

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 10, 2018

New Issue—Book Entry Only

MOODY'S RATING: Aa3

See "RATINGS" herein

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the Series 2018A Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2018A Bonds (the "Tax Code"); (ii) interest on the Series 2018A Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations; and (iii) interest on the Series 2018A Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. See "TAX MATTERS-- Series 2018A Bonds."

\$29,105,000\*  
THE REGENTS OF THE UNIVERSITY OF  
IDAHO  
GENERAL REVENUE REFUNDING BONDS,  
SERIES 2018A



**Dated: Date of Delivery**

**Due: April 1, as shown on the inside cover**

Under Article IX, Section 10 of the Constitution of the State of Idaho confirmed the Regents as the governing body for the University of Idaho (the "University"). The above captioned The Regents of the University of Idaho General Revenue Refunding Bonds, Series 2018A in the aggregate principal amount of \$29,105,000\* (the "Series 2018A Bonds"), will be issued by the Regents of the University pursuant to a Master Resolution adopted by the Regents of the University on November 22, 1991, as supplemented and amended, including a Supplemental Resolution adopted on December 21, 2017.

The proceeds of the Series 2018A Bonds will be used (i) to defease and redeem certain of the University's outstanding bonds (the "Defeasance Project"), and (ii) to pay costs of issuing the Series 2018A Bonds. The Series 2018A Bonds are initially issuable in book-entry form only through The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2018A Bonds. Interest on the Series 2018A Bonds is payable on each October 1 and April 1, commencing October 1, 2018. The Series 2018A Bonds are subject to optional and mandatory sinking fund redemption as described herein. The Series 2018A Bonds are payable solely from and secured solely by the Pledged Revenues, which include certain student fees, enterprise revenues and interest earnings on University funds and accounts. See "SECURITY FOR THE SERIES 2018A BONDS" herein.

THE SERIES 2018A BONDS SHALL BE EXCLUSIVELY OBLIGATIONS OF THE REGENTS, PAYABLE ONLY IN ACCORDANCE WITH THE TERMS THEREOF, AND SHALL NOT BE OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF IDAHO. THE SERIES 2018A BONDS SHALL NOT CONSTITUTE A DEBT—LEGAL, MORAL OR OTHERWISE—OF THE STATE OF IDAHO, AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT THEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE REGENTS OTHER THAN THE INCOME AND REVENUES PLEDGED AND ASSIGNED TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDERS OF THE SERIES 2018A BONDS. THE REGENTS ARE NOT AUTHORIZED TO LEVY OR COLLECT ANY TAXES OR ASSESSMENTS, OTHER THAN THE PLEDGED REVENUES DESCRIBED HEREIN, TO PAY THE SERIES 2018A BONDS. THE REGENTS HAVE NO TAXING POWER.

See Inside Cover for Maturity Schedule

The Series 2018A Bonds are offered when, as and if executed and delivered by the Regents of the University and accepted by the successful bidder, subject to the approval of legality by Hawley Troxell Ennis & Hawley LLP, bond counsel, and certain other conditions. Certain matters will be passed on for the Regents and the University by its Office of General Counsel, and by Hawley Troxell Ennis & Hawley LLP, in its capacity as disclosure counsel to the University. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC on or about February 13, 2018.\*

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**THE REGENTS OF THE UNIVERSITY OF IDAHO**

**\$29,105,000\***

**GENERAL REVENUE REFUNDING BONDS,**

**SERIES 2018A**

DUE	PRINCIPAL AMOUNT *	INTEREST RATE	YIELD	CUSIP No.**
4/1/2020	\$ 90,000			
4/1/2021	85,000			
4/1/2022	80,000			
4/1/2023	75,000			
4/1/2024	70,000			
4/1/2025	65,000			
4/1/2026	65,000			
4/1/2027	1,390,000			
4/1/2028	1,455,000			
4/1/2029	1,510,000			
4/1/2030	1,580,000			
4/1/2031	1,645,000			
4/1/2032	1,725,000			
4/1/2033	1,800,000			
4/1/2034	1,875,000			
4/1/2035	1,960,000			
4/1/2036	2,040,000			
4/1/2037	2,130,000			
4/1/2038	2,225,000			
4/1/2039	2,320,000			
4/1/2040	2,425,000			
4/1/2041	2,495,000			

\* Preliminary; subject to change.

\*\* The CUSIP numbers herein are provided by CUSIP Global Services. These numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided herein for the convenience of reference only. CUSIP numbers are subject to change. CUSIP numbers are assigned by CUSIP Global Services. The Regents take no responsibility for the accuracy of such CUSIP numbers.

**THE REGENTS OF THE UNIVERSITY OF IDAHO**

**AND**

**STATE BOARD OF EDUCATION**

Linda Clark, President                      Debbie Critchfield, Vice President

David Hill, Secretary                      Emma Atchley

Don Soltman                                  Andrew Scoggin

Sherri Ybarra                                Richard Westerberg

Matt Freeman—Executive Director

**UNIVERSITY OFFICIALS**

Chuck Staben — President

John Wiencek —Provost and Executive Vice President

Brian Foisy — Vice President for Finance and Administration

Janet Nelson — Vice President of Research and Economic Development

Mary Kay McFadden — Vice President for University Advancement

Kent E. Nelson — University Counsel

Dan Ewart — Vice President for Information Technology Services

**BOND AND DISCLOSURE COUNSEL**

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Denver, Colorado

Phone: 1-800-344-5128

Fax: 612-667-6282

**MUNICIPAL ADVISOR**

PFM Financial Advisors LLC

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## OFFICIAL NOTICE OF SALE

**\$29,105,000**\*

**The Regents of the University of Idaho**

**General Revenue Refunding Bonds, Series 2018A**

NOTICE IS HEREBY GIVEN that electronic bids will be received by The Regents of the University of Idaho (the “University”), for purchase of the above described bonds (the “Series 2018A Bonds”) at

**8:45 a.m. Pacific Time on Tuesday, January 23, 2018.**

or such other day or time and under such other terms and conditions as may be established by the University and communicated as described under “Modification; Cancellation; Postponement.”

The Series 2018A Bonds will be sold on an all-or-none basis.

Bids must be submitted electronically as described herein.

Bids must be submitted electronically via the Qualified Electronic Bid Provider in accordance with this Official Notice of Sale. The University has designated PARITY<sup>®</sup> as the Qualified Electronic Bid Provider for purposes of receiving electronic bids for the Series 2018A Bonds. Electronic bids will be received via PARITY<sup>®</sup> until the time and date of sale, and no bid will be accepted after that time. For further information about PARITY<sup>®</sup> including any fees charged, potential bidders may contact PARITY<sup>®</sup> at (212) 849-5021. By designating a bidding service as a Qualified Electronic Bid Provider, the University does not endorse the use of such bidding service. See “BIDDING INFORMATION AND AWARD - Submission of Bids” below.

All bids properly received will be considered and acted on by the University no later than 2:00 p.m. Pacific Time on the sale date, pursuant to a delegation of authority adopted by the Board of Trustees of the University. Bidders are referred to the Preliminary Official Statement for additional information regarding the University, the Series 2018A Bonds, the security therefor, and other matters.

### **Modification; Cancellation; Postponement**

Bidders are advised that the University may modify the terms of this Official Notice of Sale prior to the time set for the receipt of bids. Any such modifications will be provided to the Qualified Electronic Bid Provider and i-Deal Prospectus on or prior to the time bids are due. In addition, the University may cancel or postpone the date and time for the receipt of bids for the Series 2018A Bonds at any time prior to the time bids are due. Notice of such cancellation or postponement will be communicated to the Qualified Electronic Bid Provider and i-Deal Prospectus as soon as practical following such cancellation or postponement. If a postponement occurs, bids will be received at the time and in the manner the University will determine. As an accommodation to bidders, telephonic, or electronic notice of any amendment or modification of

this Official Notice of sale will be given to any bidder requesting such notice from the University’s Municipal Advisor, PFM Financial Advisors LLC, telephone: (612) 371-3753 or e-mail at: [caspersonh@pfm.com](mailto:caspersonh@pfm.com). Failure of any bidder to receive such notice by telephone, the Qualified Electronic Bid Provider or i-Deal Prospectus will not affect the legality of the sale.

Each bidder (and not the University or its Municipal Advisor) is responsible for the timely delivery of its bid. The official time will be determined by the University and not by any bidder or Qualified Electronic Bid Provider.

**Description of the Series 2018A Bonds**

*Bond Details.* Each Bond will be dated its date of initial delivery. The Series 2018A Bonds will bear interest payable semiannually on each April 1 and October 1, beginning October 1, 2018, to maturity or earlier redemption. Principal will be payable on the dates and in the amounts shown below, except as may be adjusted as described herein.

Due April 1	Amount (*)	Due April 1	Amount (*)
2020	\$ 90,000	2031	\$1,645,000
2021	85,000	2032	1,725,000
2022	80,000	2033	1,800,000
2023	75,000	2034	1,875,000
2024	70,000	2035	1,960,000
2025	65,000	2036	2,040,000
2026	65,000	2037	2,130,000
2027	1,390,000	2038	2,225,000
2028	1,455,000	2039	2,320,000
2029	1,510,000	2040	2,425,000
2030	1,580,000	2041	2,495,000

*(\*)Preliminary; subject to adjustment by the University as provided in this Official Notice of Sale. These amounts will represent serial maturities unless term bonds are specified, by the successful bidder, as described in the Official Notice of Sale, in which case these amounts will represent mandatory redemption amounts of term bonds. See “Redemption Provisions – Mandatory Redemption” below.*

**Adjustment of Principal Amount of Series 2018A Bonds After Determination of Best Bid**

The aggregate principal amount of the Series 2018A Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the University or its designee after the determination of the successful bidder. Such adjustments shall be in the sole discretion of the University or its designee, provided that the University or its designee shall only make such adjustments in order to provide enough funds to effect the refunding in accordance with federal income tax laws and to establish a debt service structure that is acceptable to the University.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2018A Bonds is adjusted as described above. Generally



any premium offered or discount taken will be increased or reduced by a percentage equal to the percentage by which the principal amount of the Series 2018A Bonds is increased or reduced; provided that the University's Municipal Advisor will make every effort to ensure that the net compensation to the successful bidder as a percentage of the adjusted par amount does not increase or decrease from what it would have been if no adjustment had been made to the principal amounts shown in the maturity schedule above.

### **Redemption Provisions**

*Optional Redemption.* The Series 2018A Bonds maturing on or before April 1, 2028, are not subject to redemption prior to their stated maturity dates. The Series 2018A Bonds maturing on or after April 1, 2029, are subject to optional redemption, as a whole or in part (and if in part, with maturities to be selected by the University), on any date on or after April 1, 2028, at a price of par plus accrued interest, if any, to the date fixed for redemption.

*Term Bond Option.* Bids for the Series 2018A Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

### **Purpose of the Series 2018A Bonds**

Proceeds of the Series 2018A Bonds will be used to pay the costs of (i) defeasing and redeeming certain of the University's outstanding bonds; and (ii) paying the costs of issuance of the Series 2018A Bonds.

### **Security for the Series 2018A Bonds**

The Series 2018A Bonds are secured by Pledged Revenues and money in the Bond Fund on parity with the other Bonds. Pledged Revenues include (i) Student Fees; (ii) revenues generated through operations of auxiliary enterprises and revenues generated incidentally to the conduct of instruction, research and public service activities ("*Sales and Service Revenues*"); (iii) revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University (the "*F&A Recovery Revenues*"); (iv) various revenues generated from miscellaneous sources, including fines and rent and lease revenues (the "*Other Operating Revenues*"); (v) unrestricted income generated on investments of moneys in all funds and accounts of the University (the "*Investment Income*"), (vi) interest subsidy payments received by the University from the United States Treasury pursuant to Section 6431 of the code or other similar programs ("*Direct Payments*") to be made in connection with the University's Taxable Series 2010B Bonds, which are "Build America Bonds" (vii) proceeds from the sale of a Series of Bonds and moneys and investment earnings thereon, except as otherwise provided in the Resolution or a supplemental resolution; and (viii) other revenues the Board shall designate as Pledged Revenues, but excluding State appropriations and "Restricted Fund Revenues," which consist of revenues that the University is obligated to spend in accordance with restrictions imposed by external third parties, such as revenues from grants, contracts, gifts and scholarships.

The Series 2018A Bonds are limited obligations of the Regents and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other

than the Regents to the extent herein described. The Regents are not authorized to levy or collect any taxes or assessments other than the fees described herein to pay the Series 2018A Bonds. The Regents have no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE Series 2018A Bonds.”

### **Registration and Book-Entry Transfer System**

The Series 2018A Bonds will be issued as fully registered bonds and, when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as the initial securities depository for the Series 2018A Bonds. Individual purchases and sales of the Series 2018A Bonds will be made in book-entry form only in minimum denomination of \$5,000 or integral multiples thereof within a maturity (“Authorized Denominations”). Purchasers (“Beneficial Owners”) will not receive physical certificates representing their interests in the Series 2018A Bonds. So long as Cede & Co. is the Registered Owner of the Series 2018A Bonds, as nominee for DTC, references to the Registered Owners herein will mean Cede & Co. or its successor and will not mean the Beneficial Owners of the Series 2018A Bonds. See “APPENDIX G – BOOK-ENTRY TRANSFER SYSTEM” in the Preliminary Official Statement for the Series 2018A Bonds.

### **BIDDING INFORMATION AND AWARD**

#### **Submission of Bids**

Bids for the Series 2018A Bonds are to be submitted electronically via the Qualified Electronic Bid Provider.

Hard copy bids will not be accepted. By submitting a bid for the Series 2018A Bonds, such bidder thereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Sale with respect to the Series 2018A Bonds conflicts with information or terms provided or required by the Qualified Electronic Bid Provider, this Official Notice of Sale, including any amendments issued through the Qualified Electronic Bid Provider and i-Deal Prospectus, shall control.
- (ii) Each bidder is solely responsible for making necessary arrangements to access the Qualified Electronic Bid Provider for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale (including any amendments issued by the University through the Qualified Electronic Bid Provider and i-Deal Prospectus).
- (iii) The University has no duty or obligation to provide or assure access to the Qualified Electronic Bid Provider to any bidder, and the University shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use or attempted use of the Qualified Electronic Bid Provider or any incomplete, inaccurate or untimely bid submitted by any bidder through the Qualified Electronic Bid Provider.

- (iv) The University is permitting the use of the Qualified Electronic Bid Provider as a communication mechanism, and not as the University's agent, to conduct the electronic bidding for the Series 2018A Bonds. The Qualified Electronic Bid Provider is acting as an independent contractor, and is not acting for or on behalf of the University.
- (v) The University is not responsible for ensuring or verifying bidder compliance with any Qualified Electronic Bid Provider procedures. If a bid is accepted by the University, this Official Notice of Sale (including any amendments issued by the University through the Qualified Electronic Bid Provider and i-Deal Prospectus) and the information that is submitted electronically through the Qualified Electronic Bid Provider shall form a contract, and the bidder shall be bound by the terms of such contract.
- (vi) Information provided by the Qualified Electronic Bid Provider to bidders shall form no part of any bid or of any contract between the successful bidder and the University unless that information is included in this Official Notice of Sale (including any amendments issued by the University through the Qualified Electronic Bid Provider and i-Deal Prospectus).

### **Bid Details and Parameters**

*Form of Bids.* Bids for the Series 2018A Bonds must be unconditional, and for not less than the entire offering of the Series 2018A Bonds. By submitting a bid, each bidder agrees to all of the terms and conditions of this Official Notice of Sale (including any amendments issued by the University through the Qualified Electronic Bid Provider and i-Deal Prospectus). Bids must be submitted electronically via the Qualified Electronic Bid Provider. Bids may not be withdrawn or revised after the time that bids are due.

*Interest Rates Bid.* Bids may specify any number of interest rates in multiples of one-eighth of one percent (1/8 of 1 percent) or one-hundredth of one percent (1/100 of 1 percent). All Series 2018A Bonds of the same maturity must bear interest at the same rate and no Bond shall bear interest at more than one rate. In addition, the Series 2018A Bonds subject to optional redemption (those maturing in the years 2029 through 2041) may not bear an interest rate lower than 5.00%.

*Premium and Discount.* No bid will be considered for a price that is less than \$29,105,000 (100 percent of the par value of the Series 2018A Bonds). Each maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity. For purposes of the preceding sentences, "price" means the price as calculated using the lesser of the yield to the redemption date, if any, or the yield to the maturity date.

### **Good Faith Deposit**

The successful bidder for the Series 2018A Bonds shall deliver a good faith deposit in the amount of \$291,050 to the Bursar of the University. The good faith deposit must be paid by federal funds wire transfer delivered no later than two hours following the successful bidder's receipt of the verbal award. Wiring instructions will be provided to the successful bidder at the time of the verbal award. The good faith deposit will be retained by the University as security

for the performance of the successful bidder and shall be applied to the purchase price of the Series 2018A Bonds upon delivery of the Series 2018A Bonds to the successful bidder. Pending delivery of the Series 2018A Bonds, the good faith deposit may be invested for the sole benefit of the University. If the Series 2018A Bonds are ready for delivery and the successful bidder fails or neglects to complete the purchase within 30 days following acceptance of its bid, the good faith deposit shall be retained by the University as reasonable liquidated damages, and not as a penalty.

Such retention will constitute a full release and discharge of all claims by the University against the successful bidder and, in that event, the University may call for additional bids. The University's actual damages may be higher or lower than the amount of such good faith deposit. Such amount constitutes a good faith estimate of the University's actual damages. Each bidder waives the right to claim that actual damages arising from such default are less than such amount.

### **Selection of the Successful Bidder**

Bids will be compared on the basis of true interest cost ("TIC"). The bid offering the lowest true interest cost will be deemed most favorable. The TIC is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Series 2018A Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest TIC, the University shall determine which bids shall be accepted, and such determination shall be final. In the event of a tie, the sale of the Series 2018A Bonds will be awarded by lot.

The successful bidder for the Series 2018A Bonds will be bound to purchase the Series 2018A Bonds in the principal amount, at such price, and with such interest rates as are specified in its bid, unless there is an adjustment in the principal amounts of the Series 2018A Bonds, in which case the successful bidder shall be bound to purchase the Series 2018A Bonds in the adjusted principal amounts at the revised bid amount, as described above under the heading "Adjustment of Principal Amount of Series 2018A Bonds and Bid Price for the Series 2018A Bonds."

Upon award of the Series 2018A Bonds, the successful bidder shall advise the University of the initial reoffering price to the public of the Series 2018A Bonds. Simultaneously with or before delivery of the Series 2018A Bonds, the successful bidder shall furnish to the University a certificate in form and substance acceptable to bond counsel (a) confirming the initial reoffering prices, (b) certifying that a bona fide initial reoffering of the Series 2018A Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries), and (c) stating at least 10 percent of each maturity of the Series 2018A Bonds was reasonably expected to be sold to the public (excluding bond houses, brokers, and other intermediaries) at such prices or yields.

The University reserves the right to reject any or all bids and to waive any irregularity in any bid or the bidding process. If all bids are rejected, then the Series 2018A Bonds may be sold in any manner provided by law. Any bid presented after the time specified for receipt of the bids will not be accepted, and any bid not backed by the required good faith deposit will not be considered. The successful bid shall remain in effect until 5:00 p.m., Pacific Time, on the date set for the receipt of bids.

## **Bond Insurance; Rating**

*Bond Insurance.* The purchase of any insurance policy for the Series 2018A Bonds or the issuance of any commitment therefor will be at the sole option and expense of the successful bidder for such Series 2018A Bonds. Bids may not be conditioned upon qualification for or the receipt of municipal bond insurance. Any increased costs of issuance of the Series 2018A Bonds resulting from such purchase of insurance will be paid by the successful bidder for the Series 2018A Bonds and will not, in any event, be paid by the University. Payment of any bond insurance premium and satisfaction of any conditions to the issuance of the municipal bond insurance policy will be the sole responsibility of the successful bidder. In particular, the University will not provide any opinions or enter into any agreements with respect to the provisions of any such policy. Failure of any municipal bond insurer to issue or deliver its policy will not in any way relieve the successful bidder of its contractual obligations arising from acceptance of its bid for the purchase of the Series 2018A Bonds.

The successful bidder must provide the University with the municipal bond insurance commitment and information with respect to the municipal bond insurance policy and the insurance provider within two business days following the award of the bid by the University. The University will require delivery, on or prior to the date of initial delivery of the Series 2018A Bonds, of:

- (i) a certificate from the insurance provider regarding the accuracy and completeness of the information provided for inclusion in the Official Statement,
- (ii) an opinion of counsel to the insurance provider regarding the validity and enforceability of the municipal bond insurance policy, and
- (iii) a certificate with respect to certain tax matters,

each in a form reasonably satisfactory to the University and its Bond Counsel.

*Rating.* The University has received a rating from Moody's Investor Service as shown on the cover of the Preliminary Official Statement. The University will pay the fees for the rating. Any other ratings are the responsibility of the successful bidder. See "OTHER BOND INFORMATION - Rating" in the Preliminary Official Statement.

## **Delivery of Series 2018A Bonds**

The Series 2018A Bonds will be delivered to the Registrar on behalf of DTC by Fast Automated Securities Transfer, less payment of the purchase price to the University in immediately available federal funds, less the amount of the applicable good faith deposit. Closing shall occur within 30 days after the sale date.

If, prior to delivery of the Series 2018A Bonds, the interest receivable by the owners of such Series 2018A Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in the Preliminary Official Statement, the successful bidder, at its option, may be relieved of its obligation to purchase the Series 2018A Bonds and, in that case, the good faith deposit accompanying its bid will be returned without interest.

The Series 2018A Bonds will be delivered in “book-entry only” form in accordance with the letter of representations from the University to DTC. As of the date of the award of the Series 2018A Bonds, each successful bidder must either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in DTC. The University will furnish to the successful bidder one CD-ROM transcript of proceedings; additional transcripts will be furnished at the successful bidder’s cost.

### **Establishment of Issue Price at Time of Award**

In order to establish the issue price of the Series 2018A Bonds for federal income tax purposes, the University requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Series 2018A Bonds to the public on or before the date of the award at the offering price (the “initial offering price”) for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Series 2018A Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2018A Bonds with a separate CUSIP number constitute a separate “maturity,” and the public does not include underwriters (including members of a selling group or retail distribution group) or persons related to underwriters.

If, however, a bid is submitted for the bidder’s own account in a capacity other than as an underwriter of the Series 2018A Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2018A Bonds, the bidder shall notify the University to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

By submitting a bid for the Series 2018A Bonds, each bidder certifies that it has an established industry reputation for underwriting new issuances of municipal bonds unless specifically noted in the bid.

If the Purchaser intends to act as an underwriter, the University shall advise the Purchaser at or prior to the time of award whether (i) the competitive sale rule or (ii) the “hold-the-offering price” rule applies.

If the University advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the University at or prior to closing a certification, substantially in the form attached hereto as Exhibit A, as to the reasonably expected initial offering price as of the award date.

If the University advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the “hold-the-offering price” rule applies, the Purchaser shall (1) upon the request of the University confirm that the underwriters did not offer or sell any maturity of the Series 2018A Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth

business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the University a certification substantially in the form attached hereto as Exhibit A, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the University pursuant hereto may be taken or received on behalf of the University by PFM Financial Advisors LLC, the University's Municipal Advisor.

**Bidders should prepare their bids on the assumption that the Series 2018A Bonds will be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2018A Bonds, and bids submitted will not be subject to cancellation or withdrawal.**

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Series 2018A Bonds; however, neither the failure to print CUSIP numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2018A Bonds. The University will obtain CUSIP numbers. The charge of the CUSIP Service Bureau shall be paid by the successful bidder; however, all expenses for printing CUSIP numbers on the Series 2018A Bonds shall be paid for by the University.

### **Bond Counsel Opinion**

The University will furnish to the purchaser of the Series 2018A Bonds, the bond counsel opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, in substantially the form attached to the Preliminary Official Statement in APPENDIX F.

