Financial Statements
June 30, 2025 and 2024

University of Idaho Foundation, Inc.

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), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation, as of June 30, 2025 and 2024, and the changes in its net assets 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). 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 the Foundation 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.

Correction of Errors

As discussed in Note 10 to the financial statements, the 2024 financial statements have been restated to correct misstatements that should have been reported in the prior year. Our opinion is not modified with respect to that matter.

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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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 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, 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 Foundation'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 Foundation'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.

Eide Bailly LLP

Boise, Idaho
October 2, 2025

	2025	As Restated 2024
Assets		
Cash and cash equivalents	$ 50,437,274	$ 47,608,035
Accrued interest and other receivables	533,314	468,625
Promises to give, net	10,891,920	10,104,946
Investments	484,990,213	445,436,874
Beneficial interest held by third parties	10,626,471	10,827,619
Real estate holdings	7,034,000	6,884,000
Other assets	576,264	560,582
Total Assets	$ 565,089,456	$ 521,890,681
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 173,230	$ 128,125
Other funds due to University of Idaho	5,316,963	1,241,539
Liability for split-interest trusts	6,568,127	6,035,194
Endowment earnings payable to trust beneficiaries	16,505,442	15,742,482
Total Liabilities	28,563,762	23,147,340
Net Assets		
Without donor restrictions	13,030,269	10,441,895
With donor restrictions	523,495,425	488,301,446
Total Net Assets	536,525,694	498,743,341
Total Liabilities and Net Assets	$ 565,089,456	$ 521,890,681

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 15,392	$ 37,267,989	$ 37,283,381
Contributed nonfinancial assets	7,910,153	-	7,910,153
Net investment income	3,290,587	43,779,139	47,069,726
Change in fair value of split-interest agreements	-	1,090,730	1,090,730
Change in fair value of beneficial interest held by third parties	-	(201,147)	(201,147)
Lease and rental income	-	107,390	107,390
Other	522	580,909	581,431
Releases from restrictions	47,431,031	(47,431,031)	-
Total support and revenue	58,647,685	35,193,979	93,841,664
Expenses			
Operating Expenses			
Distribution of endowment income to trust beneficiaries	16,505,442	-	16,505,442
Distribution to university	28,664,518	-	28,664,518
Total program services	45,169,960	-	45,169,960
Support Services			
Administrative and general	6,454,625	-	6,454,625
Development and fundraising	3,490,970	-	3,490,970
Alumni programs	943,756	-	943,756
Total support services	10,889,351	-	10,889,351
Total expenses	56,059,311	-	56,059,311
Change in Net Assets	2,588,374	35,193,979	37,782,353
Net Assets, Beginning of Year	10,441,895	488,301,446	498,743,341
Net Assets, End of Year	$ 13,030,269	$ 523,495,425	$ 536,525,694

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 19,507	$ 30,166,504	$ 30,186,011
Net investment income	5,373,346	38,833,474	44,206,820
Change in fair value of split-interest agreements	-	324,541	324,541
Change in fair value of beneficial interest held by third parties	-	454,441	454,441
Lease and rental income	-	40,190	40,190
Other	498	625,970	626,468
Releases from restrictions	29,600,839	(29,600,839)	-
Total support and revenue	34,994,190	40,844,281	75,838,471
Expenses			
Operating Expenses			
Distribution of endowment income to trust beneficiaries	15,742,481	-	15,742,481
Distribution to university	14,080,490	-	14,080,490
Total program services	29,822,971	-	29,822,971
Support Services			
Administrative and general	2,441,106	-	2,441,106
Total support services	2,441,106	-	2,441,106
Total expenses	32,264,077	-	32,264,077
Change in Net Assets	2,730,113	40,844,281	43,574,394
Net Assets, Beginning of Year	7,711,782	432,048,680	439,760,462
Cumulative Effect of Correction of an Error (Note 10)	-	15,408,485	15,408,485
Net Assets, Beginning of Year as restated	7,711,782	447,457,165	455,168,947
Net Assets, End of Year	$ 10,441,895	$ 488,301,446	$ 498,743,341

