurance (“DOI”) requirements. The HBT receives the employer, employee, and retiree contributions for the University’s self-insured health plan, and pays the medical, dental, mental health and vision claims, and corresponding administrative processing fees, associated with the health plan. In addition, the HBT maintains a balance sufficient to cover the actuarially-determined incurred-but-not-paid (“IBNP”) claims of the health plan, as well as DOI-required supplemental funding of 30% of the actuarially determined IBNP claims. The HBT is overseen by a group of four independent Trustees who are employed by the University. The Trustees are responsible for overseeing the investment of the Trust monies, and ensuring that the University adequately funds the HBT on an ongoing basis through the aforementioned contributions to allow payment of the ongoing claims and maintenance of the statutorily-required minimum reserve. The HBT balances are managed on behalf of the Trustees by U.S. Bank.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

The University of Idaho Retiree Benefits Trust (“RBT”) was established in April 2008 to fund the University’s actuarially-determined projected liability for its self-insured retiree health plan. The RBT is overseen by University of Idaho Administration and the Trust balances are managed on behalf of the University by Wells Fargo Bank.

The HBT and RBT both have December 31 fiscal year ends.

Basis of Accounting — For financial statement purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. The University is presenting its financial statements in accordance with GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and GASB Statement 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities, an amendment of GASB Statement No. 34*.

Cash and Cash Equivalents — The University considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. The University is restricted by the State of Idaho statutes and Idaho State Board of Education policy in the types of investments in which it may invest.

Student Loans Receivable — Loans receivable from students bear interest at rates ranging from 3% to 5% and are generally repayable in installments to the University over a 5 to 10-year period commencing 6 or 9 months from the date of separation from the University. Collections on these student loans are primarily handled through a third party servicer.

Accounts Receivable — Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. 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 — All inventories are valued at the lower of first-in-first-out cost or market.

Investments — Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the net change in fair value of investments in the statement of revenues, expenses, and changes in net position. The University is restricted by the State of Idaho statutes and Idaho State Board of Education policy in the types of investments in which it may invest.

Restricted Cash and Cash Equivalents — Cash and cash equivalents that are restricted to make debt service payments and maintain sinking or reserve funds, except for currently due payments, are classified as non-current assets in the statement of net position.

Capital Assets — Capital Assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of gift. For equipment, the University’s capitalization policy includes all tangible items with a unit cost of \$5,000 or more and an estimated useful life of greater

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

than one year. Renovations to buildings, and land improvements that significantly increase the value or extend the useful life of the structure, are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 40 years for buildings and building improvements, 20 years for improvements other than buildings, 10 years for library materials, and an average of 7 years for equipment. A full-year's depreciation is recorded in the year an asset is placed into service. Depreciation is not computed on capitalized collections which include works of art, historical treasures, and various special collections comprising of anthropological, geological, entomological, musical, and wildlife subjects.

The University capitalizes intangible assets of \$200,000 or greater in value that have an expected useful life of one year or longer. Depreciation on intangible assets is computed using the straight-line method over the estimated useful lives of the assets, primarily consisting of computer software and licenses that generally have a useful life of 5 years. Again, a full-year's depreciation is recorded in the year an asset is placed in service. The University adopted this policy in compliance with the State of Idaho guidelines.

Compensated Absences — Employee vacation and compensatory time pay is accrued at year-end for financial statement purposes. Compensated absence costs are included in benefits expense in the statement of revenues, expenses, and changes in net position.

Waivers — Tuition waivers, provided directly by the University for faculty and staff benefits, amounted \$1,330,471 and \$1,232,810 for the fiscal years ended 2017 and 2016, respectively.

Unearned Revenue — Unearned revenue includes 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 revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Noncurrent Liabilities — Noncurrent liabilities primarily include (1) principal amounts of revenue bonds payable, and notes payable with contractual maturities greater than one year; and (2) estimated amounts for other liabilities that will not be paid within the next fiscal year.

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

Deferred Inflows and Outflows of Resources — In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumptions of net position that apply

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Net Position — The University's net position is classified as follows:

Net Investment In Capital Assets: This represents the University's investment in capital assets, net of depreciation and 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 offset against their corresponding net debt amount when included as a component of net investment in capital assets.

Restricted—Nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted—Expendable: Restricted expendable net position includes resources for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, investment income, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board for any lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

Income Taxes — The University is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, per letter dated November 7, 1945. The University is also considered a Section 501(c)(3) corporation via letter from the Internal Revenue Service dated August 29, 1961. The University is subject to unrelated business income tax.

Classification of Revenues — The University has classified its revenues as either operating or non-operating according to the following criteria:

Operating Revenues and Expenses: Operating revenues and expenses include revenues and expenses from activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and their related expenses, (3) most federal, state and local grants and contracts revenues and

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

expenditures, (4) interest on institutional student loans, and (5) administrative and other expenses associated with daily operations of the University, including its off-campus operations.

Nonoperating Revenues: Nonoperating revenues and expenses include revenues and expenses from activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue and expense sources that are defined as non-operating 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 tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Federal, state and nongovernmental student aid grants are recorded as operating revenues in the University's financial statements, except for federal Pell grants which are recorded in nonoperating revenues. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance. Scholarship allowances for fiscal years 2017 and 2016 were \$24,088,936 and \$22,770,062 respectively.

Use of Estimates — The preparation of financial statements in conformity 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, liabilities, net position and disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates.

New Accounting Standards — In June 2015 the Governmental Accounting Standards Board ("GASB") issued Statement 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This standard established new accounting and financial reporting requirements for governmental agencies that provide employees other post-employment benefits ("OPEB"). The University of Idaho's retiree health benefits plan constitutes OPEB, and the University is now required to disclose and report its entire net OPEB liability and the actuarial assumptions utilized in determining such liability. The University will be adopting Statement 74 and making the required disclosures as of June 30, 2018.

Reclassifications — Certain items previously reported in the 2016 financial statements have been reclassified to conform to the current 2017 financial statement presentation. Such reclassifications had no effect on the previously reported change in net position.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are deposited with various financial institutions. Custodial credit risk on deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. At June 30, 2017, \$24,750,170 of the University's bank balance of \$38,749,761 was exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2016, \$21,675,031 of the University's bank balance of \$51,210,611 was exposed to custodial credit risk because it was uninsured and uncollateralized.

3. INVESTMENTS

The general investment policy of the University as adopted by the State Board of Education is that investments in securities are to be made with the objectives of maximizing long-term total return, ensuring safety of principal, and providing satisfactory current income. The University is restricted by the State of Idaho statutes and Idaho State Board of Education policy in the types of investments in which it may invest.

Investment of cash shall be restricted to:

- FDIC passbook savings accounts.
- Certificates of deposit.
- U.S. securities.
- Federal funds repurchase agreements.
- Reverse repurchase agreements.
- Federal agency securities.
- Large money market funds.
- Banker's acceptances.
- Corporate bonds of Aa grade or better.
- Mortgage backed securities of Aa grade or better.
- Commercial paper of prime or equivalent grade.

In accordance with established investment policy, the University may invest in various mortgage-backed securities, such as collateralized mortgage obligations. 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

Per GASB Statement No. 72, 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, 2017 and June 30, 2016 respectively:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Investment Securities Measured at Fair Value at June 30, 2017

	6/30/2017	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				
Money market funds/cash sweeps	\$ 2,540,801	\$ 2,540,801	\$ -	\$ -
Debt securities				
U.S. Government and agency obligations	\$ 8,517,423	\$ -	\$ 8,517,423	\$ -
Corporate obligations	59,598,720	-	59,598,720	-
Mortgage-backed securities	7,498,166	-	7,498,166	-
Total debt securities	\$ 75,614,309	\$ -	\$ 75,614,309	\$ -
Total investments by fair value	\$ 78,155,110	\$ 2,540,801	\$ 75,614,309	\$ -

Investment Securities Measured at Fair Value at June 30, 2016

	6/30/2016	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				
Money market funds/cash sweeps	\$ 1,451,096	\$ 1,451,096	\$ -	\$ -
Debt securities				
U.S. Government and agency obligations	\$ 9,393,673	\$ -	\$ 9,393,673	\$ -
Corporate obligations	59,077,436	-	59,077,436	-
Mortgage-backed securities	8,641,929	-	8,641,929	-
Total debt securities	\$ 77,113,038	\$ -	\$ 77,113,038	\$ -
Total investments by fair value	\$ 78,564,134	\$ 1,451,096	\$ 77,113,038	\$ -

Money market securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. 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 3, significant unobservable inputs, for fair value measurement.

Interest Rate Risk

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Interest rate risk is defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as the risk a government may face should interest rate variances affect the fair value of investments. The University does not presently have a formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments. As of June 30, 2017 and June 30, 2016 respectively, the University had the following investments subject to interest rate risk:

Investment Securities Subject to Interest Rate Risk at June 30, 2017

Investment Type	Total Fair Value	Investment Maturities in Years				
		<1	1-5	6-10	11-15	>15
Corporate bonds	\$ 59,598,720	\$ 329,764	\$ 22,115,848	\$ 37,153,108	\$ -	\$ -
U.S. government agency securities	8,103,150	-	1,726,196	5,000,144	1,376,810	-
Mortgage-backed securities	7,498,166	217,433	1,300,045	5,980,688	-	-
Money market mutual funds	2,540,801	2,540,801	-	-	-	-
U.S. government securities	414,273	-	-	414,273	-	-
Total	\$ 78,155,110	\$ 3,087,998	\$ 25,142,089	\$ 48,548,213	\$ 1,376,810	\$ -

Investment Securities Subject to Interest Rate Risk at June 30, 2016

Investment Type	Total Fair Value	Investment Maturities in Years				
		<1	1-5	6-10	11-15	>15
Corporate bonds	\$ 59,077,436	\$ -	\$ 3,644,476	\$ 54,760,888	\$ 672,072	\$ -
U.S. government agency securities	8,956,581	-	5,483,247	3,473,334	-	-
Mortgage-backed securities	8,641,929	1,358,760	567,354	6,715,815	-	-
Money market mutual funds	1,451,096	1,451,096	-	-	-	-
U.S. government securities	437,092	-	-	437,092	-	-
Total	\$ 78,564,134	\$ 2,809,856	\$ 9,695,077	\$ 65,387,129	\$ 672,072	\$ -

Interest rate risk disclosed for Mutual Funds - Government Securities is related to the mutual funds' underlying assets.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The University does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.)

As of June 30, 2017 and June 30, 2016 respectively, the University had the following investment credit risk as seen on the next page:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Investment Securities Subject to Credit Risk at June 30, 2017

Credit Rating	Corporate Bonds	U.S. Government Agency Securities	Mortgage-Backed Securities	Money Market Mutual Funds	U.S. Government Securities	Total Investments
AAA	\$ 2,995,705	\$ 8,103,150	\$ 6,198,121	\$ 1,606,554	\$ 414,273	\$ 19,317,803
AA	17,759,162	-	-	-	-	17,759,162
A	37,817,024	-	1,300,045	-	-	39,117,069
BBB	1,026,829	-	-	-	-	1,026,829
Not rated	-	-	-	934,247	-	934,247
Total	<u>\$ 59,598,720</u>	<u>\$ 8,103,150</u>	<u>\$ 7,498,166</u>	<u>\$ 2,540,801</u>	<u>\$ 414,273</u>	<u>\$ 78,155,110</u>

Investment Securities Subject to Credit Risk at June 30, 2016

Credit Rating	Corporate Bonds	U.S. Government Agency Securities	Mortgage-Backed Securities	Money Market Mutual Funds	U.S. Government Securities	Total Investments
AAA	\$ 3,102,563	\$ 8,956,581	\$ 5,405,559	\$ 781,480	\$ 437,092	\$ 18,683,275
AA	20,391,826	-	567,354	-	-	20,959,180
A	35,583,047	-	2,669,016	-	-	38,252,063
Not rated	-	-	-	669,616	-	669,616
Total	<u>\$ 59,077,436</u>	<u>\$ 8,956,581</u>	<u>\$ 8,641,929</u>	<u>\$ 1,451,096</u>	<u>\$ 437,092</u>	<u>\$ 78,564,134</u>

Concentration of Credit Risk

Per Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. 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. The University does not presently have a formal policy that addresses concentration of risk. As of June 30, 2017 and June 30, 2016, the University has the following concentration of credit risk as on the following page:

Investment Securities Subject to Concentration of Credit Risk

	At June 30, 2017		At June 30, 2016	
	Total Fair Value	Percentage of Total Investments	Total Fair Value	Percentage of Total Investments
Federal National Mortgage Association (FNMA)	Less than 5% concentration		\$ 4,405,959	5.60%
Federal Home Loan Mortgage Corporation (FHLMC)	\$ 4,416,603	5.65%	4,550,622	5.79%
Total	<u>\$ 4,416,603</u>	<u>5.65%</u>	<u>\$ 8,956,581</u>	<u>11.39%</u>

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, 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 presently have an investment policy that addresses custodial credit risk. At June 30, 2017 and June 30, 2016, all investments were held by the University or its counterparty in the University's name.

Risk and Uncertainties

Per Regents of University of Idaho policy, the University invests in various types of investment securities rated A grade or better. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investment securities may occur in the near term and such changes could affect the amounts reported in the statements of financial position.

There is always risk and volatility in the domestic and international investment markets. Consequently, the fair value of the University's investments may be exposed to higher than typical price volatility which could result in a subsequent reduction in fair value of certain investments from the amounts reported as of June 30, 2017.

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

4. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Receivables and unbilled charges consisted of the following at June 30, 2017 and June 30, 2016 respectively:

	<u>2017</u>	<u>2016</u>
Student tuition and fees,		
including federal financial aid funds	\$ 3,774,407	\$ 5,385,053
Auxiliary enterprises	2,193,026	2,136,730
Educational activities	1,070,545	662,839
Federal appropriations	132,097	332,016
Grants and contracts	13,571,692	15,197,228
Due from Foundation	10,647,319	10,195,619
	<u>\$ 31,389,086</u>	<u>\$ 33,909,485</u>
Less allowance for doubtful accounts	<u>(333,300)</u>	<u>(396,300)</u>
Net accounts receivable and unbilled charges	<u>\$ 31,055,786</u>	<u>\$ 33,513,185</u>

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, 2017 and June 30, 2016. Under this Program, the Federal government provides approximately 67% of the funding for the Program, with the University providing the balance. The Program provides for the cancellation of a loan at rates of 12.5% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts cancelled under these provisions.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans was \$2,095,052 for June 30, 2017 and \$2,183,878 at June 30, 2016.

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

6. CAPITAL ASSETS

Capital assets at June 30, 2017 and 2016 consisted of the following:

	<u>Year ended June 30, 2017</u>				<u>Balance June 30, 2017</u>
	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	
Property, plant and equipment not being depreciated:					
Land	\$ 27,640,697	\$ 70,088	\$ 3,285	\$ -	\$ 27,714,070
Capitalized collections	2,381,385	14,939	-	(19,500)	2,376,824
Equipment construction in progress	79,795	575,514	(77,674)	-	577,635
Construction in progress	<u>40,269,258</u>	<u>1,113,940</u>	<u>(37,765,786)</u>	<u>(2,556,167)</u>	<u>1,061,245</u>
Total property, plant and equipment not being depreciated	<u>\$ 70,371,135</u>	<u>\$ 1,774,481</u>	<u>\$ (37,840,175)</u>	<u>\$ (2,575,667)</u>	<u>\$ 31,729,774</u>
Other property, plant and equipment:					
Buildings	\$ 538,055,492	20,994,124	37,602,483	(1,222,976)	\$ 595,429,123
Other improvements	62,188,717	3,445,528	160,018	(32,315)	65,761,948
Furniture and equipment	102,826,008	5,710,588	77,674	(5,656,077)	102,958,193
Library materials	<u>90,725,823</u>	<u>4,664,424</u>	<u>-</u>	<u>(277,958)</u>	<u>95,112,289</u>
Total other property, plant and equipment	<u>793,796,040</u>	<u>34,814,664</u>	<u>37,840,175</u>	<u>(7,189,326)</u>	<u>859,261,553</u>
Less accumulated depreciation:					
Buildings	(229,837,863)	(14,932,621)	-	293,655	(244,476,829)
Other improvements	(40,465,883)	(2,074,832)	-	6,579	(42,534,136)
Furniture and equipment	(83,927,676)	(5,771,702)	-	5,488,891	(84,210,487)
Library materials	<u>(72,169,911)</u>	<u>(4,095,344)</u>	<u>-</u>	<u>277,958</u>	<u>(75,987,297)</u>
Total accumulated depreciation	<u>(426,401,333)</u>	<u>(26,874,499)</u>	<u>-</u>	<u>6,067,083</u>	<u>(447,208,749)</u>
Other property, plant and equipment—net	<u>\$ 367,394,707</u>	<u>\$ 7,940,165</u>	<u>\$ 37,840,175</u>	<u>\$ (1,122,243)</u>	<u>\$ 412,052,804</u>
Property, plant and equipment summary:					
Property, plant and equipment not being depreciated	\$ 70,371,135	\$ 1,774,481	\$ (37,840,175)	\$ (2,575,667)	\$ 31,729,774
Other property, plant and equipment—at cost	<u>793,796,040</u>	<u>34,814,664</u>	<u>37,840,175</u>	<u>(7,189,326)</u>	<u>859,261,553</u>
Total cost of property, plant and equipment	864,167,175	36,589,145	-	(9,764,993)	890,991,327
Less accumulated depreciation	<u>(426,401,333)</u>	<u>(26,874,499)</u>	<u>-</u>	<u>6,067,083</u>	<u>(447,208,749)</u>
Property, plant and equipment—net	<u>\$ 437,765,842</u>	<u>\$ 9,714,646</u>	<u>\$ -</u>	<u>\$ (3,697,910)</u>	<u>\$ 443,782,578</u>

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2017 is approximately \$35,710,172. These CIP costs will be borne by the University and supplemented with additional funds provided by state appropriations, gifts, grants and contracts, and/or long-term borrowings.