### **Continuing Disclosure**

The University will enter into an undertaking for the benefit of the owners of the Series 2018A Bonds to provide certain financial information and operating data and notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of paragraph (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). The University has not failed in the past five years to perform any obligation with respect to any existing undertaking to provide continuing disclosure under the Rule, except as described in the Preliminary Official Statement under the heading “Continuing Disclosure.” See “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

### **Closing Documents**

As a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 2018A Bonds, the University will furnish a certificate of an official or officials of the University stating that to the best knowledge of such official(s), as of the date of the Official Statement and as of the date of delivery of the Series 2018A Bonds,

- (i) the information (including financial information) regarding the University contained in the Official Statement was, as of its date, and is, as of the date of closing, true and correct in all material respects and did not and does not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and
- (ii) the descriptions and statements, including financial data, of or pertaining to entities other than the University and their activities contained in the Official Statement have been obtained from sources that the University believes to be reliable and the University has no reason to believe that they are untrue in any material respect (however, the University will make no representation regarding Bond Counsel's form of opinion or the information provided by or obtained from DTC or any entity providing bond insurance or other credit facility).

A no-litigation certificate will also be included in the closing documents for the Series 2018A Bonds.

### **Official Statement**

The Preliminary Official Statement is in a form deemed final by the University for the purpose of Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement, which the University will deliver to the successful bidder, at the University's expense, not later than seven business days after the University's acceptance of the successful bidder's bid, in sufficient quantities to permit the successful bidder to comply with Rule 15c2-12. The successful bidder shall file, or cause to be filed, the final Official Statement with the Municipal Securities Rulemaking Board ("MSRB") within one business day following the receipt of the Official Statement from the University.

The successful bidder also agrees:

- (i) to provide to the University, in writing, promptly after the acceptance of the bid, pricing and other related information, including initial reoffering prices of the Series 2018A Bonds, necessary for completion of the final Official Statement;
- (ii) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any amendments or supplements prepared by the University, and
- (iii) to take any and all actions necessary to comply with applicable SEC and MSRB rules governing the offering, sale and delivery of the Series 2018A Bonds to ultimate purchasers, including without limitation, the delivery of a final Official Statement to each investor who purchases Series 2018A Bonds.



## **Additional Information**

Additional information may be obtained from the University's Municipal Advisor, PFM Financial Advisors LLC, Inc. (by telephone: (612) 371-3753; or by e-mail: caspersonh@pfm.com); the Preliminary Official Statement may be obtained from i-Deal Prospectus, a service of i-Deal LLC, at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), telephone (212) 849-5021. In addition, the Preliminary Official Statement may be obtained upon request to the University's Municipal Advisor.

### THE REGENTS OF THE UNIVERSITY OF IDAHO

By: /s/ Brian Foisy

Vice President for Finance and Administration

EXHIBIT A

Competitive Sale – Three Bids Received

Purchaser's Certificate:

IT IS HEREBY CERTIFIED by the undersigned on behalf of \_\_\_\_\_  
(the "Purchaser"), as representative of the underwriters for the " \_\_\_\_\_ " (the  
"Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$ \_\_\_\_\_, bearing interest and maturing as provided in [Instrument providing principal amount and interest rate] \_\_\_\_\_ of the \_\_\_\_\_ (the "Issuer") on \_\_\_\_\_, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the prices shown [on the [inside] cover page of the Official Statement for the Bonds][in Exhibit 1]. Those prices are the reasonably expected initial offering prices of each maturity of the Bonds to the public which were used by the Purchaser in formulating its bid to purchase the Bonds. For this purpose:

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party.

"Sale date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the Issuer.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

If a yield is shown on the [inside] cover page for any maturity, "price" herein means the dollar price that produces that yield.

3. The underwriter was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the underwriter constituted a firm bid to purchase the Bonds.

5. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of \_\_\_\_\_, 2017.

\_\_\_\_\_, as Representative of the Underwriters

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit 1

(Offering Prices of Bonds)

Exhibit B  
**Purchaser's Certificate:**

IT IS HEREBY CERTIFIED by the undersigned on behalf of \_\_\_\_\_  
(the "Purchaser"), as representative of the underwriters for the " \_\_\_\_\_ " (the  
"Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$ \_\_\_\_\_, bearing interest and maturing as provided in the \_\_\_\_\_ [Instrument providing principal amount and interest rate] of the \_\_\_\_\_ (the "Issuer") on \_\_\_\_\_, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the initial public offering prices shown on the inside cover page of the Official Statement for the Bonds, a copy of which page is attached as **Exhibit 1** hereto. Those prices are the prices at which the Bonds were initially offered to the public on or before the sale date. A copy of the pricing wire or similar documentation supporting this certification is attached as **Exhibit 2**. For the purposes of this certificate:

"public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party.

"sale date" means the date the Purchaser's offer to purchase the Bonds in the Bond Purchase Agreement between the Issuer and Purchaser was accepted on behalf of the Issuer.

"underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

"substantial amount" is 10% or more of each maturity.

If a yield is shown on the inside cover page for any maturity, "price" herein means the dollar price that produces that yield.

3. With respect to the Bonds maturing on \_\_\_\_\_ and \_\_\_\_\_, the first price at which a substantial amount of such Bonds were sold to the public is the price shown on Exhibit 1 attached hereto.

4. With respect to the remaining maturities of the Bonds, as set forth in Exhibit 1 hereto, the underwriter[s] [has][have] agreed in writing that, for each such maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such maturity to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the sale date and ending on the earlier of (i) the close of the fifth business day after the sale date or (ii) the date on which the underwriter[s] [has][have] sold a substantial amount of such maturity of the Bonds to the public at a price that is no higher than the initial public offering price for such maturity. [No underwriter has][The underwriter has not] offered or sold any such remaining maturity of the Bonds at a price that is higher than the respective initial public offering price for that maturity of the Bonds during the offering period applicable to that maturity described in the preceding sentence.

5. *[Add reserve fund, bond insurance, 8038 information representation if needed]*

6. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the “Code”), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.”

DATED as of \_\_\_\_\_, 2017.

\_\_\_\_\_, as Representative of the Underwriters

By: \_\_\_\_\_

Title: \_\_\_\_\_

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## GENERAL INFORMATION

No dealer, broker, salesperson or other person has been authorized by the Board (as hereafter defined), the Regents, the University, the Municipal Advisor or the successful bidder to give any information or to make any representations with respect to the Series 2018A Bonds, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board, the University or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2018A Bonds, nor shall there be any sale of the Series 2018A Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Regents, the University, the Board, DTC and certain other sources that the Regents and the University believes to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Municipal Advisor. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or any other person or entity discussed herein since the date hereof.

The yields/prices at which the Series 2018A Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this OFFICIAL STATEMENT. In addition, the successful bidder may allow concessions or discounts from the initial offering prices of the Series 2018A Bonds to dealers and others. In connection with the offering of the Series 2018A Bonds, the successful bidder may engage in transactions that stabilize, maintain, or otherwise affect the price of the Series 2018A Bonds. Such transactions may include overallotments in connection with the purchase of Series 2018A Bonds, the purchase of Series 2018A Bonds to stabilize their market price and the purchase of Series 2018A Bonds to cover the successful bidder's short positions. Such transactions, if commenced, may be discontinued at any time.

This Official Statement contains "forward-looking statements" that are based upon the Regents' and the University's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the Regents and the University. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Regents have no plans to issue any updates or revise these forward-looking statements based on future events.

The Preliminary Official Statement has been "deemed final" by the University, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Preliminary Official Statement under said Rule 15c2-12.

**PRELIMINARY OFFICIAL STATEMENT**  
**THE REGENTS OF THE UNIVERSITY OF IDAHO**  
**\$29,105,000\***  
**GENERAL REVENUE REFUNDING BONDS,**  
**SERIES 2018A**

**INTRODUCTION**

GENERAL

This Official Statement, including the cover page, the inside cover page and the information contained in the Appendices hereto, is furnished in connection with the offering of the \$29,105,000\* The Regents of the University of Idaho General Revenue Refunding Bonds, Series 2018A (the “*Series 2018A Bonds*”).

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. The attached Appendices are integral parts of this Official Statement and should be read in their entirety.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in “APPENDIX C– GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT.”

THE REGENTS AND THE UNIVERSITY OF IDAHO

A comprehensive land-grant institution, the University of Idaho (the “University”) is the State of Idaho’s (the “State”) oldest institution of higher learning. Its main campus is located in Moscow, Idaho. With an enrollment of approximately 12,072 full and part—time students, the University has been charged with primary responsibility in the State for advanced research and graduate education. The University was established in Moscow in 1889 by the Territorial Legislature, and provisions of the University’s Charter as a territorial university are incorporated into the Idaho State Constitution. Policy direction of the University is vested in the Regents of the University of Idaho (the “Regents”), whose members also serve as the Idaho State Board of Education (the “Board”). See “THE UNIVERSITY,” “HISTORICAL PLEDGED REVENUES,” “FINANCIAL OPERATIONS OF THE UNIVERSITY” and the audited financial statements of the University in Appendix A for financial and other information as to the University and the Regents.

*Certain references herein to the “Regents” shall be deemed to refer to the University or other appropriate authority pursuant to the Act and other applicable laws, as appropriate.*



## AUTHORIZATION FOR AND PURPOSE OF THE SERIES 2018A BONDS

The Series 2018A Bonds are being issued pursuant to and in compliance with Title 33, Chapter 38, Idaho Code, as amended, and Title 57, Chapter 5, Idaho Code, as amended, and a resolution adopted by the Regents on November 22, 1991, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a resolution adopted by the Regents on December 21, 2017 authorizing the issuance of the Series 2018A Bonds (collectively with the Master Resolution, the “*Resolution*”).

Pursuant to the Master Resolution, the Board has previously authorized the issuance of various series of General Revenue Bonds (the “*Outstanding Bonds*”), which as of January 1, 2018, were outstanding in the principal amount of \$183,725,000 (including the Defeased Bonds, as defined herein). The Series 2018A Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Resolution are referred to herein as the “Bonds” or the “General Revenue Bonds.” See “DEBT SERVICE REQUIREMENTS” and “FINANCIAL INFORMATION REGARDING THE UNIVERSITY—Outstanding Debt.”

The proceeds of the Series 2018A Bonds will be used (i) to defease and redeem certain of the University’s Outstanding Bonds (the “*Defeasance Project*”) and (ii) to pay costs of issuing the Series 2018A Bonds. See “SOURCES AND USES OF FUNDS” herein.

## SECURITY FOR THE SERIES 2018A BONDS

The Series 2018A Bonds are secured by Pledged Revenues and money in the Bond Fund on parity with the other Bonds. Pledged Revenues include (i) Student Fees; (ii) all revenues generated through operations of auxiliary enterprises and revenues generated incidentally to the conduct of instruction, research and public service activities (“*Sales and Service Revenues*”); (iii) revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University (the “*F&A Recovery Revenues*”); (iv) various revenues generated from miscellaneous sources, including fines and rent and lease revenues (the “*Other Operating Revenues*”); (v) income generated on investments of moneys in all unrestricted funds and accounts of the University (the “*Investment Income*”), (vi) interest subsidy payments received by the University from the United States Treasury pursuant to Section 6431 of the code or other similar programs (“*Direct Payments*”) to be made in connection with the University's Taxable Series 2010B Bonds which are “Build America Bonds”; (vii) proceeds from the sale of a Series of Bonds and moneys and investment earnings thereon, except as otherwise provided in the Resolution or a supplemental resolution; and (viii) other revenues the Board shall designate as Pledged Revenues, but excluding State appropriations and Restricted Fund Revenues.

Under the Resolution, the University has covenanted to establish and maintain Pledged Revenues sufficient, together with other Pledged Revenues available or to be available in the Debt Service Account to pay debt service for the Fiscal Year, to produce Revenues Available for debt service in each Fiscal Year equal to not less than 100% of debt service on the Bonds Outstanding for each such Fiscal Year. See “SECURITY FOR THE SERIES 2018A BONDS—Rate Covenant.”

## ADDITIONAL BONDS

The University has reserved the right in the Resolution to issue Additional Bonds payable from and secured by the Pledged Revenues on parity with the Series 2018A Bonds, and its other parity Outstanding Bonds, subject to the satisfaction of certain conditions contained in the Resolution. See “SECURITY FOR THE SERIES 2018A BONDS—Additional Bonds.”

## TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the Series 2018A Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2018A Bonds (the “*Tax Code*”); (ii) interest on the Series 2018A Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations; and (iii) interest on the Series 2018A Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. See “TAX MATTERS—Series 2018A Bonds.”

## THE SERIES 2018A BONDS

### DESCRIPTION OF THE SERIES 2018A BONDS

The Series 2018A Bonds will be dated their date of original issuance and delivery and will mature on April 1 of the years and in the amounts as set forth on the inside cover page of this Official Statement.

The Series 2018A Bonds shall bear interest from their date at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2018A Bonds is payable on April 1 and October 1 of each year, beginning October 1, 2018. Interest on the Series 2018A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Wells Fargo Bank, N.A., is the trustee and paying agent for the Series 2018A Bonds (the “Trustee”).

The Series 2018A Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of \$5,000 or any integral multiple thereof.

### BOOK-ENTRY SYSTEM

The Depository Trust Company, New York, New York (“*DTC*”), will act as initial securities depository for the Series 2018A Bonds. The ownership of one fully registered 2018 Bond for each maturity as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede and Co., as nominee for DTC. For so long as the Series 2018A Bonds remain in a “book-entry only” transfer system, the Trustee will make payments of principal and interest only to DTC, which in turn is obligated to remit such payments to its participants for subsequent disbursement to Beneficial Owners of the Series 2018A Bonds. See APPENDIX G for additional information. As indicated therein, certain information in APPENDIX G has been provided by DTC. The

University makes no representation as to the accuracy or completeness of the information in APPENDIX G provided by DTC. Purchasers of the Series 2018A Bonds should confirm this information with DTC or its participants.

#### REDEMPTION AND OPEN MARKET PURCHASE

*Optional Redemption.* The Series 2018A Bonds maturing on or after April 1, 2029 are subject to redemption at the election of the University at any time on or after April 1, 2028, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the Series 2018A Bonds shall be at a price of 100% of the principal amount of the Series 2018A Bonds to be so redeemed, plus accrued interest to the date fixed for redemption.

*[Mandatory Sinking Fund Redemption.* The Series 2018A Bonds maturing on April 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Series 2018A Bonds to be so redeemed, plus accrued interest to the date fixed for redemption, on April 1 of the years, and in the amounts, shown below:]

APRIL 1  
OF THE YEAR

MANDATORY  
REDEMPTION AMOUNT

\$

\*

---

\* Stated Maturity.

*Notice of Redemption.* The Resolution requires the Trustee to give notice of any redemption of the Series 2018A Bonds not less than 35 days nor more than 60 days prior to the redemption date, by first class mail, postage prepaid, addressed to the registered owners of such Series 2018A Bonds to be redeemed at the addresses appearing on the registry books kept by the Trustee. With respect to any notice of optional redemption of Series 2018A Bonds, unless upon the giving of such notice such Series 2018A Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice may state that the redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2018A Bonds to be redeemed, and that if such money shall not have been so received, the notice shall be of no force and effect and the University shall not be required to redeem such Series 2018A Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee will promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

*Selection for Redemption.* If less than all Series 2018A Bonds are to be redeemed, the particular maturities of such Series 2018A Bonds to be redeemed and the principal amounts of

such maturities to be redeemed shall be selected by the University. If less than all of any maturity of the Series 2018A Bonds is to be redeemed, the Series 2018A Bonds to be redeemed will be selected by lot. If less than all of a 2018 Bond that is subject to mandatory sinking fund redemption is to be redeemed, the redemption price shall be applied to such mandatory sinking fund installments as the University shall direct.

*Effect of Redemption.* When called for redemption as described above, the Series 2018A Bonds will cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Series 2018A Bonds will not be deemed to be Outstanding as of such redemption date.

*Open Market Purchase.* The University has reserved the right to purchase the Series 2018A Bonds on the open market at a price equal to or less than par. In the event the University purchases the Series 2018A Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the Series 2018A Bonds so purchased are to be credited at the par amount thereof against the debt service requirement next becoming due. In the event the University purchases term Series 2018A Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the term Series 2018A Bonds so purchases are to be credited against the Mandatory Redemption Amounts next becoming due. All Series 2018A Bonds so purchased are to be cancelled.

## **SECURITY FOR THE SERIES 2018A BONDS**

### GENERAL

The Series 2018A Bonds are secured by Pledged Revenues and money in the Bond Fund on parity with all Bonds previously issued and all Additional Bonds that may be issued under the Resolution. Pledged Revenues include:

- (i) Student Fees;
- (ii) Sales and Services Revenues;
- (iii) F&A Recovery Revenues;
- (iv) Other Operating Revenues;
- (v) Investment Income;
- (vi) Direct Payments to be made in connection with the University's Taxable Series 2010B Bonds which are "Build America Bonds"
- (vii) Proceeds from the sale of a Series of Bonds and moneys and investment earnings thereon, except as otherwise provided in the Resolution or a supplemental resolution.
- (viii) Such other revenues as the Board shall designate as Pledged Revenues, but excluding State appropriations and Restricted Fund Revenues.

For a description of the sources and components of the Pledged Revenues, see “PLEGGED REVENUES” below. For the amounts of Pledged Revenues in recent years, see “HISTORICAL REVENUES AVAILABLE FOR DEBT SERVICE” below.

Pledged Revenues do not include State appropriations, which by law cannot be pledged. Pledged Revenues also exclude Restricted Fund Revenues, including restricted gift and grant revenues. See “FINANCIAL INFORMATION REGARDING THE UNIVERSITY” AND “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016.”

#### PLEGGED REVENUES

*Student Fees.* The Regents have the exclusive ability to establish and collect tuition charges and student fees for resident and non-resident, graduate and professional students attending the University. Tuition and student fee charges are not subject to a referendum by students or approval by any other governmental entity. The Regents have established a policy that the University may not request more than a 10% annual increase in the total full-time tuition and student fees unless otherwise authorized by the Regents. The Regents' established policy is to announce and conduct a public hearing on the modification of any fees, which has traditionally occurred annually, with fee adjustments effective for the subsequent fall term each year. The Regents increased fees by 3.5% at the April 2017 Regents' meeting, and the increase became effective in the Fall of 2017. There is no prohibition, however, which would preclude the Regents from adjusting fees (for collection beginning with the next academic year) at any time.

For the Fiscal Year ending June 30, 2015, total annual tuition and student fees assessed against full-time undergraduate students were \$6,784 (Idaho residents) and \$20,314 (non-Idaho residents), with the total revenues derived from such tuition and student fees equal to \$89,409,083. For the Fiscal Year ending June 30, 2016, total annual tuition and student fees assessed against full-time undergraduate students were \$7,020 (Idaho residents) and \$21,024 (non-Idaho residents), with the total revenues derived from such tuition and student fees equal to \$87,620,004. For the Fiscal Year ended June 30, 2017, the total annual tuition and student fees assessed against full-time undergraduate students were \$7,232 (Idaho residents) and \$22,040 (non-Idaho residents), with total revenues derived from such tuition and student fees equal to \$86,340,857. On April 19, 2017, the SBOE approved annual tuition and student fees for full-time undergraduate students that became effective in the Fall of 2017 in the total amount of \$7,488 (Idaho residents) and \$23,812 (non-Idaho residents). Student Fee revenues have declined over the past three years despite total enrollment increases since 2015 due to a small decrease in the proportion of on-campus, full-time students.

See “APPENDIX B — SCHEDULE OF STUDENT FEES” for a list of Student Fees assessed for Fiscal Year 2018.

*Sales and Services Revenues.* Sales and Services Revenues include pledged revenues generated through operations of auxiliary enterprises and revenues generated incidentally to the conduct of instruction, research and public service activities. The majority of these revenues are generated through auxiliaries including the housing and student union operations, bookstore sales, parking charges, ticket and event sales, recreation center activity charges, and other miscellaneous operations. See "THE UNIVERSITY" for a description of the University's

primary revenue generating facilities. Examples of revenues generated incidentally to education are unrestricted revenues generated by the University's testing and training services, labs, sales of scientific materials, sales of miscellaneous services or products, and sales of agriculture and forest products and publications.

Sales and Services Revenues pledged for the Fiscal Years ended June 30, 2015, June 30, 2016 and June 30, 2017 were \$43,880,779, \$42,708,156 and \$42,503,972, respectively. Sales and Services Revenues are driven predominantly by student-related revenues and therefore generally parallel increases or decreases in full-time, on-campus student enrollment. Sales and Service Revenues have thus shown slight declines over the last three years, despite higher overall enrollment numbers, due to a slightly lower proportion of full-time, on-campus students.

See “APPENDIX A— AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016.”

*Facilities and Administrative Recovery Revenues.* A portion of funds received each year for University activity sponsored by the private sector, the State or the federal government (“Sponsored Activity”) is provided to pay the direct costs of the Sponsored Activity, such as salaries for scientists and material and labor used to perform research projects. F&A Recovery Revenues make up the balance granted and are used to pay facilities administrative costs, which encompass spending by the University on items such as facilities maintenance and renewal, heating and cooling, libraries, the salaries of departmental and central office staff, and other general administration costs associated with sponsored project activity. Unlike the revenues for direct costs of Sponsored Activity, F&A Recovery Revenues are not restricted and are available as Pledged Revenues. F&A Recovery Revenues for Fiscal Years ended June 30, 2015, June 30, 2016, and June 30, 2017 were \$10,100,673, \$10,792,832 and \$11,416,369, respectively.

*Other Operating Revenues.* The University receives other miscellaneous revenues in the course of its operations. Examples of pledged revenues counted in Other Operating Revenues include fines and lease and rental revenues. In the Fiscal Years ended June 30, 2015, June 30, 2016 and June 30, 2017, the University generated Other Operating Revenues in the amounts of \$3,181,741, \$6,174,889 and \$4,821,065, respectively. See “Appendix A— Audited Financial Statements Of The University For The Fiscal Years Ended June 30, 2017 and 2016” and “FINANCIAL INFORMATION REGARDING THE UNIVERSITY.” Because Other Operating Revenues are comprised of a wide variety of smaller revenue sources, such revenue can vary significantly from year-to-year; the substantial increase in Other Operating Revenues for Fiscal Year 2016 related primarily to receipt of a one-time award.

*Investment Income.* Investment Income, which includes all of the University's unrestricted investment income, is pledged to repayment of the Series 2015A Bonds and other Bonds issued under the Resolution. The amount of Investment Income pledged to the Bonds will not match the amount of investment income shown in the University's audited financial statements which includes restricted investment income.

For the Fiscal Years ended June 30, 2015, June 30, 2016 and June 30, 2017, pledged Investment Income earned by the University was \$2,154,153, \$2,419,244 and \$2,637,513, respectively. See “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016.”

## HISTORICAL PLEDGED REVENUES

The following table shows the Pledged Revenues available for debt service for Fiscal Years 2013 through 2017. As described under “DEBT SERVICE REQUIREMENTS,” the University estimates that the maximum annual debt service on the Bonds upon the issuance of the Series 2018A Bonds will be approximately \$14 million.\*

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Student Fees	\$82,657,650	\$83,361,394	\$89,409,083	\$87,620,004	\$86,340,857
Sales and Services Revenues	45,689,284	42,861,392	43,880,779	42,708,156	42,503,972
Other Operating Revenues	2,983,307	4,200,739	3,181,741	6,174,889	4,821,065
Investment Income	1,218,954	1,832,991	2,154,153	2,419,244	2,637,513
F&A Recovery Revenues	10,408,306	9,815,977	10,100,673	10,792,832	11,416,369
Direct Payments for Series 2010B Bonds	<u>297,732</u>	<u>274,063</u>	<u>276,147</u>	<u>297,732</u>	<u>297,732</u>
 PLEDGED REVENUES AVAILABLE FOR DEBT SERVICE	 <u>\$145,255,233</u>	 <u>\$142,346,556</u>	 <u>\$156,067,146</u>	 <u>\$150,012,857</u>	 <u>\$148,17,508</u>

\* Preliminary, subject to change.

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## FLOW OF FUNDS

The Resolution creates the Revenue Fund, which is held by the University. All Pledged Revenues are required to be deposited in the Revenue Fund. At least five days before each payment date, money in the Revenue Fund is required to be transferred to the Debt Service Account held by the Trustee, for payment of interest, principal, and redemption premium, if any, coming due on the Bonds.

