

2013 ANNUAL REPORT



**University of Idaho
Foundation, Inc.**



Letter from the Foundation Chairman

Dear Alumni and Friends,

Since my service began on the board of directors, and most recently as chairman a year ago, I continue to be impressed by the generosity and dedication of those who contribute to the University of Idaho through the University of Idaho Foundation, Inc. The impact of your gifts, and of your trust, cannot be understated. They spur the University forward, supporting the students, faculty, programs and special Presidential initiatives that make our flagship University the best that it can be.

Achieving the UI Foundation's goals would not be possible without the fiscal responsibility, accountability, transparency and responsible stewardship that have long guided our organization and our work. And as ever, our people drive that success – a highly-engaged board of directors and an exceptional staff. We're also proud to partner with the University in many ways, including continued collaboration on the Inspiring Futures: Invest in the University of Idaho capital campaign.

The University of Idaho Foundation, Inc., is the largest institutionally related foundation in the state of Idaho. Assets totaled \$259 million in 2013, with \$17.7 million distributed to the University for scholarships and programs. Your support contributes immeasurably to the University's ability to attract the best and brightest of young students, recruit and retain exemplary faculty, and move forward with innovative programs across its statewide campuses.

The University of Idaho's tradition of excellence starts with you, our generous donors. Your thoughtful giving will continue to receive the prudent investment and diligent stewardship it deserves. Your gift serves as a legacy that inspires the future of generations of Vandals to come. Thank you for your continuing support.

Sincerely,

Laine R. Meyer '72
Chairman

University of Idaho Foundation, Inc.

University Giving Highlights

University of Idaho giving highlights reflect all sources of private support in accordance with guidelines established by the Council for Advancement and Support of Education (CASE). These guidelines allow for counting certain contributions that may not be included in the Foundation's financial statement presentation.

WHO GAVE?

Alumni	\$9,789,916
Philanthropic Grants and Corporate Support	\$12,365,694
Friends and Parents	\$4,874,859
Faculty and Staff	\$596,434
Total	\$27,626,903

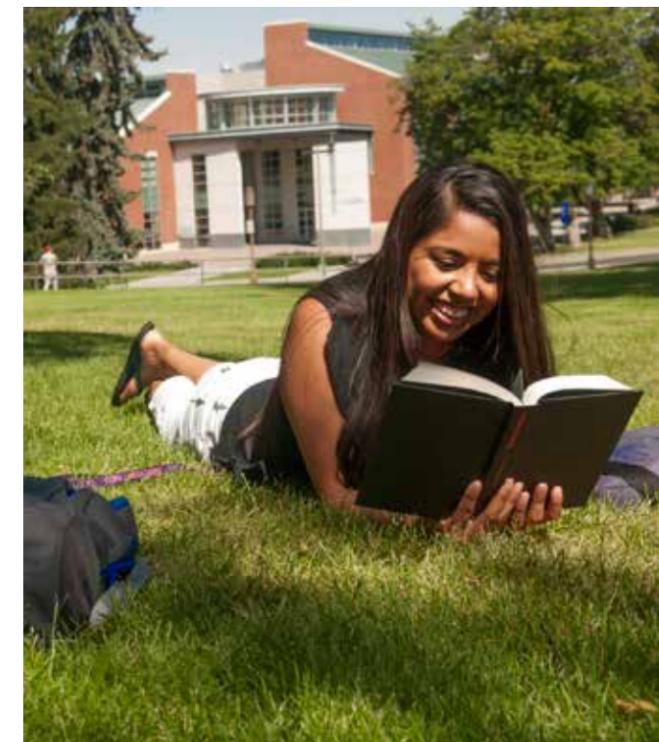
How Did They Give?

Outright Support	\$11,542,560
Pledges	\$9,508,237
In-Kind	\$780,141
Irrevocable Life Income Agreements	\$600,674
Revocable Bequests	\$3,815,000
Realized Bequests	\$1,380,291
Total	\$27,626,903

FOUR CORNERSTONES

Programs	\$6,093,846
Faculty Support	\$11,020,223
Students	\$9,904,745
Facilities	\$608,089
Total	\$27,626,903

NUMBER OF DONORS 10,400





We inspire futures

The future of our Gem State, and our world, begins here. We see it every day in the hearts and minds of the thousands of students who create their futures at the University of Idaho. Generations of graduates, faculty, staff and friends of UI from every walk of life and in every academic discipline have gone on to leadership positions in business, government and communities - all have left indelible fingerprints on our state, region, nation and world. Each of their stories contributes to our UI legacy as we continue to inspire the futures of Vandal students.

It was a defining period in my life, and I would not be where I am today without my experience at the University of Idaho – which is why I give my time and resources to the school.

