



Financial Statements
June 30, 2013 and 2012

University of Idaho Foundation, Inc.

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Independent Auditor's Report

The Board of Directors
University of Idaho Foundation, Inc.
Moscow, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Idaho Foundation, Inc. (a component unit of the University of Idaho) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of Idaho Foundation, Inc. as of June 30, 2013 and 2012, and the respective changes in its financial position and, where, applicable, its cash flows 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 3 through 8 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2013 on our consideration of the Foundation'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 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 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 Foundation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
September 12, 2013

The mission of the University of Idaho Foundation, Inc. (the Foundation) is to secure, manage, and distribute private support to enhance the growth and development of the University of Idaho (the University). Established in 1970, the Foundation is a Section 501(c)(3) organization.

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 of 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.

The Foundation has ten employees with offices located in Moscow and Boise. 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. The Foundation staff management team has more than 65 years of combined experience in administration, finance, development, and student financial aid.

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 and Administration.

Overview

The Management's Discussion and Analysis is designed to provide an easily readable analysis of the University of Idaho Foundation's financial condition, results of operations, and cash flows based on facts, decisions, and conditions known at the date of the auditor's report. A comparative analysis of financial data is presented.

The financial statements have been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. These statements focus on the financial condition of the Foundation, the results of operations, and cash flows of the Foundation as a whole. 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.

Reporting Entity

The Foundation is a nonprofit corporation whose mission is to facilitate the solicitation and management of gifts for the benefit of the University. In this capacity, the Foundation is considered to be a component unit of the University. Accordingly, the Foundation is included in the University's financial statements as a discrete component unit. Transactions with the University relate primarily to the disbursement of gift funds.

Statement of Net Position

The statement of net position outlines the Foundation's financial condition at fiscal year end. The Foundation operates on a fiscal year which begins July 1 and ends June 30. This statement reflects the various assets, liabilities, and net position of the Foundation as of the fiscal years ended June 30, 2013 and 2012.

From the data presented, readers of the statement of net position have the information to determine the assets available to continue the operations of the Foundation. They are also able to determine how much the Foundation owes vendors and trust beneficiaries.

Finally, the statement of net position provides a snapshot of the net position (assets minus liabilities) and their availability for expenditure by the Foundation.

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

- Restricted Nonexpendable—Net position subject to donor stipulations that must be maintained permanently by the Foundation.
- Restricted Expendable—Net position subject to donor stipulations that will be transferred to the University for direct use by a designated program.
- Unrestricted—Net position not subject to donor stipulations which may be expended for any lawful purpose of the Foundation.

The corpus of nonexpendable restricted resources as it pertains to endowments is available only for investment purposes. The Consolidated Investment Trust (CIT) is a pooled endowment fund and makes up the majority of the assets of the Foundation. Donors have restricted income derived from these investments to fund scholarships, research, and other programs at the University of Idaho. Upon their transfer, expendable restricted net position are available for expenditure by the University, but must be spent for purposes as determined by donors. Unrestricted net position is available to the Foundation for any lawful purpose of the Foundation.

Condensed Statements of Net Position					
As of June 30, 2013 and 2012					
	2013	2012	Change 2012 to 2013	2011	Change 2011 to 2012
Assets					
Current assets	\$ 24,815,860	\$ 23,494,205	\$ 1,321,655	\$ 23,870,224	\$ (376,019)
Real estate holdings	5,832,157	4,306,657	1,525,500	4,359,054	(52,397)
Noncurrent investments	213,870,589	194,286,707	19,583,882	201,805,823	(7,519,116)
Other assets	14,436,763	14,473,727	(36,964)	12,736,277	1,737,450
Total Assets	258,955,369	236,561,296	22,394,073	242,771,378	(6,210,082)
Liabilities					
Current liabilities	9,780,738	7,901,925	1,878,813	7,813,784	88,141
Noncurrent liabilities	5,757,568	80,485,417	(74,727,849)	84,176,481	(3,691,064)
Total Liabilities	15,538,306	88,387,342	(72,849,036)	91,990,265	(3,602,923)
Net Position					
Restricted - nonexpendable	202,360,584	110,808,319	91,552,265	111,668,453	(860,134)
Restricted - expendable	36,006,967	32,145,781	3,861,186	33,729,970	(1,584,189)
Unrestricted	5,049,512	5,219,854	(170,342)	5,382,690	(162,836)
Total Net Position	\$243,417,063	\$148,173,954	\$ 95,243,109	\$150,781,113	\$ (2,607,159)

During fiscal year 2013 the total net position of the Foundation increased by \$95.2 million. Restricted nonexpendable net position increased by \$91.5 million, restricted expendable net position increased by \$3.8 million and unrestricted net position decreased by \$.17 million.