Amounts remaining in the Revenue Fund may be applied, free and clear of the lien of the Resolution, for any lawful purpose of the University, as provided in the Resolution. The University has historically used and intends to continue to use any excess moneys in the Revenue Fund primarily to pay for operation and maintenance expenses and capital improvements.

## RATE COVENANT

Under the Resolution, the University has covenanted to establish and maintain Pledged Revenues sufficient, together with other revenues available or to be available in the Debt Service Account, to pay debt service on Bonds Outstanding for each Fiscal Year.

## ADDITIONAL BONDS

*Additional Bonds, Generally.* The amount of Additional Bonds that may be issued under the Resolution is not limited by law or by the Resolution, provided the requirements below are satisfied. In order to issue Additional Bonds for the purpose of financing projects, the University must receive Board approval and must also satisfy certain conditions, including, but not limited to, the filing with the Trustee of:

- (i) A copy of the supplemental resolution authorizing the Additional Bonds;
- (ii) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution or any supplemental resolution with respect to any Outstanding Bonds;
- (iii) A Written Certificate of the University setting forth the then estimated completion date and the then estimated cost of construction of the project being financed by the Additional Bonds; and
- (iv) A Written Certificate of the University showing that Estimated Pledged Revenues (assuming completion of the proposed project on its then estimated completion date) will equal at least 100% of the debt service on all Outstanding Bonds and any Additional Bonds proposed to be issued for each Fiscal Year of the University during which any Bonds will be Outstanding following the estimated completion date of the project being financed by the Additional Bonds, if interest during construction of the project being financed by the Additional Bonds is capitalized, or (2) the University's current Fiscal Year and any succeeding Fiscal Year during which any Bonds issued will be Outstanding, if interest during construction of the project being financed by the Additional Bonds is not capitalized (a "*Coverage Certificate*"). See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Additional Bonds."



*Refunding Bonds.* The University may issue Additional Bonds to refund Bonds issued under the Resolution by providing certificates similar to those described above in (i) and (ii). Alternatively, Additional Bonds may be issued to refund Bonds issued under the Resolution without compliance with the requirements described above if the Additional Bonds do not increase debt service by more than \$25,000 per year.

The University may issue Additional Bonds for the purpose of refunding any of its obligations that were not issued under the Resolution if it files with the Trustee (i) a copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds and providing that any revenues securing such refunded obligations shall become part of the Pledged Revenues securing the Bonds issued under the Resolution, (ii) the Coverage Certificate described above, and (iii) a Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution.

#### PAYMENT AGREEMENTS

The Resolution authorizes the University to enter into a Payment Agreement and to make a Payment Agreement Payment thereunder on a parity of lien with the payment of the Bonds if the Payment Agreement satisfies the requirements for Additional Bonds described in the Resolution, taking into consideration regularly scheduled Payment Agreement Payments and Receipts, if any, under the Payment Agreement. See “APPENDIX D– SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–Payment Agreements.”

#### NO DEBT SERVICE RESERVE

There is no debt service reserve requirement with respect to the Series 2018A Bonds or the Outstanding Bonds.

#### **DEFEASANCE PROJECT**

The Regents of the University of Idaho Adjustable Rate General Revenue Bonds, Series 2007B (the “*Series 2007B Bonds*”) are subject to mandatory tender for purchase on or near April 1, 2018 (the “*Tender Date*”) in accordance with the terms of the 2007 Supplemental Resolution. The Regents have decided not to convert the Series 2007B Bonds (the maturities of such bonds subject to interest rate mode conversion or mandatory tender being referred to herein as the “*Defeased Bonds*”) to a new interest rate period. Accordingly, the Regents will give notice of intent to purchase the Defeased Bonds at the purchase price upon mandatory tender on the Tender Date. The proceeds from the sale of the Series 2018A Bonds are being issued to provide funds which, together with other available funds, if any, will be sufficient to purchase and redeem the Defeased Bonds.

A portion of the proceeds of the Series 2018A Bonds, together with other funds of the University, in an amount sufficient to pay the interest on the Defeased Bonds as the same falls due and the purchase price of, and accrued interest on, the Defeased Bonds on the date the Defeased Bonds are to be redeemed, will be irrevocably deposited in an escrow account (the “*Escrow Account*”) to be held by Wells Fargo Bank, N.A., as escrow agent (the “*Escrow Agent*”), to purchase the Defeased Bonds. Such amount will be used to provide cash for the

purchase of the Defeased Bonds and purchase direct obligations of the United States, if any. See “SOURCES AND USES OF FUNDS.”

The proceeds of the Series 2018A Bonds will be escrowed as described above and used to purchase and redeem the Defeased Bonds on the Tender Date. The 2018 maturity of the Series 2007B Bonds is not subject to mandatory tender and will be paid at maturity. Details of the Defeased Bonds are as follows:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	CUSIP 914318	TENDER DATE (APRIL 1)	INTEREST RATE	PURCHASE PRICE
2041	\$17,100,000	A67	2018	4.50%	100%
2041	\$17,135,000	A91	2018	4.25%	100%

Certain mathematical computations will be required regarding the sufficiency of the escrow established to pay the Defeased Bonds in full on the redemption date.

### SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Series 2018A Bonds are estimated to be as follows:

**SOURCES:**

Aggregate Principal Amount of Series 2018A Bonds .....	\$29,105,000.00
Original Issue Premium .....	
TOTAL .....	\$_____

**USES:**

Escrow Fund to Defeas the Defeased Bonds.....	\$34,235,000.00
Costs of Issuance* .....	
TOTAL .....	\$_____

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\* Includes legal, rating agency, trustee, paying and escrow agent, and underwriter’s discount and contingency.

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## DEBT SERVICE REQUIREMENTS

The following table shows the debt service requirements for the Series 2018A Bonds.

FISCAL YEAR END <u>6/30</u>	OUTSTANDING BONDS <sup>(1)(2)</sup>	SERIES 2018A BONDS <sup>(*)</sup>		TOTAL
		PRINCIPAL	INTEREST	
2018	\$14,223,737	-	-	\$14,223,737
2019	12,514,854	-	\$1,649,283	14,164,137
2020	11,685,339	\$90,000	1,455,250	13,230,589
2021	11,679,719	85,000	1,450,750	13,215,469
2022	11,217,494	80,000	1,446,500	12,743,994
2023	11,322,427	75,000	1,442,500	12,839,927
2024	11,309,752	70,000	1,438,750	12,818,502
2025	11,289,734	65,000	1,435,250	12,789,984
2026	11,292,064	65,000	1,432,000	12,789,064
2027	9,835,152	1,390,000	1,428,750	12,653,902
2028	9,826,162	1,455,000	1,359,250	12,640,412
2029	9,825,612	1,510,000	1,286,500	12,622,112
2030	9,822,758	1,580,000	1,211,000	12,613,758
2031	9,807,458	1,645,000	1,132,000	12,584,458
2032	9,807,938	1,725,000	1,049,750	12,582,688
2033	9,619,352	1,800,000	963,500	12,382,852
2034	9,044,485	1,875,000	873,500	11,792,985
2035	9,034,345	1,960,000	779,750	11,774,095
2036	9,029,624	2,040,000	681,750	11,751,374
2037	9,024,595	2,130,000	579,750	11,734,345
2038	9,015,664	2,225,000	473,250	11,713,914
2039	9,005,570	2,320,000	362,000	11,687,570
2040	8,989,519	2,425,000	246,000	11,660,519
2041	9,006,912	2,495,000	124,750	11,626,662
2042	3,041,800	-	-	3,041,800
2043	3,042,800	-	-	3,042,800
2044	3,039,600	-	-	3,039,600
2045	3,047,200	-	-	3,047,200
<b>TOTAL<sup>(3)</sup></b>	<b><u>\$259,401,660</u></b>	<b><u>\$29,105,000</u></b>	<b><u>\$24,301,783</u></b>	<b><u>\$312,808,444</u></b>

\*Preliminary, subject to change.

(1) Does not reflect the debt service on the Defeased Bonds.

(2) Outstanding Bonds include the 2010B Bonds, which are Build America Bonds. Interest reflected is on a gross basis.

(3) Totals will vary from other representations of outstanding indebtedness due to exclusion of Defeased Bonds and inclusion of anticipated Series 2018A Bonds.

## THE UNIVERSITY

Student body representation at the University is from every state in the United States and approximately 80 foreign countries. The University alumni population exceeds 100,000. The University's main campus is located in Moscow, Idaho, a community of approximately 23,800 people in the northern portion of the State, about one-mile east of the Washington border and approximately 80 miles south of Coeur d'Alene, Idaho.

University property includes approximately 11,700 acres and 315 buildings, of which 1,585 acres and 250 buildings are located at its main campus in Moscow. The University operates twelve research centers and institutes and six demonstration and training farms with a total acreage of about 1,000 acres used by forestry and agricultural students. The University owns and actively manages 8,160 acres of forest lands, a wilderness field research station in Idaho's primitive area, and ten research and extension centers in agricultural areas throughout Idaho. The University also operates a Research Park in Post Falls and Resident Instructional Centers in Boise, Coeur d'Alene and Idaho Falls. The University's McCall Outdoor Science School ("MOSS") is located on the McCall Field Campus and borders Payette Lake and Ponderosa State Park. MOSS offers a one-of-a-kind learning experience for Idaho youth, graduate students, teachers and the local community, and was funded with proceeds of the University's Taxable Series 2013B Bonds. The University utilized proceeds of its Series 2014 Bonds to finance construction of a new facility on the Moscow campus referred to as the Integrated Research and Innovation Center ("IRIC"), completed and opened in January 2017. Proceeds of the Series 2014 Bonds were also used by the University to fund, in part, a renovation of the College of Education Building on the Moscow campus, completed in July 2016.

The University's academic structure includes ten degree-granting colleges: the Colleges of Agricultural and Life Science; Art and Architecture; Business and Economics; Education, Health and Human Sciences; Engineering; Graduate Studies; Law; Letters, Arts and Social Sciences; Natural Resources; and Science. In addition to degree programs in each of these colleges, the University includes a College of Graduate Studies and offers medical training for students in association with the University of Washington, School of Medicine. The University has several cooperative programs with Washington State University (located in Pullman, Washington, eight miles from Moscow), including a joint veterinary medical program. The University has an optional officer education program, leading to a regular or reserve commission in the U.S. Army, Navy, Marines or Air Force.

### UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Regent, which also serves as the Idaho State Board of Education, the Board for Boise State University in Boise, the Board of Trustees for Idaho State University in Pocatello, the Board of Trustees for Lewis Clark State College in Lewiston, and the State Board for Professional Technical Education and Vocational Rehabilitation. The Board also oversees aspects of the College of Western Idaho in Boise and North Idaho College in Coeur d'Alene, in concert with the respective Boards of these two institutions. The Governor appoints seven of the members to the Board for five year terms. The membership, terms and occupations of the

current board members are listed below. The elected State Superintendent of Public Instruction serves *ex officio* as the eighth member of the Board for a four-year term.

**BOARD OF TRUSTEES OF THE REGENTS OF THE UNIVERSITY OF IDAHO  
AND STATE BOARD OF EDUCATION**

NAME	RESIDENCE	OCCUPATION	TERM EXPIRES
Linda Clark (President)	Meridian	Retired Superintendent	2020
Debbie Critchfield (Vice President)	Oakley	Community Education Leader	2020
David Hill (Secretary)	Boise	Retired Deputy Director at ID National Laboratory	2018
Emma Atchley	Ashton	Community Leader	2020
Andrew Scoggin	Boise	Executive VP for Albertsons Companies	2021
Don Soltman	Twin Lakes	Retired Hospital Executive	2019
Richard Westerberg	Preston	Retired Officer of PacifiCorp	2019
Sherri Ybarra *	Mountain Home	Superintendent of Public Instruction	Elected

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\* Serves *ex officio* on the State Board of Education in her capacity as State Superintendent of Public Instruction.

The State Board of Education has an approximately 27 member, full time professional staff headed by Matt Freeman, Executive Director. His appointment became effective in 2015.

*University Officers.* The affairs of the University are managed by the President of the University and the staff. The President is appointed by, reports to, and serves at the pleasure of the Regents. Following is a brief biographical resume of President Staben and his executive staff at a Vice President level:

*Chuck Staben – President.* Dr. Staben took office as the 18th president of the University Idaho March 1, 2014. Dr. Staben served as Provost and Vice President for Academic Affairs at the University of South Dakota from August 2008 to February 2014. Prior to his service at South Dakota, he served as the Associate Vice President for Research at the University of Kentucky from 2005 to 2009 and was a professor of biology from 1989 to 2008. Previously Dr. Staben was a postdoctoral researcher at Stanford University from 1987 to 1989 and at Chiron Research Laboratories from 1985 to 1986. He has served on National Science Foundation and National Institutes of Health grant review panels and recently served on a National Research Council committee that reviewed the Experimental Program to Stimulate Competitive Research and the Institutional Development Award programs for the U.S. Senate. Dr. Staben received a B.S. degree from the University of Illinois, Champaign-Urbana, and a Ph.D. in Biochemistry from the University of California, Berkeley.

*John Wiencek – Provost and Executive Vice President.* John Wiencek joined the University of Idaho as Provost and Executive Vice President on June 1, 2015. He serves as the University’s Chief Academic Officer, directly responsible for the general direction of all academic programs, endeavors and instructional services on the Moscow campus, as well as the university’s statewide academic, outreach and research initiatives. Mr. Wiencek came to the University from Virginia Commonwealth University, where he served as Interim Provost and Vice President of Academic Affairs, and Senior Vice Provost and Professor in the Chemical and Life Science Engineering Department. Mr. Wiencek earned a bachelor’s degree in chemical

engineering at the University of Cincinnati. He earned a master's degree in chemical engineering from Case Western Reserve University before completing a chemical engineering doctoral degree from that same institution.

*Brian Foisy –Vice President for Finance and Administration.* Brian Foisy assumed his position at the University as Vice President for Finance and Administration on August 31, 2015. He previously served as Vice President for Administration and Finance at Minot State University in Minot, North Dakota. Prior to that, he served as the Vice President for Finance and Administrative Services at Utah College of Applied Technology. Mr. Foisy received a bachelor's degree and Master of Accountancy from Southern Utah University.

*Janet Nelson – Vice President for Research and Economic Development.* Janet Nelson was appointed the Vice President for Research and Economic Development in September 2016. Before joining the University, she most recently served as Associate Vice Chancellor for Research Development at the University of Tennessee, Knoxville. Ms. Nelson has a doctorate in chemistry from the California Institute of Technology in Pasadena, California, and over 30 years of experience in scientific research, scientific review and research portfolio administration, complex and multi-disciplinary program/project management, business development science policy implementation and academic administration.

*Mary Kay McFadden – Vice President for University Advancement.* Mary Kay McFadden rejoined the University in September 2015 after beginning her career at the University in 1980. Prior to returning to the University, Ms. McFadden served as Vice President of Development, Family and Alumni Relations at Olin College of Engineering in Needham, Massachusetts, and most recently worked at Seattle University as the Vice President for University Advancement. Ms. McFadden earned a bachelor's degree in communications from the University and an Executive MBA from Seattle University.

*Dan Ewart – Vice President for Information Technology Services.* Mr. Ewart assumed his position in April 2015. His experience prior to the University includes ten years at the University of Wyoming as Director of Information Services and eight years in private industry. Mr. Ewart received a bachelor's of science degree in management information systems and a Masters of Public Administration, both from the University of Wyoming.

*Kent E. Nelson – General Counsel.* Mr. Nelson was appointed as University Counsel to the University on September 17, 2006. Prior to his appointment he served from June 1998 to September 2006 as the Senior Deputy Attorney General in the Contracts and Administrative Law Division of the Idaho Attorney General, where he served as special projects counsel to the Idaho Board of Land Commissioners and as general counsel to various state agencies including the State Board of Education and Board of Regents of the University of Idaho. From September 1984 to June 1998 he was in general civil practice in Boise, Idaho with emphasis in real estate, transactions, creditors rights and civil litigation. Mr. Nelson received a bachelor's degree in accounting from the University of Idaho in 1980 and a Juris Doctor in law from the University of Idaho College of Law in 1984.

## CERTAIN UNIVERSITY FACILITIES

*Facilities Generating Sales and Service Revenue.* The University's housing and student union facilities (the revenues from which constitute auxiliary enterprise revenues pledged as part of the Pledged Revenues) currently include (i) 11 residence hall buildings containing dormitory style student living; (ii) three apartment complexes, providing housing for upper class students and students with families; and (iii) the Idaho Commons Building (the "Commons"). Revenues from the University's parking facilities also constitute auxiliary enterprise revenues pledged as part of the Pledged Revenues.

*University Residence Halls.* The 11 University residence hall buildings can accommodate up to 2,127 students. The University's residence halls offer a variety of amenities including: (i) computer labs and in-room wireless high-speed internet; (ii) recreational and lounge space; (iii) laundry facilities; (iv) kitchen areas; and (v) academic/study space. Over the past five Fiscal Years ending June 30, 2017, the average fall occupancy rate for the University's residence halls was 88%, and the occupancy rate for Fall 2017 was 88%.

*University Apartments.* Currently, the University has three apartment complexes, which provide 226 apartments ranging in size from one-bedroom to four bedrooms available for occupancy by students and their families. Amenities available at University apartment complexes include: (i) high-speed wireless internet connections; (ii) in-apartment laundry hook-ups; (iii) play areas; and (iv) a community center. The average fall occupancy rate for the University's apartments over the past five Fiscal Years ending June 30, 2017, was 91%, and the occupancy rate for Fall 2017 was 88%.

*Idaho Commons Building.* Completed in 2000, the Idaho Commons Building is designed to be the center of campus life and provide programs, amenities, and services to enhance the educational experience of University students. The Commons is a multi-use facility with approximately 100,000 square feet. The facility houses offices for student government, other student organizations, conference rooms with state of the art technology, and academic support services. In addition, the Commons has an information desk, food court, coffee shop, convenience store, credit union, copy center, art gallery, computer kiosks, ATMs and administrative offices. The facilities infrastructure includes high-speed LAN and video data capabilities, public lounges, wireless network, computer checkout, and flat screen monitors to provide information about building and campus activities.

*Parking Facilities.* Currently, the University operates and maintains 99 surface parking lots with a total of approximately 6,000 parking spaces. The University has a comprehensive parking plan to ensure that the parking system is financially self-supporting.

*Spectator and Recreation Facilities.* The University's spectator and recreation facilities (the revenues from which constitute Auxiliary Enterprise revenues pledged as part of the Pledged Revenues) include the Kibbie Dome, the Memorial Gym, the Recreation Center, the Dan O'Brien Track Complex, and the University Golf Course. Following is a brief description of these facilities.

*Kibbie Dome.* The Associated Students of University of Idaho Kibbie Dome (the “Kibbie Dome”) was originally constructed in 1972 and is North Idaho's largest athletic spectator facility. It is used for intercollegiate home football games, women’s soccer games, basketball games, indoor track and field events, as well as high school football playoffs, the Lionel Hampton Jazz Festival, concerts, sport camps, conferences, classes, intramurals, student club activities, and University commencements. In 1984, the "East End" offices and locker rooms were added to the Kibbie Dome. In April 2004, the University completed another expansion of the Kibbie Dome to add the "Vandal Athletic Center. The expansion included a new 7,000 square foot weight room, recreational and varsity locker rooms, an aquatic exercise pool, and a new foyer. In 2007 major improvements were carried out in the training room along with completion of team meeting rooms. In 2010 and 2011, the end walls were replaced with state-of-the-art translucent panels as part of a major “life safety” project to bring the building up to current code requirements. In conjunction with the end-wall replacement and fire-safety measures, expanded premium seating, suites and loge boxes were added and the press box was completely rebuilt. A new large video scoreboard was added in 2013. Finally in the summer of 2017 the portable artificial turf system was replaced allowing both football and women’s soccer to use the Kibbie Dome floor.

*Memorial Gym.* The Memorial Gymnasium, constructed in 1928, is the oldest athletic building on campus. The building serves as one of the University's indoor sports and entertainment complexes. In addition to hosting varsity volleyball and basketball, the Memorial Gym is used for concerts, community events, state gymnastics meets, regional basketball tournaments, intramural activities and physical education classes, and houses a gymnasium, multi-purpose room, combative room, locker rooms, and various offices.

*The Recreation Center.* The Student Recreation Center was completed in 2002. It is approximately 85,500 square feet in size, and includes more than 7,200 square feet of open recreational space, two regulation-size basketball courts, a multipurpose gymnasium, a large aerobics/cardiovascular multipurpose workout space, a running track, a climbing wall, a child care center, a first-aid and athletic training area, classroom and activity spaces, a cafeteria, and space for rental of recreational equipment.

*Dan O'Brien Track Complex.* The Dan O'Brien Track, named in 1996 for University alumnus and 1996 Olympic Decathlon Gold Medalist Dan O'Brien, was constructed in 1969 and renovated in 2012, and serves as the University's outdoor varsity, academic and recreational track facility. It consists of a 400-meter, 8-lane track, a long jump area, a throwing area, a high jump area, a pole vault area, coaches' offices, and spectator facilities that accommodate approximately 1,000 spectators.

*University Golf Course.* The University owns and operates an 18-hole golf course on the University's Moscow campus. The course is open to the public approximately eight months each year and provides lessons, cart and club rentals, and a retail pro shop.



## STUDENT BODY

The University admits first-year students who graduate from regionally accredited high schools with an overall grade point average (“*GPA*”) of at least 3.0 and who complete a defined set of core high school classes. First-year students with less than a 3.0 high school grade point average must also meet minimum ACT or SAT scores. Transfer students are admitted based on the cumulative grade point average earned in all college-level courses attempted after high school graduation, with a minimum GPA of 2.00 being required. Some programs require a higher transfer GPA for admission. Home schooled students, graduates of non-accredited high schools, or students not meeting the admission criteria are considered by the University’s Admissions Committee.

Approximately 74% of the University’s Fall 2017 student body are residents of the State. The tables on the following page set out certain statistics concerning the University’s enrollment for the Fall semesters of the years indicated.

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**ENROLLMENT AND GRADUATION STATISTICS**  
(Fall Semester) <sup>(1)</sup>

	2012 <u>(FY13)</u>	2013 <u>(FY14)</u>	2014 <u>(FY15)</u>	2015 <u>(FY16)</u>	2016 <u>(FY17)</u>	2017 <sup>(2)</sup> <u>(FY18)</u>
<b>Students</b>						
Full-Time Equivalents (FTE)	10,105	10,020	9,795	9,384	9,420	9,430
Head Count	12,420	12,024	11,702	11,371	11,780	12,072
<b>Undergraduate Students</b>						
	<b>Academic Head Count</b>					
Full-time:						
Residents	5,741	5,751	5,553	5,341	5,316	5,306
Non-residents	<u>2,430</u>	<u>2,260</u>	<u>2,271</u>	<u>2,059</u>	<u>1,953</u>	<u>1,860</u>
Subtotal	8,144	8,011	7,824	7,400	7,269	7,166
Part-time:						
Residents	1,672	1,328	1,327	1,468	2,122	2,486
Non-residents	<u>305</u>	<u>201</u>	<u>237</u>	<u>248</u>	<u>195</u>	<u>233</u>
Subtotal	1,977	1,529	1,564	1,716	2,317	2,719
<b>Graduate Students</b>						
Full-time:						
Residents	669	614	629	623	632	608
Non-residents	<u>675</u>	<u>762</u>	<u>661</u>	<u>668</u>	<u>679</u>	<u>734</u>
Subtotal	1,344	1,376	1,290	1,291	1,311	1,342
Part-time:						
Residents	642	674	592	535	509	510
Non-residents	<u>313</u>	<u>434</u>	<u>432</u>	<u>429</u>	<u>374</u>	<u>335</u>
Subtotal	955	1,108	1,024	964	883	845
<b>Total Undergraduate</b>	10,121	9,540	9,388	9,116	9,586	9,885
<b>Total Graduate Students</b>	<u>2,299</u>	<u>2,484</u>	<u>2,314</u>	<u>2,255</u>	<u>2,194</u>	<u>2,187</u>
<b>Grand Total</b>	<u>12,420</u>	<u>12,024</u>	<u>11,702</u>	<u>11,371</u>	<u>11,780</u>	<u>12,072</u>
<b>Freshmen Students</b>						
	<b>Freshman Class Statistics</b>					
Applying	7,467	7,994	8,515	6,212	5,953	7,087
Accepted	4,903	5,173	5,746	4,476	4,518	5,180
Enrolled	1,617	1,630	1,590	1,588	1,660	1,538
Resident	1,178	1,190	1,146	1,160	1,235	1,160
Average ACT Score	23.2	23.0	23.6	23.6	23.9	23.2
Average SAT Score	1,085	1,045	1,051	1,058	1,053	1,121
Average High School GPA	3.38	3.40	3.41	3.40	3.41	3.41
Percentage graduating in the top 25% of their high school class	44%	42%	45%	42%	44%	42%

(1) Headcount information is federally reported to the Integrated Postsecondary Education Data System (IPEDS). Professional development only students or co-op students are not included in these census counts.

