



Financial Statements
June 30, 2024 and 2023

University of Idaho Foundation, Inc.

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the University of Idaho Foundation, Inc. (the Foundation), a component unit of the University of Idaho as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024 and 2023, and the respective changes in financial position, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of University of Idaho Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Idaho Foundation, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University of Idaho Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Idaho Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, 2024, on our consideration of the University of Idaho Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University of Idaho Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of Idaho Foundation, Inc.'s internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Boise, Idaho
September 12, 2024

The mission of the University of Idaho Foundation, Inc. (the Foundation) is to inspire, manage, and distribute private support to enhance the excellence of the University of Idaho (the University). Established in 1970, the Foundation is a charitable organization under Section 501(c)(3) organization of the Internal Revenue Code.

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 Chair, Vice-Chair, Treasurer, Secretary, and Past Chair. Committees include: Executive Committee, Committee on Directors, Operations Committee, Investment Committee, Audit Committee, Gift Acceptance Committee, and other committees appointed by the Chair as necessary to carry out the business of the Foundation.

Located in Moscow, Idaho, the Foundation's professional staff work collaboratively with the Board, donors, their advisors, and the University development team. Foundation business is conducted via regular meetings of the Board of Directors and its Executive Committee as well as through ongoing communications with committees and staff. Members of the Foundation's Board of Directors provide strong leadership and expertise in a variety of areas relative to its mission. In addition, directors also advise University leadership as requested, advocate for higher education, serve on various college advisory committees, and personally provide major private funding support for the University.

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.

On July 1, 2024, the Foundation and University Advancement merged into one unified philanthropic organization. The mission of the Foundation has expanded to include engagement and fundraising activities to inspire greater private support for the benefit of the University. This change has no impact on the June 30, 2024 financial statements.

Overview

The Management's Discussion and Analysis is designed to provide an easily readable analysis of the 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. This discussion includes a comparative analysis of financial data.

The financial statements are 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. There are three financial statements presented: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows. They are prepared using the accrual basis of accounting.

Reporting Entity

The Foundation is a nonprofit corporation whose purpose is to enhance the excellence of the University. Accordingly, the Foundation is included in the University's financial statements as a discretely presented component unit. Transactions with the University relate primarily to the disbursement of gift funds.

Statements of Net Position

The statements of net position outline the Foundation's financial condition at fiscal year end. The Foundation operates on a fiscal year which begins July 1 and ends June 30. These statements reflect the various assets, liabilities, and net position of the Foundation as of the fiscal years ended June 30, 2024 and 2023.

From the data presented, readers of the statements 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 statements of net position provide a snapshot of the net position (assets minus liabilities and deferred inflows) and availability for expenditure by the Foundation.

The statements of net position are 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 restricted nonexpendable resources as it pertains to endowments is available only for investment purposes. The Consolidated Investment Trust (CIT) is a pooled endowment fund and comprises the majority of the assets of the Foundation. Donors designate income derived from these investments to fund scholarships, research, and other programs at the University of Idaho restricting the use of funds for the intended purpose. This income is included in restricted expendable net position and will be available for expenditure by the University for purposes as determined by donors.

University of Idaho Foundation, Inc.
Management's Discussion and Analysis
June 30, 2024 and 2023