	Program Services	Support Services			
	University Support	Administrative and General	Development and Fundraising	Alumni Programs	Total
Distribution of endowment income to trust beneficiaries	$ 16,505,442	$ -	$ -	$ -	$ 16,505,442
Distribution to University	28,664,518	-	-	-	28,664,518
Salaries and benefits	-	3,753,420	3,307,786	825,345	7,886,551
Insurance	-	89,984	-	-	89,984
Legal services	-	218,785	-	-	218,785
Accounting services	-	101,035	-	-	101,035
Banking and custody services	-	55,316	-	-	55,316
Payment processing fees	-	73,479	-	-	73,479
Property and income tax	-	12,971	-	-	12,971
Office, equipment, software, and supplies	-	549,855	71,152	44,974	665,981
Uncollectible pledge expense	-	434,186	-	-	434,186
Travel	-	36,633	67,871	41,579	146,083
Other professional and contracting services	-	293,041	26,775	29,988	349,804
Membership dues and subscriptions	-	128,510	12,289	1,177	141,976
Meeting expenses	-	410,533	5,097	693	416,323
Office space	-	296,877	-	-	296,877
	$ 45,169,960	$ 6,454,625	$ 3,490,970	$ 943,756	$ 56,059,311

	Program Services	Support Services			
	University Support	Administrative and General	Development and Fundraising*	Alumni Programs	Total
Distribution of endowment income to trust beneficiaries	$ 15,742,481	$ -	$ -	$ -	$ 15,742,481
Distribution to University	14,080,490	-	-	-	14,080,490
Salaries and benefits	-	1,495,262	-	-	1,495,262
Insurance	-	57,679	-	-	57,679
Legal services	-	309,863	-	-	309,863
Accounting services	-	70,122	-	-	70,122
Banking and custody services	-	44,310	-	-	44,310
Payment processing fees	-	63,761	-	-	63,761
Property and income tax	-	40,681	-	-	40,681
Office, equipment, software, and supplies	-	88,030	-	-	88,030
Uncollectible pledge expense	-	81,037	-	-	81,037
Travel	-	20,047	-	-	20,047
Other professional and contracting services	-	130,956	-	-	130,956
Membership dues and subscriptions	-	10,292	-	-	10,292
Meeting expenses	-	29,066	-	-	29,066
	$ 29,822,971	$ 2,441,106	$ -	$ -	$ 32,264,077

* Fundrasing activities were performed by the University of Idaho during fiscal year 2024.
As such, the related expenses have not been recognized for the Foundation's purposes.

	2025	As Restated 2024
Operating Activities		
Change in net assets	$ 37,782,353	$ 43,574,394
Adjustments to reconcile net assets to net cash used for operating activities		
Contributions restricted for long-term purposes	(33,553,421)	(26,086,841)
Uncollectible pledge expense	434,186	81,037
Realized and unrealized gains on investments	(37,399,667)	(35,554,032)
Change in fair value of split-interest agreements	(1,090,730)	(324,541)
Change in fair value of beneficial interests held by third parties	201,147	(454,441)
Change in assets and liabilities		
Accured interest and other receivables	(64,689)	(203,040)
Promises to give	(1,221,160)	(1,756,086)
Other assets	(15,682)	(60,671)
Liability for split-interest trusts	532,933	(196,417)
Accounts payable	4,120,529	1,160,600
Endowment earnings payable to trust beneficiaries	762,960	1,123,898
Net Cash used for Operating Activities	(29,511,241)	(18,696,140)
Investing Activities		
Proceeds from sales and maturities of investment securities	141,645,279	151,225,751
Purchase of investments	(142,858,220)	(149,393,113)
Net Cash (used for) from Investing Activities	(1,212,941)	1,832,638
Financing Activities		
Contributions restricted for long-term purposes	33,553,421	26,086,841
Net Cash from Financing Activities	33,553,421	26,086,841
Change in Cash and Cash Equivalents	2,829,239	9,223,339
Cash and Cash Equivalents, Beginning of Year	47,608,035	38,384,696
Cash and Cash Equivalents, End of Year	$ 50,437,274	$ 47,608,035

Note 1 - Organization and Summary of Significant Accounting Policies

The University of Idaho Foundation, Inc. (the Foundation), was incorporated on September 17, 1970, as 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, University Advancement merged into the Foundation, forming one unified philanthropic organization. The expanded organization now is responsible for fundraising, engagement, information and technology services, financial operations and investment management to support activities under the Foundation's mission to inspire, manage and distribute private support for the benefit of the University.