(2) The Fall 2017 enrollment statistics relate to the University's 2018 fiscal year currently in progress.

**EMPLOYEES**

As of October 2017, the University had approximately 4,667 full-and part-time employees. Faculty and staff include 998 faculty and other academic appointments, 1,656 professional and classified staff, and 488 temporary employees. The University also employed

1,380 students. The University is not a party to any collective bargaining agreement, although there are employee associations that bring salary issues and other concerns to the attention of the University. The University considers relations with its employees to be good.

#### EMPLOYEE RETIREMENT BENEFITS

All benefit eligible employees, which consist of employees who work 20 or more hours per week for five consecutive months, must enroll in one of two retirement plans—the State’s Public Employees’ Retirement System of Idaho (“*PERSI*”) or the Optional Retirement Program (“*ORP*”), which is a plan offered to faculty and non-classified staff effective 1990 and thereafter.

*PERSI*. The University’s classified employees, as well as its faculty hired prior to July 1, 1990, are covered under *PERSI*. Additionally, new faculty and professional staff who are vested in *PERSI* have the option of remaining in or returning to *PERSI* with written affirmation of this decision within 60 days of employment. *PERSI* is the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the “*PERSI Board*”), appointed by the governor and confirmed by the State Senate, manages the system, including selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and establishing policy for asset allocation and other investment guidelines. The *PERSI Board* is charged with the fiduciary responsibility of administering the system.

*PERSI* is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (“*PERSI Base Plan*”), the Firefighters’ Retirement Fund and the Judges’ Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 414(k) and 401(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers.

*PERSI* membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2017, *PERSI* had 70,073 active members, 34,151 inactive members (of whom 12,669 are entitled to benefits), and 45,468 annuitants. In addition, as of June 30, 2017, there were 783 participating employers in the *PERSI Base Plan* and total membership in *PERSI* was 149,692.

Annual actuarial valuations for *PERSI* are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for *PERSI* since *PERSI*’s inception. The net position for all pension and other funds administered by *PERSI* increased \$1.6 billion during Fiscal Year 2017 compared to a decrease of \$40.6 million during the Fiscal Year 2016. The increase in the defined benefit plans reflects the total of contributions received and an investment return of more than benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2017 as a result of positive market performance. Net investment income for all of the funds administered by *PERSI* for the Fiscal Years ended June 30, 2017 and 2016 was \$1.9 billion and \$228 million, respectively.

As of June 30, 2017 the funding ratio (actuarial value of assets divided by actuarial accrued liability) for the PERSI Base Plan was 89.6%, which is an increase from the funding ratio of 86.3% as of June 30, 2016. The higher the funding ratio, the better the plan is funded. The amortization period (estimated time to payoff unfunded liability) for PERSI's Base Plan as of June 30, 2017 decreased from the previous Fiscal Year's 36.6 years to 16.2 years, which is lower than the 25-year amortization period required by statute.

As a result of the statutory requirement that the amortization period for the unfunded actuarial liability be 25 years or less, the PERSI Board, at its October 18, 2016 meeting, approved a total contribution rate increase of 1% scheduled to take effect July 1, 2018. However, PERSI ended Fiscal Year 2017 with a 12.25% net investment return, providing the PERSI Board with the ability to reconsider the increase. During its October 2017 meeting, the PERSI Board voted to delay implementation of the 1.0% contribution rate increase for one year, making the new effective date July 1, 2019. Until July 1, 2019, PERSI contribution rates will remain unchanged. The contribution rates for the year ended June 30, 2017 follow:

**Contribution Rates for PERSI Base Plan**

	<u>Member</u>	<u>Employer</u>
Contribution Rates:	6.79%	11.32%

*Source: Financial Statements June 30, 2017 Public Employee Retirement System of Idaho*

The next major PERSI experience study, to be completed in 2018, will cover the period July 1, 2013 through June 30, 2017.

The University's required and paid contributions to PERSI for Fiscal Years 2016 and 2017 were \$5,917,860 and \$6,507,425, respectively. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by state law.

Beginning in Fiscal Year 2015, the University became required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI due to the implementation of GASB 68. The University recorded a net pension liability as of June 30, 2017 of \$36,275,764 representing its proportionate share of liability under PERSI.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.persi.idaho.gov](http://www.persi.idaho.gov) (which website is provided purely for convenience and is not incorporated or made a part of this Official Statement by this reference). Much of the information in this section comes from the PERSI Financial Statements, June 30, 2017, and therefore the information is from a source not within the University's control.

*ORP.* Faculty and non-classified staff hired on or after July 1, 1990 have been enrolled in ORP, and faculty and staff hired before that date were offered a one time opportunity in 1990 to withdraw from PERSI and join ORP. ORP is a portable, multiple-employer, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund and Variable Annuity Life Insurance Company. The total contribution rate is the same for all employees, with a portion of the employer's

contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2015.

Contribution requirements for ORP are based on a percentage of total payroll. The University's contribution rate for Fiscal Years 2016 and 2017 was 9.25%.

For Fiscal Years 2015, 2016 and 2017, the University's required and paid contributions to ORP were \$8,234,075, \$8,514,402, and \$9,324,242, respectively. The employee contribution rate for Fiscal Years 2015 through 2017 is 6.97% of covered payroll. These employer and employee contributions, in addition to earnings from investments, fund ORP benefits. The University has no additional obligation to fund ORP benefits once it makes the required contributions at the applicable rate. The University has made all contributions that it is required to make to ORP to date.

For additional information concerning the University's pension benefits, see Note 12 of "Appendix A— AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016."

*OPEB.* The University participates in a single-employer defined benefit post-employment benefit plan relating to a self-insured medical and dental plan for retired employees. This plan is administered through a trust established by the University and not part of any other State of Idaho plan(s). The University also provides fully-insured group-term life insurance for eligible retirees. The University has funded annually actuarially-determined amounts for these projected OPEB obligations, and has accumulated monies in an irrevocable trust toward the settlement of these future obligations. For additional information concerning post-retirement benefits other than pensions, see Note 13 of "APPENDIX A— AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016."

## INSURANCE

The University maintains liability, property, and employee fidelity insurance in amounts deemed adequate by University officials. The University has a full-time risk management staff that administers insurance coverage and claims, and reviews the adequacy of such policies and verifies the University's compliance with insurance requirements imposed by agreements, such as the Resolution. As of June 30, 2017, the total insured replacement value of the University's buildings, contents and improvements was approximately \$1,895,364,000.

The University began self-funding its medical and dental programs for active employee and retiree health starting July 1, 2005. Self-funding is a financial arrangement in which medical claims are administered by a third-party administrator, but paid directly from University funds instead of by an insurer. The financial risk of the self-funding arrangement is managed through the creation of a financial reserve established by the University to fund unexpected claims and incurred-but-not-reported claims in the event that the self-funding arrangement is ever terminated. In addition, the University's financial exposure for unexpected claims are limited through the purchase of reinsurance (stop-loss coverage) for both individual and aggregate claim liability. When comparing self-funded cost to a fully insured program, the University estimates an approximate savings of \$1 million per year in cost under the self-funded health arrangement.

The University continues to take a proactive approach managing its health plans, including offering a High Deductible Health Plan with an HSA, expanding their coverage for wellness related services, and working with an employee advisory group to address needs and concerns of University employees.

## FINANCIAL INFORMATION REGARDING THE UNIVERSITY

The principal sources of University revenues are direct appropriation of State revenues by the State legislature (the “Legislature”), Student Fees, federal government appropriations, grants and contracts, gifts to the University, F&A Recovery Revenues, Investment Income, Sales and Services Revenues, and Other Operating Revenues. Of these revenue sources, Student Fees, Investment Income, Sales and Services Revenues, F&A Recovery Revenues, and Other Operating Revenues are included in Pledged Revenues. The following describes revenue sources that are not included in Pledged Revenues, as well as certain Pledged Revenues. See “SECURITY FOR THE SERIES 2018A BONDS.”

### STATE APPROPRIATIONS

Legislatively-approved State appropriations represent approximately 32% of the University’s total annual revenues for Fiscal Year 2017. Such revenues are not included as Pledged Revenues. The Legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the fiscal year beginning the following July 1. The Legislature may also make adjustments to budgets and appropriations for the fiscal year during which the Legislature is meeting.

If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor, by executive order, may reduce (“*Holdback*”) the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State, or request a reversion (“*Reversion*”) of appropriations back to the State to balance the State budget. There have been no Holdbacks or Reversions since Fiscal Year 2010; the University does not anticipate a Holdback or Reversion during Fiscal Year 2018. Although State appropriations are not included in Pledged Revenues, Holdbacks, Reversions or reductions in the amount appropriated to the University could adversely affect the University’s financial and operating position.

The table below sets forth the Legislative appropriations from the State General Fund for all higher education institutions and for the University for the Fiscal Years shown. Legislative appropriations reached a pre-recession high in 2009 of approximately \$285 million for all higher education, but declined sharply during the recession to an approximate low of \$209 million in 2012. Since the 2012 low, State appropriations have steadily climbed to approximately \$287 million in 2018.

## STATE GENERAL FUND APPROPRIATIONS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
All Higher Education <sup>(1)</sup>	\$251,223,200	\$258,776,400	\$279,546,500	\$287,053,200
The Regents of the University of Idaho <sup>(2)(3)</sup>	\$79,155,000	\$82,561,500	\$89,657,300	\$91,431,100
Percentage Increase (Decrease) over prior year for the University	3.08%	0.53%	8.59%	1.98%

(1) Source: Sine Die Report for the respective legislative years.

(2) Source: Legislative appropriations bills for the respective legislative years: 2014 Legislature Senate Bill No. 1417, 2015 Legislature Senate Bill No. 1176, 2016 Legislature House Bill No. 637, 2017 Legislature Senate Bill No. 1152

(3) Totals do not match University Audit as the above table does not reflect all appropriations, only General Fund.

### RESTRICTED-EXPENDABLE REVENUES

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's operating revenues. The use of such funds is usually restricted to specific projects. Such revenues include grants and contracts for research, public service, gifts, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these various grants, contracts, and gifts. The University's restricted but expendable revenues for the years ending June 30, 2015, 2016 and 2017 totaled approximately \$118,685,496, \$124,324,114 and \$129,550,387, respectively.

Pledged Revenues do not include Restricted Fund Revenues. However, Pledged Revenues do include F&A Recovery Revenues, which consist of revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University. See "SECURITY FOR THE SERIES 2018A BONDS—Pledged Revenues—Facilities and Administrative Recovery Revenues" and "Historical Revenues Available for Debt Service" above.

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, and deferred payments, totaled approximately \$105,927,000 for Fiscal Year 2017. Of such amount, approximately \$54,744,000 was in the form of direct student loans. Due to uncertainty with respect to the amount of federal grants, donations, and other sources the University expects to receive for the purpose of providing financial aid, the University cannot determine the amount of financial aid that will be available in future years.

### BUDGET PROCESS

The University operates on an annual budget system. Its Fiscal Year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the offices of the President and the Vice President for

Finance and Administration in collaboration with the departmental faculty and other administrative officers. The internal budget process concludes with a general budget proposal for the following Fiscal Year being submitted in consolidated form by the University administration to the Regents in August of each year.

The University's budget is approved by the Regents prior to the commencement of the Fiscal Year, usually at the June meeting. At that meeting, the Regents, in their capacity as members of the State Board of Education, approve the annual budgets for the other institutions of higher education as well.

#### INVESTMENT POLICY

Board policy establishes permitted investment categories for the University. See Note 3 of “APPENDIX A– AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016.” Moneys in Funds and Accounts established under the Resolution are required to be invested in Investment Securities, as described in “APPENDIX D– SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS – Establishment of Funds; Revenue Fund; Bond Fund; Flow of Funds; Investment of Funds.” The University has not experienced any significant investment losses or unexpected limitations on the liquidity of its short-term investments. See “APPENDIX A– AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016” for further information.

#### NO INTEREST RATE SWAPS

The University has not entered into any interest rate swaps or other derivative products.

#### THE UNIVERSITY OF IDAHO FOUNDATION, INC.

The University of Idaho Foundation Inc. (the “Foundation”) is a nonprofit corporation organized under Idaho law in 1970. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. A 25-member board of directors, elected annually by the Foundation members, manage the Foundation.

Since Fiscal Year 2004, the University has been required to discretely present the Foundation as a component unit. Financial information concerning the Foundation is contained in Note 20 to the University's audited financial statements for Fiscal Year 2017 included in Appendix A hereto.

#### FUTURE CAPITAL PROJECTS

The University may not undertake any capital project or long-term financing without prior Board approval. The University is not planning to issue debt within the next six months. The following is a description of the capital projects the University is currently working on. The University does not expect to issue additional debt for any of these projects.

*Center for Agriculture, Food and Environment.* The Center for Agriculture, Food, and Environment (the “CAFE”) is expected to be located near Twin Falls, Idaho. The proposed



CAFE will feature a milking cow dairy facility, sophisticated wastewater and nutrient management systems, robotic milking systems, student and employee housing, and science laboratories. In addition, the CAFE will include approximately 1,000 acres of farmable land on which forage crops will be grown for feed, and research crops will be grown and studied. The CAFE is estimated to cost approximately \$45 million, which is expected to be financed with available University reserves and various donations from cattle industry partners.

*WWAMI Medical Education Program.* The University's WWAMI Medical Education Program is a partnership with the University of Washington School of Medicine. (WWAMI stands for the states participating in the partnership: Washington, Wyoming, Alaska, Montana, Idaho.) The University plans to renovate and expand the former Business Technology Incubator building on the Moscow campus, converting it for use supporting the WWAMI Medical Education program at the University. The project is expected to cost approximately \$3.6 million, which will be funded with \$2.4 million from the State of Idaho Permanent Building Fund and \$1.2 million from available University funds. The project will provide flexible, active learning classrooms, faculty offices, updated conference space, and student study and support space. These renovations are needed to support the expanded enrollment and revised curriculum of the WWAMI Medical Education Program. The project is currently in design, with expected construction slated to begin in spring of 2018.

*Classroom and Office Facility at Nancy M. Cummings Research, Extension, and Education Center.* The proposed Classroom and Office Facility (the "NMCREEC Office Facility") to be located at the Nancy M. Cummings Research, Extension, and Education Center (the "Cummings Center") in Salmon, Idaho is envisioned to support the full range of research and extension activities provided by the Cummings Center. The NMCREEC Office Facility will house offices for researchers, principal investigators, graduate students, and interns, as well as office space for various needs. In addition, the proposed facility will house a classroom sized for approximately 120 persons in support of the Cummings Center's outreach, education, and extension missions. The project cost of approximately \$2.1 million is expected to be funded through gifts and donations, supplemented by funds provided by the College of Agricultural and Life Sciences. Design work is underway now, slated for completion by April 2018, and subsequent construction to be completed by summer 2019.

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## OUTSTANDING DEBT

The University has the following debt outstanding as of January 1, 2018:

Name of Issue	Date Incurred	Final Maturity Date	Principal Amount of Original Indebtedness	Principal Amount of Debt Outstanding (January 1, 2018)
Adjustable Rate General Revenue Bonds, Series 2007B <sup>(1)</sup>	2007	2041	\$35,035,000	\$34,435,000
General Revenue Bonds, Series 2010B	2010	2032	10,150,000	10,150,000
Taxable General Revenue Bonds, Series 2010C	2010	2041	13,145,000	13,145,000
Adjustable Rate General Revenue Refunding Bonds, Series 2011	2011	2041	60,765,000	54,640,000
General Revenue and Refunding Bonds, Series 2013A	2013	2033	8,745,000	3,890,000
Taxable General Revenue Bonds, Series 2013B	2013	2033	6,325,000	5,280,000
General Revenue Bonds, Series 2014	2014	2045	48,660,000	47,830,000
General Revenue Refunding Bonds, Series 2015A	2015	2026	<u>16,280,000</u>	<u>14,355,000</u>
Total Bonded Indebtedness <sup>(2) (3)</sup>			<u>\$223,795,000</u>	<u>\$183,725,000</u>

(1) Includes the Defeased Bonds.

(2) All of these Bonds are currently Outstanding under the Resolution.

(3) Totals do not take into account the issuance of the Series 2018A Bonds or the defeasance and redemption of the Defeased Bonds.

Source: The University

For additional information regarding the University's outstanding debt, see Notes 9 and 10 of "APPENDIX A- AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016."

### FINANCIAL STATEMENTS

The financial statements of the University as of and for the Fiscal Years ended June 30, 2017 and 2016, which are included as APPENDIX A to this Official Statement, have been audited by Moss Adams LLP, independent auditors, except that the financial statements of the University's discretely presented component unit as described in Note 18 to such audited financial statements, and the University of Idaho Health Benefits Trust as described in Note 11 to such audited financial statements, were audited by other auditors, as stated in their report appearing therein. These financial statements are the most recent audited financial statements of the University.

Moss Adams has not been engaged to perform and has not performed, since the date of such report, any procedures on the financial statements addressed in the report. Moss Adams has not performed any procedures relating to this Official Statement, and has not consented to the use of the financial statements of the University in this Official Statement.

### TAX MATTERS

#### SERIES 2018A BONDS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below: (i) interest on the Series 2018A Bonds is excluded from gross income pursuant to Section 103 of the Tax Code; (ii) interest on the Series 2018A Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be

included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below; and (iii) interest on the Series 2018A Bonds is excluded from gross income for purposes of income taxation by the State of Idaho.

The Tax Code imposes several requirements which must be met with respect to the Series 2018A Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Series 2018A Bonds. These requirements include: (a) limitations as to the use of proceeds of the Series 2018A Bonds; (b) limitations on the extent to which proceeds of the Series 2018A Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Series 2018A Bonds above the yield on the Series 2018A Bonds to be paid to the United States Treasury. The exclusion of interest on the Series 2018A Bonds from gross income for Idaho income tax purposes is dependent on the interest on the Series 2018A Bonds being excluded from gross income for federal income tax purposes. The University will covenant and represent that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Series 2018A Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws in effect when the Series 2018A Bonds are delivered. Bond Counsel’s opinion as to the exclusion of interest on the Series 2018A Bonds from gross income (for federal and Idaho income tax purposes) and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the University to comply with these requirements could cause the interest on the Series 2018A Bonds to be included in gross income (for federal and Idaho income tax purposes), alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the University and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation’s “adjusted current earnings” over the corporation’s alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation’s alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. “Adjusted current earnings” includes interest on the Series 2018A Bonds. The alternative minimum tax on corporations described in this paragraph has been repealed effective for taxable years beginning after December 31, 2017, but continues to apply for taxable years of corporations that begin before January 1, 2018. Corporations with taxable years that do not coincide with the calendar year should consult their tax advisors about inclusion of interest on the 2018 Bonds in alternative minimum taxable income of the corporation as described in this paragraph during the corporation’s taxable year that begins during calendar year 2017.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Series 2018A Bonds. Owners of the Series 2018A Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without

limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2018A Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. With respect to any of the Series 2018A Bonds sold at a premium, representing a difference between the original offering price of those Series 2018A Bonds and the principal amount thereof payable at maturity, under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner’s acquisition cost. Bond Counsel’s opinion relates only to the exclusion of interest on the Series 2018A Bonds from gross income (for federal and Idaho income tax purposes) and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or state tax consequences arising from the receipt or accrual of interest on or ownership of the Series 2018A Bonds. Owners of the Series 2018A Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Series 2018A Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Series 2018A Bonds, the exclusion of interest on the Series 2018A Bonds from gross income (for federal and Idaho income tax purposes) or alternative minimum taxable income or both from the date of issuance of the Series 2018A Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2018A Bonds. Owners of the Series 2018A Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “*Service*”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2018A Bonds. If an audit is commenced, the market value of the Series 2018A Bonds may be adversely affected. Under current audit procedures the Service will treat the University as the taxpayer and the 2018 Bond owners may have no right to participate in such procedures. The University has covenanted not to take any action that would cause the interest on the Series 2018A Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the University, the purchaser, or Bond Counsel is responsible for paying or reimbursing any 2018 Bond holder with respect to any audit or litigation costs relating to the Series 2018A Bonds.

*[Premium Bonds. The initial public offering price of certain maturities of the Series 2018A Bonds (the “Premium Bonds”), as shown on the inside cover page, are issued at original offering prices in excess of their original principal amount. The difference between the amount of the Premium Bonds at the original offering price and the principal amount payable at maturity represents “bond premium” under the Tax Code. As a result of requirements of the Tax Code relating to the amortization of bond premium, under certain circumstances an initial owner of a Premium Bond may realize a taxable gain upon disposition of such a bond, even though such bond is sold or redeemed for an amount equal to the original owner’s cost of acquiring such bond. All owners of Series 2018A Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning and disposing of Series 2018A Bonds, whether the disposition is pursuant to a sale of the Series 2018A Bonds or other transfer, or redemption.*

*Original Issue Discount. The initial public offering price of certain maturities of the Series 2018A Bonds (the “Discount Bonds”), as shown on the inside cover page hereof, is less than the amount payable on such Series 2018A Bonds at maturity. The difference between the amount of the Discount Bonds payable at maturity and the initial public offering price of the Discount Bonds will be treated as “original issue discount” for federal income tax purposes. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on April 1 and October 1 with straight line interpolation between compounding dates. In the case of a purchaser who acquires the Discount Bonds in this offering, the amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income, alternative minimum taxable income and Idaho taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity).*

Beneficial Owners who purchase Discount Bonds in the initial offering at a price other than the original offering price shown on the inside cover page hereof and owners who purchase Discount Bonds after the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds. Beneficial Owners who are subject to state or local income taxation (other than Idaho state income taxation) should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.]

#### **MUNICIPAL ADVISOR**

The Regents have retained PFM Financial Advisors LLC as its municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Series 2018A Bonds. The Municipal Advisor has not been engaged to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor will act as an

independent advisory firm and may not acquire any portion of the Series 2018A Bonds from the issuer as principal or as a syndicate member.

#### **RATINGS**

Moody's Investors Service has assigned its municipal rating of "Aa3" to the Series 2018A Bonds.

The ratings reflect only the views of the rating agencies. An explanation of the significance of the ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that the ratings may not be revised or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any downward revision or withdrawal of such ratings will be likely to have an adverse effect on the market price or marketability of the Series 2018A Bonds.

#### **LITIGATION**

The University has reported that, as of the date hereof, there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance or sale of the Series 2018A Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2018A Bonds, the pledge and application of Pledged Revenues, or the existence or powers of the University.

#### **APPROVAL OF LEGAL MATTERS**

All legal matters incident to the authorization and issuance of the Series 2018A Bonds are subject to the approval of Hawley Troxell Ennis & Hawley LLP, Bond Counsel to the University. Bond Counsel's approving opinion in the form of APPENDIX F hereto will be delivered with the Series 2018A Bonds. Certain legal matters will be passed upon for the University by the Office of General Counsel. Certain matters will be passed upon by Hawley Troxell Ennis & Hawley LLP, in its role as disclosure counsel to the University.

#### **CONTINUING DISCLOSURE**

The University will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the Beneficial Owners of the Series 2018A Bonds. Pursuant to the Undertaking, the University will agree to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX E to this Official Statement.