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

	<u>Year ended June 30, 2016</u>				
	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	
Property, plant and equipment not being depreciated:					
Land	\$ 27,640,697	\$ -	\$ -	\$ -	\$ 27,640,697
Capitalized collections	2,333,175	67,750	-	(19,540)	2,381,385
Equipment construction in progress	431,330	405,463	(641,841)	(115,157)	79,795
Construction in progress	<u>10,638,724</u>	<u>31,859,946</u>	<u>(1,211,450)</u>	<u>(1,017,962)</u>	<u>40,269,258</u>
Total property, plant and equipment not being depreciated	<u>\$ 41,043,926</u>	<u>\$ 32,333,159</u>	<u>\$ (1,853,291)</u>	<u>\$ (1,152,659)</u>	<u>\$ 70,371,135</u>
Other property, plant and equipment:					
Buildings	\$ 519,973,694	\$ 18,705,129	\$ 978,856	\$ (1,602,187)	\$ 538,055,492
Other improvements	61,405,040	551,083	232,594	-	62,188,717
Furniture and equipment	96,998,290	7,776,432	641,304	(2,590,018)	102,826,008
Library materials	<u>86,520,054</u>	<u>4,469,101</u>	<u>-</u>	<u>(263,332)</u>	<u>90,725,823</u>
Total other property, plant and equipment	<u>764,897,078</u>	<u>31,501,745</u>	<u>1,852,754</u>	<u>(4,455,537)</u>	<u>793,796,040</u>
Less accumulated depreciation:					
Buildings	(218,149,231)	(13,290,819)	-	1,602,187	(229,837,863)
Other improvements	(38,283,414)	(2,182,469)	-	-	(40,465,883)
Furniture and equipment	(80,620,559)	(5,740,756)	-	2,433,639	(83,927,676)
Library materials	<u>(68,487,695)</u>	<u>(3,945,548)</u>	<u>-</u>	<u>263,332</u>	<u>(72,169,911)</u>
Total accumulated depreciation	<u>(405,540,899)</u>	<u>(25,159,592)</u>	<u>-</u>	<u>4,299,158</u>	<u>(426,401,333)</u>
Other property, plant and equipment—net	<u>\$ 359,356,179</u>	<u>\$ 6,342,153</u>	<u>\$ 1,852,754</u>	<u>\$ (156,379)</u>	<u>\$ 367,394,707</u>
Property, plant and equipment summary:					
Property, plant and equipment not being depreciated	\$ 41,043,926	\$ 32,333,159	\$ (1,853,291)	\$ (1,152,659)	\$ 70,371,135
Other property, plant and equipment—at cost	<u>764,897,078</u>	<u>31,501,745</u>	<u>1,852,754</u>	<u>(4,455,537)</u>	<u>793,796,040</u>
Total cost of property, plant and equipment	805,941,004	63,834,904	(537)	(5,608,196)	864,167,175
Less accumulated depreciation	<u>(405,540,899)</u>	<u>(25,159,592)</u>	<u>-</u>	<u>4,299,158</u>	<u>(426,401,333)</u>
Property, plant and equipment—net	<u>\$ 400,400,105</u>	<u>\$ 38,675,312</u>	<u>\$ (537)</u>	<u>\$ (1,309,038)</u>	<u>\$ 437,765,842</u>

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

7. ACCOUNTS PAYABLE

Accounts payable consisted of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Operating activities	\$4,833,293	\$5,577,764
Taxes payable	11,273	11,483
Total accounts payable and accrued liabilities	<u>\$4,844,566</u>	<u>\$5,589,247</u>

8. OPERATING LEASES

The University has entered into various noncancellable operating lease agreements covering certain assets. The lease terms range from one to five years. The expense for operating leases was \$2,892,632 for the year ended June 30, 2017 and \$2,812,059 for the year ended June 30, 2016.

Future minimum lease payments on noncancellable leases at June 30, 2017 are as follows:

FY2018	\$ 2,913,890
FY2019	131,874
FY2020	86,929
FY2021	79,292
FY2022	1,182
Total future minimum obligation	<u>\$ 3,213,167</u>

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

9. LONG-TERM LIABILITIES

Long-term liability activity for years ended June 30, 2017 and 2016 is as follows:

	Ending Balance June 30, 2016	Additions	Reductions	Ending Balance June 30, 2017	Amounts Due Within One Year
Bonds, Notes and Capital Lease Obligations:					
Bonds payable	\$ 188,865,000	\$ -	\$ 5,140,000	\$ 183,725,000	\$ 5,275,000
Notes payable	23,167	-	10,073	13,094	13,094
Capital lease obligatons	-	-	-	-	-
	<u>\$ 188,888,167</u>	<u>\$ -</u>	<u>\$ 5,150,073</u>	<u>\$ 183,738,094</u>	<u>\$ 5,288,094</u>
Premium on bonds	6,807,110	-	433,256	6,373,854	433,257
Totals	<u>\$ 195,695,277</u>	<u>\$ -</u>	<u>\$ 5,583,329</u>	<u>\$ 190,111,948</u>	<u>\$ 5,721,351</u>

	Ending Balance June 30, 2015	Additions	Reductions	Ending Balance June 30, 2016	Amounts Due Within One Year
Bonds, Notes and Capital Lease Obligations:					
Bonds payable	\$ 193,370,000	\$ -	\$ 4,505,000	\$ 188,865,000	\$ 5,140,000
Notes payable	32,760	-	9,593	23,167	10,072
Capital lease obligatons	-	-	-	-	-
	<u>\$ 193,402,760</u>	<u>\$ -</u>	<u>\$ 4,514,593</u>	<u>\$ 188,888,167</u>	<u>\$ 5,150,072</u>
Premium on bonds	7,309,885	-	502,775	6,807,110	433,256
Totals	<u>\$ 200,712,645</u>	<u>\$ -</u>	<u>\$ 5,017,368</u>	<u>\$ 195,695,277</u>	<u>\$ 5,583,328</u>

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

10. NOTES AND BONDS PAYABLE

Notes and bonds payable consisted of the following at June 30, 2017 and 2016:

Description	Balance Outstanding 2017	Balance Outstanding 2016
<p>General Revenue Bonds, Series 2007B, (original balance of \$35,035,000), consisting of bonds due in annual installments, commencing in 2015 and fluctuating periodically from \$200,000 to a maximum of \$1,713,500 plus interest from 4.25% to 4.50% through the year 2041, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2007B bonds were issued to finance certain electrical upgrades and to fund capital maintenance and replacement of the University's utility corridor, central steam plant and central chiller, and related improvements located on the University's main campus.</p>	34,435,000	34,635,000
<p>General Revenue Refunding Bonds, Series 2010B, (original balance of \$10,150,000), consisting of term bonds due beginning in 2024 and fluctuating periodically from \$1,660,000 to a maximum of \$2,430,000, plus interest from 4.01% to 4.65% through the year 2032, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010B bonds were issued to pay off an interim loan from Wells Fargo Bank, N.A. which funded improvements to the University's Kibbie Dome.</p>	10,150,000	10,150,000
<p>General Revenue Refunding Bonds, Series 2010C, (original balance of \$13,145,000), consisting of term bonds due beginning in 2037 with two payments of \$6,390,000 and \$6,755,000, plus interest from 6.42% to 6.52% through the year 2041, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010C bonds were issued to finance and reimburse costs incurred by the University for certain capital improvements to the University's Kibbie Dome. The 2010C bonds are subject to interest subsidy payments thru the U.S. Federal Government's program called Build America Bonds (BAB). The University received BAB interest subsidy payments of \$274,063 in FY14 and \$297,732 in FY13.</p>	13,145,000	13,145,000

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Description	Balance Outstanding 2017	Balance Outstanding 2016
<p>Adjustable Rate General Revenue Refunding Bonds, Series 2011, (original balance of \$60,765,000), consisting of term bonds carrying interest at 5.25% through March 31st, 2021, at which time the bonds are subject to mandatory tender for purchase. The bonds may be converted to another term interest period through 2041. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2011 bonds were issued to refund the University's Series 2007A General Revenue Refunding Bonds and to pay the costs of issuance of the Series 2011 bonds.</p>	54,640,000	55,795,000
<p>General Revenue and Refunding Bonds, Series 2013A, (original balance of \$8,745,000), consisting of serial bonds commencing in 2014, plus interest from 2.00% to 5.00% through 2028, and term bonds due 2033, plus interest at 3.375%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2013A bonds were issued to provide funds to finance certain improvements at the Moscow Campus of the University, to refund all outstanding Series 2003 Student Fee Refunding and Revenue Bonds, to refund the University's 2010 Wells Fargo note payable issued to fund the University's prior track and field renovations, and to pay costs of issuance associated with the Series 2013A Bonds.</p>	3,890,000	4,655,000
<p>Taxable General Revenue Bonds, Series 2013B, (original balance of \$6,325,000), consisting of serial bonds commencing in 2014, plus interest from 0.70% to 4.00% through 2030, and term bonds due 2033, plus interest at 4.30%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2013B were issued to provide funds to finance and reimburse costs incurred by the University to acquire land for an outdoor science center in McCall, Idaho and to pay costs associated with the issuance of the Series 2013B Bonds.</p>	5,280,000	5,545,000

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Description	Balance Outstanding 2017	Balance Outstanding 2016
<p>General Revenue Bonds, Series 2014, (original balance of \$48,660,000) consisting of serial bonds commencing in 2017 maturing through 2033, plus interest from 2.00% to 5.00%, and term bonds due 2035, plus interest of 4.0%; 2039, plus interest of 5.25%; and 2045, plus interest of 4.00%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2014 were issued to (i) provide funds to finance the construction and equipping of a research center to be referred to as the Integrated Research and Innovation Center (the "IRIC"), (ii) finance the renovation of the College of Education Building and other improvements at the University; and (iii) to pay costs of issuance associated with the Series 2014 Bonds.</p>	47,830,000	48,660,000
<p>General Revenue Refunding Bonds, Series 2015A, (original balance of \$16,280,000) consisting of serial bonds commencing in 2017 maturing through 2026, plus interest from 2.00% to 5.00%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2015A bonds were issued to refund the Series 2005A General Revenue Refunding Bonds in the principal amount of \$22,285,000 and to pay costs of issuance associated with the Series 2015A Bonds.</p>	14,355,000	16,280,000
<p>Other indebtedness, consisting of a note payable with the Economic Development Administration carrying interest rates ranging from 3.245% to 5.00% due through the year 2018.</p>	13,094	23,167
<p>Sub-total</p>	183,738,094	188,888,167
<p>Premium on Bonds</p>	6,373,854	6,807,110
<p>TOTAL BONDS & NOTES PAYABLE</p>	\$ 190,111,948	\$ 195,695,277

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Principal and interest maturities on bonds and notes payable, excluding amortization of bond premium and principal and interest on bonds subject to an in-substance debt defeasance are as follows for the years ending June 30:

	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2018	5,275,000	8,651,004	13,094	504
2019	5,520,000	8,394,860	-	-
2020	4,900,000	8,176,594	-	-
2021	5,125,000	7,937,225	-	-
2022	4,900,000	7,691,250	-	-
2023-2027	28,675,000	34,571,655	-	-
2028-2032	35,925,000	26,954,449	-	-
2033-2037	41,665,000	17,845,204	-	-
2038-2042	43,295,000	7,050,332	-	-
2043-2047	8,445,000	684,600	-	-
	<u>\$ 183,725,000</u>	<u>\$ 127,957,173</u>	<u>\$ 13,094</u>	<u>\$ 504</u>

Pledged Revenues – As stated in the bond descriptions above, the University has pledged certain revenues as collateral for debt instruments comprised of all outstanding University bond issuances. The pledged revenue amounts for the year ended June 30, 2017 and 2016 are as follows:

	FY17	FY16
Source of Pledged Revenues		
Student fees	\$ 86,340,857	\$ 87,620,004
Sales and services revenues	42,503,972	42,708,156
Other operating revenues	4,821,065	6,174,893
Investment income	2,637,513	2,419,244
F&A recovery revenues	11,416,369	10,792,832
Total Pledged Revenues	\$ 147,719,776	\$ 149,715,129
Debt service on the Recreation Center bonds and Activity Center bonds	27,423	27,423
Revenues Available for Debt Service	\$ 147,692,353	\$ 149,687,702
Debt service on bonds	13,968,346	13,634,793
Debt service coverage	10.6	11.0

Debt Defeased Through Advance Refunding – The University has legally defeased certain debt obligations through advanced refunding. These advance refundings are comprised of the University's 2010A, 2011, 2013A, and 2015A bond issuances.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

The specific debt, principal payments, refunded amounts and remaining balances for the refunded bonds are as follows:

Refunded Issue	Original Issue Amount	Principal Payments	Refunded Amount	Balance 6/30/2017
Student Fee Refunding Revenue Bonds, Series 1996	\$ 9,285,000	\$ 6,160,000	\$ 3,125,000	\$ -
Student Fee Refunding Revenue Bonds, Series 1997B	12,380,000	5,090,000	7,290,000	-
Student Fee Revenue Bonds (Recreation Center Project) Series 1999	20,115,000	795,000	19,320,000	-
Student Fee Revenue Bonds, Series 1999A	1,470,000	295,000	1,175,000	-
Student Fee Revenue Bonds, Series 1999B	6,150,000	1,180,000	4,970,000	-
Student Fee Revenue Bonds, Series 1999C	6,305,000	2,240,000	4,065,000	-
Student Fee Revenue Bonds, Series 2001	40,930,000	2,895,000	38,035,000	-
Student Fee Refunding and Revenue Bonds, Series 2003	17,585,000	12,040,000	5,545,000	-
General Revenue Refunding Bonds, Series 2005A	30,740,000	8,455,000	22,285,000	-
General Revenue Refunding Bonds, Series 2007A	62,445,000	2,945,000	59,500,000	-
Totals	<u>\$ 207,405,000</u>	<u>\$ 42,095,000</u>	<u>\$ 165,310,000</u>	<u>\$ -</u>

11. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST

The University of Idaho (“University”) is self-insured for the health insurance benefits it provides to employees and retirees. In June 2007, the University established an affiliated but independent trust for the purpose of funding and paying its medical, mental health, dental and vision claims and their associated administrative costs under its health insurance plan for both active and retired employees. This trust, known as the University of Idaho Health Benefits Trust (“HBT”), was established as a tax-exempt entity under Section 115(1) of the Internal Revenue Code of 1986, as amended. The HBT is administered by a board of four trustees who are members of the University’s active staff and faculty. The HBT is maintained in an independent trust account established with U.S. Bank. This trust account is maintained under the sole control of the HBT board of trustees. The University as employer retains authority for establishing and amending benefits under this self-insured health plan.

The HBT receives its funding for the payment of University health plan claims through a combination of employer, employee, and retiree contributions. These contribution amounts are established by the University in advance of the health plan year based upon independent actuarial valuation, which takes into account health plan participant demographics, health plan design, expected health claim costs, and expected investment returns on HBT reserves. These contribution amounts are reviewed by the HBT prior to their effective date.

Employee contributions are made to the HBT on a bi-weekly basis corresponding to the University’s payroll schedule. Retiree contributions are billed, collected, and remitted to the University by a third-party administrator on a monthly basis and are submitted to the HBT when received. Employer contributions are made monthly in advance in an amount equal to 1/12th the projected employer cost for the plan year. Additional employer funding may be provided by the University to the HBT as necessary to ensure the solvency of the HBT. Deposits into the HBT are irrevocable and may only be utilized for the payment of participating employee and retiree health plan claims, the associated

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

administrative costs of such claims, and other necessary incidental costs attributable to the administration of the HBT.

Payments under the HBT are initiated via electronic request by University personnel on a weekly basis based upon processed claim information provided to the University by its contracted health plan claim administrators. All retiree-related costs incurred on an annual basis within the HBT apply toward the calculation of the University's Annual Required Contribution ("ARC") as determined under the requirements of Governmental Accounting Standards Board Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The University's reported liability related to GASB Statement 45 is funded separately (i.e., not through the HBT) under a second trust, the "University of Idaho Retiree Benefits Trust" (RBT) as disclosed in Footnote 13 of these financial statements. The RBT only reports University resources transferred to it and held under it to make future benefit payments.

Investments Measured at Fair Value

The fair value of the HBT investments as of December 31, 2016 and December 31, 2015 respectively was as follows:

Investments at Fair Value at December 31, 2016

<u>Investment Type</u>	<u>12/31/2016</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds/cash sweeps	\$ 220,077	\$ -	\$ 220,077	\$ -
Debt securities				
U.S. government agency securities	\$ 1,174,877	\$ -	\$ 1,174,877	\$ -
Corporate certificates of deposit	2,175,313	-	2,175,313	-
Total debt securities	\$ 3,350,190	\$ -	\$ 3,350,190	\$ -
Total investments by fair value	\$ 3,570,267	\$ -	\$ 3,570,267	\$ -

Investments at Fair Value at December 31, 2015

<u>Investment Type</u>	<u>12/31/2015</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds/cash sweeps	\$ 643,401	\$ -	\$ 643,401	\$ -
Debt securities				
U.S. government agency securities	\$ 1,495,814	\$ -	\$ 1,495,814	\$ -
Corporate certificates of deposit	\$ 1,347,826	-	1,347,826	-
Total debt securities	\$ 2,843,640	\$ -	\$ 2,843,640	\$ -
Total investments by fair value	\$ 3,487,041	\$ -	\$ 3,487,041	\$ -

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as the risk a government may face should interest rate variances affect the fair value of investments. The HBT does not presently have a formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments.