Condensed Statements of Net Position
As of June 30, 2024, 2023, and 2022

	2024	2023	Change 2023 to 2024	2022	Change 2022 to 2023
Assets					
Current assets	\$ 52,413,954	\$ 31,948,182	\$ 20,465,772	\$ 32,844,349	\$ (896,167)
Real estate holdings	6,884,000	4,846,850	2,037,150	4,846,850	-
Noncurrent investments	426,412,653	407,314,525	19,098,128	380,089,811	27,224,714
Other assets	23,155,321	20,908,465	2,246,856	21,544,182	(635,717)
Total Assets	508,865,928	465,018,022	43,847,906	439,325,192	25,692,830
Liabilities					
Current liabilities	17,812,908	15,523,592	2,289,316	14,850,631	672,961
Noncurrent liabilities	5,334,433	5,535,667	(201,234)	6,985,724	(1,450,057)
Total Liabilities	23,147,341	21,059,259	2,088,082	21,836,356	(777,097)
Deferred Inflows					
Split interest trusts	4,522,842	4,198,301	324,541	2,659,413	1,538,888
Total Deferred Inflows	4,522,842	4,198,301	324,541	2,659,413	1,538,888
Net Position					
Restricted - nonexpendable	319,727,619	305,433,285	14,294,334	291,156,929	14,276,356
Restricted - expendable	151,026,231	126,615,395	24,410,836	117,428,476	9,186,919
Unrestricted	10,441,895	7,711,782	2,730,113	6,244,018	1,467,764
Total Net Position	\$ 481,195,745	\$ 439,760,462	\$ 41,435,283	\$ 414,829,423	\$ 24,931,039

During fiscal year 2024, the total net position of the Foundation increased by \$41.4 million. Restricted nonexpendable net position increased by \$14.3 million, restricted expendable net position increased by \$24.4 million, and unrestricted net position increased by \$2.7 million.

The \$14.3 million fiscal year 2024 increase in restricted nonexpendable net position is the result of strong giving to endowment funds. In fiscal year 2023, restricted nonexpendable net position increased \$14.3 million.

The \$24.4 million increase in restricted expendable net position during fiscal year 2024 was primarily driven by the increase in fair market value of investments, which was stronger than the fiscal year 2023 increase of \$9.2 million. Strong giving was sustained in both years.

Unrestricted net position increased by \$2.7 million in fiscal year 2024 and increased by \$1.5 million in 2023, both due to changes in unrestricted investment earnings and in fair market value of investments.

Total assets of the Foundation for the fiscal year ended June 30, 2024, were \$509 million, an increase of \$43.8 million since the fiscal year ended June 30, 2023. The growth in assets primarily results from the increase in the fair market value of the pooled endowment fund, known as the CIT. The net asset value of the CIT including distributions and gifts increased by \$35.1 million in fiscal year 2024 and increased by \$17.2 million in fiscal year 2023. The asset value changes are largely due to the market fluctuations in the general worldwide investment markets, the asset allocation of the CIT, and the spending distributions to the University. The Foundation uses a spending rate applied to the 36-month rolling average market value to compute distributions. The CIT had a preliminary return of 10.6% for fiscal year 2024. The final return rate for fiscal year 2024 will not be available until private equity funds report in fiscal year 2025. The CIT had a final return rate of 8.0% in fiscal year 2023. The Foundation is committed to the long-term focus of the endowment portfolio and the diversity of the asset allocation.

During fiscal year 2024, cash and restricted cash increased by \$9.2 million and short-term investments increased by \$12.9 million. Decisions made to invest cash into liquid money market funds were attributed to favorable interest rates available in these funds. Long-term investment increased by \$19.1 million as a result of the investment allocation decisions. Because a portion of cash is restricted, it is reflected in the noncurrent assets. The categorization of current or non-current assets depends largely on the underlying investment allocation decisions in the CIT and cash management fund.

Total liabilities of the Foundation for the fiscal year ended June 30, 2024, were \$23.1 million, as compared to \$21.1 million in the prior year. The \$2 million increase is from an increase in the amounts payable to the University of \$1.1 million for the annual endowment distribution, an increase in the amounts payable to the University of \$1.2 million for outright gift funding distributions, offset by a decrease in the split-interest trust liability of \$0.2 million.

The deferred inflows for split-interest trusts increased by \$0.3 million due to strong market performance within the trust investment portfolios offset by the impact of a terminated trust during fiscal year 2024.

Statements of Revenues, Expenses, and Changes in Net Position

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

The purpose of the Foundation is the stewardship of the endowment and to support the University by accepting, managing, and distributing gifts. Gift and investment income comprise the majority of the revenue received in a given year and are both included in the summary chart as operating revenues. Likewise, the primary use of such funds is to distribute them to the University. The Foundation also receives operating revenues for providing services to constituents of the institution and incurs expenses to provide such services. Operating expenses include expenses paid to acquire or produce the goods and services provided in return for the operating revenues.

