GREETINGS VANDALS, ALUMNI AND FRIENDS,

Once again, I’m inspired by the generosity and commitment of our alumni and donors who generously make brave and bold investments in the future of the University of Idaho. Your gifts provide the needed funds to attract promising young students, recruit outstanding faculty and advance innovative programs statewide — providing a transformative education for Vandal students.

The University of Idaho Foundation, through our dedicated staff and volunteer board of directors, manages your investments in the University with fiscal responsibility, accountability and transparency to ensure we are supporting students, faculty, facilities and programs as you have designated.

As a result of your generosity, the University of Idaho Foundation now has total assets of $293 million and distributed over $21 million to the University in FY 2016 for scholarships, facilities, and programs.

Thanks to you, our generous donors, the University of Idaho continues its tradition of academic excellence. This is the third year in a row the Foundation has been able to distribute over $20 million back to the University.

As I conclude my term as Chairman of the Foundation, I foresee a bright future for the Foundation under the leadership of incoming Chairman Karen Gowland. I am sure Karen, the board of directors and staff will strive to achieve the highest standards of fiscal guidance and stewardship, ensuring continued support for the University and future generations of Vandals.

Thank you again for your support of the University of Idaho and your commitment to its bright future.

Sincerely,

Richard Allen ’73
Chairman
University of Idaho Foundation, Inc.
In the fall of 2015, Professor Brian Johnson was named the first Schweitzer Engineering Laboratories Chair in Power Engineering with the University of Idaho College of Engineering. The position was made possible by a $2 million gift from Schweitzer Engineering Laboratories (SEL).

The Pullman-based international electrical power systems company directed its support of the UI endowed chair to be placed within the College of Engineering’s Department of Electrical and Computer Engineering.

“We are delighted that Brian Johnson is the first SEL Chair in Power Engineering,” said Ed Schweitzer, SEL founder and president. “He’s already made such a big impact on so many students, and we hope this growing partnership between SEL and the University of Idaho will further amplify and expand his influence and work.”

An endowed chair is a distinguished university professorship that is used to attract a preeminent scholar in a specific academic field, in this case power engineering. The enhanced financial support and prestige generated by the endowment will dramatically fuel future innovation in electric power research and teaching.

Johnson is internationally recognized in the field of power engineering and is a senior member of the Institute of Electrical and Electronics Engineers (IEEE), where he holds officer positions on several technical committees. He is former chair of the UI Department of Electrical and Computer Engineering and has served as the primary investigator on over 50 research projects totaling more than $7 million in external funding. Most notable about Johnson’s career is his dedication to students and power engineering education. Over the course of the past 24 years, Johnson has advised more than 170 graduate students in Moscow and globally through the College of Engineering’s Engineering Outreach online education program. He has also successfully mentored several students to receive their certificate in Power Systems Protection and Relaying.

“I’m honored to be selected as the first Schweitzer Engineering Laboratories Chair in Power Engineering,” Johnson said. “I’m excited about the possibilities the new step in our relationship with SEL offers to increase opportunities to excite students about power engineering and strengthen their understanding through courses, design projects and research.”

SEL and UI’s College of Engineering have long enjoyed a valuable local partnership benefiting both organizations, students and employees.

“This gift and the creation of the Schweitzer Engineering Laboratories Endowed Chair in Power Engineering forever links the future of SEL and the UI College of Engineering,” College of Engineering Dean Larry Stauffer said. “We are excited about the increased reputation that comes with this partnership and our increased ability in educating future engineers for the entire power industry.”

SEL currently employs over 250 UI alumni across the globe. Twenty-five SEL employees are currently enrolled at the UI and SEL provides internships for 58 UI students.

“In order for SEL to continue its rich tradition of innovation, we need highly educated engineers who really understand the fundamentals of electric power systems,” said Dave Whitehead, SEL VP of R&D. “The students coming out of UI are able to begin contributing at a high level on day one.”