Basis of Presentation

The Foundation's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

Correction of An Error

Effective July 1, 2024, the Foundation implemented a change in reporting entity by transitioning from accounting and reporting standards established by the Governmental Accounting Standards Board (GASB) to those prescribed by the Financial Accounting Standards Board (FASB). This change is made in recognition of the Foundation's status as a nongovernmental entity, which aligns more appropriately with FASB standards. The Foundation determined the implementation should have occurred prior to the beginning of July 1, 2024 which is considered an error in reporting. The adoption of FASB standards has been applied retrospectively, and the financial statements for the prior periods have been restated to conform to the new accounting principles. The impact of this change on the financial statements is disclosed in Note 10.

Fund Accounting

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 asset 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenues are reported as increases in net assets without restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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. This primarily includes cash in banks and cash in money market accounts.

Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. The net unrealized gains or losses in fair value of investments, as well as all other investment income, are recognized in the statements of activities. The fair values of the investments are subject to fluctuation on a year-to-year basis; management believes that the investment policy is prudent for the long-term welfare of the Foundation. Investments are classified within the level of lowest significant input considered in determining fair value. Alternative investments include commingled international equity and private equity funds. The fair values of alternative investments not publicly traded on national security exchanges represent the Foundation's pro-rata interest in the funds. Because of inherent uncertainties in the valuation of these non-publicly traded alternative investments, those estimated fair values may differ materially from the values that might ultimately be realized. In accordance with the FASB Accounting Standards Codification Subtopic 820-10, Fair Value Measurements and Disclosures, certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient to fair value measurement have not been classified in the fair value hierarchy.

The Consolidated Investment Trust (CIT) is a pooled investment fund for endowment assets. Earnings from the CIT are prorated back to individual funds. As of June 30, 2025 and 2024, the CIT's market value was $473.2 million and $432.2 million, respectively.

Dividend and interest income are recorded when earned. Realized gains and losses are recorded at the time of sale for the amount of the difference between the sale price and the cost basis of the investment. Unrealized gains and losses are recorded for the change in the fair value of the securities, which are still held as of year-end. Investment expenses are recorded as incurred.

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. 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. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Conditional promises to give are recognized when the conditions on which they depend are met.

Consequently, at June 30, 2025 and 2024, contributions approximating $1,535,000 and $1,510,000, respectively, have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met. The total conditional contributions depend on receiving necessary funding for construction, including support from the State of Idaho Permanent Building Fund.

Management estimates an allowance for uncollectible promises to give based on current economic conditions, historical trends, and experience with their donor base.

Beneficial Interest Held by Third Parties

Beneficial interest held by third parties are funds held by outside trustees for the benefit of the Foundation in accordance with the terms of the irrevocable trusts. These trusts are neither in the possession, nor under the control, of the Foundation. Trust terms provide that the Foundation will receive annually all or a portion of the income earned by the trust assets. The Foundation's beneficial interest in the trusts are recognized as assets and gift income at the dates the trusts are established. The beneficial interest is reported at fair value, which is estimated using the fair value of the assets of the trust at the date of measurement (or the proportionate share if the perpetual trust has multiple beneficiaries). Distributions from the perpetual trusts and other changes in the fair value of those beneficial interests are recorded as a return on investments.

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

Assets and liabilities 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 financial position within investments and a separate liability. 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, ranging from 0.4% to 8.0%, at the date of the gift published by the Internal Revenue Service. The value of the split-interest agreements in these trusts is adjusted annually for the change in their estimated fair value. Those changes in value are also reported as increases or decreases in net assets with donor restrictions. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is communicated or received. Contributions of public stock are recorded at fair value on the date of donation and liquidated upon receipt. Contributions of life insurance policies are recorded at cash surrender value on the date of donation.