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024, 2023, and 2022

	2024	2023	Change 2023 to 2024	2022	Change 2022 to 2023
Operating revenues	\$ 74,850,575	\$ 55,764,589	\$ 19,085,986	\$ 22,477,175	\$ 33,287,414
Operating expenses	33,415,292	30,833,550	2,581,742	36,936,645	(6,103,095)
Change in Financial Position	41,435,283	24,931,039	16,504,244	(14,459,470)	39,390,509
Net Position, Beginning of Year	439,760,462	414,829,423	24,931,039	429,288,893	(14,459,470)
Net Position, End of Year	<u>\$ 481,195,745</u>	<u>\$ 439,760,462</u>	<u>\$ 41,435,283</u>	<u>\$ 414,829,423</u>	<u>\$ 24,931,039</u>

The net position increased by \$41.4 million during fiscal year 2024. The fair value of investments resulted in a \$35.6 million increase in fiscal year 2024, which was \$16.7 million more than the change in fair value in fiscal year 2023. This increase in the fair market value combined with the increased investment revenue of \$1.4 million, an increase in gift revenue of \$0.6 million, and an increase in other revenue of \$0.4 million resulted in a net increase of \$19.1 million in revenues as compared to the prior year. Fair market value changes are the result of strong overall market performance for both fiscal years 2024 and 2023.

For fiscal year 2024, overall expenses increased by \$2.6 million driven by the amounts paid to the University. Current gift amounts paid to the University increased by \$1.7 million, and the endowment distribution increased by \$1.1 million. Administrative expenses increased by \$0.3 million, and other expenses decreased by \$0.5 million. The Foundation strives to keep administration expenses as low as possible while providing excellent service to its donors and the University.

For fiscal year 2024, the Foundation distributed a total of \$29.8 million to the University including \$15.7 million from the CIT and \$14.1 million from current-use gifts. For fiscal year 2023, the Foundation distributed a total of \$27 million comprised of \$14.6 million from the CIT and \$12.4 million from current-use gifts. These distributions support scholarships, faculty, program operations, and capital projects at the University. The CIT used a spending rate of 4.2% for fiscal years 2024 and 2023, using a 36-month rolling average fair market value.

The Foundation is proud of the opportunity and resources the CIT endowment earnings provide the University and considers the stewardship of the CIT endowment pool a primary objective. The Foundation distributed \$267.7 million from endowment earnings to fund scholarships and programs for the University since the establishment of the CIT in 1959, including \$223.7 million since 2000.

Economic Outlook

Through its professional staff and the volunteer leadership of its Board of Directors, the Foundation strives to ensure that the University continues to provide excellence in education and research on a state, national, and global level.

The Foundation directors and staff take seriously their mission to inspire, manage, and distribute private support to enhance the excellence of the University. With total assets nearing \$509 million, the University of Idaho Foundation is the largest public foundation in the State. As the University continues the major fundraising campaign, the Foundation will continue to support the University to ensure the margin of excellence for the outstanding students, faculty, and programs at the University.

For further information, please refer to the financial statements and corresponding Notes.

University of Idaho Foundation, Inc.