“We believe this partnership will not only benefit the university and SEL, but it will also help us solve the tough problems related to protecting, monitoring and controlling electric power — which will help make the world a better place.”
TERRY ARMSTRONG CLASSROOM FOR SCIENCE EDUCATION

The College of Education is honoring the late Terry Armstrong, professor emeritus and beloved educator at the University of Idaho, with a dedicated classroom in his name inside the newly-renovated Education building.

The Terry Armstrong Classroom for Science Education in the Education building is dedicated to science, teaching innovation, and excellence. The renovated building is part of a combined $19 million project that turned the 1968 building into a contemporary dynamic learning facility and opened for classes this fall. The state-of-the-art classroom is a transformative, modern space that offers critical resources and learning tools for future educators. Many of Armstrong’s former students and friends have made more than 290 gifts to support the project, and as a result, raised more than $50,000 toward funding the creation of this space.

Armstrong grew up in Salmon and graduated from the University of Southern Mississippi in 1958, where he majored in biology. He married Pat Havemann, a medical technologist, in 1960 while teaching and coaching in Salmon. He later moved to Moscow and received his master’s and doctoral degrees from UI. He worked as President Richard Gibb’s executive assistant from 1978-89. He then returned to teaching until he retired from UI in 1996. Armstrong continued teaching, speaking and serving on community boards and actively maintained an emeritus faculty office in the College of Education.

The classroom won’t be his only legacy. In 1981, Armstrong found three pennies on the sidewalk.

These three pennies became the initial fund for the now more than $362,000 Found Money Fund of Idaho. He was still soliciting and searching for lost coins to add to this famous fund decades later. The proceeds of the fund will be used starting in 2089, UI’s bicentennial, to help finance special projects and trips for students.

In 2001, the Terry Armstrong Teacher Education Scholarship was established in the College of Education. Thanks to the support of generous friends and alumni, this endowed scholarship continues to make an impact. Each year, it is awarded to an upper-division undergraduate student who best embodies Armstrong’s passion for teaching, education and life.

GIFT FROM NFCS, COBANK SUPPORTS YOUTH FINANCIAL LITERACY PROGRAM

A $430,000 gift from the Northwest Farm Credit Services and CoBank has provided funds for the UI Extension educators to develop the Northwest Youth Financial Education Program; a joint partnership program between the UI Extension and Northwest Farm Credit Services to provide financial literacy among youth and young adults. The program delivers fun, interactive programs to increase knowledge, improve economic prospects and teach money skills to youth.

One example of the program, a new video game developed from the funding, Night of the Living Debt, developed by UI Extension educators, offers lessons in financial literacy for young people through video game scenarios targeted to the interests of youth. For example, players must earn income by finding prizes and cashing them in, while navigating the zombie scenarios.

With a goal of teaching players about budgeting and matching income with expenses, the core concepts teach youth about the importance of a good credit score, as well as good budgeting practices through a hands-on interactive program.

To see more examples of the impact of giving to the University of Idaho, visit uidaho.edu/giving
THORESON BEQUEST: A LASTING LEGACY FOR ENHANCED EDUCATION

Two endowments bearing the name of College of Business and Economics 1988 alumnus Thomas T. Thoreson were established this year to honor and recognize the association and passion he had with the college where he earned his business finance degree.

Thomas, who passed away in December 2015, established the two endowments through a $648,000 bequest, creating in perpetuity the Thomas T. Thoreson Endowment for Enhanced Learning and the Thomas T. Thoreson Scholarship Endowment in the College of Business and Economics. In addition, funds from the estate were dedicated to the CBE Student Activity Space in the Albertsons Building.

Raised in Boise and Ketchum, Thomas was an avid fisherman, hunter and sports enthusiast, who also excelled in his career as a senior director of corporate real estate with Fortune 500 companies.

The Thomas T. Thoreson Endowment for Enhanced Learning funds additional learning opportunities for CBE students inside and outside of the classroom – creating hands-on learning experiences to attract and retain talented business students. For example, students studying multiple disciplines within the college will be able to use funds for competitions, field trips, recruiting travel for internships or career placement or bringing industry leaders to campus to benefit business student learning.