Except as described in this paragraph and the following paragraphs, the Regents have not failed in the past five years to perform any obligation with respect to any existing undertaking to

provide continuing disclosure under the Rule. For Fiscal Year 2013, the University filed its audited financial statements with the MSRB on December 30, 2013, three days late.

In 2014, the University determined that certain of the annual financial information and operating data to be provided under its existing undertakings has not been fully updated as part of the annual filings of the audited financial statements.

The University also failed to timely file notices with the MSRB in connection with the following rating changes. On March 18, 2014, S&P upgraded Assured Guaranty to "AA." The University's Student Fee Refunding and Revenue Bonds, Series 2003 and Series 2007B Bonds were insured by Assured Guaranty. On October 6, 2011, S&P downgraded the short-term rating of Dexia Credit Local ("Dexia") to "A-2" and on December 15, 2011, Moody's downgraded the short-term rating of Dexia to "P-2." Dexia provides a standby bond purchase agreement with respect to the University's Series 2007B Bonds.

The University filed a notice on June 18, 2014 with the MSRB of its failure to file such required information and provide such rating change notices, and has filed a notice of rating changes and a financial information report including all such required annual financial information and operating data for Fiscal Year 2013.

Although the University has not concluded that any of these instances of noncompliance was material to the market, the University participated in the SEC's Municipalities Continuing Disclosure Cooperation Initiative ("*MCDC Initiative*"). The University has received a no-action letter in response to its self reporting. The University has also reviewed and strengthened its disclosure policies and procedures. See "APPENDIX E- PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING." A failure by the University to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2018A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2018A Bonds and their market price.

THE REGENTS OF THE UNIVERSITY OF IDAHO

By \_\_\_\_\_  
Vice President for Finance and Administration

**APPENDIX A**  
**AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

(See attached)



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

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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.

<b>Condensed Statement of Net Position</b>			
<b>Fiscal Years Ended June 30</b>			
<b>(Dollars in Thousands)</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>			
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>
<b>LIABILITIES</b>			
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>\$ 259,577</u>	<u>\$ 265,284</u>	<u>\$ 273,820</u>
<b>NET POSITION</b>			
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

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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 30<sup>th</sup>, 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

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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.

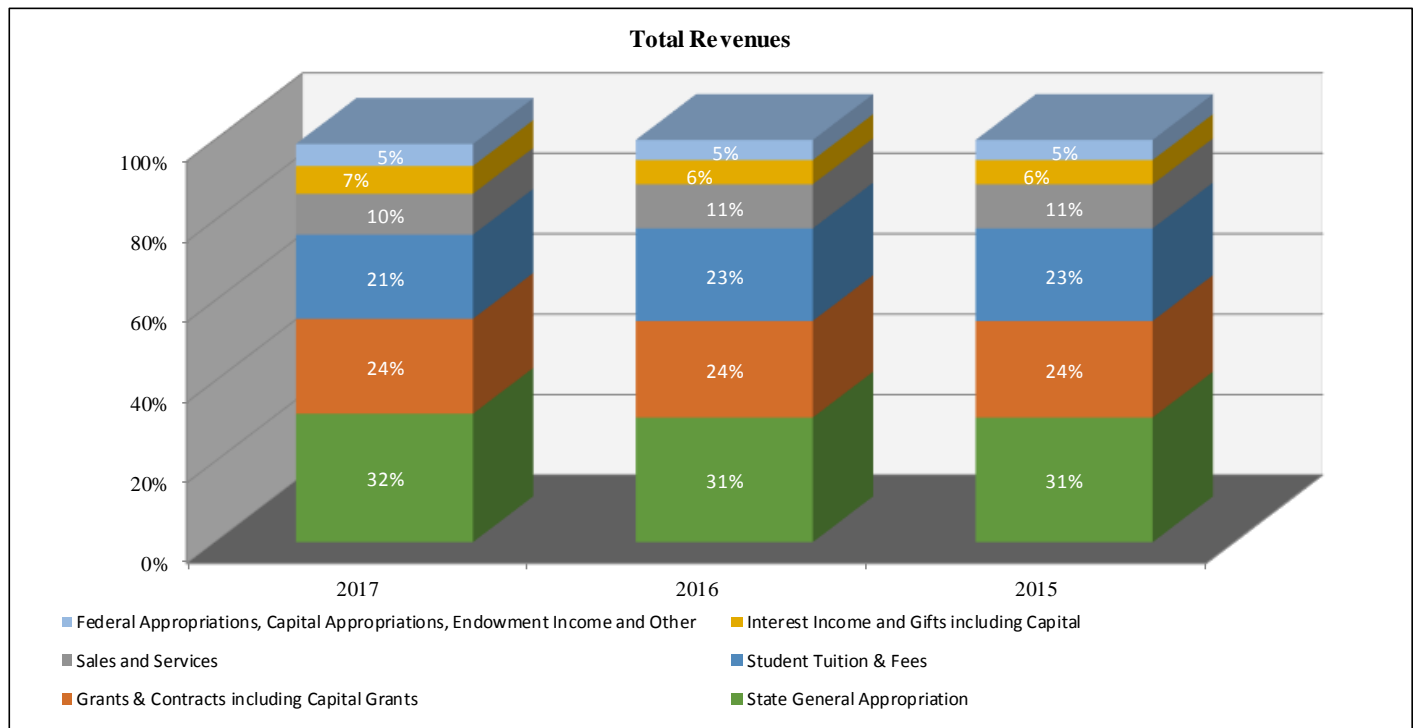
### **Statement of Revenues, Expenses and Changes in Net Position**

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

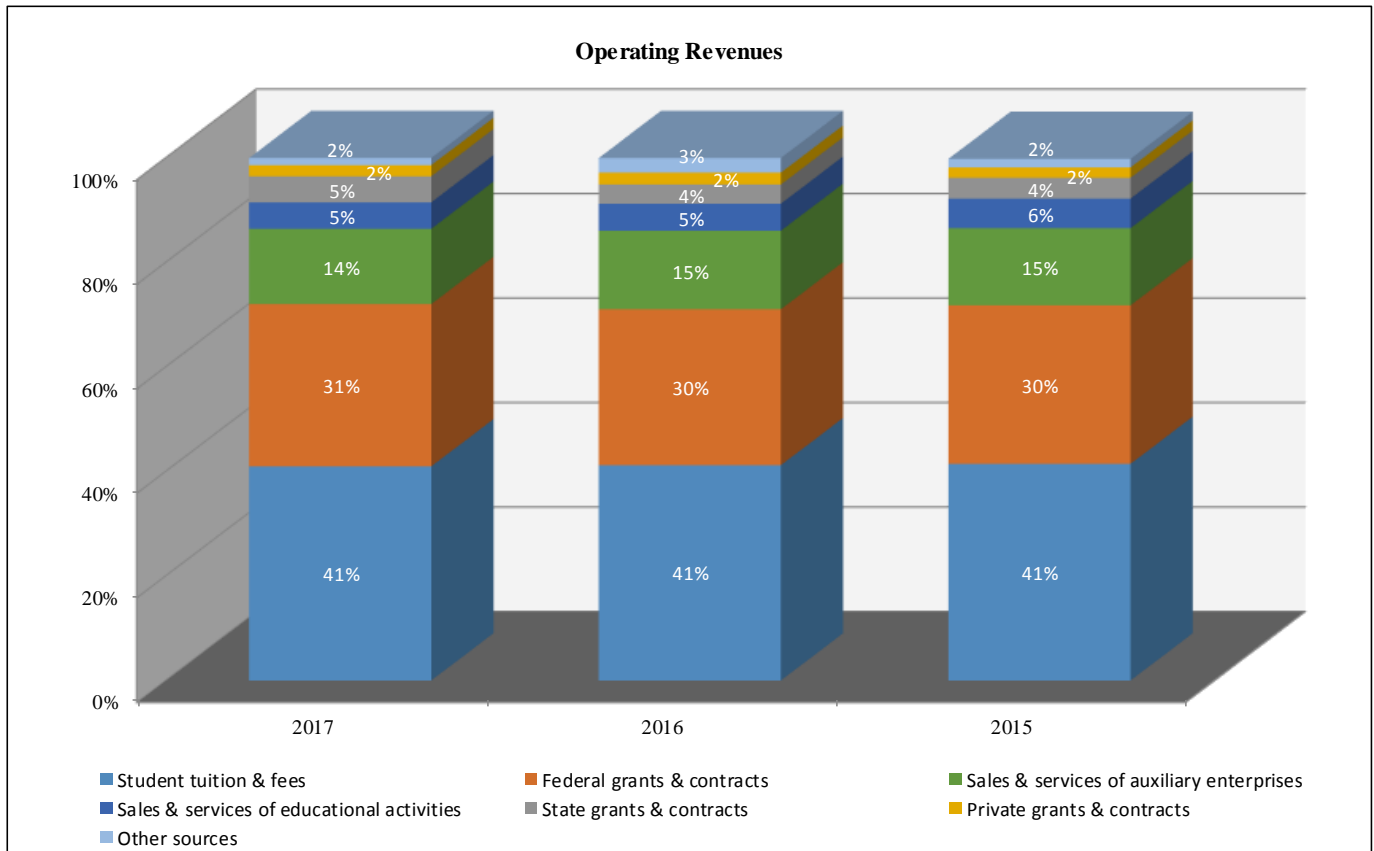
Operating revenues are derived from exchange transaction activities associated with providing goods and services for instruction, research, public service or related support to entities separate from the University. Examples include student tuition and fees, sales and services, grants and contracts. 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

<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>			
<b>Fiscal Years Ended June 30</b>			
<b>(Dollars in Thousands)</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
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.

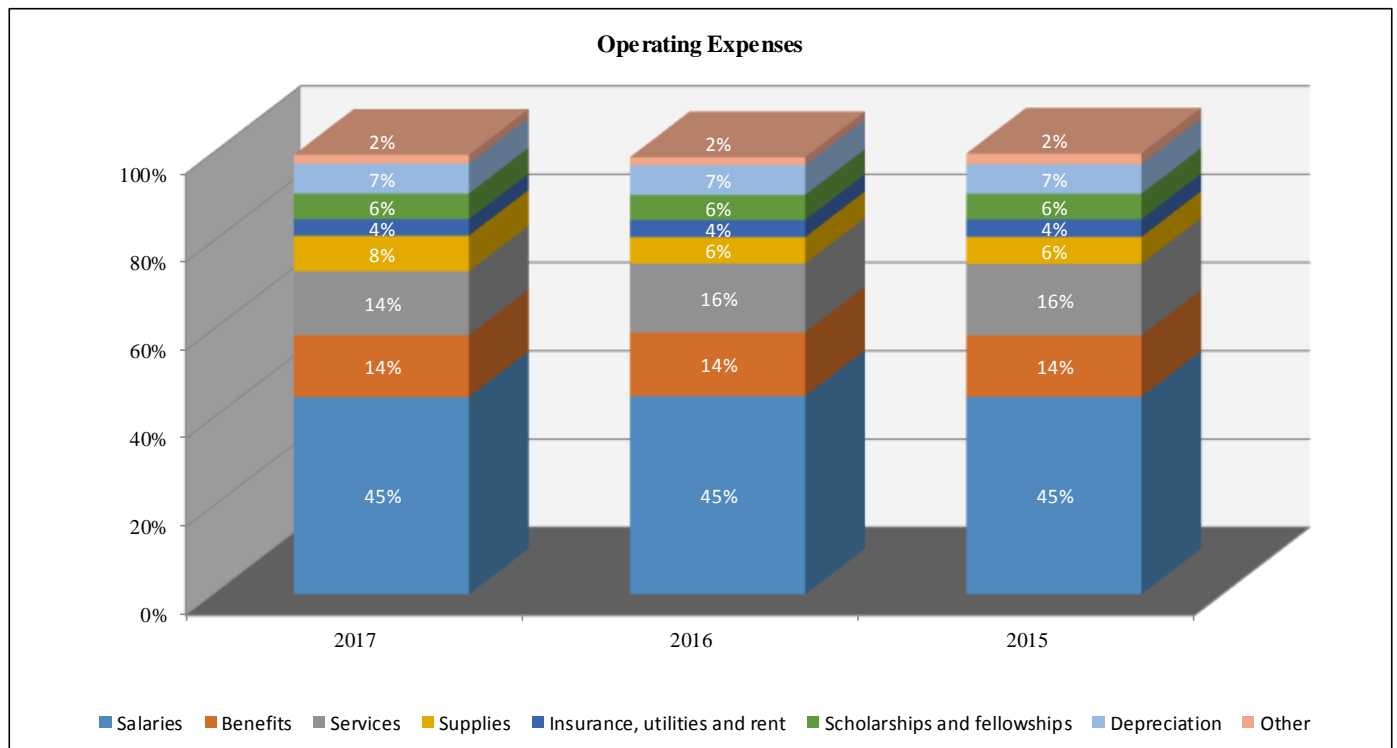
Operating revenues increased slightly by 1.6% from \$212.6 million in FY16 to \$216.0 million in FY17. Student tuition and fees, net of scholarship allowance, decreased \$1.3 million to \$86.3 million (-1.5%). The Idaho State Board of Education approved a 3% increase in student tuition and fees for FY17. 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

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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.

<b>Condensed Statement of Cash Flows</b>			
<b>Fiscal Years Ended June 30</b>			
<b>(Dollars in Thousands)</b>			
	<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>
<b>Capital Asset at Cost</b>			
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
<b>Total Capital Assets</b>	<u>\$ 890,991</u>	<u>\$ 864,167</u>	<u>\$ 805,942</u>
<b>Accumulated Depreciation</b>			
Buildings and improvements	\$ 287,011	\$ 270,303	\$ 256,433
Equipment	84,211	83,928	80,620
Library materials	75,987	72,170	68,489
<b>Total Accumulated Depreciation</b>	<u>\$ 447,209</u>	<u>\$ 426,401</u>	<u>\$ 405,542</u>
<b>Total Capital Assets, Net</b>	<u>\$ 443,782</u>	<u>\$ 437,766</u>	<u>\$ 400,400</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Notes and Bonds Payable</b>	<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

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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**

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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
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
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
<b>Total Current Assets</b>	<b>68,831,137</b>	<b>72,015,129</b>	<b>18,891,671</b>	<b>20,098,503</b>
<b>NONCURRENT ASSETS</b>				
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
<b>Total Noncurrent Assets</b>	<b>540,186,202</b>	<b>546,160,529</b>	<b>301,344,947</b>	<b>273,270,878</b>
<b>TOTAL ASSETS</b>	<b>\$ 609,017,339</b>	<b>\$ 618,175,658</b>	<b>\$ 320,236,618</b>	<b>\$ 293,369,381</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
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	-	-
<b>Total Deferred Outflows of Resources</b>	<b>18,562,135</b>	<b>8,660,171</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 627,579,474</b>	<b>\$ 626,835,829</b>	<b>\$ 320,236,618</b>	<b>\$ 293,369,381</b>

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
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
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>
<b>NONCURRENT LIABILITIES</b>				
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>
<b>TOTAL LIABILITIES</b>	<u>\$ 255,486,644</u>	<u>\$ 258,399,218</u>	<u>\$ 18,297,168</u>	<u>\$ 17,626,794</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
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>
<b>NET POSITION</b>				
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>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<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
<b>OPERATING REVENUES</b>				
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				
<b>OPERATING EXPENSES</b>				
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				
<b>OPERATING (LOSS) INCOME</b>	<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

	<b>University of Idaho 2017</b>	<b>University of Idaho 2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>NET CHANGE IN CASH</b>		
Cash - Beginning of year	(12,460,850)	(30,277,718)
Cash - End of year	<u>\$ 38,749,761</u>	<u>\$ 51,210,611</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>		
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>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
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
<b>Assets</b>				
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>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 527,913	\$ 390,307
IBNR liability	<u>-</u>	<u>-</u>	<u>2,127,490</u>	<u>1,871,000</u>
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
<b>Additions</b>				
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>
<b>Deductions</b>				
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.

# University of Idaho

## 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)
<b>Investments by fair value level</b>				
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)
<b>Investments by fair value level</b>				
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 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>

# University of Idaho

## 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:

	<b>Ending Balance June 30, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2017</b>	<b>Amounts Due Within One Year</b>
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>

	<b>Ending Balance June 30, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2016</b>	<b>Amounts Due Within One Year</b>
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 31<sup>st</sup>, 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
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.	47,830,000	48,660,000
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.	14,355,000	16,280,000
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.	13,094	23,167
Sub-total	183,738,094	188,888,167
Premium on Bonds	6,373,854	6,807,110
<b>TOTAL BONDS &amp; NOTES PAYABLE</b>	<b>\$ 190,111,948</b>	<b>\$ 195,695,277</b>

# 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:

	<b>Bonds Payable</b>		<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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:

	<b>FY17</b>	<b>FY16</b>
<b>Source of Pledged Revenues</b>		
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
<b>Total Pledged Revenues</b>	<b>\$ 147,719,776</b>	<b>\$ 149,715,129</b>
Debt service on the Recreation Center bonds and Activity Center bonds	27,423	27,423
<b>Revenues Available for Debt Service</b>	<b>\$ 147,692,353</b>	<b>\$ 149,687,702</b>
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	\$ 207,405,000	\$ 42,095,000	\$ 165,310,000	\$ -

### 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 1/12<sup>th</sup> 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

Investment Type	12/31/2016	Quoted Prices	Significant Other	Significant
		in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
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

Investment Type	12/31/2015	Quoted Prices	Significant Other	Significant
		in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
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.)



# University of Idaho

## 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
	\$ 1,174,877	\$ 2,175,313	\$ 220,077	\$ -	\$ 3,570,267

### 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
	\$ 1,495,814	\$ 1,347,826	\$ 643,401	\$ -	\$ 3,487,041

### 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](http://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

# University of Idaho

## 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	\$ 16,720,181	\$ 4,090,434

	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	\$ 6,785,395	\$ 6,885,314

# 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:

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

### *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

<b>Asset Class</b>	<b>Expected Return*</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
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%

<b>Total Fund</b>	<b>Expected Return*</b>	<b>Expected Inflation</b>	<b>Expected Real Return</b>	<b>Expected Risk</b>
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%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b>7.10%</b>

### 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](http://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

Investments by fair value level	12/31/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
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

Investments by fair value level	12/31/2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
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:

# University of Idaho

## 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) <sup>1</sup>	2,711,000
Estimated Pay-As-You-Go Contributions <sup>2</sup>	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%

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

<sup>2</sup>Net 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:

<b>Fiscal Year Ending June 30, 2017</b>	
	<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

# University of Idaho

## 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:

<b>Fiscal Year Ending June 30, 2017</b>	
	<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>
<b>Present Value of Benefits (PVB)</b>					
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
<b>Actuarial Accrued Liability (AAL)</b>					
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
<b>Assets</b>					
	<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%
<b>Annual Required Contribution (ARC)</b>					
Normal Cost <sup>1</sup>	\$210,000	\$1,000	\$0	\$434,000	\$645,000
Amortization of Unfunded AAL <sup>2</sup>	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

<sup>1</sup>Includes interest to year end.

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

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

# University of Idaho

## 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 &amp; rent</u>	<u>Scholarships &amp; 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 &amp; rent</u>	<u>Scholarships &amp; 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

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

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 31<sup>st</sup> 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:

	<b>Number of Investments</b>	<b>Principal Valuation Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
<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>		

	<b>Number of Investments</b>	<b>Principal Valuation Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
<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
<b>Total</b>	<b>\$ 4,575,944</b>	<b>\$ 21,963,338</b>	<b>\$ 10,020</b>	<b>\$ 26,549,302</b>

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
<b>Total</b>	<b>\$ 4,338,623</b>	<b>\$ 23,528,004</b>	<b>\$ 115,131</b>	<b>\$ 27,981,758</b>

### 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**

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**Section I - Summary of Auditor's Results**

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**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

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**Section II - Financial Statement Findings**

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None reported

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**Section III - Federal Award Findings and Questioned Costs**

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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
<b>CCDF - Cluster</b>								
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES Pass Through Programs</b>								
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
<b>Total DHHS Pass-Through Programs</b>			<b>2,730,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,766,371</b>	<b>4,766,371</b>
<b>Total CCDF Cluster</b>			<b>2,730,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,766,371</b>	<b>4,766,371</b>
<b>Drinking Water State Revolving Fund - Cluster</b>								
<b>ENVIRONMENTAL PROTECTION AGENCY Pass Through Programs</b>								
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
<b>Total EPA Pass-Through Programs</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,981</b>	<b>4,981</b>
<b>Total Drinking Water State Revolving Fund Cluster</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,981</b>	<b>4,981</b>
<b>Employment Service - Cluster</b>								
<b>DEPARTMENT OF LABOR Pass Through Programs</b>								
Employment Service/Wagner-Peyser Funded Activities								
	Idaho Department of Labor	16382B PO 170117	-	-	-	-	10,000	10,000
<b>Total DOL Pass-Through Programs</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>
<b>Total Employment Service Cluster</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>
<b>Research &amp; Development - Cluster</b>								
<b>DEPARTMENT OF AGRICULTURE Direct Programs</b>								
Department of Agriculture, Other	10.		33,395	300,197	-	-	-	300,197
<b>AGRICULTURE RESEARCH SERVICE</b>								
Agricultural Research-Basic and Applied Research	10.001		-	1,394,090	-	-	-	1,394,090
<b>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</b>								
Plant and Animal Disease, Pest Control, and Animal Care	10.025		-	810,741	-	-	-	810,741
Animal Damage Control	10.028		-	47,877	-	-	-	47,877
<b>AGRICULTURAL MARKETING SERVICE</b>								
Specialty Crop Block Grant Program - Farm Bill	10.170		-	24,949	-	-	-	24,949
<b>NATIONAL INSTITUTE OF FOOD AND AGRICULTURE</b>								
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
<b>THE OFFICE OF THE CHIEF ECONOMIST</b>								
Agricultural Market and Economic Research	10.290		-	39,964	-	-	-	39,964
<b>FOREST SERVICE</b>								
Forest Health Protection	10.680		-	568,395	-	-	-	568,395
<b>FOREIGN AGRICULTURAL SERVICE</b>								
Scientific Cooperation and Research	10.961		-	25,529	-	-	-	25,529
<b>NATURAL RESOURCES CONSERVATION SERVICE</b>								
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
<b>Total USDA Direct Programs</b>			<b>1,916,072</b>	<b>11,209,902</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,209,902</b>

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
<b>DEPARTMENT OF AGRICULTURE Pass Through Programs</b>								
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
<b>AGRICULTURE RESEARCH SERVICE</b>								
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
<b>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</b>								
Plant and Animal Disease, Pest Control, and Animal Care								
Boise State University	10.025	6979-A	-	-	124,150	-	-	124,150
<b>AGRICULTURAL MARKETING SERVICE</b>								
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
<b>NATIONAL INSTITUTE OF FOOD AND AGRICULTURE</b>								
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
<b>Sustainable Agriculture Research and Education</b>								
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
<b>Community Food Projects</b>								
Oregon State University	10.225	170348	-	-	4,129	-	-	4,129
<b>Homeland Security_Agriculture</b>								
Univ of California Davis	10.304	201303063-07	-	-	5,551	-	-	5,551
Univ of California Davis	10.304	201603794-07	-	-	11,000	-	-	11,000

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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
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
<b>Total USDA Pass Through Programs</b>			<b>100,803</b>	<b>-</b>	<b>2,844,506</b>	<b>-</b>	<b>-</b>	<b>2,844,506</b>
<b>Total USDA R&amp;D</b>			<b>2,016,875</b>	<b>11,209,902</b>	<b>2,844,506</b>	<b>-</b>	<b>-</b>	<b>14,054,408</b>

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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
<b>DEPARTMENT OF COMMERCE-Pass Through Programs</b>								
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
<b>Total DOC Pass Through Programs</b>			-	-	59,946	-	-	59,946
<b>Total DOC R&amp;D</b>			-	-	59,946	-	-	59,946
<b>DEPARTMENT OF DEFENSE Direct Programs</b>								
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
<b>Total DOD Direct Programs</b>			299,660	2,116,291	-	-	-	2,116,291
<b>DEPARTMENT OF DEFENSE Pass Through Programs</b>								
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
<b>Total DOD Pass Through Programs</b>			-	-	444,589	-	-	444,589
<b>Total DOD R&amp;D</b>			299,660	2,116,291	444,589	-	-	2,560,880
<b>DEPARTMENT OF THE INTERIOR Direct Programs</b>								
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