HBT Investments subject to interest rate risk were as follows at December 31, 2016 and 2015:

Investment Securities Subject to Interest Rate Risk at December 31, 2016

Investment Type	Total Fair Value	Investment Maturity in Years				
		<1	1-5	6-10	11-15	>15
Money market funds/cash sweeps	\$ 220,077	\$ 220,077	\$ -	\$ -	\$ -	\$ -
U.S. government agency securities	1,174,877	205,633	969,244	-	-	-
Corporate certificates of deposit	2,175,313	943,706	1,231,607	-	-	-
Total	\$ 3,570,267	\$ 1,369,416	\$ 2,200,851	\$ -	\$ -	\$ -

Investment Securities Subject to Interest Rate Risk at December 31, 2015

Investment Type	Total Fair Value	Investment Maturity in Years				
		<1	1-5	6-10	11-15	>15
Money market funds/cash sweeps	\$ 643,401	\$ 643,401	\$ -	\$ -	\$ -	\$ -
U.S. government agency securities	1,495,814	263,693	1,192,119	40,002	-	-
Corporate certificates of deposit	1,347,826	599,705	748,121	-	-	-
Total	\$ 3,487,041	\$ 1,506,799	\$ 1,940,240	\$ 40,002	\$ -	\$ -

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The HBT does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

HBT Investments subject to credit risk were as follows at December 31, 2016 and 2015:

Investment Securities Subject to Credit Risk at December 31, 2016

Credit Rating	U.S. Government		Corporate		Total Investments
	Agency Securities		Certificates of Deposit	Money Market Funds	
AA+	\$ 1,174,877	\$ -	\$ -	\$ -	\$ 1,174,877
Not Rated	-	2,175,313	220,077		2,395,390
	<u>\$ 1,174,877</u>	<u>\$ 2,175,313</u>	<u>\$ 220,077</u>		<u>\$ 3,570,267</u>

Investment Securities Subject to Credit Risk at December 31, 2015

Credit Rating	U.S. Government		Corporate		Total Investments
	Agency Securities		Certificates of Deposit	Money Market Funds	
AA+	\$ 1,495,814	\$ -	\$ -	\$ -	\$ 1,495,814
Not Rated	-	1,347,826	643,401		1,991,227
	<u>\$ 1,495,814</u>	<u>\$ 1,347,826</u>	<u>\$ 643,401</u>		<u>\$ 3,487,041</u>

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the HBT will not be able to recover the value of its investments that are in the possession of an outside party. The HBT does not presently have an investment policy that addresses custodial credit risk. At June 30, 2016 and June 30, 2015, all investments were held by the HBT or its counterparty in the HBT's name.

The financial statements of the HBT are audited annually on a calendar-year basis, and are publicly available via public records request through the Office of the General Counsel at the University of Idaho.

12. RETIREMENT PLANS

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Idaho citizens not members of the Base Plan except by reason of having served on the Board. The authority to set or amend benefit provisions of the Base Plan is vested solely with the State of Idaho Legislature.

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

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

	<u>2016</u>	<u>2015</u>
Retirees and beneficiaries currently receiving benefits	44,181	42,657
Terminated employees entitled to but not yet receiving benefits	12,251	11,859
Active plan members	<u>68,517</u>	<u>67,008</u>
Total system members	<u>124,949</u>	<u>121,524</u>

Pension Benefits

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

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation 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, 2016, it was 6.79% of their annual pay. The employer contribution rate is set by the Retirement Board and was 11.32% of covered compensation. The University's contributions were \$6,507,425 and \$5,917,860 for the years ended June 30, 2017 and 2016 respectively.

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

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

At June 30, 2017 and June 30, 2016, the University reported a liability of \$36,275,764 and \$23,973,741 respectively for its proportionate share of the net pension liability. The net pension liability for each year was measured as of July 1, 2016 and 2015 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability for each year 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 July 1, 2016 and 2015, the University's proportion was 1.79 and 1.81 percent, respectively. Since the prior measurement date the University's proportion of the collective net pension liability dropped by 0.02 points or 1.1%.

For the years ended June 30, 2017 and 2016 respectively, the University recognized pension expense of \$6,240,049 and \$4,746,971. At June 30, 2017 and 2016, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources on the following page:

	June 30, 2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$ 3,614,612
Changes in assumptions or other inputs	\$ 806,385	
Net difference between projected and actual earnings on pension plan investments	9,406,371	
Change in proportion		475,822
University contributions subsequent to the measurement date , net	6,507,425	
Total	<u>\$ 16,720,181</u>	<u>\$ 4,090,434</u>

	June 30, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$ 2,856,800
Changes in assumptions or other inputs	\$ 867,535	
Net difference between projected and actual earnings on pension plan investments		3,742,519
Change in proportion		285,995
University contributions subsequent to the measurement date	5,917,860	
Total	<u>\$ 6,785,395</u>	<u>\$ 6,885,314</u>

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

\$6,507,425 reported as deferred outflows of resources 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, 2017.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 years and 5.5 years for the measurement period June 30, 2015.

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

Year Ended	Pension	
June 30	Expense (Revenue)	
2017	\$	36,866
2018		36,866
2019		4,208,600
2020		2,315,812
	\$	6,598,144

Actuarial Assumptions

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

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

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

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Capital Market Assumptions

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

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

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions

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

Discount Rate

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

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

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 71,160,173	\$ 36,275,764	\$ 7,265,524

Pension plan fiduciary net position

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

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At June 30, 2017 the University had no payables related to legally-required employer or employee contributions due the defined benefit pension plan for fiscal year 2017 and 2016 that had not been remitted to PERSI as of that date.

Other Retirement Plans

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

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

Participants are fully vested in the ORP immediately. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. The contribution requirements (and amounts paid) for the three years ended June 30, 2017, 2016 and 2015 were \$16,334,941, \$14,916,862, and \$14,434,995, respectively, that consisted of \$9,324,242 from the University and \$7,010,699 from employees for 2017, \$8,514,402 from the University and \$6,402,460 from employees for 2016, and \$8,234,075 from the University and \$6,200,920 from employees for 2015.

For the ORP enrollees who opted to irrevocably migrate from PERSI to the ORP plan when the ORP was first implemented, although such enrollees in the ORP no longer belong to PERSI, the University is required by the State of Idaho to contribute supplemental payments to PERSI for these enrollees in

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

the amount of 1.49% of the annual covered payroll. The University will be required to make these annual supplemental payments through July 1, 2025. During the three years ended June 30, 2017, 2016 and 2015, these supplemental funding payments made to PERSI were \$1,496,586, \$1,370,490, and \$1,324,306 respectively. These supplemental amounts are not included in the regular University PERSI contribution discussed previously.

In addition to the University's Optional Retirement Program, the University has a disability benefit for ORP participants and makes payments to Standard Insurance on behalf of these ORP participants. Should an employee become unable to work and is transitioned into long-term disability (LTD), the insurance will continue to pay into their retirement account. The amounts paid for the three years ended June 30, 2017, 2016 and 2015 were \$81,255, \$87,380, and \$84,438, respectively.

The University also contributes to the federal Civil Service and Thrift Savings retirement programs on behalf of its federal employees. The contribution requirements (and amounts paid) for the three years ended June 30, 2017, 2016 and 2015 were \$152,823, \$231,351 and \$243,583 respectively, that consisted of \$95,683 from the University and \$57,140 from employees for 2017, \$140,620 from the University and \$90,731 from employees for 2016, and \$159,675 from the University and \$83,908 from employees for 2015.

The University also sponsors 401(k), 403(b), and 457(b) supplemental retirement plans for its employees. Contributions to these plans are strictly voluntary for employees and such contributions are subject to the applicable plan limitations. The University does not provide any matching or discretionary contributions for these plans.

13. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS) AND RETIREE BENEFITS TRUST

A. PLAN DESCRIPTION

The University of Idaho ("University") provides medical and dental benefits to eligible retirees, disabled employees, spouses, and survivors. The University also provides life insurance benefits to eligible retirees. Long-term disabled employees are treated as retirees and eligible for these same retiree benefits. These benefits represent a single-employer defined benefit plan administered by the University. The University has established a trust to fund the medical and dental portions of these post-employment benefits as described below in Section B.

Under certain conditions the University pays a portion of the coverage for retirees and disabled employees and the retiree or disabled employee pays the remainder. Spouses and survivors are always required to pay 100% of the cost for these benefits. 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. Employees who were hired on or after January 1, 2002 are not eligible for this benefit. Employees hired after January 1, 2002 are eligible to participate in the University's health insurance plan, but the University does not cover any portion of their premiums, deductibles, or coinsurance; those costs are the sole responsibility of the employee. All University

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

post-employment benefits may be further established or amended by the University or the State Board of Education.

Funding for these benefits is comprised of both University and retiree contributions, combined with appropriated funding by the State of Idaho. The University determines the defined contribution costs that will be borne by its retiree plan participants, and the State of Idaho Legislature determines the amount of annual state appropriations that will be granted to the University for employee and retiree benefits, provided to the University as a fixed annual amount per full-time equivalent employee. The University allocates this appropriated sum to its various employee and retiree benefits, including the retiree health insurance program. The University solely bears the risk for adverse financial performance within the retiree health insurance program, subject to a cap of \$200,000 per retiree per year, after which the University is reinsured. Retiree contribution rates through calendar year 2017 range from \$0 to \$2,005 per month, depending upon the retiree's status and number of dependents including spouse. Retiree health plan performance is reviewed annually and contribution rates are then annually adjusted by the University as necessary.

B. TRUST DESCRIPTION

The University of Idaho established the Retiree Benefits Trust ("RBT") in 2008 to fund the future payments required to provide post-employment benefits other than pension ("OPEB") as described in Section A above. The RBT is an independent, irrevocable trust administered on behalf of the University by Wells Fargo Bank as trustee. Funding and payment of the annual, ongoing retiree medical and dental benefits under the University's Health Benefits Trust ("HBT"), as described in Footnote 11 to these financial statements, do apply toward the funding of the RBT to meet the requirements of the Annual Contribution Rate ("ARC").

The RBT financial statements are audited annually on a calendar-year basis as an integral part of the University's annual audit as represented in these statements.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — Financial statements for the RBT are prepared using the accrual basis of accounting. University contributions are recorded and recognized in the period in which they are paid into the RBT.

Valuation of Investments – Investments are reported at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the net change in fair value of investments in the statement of changes in plan assets.

D. INVESTMENTS

Investments Measured at Fair Value

The fair value of the RBT investments as of December 31, 2016 and December 31, 2015 are seen on the following page:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Investments at Fair Value at December 31, 2016

	12/31/2016	Quoted Prices	Significant Other	Significant
		in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments by fair value level				
Money market funds/cash sweeps	\$ 941,000	\$ 941,000	\$ -	\$ -
Bond mutual funds	\$ 17,372,861	\$ 17,372,861	\$ -	\$ -
Stock mutual funds	12,932,742	12,932,742	-	-
Combined bond and stock mutual funds	\$ 30,305,603	\$ 30,305,603	\$ -	\$ -
Total investments by fair value	\$ 31,246,603	\$ 31,246,603	\$ -	\$ -

Investments at Fair Value at December 31, 2015

	12/31/2015	Quoted Prices	Significant Other	Significant
		in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments by fair value level				
Money market funds/cash sweeps	\$ 878,291	\$ 878,291	\$ -	\$ -
Bond mutual funds	\$ 15,882,237	\$ 15,882,237	\$ -	\$ -
Stock mutual funds	12,436,500	12,436,500	-	-
Combined bond and stock mutual funds	28,318,737	28,318,737	-	-
Total investments by fair value	\$ 29,197,028	\$ 29,197,028	\$ -	\$ -

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as the risk a government may face should interest rate variances affect the fair value of investments. The RBT does not presently have a formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments.

The investments of the RBT subject to interest rate risk as of December 31, 2016 and December 31, 2015 are seen on the following page:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Investment Securities Subject to Interest Rate Risk at December 31, 2016

Investment Type	Total Fair Value	Investment Maturity in Years				
		<1	1-5	6-10	11-15	>15
Bond mutual funds	\$ 17,372,861	1,082,964	5,767,373	3,313,340	908,469	6,300,715
Total	\$ 17,372,861	\$ 1,082,964	\$ 5,767,373	\$ 3,313,340	\$ 908,469	\$ 6,300,715

Investment Securities Subject to Interest Rate Risk at December 31, 2015

Investment Type	Total Fair Value	Investment Maturity in Years				
		<1	1-5	6-10	11-15	>15
Bond mutual funds	\$ 15,882,237	\$ 1,566,498	\$ 3,908,062	\$ 3,253,093	\$ 911,036	\$ 6,243,548
Total	\$ 15,882,237	\$ 1,566,498	\$ 3,908,062	\$ 3,253,093	\$ 911,036	\$ 6,243,548

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The RBT does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.) As of December 31, 2016 and December 31, 2015 respectively, the RBT had the following investment credit risk:

Investment Securities Subject to Credit Rate Risk at December 31, 2016

Investment Type	Fair Value	AAA	AA	A	BBB	BB	B	Below B	Not Rated
Bond Mutual Funds	\$ 17,372,861	\$ 9,246,521	\$ 1,495,225	\$ 1,723,730	\$ 3,585,709	\$ 610,219	\$ 219,698	\$ 261,350	\$ 230,409
	\$ 17,372,861	\$ 9,246,521	\$ 1,495,225	\$ 1,723,730	\$ 3,585,709	\$ 610,219	\$ 219,698	\$ 261,350	\$ 230,409

Investment Securities Subject to Credit Rate Risk at December 31, 2015

Investment Type	Fair Value	AAA	AA	A	BBB	BB	B	Below B	Not Rated
Bond Mutual Funds	\$ 15,882,237	\$ 8,292,767	\$ 1,476,807	\$ 1,239,527	\$ 3,543,890	\$ 666,807	\$ 494,977	\$ 138,469	\$ 28,993
	\$ 15,882,237	\$ 8,292,767	\$ 1,476,807	\$ 1,239,527	\$ 3,543,890	\$ 666,807	\$ 494,977	\$ 138,469	\$ 28,993

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the RBT will not be able to recover the value of its investments that are in the possession of an outside party. The RBT does not presently have an investment policy that addresses custodial credit risk. At June 30, 2017 and June 30, 2016, all investments were held by the RBT or its counterparty in the RBT's name.

E. PLAN MEMBERSHIP, CONTRIBUTION AND FUNDING STATUS

The retiree and disabled counts below exclude joint spouses. Retiree counts below also exclude retirees who are currently waiving coverage. These counts are as follows:

	Medical	Dental	Life	Sick Pay
Active	632	632	38	1,938
Retirees	835	197	681	N/A
Disableds	6	N/A	N/A	-
Retirees (Sick Leave)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>31</u>
Total Inactive	841	197	681	31
Total Combined	1,473	829	719	1,969

The University’s ongoing obligations and liabilities are actuarially determined. These actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and are subject to continual revision based upon actual results. Actuarial projections of benefits are based upon the types of benefits provided under the University’s retiree health plan and the pattern of cost sharing between the University and retirees at the time of valuation. The University’s actuarial calculations are based upon long-term expectations and include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and corresponding asset values.

The Entry Age Normal cost method and the Level Dollar amortization method have been utilized to actuarially calculate the University’s Present Value of Benefits (“PVB”), Actuarial Accrued Liability (“AAL”), Annual Required Contribution (“ARC”) and Annual OPEB Cost (“AOC”) for the retiree health plan. Due to the University’s establishment of the RBT to hold the funds required to finance its unfunded OPEB liability, the Unfunded Accrued Liability (“UAL”) is amortized with interest over a 30-year period. All expected amortization payments are discounted to the end of the year. These actuarial calculations utilize an estimated discount rate of 6.00% and an estimated salary inflation rate of 3.00%. The discount rate of 6.00% is based upon the University’s historical and long-term expected investment returns on the trust that has been established to fund these future benefits. All retiree medical, prescription drug, dental, sick pay conversion and life insurance benefits are included in the University’s actuarial calculations. The results of these calculations for fiscal year ending June 30, 2017 are summarized as follows:

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

	<u>Entry Age Normal Level</u> <u>Dollar Cost Method</u>
Present Value of Benefits (PVB)	\$62,596,000
Actuarial Accrued Liability (AAC)	58,201,000
Annual Required Contribution (ARC) ¹	2,711,000
Estimated Pay-As-You-Go Contributions ²	2,947,000
Contributions to Qualifying Trust	<u>210,000</u>
Total Actual Annual Contributions	3,157,000
Net Annual OPEB Cost (AOC) - Funding Excess for Fiscal Year Ending June 30, 2017	(418,000)
Total Actual Annual Contributions as % of ARC	116.5%

¹The ARC reflects a 30-year level dollar amortization of the unfunded AAL. The amortization also reflects interest at the discount rate.

²Net of retiree contributions and allocated to benefits based on expected with medical as a balancing item.