Over the course of fiscal year 2013 a significant action was taken in regard to a set of endowments the University of Idaho Board of Regents (Regents) had authorized the University to transfer to the University of Idaho Foundation (Foundation) "in trust" under the terms and conditions of an Indenture Agreement in 1974.

On December 13, 2012, the Regents took action to modify the Indenture Agreement to release the assets transferred to the Foundation from the "in trust" designation. On February 8, 2013, the University and the Foundation executed a Release and Waiver of Rights and Restrictions Agreement that permanently eliminates any and all revocation privileges associated with the indentured assets. The assets that were released had a fair value of \$74,859,032 at June 30, 2012 and \$80,990,338 at the date of transfer.

Of the \$91.5 million increase in restricted nonexpendable net position, \$81 million is the result of the modification to the original Indenture Agreement. In addition, gifts to endowments of \$5.5 million and investments earnings in excess of distributions of \$5 million made up the remaining \$10.5 million increase. In fiscal year 2012, restricted nonexpendable net position decreased by \$.8 million. The decrease was attributable to a decrease in the market value of investments of \$7 million mitigated by gifts to the endowment fund of \$6.2 million.

The \$3.8 million increase in restricted expendable net position is the combination of an increase in pledges recorded during fiscal year 2013 and some projects that were not yet ready to have gift funds transferred. In fiscal 2012 the reverse situation occurred, restricted expendable net position decreased by \$1.6 million due to a reduction in promises to give recorded and an increase in promises to give that were collected and transferred to the University for University projects specified by donors.

Unrestricted net position have decreased in each of the past two fiscal years as the Foundation Board of Directors voted to allocate a portion of the unrestricted balance to provide funding to the University of Idaho President in support of strategic initiatives and the "Inspiring Futures" capital campaign.

During fiscal year 2013, cash increased by \$1.6 million following an increase of approximately \$4.4 million in fiscal year 2012 mainly due to investment allocation decisions in the pooled endowment fund and cash management fund. Because a portion of the cash is restricted, it is reflected in the noncurrent assets. The market value of the endowments in the CIT increased approximately \$20 million in fiscal year 2013 following a decrease of \$3.2 million for the year ended June 30, 2012. This is a reflection of the general worldwide investment markets during this same time period. The CIT continues to perform exceptionally well when compared to similar endowment portfolios. For fiscal year 2013, the CIT had total return of 11.2%. In fiscal year 2012, total return was -0.9%. The annualized return for the three year period ended June 30, 2013 was 10.0%.

During fiscal year 2013, total liabilities of the Foundation decreased by \$72.8 million. This large decrease is due to the reduction of the \$74.9 million Funds Held in Trust liabilities to the University of Idaho as of June 20, 2012. Because of the modification of the Indenture Agreement the liability no longer exists.

There was also a significant increase in the liability for endowment earnings to be transferred to the University of Idaho in fiscal year 2013. The Foundation was able to generate endowment earnings over \$8.6 million to be transferred to the University for fiscal year 2013 scholarships and programs, an increase of over \$1.8 million.

The liability for payments due on split interest trusts had a slight increase. This increase is due to the increase in the value of the investments held by these trusts due to market performance offset by the decrease that naturally occurs each year because of the decrease in the estimated life of the trusts.

In the previous fiscal year 2012, the total liabilities of the Foundation decreased by \$3.6 million. Of this decrease, \$3.3 million resulted from the decrease in the market value of the endowment which decreased the liability to the University. There was a decrease in the liability for payment due on split interest trusts of \$.3 million which was offset by a slight increase in the liability for endowment earnings to be transferred to the University for fiscal year 2013.

Statement of Revenues, Expenditures and Changes in Net Position

Changes in total net position as presented on the statement of net positions are based on the activity presented in the statement of revenues, expenditures and changes in net position. The purpose of the statement is to present the revenues received by the Foundation, both operating and non-operating, and the expenses paid by the Foundation.

Operating revenues are received for providing services to the various customers and constituencies of an institution. Operating expenses are expenses paid to acquire or produce the goods and services provided in return for the operating revenues. The main purpose of the Foundation is to support the University by accepting and managing gifts. Gift and investment income comprise the majority of the revenue received in a given year. Likewise, the primary use of such funds is to transfer them to the University.