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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
<b>Total DOI Direct Programs</b>			219,634	2,279,184	-	-	-	2,279,184
<b>DEPARTMENT OF THE INTERIOR Pass Through Programs</b>								
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
<b>Total DOI Pass Through Programs</b>			59,931	-	710,380	-	-	710,380
<b>Total DOI R&amp;D</b>			<b>279,565</b>	<b>2,279,184</b>	<b>710,380</b>	-	-	<b>2,989,564</b>
<b>DEPARTMENT OF TRANSPORTATION Direct Programs</b>								
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION								
University Transportation Centers Program	20.701		982,053	1,205,478	-	-	-	1,205,478
<b>Total DOT Direct Programs</b>			982,053	1,205,478	-	-	-	1,205,478
<b>DEPARTMENT OF TRANSPORTATION Pass Through Programs</b>								
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION								
Department of Transportation, Other	20.							
University of Alaska	20.	UAF 16-0013 P00494206	-	-	22,918	-	-	22,918

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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
<b>FEDERAL HIGHWAY ADMINISTRATION</b>								
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
<b>PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION</b>								
Interagency Hazardous Materials Public Sector Training and Planning Grants								
	20.703							
Nez Perce Tribal	20.703	16697	-	-	35,277	-	-	35,277
<b>Total DOT Pass Through Programs</b>			-	-	894,794	-	-	894,794
<b>Total DOT R&amp;D</b>			<b>982,053</b>	<b>1,205,478</b>	<b>894,794</b>	-	-	<b>2,100,272</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Direct Programs</b>								
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
<b>Total NASA Direct Programs</b>			662,982	2,392,611	-	-	-	2,392,611
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Pass Through Programs</b>								
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
<b>Total NASA Pass Through Programs</b>			-	-	349,901	-	-	349,901
<b>Total NASA R&amp;D</b>			<b>662,982</b>	<b>2,392,611</b>	<b>349,901</b>	-	-	<b>2,742,512</b>

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
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES Pass Through Programs</b>								
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
<b>Total NFAH Pass Through Programs</b>			-	-	2,893	-	-	2,893
<b>Total NFAH R&amp;D</b>			-	-	2,893	-	-	2,893
<b>NATIONAL SCIENCE FOUNDATION Direct Programs</b>								
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
<b>Total NSF Direct Programs</b>			3,914,806	11,405,092	-	-	-	11,405,092
<b>NATIONAL SCIENCE FOUNDATION Pass Through Programs</b>								
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
<b>Total NSF Pass Through Programs</b>			-	-	1,096,124	-	-	1,096,124
<b>Total NSF R&amp;D</b>			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
<b>DEPARTMENT OF VETERANS AFFAIRS Pass Through Programs</b>								
Department of Veterans Affairs, Other	64.							
ZGA Architects and Planners	64.	16772	-	-	27,634	-	-	27,634
<b>Total Dept of Veterans Affairs Pass Through Programs</b>			-	-	27,634	-	-	27,634
<b>Total Dept of Veterans Affairs R&amp;D</b>			-	-	27,634	-	-	27,634
<b>ENVIRONMENTAL PROTECTION AGENCY Pass Through Programs</b>								
Environmental Protection Agency, Other	66.							
Tetra Tech, Inc.	66.	1130683	-	-	8,796	-	-	8,796
<b>Total EPA Pass Through Programs</b>			-	-	8,796	-	-	8,796
<b>Total EPA R&amp;D</b>			-	-	8,796	-	-	8,796
<b>NUCLEAR REGULATORY COMMISSION Direct Programs</b>								
U.S. Nuclear Regulatory Commission Scholarship&Fellowship Program	77.008		-	122,331	-	-	-	122,331
<b>Total NRC Direct Programs</b>			-	122,331	-	-	-	122,331
<b>Total NRC R&amp;D</b>			-	122,331	-	-	-	122,331
<b>DEPARTMENT OF ENERGY Direct Programs</b>								
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
<b>Total DOE Direct Programs</b>			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
<b>DEPARTMENT OF ENERGY Pass Through Programs</b>								
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
<b>Total DOE Pass Through Programs</b>			111,046	-	2,536,184	-	-	2,536,184
<b>Total DOE R&amp;D</b>			<b>296,129</b>	<b>1,592,432</b>	<b>2,536,184</b>	-	-	<b>4,128,616</b>

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
<b>DEPARTMENT OF EDUCATION Direct Programs</b>								
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION Indian Education -- Special Programs for Indian Children	84.299		-	133,726				133,726
<b>Total Dept of Ed Direct Programs</b>			-	133,726				133,726
<b>DEPARTMENT OF EDUCATION Pass Through Programs</b>								
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)
<b>Total Dept of Ed Pass Through Programs</b>			-	-	16,044	-	-	16,044
<b>Total Dept of Ed R&amp;D</b>			-	133,726	16,044	-	-	149,770
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES Direct Programs</b>								
Department of Health & Human Services, Other	93.		-	36,756				36,756
<b>NATIONAL INSTITUTES OF HEALTH</b>								
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
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>								
Occupational Safety and Health Program	93.262			310,935				310,935
<b>Total DHHS Direct Programs</b>			2,189,554	7,977,553				7,977,553
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES Pass Through Programs</b>								
<b>NATIONAL INSTITUTES OF HEALTH</b>								
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
<b>Research Infrastructure Programs</b>								
	93.351							
Texas Biomedical Research Institute	93.351	17-04583.005	-	-	53,239	-	-	53,239
<b>Nursing Research</b>								
	93.361							
University of Maryland	93.361	10017586/251 PO SR00004277	-	-	50,933	-	-	50,933
<b>Allergy, Immunology and Transplantation Research</b>								
	93.855							
University of Maryland	93.855	101155B PO SR00003526	-	-	36,192	-	-	36,192
Indiana University	93.855	IN4689670UI PO1729829	-	-	35,409	-	-	35,409
<b>Biomedical Research and Research Training</b>								
	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
<b>CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>								
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
<b>Total DHHS Pass Through Programs</b>			195,252	-	957,933	-	-	957,933
<b>Total DHHS R&amp;D</b>			2,384,806	7,977,553	957,933	-	-	8,935,486
<b>DEPARTMENT OF HOMELAND SECURITY Direct Programs</b>								
Cooperating Technical Partners	97.045			22,395				22,395
<b>Total DHS Direct Programs</b>				22,395				22,395

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<b>DEPARTMENT OF HOMELAND SECURITY Pass Through Programs</b>								
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						
<b>Total DHS Pass Through Programs</b>			<b>238,897</b>	<b>-</b>	<b>372,651</b>	<b>-</b>	<b>-</b>	<b>372,651</b>
<b>Total DHS R&amp;D</b>			<b>238,897</b>	<b>22,395</b>	<b>372,651</b>	<b>-</b>	<b>-</b>	<b>395,046</b>
<b>AGENCY FOR INTERNATIONAL DEVELOPMENT Pass Through Programs</b>								
USAID Foreign Assistance for Programs Overseas	98.001							
	98.001	Michigan State University	-	-	31,892	-	-	31,892
<b>Total AID Pass Through Programs</b>			<b>-</b>	<b>-</b>	<b>31,892</b>	<b>-</b>	<b>-</b>	<b>31,892</b>
<b>Total AID R&amp;D</b>			<b>-</b>	<b>-</b>	<b>31,892</b>	<b>-</b>	<b>-</b>	<b>31,892</b>
<b>Total Research &amp; Development Cluster</b>			<b>11,075,773</b>	<b>40,456,995</b>	<b>10,354,267</b>	<b>-</b>	<b>-</b>	<b>50,811,262</b>
<b>Student Financial Aid Cluster</b>								
<b>DEPARTMENT OF STUDENT FINANCIAL ASSISTANCE PROGRAMS</b>								
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
<b>Total Dept of Ed Direct Programs</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>82,549,355</b>	<b>-</b>	<b>82,549,355</b>
<b>Total Student Financial Aid Cluster</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>82,549,355</b>	<b>-</b>	<b>82,549,355</b>
<b>SNAP - Cluster</b>								
<b>DEPARTMENT OF STATE Administrative Matching Grants for the Supplemental Nutrition Assistance Program</b>								
	10.561	Idaho Dept. of Health & Welfare	-	-	-	-	207,120	207,120
	10.561	Idaho Dept. of Health & Welfare	-	-	-	-	761,770	761,770
<b>Total USDA Pass-Through Programs</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>968,890</b>	<b>968,890</b>
<b>Total SNAP Cluster</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>968,890</b>	<b>968,890</b>
<b>Special Education (IDEA) - Cluster</b>								
<b>DEPARTMENT OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES</b>								
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
<b>Total Dept of Ed Pass-Through Programs</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,185,485</b>	<b>1,185,485</b>
<b>Total Special Education (IDEA) Cluster</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,185,485</b>	<b>1,185,485</b>

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
<b>TRIO - Cluster</b>								
<b>DEPARTMENT OFFICE OF POSTSECONDARY EDUCATION</b>								
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
<b>Total Dept of Ed Direct Programs</b>			-	-	-	2,566,895	-	2,566,895
<b>Total TRIO Cluster</b>			-	-	-	2,566,895	-	2,566,895
<b>Programs Not in a Cluster</b>								
<b>DEPARTMENT OF AGRICULTURE</b>								
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
<b>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</b>								
Plant and Animal Disease, Pest Control, and Animal Care	10.025		-	-	-	123	-	123
<b>NATIONAL INSTITUTE OF FOOD AND AGRICULTURE</b>								
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	-	-	-	-	-	-
<b>FOOD AND NUTRITION SERVICE</b>								
Child and Adult Care Food Program	10.558		-	-	-	-	-	-
Idaho State Department of Education	10.558	2901	-	-	-	-	28,102	28,102
<b>FOREST SERVICE</b>								
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
<b>NATURAL RESOURCES CONSERVATION SERVICE</b>								
Snow Survey and Water Supply Forecasting	10.907		-	-	-	2,436	-	2,436
Environmental Quality Incentives Program	10.912		-	-	-	2,716	-	2,716
<b>Total USDA no cluster</b>			78,419	-	-	4,364,057	235,883	4,599,940

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
<b>DEPARTMENT OF COMMERCE</b>								
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
<b>Total DOC no cluster</b>			-	-	-	-	169,689	169,689
<b>DEPARTMENT OF DEFENSE</b>								
NATIONAL SECURITY AGENCY								
Information Security Grants	12.902							
University of Washington	12.902	UWSC9456 BPO18736	-	-	-	-	22,358	22,358
GenCyber Grants Program	12.903							
<b>Total DOD no cluster</b>			-	-	-	59,057	22,358	81,415
<b>DEPARTMENT OF THE INTERIOR</b>								
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							
<b>Total DOI no cluster</b>			-	-	-	173,127	2,101	175,228
<b>DEPARTMENT OF JUSTICE</b>								
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							
<b>Total DOJ no cluster</b>			-	-	-	45,846	145,510	191,356
<b>DEPARTMENT OF STATE</b>								
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
<b>Total Department of State no cluster</b>			-	-	-	-	89,332	89,332
<b>DEPARTMENT OF TRANSPORTATION</b>								
FEDERAL HIGHWAY ADMINISTRATION (FHWA)								
Highway Planning and Construction	20.205							
Idaho Transportation Department	20.205	6423	-	-	-	-	30,576	30,576
<b>Total - Department of Transportation no cluster</b>			-	-	-	-	30,576	30,576

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
<b>DEPARTMENT OF TREASURY</b>								
INTERNAL REVENUE SERVICE								
Low-Income Taxpayer Clinics	21.008		-	-	-	143,590	-	143,590
<b>Total - Department of Treasury no cluster</b>			-	-	-	143,590	-	143,590
<b>FEDERAL COMMUNICATION COMMISSION</b>								
Federal Communication Commission, Other	32.		-	-	-	58,469	-	58,469
<b>Total FCC no cluster</b>			-	-	-	58,469	-	58,469
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>								
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
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>								
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
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>								
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
<b>Total Nat'l Foundation on the Arts &amp; Humanities no cluster</b>			-	-	-	544	19,388	19,932
<b>ENVIRONMENTAL PROTECTION AGENCY</b>								
OFFICE OF THE ADMINISTRATOR								
Environmental Education Grants	66.951		6,759	-	-	6,094	-	6,094
<b>Total EPA no cluster</b>			6,759	-	-	6,094	-	6,094
<b>DEPARTMENT OF ENERGY</b>								
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
<b>Total DOD no cluster</b>			-	-	-	-	1,762,952	1,762,952
<b>DEPARTMENT OF EDUCATION</b>								
Department of Education, Other	84.							
National Writing Project	84.	92-ID01-SEED2016-IL1	6,044	-	-	-	13,152	13,152
<b>OFFICE OF CAREER, TECHNICAL, AND ADULT EDUCATION</b>								
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
<b>OFFICE OF ELEMENTARY AND SECONDARY EDUCATION</b>								
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
<b>OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES</b>								
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
<b>OFFICE OF POSTSECONDARY EDUCATION</b>								
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334							
Office of State Board of Education	84.334	GEARUP	-	-	-	-	514,750	514,750
<b>Total Department of Education no cluster</b>			208,798	-	-	700,339	1,845,768	2,546,107
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>								
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
<b>FOOD AND DRUG ADMINISTRATION</b>								
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
<b>ADMINISTRATION FOR COMMUNITY LIVING</b>								
ACL Assistive Technology	93.464							
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		-	-	-	438,482	-	438,482
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>								
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
<b>SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION</b>								
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
<b>Total DHHS no cluster</b>			-	-	-	1,063,415	162,932	1,226,347
<b>Total Programs Not in Cluster</b>			293,976	-	-	6,614,538	4,486,489	11,101,027

<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			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

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### 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



**APPENDIX B**  
**SCHEDULE OF STUDENT FEES**

(See attached)

**University of Idaho Tuition and Fee Schedule**  
**Academic Years as Indicated**  
**As Approved by the State Board of Education**

**5 YEAR HISTORY OF STUDENT TUITION (MATRICULATION) & FEES - FY 2014 THROUGH FY 2018**

	FY2014	FY2015	FY2016	FY2017	FY2018
<b>A. Undergraduate Tuition:</b>					
Full-Time Resident Undergraduate Tuition	\$ 2,267.15	\$ 2,392.03	\$ 2,501.30	\$ 2,581.16	\$ 2,673.07
Full-Time Non-Resident Undergraduate Tuition	8,805.15	9,157.03	9,503.30	9,985.16	10,835.07
Part-Time Resident Undergraduate Tuition	267.50	280.50	292.50	302.00	311.73
Part-Time Non-Resident Undergraduate Tuition	921.50	957.50	992.50	1,042.00	1,128.73
<b>B. Graduate Tuition:</b>					
Full-Time Resident Graduate Tuition	\$ 2,798.15	\$ 2,941.03	\$ 3,102.30	\$ 3,230.16	\$ 3,361.07
Full-Time Non-Resident Graduate Tuition	9,336.15	9,706.03	10,104.30	10,634.16	11,523.07
Part-Time Resident Graduate Tuition	362.50	379.50	398.50	414.00	429.73
Part-Time Non-Resident Graduate Tuition	1,030.00	1,131.50	1,176.50	1,237.00	1,336.73
<b>C. Fees (See Fee Details in H./I. Below):</b>					
Full-Time Fees	\$ 994.85	\$ 999.97	\$ 1,008.70	\$ 1,034.84	\$ 1,070.93
Part-Time Fees	58.50	58.50	58.50	60.00	62.27
<b>Summary: Total Combined Tuition and Fees</b>					
<b>D. Undergraduate (A. + C.):</b>					
Full-Time Resident Undergraduate Tuition & Fees	\$ 3,262.00	\$ 3,392.00	\$ 3,510.00	\$ 3,616.00	\$ 3,744.00
Full-Time Non-Resident Undergraduate Tuition & Fees	9,800.00	10,157.00	10,512.00	11,020.00	11,906.00
Part-Time Resident Undergraduate Tuition & Fees	326.00	339.00	351.00	362.00	374.00
Part-Time Non-Resident Undergraduate Tuition & Fees	980.00	1,016.00	1,051.00	1,102.00	1,191.00
<b>E. Graduate (B. + C.):</b>					
Full-Time Resident Graduate Tuition & Fees	\$ 3,793.00	\$ 3,941.00	\$ 4,111.00	\$ 4,265.00	\$ 4,432.00
Full-Time Non-Resident Graduate Tuition & Fees	10,331.00	10,706.00	11,113.00	11,669.00	12,594.00
Part-Time Resident Graduate Tuition & Fees	421.00	438.00	457.00	474.00	492.00
Part-Time Non-Resident Graduate Tuition & Fees	1,088.50	1,190.00	1,235.00	1,297.00	1,399.00
<b>F. Professional Fees: Paid in addition to above tuition and fees</b>					
Law Fee Full-Time	\$ 4,094.00	\$ 4,299.00	\$ 4,504.00	\$ 5,067.00	\$ 5,442.00
Law Fee Part-Time	455.00	478.00	500.00	563.00	605.00
Art & Architecture Full-Time	513.00	534.00	553.00	623.00	651.00
Art & Architecture Part-Time	51.00	53.00	55.00	62.00	65.00
Art & Architecture Part-Time Graduate	57.00	59.00	61.00	69.00	72.00
Bioregional Planning Fee - Full Time	525.00	525.00	553.00	-	-
Bioregional Planning Fee - Part Time	53.00	53.00	61.00	-	-
<b>G. Other:</b>					
In-Service Fee - Undergraduate		\$ 103.00	\$ 106.00	\$ 110.00	\$ 114.00
In-Service Fee - Graduate	121.00	125.00	131.00	138.00	143.00
Western Undergraduate Exchange Fee	1,631.00	1,696.00	1,755.00	1,808.00	1,872.00
<b>H. Full-Time Fee Details:</b>					
Facility Fee	\$ 395.25	\$ 395.25	\$ 395.25	\$ 410.25	\$ 410.25
Student Computing and Network Access Fee	62.70	62.70	62.70	62.70	82.70
Activity Fees/Dedicated Fees:	536.90	542.02	550.75	561.89	577.98
<b>Total Full-Time Fees</b>	<b>\$ 994.85</b>	<b>\$ 999.97</b>	<b>\$ 1,008.70</b>	<b>\$ 1,034.84</b>	<b>\$ 1,070.93</b>
<b>I. Part-Time Fee Details:</b>					
Facility Fee	\$ 18.70	\$ 18.70	\$ 18.70	\$ 20.20	\$ 20.20
Student Computing and Network Access Fee	6.00	6.00	6.00	6.00	8.27
Activity Fees/Dedicated Fees:	33.80	33.80	33.80	33.80	33.80
<b>Total Part-Time Fees</b>	<b>\$ 58.50</b>	<b>\$ 58.50</b>	<b>\$ 58.50</b>	<b>\$ 60.00</b>	<b>\$ 62.27</b>

**APPENDIX C**  
**GLOSSARY OF TERMS USED**  
**IN THE RESOLUTION AND OFFICIAL STATEMENT**

(See attached)

Except as otherwise expressly provided in the Resolution, as supplemented by Supplemental Resolutions, including the 2017 Supplemental Resolution, or this Official Statement or unless the context otherwise requires, the following terms shall have the following meanings:

Accountant's Certificate shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the University and acceptable to the Trustee (which acceptance shall not be unreasonably withheld), who may be the accountant or firm of accountants who regularly audit the books of the University, provided that, if the Trustee shall fail to so accept, it shall deliver to the University a statement of its reasons for such nonacceptance.

Act shall mean the Educational Institutions Act of 1935, codified in Title 33, Chapter 38, Idaho Code, as the same shall be amended from time to time.

Activity Center Bonds mean the bonds issued by the Regents under the Activity Center Resolution described as follows: (a) \$9,285,000 Student Fee Refunding Revenue Bonds, Series 1996 dated March 15, 1996; (b) \$14,100,000 Student Fee Revenue Bonds (University Commons Project), Series 1997 dated February 1, 1997; (c) \$5,620,000 Student Fee Revenue Bonds (University Commons Supplemental Project), Series 1997 dated December 1, 1997; and (d) \$6,020,000 Student Fee Revenue Bonds, Series 1999D (Kibbie and Enrollment Services Centers Improvement Projects) dated December 1, 1999.

Activity Center Complex Fee means the activity center complex fee imposed upon full and part time students attending the University.

Activity Center Resolution means the bond resolution adopted by the Regents on March 15, 1996, providing for the issuance of the Activity Center Bonds, and as from time to time supplemented by supplemental resolutions.

Activity Fees shall include such fees designated and set from time to time by the Regents or the University, imposed upon each full-time and part-time on-campus student in attendance at the University for a activities at the University. Currently such fees include: ASUI general, alumni association fee, campus card, cheerleader program, college dedicated fee, Commons/Union operations, fine arts, intercollegiate athletics, intramural/locker/recreational services, Kibbie Center operations (stadium), marching band, minority student program, sales tax, student advisory services, student recreation center operations, student benefits, health and wellness, and student health services.

Additional Bonds shall mean any bonds which the University may issue pursuant to Section VII of the Resolution secured by all or a portion of the Pledged Revenues, as may be amended from time to time.

Authorized Officer of the University shall mean the Bursar or a representative designated by the Bursar.

Auxiliary Enterprises shall mean all facilities of the University generating Sales and Services Revenues, including the Housing System, Parking System, Non-Residential Food Service System, Bookstore, and recreational and event facilities.

Beneficial Owner(s) shall mean the owners of Bonds and any Additional Bonds issued pursuant to the Resolution, whose ownership is recorded under the Book-Entry-Only System maintained by the Securities Depository as described in the Resolution.

Bond Fund shall mean the fund created by the Resolution, consisting of the Debt Service Account.

Bond Register shall mean the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Bonds and any Additional Bonds.

Bond Resolution or Resolution shall mean the Bond Resolution adopted by the Regents on November 22, 1991, providing for the issuance of General Revenue Bonds, as from time to time amended and supplemented by Supplemental Resolutions.

Bond Year means the one-year period (or, in the case of the first Bond Year, the shorter period from the date of issue of the Bonds) selected by the University. If no date is selected by the University within five years of the date of delivery of a series of Bonds, each Bond Year shall end at the close of business on the date preceding the anniversary of the date of delivery of a series of Bonds.

Bonds shall mean, collectively, the Bonds issued pursuant to the Resolution and Additional Bonds issued pursuant to any Supplemental Resolutions.

Book-Entry System shall mean the book-entry system of registration of the Bonds and any Additional Bonds as described in the Resolution.

Bookstore means the University's bookstore facilities located on the Moscow campus, in which books, supplies and merchandise are sold.

Build-America-Bonds means the interest subsidy bonds issuable by the University under Sections 54AA and 6431 of the Code and a "qualified bond" under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

Bursar means the officer so designated by the University as chief financial officer of the University, currently the Vice President for Finance and Administration of the University, including any acting Bursar designated by the University.

Business Day shall mean a day, other than Saturday or Sunday, on which banks located in the state of Idaho, or in the city where the principal corporate trust office of the Trustee is located, are open for the purpose of conducting commercial banking business.

Cede & Co. shall mean Cede & Co., as nominee of DTC.

Code shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the regulations promulgated thereunder.

Construction Fund shall mean the special account created by the Resolution, from which the Costs of Acquisition and Construction of a Project shall be paid.

Cost of Acquisition and Construction, with respect to a Project, shall include together with any other proper item of cost not specifically mentioned therein, the cost of demolition, the cost of acquisition and construction of the Project and the financing thereof, the cost, whether incurred by the University or another, of field surveys and advance planning undertaken in connection with the Project, and the cost of acquisition of any land or interest therein required as the sites thereof or for use in connection therewith, the cost of preparation of the sites thereof and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the University, allocable portions of inspection expenses, financing changes, legal fees, and fees and expenses of financial advisors and consultants in connection therewith, cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys, estimates of cost, the payment of any notes of the University (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Project and payable from the proceeds of the Bonds or any Additional Bonds, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not

specified herein as may be necessary or incident to the construction and acquisition of the Project, the financing thereof and the placing of the same in use and operation.