Annual OPEB Cost (AOC)

The University's Annual OPEB cost at June 30, 2017 is calculated as follows:

Fiscal Year Ending June 30, 2017	
	<u>Amount</u>
ARC	\$ 2,711,000
Adjustment to ARC	164,000
Interest on the Net Obligation	<u>(136,000)</u>
Annual OPEB Cost	\$ 2,739,000

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Net OPEB Asset

The University's Net OPEB Asset as of June 30, 2017 is calculated as follows:

Fiscal Year Ending June 30, 2017	
	<u>Amount</u>
AOC Needed	\$ 2,739,000
AOC Contributed	3,157,000
% of AOC Contributed	115%
Net OPEB (Assets) at June 30, 2016	(2,259,000)
Change in Net OPEB (Assets)	(418,000)
Net OPEB (Assets) at June 30, 2017	\$ (2,677,000)

Funded Status, Utilizing Entry Age Normal Cost Method and Level Dollar Amortization Method of UAAL – As of June 30, 2017:

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Sick Pay</u>	<u>Total</u>
Present Value of Benefits (PVB)					
Retirees	\$34,172,000	\$92,000	\$3,863,000	\$393,000	\$38,520,000
Actives	18,691,000	118,000	147,000	5,120,000	24,076,000
Total	\$52,863,000	\$210,000	\$4,010,000	\$5,513,000	\$62,596,000
Actuarial Accrued Liability (AAL)					
Retirees	\$34,173,000	\$92,000	\$3,863,000	\$393,000	\$38,521,000
Actives	17,291,000	111,000	146,000	2,132,000	19,680,000
Total	\$51,464,000	\$203,000	\$4,009,000	\$2,525,000	\$58,201,000
Assets					
	<u>\$26,323,000</u>	<u>\$104,000</u>	<u>\$2,050,000</u>	<u>\$1,291,000</u>	<u>\$29,768,000</u>
Unfunded AAL (UAAL)	\$25,141,000	\$99,000	\$1,959,000	\$1,234,000	\$28,433,000
Assets as % of AAL (Funded Ratio)	51.1%	51.2%	51.1%	51.1%	51.1%
UAAL as % of Annual Covered Payroll	57.2%	0.2%	4.5%	1.2%	18.8%
Annual Required Contribution (ARC)					
Normal Cost ¹	\$210,000	\$1,000	\$0	\$434,000	\$645,000
Amortization of Unfunded AAL ²	1,827,000	7,000	142,000	90,000	2,066,000
Total ARC	\$2,037,000	\$8,000	\$142,000	\$524,000	\$2,711,000
Estimated Benefit Payments (pay-as-you-	\$2,061,000	\$35,000	\$297,000	\$109,000	\$2,502,000
Covered Payroll	\$43,954,000	\$43,954,000	\$43,954,000	\$107,041,000	\$150,995,000

¹Includes interest to year end.

²Level dollar basis for 30 years. Interest charged at the discount rate and paid at the end of the year.

³Net of retiree contributions and allocated to benefits based on expected with medical as a balancing item.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

The accompanying schedule of University contributions presents trend information about the amounts contributed to the plan by the University in comparison to the ARC, an amount that is actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the University and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the University and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation is as follows:

	Retiree Benefits Trust ("RBT")
Valuation Date	7/1/2015
Reporting Date	6/30/2017
Measurement Date	4/1/2016
Actuarial Cost Method	Entry Age Normal
Actuarial Amortization Method	Level Dollar to decrement age
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.00%
Healthcare Cost Trend Rates:	
Medical and drug initial	8.25%
Medical and drug ultimate	5.75%
Dental initial	4.50%
Dental ultimate	4.50%
Inflation Rate - All Other	N/A
Administrative Costs - Medical & Dental	Included in Claim Costs
- Life Insurance	10%

Year Ended June 30	Annual		
	Required Contribution	Actual Contribution	Percentage Contributed
2012	\$ 4,806,000	\$ 5,201,000	108%
2013	3,723,000	4,404,000	118%
2014	3,368,000	3,178,000	94%
2015	3,177,000	3,233,000	102%
2016	2,711,000	2,751,000	101%
2017	2,711,000	3,157,000	116%

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

14. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

The following table shows the University's operating expenses by natural classifications within their functional classifications for the years ending June 30, 2017 and 2016:

<u>Expenses 2017</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Services</u>	<u>Supplies</u>	<u>Ins, utilities & rent</u>	<u>Scholarships & Fellowships</u>	<u>Depreciation</u>	<u>Other</u>	<u>Totals</u>
Instruction	\$ 63,770,099	\$ 20,385,369	\$ 8,404,435	\$ 5,633,801	\$ 651,654	\$ 4,042,406	\$ -	\$ 2,634,935	\$ 105,522,699
Research	40,752,678	9,390,630	17,588,020	5,824,111	855,396	2,778,855	-	(2,189,508)	75,000,182
Public Service	16,903,817	4,890,117	6,365,516	1,307,979	411,502	261,598	-	3,262,915	33,403,444
Academic Support	8,675,124	2,708,269	1,712,840	892,168	120,445	(104,476)	-	369,297	14,373,667
Libraries	2,639,231	747,782	370,983	1,741,211	93,592	190,901	-	28,252	5,811,952
Student Services	8,790,767	2,760,073	1,975,465	687,680	473,260	74,922	-	364,073	15,126,240
Institutional Support	17,375,597	11,432,394	8,537,012	(489,736)	481,853	(542,855)	-	1,789,342	38,583,607
Plant Operations	7,936,714	2,774,760	36,066	9,592,525	9,853,277	16,043	26,875,004	112,800	57,197,189
Scholarships & Fellowships	690,468	1,314	4,094	1,567,552	-	14,973,257	-	-	17,236,685
Auxiliary Enterprises	10,232,520	2,948,963	12,702,376	5,378,675	1,826,814	1,485,400	-	1,186,411	35,761,159
	<u>\$ 177,767,015</u>	<u>\$ 58,039,671</u>	<u>\$ 57,696,807</u>	<u>\$ 32,135,966</u>	<u>\$ 14,767,793</u>	<u>\$ 23,176,051</u>	<u>\$ 26,875,004</u>	<u>\$ 7,558,517</u>	<u>\$ 398,016,824</u>

<u>Expenses 2016</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Services</u>	<u>Supplies</u>	<u>Ins, utilities & rent</u>	<u>Scholarships & Fellowships</u>	<u>Depreciation</u>	<u>Other</u>	<u>Totals</u>
Instruction	\$ 60,196,536	\$ 19,798,484	\$ 7,820,812	\$ 4,647,054	\$ 309,001	\$ 4,007,765	\$ -	\$ 2,589,233	\$ 99,368,885
Research	38,381,319	8,620,900	18,023,942	6,020,434	919,653	2,583,366	-	(1,178,881)	73,370,733
Public Service	15,850,328	4,740,607	6,216,311	1,393,701	463,035	209,217	-	2,449,921	31,323,120
Academic Support	8,588,782	2,712,981	1,502,499	807,046	183,630	(98,864)	-	376,030	14,072,104
Libraries	2,466,557	705,522	350,826	907,662	93,171	11,600	-	19,834	4,555,172
Student Services	7,907,724	2,481,094	2,420,659	689,002	430,500	(5,319)	-	697,355	14,621,015
Institutional Support	16,552,596	9,607,509	6,819,009	(422,503)	527,229	(516,048)	-	958,635	33,526,427
Plant Operations	7,706,928	2,612,270	992,965	6,842,815	9,674,461	17,378	25,159,592	47,616	53,054,025
Scholarships & Fellowships	628,852	1,485	6,119	10,901	-	13,720,867	-	511	14,368,735
Auxiliary Enterprises	10,002,487	2,675,424	14,384,709	5,404,173	1,932,568	1,300,438	-	973,517	36,673,316
	<u>\$ 168,282,109</u>	<u>\$ 53,956,276</u>	<u>\$ 58,537,851</u>	<u>\$ 26,300,285</u>	<u>\$ 14,533,248</u>	<u>\$ 21,230,400</u>	<u>\$ 25,159,592</u>	<u>\$ 6,933,771</u>	<u>\$ 374,933,532</u>

15. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the federal government. The University considers any such potential refunds likely to be immaterial.

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 legal matters will not materially affect the financial position of the University.

16. RISK MANAGEMENT

The University participates in the State of Idaho's risk and insurance program, which includes liability and property coverage. The State of Idaho's Retained Risk Fund has a \$500,000 cap for tort claims. The University's premiums are based on the State's actuarial calculations and are weighted for losses sustained by the University. Deductibles for the programs include \$2,000 for property losses, \$500 for auto physical damage, \$5,000 for boiler and machinery losses, \$500 for fine art losses and \$50 for inland marine losses. There are no casualty deductibles. During the past three fiscal years, no settled claims have exceeded insurance coverage levels, and there has been no significant reduction in coverage.

In July 2014, the University became self-insured for its Worker's Compensation coverage. The University utilizes a third-party administrator to adjudicate its claims and make payments under this coverage. The University maintains two separate bank accounts for its self-insured program, a \$500,000 reserve account as well as a separate account for ongoing claims processing and payments. The University provides for estimated losses to be incurred for reported and unreported worker's compensation claims based on individual case estimates and historical data adjusted for current trends. Liability claims have not exceeded the maximum amount of self-insurance per claimant in the past year. Self-insured Worker's Compensation balances at year-end June 30, 2017 and 2016 were as follows:

For the Year Ended June 30, 2017

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
Worker's Compensation Self-Insured Liabilities	\$ 461,941	\$ 443,477	\$ 238,740	\$ 666,678

For the Year Ended June 30, 2016

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
Worker's Compensation Self-Insured Liabilities	\$ 252,269	\$ 543,825	\$ 334,153	\$ 461,941

17. COMPONENT UNIT

The University of Idaho Foundation, Inc. (Foundation) is a legally separate 501(c)(3) component unit of the University of Idaho (University) which was established in 1970. The mission of the University of Idaho Foundation, Inc. is to inspire, manage, and distribute private support to enhance the excellence of the University of Idaho. A Board of Directors comprised of up to 25 members governs and conducts the business of the Foundation, meeting three to four times each fiscal year. The officers of the Foundation are Chairman, Vice-Chairman, Treasurer, Secretary, and Past Chairman. Committees include: the Executive Committee, Committee on Directors, Operations and Finance Committee, Investment Committee, Audit Committee, Gift Acceptance Committee, and other committees appointed by the Chairman as necessary to carry out the business of the Foundation. Foundation business is conducted via regular meetings of the Board of Directors and its Executive Committee as well as through ongoing communications with committees and staff. Members of the Foundation's Board of Directors provide strong leadership and expertise in a variety of areas relative to its mission. In addition, directors also advise University leadership as requested, advocate for higher education, serve on various college advisory committees, and personally provide major private funding support for the University. Located in Moscow, the Foundation professional staff work collaboratively with the University development team, donors, and their advisors. The Foundation strategically partners with the leadership team at the University of Idaho including the President, Vice President of University Advancement, and the Vice President for Finance. Separate audited financial statements are prepared by the Foundation and may be obtained by contacting University of Idaho Foundation.

The majority of the resources, or income earned from those resources, that the Foundation holds and invests are restricted to the activities of the University by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University and because these resources provide a significant amount of support to the University, the Foundation has been determined to be a component unit of the University and is discretely presented in the University's financial statements. Significant accounting policies associated with the University, described in Note 1, apply to the Foundation, when applicable. Significant disclosures at June 30, 2017 and 2016 are as follows:

RECLASSIFICATION – Certain reclassifications of amounts previously reported have been made to the accompanying Foundation financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net position.

INVESTMENTS—Investments represent the largest asset of the Foundation making up 91% and 92% of the total assets at June 30, 2017 and 2016, respectively. Of those investments, 85% and 83%, respectively, are owned by the Consolidated Investment Trust (CIT) which was established by the Regents of the University of Idaho in 1959 to pool the endowment funds.

Certain assets and liabilities are reported at fair value in the Foundation financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use

in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of the Foundation's investment assets are classified within Level 1 because they are comprised of open-ended mutual funds and stocks with readily determinable fair values based on daily redemption values. The Foundation invests in debt securities and real assets, which are traded in the financial markets. The U.S. Government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions. Real assets are based on marketable securities or other periodic appraisals of assets. Debt securities, U.S. Government obligations and real assets are classified within Level 2. There are no investments within Level 3.

The Foundation's commingled debt funds are held in an investment trust with the objective to outperform the Barclays U.S. Government/Credit Index. The trust may invest in out-of-benchmark securities in order to provide value and diversification. The CIT's commingled international equity funds are held in an investment trust which invests in global markets excluding the U.S. The trust is not index-oriented and is designed to protect in down markets. The fair values of these funds have been determined using the net asset value (NAV) per share.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

The Foundation's private equity limited partnerships are invested in real estate, venture funds, and international funds. The fair values have been determined using the NAV per share. The fair value of the private equity limited partnerships have no readily ascertainable market prices. Similar to real estate, costs closely approximate fair value of recent acquisitions. Therefore, the fair value of private equity limited partnership investments are based on the valuations as presented in the fund's December 31st audited financial statements. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing, and other relevant factors. The fair value may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual Foundation values, private equity only represents 5.63% of total investments.

Investments in certain entities that calculate NAV per share are as follows:

	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>As of June 30, 2017</u>					
Commingled funds					
Debt funds	1	\$ 19,316,045	\$ -	Daily	None
International equity	1	12,186,733	-	Monthly	15 days
Private equity	12	16,437,315	19,769,681	-	-
Total		<u>\$ 47,940,093</u>	<u>\$ 19,769,681</u>		

	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>As of June 30, 2016</u>					
Commingled funds					
Debt funds	1	\$ 17,867,102	\$ -	Daily	None
Private equity	9	14,994,647	9,687,762	-	-
Total		<u>\$ 32,861,749</u>	<u>\$ 9,687,762</u>		

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At June 30, 2017, the fair value of restricted and unrestricted investments was \$283,402,871 and \$8,690,625, respectively. At June 30, 2016 the fair value of restricted and unrestricted investments was \$262,904,995 and \$5,840,818, respectively.

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

The following table represents the fair value of investments by type at June 30, 2017 and 2016 respectively:

<u>Investment Type</u>	<u>2017</u>	<u>2016</u>
U.S. government agency obligations	\$ 4,575,944	\$ 4,338,623
Corporate debt	21,963,338	23,528,004
U.S. treasuries	3,728,290	2,528,239
Common stock	67,204,068	60,461,421
Mutual funds		
U.S. equity	55,650,283	50,219,190
Debt	20,722,673	21,067,434
International/Emerging Markets	48,231,391	50,601,594
Inflation protected	11,110,400	11,595,652
U.S. treasury	10,808,010	11,229,403
Comingled funds	31,502,778	17,867,102
Private equity	16,437,315	14,994,647
Preferred stock	148,986	199,373
Municipal securities	10,020	115,131
	<u>\$ 292,093,496</u>	<u>\$ 268,745,813</u>

The related fair value of these assets are determined as follows:

	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
As of June 30, 2017			
Equity Investments			
Common stock	\$ 67,204,068	\$ -	\$ -
Preferred stock	148,986	-	-
Mutual funds	103,881,674	-	-
Fixed income investments			
Corporate bonds	-	21,973,358	-
U.S. government agency obligations	-	8,304,234	-
Mutual funds	42,641,083	-	-
	<u>\$ 213,875,811</u>	<u>\$ 30,277,592</u>	<u>\$ -</u>
As of June 30, 2016			
Equity Investments			
Common stock	\$ 60,461,421	\$ -	\$ -
Preferred stock	199,373	-	-
Mutual funds	100,820,784	-	-
Fixed income investments			
Corporate bonds	-	23,643,135	-
U.S. government agency obligations	-	6,866,862	-
Mutual funds	43,892,489	-	-
	<u>\$ 205,374,067</u>	<u>\$ 30,509,997</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40 as the risk a government may face should interest rate variances affect the fair value of investments. Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. The Foundation does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2017 the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate debt	\$ 21,963,338	\$ 4,517,283	\$ 15,602,373	\$ 528,199	\$ 1,315,483
U.S. government agency obligations	4,575,944	997,545	3,481,599	26,148	70,652
U.S. treasuries	3,728,290	1,997,990	1,730,300	-	-
Municipal securities	10,020	-	-	10,020	-
	<u>\$ 30,277,592</u>	<u>\$ 7,512,818</u>	<u>\$ 20,814,272</u>	<u>\$ 564,367</u>	<u>\$ 1,386,135</u>

At June 30, 2016 the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate debt	\$ 23,528,004	\$ 5,139,991	\$ 16,485,662	\$ 514,427	\$ 1,387,924
U.S. government agency obligations	4,338,623	10,039	4,064,927	164,379	99,278
U.S. treasuries	2,528,239	250,760	2,277,479	-	-
Municipal securities	115,131	-	-	55,356	59,775
	<u>\$ 30,509,997</u>	<u>\$ 5,400,790</u>	<u>\$ 22,828,068</u>	<u>\$ 734,162</u>	<u>\$ 1,546,977</u>

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40 requires disclosure of credit quality ratings for investments in debt securities. The Foundation does not have a formal policy that limits its investment choices. (The credit risk rating listed below are issued upon standards set by Standard and Poor's).