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 28,992,798	\$ 22,503,623
Accrued interest and other receivables	468,625	265,585
Promises to give, net	3,928,310	3,065,410
Investments	19,024,221	6,113,564
Total current assets	<u>52,413,954</u>	<u>31,948,182</u>
Noncurrent Assets		
Restricted cash and cash equivalents	18,615,237	15,881,073
Promises to give, net	3,979,502	4,527,481
Investments	426,412,653	407,314,525
Real estate holdings	6,884,000	4,846,850
Other assets	560,582	499,911
Total noncurrent assets	<u>456,451,974</u>	<u>433,069,840</u>
Total Assets	<u>\$ 508,865,928</u>	<u>\$ 465,018,022</u>
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	\$ 128,126	\$ 209,064
Other funds due to University of Idaho	1,241,539	-
Liability for split-interest trusts	700,761	695,944
Endowment earnings payable to trust beneficiaries	15,742,482	14,618,584
Total current liabilities	<u>17,812,908</u>	<u>15,523,592</u>
Noncurrent Liabilities		
Liability for split-interest trusts	<u>5,334,433</u>	<u>5,535,667</u>
Total noncurrent liabilities	<u>5,334,433</u>	<u>5,535,667</u>
Total liabilities	<u>23,147,341</u>	<u>21,059,259</u>
Deferred Inflows		
Split-interest trusts	<u>4,522,842</u>	<u>4,198,301</u>
Total deferred inflows	<u>4,522,842</u>	<u>4,198,301</u>
Net Position		
Restricted - nonexpendable	319,727,619	305,433,285
Restricted - expendable	151,026,231	126,615,395
Unrestricted	10,441,895	7,711,782
Total net position	<u>481,195,745</u>	<u>439,760,462</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 508,865,928</u>	<u>\$ 465,018,022</u>

University of Idaho Foundation, Inc.
 Statements of Revenues, Expenses, and Changes in Net Position
 Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Gifts	\$ 28,825,884	\$ 28,211,033
Dividends	8,105,391	7,076,556
Interest	1,698,611	1,278,929
Change in fair value of investments	35,554,031	18,882,028
Lease and rental income	40,190	112,834
Other	626,468	203,209
Total operating revenues	74,850,575	55,764,589
Operating Expenses		
Distribution of endowment income to trust beneficiaries	15,742,481	14,618,584
Distribution to University and affiliates	14,080,490	12,412,474
Administrative expense	1,912,961	1,662,672
Investment expenses	1,598,323	1,492,367
Other	81,037	647,453
Total operating expenses	33,415,292	30,833,550
Change in Net Position	41,435,283	24,931,039
Net Position, Beginning of Year	439,760,462	414,829,423
Net Position, End of Year	\$ 481,195,745	\$ 439,760,462

University of Idaho Foundation, Inc.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Donations received	\$ 24,554,679	\$ 27,347,975
Investment income	10,024,041	9,168,054
Cash received from lease and rental income	40,190	112,834
Split interest trust obligations	(196,416)	(1,558,032)
Net distributions for the benefit of trust beneficiaries	(14,618,584)	(13,334,866)
Distributions for the benefit of University of Idaho	(14,621,759)	(12,995,165)
Administrative and management fees	(2,366,292)	(3,675,659)
Proceeds from sales and maturities of investments	151,225,751	166,352,040
Purchase of investments and related fees	(145,303,031)	(165,562,462)
Other receipts (payments)	484,760	(451,423)
Net Cash from Operating Activities	<u>9,223,339</u>	<u>5,403,296</u>
Net Change in Unrestricted and Restricted Cash and Cash Equivalents	9,223,339	5,403,296
Unrestricted and Restricted Cash and Cash Equivalents, Beginning of Year	<u>38,384,696</u>	<u>32,981,400</u>
Unrestricted and Restricted Cash and Cash Equivalents, End of Year	<u>\$ 47,608,035</u>	<u>\$ 38,384,696</u>

University of Idaho Foundation, Inc.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Income to Net		
Cash and Cash Equivalents from Operating Activities		
Change in net position	\$ 41,435,283	\$ 24,931,039
Adjustments to reconcile change in net position to net cash from operating activities		
Non-cash contributions	(4,079,663)	(2,785,820)
Uncollectible expense	81,037	647,453
Unrealized (gain) on real estate holdings	(2,037,150)	-
Proceeds from sales and maturities of investments	151,225,751	166,352,040
Purchase of investments and related fees	(145,303,031)	(165,562,460)
Change in fair value of investments	(33,851,842)	(20,492,355)
Changes in assets and liabilities		
Accrued interest and other receivables	(203,040)	412,884
Promises to give	(395,958)	1,145,903
Other assets	(60,671)	(7,179)
Liability for split interest trusts	(196,416)	(1,558,032)
Accounts payable	1,160,601	(502,783)
Endowment earnings payable to trust beneficiaries	1,123,898	1,283,718
Deferred inflow split interest trust	324,540	1,538,888
Net Cash from Operating Activities	<u>\$ 9,223,339</u>	<u>\$ 5,403,296</u>
Non-Cash Activities		
Non-cash contributions	<u>\$ 4,079,663</u>	<u>\$ 2,785,820</u>