Condensed Statements of Revenues, Expenditures and Changes in Net Position As of June 30, 2013 and 2012

	2013	2012	Change 2012 to 2013	2011	Change 2011 to 2012
Operating revenues	\$ 40,299,674	\$ 14,100,228	\$ 26,199,446	\$ 52,226,080	\$(38,125,852)
Operating expenses	26,628,761	17,193,738	9,435,023	30,811,491	(13,617,753)
Operating income (loss)	13,670,913	(3,093,510)	16,764,423	21,414,589	(24,508,099)
Non-operating revenues	581,858	486,351	95,507	(5,893)	492,244
Income (loss) before other expenses	14,252,771	(2,607,159)	16,859,930	21,408,696	(24,015,855)
Special Item - See Note 11	80,990,338	-	80,990,338	-	-
Change in Financial Position	95,243,109	(2,607,159)	97,850,268	21,408,696	(24,015,855)
Net Position, Beginning of Year	148,173,954	150,781,113	(2,607,159)	129,372,417	21,408,696
Net Position, End of Year	<u>\$243,417,063</u>	<u>\$148,173,954</u>	<u>\$ 95,243,109</u>	<u>\$150,781,113</u>	<u>\$ (2,607,159)</u>

The statement of revenues, expenses, and changes in net position reflects a substantial increase in the net position at the end of the year. Some items of note presented on this statement are:

Operating revenue increased by \$26.2 million in fiscal year 2013. The increase was driven by a \$24.1 million increase in the change in fair value of investments from a negative \$6.6 million in fiscal year 2012 to positive \$17.5 million at June 30, 2013. This change is a combination of \$8.6 million decrease in realized capital gains and \$32.8 million increase in unrealized appreciation. Gift revenue increased by \$2.8 million, gifts of \$17.1 million were received in 2013 compared to \$14.4 million in 2012. The majority of the increase was the result of an increase in unconditional promises to give received and a gift of \$2.2 million. Investment income also decreased by \$.2 million in fiscal year 2013 following a decrease in investment earnings of \$.6 million in 2012. The decrease is the result of historically low interest rates and a strategic but gradual increase in equity holdings in the CIT.

For fiscal year 2013, operating expenses increased by \$9.4 million, the bulk of which was a nearly \$9.5 million increase in the change in value of funds held in trust for the University. This follows a decrease in operating expenses of \$13.6 million in fiscal year 2012. The large decrease for fiscal year 2012 was also primarily driven by the change in fair value of investments which decreased the change in value of the funds held in trust for the University. That change was approximately \$14 million in 2012. The situation of holding funds held in trust for the University causes an increase in expenses during up markets and a decrease in expenses during market contractions. The modification of the Indenture Agreement in February 2013 will eliminate this expense going forward.

For fiscal year 2013 and 2012, the distributions from the CIT were \$8.6 million and \$6.8 million, respectively. The substantial increase on top of what would normally be expected because of new endowments and increase investment assets is the result of the adoption of language in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) by the Idaho State Legislature which allows endowments to be managed for total return and distributions made using an adopted spending policy rather than being constrained by dividend and interest income. For fiscal year 2013, the spending rate was 4.5% of the three year rolling average. 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. Over \$136 million has been distributed from endowment earnings to fund scholarships and programs for the University since the CIT was established in 1959 including more than \$100 million in the past sixteen years.

Administrative expense remained just over \$2 million in 2013. The Foundation strives to keep administrative costs as low as possible while providing excellent service to our donors and the University.

For fiscal 2013, a special item has been recorded to acknowledge the execution of the Release and Waiver of Rights and Restrictions on a substantial portion of the endowments that comprise the CIT. The release eliminates the liability that was previously recorded on the financial statements.

Economic Outlook

Through the volunteer leadership of its Board of Directors and its professional staff, the Foundation strives to ensure that the University continues to provide excellence in education and innovation for its students, faculty, programs, for the state of Idaho, nationally and globally. In fiscal year 2013, the Foundation transferred nearly \$17.7 million to the University to ensure this margin of excellence.

In April 2012, the University announced the public phase of its \$225 million capital campaign. The goal of *Inspiring Futures: Invest in the University of Idaho* is to secure the financial resources necessary for the University to build on its leadership position and deliver transformational education experiences for students. The campaign will conclude in 2014—the 125th anniversary of the University's founding with celebrations to be held throughout Idaho.

With total assets of nearly \$259 million dollars, the University of Idaho Foundation, Inc. is the largest institutionally related foundation in the state. We are proud to support the State's comprehensive land grant flagship institution.

For further information, please refer to the notes to the financial statements.