Contributed Nonfinancial Assets

Contributed nonfinancial assets, or in-kind contributions, are recorded as contributions at their estimated fair value at the date of donation. Fair value is determined using appraisers or other readily available valuations of similar property and equipment. 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. Such contributions are reported as increases within the net asset classification of without donor restrictions unless the donor has restricted the donated asset to a specific purpose or time restriction.

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.

Functional Allocation of Expenses

Expenses which apply to more than one functional category, are allocated between support services and program services based on the time spent on these functions by specific employees as estimated by senior management. The remaining costs are charged directly to the appropriate functional category.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) except to the extent of unrelated business taxable income as defined under IRC sections 511 through 515. The Foundation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation recognizes interest and penalties related to income tax matters, if any, in operating expenses.

The Foundation had no unrecognized tax benefits at June 30, 2025 and 2024. There were no interest or penalties accrued for the years ended June 30, 2025 and 2024. The amount of the income tax was immaterial for the years ended June 30, 2025 and 2024.

Concentration of Risk

Cash equivalents – In the normal course of business, the Foundation may maintain balances at a bank in excess of federally insured limits. The amount of cash balances that were uninsured was $575,075 and $220,249 for the years ended June 30, 2025 and 2024, respectively.

Investments – Investments are exposed to various risks, such as interest, market, and credit risks. It is reasonably possible given the risks associated with investments that changes in the near term could materially affect the amounts reported in the financial statements. To manage risk, the Foundation has formal investment policies.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The Foundation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about condition that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Foundation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are issued.

Management has evaluated subsequent events through October 2, 2025, the date on which the financial statements were available to be issued.

Note 2 - Liquidity and Availability

The Foundation's financial assets available within one year of statements of financial position for general expenditures are as follows:

	2025	As Restated 2024
Financial assets at year-end		
Cash and cash equivalents	$ 50,437,274	$ 47,608,035
Accrued interest and other receivables, net	533,314	468,625
Promises to give, net	10,891,920	10,104,946
Investments	484,990,213	445,436,874
Total financial assets	546,852,721	503,618,480
Less amounts not available to be used within one year		
Net assets with donor restrictions, net	506,989,983	459,019,335
Total amounts not available to be used within one year	506,989,983	459,019,335
Financial assets available to meet general expenditures over the next twelve months	$ 39,862,738	$ 44,599,145

The Foundation's general expenditures include fundraising, alumni program support and administrative expenses. To meet the cash needs for these general expenditures during the year, the Foundation relies upon administrative fees (endowment management fees and gift acceptance fees), unrestricted donations, investment earnings from short-term investments, and support from the University.

Net assets with donor restrictions as of June 30, 2025 and 2024, has been reduced by management's estimate of the amount to be distributed from the endowment to trust beneficiaries and budgeted expenditures in the next 12 months, which includes the 4.2% spending distribution to the University and the 0.7% investment management fee distributed to the Foundation.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Foundation has operational reserve funds of $5,286,641 and $4,549,644 as of June 30, 2025 and 2024, respectively. Although the Foundation does not intend to spend from its operational reserve, amounts could be made available if necessary. The majority of the Foundation's assets are held for University use with donor restrictions. The expenditures of these assets are not considered general expenditures.

Note 3 - Promises to Give

For the years ended June 30, 2025 and 2024, the Foundation recorded $5,358,897 and $4,703,979, as restated, respectively, of new pledged gift revenue in the form of unconditional promises to give.

Promises to give consist of the following as of June 30:

	2025	As Restated 2024
In one year or less	$ 5,542,385	$ 5,075,301
Between one and five years	6,627,359	6,063,485
More than five years	-	250,000
Total estimated collection	12,169,744	11,388,786
Less allowance for promises to give	(502,732)	(588,860)
Less present value discounting	(775,092)	(694,980)
Unconditional promises to give, net	$ 10,891,920	$ 10,104,946

The discount is calculated using the 5-year U.S. Treasury rate on, or as reasonable close to, June 30th in the year the promise to give was made (regardless of the duration of the promise to give). Rates used for the discounts range from 0.29% to 4.33%.

