Financial Statements
June 30, 2026 and 2025

# College of Southern Idaho Foundation, Inc.

# College of Southern Idaho Foundation, Inc.

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**Independent Auditor's Report**

The Board of Directors
College of Southern Idaho Foundation, Inc.
Twin Falls, Idaho

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the College of Southern Idaho Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 financial position of the Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit 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 of 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.

***Responsibilities of Management for the Financial Statements***

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



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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 opinion. 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 6, 2026

# College of Southern Idaho Foundation, Inc.

Statements of Financial Position

June 30, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $ - | $ 708,827 |
| Operating investments | 37,335,350 | 34,010,783 |
| Investments held under split-interest agreement | 1,418,866 | 1,310,319 |
| Buildings and land improvements, net | 357,322 | 369,363 |
| Donated property | 89,177 | 89,177 |
| Endowment | | |
| Cash | 586,794 | - |
| Investments | 29,477,817 | 26,323,750 |
| Donated property | 995,250 | 995,250 |
| Total endowment | 31,059,861 | 27,319,000 |
| | $ 70,260,576 | $ 63,807,469 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Checks issued in excess of bank balance | $ 293,847 | $ - |
| Accounts payable | 17,994 | 70,967 |
| Annuities payable | 17,721 | 17,721 |
| Obligations to beneficiaries under split-interest agreement | 225,013 | 238,426 |
| Total liabilities | 554,575 | 327,114 |
| Net Assets | | |
| Without donor restrictions | | |
| Board designated for future scholarships | 10,886,547 | 10,732,897 |
| Board designated for operations | 989,406 | 1,047,373 |
| With donor restrictions | | |
| Perpetual in nature | 31,097,192 | 27,359,831 |
| Purpose restrictions | 26,770,187 | 24,381,085 |
| Underwater endowments | (37,331) | (40,831) |
| Total net assets | 69,706,001 | 63,480,355 |
| | $ 70,260,576 | $ 63,807,469 |

# College of Southern Idaho Foundation, Inc.

Statement of Activities

Year Ended June 30, 2026

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Revenue, Support, and Gains | | | |
| Contributions of cash and other financial assets | $ 119,076 | $ 3,024,958 | $ 3,144,034 |
| Investment return, net | 514,614 | 7,061,286 | 7,575,900 |
| Contributed nonfinancial assets | 342,604 | - | 342,604 |
| Other income | 261,746 | 116,570 | 378,316 |
| Net change in value of split-interest agreement | - | 108,547 | 108,547 |
| Net assets released from restrictions | 4,181,398 | (4,181,398) | - |
| Total revenue, support, and gains | 5,419,438 | 6,129,963 | 11,549,401 |
| Expenses | | | |
| Program services expense | | | |
| Scholarships and grants | 3,096,423 | - | 3,096,423 |
| Other program payments | 1,464,563 | - | 1,464,563 |
| Total program services expense | 4,560,986 | - | 4,560,986 |
| Supporting services expense | | | |
| Management and general | 633,495 | - | 633,495 |
| Fundraising | 129,274 | - | 129,274 |
| Total supporting services expense | 762,769 | - | 762,769 |
| Total expenses | 5,323,755 | - | 5,323,755 |
| Change in Net Assets | 95,683 | 6,129,963 | 6,225,646 |
| Net Assets, Beginning of Year | 11,780,270 | 51,700,085 | 63,480,355 |
| Net Assets, End of Year | $ 11,875,953 | $ 57,830,048 | $ 69,706,001 |

# College of Southern Idaho Foundation, Inc.

Statement of Activities

Year Ended June 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Revenue, Support, and Gains | | | |
| Contributions of cash and other financial assets | $ 100,358 | $ 3,201,935 | $ 3,302,293 |
| Investment return, net | 579,542 | 4,763,934 | 5,343,476 |
| Contributed nonfinancial assets | 313,988 | - | 313,988 |
| Other income | 36,512 | 219,952 | 256,464 |
| Net change in value of split-interest agreement | - | 60,602 | 60,602 |
| Net assets released from restrictions | 3,228,509 | (3,228,509) | - |
| Total revenue, support, and gains | 4,258,909 | 5,017,914 | 9,276,823 |
| Expenses | | | |
| Program services expense | | | |
| Scholarships and grants | 2,707,475 | - | 2,707,475 |
| Other program payments | 1,021,658 | - | 1,021,658 |
| Total program services expense | 3,729,133 | - | 3,729,133 |
| Supporting services expense | | | |
| Management and general | 314,752 | - | 314,752 |
| Fundraising | 147,121 | - | 147,121 |
| Total supporting services expense | 461,873 | - | 461,873 |
| Total expenses | 4,191,006 | - | 4,191,006 |
| Change in Net Assets | 67,903 | 5,017,914 | 5,085,817 |
| Net Assets, Beginning of Year | 11,712,367 | 46,682,171 | 58,394,538 |
| Net Assets, End of Year | $ 11,780,270 | $ 51,700,085 | $ 63,480,355 |