University of Idaho Foundation, Inc.
 Statements of Net Position
 June 30, 2013 and 2012

	2013	2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 11,605,647	\$ 10,541,837
Accrued interest and other receivables	452,118	516,538
Promises to give, net	1,353,293	1,215,450
Investments	11,338,302	11,153,680
Notes receivable	66,500	66,700
Total current assets	24,815,860	23,494,205
Noncurrent Assets		
Restricted cash and cash equivalents	11,998,360	11,402,008
Promises to give, net	1,671,123	2,310,429
Investments	213,870,589	194,286,707
Notes receivable	388,311	458,273
Real estate holdings	5,832,157	4,306,657
Other assets	378,969	303,017
Total noncurrent assets	234,139,509	213,067,091
	\$ 258,955,369	\$ 236,561,296
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 159,899	\$ 95,424
Liability for split interest trusts	1,004,212	1,010,670
Trust earnings payable to trust beneficiaries	8,616,627	6,795,831
Total current liabilities	9,780,738	7,901,925
Noncurrent Liabilities		
Funds held in trust for University of Idaho	-	74,859,032
Liability for split interest trusts	5,757,568	5,626,385
Total noncurrent liabilities	5,757,568	80,485,417
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
	\$ 258,955,369	\$ 236,561,296

University of Idaho Foundation, Inc.
 Statements of Revenues, Expenses, and Changes in Net Position
 Years Ended June 30, 2013 and 2012

	2013	2012
Operating Revenues		
Gifts	\$ 17,133,672	\$ 14,347,596
Dividends	4,011,137	3,590,213
Interest	1,553,262	2,131,853
Change in fair value of investments	17,483,581	(6,602,440)
Change in split interest trusts	(74,400)	404,267
Other	192,422	228,739
Total operating revenues	40,299,674	14,100,228
Operating Expenses		
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
Property management	2,776	17,596
Change in value of funds held in trust for University of Idaho	6,131,306	(3,331,972)
Other	68,258	32,593
Total operating expenses	26,628,761	17,193,738
Operating Income (Loss)	13,670,913	(3,093,510)
Non-operating revenues		
Earnings on split interest trusts	581,858	486,351
Total non-operating revenues	581,858	486,351
Special Item - See Note 11	80,990,338	-
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

University of Idaho Foundation, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2013 and 2012

	2013	2012
Operating Activities		
Donations received	\$ 14,754,009	\$ 15,237,644
Investment income	5,628,819	5,963,477
Real estate contracts	70,162	69,438
Net distributions for the benefit of trust beneficiaries	(6,745,505)	(6,688,409)
Distributions for the benefit of University of Idaho	(9,761,913)	(11,613,645)
Administrative and management fees	(1,986,184)	(2,057,743)
Proceeds from sales and maturities of investments	69,944,294	82,320,615
Purchase of investments and related fees	(70,985,264)	(79,822,844)
Other (payments) and receipts	108,214	216,728
Net Cash from Operating Activities	1,026,632	3,625,261
Capital and Related Financing Activities		
Proceeds from sale of real estate holdings	51,672	289,172
Net Cash from Capital and Related Financing Activities	51,672	289,172
Investing Activities		
Split interest trust income	581,858	486,351
Net Cash from Investing Activities	581,858	486,351
Net Change in Cash and Cash Equivalents	1,660,162	4,400,784
Cash and Cash Equivalents, Beginning of Year	21,943,845	17,543,061
Cash and Cash Equivalents, End of Year	\$ 23,604,007	\$ 21,943,845

University of Idaho Foundation, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2013 and 2012

	2013	2012
Reconciliation of Operating Income (Loss) to Net		
Cash from Operating Activities		
Operating income (loss)	\$ 13,670,913	\$ (3,093,510)
Capital contributions	(2,881,126)	(1,310,398)
Changes in assets and liabilities		
Interest receivable	64,420	241,412
Promises to give	501,463	2,200,446
Split interest trust obligations	124,725	(363,267)
Other receivables, net and other assets	54,210	90,023
Accounts payable and accrued liabilities	64,475	12,163
Funds held for others	1,820,796	80,153
Proceeds from sales and maturities of investments	69,944,295	82,320,615
Purchase of investments and related fees	(70,985,264)	(79,822,844)
Change in fair value of investments	(17,483,581)	6,602,440
Change in value of funds held in trust for the University of Idaho	6,131,306	(3,331,972)
Net Cash from Operating Activities	\$ 1,026,632	\$ 3,625,261
Noncash Activities		
Noncash gifts	\$ 2,881,126	\$ 1,310,398
Special item - Modification of Indenture Agreement	\$ 80,990,338	\$ -

Note 1 - Organization and Summary of Significant Accounting Policies

The University of Idaho Foundation, Inc., (the Foundation) is a nonprofit corporation whose mission is to facilitate the solicitation and management of gifts for the benefit of the University of Idaho (the University). In this capacity, the Foundation is considered to be a component unit of the University. Accordingly, the Foundation is included in the University's financial statements as a discrete component unit. Transactions with the University relate primarily to the disbursement of gift funds.