The Foundation had unconditional promises to give from five and four specific donors that accounted for 52.9% and 34.7% of the total promises to give balance as of June 30, 2025 and 2024, respectively. Outstanding promises to give from board members, which may include members on the audit committee, at June 30, 2025 and 2024, totaled $825,000 and $52,054, respectively.

Note 4 - Investments and Fair Value Measurements

Investments represent the largest asset of the Foundation making up 89% and 88%, of the total assets at June 30, 2025 and 2024, respectively. Of those investments, 85% and 83% were endowed at June 30, 2025 and 2024, respectively, 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 market prices available through public markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

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. Real estate holdings are valued by a third-party appraisal at the time of acceptance and are classified within Level 3.

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain international equity comingled funds, and, private equity funds, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents by level, within the fair value hierarchy, except those measured by using NAV per share as a practical expedient, the Foundation's investment assets at fair value as of June 30, 2025:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equity investments				
Common stock	$ 98,875,317	$ -	$ -	$ 98,875,317
Preferred stock	22,138	-	-	22,138
Mutual funds	165,785,738	-	-	165,785,738
Fixed income investments				
Corporate bonds	-	30,270,028	-	30,270,028
U.S. government agency obligations and treasuries	-	24,321,677	-	24,321,677
Municipal debt	-	2,383,976	-	2,383,976
Mutual funds	61,174,456	-	-	61,174,456
Total	325,857,649	56,975,681	-	382,833,330
Real estate holdings	-	-	7,034,000	7,034,000
Beneficial interest held by third parties	-	-	10,626,471	10,626,471
Total assets in fair value hierarchy	$ 325,857,649	$ 56,975,681	$ 17,660,471	400,493,801
Investment measured at NAV practical expedient				102,156,883
Total				$ 502,650,684
Liabilities				
Liability for split-interest trusts				$ 6,568,127
Endowment earnings payable to trust beneficiaries				$ 16,505,442

The following table presents by level, within the fair value hierarchy, except those measured by using NAV per share as a practical expedient, the Foundation's investment assets at fair value as of June 30, 2024:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equity investments				
Common stock	$ 88,934,736	$ -	$ -	$ 88,934,736
Preferred stock	15,886	-	-	15,886
Mutual funds	152,280,504	-	-	152,280,504
Fixed income investments				
Corporate bonds	-	33,899,867	-	33,899,867
U.S. government agency obligations and treasuries	-	24,323,860	-	24,323,860
Municipal debt	-	2,121,874	-	2,121,874
Mutual funds	52,018,469	-	-	52,018,469
Total	293,249,595	60,345,601	-	353,595,196
Real estate holdings	-	-	6,884,000	6,884,000
Beneficial interest held by third parties, as restated	-	-	10,827,619	10,827,619
Total assets in fair value hierarchy	$ 293,249,595	$ 60,345,601	$ 17,711,619	371,306,815
Investment measured at NAV practical expedient				91,841,678
Total				$ 463,148,493
Liabilities				
Liability for split-interest trusts				$ 6,035,194
Endowment earnings payable to trust beneficiaries				$ 15,742,482

The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

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.

Fair Value of Investments in Entities that use NAV

The following tables summarize investments measured at fair value based on NAV per share as a practical expedient, as well as the unfunded commitments as of June 30, 2025 and 2024:

	June 30, 2025			
	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds				
International equity	$ 33,821,448	$ -	Monthly	15 days
Private equity funds	68,335,435	44,174,227	Non-liquid	N/A
Total	$ 102,156,883	$ 44,174,227		

	June 30, 2024			
	Principal Valuation Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds				
International equity	$ 27,667,041	$ -	Monthly	15 days
Private equity funds	64,174,637	51,439,113	Non-liquid	N/A
Total	$ 91,841,678	$ 51,439,113		

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% and 14% of total investments as of June 30, 2025 and 2024, respectively.