Note 1 - Organization and Summary of Significant Accounting Policies

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

On July 1, 2024, the Foundation and University Advancement merged into one unified philanthropic organization. The mission of the Foundation has expanded to include engagement and fundraising activities to inspire greater private support for the benefit of the University. This change has no impact on the June 30, 2024 financial statements.

Included within the Foundation is the Consolidated Investment Trust (CIT), which is a pooled investment fund for endowment assets having a market value of \$412.3 million and \$377.6 million in June 30, 2024 and 2023, 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 statements of net position and the statements 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 statements of revenues, expenses, and changes in net position are statements of financial activities related to the current reporting period.

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 is 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 fulfilling the Foundation's objectives.

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 highly liquid investments that are both readily convertible to cash and so near maturity that they present insignificant risk of any change in value. They include cash in banks, government funds, income funds, temporary investments, treasury bills and mutual funds. For cash flow purposes, the cash balance includes both restricted and unrestricted cash and cash equivalents.

Pledges of Gifts/Promises to Give

The Foundation reports gift pledges also known as promises to give made by donors that are measurable, verifiable, unconditional, and are probable of collection. Pledges of gifts/promises to give are recorded net of estimated uncollectible amounts and discounted to their net present value of the expected future cash flows, using a risk-free interest rate.

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*, and GASB Statement No. 72, *Fair Value Measurement and Application*. 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 statements of revenues, expenses, and changes in net position.

Current investments are comprised of the investment balances that are not restricted for endowments.

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 statements of net position.

Real Estate Holdings

Investments in real estate are stated at estimated fair value. 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

The Foundation applies GASB Statement No. 81, *Irrevocable Split-Interest Agreements* to account for irrevocable charitable remainder trusts and charitable gift annuity agreements. Assets, liabilities, and deferred inflows related to split-interest agreements for which the Foundation is the trustee and is the designated remainderman for the trusts' assets are included in the accompanying statements of net position. Trust assets are recorded at fair 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. The deferred inflows represent resources pursuant to an irrevocable split-interest agreement. These resources will be recognized as gift revenue upon the termination of the agreements.

Deferred Inflows

Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until termination. The Foundation's unavailable revenues from split-interest agreements are reported as deferred inflows of resources on the Statements of Net Position.

Net Position

The Foundation applies GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, as amended, which 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 current-use fund or endowed 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; which is considered the acquisition 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. Marketable securities contributed to the Foundation are recorded at fair value as of the date of the gift. In-kind contributions of labor and services are not recorded.

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. The amount of the income tax was immaterial for the years ended June 30, 2024 and 2023.

Endowment Earnings Payable to Trust Beneficiaries

Annually, a portion of the CIT is paid out as a distribution to the University to support the various scholarships, academic programs, and other objectives within the University as specified by each endowments' guidelines. The annual distribution expense is accrued monthly throughout the fiscal year and settled with the University in the month following the fiscal year end.

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 of a depository financial institution, the Foundation may not be able to recover its deposits or may not be able to recover collateral securities that are in possession of an outside party. Deposits for the years ended June 30, 2024 and 2023, that are uninsured and uncollateralized are as follows:

	2024	2023
Uninsured and uncollateralized	\$ 220,249	\$ -

Note 3 - Promises to Give

For the fiscal years ended June 30, 2024 and 2023, the Foundation recorded \$2,954,033 and \$1,896,308, respectively, of new pledged gift revenue in the form of unconditional promises to give. Uncollectible promises to give are booked net of the allowance for uncollectable pledges of \$477,222 and \$416,309, for fiscal years ended June 30, 2024 and 2023, respectively.