University of Idaho

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Investment securities subject to credit risk at June 30, 2017:

Credit Rating	Investment Type			Total
	U.S. Government Agency Obligatons	Corporate Debt	Municipal Securities	
AAA	\$ -	\$ 1,577,379	\$ -	\$ 1,577,379
AA	4,571,202	7,442,925	-	12,014,127
A	-	7,741,405	-	7,741,405
BBB	-	4,443,121	-	4,443,121
BB	-	271,153	-	271,153
B	-	207,000	-	207,000
CCC	-	1,918	-	1,918
D	-	17,558	-	17,558
Not Rated	4,742	260,879	10,020	275,641
Total	\$ 4,575,944	\$ 21,963,338	\$ 10,020	\$ 26,549,302

Investment securities subject to credit risk at June 30, 2016:

Credit Rating	Investment Type			Total
	U.S. Government Agency Obligatons	Corporate Debt	Municipal Securities	
AAA	\$ -	\$ 1,511,110	\$ -	\$ 1,511,110
AA	4,332,927	6,461,495	15,071	10,809,493
A	-	9,483,929	-	9,483,929
BBB	-	5,277,716	-	5,277,716
BB	-	459,960	40,285	500,245
B	-	41,218	-	41,218
CCC	-	17,963	-	17,963
D	-	7,342	-	7,342
Not Rated	5,696	267,271	59,775	332,742
Total	\$ 4,338,623	\$ 23,528,004	\$ 115,131	\$ 27,981,758

Concentration of Credit Risk

Per GASB Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation has a formal policy addressing concentration of credit risk. Investments shall be diversified with the intent to minimize the risk of large realized and unrealized losses to the invested assets. The total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holding in individual issues, corporations, or industries.

- Not more than 5% of the total equity portfolio valued at market may be invested in the common stock of any one corporation.
- Debt securities of any one issuer shall not exceed 5% of the market value of the total bond portfolio at the time of purchase (except U.S. Treasury or other federal agencies).

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

- With the exception of passively managed portfolios, not more than 20% of the total portfolio may be invested in any one investment manager, fund, or pool.
- With the exception of passively managed portfolios, not more than 30% of the total portfolio may be invested with any one investment manager regardless of the number of funds with that manager.

At the end of 2017 and 2016, the Foundation was in compliance with the policy addressing concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover the value of its investment or collateral securities that are in possession of another party. The Foundation minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. At June 30, 2017 and 2016 all Foundation funds were held in the name of the counterparty for benefit of the Foundation.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation investment policy limits the exposure to foreign investments holdings in the portfolio. The Foundation is exposed to foreign currency risk in foreign stocks that it holds as follows for June 30, 2017 and 2016 respectively:

Currency Type		June 30, 2017 Fair Value	June 30, 2016 Fair Value
AUD	Australia	\$ 948,919	\$ 1,224,463
CAD	Canada	392,709	162,271
CHF	Switzerland	1,751,566	1,826,905
DKK	Denmark	554,636	-
EUR	Euro	2,986,270	2,051,023
GBP	Great Britain	3,061,412	2,802,095
HKD	Hong Kong	3,086,315	2,703,309
JPY	Japan	586,098	840,533
SEK	Sweden	200,330	234,202
SGD	Singapore	-	689,853
		\$ 13,568,255	\$ 12,534,654

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

DISTRIBUTIONS TO UNIVERSITY OF IDAHO AND AFFILIATES

During fiscal years 2017 and 2016, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2017		2016	
	CIT Endowment Income	Gifts and Other Revenues	CIT Endowment Income	Gifts and Other Revenues
Scholarships	\$ 6,483,856	\$ 2,796,410	\$ 6,242,674	\$ 2,960,061
Student loans	188,107	-	187,383	-
Building funds	-	2,629,444	-	1,270,012
University of Idaho College and Department Operating Accounts				
Academic Excellence	508,352	8,340	504,050	22,848
Agricultural and Life Sciences	502,191	1,910,343	457,538	1,715,506
Art and Architecture	18,895	160,503	14,641	218,443
Athletics	61,182	528,686	60,117	1,293,719
Business and Economics	411,933	395,240	393,287	414,013
Education	49,986	176,851	49,792	413,268
Engineering	301,414	691,022	225,019	591,632
Law	235,412	143,189	232,482	218,005
Letters, Art and Social Science	655,227	319,775	628,709	245,993
Library	184,455	35,941	182,692	135,687
Natural Resources	392,578	308,927	368,497	296,991
Science	210,092	269,668	201,762	433,678
Other departments	453,978	990,155	452,405	922,568
Life beneficiaries	17,288	-	35,198	-
University of Idaho affiliates	412	18,164	410	17,449
Total Distributions	<u>\$ 10,675,358</u>	<u>\$ 11,382,658</u>	<u>\$ 10,236,656</u>	<u>\$ 11,169,873</u>

DONOR RESTRICTED ENDOWMENTS

The Foundation receives certain gift assets that are restricted for endowment purposes, and by definition the original gift amount will be held in perpetuity for the benefit of the University. Restriction requirements for principal preservation is addressed by Idaho statute, and is applicable lacking any further guidance from the individual gift agreement. During the fiscal years ended June 30, 2017 and 2016, \$9,628,866 and \$6,248,025 was contributed to endowments, respectively.

The Foundation Board of Directors establishes a spending rate annually for endowments. The approved fiscal year 2017 and 2016 spending rate was set at 4.4% of the three-year rolling average of the CIT's monthly fair market value.

During the fiscal year ended June 30, 2017 and 2016, the endowments held by the Foundation had net appreciation (depreciation) on donor-restricted endowments of \$22,879,127 and \$(2,396,296) respectively. Unrealized appreciation (depreciation) is included with the "Restricted-Expendable" Net Position.

18. RELATED ORGANIZATIONS

The Idaho Research Foundation, Inc. (“Research Foundation”) is a separate legal entity that until 2008 provided technology transfer services to the University. In 2008 an agreement was reached between the University and Research Foundation to integrate some of the services into the University. The new role of the Research Foundation is to hold equity from licensing transactions on behalf of the University. The Research Foundation is a legally separate organization which provides a valuable service to the University. It does not provide financial resources to the University and is not reported as a component unit.

The Vandal Boosters, Inc. (“Boosters”) is a fund raising organization that provides financial assistance and services to the University of Idaho intercollegiate athletic department. Contributions received by the University from this organization are recorded as gifts. It does not provide significant financial resources to the University and is not reported as a component unit.

The University of Idaho Alumni Association (“Association”) was established to develop and maintain a positive relationship with alumni, parents, and friends of the University. The Association is a legally separate organization which provides a valuable service to the University. It does not provide significant financial resources to the University and is not reported as a component unit.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of University's Proportionate Share of Net Pension Liability PERSI - Base Plan

	2017	2016
University's portion of net pension liability	1.79%	1.81%
University's proportionate share of the net pension liability	\$ 36,275,764	\$ 23,973,741
University's covered employee payroll	52,317,861	50,667,755
University's proportional share of the net pension liability as a percentage of its covered employee payroll	69.34%	47.32%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	91.38%

Data reported is measured as of July 1, 2016 and July 1, 2015 (measurement dates)

Schedule of University Contributions PERSI - Base Plan

	2017	2016
Statutorily-required contribution	\$ 6,507,425	\$ 5,917,860
Contributions in relation to the statutorily-required contribution	6,507,425	5,917,860
Contribution (deficiency) excess	\$ -	\$ -
University's covered-employee payroll	57,486,009	52,317,861
Contributions as a percentage of covered-employee payroll	11.32%	11.31%

Schedule of Funding Progress Retiree Benefits Trust

Fiscal Year End Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b-a)/(c)
6/30/2013	\$ 24,753,000	\$ 63,465,000	\$ 38,712,000	39.0%	\$ 123,237,000	31.4%
6/30/2014	28,271,000	61,476,000	33,205,000	46.0%	132,777,000	25.0%
6/30/2015	29,768,000	62,465,000	32,697,000	47.7%	140,728,000	23.2%
6/30/2016	30,528,000	58,201,000	27,673,000	52.5%	150,995,000	18.3%
6/30/2017	30,528,000	58,201,000	27,673,000	52.5%	150,995,000	18.3%

Schedule of Employer Contributions Retiree Benefits Trust

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed
6/30/2013	\$ 3,723,000	110.4%
6/30/2014	3,368,000	94.4%
6/30/2015	3,177,000	101.8%
6/30/2016	2,711,000	101.5%
6/30/2017	2,711,000	116.5%

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*

Idaho State Board of Education
University of Idaho

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 the University of Idaho (University), and its discretely presented component unit, and the aggregate remaining fund of the University, as of and for the year ended June 30, 2017, 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 29, 2017. Our report includes reference to other auditors who audited the financial statements of the University of Idaho Foundation, a discretely presented component unit, and the University of Idaho Health Benefits Trust, a fiduciary fund, as described in our report of the University of Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
September 29, 2017



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

Idaho State Board of Education
University of Idaho

Report on Compliance for Each Major Federal Program

We have audited the University of Idaho's (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2017. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 29, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

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

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

<i>CFDA Number(s)</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
93.575	Child Care and Development Fund Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
CCDF - Cluster								
DEPARTMENT OF HEALTH AND HUMAN SERVICES Pass Through Programs								
Child Care and Development Block Grant								
	Idaho Dept. of Health & Welfare		263,737	-	-	-	40,244	40,244
	Idaho Dept. of Health & Welfare		2,466,536	-	-	-	4,723,102	4,723,102
	Idaho Dept. of Health & Welfare	WC082000 MOD 1	-	-	-	-	3,025	3,025
Total DHHS Pass-Through Programs			2,730,273	-	-	-	4,766,371	4,766,371
Total CCDF Cluster			2,730,273	-	-	-	4,766,371	4,766,371
Drinking Water State Revolving Fund - Cluster								
ENVIRONMENTAL PROTECTION AGENCY Pass Through Programs								
Capitalization Grants for Drinking Water State Revolving Funds								
	Idaho Department of Environmental Quality	S557	-	-	-	-	1,332	1,332
	Idaho Department of Environmental Quality	K095	-	-	-	-	3,649	3,649
Total EPA Pass-Through Programs			-	-	-	-	4,981	4,981
Total Drinking Water State Revolving Fund Cluster			-	-	-	-	4,981	4,981
Employment Service - Cluster								
DEPARTMENT OF LABOR Pass Through Programs								
Employment Service/Wagner-Peyser Funded Activities								
	Idaho Department of Labor	16382B PO 170117	-	-	-	-	10,000	10,000
Total DOL Pass-Through Programs			-	-	-	-	10,000	10,000
Total Employment Service Cluster			-	-	-	-	10,000	10,000
Research & Development - Cluster								
DEPARTMENT OF AGRICULTURE Direct Programs								
Department of Agriculture, Other	10.		33,395	300,197	-	-	-	300,197
AGRICULTURE RESEARCH SERVICE								
Agricultural Research-Basic and Applied Research	10.001		-	1,394,090	-	-	-	1,394,090
ANIMAL AND PLANT HEALTH INSPECTION SERVICE								
Plant and Animal Disease, Pest Control, and Animal Care	10.025		-	810,741	-	-	-	810,741
Animal Damage Control	10.028		-	47,877	-	-	-	47,877
AGRICULTURAL MARKETING SERVICE								
Specialty Crop Block Grant Program - Farm Bill	10.170		-	24,949	-	-	-	24,949
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE								
Grants for Agricultural Research, Special Research Grants	10.200		33,842	147,523	-	-	-	147,523
Cooperative Forestry Research	10.202		-	648,833	-	-	-	648,833
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		-	2,647,628	-	-	-	2,647,628
Animal Health and Disease Research	10.207		-	89,651	-	-	-	89,651
Integrated Programs	10.303		32,510	109,589	-	-	-	109,589
Specialty Crop Research Initiative	10.309		-	17,577	-	-	-	17,577
Agriculture and Food Research Initiative (AFRI)	10.310		1,816,325	4,102,311	-	-	-	4,102,311
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312		-	42,652	-	-	-	42,652
THE OFFICE OF THE CHIEF ECONOMIST								
Agricultural Market and Economic Research	10.290		-	39,964	-	-	-	39,964
FOREST SERVICE								
Forest Health Protection	10.680		-	568,395	-	-	-	568,395
FOREIGN AGRICULTURAL SERVICE								
Scientific Cooperation and Research	10.961		-	25,529	-	-	-	25,529
NATURAL RESOURCES CONSERVATION SERVICE								
Soil & Water Conservation	10.902		-	149,807	-	-	-	149,807
Snow Survey and Water Supply Forecasting	10.907		-	10,510	-	-	-	10,510
Environmental Quality Incentives Program	10.912		-	32,079	-	-	-	32,079
Total USDA Direct Programs			1,916,072	11,209,902	-	-	-	11,209,902

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE Pass Through Programs								
Department of Agriculture, Other								
Western Forestry & Conservation Assn	10.	IETIC Russell H Hudson Gene Archive	-	-	-	-	-	-
Western Forestry & Conservation Assn	10.	00683L	-	-	(552)	-	-	(552)
Western Forestry & Conservation Assn	10.	00683L	-	-	3	-	-	3
Western Forestry & Conservation Assn	10.	00683M	-	-	17,512	-	-	17,512
Western Forestry & Conservation Assn	10.	00683M	-	-	543	-	-	543
National Potato Promotion Board	10.	13617	-	-	16,413	-	-	16,413
Oregon State University	10.	DA833A-A	-	-	5,079	-	-	5,079
Boise State University	10.	WAIT EARLY SETUP	-	-	13,949	-	-	13,949
AGRICULTURE RESEARCH SERVICE								
Agricultural Research-Basic and Applied Research								
Washington State University	10.001	123681 G003447	-	-	1,062	-	-	1,062
Brigham Young University	10.001	15-0454	-	-	5,526	-	-	5,526
University of Nebraska	10.001	25-6235-0275-006	-	-	1,000	-	-	1,000
ANIMAL AND PLANT HEALTH INSPECTION SERVICE								
Plant and Animal Disease, Pest Control, and Animal Care								
Boise State University	10.025	6979-A	-	-	124,150	-	-	124,150
AGRICULTURAL MARKETING SERVICE								
Specialty Crop Block Grant Program - Farm Bill								
Idaho Bean Commission	10.170	13602	-	-	492	-	-	492
Idaho Department of Agriculture	10.170	2014 Farm Bill SCBGP-FB	-	-	195	-	-	195
Idaho Potato Commission	10.170	2014 FARM BILL SCBGP-FB	-	-	49,562	-	-	49,562
Idaho Department of Agriculture	10.170	2014 Farm Bill SCBGP-FB	-	-	19,646	-	-	19,646
Idaho Department of Agriculture	10.170	2014 Farm Bill SCBGP-FB	-	-	32,424	-	-	32,424
Idaho Apple Commission	10.170	14584	-	-	64,158	-	-	64,158
Idaho Potato Commission	10.170	2014 Farm Bill SCBGP-FB	-	-	20,944	-	-	20,944
Idaho Bean Commission	10.170	14598	-	-	12,279	-	-	12,279
Idaho Department of Agriculture	10.170	2015 FARM BILL SCBGP-FB	-	-	37,379	-	-	37,379
Idaho Bean Commission	10.170	15496 SCBGP	-	-	53,621	-	-	53,621
Idaho Bean Commission	10.170	15550 SCBGP	-	-	53,110	-	-	53,110
Idaho Department of Agriculture	10.170	2016 SCBGP-FB	-	-	35,276	-	-	35,276
Idaho Department of Agriculture	10.170	2016 SCBGP-FB	-	-	215	-	-	215
Idaho Department of Agriculture	10.170	2016 SCBGP-FB	-	-	10,067	-	-	10,067
Idaho Potato Commission	10.170	16-SCBGP-ID-0034	-	-	17,052	-	-	17,052
Idaho Potato Commission	10.170	17209 SCBGP	-	-	40,825	-	-	40,825
Idaho Eastern Oregon Onion Comm	10.170	16678	-	-	33,051	-	-	33,051
North Dakota State University	10.170	FAR026391	-	-	13,392	-	-	13,392
Idaho Nursery and Landscape Association	10.170	16660	-	-	15,122	-	-	15,122
Idaho Bean Commission	10.170	15550 SCBGP	-	-	16,785	-	-	16,785
Idaho Potato Commission	10.170	15-SCBGP-ID-0015	13,322	-	21,080	-	-	21,080
Idaho Potato Commission	10.170	15-SCBGP-ID-0015	-	-	400	-	-	400
Idaho Potato Commission	10.170	2013 FARM BILL SCBGP-FB	-	-	164	-	-	164
Idaho Potato Commission	10.170	2013 FARM BILL SCBGP-FB	-	-	32	-	-	32
Idaho Department of Agriculture	10.170	2015 SCBGP-FB	-	-	29,901	-	-	29,901
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE								
Grants for Agricultural Research, Special Research Grants								
University of Washington	10.200	UWSC8215	-	-	21,969	-	-	21,969
University of California, Davis	10.200	201402878-07-UI-Hirnyck-FoodU	-	-	1,384	-	-	1,384
Washington State University	10.200	105577 G003394	-	-	5,527	-	-	5,527
University of California, Davis	10.200	201502587-09-UID-Hirnyck-FoodU	-	-	58,850	-	-	58,850
Washington State University	10.200	105577_G003658	-	-	151,775	-	-	151,775
University of Washington	10.200	UWSC8214 BPO2850	-	-	2,147	-	-	2,147
University of Washington	10.200	UWSC8211	-	-	68,067	-	-	68,067
University of Washington	10.200	UWSC8840 BPO12502	-	-	4,829	-	-	4,829
Sustainable Agriculture Research and Education								
Montana State University	10.215	G193-16-W5904	-	-	831	-	-	831
Utah State University	10.215	150893-00001-173	9,145	-	26,270	-	-	26,270
Washington State University	10.215	124974 G003582	-	-	981	-	-	981
Utah State University	10.215	150893-00001-173	-	-	20,612	-	-	20,612
Utah State University	10.215	120833019-134	-	-	5,305	-	-	5,305
Community Food Projects								
Oregon State University	10.225	170348	-	-	4,129	-	-	4,129
Homeland Security_Agriculture								
Univ of California Davis	10.304	201303063-07	-	-	5,551	-	-	5,551
Univ of California Davis	10.304	201603794-07	-	-	11,000	-	-	11,000