Changes in Level 3 assets measured at fair value for the period ended June 30, 2025 and 2024, were as follows:

	Real Estate Investments	As Restated Beneficial Interest Held by Third Parties
Balance at July 1, 2023	$ 4,846,850	$ 10,373,178
Total unrealized gains	2,037,150	454,441
Balance at June 30, 2024	6,884,000	10,827,619
Total unrealized gains (losses)	-	(201,147)
Contributions	150,000	-
Balance at June 30, 2025	$ 7,034,000	$ 10,626,471

Net investment income at June 30, consisted of the following:

	2025	2024
Realized and unrealized gains	$ 37,399,667	$ 35,554,032
Interest and dividends	10,746,668	9,804,002
Investment expense	(1,076,609)	(1,151,214)
Net Investment Income	$ 47,069,726	$ 44,206,820

Note 5 - Endowment Net Assets

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.

Interpretation of Relevant Law

The Foundation board has interpreted the Uniform Prudent Management for Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation and depreciation of investments;
6. Other resources of the Foundation; and
7. The investment policies of the foundation.

Changes in endowment net asset composition for the years ended June 30, 2025 and 2024, are as follows:

	With Donor Restrictions
Endowment net assets, June 30, 2023	$ 380,973,168
Return on investments, net	36,716,058
Contributions	14,810,271
Endowment distributions	(16,474,780)
Endowment net assets, June 30, 2024	416,024,717
Return on investments, net	41,023,977
Contributions	16,287,223
Endowment distributions	(17,196,500)
Endowment net assets, June 30, 2025	$ 456,139,417

During the years ended June 30, 2025 and 2024, the endowments held by the Foundation had net appreciation (depreciation) on endowments of $35,863,903 and $32,344,682, respectively. Unrealized appreciation is included within net assets with donor restrictions.

Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. At June 30, 2025, 15 funds with original gift values of $1,132,402, fair values of $1,108,509, and deficiencies of $23,893, were reported in net assets with donor restrictions. At June 30, 2024, 69 funds with original gift values of $8,335,198, fair values of $8,095,041, and deficiencies of $240,157, were reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and scholarships supported by its endowment while seeking to maintain the fair value of the endowment assets. Under the policy adopted by the Foundation, the primary objective is to preserve and, over time, increase the inflation adjusted value of the investable assets of the Foundation. Second, the objective is to maximize, over the long run, the total rate of return on investable assets, assuming a level of risk consistent with prudent investment practices for such funds. Endowment assets, for the purposes of this disclosure, include those assets of donor-restricted funds the Foundation must hold in perpetuity or for a donor specified period. All endowment funds shall be subject to the same high level of prudent investment policy.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation’s Board of Directors establishes a spending rate annually for endowments. The approved spending rate for fiscal years 2025 and 2024, was set at 4.2% of the 36-month rolling average of the CIT’s fair market value.

Allocation of Earnings

The Foundation’s policy is to allocate all earnings and losses to each participating fund established in the Foundation. The allocation is based on assigned unit values. Unit values are periodically adjusted based on market performance.

Earnings subject to donor restrictions or restrictions based on state law are reported as increases in net assets with donor restrictions. When the restriction is met or earnings are appropriated by the board, the earnings are reclassified to undesignated net assets without donor restrictions.

Note 6 - Split-Interest Agreements

The Foundation's irrevocable interest in gift annuities and charitable remainder trust experienced the following changes during the years ended June 30:

	2025	As Restated 2024
Net assets with donor restrictions, split-interest trusts, beginning balance	$ 9,063,259	$ 4,592,592
Cumulative effect of change in accounting principle (Note 10)	-	4,198,301
Net assets with donor restrictions, split-interest trusts, beginning balance, as restated	9,063,259	8,790,893
Contributions	969,601	-
Interest and dividends	522,392	437,241
Realized/unrealized gains, net	172,209	156,333
Lease and rental income	42,413	39,913
Change in value of split-interest agreements	1,090,730	324,541
Total income	2,797,345	958,028
Payments to University of Idaho	(59,636)	(9,606)
Payments to income beneficiaries	(779,862)	(541,268)
Termination/maturity of planned gifts	(701,978)	-
Investment management and other fees	(18,064)	(16,925)
Transfers	-	(117,863)
Total expense	(1,559,540)	(685,662)
Net assets with donor restrictions, split-interest trusts, ending balance	$ 10,301,064	$ 9,063,259