The Thomas T. Scholarship Endowment provides student scholarship support to attract and retain outstanding students through Thomas’ vision of scholarship and hands-on learning opportunities. Through the guidance and mentorship of top-flight CBE faculty, students are provided transformative educational experiences to better prepare graduates to meet the challenges of the business world by learning effective problem-solving skills and innovative thinking.

NEW ENDOWMENTS

The Foundation appreciates the generous donors who established and funded the following 34 new endowments with more than $2.4 million in gifts in FY16. Endowments are invested and managed in perpetuity. Distributions are made annually to the University of Idaho for the uses and purposes established by the donor.

Mary Axtell Bailey Journalism Scholarship
Brackett Family Rangeland Student Internship Endowment
Dale Curtis & Marjorie Lee Covey Scholarship Endowment
Barbara K. Dahl Endowment for Language Immersion
Benjamin E. & Patricia M. (Dyson) Doty Endowment
Andrew Emerson Family International Engineering Scholarship Endowment
Bud & Anne Fisher Phi Delta Theta Scholarship Endowment
Douglas J. Fisher Memorial Scholarship Endowment
John & Barbara Foltz CALS Ambassador Endowment
Andrew Joseph “A.J.” Gray University of Idaho WWAMI Scholarship Endowment
Kristin May Harris Theatre Arts Endowment Fund
Loren Lee Harris Memorial Endowment
Walter L. & Pauline W. Harris Scholarship Endowment
Idaho Entrepreneurs Gap Endowment Fund
Joy D. Irving Chemical Engineering Graduate Student Endowment
Joseph Jordan IWRRI Intern Scholarship Endowment
Paul Joyce Memorial Bioinformatics & Computational Biology Fellowship Endowment
Don F. Kopczynski Grand Challenge Scholars Endowment
Mundt Family Vandaler Endowment
Mundt Family FFA Career Development Events Endowment
David L. “Cactus” Paulson Athletic Scholarship Endowment
Payette County 4-H Endowment
Clytie & Barbara Potratz Mathematics Education Scholarship Endowment
V. N. Malli & Vera Lee Rao Chemistry Scholarship Endowment
Lou E. Riesenberg Agricultural & Life Sciences Future Leaders Scholarship Endowment
Schweitzer Engineering Laboratories Chair in Power Engineering
Renae Simmonsen Memorial Endowment
Gladys Staufenbeil Scholarship Endowment
Fred Stringfield Vandal Golf Scholarship Memorial Endowment
Wayne & Peggy Thiessen College of Agricultural & Life Sciences Endowment
David Trail Latah County 4-H Green & Gold Endowment
Weed Science Graduate Student Endowment
Richard Wittman Family Business Management & Succession Planning Endowment
Boyd & Daisy Nebeker Yee Family Endowment
**FOUNDATION FINANCIAL STATEMENT SUMMARY**

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$16,109,377</td>
<td>$19,673,386</td>
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<tr>
<td>Accrued interest and other receivables</td>
<td>$182,030</td>
<td>$488,399</td>
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<tr>
<td>Promises to give, net</td>
<td>$2,285,912</td>
<td>$3,017,841</td>
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<tr>
<td>Investments</td>
<td>$268,745,813</td>
<td>$266,039,231</td>
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<td>Notes receivable</td>
<td>$434,764</td>
<td>$432,798</td>
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<tr>
<td>Real estate holdings</td>
<td>$5,340,457</td>
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<tr>
<td>Other assets</td>
<td>$271,028</td>
<td>$254,614</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$293,369,381</strong></td>
<td><strong>$295,306,726</strong></td>
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### LIABILITIES AND NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$43,042</td>
<td>$77,800</td>
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<tr>
<td>Liability for split interest trusts</td>
<td>$7,347,096</td>
<td>$7,629,960</td>
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<tr>
<td>Trust earnings payable to trusts</td>
<td>$7,347,096</td>
<td>$7,629,960</td>
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<tr>
<td>Administrative expense</td>
<td>$27,732</td>
<td>$70,013</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$17,626,794</strong></td>
<td><strong>$17,411,758</strong></td>
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<tr>
<td><strong>NET POSITION</strong></td>
<td><strong>$275,742,587</strong></td>
<td><strong>$277,894,968</strong></td>
</tr>
</tbody>
</table>