The estimated collection of these gifts as of June 30, 2024 is as follows:

One year or less	\$ 4,151,650
2026	2,226,081
2027	1,091,501
2028	858,275
2029-2031	543,500
	<u>8,871,007</u>
Less: Allowance for promises to give	(477,222)
Less: Present value discounting	(485,973)
	<u>\$ 7,907,812</u>

At the end of fiscal year 2024, the Foundation had unconditional promises to give from four specific donors that accounted for 34.7% of the total promises to give balance. At the end of fiscal year 2023, the Foundation had unconditional promises to give from four specific donors that accounted for 35.1% of the total promises to give balance. Outstanding promises to give from board members, which may include members on the audit committee, at June 30, 2024 and 2023, totaled \$52,054 and \$57,117, respectively.

Note 4 - Investments

Investments represent the largest asset of the Foundation making up 88% and 89%, of the total assets at June 30, 2024 and 2023, respectively. Of those investments, 86% were endowed in both fiscal year 2024 and 2023 and are held by the Consolidated Investment Trust (CIT) which was established by the Regents of the University of Idaho in 1959 to pool the endowment funds.

Certain assets and liabilities are reported at fair value in the Foundation financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

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

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

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

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

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

The CIT's commingled international equity funds are held in an investment trust which invests in global markets excluding the U.S. The trust is not index oriented and is designed to protect in down markets. The fair values of these funds have been determined using the net asset value (NAV) per share.

The Foundation's private equity limited partnerships are invested in real estate, venture funds and international funds. The fair values have been determined using the NAV per share. The fair values of the private equity limited partnerships have no readily ascertainable market prices. Similar to real estate, costs closely approximate fair value of recent acquisitions. Therefore, the fair values of private equity limited partnership investments are based on the valuations as presented in the fund's March 31st capital statements and adjusted for any cash calls and distributions through June 30th. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing, and other relevant factors. The fair value may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual Foundation values, private equity represents 14.41% and 14.74% of total investments as of June 30, 2024 and 2023, respectively.

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

	Number of Investments	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>As of June 30, 2024</u>					
Commingled funds					
Debt funds	0	\$ -	\$ -	Daily	None
International equity	2	27,667,041	-	Monthly	15 days
Private equity funds	25	64,174,637	51,439,113	Illiquid	N/A
Total		\$ 91,841,678	\$ 51,439,113		
<u>As of June 30, 2023</u>					
Commingled funds					
Debt funds	1	\$ 11,892,495	\$ -	Daily	None
International equity	2	25,271,501	-	Monthly	15 days
Private equity funds	23	60,931,753	31,433,319	Illiquid	N/A
Total		\$ 98,095,749	\$ 31,433,319		

University of Idaho Foundation, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

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

At June 30, 2024 the fair value of restricted and unrestricted investments was \$442,009,022 and \$3,427,852, respectively. At June 30, 2023, the fair value of restricted and unrestricted investments was \$404,676,367 and \$8,751,721, respectively.

The following table represents the fair value of investments by type at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Corporate debt	\$ 33,899,867	\$ 25,445,473
U.S. government agency obligations	13,505,603	8,247,466
U.S. treasuries	10,818,257	10,282,386
Municipal Debt	2,121,874	-
Common stock	88,934,736	77,593,687
Mutual funds		
U.S. equity	98,142,309	98,805,352
Debt	22,538,192	22,361,465
Real Estate	8,476,901	8,089,070
International/Emerging markets	45,661,294	39,689,711
Inflation protected	15,640,246	15,221,570
U.S. treasury	13,840,031	9,581,879
Commingled funds	27,667,041	37,163,996
Private equity	64,174,637	60,931,753
Preferred stock	15,886	14,281
	<u>\$ 445,436,874</u>	<u>\$ 413,428,089</u>