Included within the Foundation is the Consolidated Investment Trust (CIT), which is a pooled investment fund for endowment assets having a market value of \$207.6 million and \$187.6 million at June 30, 2013 and 2012, respectively. The significant accounting policies followed by the Foundation are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The Foundation uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. The statement of net position and the statement of revenues, expenses and changes in net position display information about the Foundation. These statements include the financial activity of the overall reporting entity.

The statement of revenues, expenses, and changes in net position is a statement of financial activities related to the current reporting period. All significant intra-agency transactions have been eliminated.

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds have been combined to report by classification and only the net position are shown.

Restricted resources may only be utilized in accordance with the purposes established by the source of such resources and are in contrast with unrestricted resources over which the Directors of the Foundation retain full control to use in achieving the Foundation's purposes.

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and temporary investments with an original maturity of three months or less at the date of acquisition. For cash flow purposes the cash balance includes both restricted and unrestricted cash and cash equivalents.

Promises to Give

The Foundation reports promises to give made by donors that are measurable, verifiable, unconditional, and are probable of collection. Promises to give are recorded net of estimated uncollectible amounts.

Investments

The Foundation accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gains or losses on the carrying value of investments are reported as a component of the change in fair value of investments in the statement of revenues, expenses, and changes in net position.

Current investments are comprised of the investment balances that are not restricted for endowment. This category excludes debt securities.

Restricted Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments that are restricted in accordance with donor stipulations for endowments are classified as noncurrent assets in the statement of net position.

Real Estate Holdings

Investments in real estate are stated at cost, which approximates fair market value, when purchased or constructed, or if acquired by gift, at the estimated fair market value at the date of the gift. Cost includes expenditures for major improvements and the net amount of interest cost associated with significant capital additions. Gains and losses from sales are included in income as they occur. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Split Interest Agreements

Split interest agreements held by the Foundation are irrevocable charitable remainder trusts and charitable gift annuities. Assets and liabilities related to split interest agreements for which the Foundation is trustee and is the designated remainderman for the trusts' assets are included in the accompanying statement of net position. Trust assets are recorded at fair market value and a liability is recorded for the present value of estimated distributions to the beneficiaries. The liability is calculated using life expectancy tables and discount rates published by the Internal Revenue Service.

Net Position

The Foundation applies GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, as amended, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

GASB Statement No. 34 establishes standards for external reporting for government entities and requires that resources are classified for accounting and reporting purposes into the following three net position categories:

Restricted Nonexpendable—Net position that is subject to donor stipulations that must be maintained permanently by the Foundation.

Restricted Expendable—Net position that is subject to donor stipulations that will be transferred to the University for direct use by a designated program.

Unrestricted—Net position that is not subject to donor stipulations, which may be expended for any lawful purpose of the Foundation.

Revenue Recognition

All income, gains and losses arising from the sale, collection or disposition of investments and other noncash assets are accounted for in the fund owning such assets.

Noncash tangible assets, other than marketable securities, contributed to the Foundation are recorded on the date legal title passes at the appraised value when it is provided by an independent third party acceptable to Foundation management. If no such independent third party appraisal is available, the asset is recorded at an objective, verifiable basis which is, in the judgment of Foundation management, a fair value to the Foundation for its purposes. If it is not practicable to determine an objective, verifiable valuation, the contribution is not recorded. Marketable securities contributed to the Foundation are recorded at market value as of the date of the gift. In-kind contributions of labor and services are not recorded.

Revenues of the Foundation that are for its primary purposes, which is to solicit financial support for the University and to manage and invest the resulting charitable gifts, are recorded as operating revenue.

Income Taxes

The Foundation is a tax-exempt organization under Section 501(c)(3) and, as such, is subject to federal income tax only on net unrelated business income.

Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods

beginning after December 15, 2011 and was implemented in fiscal year 2013. The adoption of GASB No. 62 did not have any impact on the entity's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011, the entity implemented this statement in fiscal year 2013.

Reclassification

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the entity's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

Subsequent Events

Subsequent events have been evaluated through September 12, 2013 which is the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

The Foundation accounts for its cash on a pooled basis whereby each fund has a positive or negative equity in cash depending upon the net effect of its cash receipts and disbursements activity.