Cost(s) of Issuance shall mean printing, rating agency fees, legal fees, underwriting fees, fees and expenses of the Trustee, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of a series of Bonds.

Debt Service for any period shall mean, as of any date of calculation, an amount equal to the Principal Installment and interest accruing during such period on the Bonds, plus any Payment due under a Parity Payment Agreement. Such Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installment on the Bonds on the due date thereof. For any Series of Variable Rate Bonds bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such Series of Variable Rate Bonds will bear interest at a fixed rate equal to the higher of (i) the average of the variable rates applicable to such Series of Variable Rate Bonds during any twenty-four month period ending within thirty (30) days prior to the date of computation, or (ii) 110% of the Bond Buyer 25 Revenue Bond Index most recently published prior to the computation date but bearing interest at a fixed rate. There shall be excluded from "Debt Service" (i) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, and (ii) principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 57-504, Idaho Code, and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal.

Debt Service Account shall mean the account of that name created within the Bond Fund by the Resolution.

Direct Obligations means noncallable Government Obligations.

Direct Payments means the interest subsidy payment received by the University from the United States Treasury pursuant to Section 6431 of the Code or other similar programs with respect to Bonds issued under the Resolution.

DTC means The Depository Trust Company, New York, New York.

DTC Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Educational Activities Revenues include revenues generated incidentally to the conduct of instruction, research and public service activities, such as unrestricted revenues generated by the University's testing and training services, labs, sales of scientific materials, sales of miscellaneous services and products, and agriculture and forest products.

Escrow Account means the account established under the 2017 Supplemental Resolution into which shall be deposited certain proceeds from the sale of the Series 2018A Bonds.

Escrow Agent shall mean Wells Fargo Bank, N.A., which shall supervise the Escrow Account and the Defeasance Securities as defined in the Escrow Agreement.

Escrow Agreement means the agreement between the University and Trustee, as Escrow Agent, dated the date of delivery of the Series 2018A Bonds, and providing for the defeasance and redemption of the 2007B Bonds.

Estimated Pledged Revenues means, for any year, the estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Regents. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of bonds in connection with which an estimate is made. In estimating Operation and Maintenance Expenses, recognition shall be given to any other revenues which may be designated by the Regents and to any anticipated change in the Operation and Maintenance Expenses. Amounts reasonably anticipated to be paid from sources other than Pledged Revenues may be excluded from the estimated Operation and Maintenance Expenses.

Event of Default shall mean one or more of the events enumerated in the Resolution and described in Appendix D - "EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS."

F&A Recovery Revenues shall mean the revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University.

Facility Fees shall include such fees designated and set from time to time by the Regents or the University, imposed upon each full-time and part-time on-campus student in attendance at the University for facilities at the University. Currently such fees consist of the Student Building Fee, the Residential Campus Development Fee, the Recreation Center Fee, and the Activity Center Complex Fee.

Fiscal Year shall mean the annual accounting period of the University, beginning July 1 in a year and ending June 30 of the following year.

General Account Appropriated Funds shall mean general account appropriated funds of the State of Idaho which in accordance with governmental accounting standards and the University's audited financial statements are treated as non-operating revenues and accordingly such revenues are not included in the definition of Other Operating Revenues for purposes of generating Pledged Revenues under the Resolution, and in any event are excluded from Pledged Revenues.

General Revenue Bond System means the single revenue bond system created under the Resolution under which the Series 2018A Bonds shall be issued and Additional Bonds may be issued.

Generally Accepted Accounting Principles shall mean those accounting principles applicable in the preparation of financial statements of business corporations as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

Government Obligations means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury ("SLGS");
- (b) United States Treasury bills, notes and bonds, as traded on the open market;
- (c) Zero Coupon United States Treasury Bonds; and
- (d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as "REFCORP strips").

Housing System shall mean the University's system of (i) on campus, student group housing facilities and related and facilities, including family student housing; and (ii) the Residence Hall System.

Investment Income shall include investment earnings on all unrestricted University funds and accounts.

Investment Securities shall mean and include any securities authorized to be acquired by the Treasurer of the State of Idaho pursuant to Section 67-1210 and 67-1210A, Idaho Code, or any successor Code section specifying legal investments.

Mandatory Redemption Amount(s) shall mean the mandatory deposits established for Bonds as designated in a Supplemental Resolution. The portion of any Mandatory Redemption Amount remaining after the deduction of any amounts credited pursuant to the Resolution (or the original amount of any such Mandatory Redemption Amount if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Mandatory Redemption Amount for the purpose of calculation of Mandatory Redemption Amounts due on a future date.

Maximum Annual Debt Service shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Bond Year.

Net Proceeds, when used with reference to any series of Bonds, shall mean the aggregate principal amount of the series of Bonds, less the Costs of Issuance.

Net Revenues with respect to the Housing System or any Project, shall mean all revenues, fees, tolls, charges, income, receipts and profits derived by the University from or attributable to a Project including, without limitation, all revenues derived from or attributable to any lease or other contractual arrangement with respect to the use of the Housing System or any Project or the services, output or capacity thereof, or from the sale of any property of the Housing System or any Project permitted under the Resolution, and the proceeds of any insurance covering business interruption loss relating to the Housing System or any Project, all as determined in accordance with Generally Accepted Accounting Principles, less Operation and Maintenance Expenses.

Noninsured Bonds means any Bonds issued under the Resolution that shall not be insured as to the payment of principal and interest by a policy of bond insurance.

Non-Residential Food Service System means the University's system of providing food services for the University's students, faculty, staff, employees and invited guests at all University facilities on the Moscow campus, excluding board charges for food service in the University's Residence Hall System.

Other Fees shall consist of the graduate/professional fee, law college dedicated fee, architecture school dedicated fee, non-resident tuition, in service teacher education fee, and the western undergraduate education fee, general education fees for part-time and summer students which are currently designated by the Regents as the "Part-time Educational Fee" and "Summer School Fee" and such other fees as the University shall hereafter establish.

Other Operating Revenues shall mean revenues received by the University generated from miscellaneous sources, i.e., fines and rent/lease revenues.

Outstanding, when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, sold and delivered under the Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) for the payment or redemption of which there has been separately set aside and held money for the payment thereof.

Parking Fees shall mean the fees for use of the Parking System charged to students, faculty, and employees of the University, as established by the Regents and as the same may from time to time be amended in accordance with procedures established by the Regents.



Parking System shall mean the on-campus parking system at the University campus in Moscow, Idaho.

Payment Date shall mean the date upon which a payment of Debt Service on the Bonds shall be due and payable.

Pledged Revenues shall include: (i) Student Fees; (ii) Sales and Services Revenues; (iii) the F&A Recovery Revenues; (iv) Other Operating Revenues; (v) Investment Income; (vi) Direct Payments; (vii) proceeds from the sale of a Series of Bonds and moneys and investment earnings thereon, except as otherwise provided in this Bond Resolution or a Supplemental Resolution; and (viii) such other revenues as the Regents shall designate as Pledged Revenues.

Notwithstanding the above definition and, in particular, notwithstanding clause (viii) of the above paragraph, in no event shall Pledged Revenues include (i) General Account Appropriated Funds or (ii) Restricted Fund Revenues.

President shall mean the president of the Regents.

Principal Installment shall mean, as of any date of calculation and with respect to any series of Bonds then Outstanding, (A) the principal amount of Bonds of such series due on a certain future date for which no Mandatory Redemption Amounts have been established, or (B) the unsatisfied balance (determined as provided in the definition of Mandatory Redemption Amount in this section) of any Mandatory Redemption Amount due on a certain future date for Bonds of such series, plus the amount of the mandatory redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to such unsatisfied balance of such Mandatory Redemption Amount, or (C) if such future dates coincide as to different Bonds of such series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Mandatory Redemption Amount due on such future date plus such applicable redemption premiums.

Private Person shall mean any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

Private Person Use shall mean the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

Project shall mean any "project" as defined in the Act that is financed with the proceeds of Bonds or Additional Bonds issued under the Resolution.

Project Account shall mean an account established by the Trustee within the Construction Fund for a Project.

Rebate Fund means the fund by that name established by the Resolution.

Record Date shall mean the 15th day of the calendar month next preceding any interest payment date, as provided in the Resolution.

Recreation Center Bonds means the bonds issued by the Regents under the Recreation Center Resolution described as follows: \$20,115,000 Student Fee Revenue Bonds (Recreation Center Project), Series 1999 dated February 15, 1999.

Recreation Center Fee means the recreation facility fee imposed upon full and part time students attending the University as assessed by the Regents.

Recreation Center Resolution means the bond resolution adopted by the Regents on January 25, 1999, providing for the issuance of the Recreation Center Bonds.

Regents shall mean The Regents of the University of Idaho.

Registered Owner or Owner(s) shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of the Resolution.

Replacement Bonds shall mean the Bonds described as such in the Resolution, and any Additional Bonds issued as Replacement Bonds in accordance therewith.

Representations Letter means the Blanket Letter of Representations dated June 18, 1999, from the University to DTC.

Residence Hall System means the University's on-campus residence hall housing facilities, including the Wallace Residence Hall and Cafeteria Complex, the McConnell Residence Hall, the Gault-Upham Residence Hall and the Theophilus Tower Residence Hall, and food service and dining facilities and related and subordinate facilities.

Resolution or Bond Resolution shall mean the Resolution adopted by the Regents on November 22, 1991, as from time to time supplemented by Supplemental Resolutions.

Restricted Fund Revenues shall mean all revenues that the University is obligated to spend in accordance with restrictions imposed by external third parties, such as revenues from grants, contracts, gifts and scholarships.

Revenue Fund shall mean the Revenue Fund established by the Resolution.

Sales and Services Revenues shall include all revenues generated through operations of the Auxiliary Enterprises and the Educational Activities Revenues.

Secretary means the secretary of the Regents.

Securities Depository shall mean DTC, or any successor Securities Depository appointed pursuant to the Resolution.

Series 2018A Bonds means the \$\_\_\_\_\_ principal amount of General Revenue Refunding Bonds, Series 2018A, of the University authorized by the 2017 Supplemental Resolution.

Series 2007B Bonds means the \$40,000,000 Adjustable Rate General Revenue Bonds, Series 2007B.

Student Building Fee means the Student Building Fee designated and set from time to time by the Regents, imposed upon each full-time and part-time on-campus student in attendance at the University.

Student Fees shall consist of the Tuition Fee, the Activity Fees, the Facility Fees, the Technology Fee, and the Other Fees.

Supplemental Resolution means any resolution amending or supplementing the terms of the Resolution in full force and effect which has been duly adopted and approved by the University under the Act; but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

System means the project financed with the proceeds of the \$7,965,000 Student Fee Revenue Bonds (Telecommunications Infrastructure Facilities Project) Series 1996.

Technology Fee shall include the Student Computing and Network Access Fee to support the University's technological operations, as assessed against full-time and part-time students at the University and as said fees now exist and may hereafter be revised by the Regents or the University.

Trustee shall mean Wells Fargo Bank, N.A., which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2018A Bonds, or its successors in functions, as now or hereafter designated.

Tuition Fee shall mean the student tuition established by the Regents. Tuition Fees are defined as the fees charged for any and all educational costs at the University. Tuition Fees include, but are not limited to, costs associated with academic services; instruction; the construction, maintenance, and operation of buildings and facilities; student services; or institutional support.

2018A Costs of Issuance Account means the account created under the 2017 Supplemental Resolution, to be established, held and administered by the Escrow Agent from which the Costs of Issuance of the Series 2018A Bonds shall be paid by the Escrow Agent.

2017 Supplemental Resolution means the Supplemental Resolution of the University adopted on December 21, 2017, authorizing the Series 2018A Bonds.

University shall mean the University of Idaho, at Moscow, Idaho, a body politic and corporate pursuant to the provisions of Article 9, Section 10, Idaho Constitution and Section 33-2801, Idaho Code.

Written Certificate of the University shall mean an instrument in writing signed on behalf of the University by a duly authorized officer thereof. Every Written Certificate of the University, and every certificate or opinion of counsel, consultants, accountants or engineers provided for in the Resolution shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Resolution to which such certificate, request, statement or opinion relates; (B) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based; (C) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (D) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

**APPENDIX D**  
**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**

(See attached)

The following is a summary of certain provisions of the Resolution as supplemented by Supplemental Resolutions, including the Supplemental Resolution adopted December 21, 2017 (the “2017 Supplemental Resolution”), and is not to be considered a full statement thereof. Reference is made to the Resolution and the 2017 Supplemental Resolution. The Resolution and all Supplemental Resolutions are on file at the University or the office of the Trustee. *See also* “THE SERIES 2018A BONDS” and “SECURITY FOR THE SERIES 2018A BONDS” in the body of the Official Statement.

## GENERAL PROVISIONS RELATING TO THE BONDS

### Authorization of Bonds

Bonds designated as “General Revenue Bonds” are authorized to be issued by the University under the Resolution. The maximum principal amount of the Bonds which may be issued is not limited; provided, however, that the University reserves the right to limit or restrict the aggregate principal amount of the Bonds which may at any time be issued or Outstanding under the Resolution. Bonds may be issued in such Series as from time to time shall be established and authorized by the University subject to the provisions of the Resolution. The Bonds may be issued in one or more Series pursuant to one or more Supplemental Resolutions. The designation of the Bonds shall include, in addition to the name “General Revenue Bonds,” such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the University may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs. Each Bond shall recite in substance that it is payable from and secured by the Pledged Revenues of the University pledged for the payment thereof.

### Terms of Bonds

The principal of and interest on, and the redemption price of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee or of any paying agent at the option of a Registered Owner. Payment of interest on any fully registered Bond shall be (i) made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner, or (ii) with respect to units of \$500,000 or more of Bonds, made by wire transfer to the Registered Owner as of the close of business on the Record Date next preceding the interest payment date if such Registered Owner shall provide written notice to the Trustee not less than fifteen (15) days prior to such interest payment date at such wire transfer address as such Registered Owner shall specify, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on any interest payment date, such defaulted interest shall be paid to the Registered Owners in whose name any such Bond is registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

The Bonds of any Series may be issued only in fully registered form without coupons in authorized denominations.

### Execution of Bonds

The Bonds shall be signed on behalf of the Regents by the manual or facsimile signature of its President, attested by the manual or facsimile signature of its Secretary, and countersigned by the manual or facsimile signature of the Bursar of the University, and the seal of the University shall be thereunto affixed by the Secretary of the Regents, which may be by a facsimile of the University’s seal which is imprinted upon the Bonds.

### Transfer or Exchange of Bonds

Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor; provided, however, the Trustee shall not be required to transfer the Bonds within fifteen (15) calendar days of a principal or interest payment.

### Lost, Stolen, Mutilated or Destroyed Bonds

In case any Bond shall be lost, stolen, mutilated or destroyed, the Trustee may authenticate and deliver a new Bond or Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the University and the Trustee in connection therewith and upon his filing with the University and the Trustee evidence satisfactory to the University and the Trustee of his ownership thereof, and upon furnishing the University and the Trustee with indemnity satisfactory to the University and the Trustee.

### Registration

In the Resolution, the University adopts a system of registration with respect to the Bonds as required by Title 57, chapter 9, Idaho Code, as amended.

### Notice of Redemption

A. Notice of Redemption. Notice of any redemption of Bonds shall be sent by the Trustee by first-class mail, postage prepaid, not less than thirty-five (35) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register. This requirement shall be deemed to be complied with when notice is mailed as provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed.

B. Effect of Redemption. When so called for redemption, such Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be Outstanding as of such redemption date.

C. Voluntary Redemption Notice. In addition to the notice required by subsection A above, further notice may be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in said subsection A.

(1) Each further notice of redemption given may contain the following information:

(a) the redemption date;

(b) the redemption price;

(c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;

(d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee;

(f) the CUSIP numbers of all Bonds being redeemed;

(g) the date of issue of the Bonds as originally issued;

(h) the rate of interest borne by each Bond being redeemed;

(i) the maturity date of each Bond being redeemed; and

(j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to:

(a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories being:

(i) Depository Trust Company, New York, New York; and

(ii) Philadelphia Depository Trust Company, Philadelphia, Pennsylvania; and to

(iii) Midwest Depository Trust Company, Chicago, Illinois.

(b) one or more of the national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Municipal and Government or Standard & Poor's Called Bond Record).

(3) Each such further notice may be published one time in The Bond Buyer, published in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(4) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

D. Open Market Purchase. In the Resolution, the University reserves the right to purchase the Bonds on the open market at a price equal to or less than par. In the event the University purchases Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, Bonds so purchased shall be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the University purchases term Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, term Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be cancelled.

#### Redemption of Series 2018A Bonds Prior to Maturity

The Series 2018A Bonds are subject to redemption as described in this Official Statement and in the Resolution.

### Book-Entry Only System

The Series 2018A Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2018A Bonds, except in the event the Trustee issues Replacement Bonds as provided in the Resolution.

### Additional Bonds

The University reserves the right to issue Additional Bonds secured equally and ratably with all Bonds issued under the Resolution by a pledge of (i) Pledged Revenues and (ii) the funds established by the Resolution, upon the conditions set forth in the Resolution and as described in the Official Statement.

### Investment of Funds

Monies held by the University or the Trustee in funds or accounts under the Resolution shall be invested in Investment Securities.

## PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS

### Pledge of Pledged Revenues

In the Resolution, the University pledges for the payment of the Bonds, equally and ratably, the Pledged Revenues. The Pledged Revenues shall not, except as provided in the Resolution, be used for any other purpose while any of the Bonds issued under the Resolution, including the Series 2018A Bonds, remain Outstanding. Except as provided in the Resolution, this pledge shall constitute a first and exclusive lien on the Pledged Revenues for the payment of the Bonds in accordance with the terms of the Resolution.

### Confirmation and Establishment of Funds

The following Funds are established under the Resolution:

- A. Revenue Fund to be held by the University;
- B. Construction Fund to be held by the University;
- C. Bond Fund, consisting of a Debt Service Account to be held by the Trustee;
- D. Cost of Issuance Fund to be held by the University; and
- E. Rebate Fund to be held by the University.

The 2017 Supplemental Resolution creates an “Escrow Account” and “2018A Costs of Issuance Account” in the Construction Fund, which accounts are to be held by the Escrow Agent and approves an Escrow Agreement providing for the defeasance and redemption of the 2007B Bonds.

The University may establish one or more separate and segregated subaccounts within the Debt Service Account from time to time as shall be necessary.



Revenue Fund; Bond Fund; Flow of Funds

A. Required Deposits. The University shall deposit as received all Pledged Revenues into the Revenue Fund. The University shall deposit into the Debt Service Account in the Bond Fund the accrued interest, if any, received from the sale of a series of Bonds to the initial purchasers thereof. The University shall also deposit into the Debt Service Account the portion, if any, of the Net Proceeds designated as capitalized interest on a series of Bonds.

B. Permitted Deposits. At any time the University may deposit into the Revenue Fund or the Bond Fund such other funds and revenues that do not constitute Pledged Revenues, as the University may in its discretion determine.

C. Required Transfers. Moneys in the Revenue Fund shall be disbursed and transferred to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five (5) days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. There may be credited against the foregoing transfer, however, any moneys deposited in the Debt Service Account which are available to pay Debt Service on the Bonds and which have not previously been taken as a credit against the required transfers. The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment on or before each Payment Date the amount of Debt Service payable on such date.

D. Remaining Amounts. Amounts remaining in the Revenue Fund at any time in excess of the amounts necessary to make the payments required above may be applied by the University, free and clear of the lien of the Resolution, to the extent permitted by law, (i) to the redemption of Bonds in accordance with the Resolution or (ii) for any other lawful purpose of the University.

Construction Fund/Project Account

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution.

The University may establish within the Construction Fund separate Project Accounts and may establish one or more subaccounts in each Project Account. Income received from the investment of moneys in any Project Account in the Construction Fund shall be credited to such Project Account. Upon completion of any Project, the relevant Project Account shall be closed, and all remaining amounts in such Project Account shall be transferred to the Debt Service Account in the Bond Fund.

Before any payment is made from any Project Account in the Construction Fund, the University shall execute a Written Certificate showing with respect to each payment to be made the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that insofar as any such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

Before any payment is made from the Project Account in the Construction Fund for the payment of Costs of Issuance, the University shall execute its Written Certificate, signed by an Authorized Officer of the University, stating, in respect of each payment to be made, (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid, (c) the particular item of the Cost of Issuance to be paid, and (d) that the cost or obligation in this stated amount is a proper item of the Cost of Issuance and has not been paid.

## Payment Agreements

The Resolution authorizes the Regents to enter into a Payment Agreement and to make a Payment Agreement Payment thereunder on a parity of lien with the payment of the Bonds if the Payment Agreement satisfies the requirements for Additional Bonds described in the Resolution (See “SECURITY FOR THE SERIES 2018A BONDS – Additional Bonds” in the Official Statement to which this Appendix D is attached for a description of requirements for issuance of Additional Bonds), taking into consideration regularly scheduled Payment Agreement Payments and Receipts (if any) under the Payment Agreement. The following shall be conditions precedent to the use of any Payment Agreement on a parity with the Bonds:

- (i) The University shall obtain an opinion of Bond Counsel on the due authorization and execution of such Payment Agreement, the validity and enforceability thereof and opining that the action proposed to be taken is authorized or permitted by the Resolution or the applicable provisions of any Supplemental Resolution and will not adversely affect the excludability for federal income tax purposes of the interest on any Outstanding Bonds.
- (ii) Prior to entering into a Payment Agreement, the University shall adopt a resolution which shall:
  - A. set forth the manner in which the Payments and Receipts are to be calculated and a schedule of Payment Agreement Payment Dates;
  - B. establish general provisions for the rights of the parties to Payment Agreements; and
  - C. set forth such other matters as the University deems necessary or desirable in connection with the management of Payment Agreements as are not clearly inconsistent with the provisions of the Resolution.

The Payment Agreement may oblige the University to pay, on one or more scheduled and specified Payment Agreement Payment Dates, the Payments in exchange for the Payor’s obligation to pay or to cause to be paid to the University, on scheduled and specified Payment Agreement Payment Dates, the Receipts. The University may also enter into Payment Agreements that are not reciprocated by the other party to the agreement.

If the University enters into a Parity Payment Agreement, Payments shall be made from the Debt Service Account and Annual Debt Service shall include any regularly scheduled University Payments adjusted by any regularly scheduled Receipts during a Fiscal Year. Receipts shall be paid directly into the Debt Service Account. Obligations to make unscheduled payments, such a termination payments, may not be entered into on a parity with the Bonds. To the extent that a Parity Payment Agreement has been designated as a hedge of the interest rate features of either Fixed Rate Bonds or Bonds bearing variable rates of interest, Annual Debt Service during the term of such Parity Payment Agreement shall be modified to reflect such Parity Payment Agreement.

Nothing in this section shall preclude the University from entering into Payment Agreements with a claim on Pledged Revenues junior to that of the Bonds. Furthermore, nothing in this section shall preclude the University from entering into obligations on a parity with the Bonds in connection with the use of Payment Agreements or similar instruments if the University obtains an opinion of Bond Counsel that the obligations of the University thereunder are consistent with the Resolution.

For purposes of this section, the following words shall have the following definitions:

“Payment” means any payment required to be made by or on behalf of the University under a Payment Agreement and which is determined according to a formula set forth in the Payment Agreement.

“Parity Payment Agreement” means a Payment Agreement under which the University’s payment obligations are expressly stated to be secured by a pledge of and lien on Pledged Revenues on an equal and ratable basis with the Pledged Revenues required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on Outstanding Bonds.

“Payment Agreement” means a written agreement, for the purpose of managing or reducing the University’s exposure to fluctuations or levels of interest rates, currencies or commodities or for other interest rate, investment, asset or liability management purposes, entered into on either a current or forward basis by the University and a Qualified Counterparty, all as authorized by any applicable laws of the State. Such agreement may or may not be characterized by a structure of reciprocity of payment.