Lori is a member of the board of directors of the University of Idaho Foundation, Inc., where she serves on the finance committee.

A native of Fruitland, Idaho, Lori currently serves as Board Chair for Summer Search Philadelphia, a nonprofit organization helping low-income youth finish high school and college.

She says it concerns her that the percentage of Idaho high school students who continue toward higher education is relatively low.

“I’m hoping that the number of students attending college in Idaho will go up – that we, and others, through our support, can give that opportunity to more high school kids in Idaho, and they can transform their lives,” Lori said.

Inspiring Faculty Matt and Lori Espe



In addition to their annual gifts to their named faculty fellowship in the College of Business and Economics, the New Town Square, Penn. couple has included the University in their estate plan.

One of several reasons the alumni couple supports the UI, and encourages others to do so, is to help students experience the transformative academic life the University offers.

“We donate to the College of Business and Economics, (CBE) because I wouldn’t be where I am today if it weren’t for my experiences at CBE,” Matt said. “Years before I got there, people made investments from which I benefited. So as alums, it’s only right for us to make a similar investment in the future and to create opportunities for the young men and women coming after us.”

Lori agrees.

“Higher education is such a transformative time in one’s life – when children become adults by maturing and learning responsibilities. It’s very, very important that everyone has an opportunity to have this experience.”

Matt Espe, '80, graduated from the CBE with a degree in marketing. In July 2010, he was appointed president and CEO of Armstrong World Industries, a leader in interior and flooring products. Previously, Matt held leadership positions for General Electric for 22 years and has lived all over the world with his wife, the former Lori Limbaugh, '81, a CBE accounting alumna, and their four children.

“I credit the University of Idaho with everything I am today. I was a late bloomer and whatever development occurred for me, happened for me at Idaho. I learned the value of teamwork, trust and accountability.

Supporting University of Idaho students, faculty, programs and facilities through private gifts is a solid investment in the investor’s philanthropic efforts, as well as the futures of those impacted, say alumni Matt and Lori Espe.



Inspiring Facilities Bud and June Ford

and trading, Bud and his wife, June, have developed a sizable estate, a substantial part of which they intend to share with the University of Idaho through their estate plan.

Even though Bud had to enter the workforce at a young age, he knows the value of higher education and has encouraged his children and grandchildren to get their degrees. Both of his children and one grandchild graduated from the University of Idaho, and his youngest grandson, Charles, is a 2013 Vandal.

Charles A. “Bud” Ford has lived in north Idaho since he was 4 years old. A true entrepreneur, after taking over his father’s Coeur d’Alene appliance business as a young man, he amassed a number of other holdings over the years. Through savvy investing

Bud became an avid fan of Vandal Athletics in the early 1950s, and he and June have held season tickets to UI football and basketball games and attended other Vandal sports ever since. For the recent Kibbie Dome

renovation, the Fords stepped up with a million-dollar-plus donation, leading to the naming of the Bud and June Ford Club Room. “Idaho is like a second home to me, even though I never went to college,” Bud says. “I feel inspired when I’m here.”

The Ford estate plan combines an ample inheritance for each of Bud’s two children and June’s child, both from previous marriages, but with a significant share going to the University of Idaho.

The Fords are pleased to take care of their family and UI while optimizing estate-tax savings. As Bud says, “You need to start your estate planning early, and with the estate tax, I decided to give my estate to my favorite organization, the University of Idaho.”



Inspiring Students Maxx Forde

Maxx Forde, junior student-athlete and defensive end for the Vandal football team, has become a leader on the gridiron. However, when he's not on the practice field, you're likely to find Maxx in the library, studying to complete a double major in marketing and finance. He is making the most of three scholarships: the Reg Carolan Memorial Scholarship, the Glenn White Memorial Scholarship and the Vandal Booster National Board Endowed Scholarship.

According to Maxx, scholarship support, "has allowed me to pursue my studies in a way that I wouldn't otherwise have been able to. Rather than having to worry about the expenses of school, I'm able to focus on my classes and football with zeal."

And while he's using that zeal to set his sights on the NFL, he knows that

with a UI education, he'll be prepared as a leader in the business world, too. The Integrated Business Curriculum, the signature program at the College of Business and Economics, is helping him develop into a well-rounded businessperson. The yearlong program lets students gain practical skills and experience in a real business environment, emphasizing the kind of collaboration and teamwork needed to succeed after graduation. Maxx is particularly grateful for its emphasis on working in small-group settings.

"I want to be able to take advantage of the opportunity I've been afforded with my scholarship," he said. "To waste it by not giving my all would be disrespectful to those who believed in me enough to support my scholastic and athletic endeavors."