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
Specialty Crop Research Initiative	10.309							
Cornell University	10.309	73999-10424	-	-	67,356	-	-	67,356
University of Wisconsin	10.309	350K825	78,336	-	81,929	-	-	81,929
University of Wisconsin	10.309	350K825	-	-	3,582	-	-	3,582
Washington State University	10.309	123535 G003384	-	-	15,297	-	-	15,297
Cornell University	10.309	73999-10424	-	-	213,928	-	-	213,928
Cornell University	10.309	73999-10424	-	-	80,407	-	-	80,407
Cornell University	10.309	73999-10424	-	-	27,763	-	-	27,763
Cornell University	10.309	73999-10424	-	-	11,548	-	-	11,548
Washington State University	10.309	125970-G003586	-	-	532	-	-	532
Washington State University	10.309	125970-G003586	-	-	8,095	-	-	8,095
Cornell University	10.309	79611-10749	-	-	3,618	-	-	3,618
Agriculture and Food Research Initiative (AFRI)	10.310							
Utah State University	10.310	151160-00001-122	-	-	6,894	-	-	6,894
University of Arkansas	10.310	UA AES 0402-82678-01 PO6822616	-	-	33,839	-	-	33,839
University of Nevada at Reno	10.310	UNR-14-78 114GC000085	-	-	28,985	-	-	28,985
Washington State University	10.310	115375 G002917	-	-	30,732	-	-	30,732
University of Missouri	10.310	C0054406-3	-	-	48,231	-	-	48,231
Univ of California Davis	10.310	201015718-13	-	-	33,647	-	-	33,647
Regents University of California Riverside	10.310	S-000471	-	-	12,296	-	-	12,296
Auburn University	10.310	13-AGR-373036-UI	-	-	8,812	-	-	8,812
Idaho State University	10.310	14-20A-RGE021	-	-	(1)	-	-	(1)
West Virginia University	10.310	16-308-UI	-	-	46,681	-	-	46,681
University of California, Davis	10.310	201603566-03	-	-	1,655	-	-	1,655
University of California, Davis	10.310	201603566-03	-	-	1,617	-	-	1,617
Washington State University	10.310	115808G002989	-	-	(109)	-	-	(109)
Washington State University	10.310	115808G002989	-	-	23,829	-	-	23,829
Colorado State University	10.310	G-91600-5	-	-	34,107	-	-	34,107
Washington State University	10.310	115808G002989	-	-	6,554	-	-	6,554
University of Washington	10.310	729775	-	-	23,293	-	-	23,293
University of Washington	10.310	729775	-	-	116,904	-	-	116,904
Oregon State University	10.310	C0462A-A	-	-	9,489	-	-	9,489
Colorado State University	10.310	G-91600-5	-	-	63,466	-	-	63,466
Colorado State University	10.310	G-91600-5	-	-	120,968	-	-	120,968
Colorado State University	10.310	G-91600-5	-	-	37,026	-	-	37,026
Washington State University	10.310	115375 G002917	-	-	84,351	-	-	84,351
Washington State University	10.310	115808G002989	-	-	55,016	-	-	55,016
Michigan State University	10.310	RC105806UI	-	-	15,531	-	-	15,531
Oregon State University	10.310	C0462A-A	-	-	72,192	-	-	72,192
Washington State University	10.310	115808G002989	-	-	(1,538)	-	-	(1,538)
Crop Protection and Pest Management Competitive Grants Program	10.329							
University of California, Davis	10.329	SA14-2309-15	-	-	1,001	-	-	1,001
Alfalfa and Forage Research Program	10.330							
Washington State University	10.330	124210 G003390	-	-	9,080	-	-	9,080
THE OFFICE OF THE CHIEF ECONOMIST	10.290							
Agricultural Market and Economic Research	10.290							
University of Minnesota	10.290	H006035702	-	-	15,123	-	-	15,123
University of Minnesota	10.290	H005272201	-	-	47,167	-	-	47,167
Oregon Department of Forestry	10.290	17218	-	-	15,303	-	-	15,303
North Carolina St. University	10.290	2017-0513-01	-	-	94,645	-	-	94,645
FOREIGN AGRICULTURAL SERVICE	10.604							
Technical Assistance for Specialty Crops Program	10.604							
National Potato Promotion Board	10.604	17221	-	-	34,476	-	-	34,476
National Potato Promotion Board	10.604	17221	-	-	18,105	-	-	18,105
FOREST SERVICE	10.664							
Cooperative Forestry Assistance	10.664							
Idaho Department of Lands	10.664	17-301	-	-	30,000	-	-	30,000
Total USDA Pass Through Programs			100,803	-	2,844,506	-	-	2,844,506
Total USDA R&D			2,016,875	11,209,902	2,844,506	-	-	14,054,408

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF COMMERCE-Pass Through Programs								
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION								
National Oceanic and Atmospheric Administration, Other								
	11.							
	11.	647.7805	-	-	24,266	-	-	24,266
Climate and Atmospheric Research	11.431							
	11.431	Oregon State University	-	-	3,770	-	-	3,770
	11.431	Oregon State University	-	-	31,910	-	-	31,910
Total DOC Pass Through Programs			-	-	59,946	-	-	59,946
Total DOC R&D			-	-	59,946	-	-	59,946
DEPARTMENT OF DEFENSE Direct Programs								
Department of Defense, Other								
	12.		100,261	738,151				738,151
DEPARTMENT OF THE NAVY, OFFICE OF THE CHIEF OF NAVAL RESEARCH								
Basic and Applied Scientific Research								
	12.300		-	902,564				902,564
OFFICE OF THE SECRETARY OF DEFENSE								
Basic Scientific Research - Combating Weapons of Mass Destruction								
	12.351		199,399	368,441				368,441
Basic, Applied, and Advanced Research in Science and Engineering								
	12.630		-	32,384				32,384
DEPARTMENT OF DEFENSE U.S. ARMY MEDICAL COMMAND								
Military Medical Research and Development								
	12.420		-	2,087				2,087
DEPARTMENT OF THE AIR FORCE MATERIEL COMMAND								
Basic Science Research								
	12.431		-	4,909				4,909
Air Force Defense Research Sciences Program								
	12.800		-	14,657				14,657
NATIONAL SECURITY AGENCY								
CyberSecurity Core Curriculum								
	12.905		-	53,098				53,098
Total DOD Direct Programs			299,660	2,116,291	-	-	-	2,116,291
DEPARTMENT OF DEFENSE Pass Through Programs								
Department of Defense, Other								
	12.							
	12.	7124-01	-	-	121,799	-	-	121,799
	12.	16152 - 11462012-00569592;4	-	-	48,428	-	-	48,428
DEFENSE LOGISTICS AGENCY								
Procurement Technical Assistance For Business Firms								
	12.002							
	12.002	16416 PIO 17-1519	-	-	45,000	-	-	45,000
DEPARTMENT OF THE NAVY, OFFICE OF THE CHIEF OF NAVAL RESEARCH								
Basic and Applied Scientific Research								
	12.300							
	12.300	GS.1281.U1.16.01	-	-	31,804	-	-	31,804
DEPARTMENT OF THE AIR FORCE MATERIEL COMMAND								
Basic Science Research								
	12.431							
	12.431	124458 G003451	-	-	28,839	-	-	28,839
	12.431	UTA14-000287	-	-	168,719	-	-	168,719
Total DOD Pass Through Programs			-	-	444,589	-	-	444,589
Total DOD R&D			299,660	2,116,291	444,589	-	-	2,560,880
DEPARTMENT OF THE INTERIOR Direct Programs								
Department of Interior, Other								
	15.		193,818	199,641				199,641
BUREAU OF INDIAN AFFAIRS								
Agriculture on Indian Lands								
	15.034		-	19,408				19,408
BUREAU OF LAND MANAGEMENT								
Recreation Resource Management								
	15.225		-	70,642				70,642
Invasive and Noxious Plant Management								
	15.230		-	51,251				51,251
Fish, Wildlife and Plant Conservation Resource Management								
	15.231		-	524,722				524,722
Wildland Fire Research and Studies Program								
	15.232		25,816	298,597				298,597
Environmental Quality and Protection Resource Management								
	15.236		-	2,809				2,809
Challenge Cost Share								
	15.238		-	370				370
BUREAU OF RECLAMATION								
Fish and Wildlife Coordination Act								
	15.517		-	89,715				89,715
Indian Tribal Water Resources Development, Management & Protection								
	15.519		-	8,863				8,863
OFFICE OF SURFACE MINING								
Science and Technology Projects Related to Coal Mining and Reclamation								
	15.255		-	13,278				13,278
US FISH AND WILDLIFE SERVICE								
Fish and Wildlife Management Assistance								
	15.608		-	51,912				51,912
Endangered Species Conservation								
	15.657		-	42,059				42,059
Cooperative Landscape Conservation								
	15.669		-	70,782				70,782
Cooperative Ecosystem Studies Units								
	15.678		-	45,030				45,030

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
U.S.GEOLOGICAL SURVEY								
Assistance to State Water Resources Research Institutes	15.805		-	57,390	-	-	-	57,390
U.S. Geological Survey_ Research and Data Collection	15.808		-	25,783	-	-	-	25,783
National Cooperative Geologic Mapping Program	15.810		-	152,235	-	-	-	152,235
Cooperative Research Units Program	15.812		-	270,575	-	-	-	270,575
NATIONAL PARK SERVICE								
Coop Research and Training Programs – Resources of the National Park System	15.945		-	284,122	-	-	-	284,122
Total DOI Direct Programs			219,634	2,279,184	-	-	-	2,279,184
DEPARTMENT OF THE INTERIOR Pass Through Programs								
BUREAU OF LAND MANAGEMENT								
Department of Interior, Other	15.							
Western Forestry & Conservation Assn	15.	IETIC Russell H Hudson Gene Archive	-	-	3	-	-	3
Western Forestry & Conservation Assn	15.	00683L	-	-	(159)	-	-	(159)
Western Forestry & Conservation Assn	15.	00683L	-	-	1	-	-	1
Western Forestry & Conservation Assn	15.	00683M	-	-	4,636	-	-	4,636
Western Forestry & Conservation Assn	15.	00683M	-	-	144	-	-	144
US FISH AND WILDLIFE SERVICE								
Sport Fish Restoration Program	15.605							
North Dakota Game & Fish Dept	15.605	16499B	-	-	19,259	-	-	19,259
Wyoming Game and Fish Department	15.605	2440	-	-	50,266	-	-	50,266
North Dakota Game & Fish Dept	15.605	16499	-	-	(6,426)	-	-	(6,426)
Fish and Wildlife Management Assistance	15.608							
National Fish and Wildlife Foundation	15.608	0804.15.051055	-	-	30,850	-	-	30,850
Wildlife Restoration and Basic Hunter Education	15.611							
Idaho Department of Fish & Game	15.611	1434-11HQRU1579 Letter 1-6-16	-	-	29,691	-	-	29,691
Oregon Department of Fish & Wildlife	15.611	194-15	-	-	54,509	-	-	54,509
Cooperative Endangered Species Conservation Fund	15.615							
Louisiana Department of Wildlife and Fisheries	15.615	2000227423	-	-	28,251	-	-	28,251
Migratory Bird Joint Ventures	15.637							
Nebraska Game & parks Commission	15.637	15630	-	-	1,436	-	-	1,436
Endangered Species - Candidate Conservation Action Funds	15.660							
Western Association of Fish and Wildlife Agencies	15.660	SC-C-17-01	-	-	8,632	-	-	8,632
Adaptive Science	15.670							
Western Association of Fish and Wildlife Agencies	15.670	SBSI-C-17-02	-	-	31,822	-	-	31,822
U.S.GEOLOGICAL SURVEY								
U.S. Geological Survey_ Research and Data Collection	15.808							
Desert Research Institute	15.808	646-5621	-	-	25,110	-	-	25,110
National Climate Change and Wildlife Science Center	15.820							
University of Washington	15.820	UWSC 8135 BPO 1412	-	-	(1)	-	-	(1)
Oregon State University	15.820	GS296A-A	41,558	-	134,928	-	-	134,928
Oregon State University	15.820	GS298A-A	18,373	-	142,712	-	-	142,712
Oregon State University	15.820	GS322A-A	-	-	(1,090)	-	-	(1,090)
Oregon State University	15.820	GS240BA	-	-	5,955	-	-	5,955
Oregon State University	15.820	GS240B-A MOD 8	-	-	149,851	-	-	149,851
Total DOI Pass Through Programs			59,931	-	710,380	-	-	710,380
Total DOI R&D			279,565	2,279,184	710,380	-	-	2,989,564
DEPARTMENT OF TRANSPORTATION Direct Programs								
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION								
University Transportation Centers Program	20.701		982,053	1,205,478	-	-	-	1,205,478
Total DOT Direct Programs			982,053	1,205,478	-	-	-	1,205,478
DEPARTMENT OF TRANSPORTATION Pass Through Programs								
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION								
Department of Transportation, Other	20.							
University of Alaska	20.	UAF 16-0013 P00494206	-	-	22,918	-	-	22,918

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
FEDERAL HIGHWAY ADMINISTRATION								
Highway Planning and Construction								
	20.205							
Idaho Transportation Department	20.205	UI-15-03	-	-	27,614	-	-	27,614
Idaho Transportation Department	20.205	6361	-	-	7,248	-	-	7,248
Idaho Transportation Department	20.205	UI-14-02	-	-	-	-	-	-
Idaho Transportation Department	20.205	UI-14-03	-	-	1,239	-	-	1,239
Idaho Transportation Department	20.205	UI-15-02	-	-	61,017	-	-	61,017
Idaho Transportation Department	20.205	UI-15-04	-	-	102,785	-	-	102,785
Idaho Transportation Department	20.205	UI-16-01	-	-	44,838	-	-	44,838
Idaho Transportation Department	20.205	UI-16-04	-	-	24,259	-	-	24,259
Idaho Transportation Department	20.205	UI-16-03	-	-	52,474	-	-	52,474
Idaho Transportation Department	20.205	UI-16-02	-	-	30,570	-	-	30,570
Washington State University	20.205	126886 G003551	-	-	31,070	-	-	31,070
Idaho Transportation Department	20.205	UI-17-02	-	-	22,499	-	-	22,499
Idaho Transportation Department	20.205	UI-17-01	-	-	24,958	-	-	24,958
Boise State University	20.205	7458-A	-	-	18,071	-	-	18,071
Idaho Transportation Department	20.205	UI-17-03 RP 266	-	-	4,984	-	-	4,984
Idaho Transportation Department	20.205	UI-15-05	-	-	34,719	-	-	34,719
University Transportation Centers Program								
	20.701							
University of Washington	20.701	UWSC8235 BPO3863	-	-	75,206	-	-	75,206
University of Washington	20.701	UWSC8235 BPO3863	-	-	8,949	-	-	8,949
University of Washington	20.701	UWSC8235 BPO3863	-	-	22,206	-	-	22,206
University of Washington	20.701	UWSC8235 BPO3863	-	-	69,782	-	-	69,782
University of Washington	20.701	UWSC8235 BPO3863	-	-	32,379	-	-	32,379
University of Washington	20.701	UWSC8235 BPO3863	-	-	13,876	-	-	13,876
University of Washington	20.701	UWSC8235 BPO3863	-	-	10,704	-	-	10,704
University of Washington	20.701	UWSC8235 BPO3863	-	-	58,971	-	-	58,971
University of Washington	20.701	UWSC8235 BPO3863	-	-	21,318	-	-	21,318
University of Washington	20.701	UWSC8235 BPO3863	-	-	15,844	-	-	15,844
University of Washington	20.701	UWSC8235 BPO3863	-	-	5,499	-	-	5,499
University of Washington	20.701	UWSC8235 BPO3863	-	-	13,520	-	-	13,520
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION								
Interagency Hazardous Materials Public Sector Training and Planning Grants								
	20.703							
Nez Perce Tribal	20.703	16697	-	-	35,277	-	-	35,277
Total DOT Pass Through Programs			-	-	894,794	-	-	894,794
Total DOT R&D			982,053	1,205,478	894,794	-	-	2,100,272
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Direct Programs								
NASA, Other								
Science	43.001		158,521	237,095	-	-	-	237,095
Education	43.008		256,108	1,249,127	-	-	-	1,249,127
Cross Agency Support	43.009		248,353	789,945	-	-	-	789,945
Space Technology	43.012		-	95,690	-	-	-	95,690
			-	20,754	-	-	-	20,754
Total NASA Direct Programs			662,982	2,392,611	-	-	-	2,392,611
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Pass Through Programs								
NASA, Other								
	43.							
University of Arizona	43.	1407200 PO 243109	-	-	89,749	-	-	89,749
Cornell University	43.	62002-10571	-	-	15,786	-	-	15,786
Jet Propulsion Laboratories	43.	1512214	-	-	25,711	-	-	25,711
Science								
	43.001							
Jet Propulsion Laboratories	43.001	1532784	-	-	14,304	-	-	14,304
Cornell University	43.001	70263-10524	-	-	44,341	-	-	44,341
Jet Propulsion Laboratories	43.001	1544672	-	-	8,614	-	-	8,614
Jet Propulsion Laboratories	43.001	1538705	-	-	(1,803)	-	-	(1,803)
University of Maryland	43.001	Z6880001 PO14655	-	-	54,820	-	-	54,820
University of Maryland	43.001	19612-Z6914002	-	-	57,389	-	-	57,389
South Dakota State University	43.001	3TB601	-	-	19,359	-	-	19,359
University of Colorado	43.001	1551865	-	-	1,069	-	-	1,069
SETI Institute	43.001	SC 3152	-	-	18,502	-	-	18,502
Exploration								
	43.003							
Georgia Institute of Technology	43.003	RH412-G3	-	-	2,060	-	-	2,060
Total NASA Pass Through Programs			-	-	349,901	-	-	349,901
Total NASA R&D			662,982	2,392,611	349,901	-	-	2,742,512