Note 7 - Net Assets with Donor Restrictions

The Foundation's net assets were restricted for the following purposes or periods at June 30:

	2025	2024
Net assets with a time or purpose donor restriction		
Scholarships	$ 4,858,949	$ 5,365,425
Building funds/capital projects	13,545,353	24,105,636
University of Idaho departmental expenses	25,383,520	21,399,971
Split-interest trusts	10,301,064	9,063,259
Beneficial interest held by third parties	10,626,471	10,827,619
Unappropriated earnings	105,552,113	82,155,825
Other	2,640,651	1,514,819
Total	$ 172,908,121	$ 154,432,554
Net assets with donor restrictions in perpetuity		
Endowments	$ 350,587,304	$ 333,868,892
Net assets with donor restrictions	$ 523,495,425	$ 488,301,446

Note 8 - Related-Party Transactions

During fiscal years 2025 and 2024, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2025		2024	
	CIT Endowment Income Distributed	Gifts and Other Revenues Distributed	CIT Endowment Income Distributed	Gifts and Other Revenues Distributed
Scholarships	$ 10,155,052	$ 2,088,288	$ 9,675,721	$ 2,015,762
Student loans	211,403	-	209,013	-
Building funds	-	13,081,470	-	138,932
University of Idaho College and Department operating accounts	6,131,335	13,470,035	5,850,183	11,900,659
Life beneficiaries	7,652	-	7,565	-
University of Idaho Affiliates	-	24,725	-	25,137
Total distributions	$ 16,505,442	$ 28,664,518	$ 15,742,482	$ 14,080,490

Effective July 1, 2024, the University and the Foundation modified their operating and service agreements. Under the agreements, the University provides funding for a portion of Foundation salaries, benefits and operating expenses. In addition, the University provides business operations support in the areas of benefits administration, human resource management, information technology, operations and event support. In exchange for this funding and operations support, the Foundation provides fundraising services to the University. The annual amount to be exchanged between the University and the Foundation is the historical costs of such services offset by the Foundation's costs to meet the annual fundraising goal. The service charges and agreement are evaluated annually. Amounts due to the University under this agreement were $1,902,963 and $50,300 for the years ended June 30, 2025 and 2024, respectively. The Foundation has recognized $7,910,153 in contributed services from the University for the year ended June 30, 2025, as described in Note 9.

In December 2024, the Strategic Initiatives Fund, Inc. (SIF), a supporting organization of the University, modified its governing documents to reflect a joint appointment model. The Foundation now appoints one of the three SIF board members, the Board of Regents of the University appoints one board member, and those two board members appoint the third board member. Due to this governance change, the SIF is reported by the Foundation as a related party. The Foundation is not required to consolidate the SIF in its financial statements due to the lack of both majority control and economic interest. No financial transactions occurred during the year between the Foundation and the SIF.

Note 9 - Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities includes the following:

	2025	2024
Salaries and benefits	$ 6,068,782	$ -
Supplies and services	1,544,494	-
Office space	296,877	-
Total	$ 7,910,153	$ -

As described in Note 8, the Foundation operates under a service agreement with the University, which provides for the contribution by the University of office space, administrative and business operations support, and salaries and benefits for the employees of the Foundation. These contributed services are recognized at fair value based on actual rates paid by the University for the services.

Note 10 - Restatement

As noted in Note 1, the Foundation transitioned from accounting and reporting standards established by the GASB to those prescribed by the FASB. The change from GASB to FASB is considered a correction of an error since it should have been applied prior to July 1, 2024. The result of applying the transition resulted in an understatement of revenues for split-interest agreements. Additionally, the Foundation identified beneficial interests in trusts held by third parties and endowment promises to give were not previously recognized, which resulted in an understatement of the related assets and contribution revenue accordingly.