Inspiring Programs Tom Prewitt

"If you choose to study natural resources, you have to do it because you love it," said Tom Prewitt '07 '12, who came to the university after serving in the Army.

Through the Operation Education Scholarship Program, Prewitt earned a bachelor's degree in wildlife resources and his master's degree in natural resources.

"Operation Education helped me with financial support. While working toward my undergraduate degree, it helped pay for childcare for my son. While I

was in graduate school, it again helped us financially. Without this support, I wouldn't have been able to afford a college education," said Prewitt.

Today, he applies the knowledge from his coursework to his career as a wildlife habitat biologist for the Coeur d'Alene Tribe.

Prewitt is just one of many veterans who have received financial support through the Operation Education Scholarship Program since its inception in 2007.

FACILITIES



FACULTY



PROGRAMS



STUDENTS





Foundation Financial Statement Summary

CONDENSED STATEMENTS OF NET ASSETS

ASSETS	2013	2012
Cash and cash equivalents	\$23,604,007	\$21,943,845
Accrued interest and other receivables	452,118	516,538
Promises to give, net	3,024,416	3,525,879
Investments	225,208,891	205,440,387
Notes receivable	454,811	524,973
Real estate holdings	5,832,157	4,306,657
Other assets	378,969	303,017
Total Assets	\$258,955,369	\$236,561,296
LIABILITIES AND NET POSITION	2013	2012
LIABILITIES		
Accounts payable	\$159,899	\$95,424
Liability for split interest trusts	6,761,780	6,637,055
Trust earnings payable to trust beneficiaries	8,616,627	6,795,831
Funds held in trust for University of Idaho	0	74,859,032
Total Liabilities	\$15,538,306	\$88,387,342
NET POSITION		
Restricted - nonexpendable	202,360,584	110,808,319
Restricted - expendable	36,006,967	32,145,781
Unrestricted	5,049,512	5,219,854
Total Net Position	\$243,417,063	\$148,173,954
TOTAL LIABILITIES AND NET POSITION	\$258,955,369	\$236,561,296

The Foundation's condensed financial statements for the years ended June 30, 2013 and 2012 are presented in this section.

To present a picture of the fiscal year activities, the Foundation has provided condensed financial statement information that departs from generally accepted accounting principles (GAAP) in two ways. First, the accompanying condensed financial statements include only summarized statements of net position and statements of revenue, expenditures and changes in net position and do not include statements of cash flows or the footnote disclosures. Second, the Foundation presented condensed information which consolidates current and non-current assets and liabilities.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2013	2012
Gifts	\$17,133,672	\$14,347,596
Investment Income	6,005,164	6,202,752
Change in fair value of investments	17,623,248	(6,596,775)
Change in split interest trusts	(74,400)	404,267
Other	193,848	228,739
Total Revenues	\$40,881,532	\$14,586,579
	2013	2012
Distribution of endowment income to trust beneficiaries	\$8,616,627	\$6,809,561
Distribution to University and affiliates	9,059,759	10,881,846
Distribution of trust income to life income beneficiaries	702,154	731,799
Administrative expense	2,047,881	2,052,315
Change in value of funds held in trust for the University of Idaho	(74,859,032)	(3,331,972)
Other	71,034	50,189
Total Expenses	(\$54,361,577)	\$17,193,738
CHANGE IN NET POSITION	\$95,243,109	(\$2,607,159)
NET POSITION BEGINNING OF YEAR	\$148,173,954	\$150,781,113
NET POSITION END OF YEAR	\$243,417,063	\$148,173,954

The Foundation's financial statements undergo an annual audit, which is conducted by EideBaily LLP. They audited the financial statements for the years ended June 30, 2013 and 2012, which are presented in conformity with GAAP, and they expressed an unqualified opinion on these financial statements. A copy of EideBaily's audit report dated September 12, 2013, is available upon request or may be viewed on the Foundation's website www.uidaho.foundation.org.

Additional information about the Foundation can be found in the 2011 annual information return, Form 990, which is available in its offices or may be viewed on the website. The 2012 annual information return will be available on the website after it is filed in early spring 2014.

Financial Highlights

With total assets of nearly \$259 million dollars, the University of Idaho Foundation, Inc. is the largest institutionally related foundation in the state. During fiscal year 2013 (FY13) net assets increased by \$95.2 million. That increase was driven by an 11.3 percent return for the investments held by its pooled endowment fund, the Consolidated Investment Trust (CIT) along with \$17.1 million in gifts for both endowments and current programs at the University of Idaho.