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 Foundation's deposits may not be returned to it. Deposits for the years ended June 30, 2013 and 2012 that are uninsured and uncollateralized are as follows:

	2013	2012
Uninsured and uncollateralized	\$ 126,625	\$ 8,828,408
Collateral held in the name of the counterparty for benefit of the Foundation	\$ 48,712	\$ 228,741

Note 3 - Promises to Give

For the fiscal years ended June 30, 2013 and 2012, the Foundation recorded \$1,555,735 and \$327,000 respectively, of gift revenue in the form of unconditional promises to give. An uncollectible pledge expense in the amount of \$62,229 and \$22,890 was recorded for fiscal years ended June 30, 2013 and 2012, respectively.

The estimated collection of these gifts is as follows:

One year or less	\$ 1,544,666
2015	812,769
2016	315,792
2017	257,753
2018-2022	<u>521,086</u>
	3,452,066
Less allowance for promises to give	<u>(427,650)</u>
Unconditional promises to give, end of year	<u><u>\$ 3,024,416</u></u>

In fiscal year 2013 the Foundation received an unconditional promise to give from a single donor that accounted for 26% of the total promise to give balance. Additionally, the same donor accounted for 13% of the total gifts received in fiscal year 2013.

Note 4 - Investments

Investments in marketable securities are recorded at fair value as determined by quoted market prices. The fair values of private equity limited partnership investments by their nature have no readily ascertainable market prices. Similar to real estate, cost closely approximates fair value for recent acquisitions. Thereafter, the fair values of limited partnership funds are based on the valuations as presented in the fund December 31, 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. Because of the lack of published market prices for these investments, the estimated fair values 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 company values, private equity represents 3.43% of total investments.

At June 30, 2013, the fair value of restricted and unrestricted investments was \$221,713,115 and \$3,495,776 respectively. At June 30, 2012, the fair value of restricted and unrestricted investments was \$201,730,137 and \$3,710,250, respectively.

The Consolidated Investments Trust (CIT) was established by the Regents of the University of Idaho in 1959 to pool endowment funds. The CIT utilizes the market value share method of accounting. The fair value of the CIT's portfolio is divided by the number of outstanding unit participation shares owned by the individual endowments to determine the value of a share when additional contributions are added.

University of Idaho Foundation, Inc.

Notes to Financial Statements

June 30, 2013 and 2012

The following table represents the fair value of investments by type at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
U.S. government agency obligations	\$ 3,651,648	\$ 2,740,091
Corporate debt	40,650,686	40,930,535
Preferred stock	1,122,907	1,563,836
Municipal securities	359,871	512,534
U.S. treasuries	15,951,065	16,031,090
Common stock	112,328,151	93,903,684
International equity funds	15,664,067	14,840,153
Mutual funds	17,486,019	17,158,258
Private equities	7,718,833	6,749,573
Real assets	10,274,933	11,009,940
Foreign currency	711	693
	<u>\$ 225,208,891</u>	<u>\$ 205,440,387</u>

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. The Foundation does not presently have a formal policy that addresses interest rate risk.

As of June 30, 2013, 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	\$ 40,650,686	\$ 3,045,324	\$ 26,631,899	\$ 9,410,238	\$ 1,563,225
U.S. government agency obligations	3,651,648	5,045	3,043,262	316,964	286,377
U.S. treasuries	15,951,065	45,855	9,415,063	6,490,147	-
Municipal securities	359,871	-	150,730	5,007	204,134
	<u>\$ 60,613,270</u>	<u>\$ 3,096,224</u>	<u>\$ 39,240,954</u>	<u>\$ 16,222,356</u>	<u>\$ 2,053,736</u>

As of June 30, 2012, 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	\$ 40,930,535	\$ 7,587,682	\$ 22,258,245	\$ 8,518,240	\$ 2,566,368
U.S. government agency obligations	2,740,091	1,067,704	577,944	588,944	505,499
U.S. treasuries	16,031,090	823,041	1,023,475	14,184,574	-
Municipal securities	512,534	85,436	221,058	5,010	201,030
	<u>\$ 60,214,250</u>	<u>\$ 9,563,863</u>	<u>\$ 24,080,722</u>	<u>\$ 23,296,768</u>	<u>\$ 3,272,897</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 40 requires disclosure of credit quality ratings for investments in debt securities. The Foundation does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued upon standards set by Standard and Poor's).