The following sets forth previously reported and restated amounts of selected items within the statements of financial position as of June 30, 2024:

	As Previously Reported	Restatement	As Restated
Selected Statement of Financial Position Data as of June 30, 2024			
Cash and cash equivalents	$ 28,992,798	$ 18,615,237	$ 47,608,035
Restricted cash and cash equivalents	18,615,237	(18,615,237)	-
Promises to give, net	7,907,812	2,197,134	10,104,946
Beneficial interest held by third parties	-	10,827,619	10,827,619
Total assets	508,865,928	13,024,753	521,890,681
Total deferred inflows	4,522,843	(4,522,843)	-
Net assets with donor restrictions	470,753,850	17,547,596	488,301,446
Total net assets	481,195,745	17,547,596	498,743,341
Total liabilities and net assets	508,865,928	13,024,753	521,890,681

The following sets forth previously reported and restated amounts of selected items within the statements of activities for the year ended June 30, 2024:

	As Previously Reported	Restatement	As Restated
Selected Statement of Activities			
Data for the Year Ended June 30, 2024			
Contribution revenue			
With Donor Restrictions	$ 28,806,377	$ 1,360,127	$ 30,166,504
Total	28,825,884	1,360,127	30,186,011
Net investment income			
With Donor Restrictions	39,984,687	(1,151,213)	38,833,474
Total	45,358,033	(1,151,213)	44,206,820
Change in fair value of split-interest trusts			
With Donor Restrictions	-	324,541	324,541
Total	-	324,541	324,541
Change in fair value of beneficial interest held by third parties			
With Donor Restrictions	-	454,441	454,441
Total	-	454,441	454,441
Total support and revenue			
With Donor Restrictions	39,856,385	987,896	40,844,281
Total	74,850,575	987,896	75,838,471
Support Services			
Administrative and general			
Without donor restrictions	3,592,321	(1,151,215)	2,441,106
Total	3,592,321	(1,151,215)	2,441,106
Total support services			
Without donor restrictions	3,592,321	(1,151,215)	2,441,106
Total	3,592,321	(1,151,215)	2,441,106
Total expenses			
Without donor restrictions	33,415,292	(1,151,215)	32,264,077
Total	33,415,292	(1,151,215)	32,264,077
Change in Net Assets			
Without Donor Restrictions	1,578,898	1,151,215	2,730,113
With Donor Restrictions	39,856,385	987,896	40,844,281
Total	41,435,283	2,139,111	43,574,394
Cumulative Effect of Correction of an Error			
With Donor Restrictions	-	15,408,485	15,408,485
Total	-	15,408,485	15,408,485
Net Assets, Beginning of Year, as restated			
With Donor Restrictions	432,048,680	15,408,485	447,457,165
Total	439,760,462	15,408,485	455,168,947
Net Assets, End of Year			
With Donor Restrictions	470,753,850	17,547,596	488,301,446
Total	481,195,745	17,547,596	498,743,341

The following sets forth previously reported and restated amounts of selected items within the statements of cash flows for the year ended June 30, 2024:

	As Previously Reported	Restatement	As Restated
Selected Statement of Cash Flows Data for the Year Ended June 30, 2024			
Change in net assets	$ 41,435,283	$ 2,139,111	$ 43,574,394
Contributions restricted for long-term purposes	-	(26,086,841)	(26,086,841)
Change in fair value of beneficial interests held by third parties	-	(454,441)	(454,441)
Changes in promises to give	(395,958)	(1,360,128)	(1,756,086)
Non-cash contributions	(4,079,663)	4,079,663	-
Proceeds from sales and maturities of investments	151,225,751	(151,225,751)	-
Purchase of investments and related fees	(145,303,031)	145,303,031	-
Deferred inflow split interest trust	324,540	(324,540)	-
Net cash from (used for) operating activities	9,223,339	(27,919,479)	(18,696,140)
Proceeds from sales and maturities of investments	-	151,225,751	151,225,751
Purchase of investments and related fees	-	(149,393,113)	(149,393,113)
Net cash from investing activities	-	1,832,638	1,832,638
Contributions restricted for long-term purposes	-	26,086,841	26,086,841
Net cash from financing activities	-	26,086,841	26,086,841