The related fair values of assets not valued at NAV are determined as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
As of June 30, 2024			
Equity investments			
Common stock	\$ 88,934,736	\$ -	\$ -
Preferred stock	15,886	-	-
Mutual funds	152,280,504	-	-
Fixed income investments			
Corporate bonds	-	33,899,867	-
U.S. government agency obligations and treasuries	-	24,323,860	-
Municipal Debt	-	2,121,874	-
Mutual funds	52,018,469	-	-
	<u>\$ 293,249,595</u>	<u>\$ 60,345,601</u>	<u>\$ -</u>
As of June 30, 2023			
Equity investments			
Common stock	\$ 77,593,687	\$ -	\$ -
Preferred stock	-	-	-
Mutual funds	146,584,133	-	-
Fixed income investments			
Corporate bonds	-	25,445,473	-
U.S. government agency obligations and treasuries	-	18,529,852	-
Mutual funds	47,164,914	-	-
	<u>\$ 271,342,734</u>	<u>\$ 43,975,325</u>	<u>\$ -</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. Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. The Foundation does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2024, the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years) With Trusts Included			
		Less than 1	1-5	6-10	More than 10
Corporate debt	\$ 33,899,867	\$ 12,557,698	\$ 18,546,503	\$ 1,623,078	\$ 1,172,588
U.S. government agency obligations	13,505,603	2,700,555	4,046,505	1,725,698	5,032,845
U.S. treasuries	10,818,257	3,096,365	5,090,566	1,119,519	1,511,807
Municipal debt	2,121,874	173,398	1,948,476	-	-
	<u>\$ 60,345,601</u>	<u>\$ 18,528,016</u>	<u>\$ 29,632,050</u>	<u>\$ 4,468,295</u>	<u>\$ 7,717,240</u>

As of June 30, 2023, the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years) With Trusts Included			
		Less than 1	1-5	6-10	More than 10
Corporate debt	\$ 25,445,473	\$ 4,003,340	\$ 20,547,975	\$ 447,522	\$ 446,636
U.S. government agency obligations	8,247,465	491,145	6,695,632	442,672	618,016
U.S. treasuries	10,282,387	5,105,269	5,177,118	-	-
	<u>\$ 43,975,325</u>	<u>\$ 9,599,754</u>	<u>\$ 32,420,725</u>	<u>\$ 890,194</u>	<u>\$ 1,064,652</u>

Credit Risk

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

At June 30, 2024, the Foundation had the following investment credit risk:

Investment Ratings	Investment Type			Total
	Corporate Debt	U.S. Government Agency Obligations	Municipal Debt	
AAA	\$ 601,951	\$ 988,820	\$ 461,379	\$ 2,052,150
AA	5,414,352	12,516,783	1,301,615	19,232,750
A	16,944,753	-	358,880	17,303,633
BBB	10,740,533	-	-	10,740,533
BB	175,951	-	-	175,951
CCC	14,993	-	-	14,993
Not Rated	7,334	-	-	7,334
	<u>\$ 33,899,867</u>	<u>\$ 13,505,603</u>	<u>\$ 2,121,874</u>	<u>\$ 49,527,344</u>

At June 30, 2023, the Foundation had the following investment credit risk:

Investment Ratings	Investment Type			Total
	Corporate Debt	U.S. Government Agency Obligations	Municipal Debt	
AAA	\$ 647,792	\$ 942,150	\$ -	\$ 1,589,942
AA	3,876,990	7,305,316	-	11,182,306
A	15,041,477	-	-	15,041,477
BBB	5,454,900	-	-	5,454,900
BB	377,855	-	-	377,855
CCC	13,501	-	-	13,501
Not Rated	32,957	-	-	32,957
	<u>\$ 25,445,473</u>	<u>\$ 8,247,466</u>	<u>\$ -</u>	<u>\$ 33,692,939</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 U.S. 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.
- With the exception of passively managed portfolios, not more than 30% of the total portfolio may be invested with any one investment manager regardless of the number of funds with that manager.

At the end of 2024 and 2023, the Foundation was in compliance with the policy addressing concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover the value of its investment or collateral securities that are in possession of another party. The Foundation minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. At June 30, 2024 and 2023, all Foundation funds were held in the name of the counterparty for benefit of the Foundation.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation investment policy limits the exposure to foreign investment holdings in the portfolio.