### EXPENSES

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<thead>
<tr>
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<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Distribution of endowment income to trust beneficiaries</td>
<td>$10,236,266</td>
<td>$9,703,998</td>
</tr>
<tr>
<td>Distribution to University and affiliates</td>
<td>$11,169,873</td>
<td>$10,789,896</td>
</tr>
<tr>
<td>Distribution of trust income to life income beneficiaries</td>
<td>$753,860</td>
<td>$749,730</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>$2,228,528</td>
<td>$2,537,971</td>
</tr>
<tr>
<td>Other</td>
<td>$27,732</td>
<td>$70,013</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$24,416,649</strong></td>
<td><strong>$23,691,608</strong></td>
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</tbody>
</table>

### REVENUES

<table>
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<tr>
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<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>$16,123,165</td>
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<tr>
<td>Investment Income</td>
<td>$6,845,186</td>
<td>$6,301,932</td>
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<tr>
<td>Change in fair value of investments</td>
<td>$(1,958,762)</td>
<td>$(6,840,471)</td>
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<tr>
<td>Change in split interest trusts</td>
<td>$627,516</td>
<td>$(231,751)</td>
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<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>$22,264,268</strong></td>
<td><strong>$18,664,845</strong></td>
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</tbody>
</table>

### CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th></th>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$24,416,649</strong></td>
<td><strong>$23,691,608</strong></td>
</tr>
<tr>
<td><strong>NET POSITION Beginning of Year</strong></td>
<td><strong>$277,894,968</strong></td>
<td><strong>$282,921,731</strong></td>
</tr>
<tr>
<td><strong>NET POSITION End of Year</strong></td>
<td><strong>$275,742,587</strong></td>
<td><strong>$277,894,968</strong></td>
</tr>
</tbody>
</table>

**FINANCIAL HIGHLIGHTS**

During fiscal year 2016 (FY16), the University of Idaho Foundation distributed $21.4 million, including a record-setting $10.2 million from endowments, and $11.2 million in current use gifts to support scholarships, research, faculty, programs and building projects at the University.

Of the $21.4 million distributed, $12 million was distributed to support faculty, programs, research and infrastructure. $9.4 million was distributed for scholarships providing essential financial access and directly impacting the University’s ability to make higher education relevant and accessible to students of all backgrounds from the state, region and world. Privately-donated scholarship funds contribute to the University of Idaho’s tradition of awarding more student scholarships than any other institution in Idaho.

Endowment funds are managed by the Foundation in a pooled fund, the Consolidated Investment Trust (CIT). Endowment gifts are held in perpetuity and annual distributions from investment earnings provide long-term support. For FY16, the Foundation’s Board of Directors authorized an endowment earnings distribution rate calculated at 4.4% of the three-year rolling average of the endowment’s value. The Foundation is very proud of the opportunities and resources that endowment earnings provide the University and considers the stewardship of the CIT our primary mission. Over $165 million from endowment earnings has been distributed since the CIT was established in 1979. including more than $100 million in the past thirteen years.

For FY16, the Foundation’s CIT performance ranked in the top 3% of Cambridge Associates College Endowment database. Despite volatile markets, the CIT had a one-year rate of return of 0.9% and five-year annualized return of 5% comparing favorably to similar institutions. The Foundation’s generous alumni, friends and corporate partners gave over $2.4 million to establish 34 new endowments in FY16.

The generous private support we receive is critical in our efforts to support the University of Idaho leadership, faculty, staff and students on their journey to the highest level of excellence. Thanks to the generosity of our donors, the University of Idaho Foundation’s $293 million in total assets makes it the largest institutionally-related charitable organization in the State of Idaho.
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