As of June 30, 2013, the Foundation had the following investment credit risk:

Investment Ratings	Investment Type			Total
	U.S. Government Agency Obligations	Corporate Debt	Municipal Securities	
AAA	\$ -	\$ 485,540	\$ -	\$ 485,540
AA	3,638,980	9,591,151	-	13,230,131
A	-	15,346,277	275,065	15,621,342
BBB	-	11,155,465	-	11,155,465
BB	-	1,990,609	39,999	2,030,608
B	-	1,591,550	-	1,591,550
CCC	-	36,040	-	36,040
CC	-	-	-	-
D	-	33,639	-	33,639
Not Rated	12,668	420,415	44,807	477,890
	<u>\$ 3,651,648</u>	<u>\$ 40,650,686</u>	<u>\$ 359,871</u>	<u>\$ 44,662,205</u>

As of June 30, 2012, the Foundation had the following investment credit risk:

Investment Ratings	Investment Type			Total
	U.S. Government Agency Obligations	Corporate Debt	Municipal Securities	
AAA	\$ -	\$ 2,122,528	\$ -	\$ 2,122,528
AA	2,725,352	10,490,561	-	13,215,913
A	-	12,215,784	338,006	12,553,790
BBB	-	11,685,766	5,010	11,690,776
BB	-	2,036,731	40,023	2,076,754
B	-	1,426,225	-	1,426,225
CCC	-	137,889	-	137,889
CC	-	22,035	-	22,035
D	-	18,215	-	18,215
Not Rated	14,739	774,801	129,495	919,035
	<u>\$ 2,740,091</u>	<u>\$ 40,930,535</u>	<u>\$ 512,534</u>	<u>\$ 44,183,160</u>

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 the purchase (except US Treasury or other federal agencies).
- 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.

At the end of 2013 and 2012, the Foundation had not invested more than 5% of their investments in any one issuer.

Custodial Credit Risk

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, 2013 and 2012 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 does not presently have a policy that addresses foreign currency risk.

The Foundation is exposed to foreign currency risk in foreign stocks that it holds as follows:

Currency Type		2013	2012
		Fair Value	Fair Value
AUD	Australia	\$ 2,604,069	\$ 2,743,365
BRL	Brazil	1,194,298	1,328,378
CHF	Switzerland	2,408,312	1,978,669
CLP	Chile	138,639	212,325
CNY	China	1,982,860	1,803,996
EUR	Euro	2,794,562	2,606,455
GBP	Great Britain	7,778,163	6,211,354
HKD	Hong Kong	2,998,233	2,979,964
IDR	Indonesia	308,957	377,627
INR	India	779,082	858,991
JPY	Japan	2,785,957	2,837,498
KRW	Korea	1,875,246	1,714,623
MXN	Mexico	739,088	730,108
MYR	Malaysia	405,936	412,158
PHP	Philippines	184,277	125,282
PLN	Poland	256,125	173,301
RUB	Russia	674,618	611,250
SEK	Sweden	563,831	455,156
SGD	Singapore	1,607,754	1,448,843
THB	Thailand	439,768	297,816
TRY	Turkey	411,701	250,611
TWD	Taiwan	1,615,660	1,443,143
ZAR	South Africa	665,825	954,603
Various	Various	232,147	252,685
		<u>\$ 35,445,108</u>	<u>\$ 32,808,201</u>

Note 5 - Notes Receivable

Notes receivable are held in escrow and substantially all are collateralized by real estate. Interest earnings on the contracts are to be used for the purposes specified by the donor. Principal payments on the contracts are added to the corpus of the appropriate endowment as they are received. Notes and other contracts receivable at June 30, consist of the following:

	2013	2012
Note receivable dated March 5, 1993, due in equal installments of principal and interest payments of \$74,704, including interest at 6% per annum, through 2019.	\$ 415,162	\$ 470,947
Note receivable dated February 20, 1985, due in equal monthly installments of principal and interest payments of \$400, including interest at 10% per annum, through 2013.	-	3,679
Note receivable dated February 5, 2007, due in equal monthly installments of principal and interest payments of \$1,185, including interest at 7.75% per annum, through 2016.	39,649	50,347
	\$ 454,811	\$ 524,973

Note 6 - Real Estate Holdings

Real estate holdings consisted of the following at June 30, 2013:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Real estate holdings not depreciated				
Land	\$ 4,306,657	\$ 1,525,500	\$ -	\$ 5,832,157

Real estate holdings consisted of the following at June 30, 2012:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Real estate holdings not depreciated				
Land	\$ 4,274,657	\$ 80,000	\$ 48,000	\$ 4,306,657
Total real estate holdings not depreciated	4,274,657	80,000	48,000	4,306,657
Other real estate holdings				
Buildings	225,250	-	225,250	-
Less accumulated depreciation	(140,853)	-	(140,853)	-
Other real estate holdings - net	84,397	-	84,397	-
Real estate holdings - net of depreciation	\$ 4,359,054	\$ 80,000	\$ 132,397	\$ 4,306,657