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

Currency Type		2024 Fair Value	2023 Fair Value
AUD	Australia	\$ 490,941	\$ 559,347
CAD	Canada	811,513	775,368
CHF	Switzerland	1,938,032	1,931,227
DKK	Denmark	978,289	1,099,564
EUR	Euro	6,245,916	5,245,668
GBP	Great Britain	1,472,572	1,504,065
HKD	Hong Kong	382,608	511,830
JPY	Japan	2,407,941	2,529,285
SEK	Sweden	269,892	155,363
SGD	Singapore	237,292	252,477
		<u>\$ 15,234,996</u>	<u>\$ 14,564,194</u>

Note 5 - Real Estate Holdings

Real estate holdings consist of the following at June 30, 2024 and 2023:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Real estate holdings				
Land	<u>\$ 4,846,850</u>	<u>\$ 2,037,150</u>	<u>\$ -</u>	<u>\$ 6,884,000</u>
	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Real estate holdings				
Land	<u>\$ 4,846,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,846,850</u>

Note 6 - Distributions to University of Idaho and Affiliates

During fiscal years 2024 and 2023, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2024		2023	
	CIT Endowment Income Distributed	Gifts and Other Revenues Distributed	CIT Endowment Income Distributed	Gifts and Other Revenues Distributed
Scholarships	\$ 9,675,721	\$ 2,015,762	\$ 9,019,383	\$ 2,163,648
Student loans	209,012	138,932	203,659	-
Building funds	-	-	-	215,905
University of Idaho College and Department Operating Accounts	5,850,183	11,900,659	5,388,169	10,016,084
Life beneficiaries	7,565	-	7,371	-
University of Idaho affiliates	-	25,137	-	16,838
Total Distributions	<u>\$ 15,742,481</u>	<u>\$ 14,080,490</u>	<u>\$ 14,618,582</u>	<u>\$ 12,412,475</u>

Note 7 - Split-Interest Agreements

At June 30, 2024 and 2023, the Foundation managed 48 and 49 split-interest arrangements of which the underlying assets had a market value of \$10,558,037 and \$10,429,913, respectively. The obligation to pay the trust beneficiaries at June 30, 2024 and 2023, was \$6,035,195 and \$6,231,611, 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 \$0 and \$360,000, were received in connection with split-interest agreements during the years ended June 30, 2024 and 2023, respectively. During the year ended June 30, 2024, one agreement with a market value of \$123,379 was terminated. During the year ended June 30, 2023, two agreements with a combined market value of \$230,596 were terminated.

Activity for the years ended June 30, 2024 and 2023, was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Liability for split- interest trusts	<u>\$ 6,231,611</u>	<u>\$ -</u>	<u>\$ (196,417)</u>	<u>\$ 6,035,194</u>	<u>\$ 700,761</u>
	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Liability for split- interest trusts	<u>\$ 7,789,643</u>	<u>\$ 183,475</u>	<u>\$ (1,741,507)</u>	<u>\$ 6,231,611</u>	<u>\$ 695,944</u>

Note 8 - Endowments

The Foundation receives certain gift assets that are restricted for endowment purposes, and by definition the original gift amount is held in perpetuity for the benefit of the University. Restriction requirements for principal preservation are addressed by Idaho statute and are applicable lacking any further guidance from the individual gift agreement. During the fiscal years ended June 30, 2024 and 2023, \$14,810,271 and \$13,817,735, were contributed to endowments, respectively.

The Foundation Board of Directors establishes a spending rate annually for endowments. The approved fiscal years 2024 and 2023 spending rate was set at 4.2% of the 3 year rolling average of the CIT's fair market value.

During the fiscal years ended June 30, 2024 and 2023, the endowments held by the Foundation had net appreciation (depreciation) on endowments of \$32,344,682 and \$19,234,227, respectively. Unrealized appreciation is included with the "Restricted – expendable" Net Position.



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 University of Idaho Foundation, Inc. (the Foundation) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements, and have issued our report thereon dated September 12, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 been identified.

Report on 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 financial statements. 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 Foundation'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.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 12, 2024