“Payment Agreement Payment Date” means any date specified in the Payment Agreement on which a Payment or Receipt is due and payable under the Payment Agreement.

“Receipt” means any payment (designated as such by a resolution) to be made to, or for the benefit of, the University under a Payment Agreement by the Payor.

“Payor” means a Qualified Counterparty to a Payment Agreement that is obligated to make one or more payments thereunder.

“Qualified Counterparty” means a party (other than the University or a party related to the University) who is the other party to a Payment Agreement that has or whose obligations are unconditionally guaranteed by a party whose long term debt is rated “A” or higher by Moody’s Investors Service and Standard & Poor’s Corporation and who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State of Idaho.

#### COVENANTS CONCERNING THE TRUSTEE

Wells Fargo Bank, N.A., acts as Trustee under the Resolution and also acts as paying agent, bond registrar, authenticating agent, and transfer agent with respect to the Bonds. The Trustee makes no representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and the Trustee shall not incur any liability in respect thereof. The Trustee shall not be liable in connection with the performance of its duties under the Resolution except for its own negligence, misconduct or default.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by the Resolution and use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee, after a successor Trustee has been duly appointed and has accepted the duties of Trustee in writing, may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than sixty (60) days’ written notice to the University and to insurers of any outstanding Bonds.

The Trustee may be removed at any time by the University or by insurers of outstanding Bonds, so long as the respective insurer of any Bonds is not in default under its respective policy. Any Trustee appointed in succession to the Trustee shall (1) be a bank or trust company or national banking association, duly authorized to exercise trust powers, and (2) have a reported capital and surplus of not less than \$75,000,000.

## MODIFICATION OR AMENDMENT OF RESOLUTION

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (1) of the Registered Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, (2) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of each Series so affected and then Outstanding, and (3) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of the particular Series and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Registered Owners of Bonds of such Series shall not be required and Bonds of such Series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall (x) extend the fixed maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Registered Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(2) to add to the covenants and agreements of the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the University;

(3) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;

(4) to provide for the issuance of a Series of Bonds, and to provide the terms and conditions under which such Series of Bonds may be issued, subject to and in accordance with the provisions of Article VII of the Resolution;

(5) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 9 of Title 57, Idaho Code; and

(6) during the term of any credit enhancement agreements (including, without limitation, standby bond purchase agreements and letters of credit) permitted in Section 57-231, Idaho Code, to amend any provisions of the Resolution which is intended solely to be for the benefit of the issuer of the credit enhancement agreement.

Such Supplemental Resolution shall become effective as of the date of its adoption or such later date as shall be specified in such Supplemental Resolution.

Copies of any modification or amendment to the Resolution shall be sent to any rating agency maintaining a rating on the Bonds at least ten (10) days prior to the effective date thereof.

## EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS

### Events of Default

If any one or more of the following Events of Default shall occur, it is an “event of default” under the Resolution:

(1) failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;

(2) failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;

(3) failure by the University to perform or observe any other of the covenants, agreements, or conditions on its part in the Bond Resolution or in the Bonds contained, and such default shall continue for a period of thirty (30) days after written notice thereof to the University by the Trustee specifying such failure and requiring the same to be remedied, which period of thirty (30) days may not be extended by more than thirty (30) additional days without the prior written consent of all insurers of outstanding Bonds issued under the Resolution;

(4) a judgment for the payment of money shall be rendered against the University, and any such judgment shall not be discharged within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof;

(5) dissolution or liquidation of the University or the filing by the University of a voluntary petition in bankruptcy, or the commission by the University of any act of bankruptcy, or adjudication of the University as a bankrupt, or assignment by the University for the benefit of its creditors, or the entry by the University into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the University in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

(6) if an order or decree shall be entered, with the consent or acquiescence of the University, appointing a receiver or receivers of the Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the University, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof; and

(7) any event of default specified in a Supplemental Resolution;

then, so long as such Event of Default shall not have been remedied, the Trustee (by thirty (30) days’ written notice to the University), or the Registered Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding (by notice in writing to the University and the Trustee) may, but only with the consent of insurers, if any, of any Outstanding Bonds, provided the insurers are not in default under their respective policy, declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately upon the occurrence of an event of default, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding.

Notwithstanding the foregoing, neither the Registered Owners of twenty-five percent (25%) of the Noninsured Bonds then Outstanding, nor the Owners of twenty-five percent (25%) of any series of Bonds then

Outstanding, nor the Trustee, may declare any other series of Bonds immediately due and payable without the prior written consent of the relevant insurer of such series of Bonds.

#### Rights and Remedies of Registered Owners

A. No Registered Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to the Resolution, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless

(1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee;

(3) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) the Trustee for sixty (60) days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under the Resolution, except in the manner provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

B. The Registered Owners of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or the Resolution,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Registered Owners not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

#### DEFEASANCE

#### Discharge of Indebtedness

A. If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a Series of Bonds, then the pledge of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the University to the Registered Owners, shall thereupon cease, terminate and

become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University to be prepared and filed with the University and, upon the request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the University all moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

B. Bonds or interest installments the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section. All Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Direct Obligations, or Investment Securities other than Direct Obligations of the kind required in Section 12.1B of the Resolution the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest on said Bonds taxable under the Code, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, as applicable, and interest due and to become due if applicable on said Bonds.

**APPENDIX E**  
**PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING**

(See attached)



## CONTINUING DISCLOSURE UNDERTAKING

### THE REGENTS OF THE UNIVERSITY OF IDAHO GENERAL REVENUE REFUNDING BONDS, SERIES 2018A

THIS CONTINUING DISCLOSURE UNDERTAKING (the "Undertaking") is executed and delivered by The Regents of the University of Idaho (the "Issuer") and Wells Fargo Bank, N.A. (the "Dissemination Agent") in connection with the issuance of \$\_\_\_\_\_ General Revenue Refunding Bonds, Series 2018A (the "Bonds") being issued pursuant to a master Resolution providing for the issuance of Facility Revenue Bonds adopted November 22, 1991, as previously supplemented and amended, as supplemented by Supplemental Resolution adopted December 21, 2017 (collectively, the "Resolution"). The Undertaking is executed and delivered as of the date set forth below in order for the Issuer to authorize and direct the Dissemination Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

#### WITNESSETH:

**1. Background.** The Issuer has resolved to issue the Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the Bonds is 914318\_\_.

**2. Appointment of Dissemination Agent.** The Issuer hereby appoints the Dissemination Agent and any successor Dissemination Agent acting as such under the Resolution as its agent under this Undertaking to disseminate the financial information and notices furnished by the Issuer in the manner and at the times as herein provided and to discharge the other duties assigned.

**3. Definitions.** As used herein, the following terms shall have the following meanings:

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the final Official Statement relating to the Bonds dated \_\_\_\_\_, 2018.

"obligated person" as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Repository" shall mean the MSRB through its Electronic Municipal Market Access system ("EMMA") at <http://emma.msrb.org>, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to Rule 15c2-12.

“Rule 15c2-12” shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“SEC” shall mean the Securities and Exchange Commission.

#### **4. Annual Reports of the Issuer.**

a. Provision of Annual Reports. Commencing fiscal year ending June 30, 2018, and for each fiscal year ending thereafter until no Bonds are outstanding, the Issuer agrees, in accordance with the provisions of Rule 15c2-12, to provide or cause to be provided through the Repository, not later than December 31 of each year, the annual financial information and operating data (the “Annual Report”) described in Section 4b herein. The Issuer further agrees, in accordance with Rule 15c2-12, to provide or cause to be provided in a timely manner through the Repository notice of any failure to provide or cause to be provided the Annual Report or any part thereof, as described in this paragraph.

b. Contents of Annual Report. The Annual Report shall include the audited financial statements of the Issuer prepared in accordance with generally accepted accounting principles, together with the report thereon of the Issuer’s independent auditors, beginning with the fiscal year ending June 30, 2018. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Dissemination Agent to the effect that the financial statements are the financial statements required by this Undertaking and that they comply with the applicable requirements of this Undertaking. For the purposes of determining whether information received from the Issuer is the required financial statements, the Dissemination Agent shall be entitled conclusively to rely on the Issuer’s written representation made pursuant to this Section.

The Annual Report shall also include the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical, and operating data contained in the Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement:

- Security for the Series 2018A Bonds – Historical Pledged Revenues, p. \_\_\_\_
- The University – Five-Year Historical Enrollment Summary, p. \_\_\_\_
- Financial Information Regarding the University
  - State General Fund Appropriations table, p. \_\_\_\_
  - Total Restricted-Expendable Revenues (in table format), included under subheading Restricted-Expendable Revenues, p. \_\_\_\_
  - Financial Aid to Students (in table format), included under subheading Restricted-Expendable Revenues, p. \_\_\_\_
  - Schedule of Outstanding Indebtedness, p. \_\_\_\_

Any or all of the items listed above in Sections 4a or 4b may be included by specific reference to documents available to the public on the Repository or filed with the SEC.

**5. Notice of Certain Events.** The Issuer agrees, in accordance with the provisions of Rule 15c2-12, to provide or cause to be provided through the Repository, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies (which for the purpose of this Undertaking shall mean the Issuer's failure to provide funds to the Trustee for payments of principal and interest at the times specified in the Resolution);
- (2) Nonpayment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of owners of Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;<sup>1</sup>

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<sup>1</sup> For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of an obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of an obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(15) In a timely manner, notice of a failure of the Issuer or the obligated person to provide the required annual financial information and operating data specified in Sections 4a and 4.b above, on or before the date specified therein.

The Dissemination Agent shall attempt to promptly advise the Issuer whenever, in the course of performing its duties as Trustee under the Resolution, the Dissemination Agent identifies an occurrence which would require the Issuer to provide a notice of the occurrence of any of the events listed in this Section 5; provided that the failure of the Dissemination Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Dissemination Agent of any of its duties and responsibilities hereunder or under the Resolution and the Dissemination Agent shall not be required to assess the materiality of such occurrence, or whether an unscheduled draw reflects financial difficulties, in advising the Issuer of such occurrence.

**6. Manner and Time by Which Information is to be made Public by the Dissemination Agent.**

a. Manner and Time of Delivery. After the receipt from the Issuer of any Annual Report information pursuant to Section 4 or Notices of Certain Events pursuant to Section 5, it shall be the Dissemination Agent's duty:

(1) to deliver the Annual Report information to the Repository not later than ten (10) days after receipt thereof;

(2) to deliver Notices of Certain Events to the Repository as soon as possible following receipt from the Issuer, but in no event later than the next business day;

(3) to determine the identity and address of the Repository to which Annual Report Information and Notices of Certain Events must be sent under rules and regulations promulgated by the MSRB or by the SEC.

The Issuer shall deliver Annual Report information and Notices of Certain Events to the Dissemination Agent as provided in Sections 4 and 5 above so that the Dissemination Agent can deliver such information to the Repository.

b. Limitation of Dissemination Agent's Duty. The Dissemination Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Annual Report information that the Dissemination Agent actually has received from the Issuer

and (ii) Notices of Certain Events about which the Dissemination Agent has received written notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Undertaking. The Dissemination Agent's duties and obligations are only those specifically set forth in this Undertaking, and the Dissemination Agent shall have no implied duties or obligations. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Issuer. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Issuer shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition. The Dissemination Agent shall be afforded all of the rights and protections hereunder accorded to it in its role as Trustee under the Resolution.

c. Form of Disclosure. All Annual Report information and Notices of Certain Events, or other financial information and notices pursuant to this Undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this Undertaking must be accompanied by identifying information as prescribed by the MSRB, which the Issuer shall provide to the Dissemination Agent in a timely manner.

**7. Limitation to Dissemination Agent Obligation.** The Dissemination Agent shall have no obligation to examine or review the Annual Report information or Notices of Certain Events and shall have no liability or responsibility for the compliance of this Undertaking with Rule 15c2-12 or the accurateness or completeness of the Annual Report information and Notices of Certain Events disseminated by the Dissemination Agent hereunder. The Annual Report information shall contain a legend to such effect. This Section 7 shall survive the termination of this Undertaking or the earlier removal or resignation of the Dissemination Agent.

**8. Compensation.** The Issuer hereby agrees to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Undertaking in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Dissemination Agent in its capacity as Trustee under the Resolution.

To the extent permitted by law, if the Dissemination Agent renders any extraordinary service not provided for in this Undertaking, which service is reasonably necessary to render under the circumstances, or the Dissemination Agent is made a party to or intervenes in any litigation pertaining to this Undertaking or institutes interpleader proceedings relative hereto, the Dissemination Agent shall be compensated reasonably by the Issuer for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and reasonable expenses, including out-of-pocket and incidental expenses and reasonable legal fees and expenses occasioned thereby.

**9. Enforcement.** The obligations of the Issuer under this Undertaking shall be for the benefit of the registered and beneficial holders of the Bonds. However, any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default under the

Resolution, and the sole remedy under this Undertaking in the event of the failure of the Issuer or the Dissemination Agent to comply with this Undertaking shall be an action by the holders of the Bonds in mandamus for specific performance or similar remedy to compel performance. Neither the Issuer nor the Dissemination Agent shall have any power or duty to enforce this Undertaking.

This Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, the participating Underwriter of the Bonds, and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

**10. Amendments and Termination.** Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is consistent with Rule 15c2-12. Written notice of any such amendment or waiver shall be provided by the Issuer to the Dissemination Agent who shall file it with the MSRB, and the Annual Report shall explain the reasons for the amendment and the impact of any change in the type of information being provided. If any amendment changes the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made will present a comparison between the financial statement or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Any party to this Undertaking may terminate this Undertaking by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual financial report must explain, in narrative form, the reasons for any such amendment or termination of the undertaking contained in this Undertaking and the impact, as applicable, of any change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Undertaking shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Dissemination Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Undertaking is terminated pursuant to (iii), above.

**11. Successor Dissemination Agent.** Upon the transfer of the duties created under the Resolution from the current Dissemination Agent in its capacity as Trustee, to a successor Dissemination Agent, in its capacity as successor trustee, such successor Dissemination Agent shall succeed to the duties under this Undertaking without any further action on the part of any party, and the then current Dissemination Agent shall have no further

duties or obligations upon the transfer to a successor Dissemination Agent. Such Successor Dissemination Agent may terminate this Undertaking or cause it to be amended as provided in Section 10 hereof.

**12. Additional Information.** Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating (or causing the Dissemination Agent to disseminate) any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report information or notice of the occurrence of any Notices of Certain Events, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report information or Notices of Certain Events in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report information or notice of occurrence of any Notices of Certain Events.

If the Issuer provides to the Dissemination Agent information relating to the Issuer or the Bonds, which information is not designated as Notices of Certain Events, and directs the Dissemination Agent to provide such information to the Repository, the Dissemination Agent shall provide such information in a timely manner to the Repository.

**13. Notices.** Notices and the required information under this Undertaking shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Undertaking may designate from time to time.

**14. Counterparts.** This Undertaking may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Undertaking.

**15. Governing Law.** This Undertaking shall be governed by the laws of the State of Idaho and Rule 15c2-12.

[Signatures on following page]

IN WITNESS WHEREOF, the Issuer and the Dissemination Agent have caused this Undertaking to be executed and delivered by a duly authorized officer of each of them, all as of this \_\_\_\_ day of \_\_\_\_\_, 2018.

ISSUER:

THE REGENTS OF THE UNIVERSITY OF  
IDAHO

By: \_\_\_\_\_  
Vice President for Finance and  
Administration

Notice Address:

DISSEMINATION AGENT:

WELLS FARGO BANK, N.A.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Notice Address:



**APPENDIX F**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**

(See attached)



ATTORNEYS AND COUNSELORS

Hawley Troxell Ennis & Hawley LLP  
877 Main Street, Suite 1000  
P.O. Box 1617  
Boise, Idaho 83701-1617  
208.344.6000  
www.hawleytroxell.com

February \_\_, 2018

The Regents of the University of Idaho  
University of Idaho  
Moscow, ID 83844

Wells Fargo Bank, N.A., as Trustee  
1740 Broadway Street  
Denver, CO 80274  
MAC C7300-107  
Attn: Corporate, Municipal & Escrow Services

Re: *The Regents of the University of Idaho -- General Revenue Refunding Bonds, Series 2018A*

Ladies and Gentlemen:

This is to certify that we have acted as Bond Counsel in connection with the issuance by the University of Idaho (the "University") of \$\_\_\_\_\_ aggregate principal amount of The Regents of the University of Idaho General Revenue Refunding Bonds, Series 2018A (the "Bonds"), dated the date hereof, and issued pursuant to a Master Resolution dated November 22, 1991 (the "Original Resolution"), as previously amended and supplemented and as amended and supplemented by a Supplemental Resolution adopted on December 21, 2017 (the "Supplemental Resolution" and together with the Original Resolution, as previously supplemented and amended, the "Resolution").

We have examined the Constitution and laws of the State of Idaho and such certified proceedings and other papers as we deem necessary to render this opinion. Our services as Bond Counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certifications. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters. In addition we are relying upon the opinion of the University's General Counsel with regard to certain matters contained therein.

The Bonds are dated as provided in the Resolution, bear interest from their date at the rates set forth below payable on April 1 and October 1 in each year commencing October 1,

2018, and mature on April 1 in each of the designated years and the principal amounts set forth below:

<u>DUE</u> <u>APRIL 1</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST RATE</u>
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The Bonds are being issued under the authority of the Constitution of the State of Idaho and the Educational Institutions Act of 1935, being codified in Title 33, chapter 38, Idaho Code, and pursuant to Section 57-504, Idaho Code (collectively, the “Act”), to provide funds to (i) defease until purchase or redemption of certain maturities of the University’s Adjustable Rate General Revenue Bonds, Series 2007B (the “2007B Bonds”) on or near April 1, 2018, which shall be accomplished pursuant to the provisions of the Supplemental Resolution; and (ii) pay certain costs of issuance of the Bonds.

Pursuant to the terms of the Escrow Agreement dated \_\_\_\_\_ (the “Escrow Agreement”) between the University and Wells Fargo Bank, N.A., Denver, Colorado (the “Escrow Agent”), certain proceeds of the sale of the Bonds have been applied to the purchase of certain Defeasance Securities, as defined in the Escrow Agreement, which securities, together with an initial cash deposit, have been deposited in trust by the Escrow Agent in an escrow account (the “Escrow Account”) in such manner that the collection of the principal thereof and the interest thereon is to be applied to the payment of principal of and interest as shall become due on the 2007B Bonds, plus redemption premium, if any, pursuant to call for mandatory tender and redemption as set forth in the Escrow Agreement. We have relied upon a report prepared by \_\_\_\_\_, as to the accuracy of (i) the mathematical computations concerning adequacy of the maturing principal amounts of and interest earned on the obligations of the United States of America placed in the Escrow Account to pay when due the principal of and interest on the 2007B Bonds and (ii) the mathematical computations of the yield on the

Bonds and the yield on the obligations so purchased with a portion of the proceeds of sale of the Bonds.

Based upon the foregoing, it is our opinion as Bond Counsel that:

1. The University is a validly created and existing body corporate and politic of the State of Idaho.
2. The University has the power under the Act to issue the Bonds and to adopt the Resolution.
3. The Resolution has been duly and lawfully adopted by The Regents of the University of Idaho and is in full force and effect and is valid and binding upon the University and enforceable in accordance with its terms, except to the extent such enforcement is limited by the bankruptcy laws of the United States of America and by the reasonable exercise of the sovereign police power of the State of Idaho, and no other authorization for the Resolution is required.
4. The Resolution creates the valid pledge which it purports to create of the Pledged Revenues, monies, securities and funds held or set aside under the Resolution, subject to the allocation thereof to the purposes and on the conditions permitted by the Resolution.
5. The Bonds have been duly and validly authorized and issued in accordance with the Act and the Resolution, and are legally binding obligations of the University, enforceable in accordance with their terms except to the extent such enforcement is limited by the bankruptcy laws of the United States of America and by the reasonable exercise of the sovereign police power of the State of Idaho, and terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.
6. The Bonds have been issued for a purpose for which bonds may be issued under the Act and the Resolution, and all conditions prescribed in the Resolution as precedent to the issuance of the Bonds have been fulfilled.
7. Assuming continuous compliance with certain covenants and representations contained in the Resolution, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations and interest on the Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the

representations contained in the University's certified proceedings and in certain other documents and certain other certifications furnished to us.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

As Bond Counsel we are passing only upon those matters set forth in this opinion and are not passing upon the accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds, or upon any federal or state of Idaho tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds except those specifically addressed in paragraph 7 above. Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers. Prospective purchasers of the Bonds should consult their own tax advisors as to the applicability of any such collateral consequences.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

HAWLEY TROXELL ENNIS & HAWLEY LLP

**APPENDIX G**  
**BOOK ENTRY SYSTEM**

(See attached)

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a



successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX H**  
**BID FORM**

(See attached.)

**OFFICIAL BID FORM**

**The Regents of the University of Idaho  
\$29,105,000<sup>(1)</sup> General Revenue Refunding Bonds, Series 2018A**

**(Electronic Proposals available via Parity; see Official Notice of Sale)**

**Members of the Board  
c/o PFM Financial Advisors LLC**

**Sale Date: January 23, 2018  
FAX (612) 338-7264**

For all or none of the principal amount of \$29,105,000<sup>(1)</sup> the Regents of the University of Idaho, General Revenue Refunding Bonds, Series 2018A, dated February 13, 2018, legally issued and as described in the Official Notice of Sale, we will pay the Board \$\_\_\_\_\_ (not less than \$29,105,000) plus accrued interest on the total principal of \$29,105,000<sup>(1)</sup> to date of delivery, provided the Series 2018A Bonds bear interest at the following rates.

<u>Year</u>	<u>Amount<sup>(1)</sup></u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount<sup>(1)</sup></u>	<u>Interest Rate</u>
2020	\$ 90,000	_____ %	2031	\$ 1,645,000	_____ %
2021	85,000	_____ %	2032	1,725,000	_____ %
2022	80,000	_____ %	2033	1,800,000	_____ %
2023	75,000	_____ %	2034	1,875,000	_____ %
2024	70,000	_____ %	2035	1,960,000	_____ %
2025	65,000	_____ %	2036	2,040,000	_____ %
2026	65,000	_____ %	2037	2,130,000	_____ %
2027	1,390,000	_____ %	2038	2,225,000	_____ %
2028	1,455,000	_____ %	2039	2,320,000	_____ %
2029	1,510,000	_____ %	2040	2,425,000	_____ %
2030	1,580,000	_____ %	2041	2,495,000	_____ %

<sup>(1)</sup> The University reserves the right to adjust the issue size following the opening of proposals. See "Notice of Sale" herein.

We hereby designate that the following Series 2018A Bonds be aggregated into term bonds maturing on April 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____

The Series 2018A Bonds mature on April 1 in each of the years as indicated above and interest is payable semiannually each April 1 and October 1, commencing October 1, 2018.

**In making this offer, we accept the terms and conditions as defined in the Notice of Sale published in the Official Statement dated January 10, 2018, and certify that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds unless specifically noted otherwise in the bid.** Our good faith deposit in the amount of \$291,050 has been submitted according to the terms outlined in the Official Notice of Sale. All blank spaces of this Official Statement are intentional and are not to be construed as an omission.

NOT PART OF THIS PROPOSAL:  
Explanatory Note: According to our computation, this bid involves the following:

\$ \_\_\_\_\_  
Net Interest Cost

\_\_\_\_\_ %  
True Interest Cost (TIC)

Respectfully submitted,

\_\_\_\_\_  
Syndicate Manager

By \_\_\_\_\_

(A list of the firms associated with us in this bid is on the reverse side of this bid form.)

\*\*\*\*\*

The foregoing offer is hereby accepted by and on behalf of the Regents of the University of Idaho, this 23rd day of January, 2018.

\_\_\_\_\_  
Vice President for Finance and Administration

\* Subsequent to the bid opening the par amount of the Series 2018A Bonds was changed to \$ \_\_\_\_\_, and the bid price to \$ \_\_\_\_\_, resulting in a net interest cost of \$ \_\_\_\_\_ and true interest rate of \_\_\_\_\_ %.