Note 7 - Distributions to University of Idaho and Affiliates

During fiscal years 2013 and 2012, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2013		2012	
	CIT Endowment Income	Gifts and Other Revenues	CIT Endowment Income	Gifts and Other Revenues
Scholarships	\$ 5,232,748	\$ 2,080,691	\$ 4,123,882	\$ 2,578,983
Student loans	177,382	-	168,091	-
Building funds	-	692,905	-	1,287,082
University of Idaho College and Department Operating Accounts				
Academic Excellence	464,204	15,541	383,873	17,099
Agricultural and Life Sciences	336,937	1,389,860	261,741	1,322,193
Art and Architecture	13,673	67,244	12,820	54,585
Athletics	55,088	674,604	29,153	1,514,098
Business and Economics	351,404	555,799	253,900	526,501
Education	42,604	453,014	23,469	477,957
Engineering	120,720	885,543	77,635	515,181
Law	218,633	243,529	169,589	127,825
Letters, Art and Social Science	489,016	259,101	419,258	394,051
Library	161,539	373	122,427	1,745
Natural Resources	263,729	393,604	178,609	280,304
Science	156,223	174,991	121,687	511,972
Other departments	423,444	1,018,369	305,595	1,231,837
Life beneficiaries	108,895	-	157,464	-
University of Idaho affiliates	388	154,591	368	40,433
Total Distributions	\$ 8,616,627	\$ 9,059,759	\$ 6,809,561	\$ 10,881,846

Note 8 - Split Interest Agreements

At June 30, 2013 and 2012, the Foundation was managing 76 and 81 charitable gift arrangements of which the underlying assets have a market value of \$10,824,127 and \$13,466,818, respectively. The actuarial obligation to pay the trust beneficiaries at June 30, 2013 and 2012, is \$6,761,780 and \$6,637,055, respectively. The assets of the individual trusts are invested and are expected to generate sufficient income to pay this obligation until the termination of the individual trusts. Contributions of \$268,495 and \$199,823 were received in connection with split interest agreements during the years ended June 30, 2013 and 2012, respectively. During the year ended June 30, 2013, six agreements with a market value of \$289,247 terminated, in the previous fiscal year three agreements with a market value of \$305,366 terminated.

Activity for the year ended June 30, 2013 was as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Liability for split interest trusts	<u>\$ 6,637,055</u>	<u>\$ 340,895</u>	<u>\$ (216,170)</u>	<u>\$ 6,761,780</u>	<u>\$ 1,004,212</u>

Activity for the year ended June 30, 2012 was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Due Within One Year</u>
Liability for split interest trusts	<u>\$ 7,000,322</u>	<u>\$ 126,769</u>	<u>\$ (490,036)</u>	<u>\$ 6,637,055</u>	<u>\$ 1,010,670</u>

Note 9 - Foundation Operating Expenses

The University provides occupancy, utilities and payroll services. The value of these services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation.

Note 10 - 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 requirement for principal preservation is addressed by Idaho statute and is applicable lacking any further guidance from the individual gift agreement. During the fiscal year ended June 30, 2013 and 2012, \$6,752,809 and \$5,021,768 was contributed to endowments, respectively.

The Foundation Board of Directors establishes a spending rate annually for endowments. The approved fiscal year 2013 and 2012 spending rate was set at 4.5% of the three-year rolling average of the CIT's monthly fair market value.

During the fiscal year ended June 30, 2013 and 2012, the endowments held by the Foundation had net appreciation (depreciation) on donor restricted endowments of \$17,497,040 and \$(6,048,938). Unrealized appreciation is included with the "Restricted – Non Expendable" Fund Balance.

Note 11 - Special Item

In 1974, the University of Idaho Board of Regents (Regents) authorized the University to transfer the Consolidated Investment Trust (CIT) to the University of Idaho Foundation (Foundation) "in trust" under the terms and conditions of an Indenture Agreement. The CIT was established by the University to allow pooling of endowment assets for investment purposes.

On December 13, 2012, the Regents took action to modify the Indenture Agreement to release the assets transferred to the Foundation from the "in trust" designation. On February 8, 2013, the University and the Foundation executed a Release and Waiver of Rights and Restrictions Agreement that permanently eliminates any and all revocation privileges associated with the indentured assets. The assets that were released had a fair value of \$74,859,032 at June 30, 2012 and \$80,990,338 at the date of transfer.



Independent Auditor's Report 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*

To the Board of Directors
University of Idaho Foundation, Inc.
Moscow, Idaho

We have audited, 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, the financial statements of the business-type activities of University of Idaho Foundation, Inc. (the Foundation) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise of the Foundation's basic financial statements, and have issued our report thereon dated September 12, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 over financial reporting 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 financial reporting 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 yet been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 "Eide Sully LLP".

Boise, Idaho
September 12, 2013