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES Pass Through Programs								
NATIONAL ENDOWMENT FOR THE HUMANITIES								
Promotion of the Humanities_Federal/State Partnership	45.129							
	Idaho Humanities Council	2017031	-	-	935	-	-	935
	Idaho Humanities Council	2015050	-	-	1,958	-	-	1,958
Total NFAH Pass Through Programs			-	-	2,893	-	-	2,893
Total NFAH R&D			-	-	2,893	-	-	2,893
NATIONAL SCIENCE FOUNDATION Direct Programs								
Engineering Grants	47.041		42,370	315,460	-	-	-	315,460
Mathematical and Physical Sciences	47.049		-	210,019	-	-	-	210,019
Geosciences	47.050		116,472	1,167,962	-	-	-	1,167,962
Computer and Information Science and Engineering	47.070		-	51,472	-	-	-	51,472
Biological Sciences	47.074		158,441	1,596,646	-	-	-	1,596,646
Social, Behavioral, and Economic Sciences	47.075		175,489	406,304	-	-	-	406,304
Education and Human Resources	47.076		144,928	1,960,646	-	-	-	1,960,646
Polar Sciences	47.078		-	69,159	-	-	-	69,159
International Science and Engineering (OISE)	47.079		155,389	610,917	-	-	-	610,917
Office of Cyberinfrastructure	47.080		3,121,717	5,016,507	-	-	-	5,016,507
Total NSF Direct Programs			3,914,806	11,405,092	-	-	-	11,405,092
NATIONAL SCIENCE FOUNDATION Pass Through Programs								
Mathematical and Physical Sciences	47.049							
	Southwest Research Institute	399092LW	-	-	21,606	-	-	21,606
Geosciences	47.050							
	University of Notre Dame	20231UI	-	-	34,714	-	-	34,714
	University of Texas at Austin	UTA13-000935	-	-	38,092	-	-	38,092
Computer and Information Science and Engineering	47.070							
	Syracuse University	28701-04184-S01	-	-	53,517	-	-	53,517
Biological Sciences	47.074							
	Michigan State University	61-2075UI	-	-	131,131	-	-	131,131
	Northern Arizona University	1003017-07	-	-	16,214	-	-	16,214
	Michigan State University	61-2075UI	-	-	27,124	-	-	27,124
	Michigan State University	61-2075UI	-	-	5,020	-	-	5,020
	Michigan State University	61-2075UI	-	-	9,058	-	-	9,058
	Michigan State University	61-2075UI	-	-	5,205	-	-	5,205
	Michigan State University	61-2075UI	-	-	8,509	-	-	8,509
	Michigan State University	61-2075UI	-	-	6,627	-	-	6,627
	Michigan State University	61-2075UI	-	-	5,155	-	-	5,155
	Michigan State University	61-2075UI	-	-	40,031	-	-	40,031
	Michigan State University	61-2075UI	-	-	28,909	-	-	28,909
	Michigan State University	61-2075UI	-	-	34,827	-	-	34,827
	Michigan State University	61-2075UI	-	-	22,376	-	-	22,376
	Michigan State University	61-2075UI	-	-	17,521	-	-	17,521
	Michigan State University	61-2075UI	-	-	45,150	-	-	45,150
	Michigan State University	61-2075UI	-	-	58,832	-	-	58,832
	Michigan State University	61-2075UI	-	-	18,720	-	-	18,720
	Michigan State University	61-2075UI	-	-	22,977	-	-	22,977
	Michigan State University	EARLY SETUP	-	-	2,434	-	-	2,434
	Michigan State University	EARLY SETUP	-	-	1,573	-	-	1,573
	Washington State University	121253G003276	-	-	70,377	-	-	70,377
	Washington State University	118419G003242	-	-	71,905	-	-	71,905
Education and Human Resources	47.076							
	University of Rochester	416911	-	-	39,521	-	-	39,521
	Washington State University	115393 G002948	-	-	167,451	-	-	167,451
	Lewis-Clark State College	EARLY SETUP	-	-	8,650	-	-	8,650
	Oregon State University	S1770A-A	-	-	49,714	-	-	49,714
Office of Cyberinfrastructure	47.080							
	University of Alaska	UAF 14-0064/POFP41993	-	-	33,184	-	-	33,184
Total NSF Pass Through Programs			-	-	1,096,124	-	-	1,096,124
Total NSF R&D			3,914,806	11,405,092	1,096,124	-	-	12,501,216

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF VETERANS AFFAIRS Pass Through Programs								
Department of Veterans Affairs, Other	64.							
ZGA Architects and Planners	64.	16772	-	-	27,634	-	-	27,634
Total Dept of Veterans Affairs Pass Through Programs			-	-	27,634	-	-	27,634
Total Dept of Veterans Affairs R&D			-	-	27,634	-	-	27,634
ENVIRONMENTAL PROTECTION AGENCY Pass Through Programs								
Environmental Protection Agency, Other	66.							
Tetra Tech, Inc.	66.	1130683	-	-	8,796	-	-	8,796
Total EPA Pass Through Programs			-	-	8,796	-	-	8,796
Total EPA R&D			-	-	8,796	-	-	8,796
NUCLEAR REGULATORY COMMISSION Direct Programs								
U.S. Nuclear Regulatory Commission Scholarship&Fellowship Program	77.008		-	122,331	-	-	-	122,331
Total NRC Direct Programs			-	122,331	-	-	-	122,331
Total NRC R&D			-	122,331	-	-	-	122,331
DEPARTMENT OF ENERGY Direct Programs								
Department of Energy, Other	81.		-	251,968	-	-	-	251,968
Office of Science Financial Assistance Program	81.049		113,033	370,799	-	-	-	370,799
University Coal Research	81.057		-	101,864	-	-	-	101,864
Nuclear Energy Research, Development & Demonstration	81.121		72,050	867,801	-	-	-	867,801
Total DOE Direct Programs			185,083	1,592,432	-	-	-	1,592,432

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF ENERGY Pass Through Programs								
Department of Energy, Other								
Columbia River Inter-Tribal	81.	V15-01 V1500140	-	-	71,004	-	-	71,004
Columbia River Inter-Tribal	81.	C17-04	-	-	267	-	-	267
Columbia River Inter-Tribal	81.	C16-06 PO # C1600640	-	-	258,587	-	-	258,587
Columbia River Inter-Tribal	81.	C15-12 C1501240	-	-	(5,028)	-	-	(5,028)
Columbia River Inter-Tribal	81.	C16-01 PO C16900140	-	-	50,519	-	-	50,519
Columbia River Inter-Tribal	81.	C17-02	-	-	31,034	-	-	31,034
Battelle Energy Alliance LLC	81.	154756 RELEASE 13	-	-	27,106	-	-	27,106
Battelle Energy Alliance LLC	81.	00042246 TO 00123	-	-	21,215	-	-	21,215
Battelle Energy Alliance LLC	81.	154756 RELEASE 4	-	-	67,550	-	-	67,550
Battelle Energy Alliance LLC	81.	42246 Release 139	-	-	(29)	-	-	(29)
Battelle Energy Alliance LLC	81.	154756 RELEASE 18	-	-	14,435	-	-	14,435
Battelle Energy Alliance LLC	81.	154756 RELEASE 14	-	-	30,700	-	-	30,700
Battelle Energy Alliance LLC	81.	42246 Release 142	-	-	(2,759)	-	-	(2,759)
Battelle Energy Alliance LLC	81.	154756 Release 5	-	-	136,803	-	-	136,803
Battelle Energy Alliance LLC	81.	154756 RELEASE 20	-	-	23,965	-	-	23,965
Battelle Energy Alliance LLC	81.	154756 Release 1	-	-	5,494	-	-	5,494
Battelle Energy Alliance LLC	81.	154756 Release 2	-	-	55,391	-	-	55,391
Battelle Energy Alliance LLC	81.	42246 Release 141	-	-	55,144	-	-	55,144
Regents, University of California Berkeley	81.	7236010	-	-	9,345	-	-	9,345
Battelle Energy Alliance LLC	81.	42246TO129	-	-	13,596	-	-	13,596
Battelle Energy Alliance LLC	81.	154756 Release 7	-	-	9,071	-	-	9,071
Battelle Energy Alliance LLC	81.	BMA 161628 RELEASE 2	-	-	62,858	-	-	62,858
Battelle Energy Alliance LLC	81.	BMA 161628 RELEASE 1	-	-	65,009	-	-	65,009
Battelle Energy Alliance LLC	81.	154756 Release 9	-	-	44,266	-	-	44,266
GE Global Research	81.	16263 PO 401052279	-	-	37,500	-	-	37,500
Battelle Energy Alliance LLC	81.	154756 RELEASE 10	-	-	6,097	-	-	6,097
Battelle Energy Alliance LLC	81.	127434	111,046	-	182,918	-	-	182,918
Battelle Energy Alliance LLC	81.	128504	-	-	16,741	-	-	16,741
Argonne National Laboratory	81.	6F-31802	-	-	7,500	-	-	7,500
Battelle Energy Alliance LLC	81.	154756 RELEASE 11	-	-	24,645	-	-	24,645
Battelle Energy Alliance LLC	81.	154756 RELEASE 6	-	-	2,966	-	-	2,966
Battelle Energy Alliance LLC	81.	BMA 161628 RELEASE 3	-	-	12,871	-	-	12,871
ABB, Inc.	81.	17308	-	-	23,111	-	-	23,111
Battelle Energy Alliance LLC	81.	154756 RELEASE 19	-	-	19,315	-	-	19,315
Idaho Department of Fish & Game	81.	MA, UI/IDFG 09	-	-	20,734	-	-	20,734
Kootenai Tribe	81.	MA, UI/KTOI TO QUIST-71462	-	-	33,892	-	-	33,892
Washington Department of Fish & Wildlife	81.	15-02894	-	-	61,922	-	-	61,922
Kootenai Tribe	81.	UI/KTOI TO 71451	-	-	42,979	-	-	42,979
Kootenai Tribe	81.	74960	-	-	56,970	-	-	56,970
Columbia River Inter-Tribal	81.	C17-06 PO C1700630	-	-	43,849	-	-	43,849
Battelle Energy Alliance LLC	81.	154756 RELEASE 9	-	-	33,753	-	-	33,753
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	17,731	-	-	17,731
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	9,933	-	-	9,933
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	5,299	-	-	5,299
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	(6,554)	-	-	(6,554)
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	195	-	-	195
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	3,994	-	-	3,994
Northwest Energy Efficiency Alliance, Inc.	81.	42678	-	-	4,662	-	-	4,662
Office of Energy Resources	81.	17182	-	-	9,172	-	-	9,172
Battelle Energy Alliance LLC	81.	154756 RELEASE 8	-	-	40,734	-	-	40,734
Oak Ridge Institute for Science & Education	81.	IC POSTDOC FELLOWSHIP	-	-	3,236	-	-	3,236
Columbia River Inter-Tribal	81.	C16-11 PO C1601140	-	-	44,994	-	-	44,994
Columbia River Inter-Tribal	81.	V17-01 V1700140	-	-	466,072	-	-	466,072
Nuclear Energy Research, Development and Demonstration	81.121		-	-		-	-	
Kansas State University	81.121	S08153	-	-	(1,954)	-	-	(1,954)
Office of Science Financial Assistance Program	81.049		-	-		-	-	
Boston University	81.049	4500001723	-	-	198,293	-	-	198,293
Washington State University	81.049	105283G002254	-	-	67,071	-	-	67,071
Total DOE Pass Through Programs			111,046	-	2,536,184	-	-	2,536,184
Total DOE R&D			296,129	1,592,432	2,536,184	-	-	4,128,616

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF EDUCATION Direct Programs								
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION Indian Education -- Special Programs for Indian Children	84.299		-	133,726				133,726
Total Dept of Ed Direct Programs			-	133,726				133,726
DEPARTMENT OF EDUCATION Pass Through Programs								
INSTITUTE OF EDUCATIONAL SCIENCES Statewide Longitudinal Data Systems	84.372							
Idaho State Board of Education	84.372	15572	-	-	12,853	-	-	12,853
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION Mathematics and Science Partnerships	84.366							
Idaho State Department of Education	84.366	N00027578	-	-	3,208	-	-	3,208
OFFICE OF POSTSECONDARY EDUCATION College Access Challenge Grant Program	84.378							
Idaho State Board of Education	84.378	15673	-	-	(17)	-	-	(17)
Total Dept of Ed Pass Through Programs			-	-	16,044	-	-	16,044
Total Dept of Ed R&D			-	133,726	16,044	-	-	149,770
DEPARTMENT OF HEALTH AND HUMAN SERVICES Direct Programs								
Department of Health & Human Services, Other	93.		-	36,756	-	-	-	36,756
NATIONAL INSTITUTES OF HEALTH								
Oral Diseases and Disorders Research	93.121		6,074	65,401	-	-	-	65,401
Human Genome Research	93.172		-	348,891	-	-	-	348,891
National Center for Research Resources	93.389		-	237,787	-	-	-	237,787
Allergy, Immunology and Transplantation Research	93.855		73,995	188,584	-	-	-	188,584
Biomedical Research and Research Training	93.859		2,089,806	6,268,611	-	-	-	6,268,611
Vision Research	93.867		19,679	520,588	-	-	-	520,588
CENTERS FOR DISEASE CONTROL AND PREVENTION								
Occupational Safety and Health Program	93.262		-	310,935	-	-	-	310,935
Total DHHS Direct Programs			2,189,554	7,977,553	-	-	-	7,977,553
DEPARTMENT OF HEALTH AND HUMAN SERVICES Pass Through Programs								
NATIONAL INSTITUTES OF HEALTH								
Mental Health Research Grants	93.242							
Behavior Imaging Solutions	93.242	16175B	-	-	10,766	-	-	10,766
Advanced MRI Technologies Inc.	93.242	R44MH122210-UIDAHO	-	-	4,710	-	-	4,710
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286							
Behavior Imaging Solutions	93.286	16175	-	-	12,168	-	-	12,168
Research Infrastructure Programs								
	93.351							
Texas Biomedical Research Institute	93.351	17-04583.005	-	-	53,239	-	-	53,239
Nursing Research								
	93.361							
University of Maryland	93.361	10017586/251 PO SR00004277	-	-	50,933	-	-	50,933
Allergy, Immunology and Transplantation Research								
	93.855							
University of Maryland	93.855	101155B PO SR00003526	-	-	36,192	-	-	36,192
Indiana University	93.855	IN4689670UI PO1729829	-	-	35,409	-	-	35,409
Biomedical Research and Research Training								
	93.859							
University of Nevada Las Vegas Board of Regents	93.859	16-746Q-UI-PG41-00	-	-	3,222	-	-	3,222
University of Nevada Las Vegas Board of Regents	93.859	16-746Q-UI-PG39-00	-	-	2,106	-	-	2,106
University of Nevada Las Vegas Board of Regents	93.859	16-746Q-UI-BS9-00	-	-	43,745	-	-	43,745
University of Nevada Las Vegas Board of Regents	93.859	16-746Q-UI-MG20-00	-	-	1,411	-	-	1,411
University of Nevada Las Vegas Board of Regents	93.859	17-746Q-UI-PG54-00	-	-	68,750	-	-	68,750
University of Florida	93.859	UF13011	-	-	24,754	-	-	24,754
CENTERS FOR MEDICARE AND MEDICAID SERVICES								
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624							
Idaho Dept. of Health & Welfare	93.624	AC058900	195,252	-	610,528	-	-	610,528
Total DHHS Pass Through Programs			195,252	-	957,933	-	-	957,933
Total DHHS R&D			2,384,806	7,977,553	957,933	-	-	8,935,486
DEPARTMENT OF HOMELAND SECURITY Direct Programs								
Cooperating Technical Partners	97.045		-	22,395	-	-	-	22,395
Total DHS Direct Programs			-	22,395	-	-	-	22,395