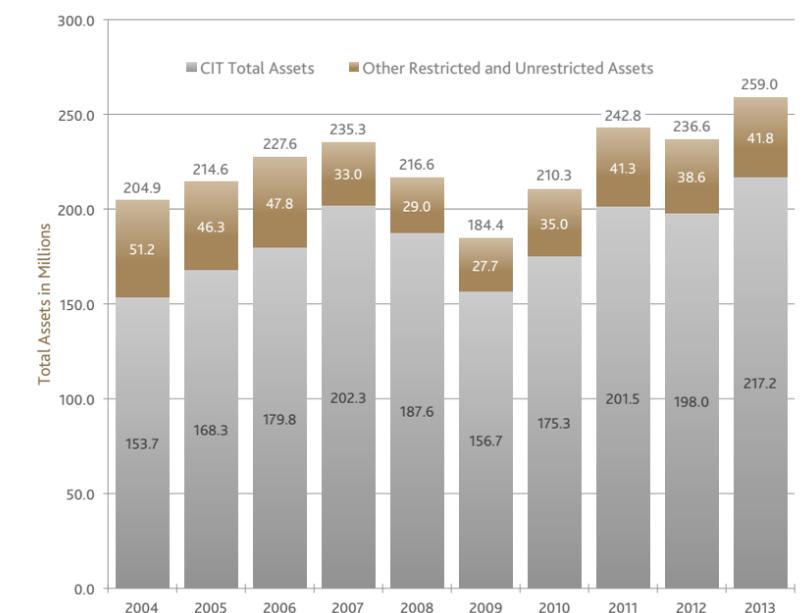
The Foundation is very proud of the opportunity and resources the endowment earnings provide the University, and consider the stewardship of the endowment pool their primary mission. More than \$136 million has been distributed from endowment earnings to fund scholarships and programs for the University since the CIT was established in 1959.

For FY13 the Foundation distributed nearly \$17.7 million to the University, including \$8.6 million generated from endowment earnings and \$9.1 million from gifts by our generous supporters. These funds were transferred to support scholarships and programs that attract and retain the brightest and most deserving students.

DISTRIBUTIONS



TOTAL ASSETS





New Endowments

The Foundation appreciates the generous donors who established and funded the following new endowments during FY13. Endowments are invested and managed in perpetuity, and endowment earnings are distributed to the University of Idaho annually for the uses and purposes established by the donors.

Tom Alberg & Judith Beck Chair in the College of Natural Resources	Mary Dale Kupper Scholarship Endowment
Sharon & Rich Allen/Deloitte Endowment College of Business & Economics	Limagrain Cereal Seeds Cropping Systems Agronomy Endowment
Dawn & Wes Downs Pre-Veterinary Intern Scholarship Endowment	Karl & Grete Lindeborg Scholarship Endowment
The Bus and Mary Ellen Durant Timberline High School Scholarship Endowment	Eugene Magleby Natural Sciences Scholarship Endowment
Endowed Chair in Civil Engineering	Oxbow Center Plant, Soil, & Entomological Sciences Excellence Endowment
Endowed Chair In Power Engineering	J. Karen Pyrah & Pyrah Family Mathematics Scholarship Endowment
Marilyn & Carter French College of Education Scholarship Endowment	The Colonel Everett P. "Red" & Ginger Trader Leadership Endowment
Robert & Gloria Furgason Family Engineering Scholarship Endowment	Eleanora, Orrin, & Jim Webb Education Faculty Endowment
Gooding County 4-H Endowment	Woodcock Pre-Medical Scholarship Endowment
Hunt Family Beef Education Endowment	

MISSION STATEMENT

The mission of the University of Idaho Foundation, Inc. is to secure, manage, and distribute private support to enhance the growth and development of the University of Idaho.

HISTORY

The University of Idaho Foundation, Inc. was officially established in 1970 to attract private financial support to aid in the achievement of institutional goals and to manage assets for the benefit of the University of Idaho.

FACTS

- \$259 million—Largest university foundation in Idaho
- \$207 million—Assets managed in the Consolidated Investment Trust (CIT) endowment pool
- \$17.7 million—Distributed to scholarships and programs
- 11.3%—annualized total rate of return for CIT
- \$136 million—awarded to scholarships and programs since 1959.

Based on FY 2013



Board of Directors

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Vice Chairman
Richard W. Allen '73

Treasurer
Carl F. Dyess '68

Past Chairman
Jeffrey L. Stoddard '75, '76

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And Secretary**
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Mahlon "Lonnie" Park '58
Leonard "Bud" N. Purdy 'HON'78
Mack A. Redford '61, 67
Malcolm Renfrew '32, 34, HON'76*
Keith T. Riffle '62, 63
Carolyn Tertling '59
Robert K. Woodhead '46, HON'80

*Deceased

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Inspiring Futures
Invest in the University of Idaho

uidaho.edu/inspire



uidahofoundation.org

**University of Idaho
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