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY Pass Through Programs								
Pre-Disaster Mitigation	97.047							
	97.047	Idaho Office of Emergency Management	82,575	-	131,401	-	-	131,401
	97.047	Idaho Bureau of Homeland Security	78,348	-	111,005	-	-	111,005
Centers for Homeland Security	97.061							
	97.061	University of Alaska	13,643	-	13,643	-	-	13,643
	97.061	University of Alaska	64,331	-	116,602	-	-	116,602
	97.061	P0485979 AMEND 4						
Total DHS Pass Through Programs			238,897	-	372,651	-	-	372,651
Total DHS R&D			238,897	22,395	372,651	-	-	395,046
AGENCY FOR INTERNATIONAL DEVELOPMENT Pass Through Programs								
USAID Foreign Assistance for Programs Overseas	98.001							
	98.001	Michigan State University	-	-	31,892	-	-	31,892
Total AID Pass Through Programs			-	-	31,892	-	-	31,892
Total AID R&D			-	-	31,892	-	-	31,892
Total Research & Development Cluster			11,075,773	40,456,995	10,354,267	-	-	50,811,262
Student Financial Aid Cluster								
DEPARTMENT OF STUDENT FINANCIAL ASSISTANCE PROGRAMS								
Federal Supplemental Educational Opportunity Grants	84.007		-	-	-	525,205	-	525,205
Federal Work-Study Program	84.033		-	-	-	665,408	-	665,408
Federal Perkins Loan Program-Federal Capital Contributions	84.038		-	-	-	13,358,110	-	13,358,110
Federal Pell Grant Program	84.063		-	-	-	13,228,080	-	13,228,080
Federal Direct Student Loans	84.268		-	-	-	54,772,552	-	54,772,552
Total Dept of Ed Direct Programs			-	-	-	82,549,355	-	82,549,355
Total Student Financial Aid Cluster			-	-	-	82,549,355	-	82,549,355
SNAP - Cluster								
DEPARTMENT OF STATE Administrative Matching Grants for the Supplemental Nutrition Assistance Program								
	10.561	Idaho Dept. of Health & Welfare	-	-	-	-	207,120	207,120
	10.561	Idaho Dept. of Health & Welfare	-	-	-	-	761,770	761,770
Total USDA Pass-Through Programs			-	-	-	-	968,890	968,890
Total SNAP Cluster			-	-	-	-	968,890	968,890
Special Education (IDEA) - Cluster								
DEPARTMENT OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES								
Special Education Grants to States	84.027A							
	84.027A	Idaho State Department of Ed	-	-	-	-	4,437	4,437
	84.027A	Idaho State Department of Ed	-	-	-	-	1,088	1,088
	84.027A	Idaho State Department of Ed	-	-	-	-	1,173,157	1,173,157
	84.027A	Idaho State Department of Ed	-	-	-	-	2,164	2,164
	84.027A	Idaho State Department of Education	-	-	-	-	4,639	4,639
Total Dept of Ed Pass-Through Programs			-	-	-	-	1,185,485	1,185,485
Total Special Education (IDEA) Cluster			-	-	-	-	1,185,485	1,185,485

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
TRIO - Cluster								
DEPARTMENT OFFICE OF POSTSECONDARY EDUCATION								
TRIO_Student Support Services	84.042A		-	-	-	314,039	-	314,039
TRIO_Talent Search	84.044A		-	-	-	309,954	-	309,954
TRIO_Upward Bound	84.047		-	-	-	802,181	-	802,181
TRIO_Upward Bound	84.047A		-	-	-	900,247	-	900,247
TRIO_Educational Opportunity Centers	84.066		-	-	-	240,474	-	240,474
Total Dept of Ed Direct Programs			-	-	-	2,566,895	-	2,566,895
Total TRIO Cluster			-	-	-	2,566,895	-	2,566,895
Programs Not in a Cluster								
DEPARTMENT OF AGRICULTURE								
Department of Agriculture, Other	10.		-	-	-	642,263	-	642,263
University of Minnesota	10.	H002600801	-	-	-	-	8,577	8,577
American Farmland Trust	10.WAIT	EARLY SETUP	-	-	-	-	1,136	1,136
ANIMAL AND PLANT HEALTH INSPECTION SERVICE								
Plant and Animal Disease, Pest Control, and Animal Care	10.025		-	-	-	123	-	123
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE								
Grants for Agricultural Research, Special Research Grants	10.200		-	-	-	-	643	643
University of Washington	10.200	UWSC722 BPO25507	-	-	-	-	-	-
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		(1,168)	-	-	(1,168)	-	(1,168)
Sustainable Agriculture Research and Education	10.215		-	-	-	-	-	-
Utah State University	10.215	120833040-64	-	-	-	-	498	498
Utah State University	10.215	200592-00001-309	-	-	-	-	21	21
Utah State University	10.215	140867052-138	-	-	-	-	9,159	9,159
Higher Education Multicultural Scholars Program	10.220		-	-	-	6,928	-	6,928
Biodiesel	10.306		-	-	-	191,388	-	191,388
Agriculture and Food Research Initiative (AFRI)	10.310		-	-	-	1,916	-	1,916
Oregon State University	10.310	U0720B-I	-	-	-	-	2,408	2,408
Beginning Farmer and Rancher Development Program	10.311		35,126	-	-	118,559	-	118,559
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	10.328		23,345	-	-	91,212	-	91,212
Oregon State University	10.328	C0494A-D	-	-	-	-	41,071	41,071
Crop Protection and Pest Management Competitive Grants Program	10.329		-	-	-	241,132	-	241,132
Cooperative Extension Service	10.500		-	-	-	3,066,552	-	3,066,552
Pennsylvania State University	10.500	5031-UI-UM-9802	-	-	-	-	40,689	40,689
Kansas State University	10.500	S17114	-	-	-	-	9,845	9,845
Kansas State University	10.500	S16082	-	-	-	-	5,977	5,977
Kansas State University	10.500	S15058	-	-	-	-	(735)	(735)
University of Wyoming	10.500	1002203	-	-	-	-	-	-
FOOD AND NUTRITION SERVICE								
Child and Adult Care Food Program	10.558		-	-	-	-	-	-
Idaho State Department of Education	10.558	2901	-	-	-	-	28,102	28,102
FOREST SERVICE								
Cooperative Forestry Assistance	10.664		-	-	-	-	-	-
National Fish and Wildlife Foundation	10.664	1301.15.048190	-	-	-	-	8,615	8,615
Idaho Department of Lands	10.664	16-303	21,116	-	-	-	79,877	79,877
NATURAL RESOURCES CONSERVATION SERVICE								
Snow Survey and Water Supply Forecasting	10.907		-	-	-	2,436	-	2,436
Environmental Quality Incentives Program	10.912		-	-	-	2,716	-	2,716
Total USDA no cluster			78,419	-	-	4,364,057	235,883	4,599,940

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF COMMERCE								
ECONOMIC DEVELOPMENT ADMINISTRATION								
Economic Development_Technical Assistance	11.303							
Boise State University	11.303	5461-2017-A	-	-	-	-	55,538	55,538
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY								
Manufacturing Extension Partnership	11.611							
Boise State University	11.611	6474-A	-	-	-	-	64	64
Boise State University	11.611	6803-2016-C	-	-	-	-	53,792	53,792
Boise State University	11.611	6803-2017-C	-	-	-	-	60,295	60,295
Total DOC no cluster			-	-	-	-	169,689	169,689
DEPARTMENT OF DEFENSE								
NATIONAL SECURITY AGENCY								
Information Security Grants	12.902							
University of Washington	12.902	UWSC9456 BPO18736	-	-	-	-	22,358	22,358
GenCyber Grants Program	12.903							
Total DOD no cluster			-	-	-	59,057	22,358	81,415
DEPARTMENT OF THE INTERIOR								
BUREAU OF INDIAN AFFAIRS								
Agriculture on Indian Lands	15.034							
BUREAU OF LAND MANAGEMENT								
Cultural and Paleontological Resources Management	15.224							
Fish, Wildlife and Plant Conservation Resource Management	15.231							
Wildland Fire Research and Studies Program	15.232							
University of Nevada at Reno	15.232	UNR-17-29	-	-	-	-	1,972	1,972
U.S.GEOLOGICAL SURVEY								
U.S. Geological Survey_ Research and Data Collection	15.808							
National Geological and Geophysical Data Preservation Program	15.814							
National Land Remote Sensing_Education Outreach and Research	15.815							
AmericaView, Inc.	15.815	AV13-ID01 Mod 3	-	-	-	-	129	129
National Climate Change and Wildlife Science Center	15.820							
NATIONAL PARK SERVICE								
Cooperative Research and Training Programs – Resources of the National Park System	15.945							
Total DOI no cluster			-	-	-	173,127	2,101	175,228
DEPARTMENT OF JUSTICE								
VIOLENCE AGAINST WOMEN OFFICE								
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525							
JUVENILE JUSTICE & DELINQUENCY PREVENTION								
Juvenile Mentoring Program	16.726							
National 4-H Council	16.726	NMP 7	-	-	-	-	44,873	44,873
National 4-H Council	16.726	16132-PR	-	-	-	-	100,637	100,637
BUREAU OF JUSTICE ASSISTANCE								
John R. Justice Prosecutors and Defenders Incentive Act	16.816							
Total DOJ no cluster			-	-	-	45,846	145,510	191,356
DEPARTMENT OF STATE								
Department of State, Other	19.							
Institute of International Education	19.	3216_IDAHO_03.02.17	-	-	-	-	1,575	1,575
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS								
Academic Exchange Programs - Graduate Students	19.400							
Institute of International Education	19.400	3216 IDAHO 02.19.16	-	-	-	-	62,889	62,889
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415							
Georgetown University	19.415	UNI-10052016-1	-	-	-	-	24,269	24,269
Georgetown University	19.415	UNI-10192015-01	-	-	-	-	599	599
Total Department of State no cluster			-	-	-	-	89,332	89,332
DEPARTMENT OF TRANSPORTATION								
FEDERAL HIGHWAY ADMINISTRATION (FHWA)								
Highway Planning and Construction	20.205							
Idaho Transportation Department	20.205	6423	-	-	-	-	30,576	30,576
Total - Department of Transportation no cluster			-	-	-	-	30,576	30,576

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
DEPARTMENT OF TREASURY								
INTERNAL REVENUE SERVICE								
Low-Income Taxpayer Clinics	21.008		-	-	-	143,590	-	143,590
Total - Department of Treasury no cluster			-	-	-	143,590	-	143,590
FEDERAL COMMUNICATION COMMISSION								
Federal Communication Commission, Other	32.		-	-	-	58,469	-	58,469
Total FCC no cluster			-	-	-	58,469	-	58,469
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
National Foundation on the the Arts & Humanities, Other	45.							
Idaho Commission on the Arts	45.	4315AE(2)-17	-	-	-	-	4,413	4,413
Idaho Commission on the Arts	45.	4315AE(2)-17	-	-	-	-	4,203	4,203
Idaho Commission on the Arts	45.	3526ET-17	-	-	-	-	3,585	3,585
NATIONAL ENDOWMENT FOR THE ARTS								
Promotion of the Arts_Partnership Agreements	45.025							
Western States Arts Federation	45.025	TW201600224	-	-	-	-	2,250	2,250
Western States Arts Federation	45.025	TW201600244	-	-	-	-	2,125	2,125
NATIONAL ENDOWMENT FOR THE HUMANITIES								
Promotion of the Humanities_Federal/State Partnership	45.129							
Idaho Humanities Council	45.129	2017030	-	-	-	-	1,407	1,407
Idaho Humanities Council	45.129	2015043	-	-	-	-	1,083	1,083
Idaho Humanities Council	45.129	2015046	-	-	-	-	322	322
Promotion of the Humanities_Division of Preservation and Access	45.149		-	-	-	544	-	544
Total Nat'l Foundation on the Arts & Humanities no cluster			-	-	-	544	19,388	19,932
ENVIRONMENTAL PROTECTION AGENCY								
OFFICE OF THE ADMINISTRATOR								
Environmental Education Grants	66.951		6,759	-	-	6,094	-	6,094
Total EPA no cluster			6,759	-	-	6,094	-	6,094
DEPARTMENT OF ENERGY								
Department of Energy, Other	81.							
Battelle Energy Alliance LLC	81.	154756 RELEASE 16	-	-	-	-	9,262	9,262
Battelle Energy Alliance LLC	81.	154756 RELEASE 3	-	-	-	-	433,195	433,195
Battelle Energy Alliance LLC	81.	154756 RELEASE 15	-	-	-	-	1,175,190	1,175,190
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117							
Boise State University	81.117	5212-B	-	-	-	-	102,297	102,297
Boise State University	81.117	7328-A	-	-	-	-	33,793	33,793
Boise State University	81.117	5212-B	-	-	-	-	9,215	9,215
Total DOD no cluster			-	-	-	-	1,762,952	1,762,952
DEPARTMENT OF EDUCATION								
Department of Education, Other	84.							
National Writing Project	84.	92-ID01-SEED2016-ILI	6,044	-	-	-	13,152	13,152
OFFICE OF CAREER, TECHNICAL, AND ADULT EDUCATION								
Career and Technical Education -- Basic Grants to States	84.048A							
Idaho Career and Technical Education	84.048A	PL6665 C1	-	-	-	-	2,207	2,207
Idaho Career and Technical Education	84.048A	PL7665 C1	-	-	-	-	36,363	36,363
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION								
Title I Grants to Local Educational Agencies	84.010							
Idaho State Department of Education	84.010	16-4022	-	-	-	-	55,394	55,394
Idaho State Department of Education	84.010	ISDE FY17 ID Building Cap. - Fed.	-	-	-	-	377,565	377,565
Migrant Education_College Assistance Migrant Program	84.149A							
Twenty-First Century Community Learning Centers	84.287					416,829	-	416,829
Idaho State Department of Ed	84.287	17-7200	-	-	-	-	133,130	133,130
Mathematics and Science Partnerships	84.366							
Idaho State Department of Education	84.366	15MSP21	90,557	-	-	-	202,987	202,987
Improving Teacher Quality State Grants	84.367							
National Writing Project	84.367	92-ID01-SEED2014	-	-	-	-	629	629
Boise State University	84.367B	7504-A	-	-	-	-	32,214	32,214
Idaho State Board of Education	84.367B	S367B140047	112,197	-	-	-	183,687	183,687
School Improvement Grants	84.377							
Idaho State Department of Education	84.377	16-4022	-	-	-	-	16,799	16,799
Idaho State Department of Education	84.377	ISDE FY17 ID Building Cap. - Fed.	-	-	-	-	150,498	150,498

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Passed Through to Subrecipients	Direct Research Expenditures	Pass-Through Research Expenditures	Direct Non-Research Expenditures	Pass-Through Non-Research Expenditures	Total Federal Expenditures
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES								
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126							
Idaho Dept. of Voc Rehabilitation	84.126	17598	-	-	-	-	4,815	4,815
Idaho Dept. of Voc Rehabilitation	84.126	15513C	-	-	-	-	32,000	32,000
Rehabilitation Long-Term Training	84.129		-	-	-	203,738	-	203,738
Special Education_Grants to States	84.323							
Idaho State Department of Ed	84.323	76010	-	-	-	-	1,118	1,118
Idaho State Department of Education	84.323	17-5901	-	-	-	-	41,000	41,000
Idaho State Department of Ed	84.323	76009	-	-	-	-	313	313
Idaho State Department of Education	84.323	17.5903	-	-	-	-	47,147	47,147
Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		-	-	-	79,772	-	79,772
OFFICE OF POSTSECONDARY EDUCATION								
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334							
Office of State Board of Education	84.334	GEARUP	-	-	-	-	514,750	514,750
Total Department of Education no cluster			208,798	-	-	700,339	1,845,768	2,546,107
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
HEALTH RESOURCES AND SERVICES ADMINISTRATION								
Area Health Education Centers Point of Service Maintenance & Enhancement Awards	93.107							
Jannus Inc.	93.107	JANNUS,INC.-U OF I-RUOP 2016	-	-	-	-	1,000	1,000
Jannus Inc.	93.107	EARLY SETUP	-	-	-	-	1,695	1,695
Maternal and Child Health Services Block Grant to the States	93.994							
Idaho Dept. of Health & Welfare	93.994	HC934600	-	-	-	-	5,000	5,000
FOOD AND DRUG ADMINISTRATION								
Food and Drug Administration_Research	93.103							
Idaho Department of Agriculture	93.103	16742	-	-	-	-	39,837	39,837
Idaho Department of Agriculture	93.103	16742	-	-	-	-	25,365	25,365
Idaho Department of Agriculture	93.103	16742	-	-	-	-	17,195	17,195
ADMINISTRATION FOR COMMUNITY LIVING								
ACL Assistive Technology	93.464							
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		-	-	-	438,482	-	438,482
CENTERS FOR DISEASE CONTROL AND PREVENTION								
NON-ACA/PPHFEPABuilding Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	93.424							
Association of University Centers on Disabilities	93.424	16424	-	-	-	-	2,028	2,028
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738							
Benewah Medical Center	93.738	15455	-	-	-	-	65,569	65,569
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757							
Idaho Dept. of Health & Welfare	93.757	HC893600	-	-	-	-	3,822	3,822
Assistance Programs for Chronic Disease Prevention and Control	93.945							
Idaho Dept. of Health & Welfare	93.945	HC893600	-	-	-	-	222	222
Idaho Dept. of Health & Welfare	93.945	HC867100	-	-	-	-	40	40
Preventive Health and Health Services Block Grant	93.991							
Idaho Dept. of Health & Welfare	93.991	HC882800	-	-	-	-	1,159	1,159
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION								
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243							
Idaho Dept. of Health & Welfare	93.243		-	-	-	71,826	-	71,826
Total DHHS no cluster			-	-	-	1,063,415	162,932	1,226,347
Total Programs Not in Cluster			293,976	-	-	6,614,538	4,486,489	11,101,027

TOTAL FEDERAL FINANCIAL ASSISTANCE			14,100,022	40,456,995	10,354,267	91,730,788	11,422,216	153,964,266
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University of Idaho

Notes to Schedule of Expenditures of Federal Awards Period Ended June 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal award activity of the University of Idaho under programs of the federal government for the 12 months ending June 30, 2016. The information in this schedule is presented in accordance with the requirements Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University of Idaho, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University of Idaho.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University of Idaho has elected NOT to use the 10-percent de minimus indirect rate allowed under the Uniform Guidance.

3. Federal Student Loan Programs

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

<u>CFDA</u>		<u>Outstanding Balance</u>
<u>Number</u>	<u>Program Name</u>	<u>at June 30, 2017</u>
84.038	Federal Perkins Loans	\$ 11,413,390