# College of Southern Idaho Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2026

| | Program Services | | | Supporting Services | | | |
|---|---|---|---|---|---|---|---|
| | Scholarships and Grants | Other Program Payments | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total |
| Printing and duplication | $ - | $ 248 | $ 248 | $ 6,257 | $ 6,011 | $ 12,268 | $ 12,516 |
| Travel | - | - | - | 724 | - | 724 | 724 |
| Professional fees | - | - | - | 112,414 | - | 112,414 | 112,414 |
| Food service | - | 5,105 | 5,105 | 3,604 | 4,783 | 8,387 | 13,492 |
| Software fees | - | - | - | 32,949 | - | 32,949 | 32,949 |
| Postage | - | - | - | 2,528 | - | 2,528 | 2,528 |
| Supplies | - | 2,320 | 2,320 | 2,422 | 1,042 | 3,464 | 5,784 |
| Capital expenditures | - | - | - | 1,638 | - | 1,638 | 1,638 |
| Depreciation | - | 12,040 | 12,040 | - | - | - | 12,040 |
| Miscellaneous | - | - | - | 300,159 | 32,038 | 332,197 | 332,197 |
| Donated salaries | 41,907 | 41,907 | 83,814 | 167,632 | 83,816 | 251,448 | 335,262 |
| Donated space | 1,813 | 777 | 2,590 | 3,168 | 1,584 | 4,752 | 7,342 |
| Program expenditures | - | 1,402,166 | 1,402,166 | - | - | - | 1,402,166 |
| Scholarship expense | 3,052,703 | - | 3,052,703 | - | - | - | 3,052,703 |
| Total expenses | $ 3,096,423 | $ 1,464,563 | $ 4,560,986 | $ 633,495 | $ 129,274 | $ 762,769 | $ 5,323,755 |

# College of Southern Idaho Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2025

| | Program Services | | | Supporting Services | | | |
|---|---|---|---|---|---|---|---|
| | Scholarships and Grants | Other Program Payments | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total |
| Printing and duplication | $ - | $ 184 | $ 184 | $ 2,489 | $ 5,989 | $ 8,478 | $ 8,662 |
| Professional fees | 12,345 | - | 12,345 | 98,158 | - | 98,158 | 110,503 |
| Food service | - | 7,830 | 7,830 | 5,173 | 17,127 | 22,300 | 30,130 |
| Software fees | - | - | - | 44,805 | - | 44,805 | 44,805 |
| Postage | - | - | - | 2,461 | - | 2,461 | 2,461 |
| Supplies | - | 2,525 | 2,525 | 1,754 | 981 | 2,735 | 5,260 |
| Capital expenditures | - | - | - | 244 | - | 244 | 244 |
| Depreciation | - | 4,013 | 4,013 | - | - | - | 4,013 |
| Miscellaneous | - | - | - | 2,426 | 45,153 | 47,579 | 47,579 |
| Donated salaries | 38,142 | 38,143 | 76,285 | 154,074 | 76,287 | 230,361 | 306,646 |
| Donated space | 1,813 | 777 | 2,590 | 3,168 | 1,584 | 4,752 | 7,342 |
| Program expenditures | - | 968,186 | 968,186 | - | - | - | 968,186 |
| Scholarship expense | 2,655,175 | - | 2,655,175 | - | - | - | 2,655,175 |
| Total expenses | $ 2,707,475 | $ 1,021,658 | $ 3,729,133 | $ 314,752 | $ 147,121 | $ 461,873 | $ 4,191,006 |

See Notes to Financial Statements

# College of Southern Idaho Foundation, Inc.

Statements of Cash Flows

Years Ended June 30, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| Operating Activities | | |
| Change in net assets | $ 6,225,646 | $ 5,085,817 |
| Adjustments to reconcile changes in net assets to net cash used for operating activities | | |
| Depreciation | 12,040 | 4,013 |
| Realized and unrealized gain on operating investments | (2,736,150) | (2,011,422) |
| Contributions restricted to endowment | (776,563) | (692,988) |
| Donated securities | (101,956) | - |
| Change in value of split-interest agreement | (108,547) | (55,661) |
| Endowment realized and unrealized gain | (3,596,122) | (2,313,378) |
| Donated land | - | (89,177) |
| Increase (decrease) in | | |
| Accounts payable | (52,972) | (93,164) |
| Checks issued in excess of bank balance | 293,847 | - |
| Obligations to beneficiaries of split-interest agreements | 52,614 | 60,576 |
| Net Cash used for Operating Activities | (788,163) | (105,384) |
| Investing Activities | | |
| Purchases of investments | (3,015,870) | (2,961,504) |
| Proceeds from sales of investments | 1,244,305 | 2,154,832 |
| Purchases of property and equipment | - | (373,376) |
| Withdrawal from endowment | 1,140,365 | 655,577 |
| Net Cash used for Investing Activities | (631,200) | (524,471) |
| Financing Activities | | |
| Collections of contributions restricted to endowment | 776,563 | 692,988 |
| Payments to beneficiaries of split-interest agreements | (66,027) | (65,516) |
| Net Cash from Financing Activities | 710,536 | 627,472 |
| Net Change in Cash | (708,827) | (2,383) |
| Cash and Cash Equivalents, Beginning of Year | 708,827 | 711,210 |
| Cash and Cash Equivalents, End of Year | $ - | $ 708,827 |
| Supplemental Disclosure of Non-Cash Investing and Financing Activity | | |
| Donated land | $ - | $ 89,177 |

## Note 1 - Principal Business Activity and Significant Accounting Policies

### Organization

College of Southern Idaho Foundation, Inc. (the Foundation) was established March 1, 1984, to solicit donations, and to hold and manage them for the exclusive benefit of the College of Southern Idaho.

### Basis of Accounting

The Foundation's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

### Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building project, permanent endowment, or other long-term purposes are excluded from this definition.

### Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2026 and 2025, the allowance was $0. There were no promises to give as of June 30, 2026 and 2025.

### Property and Equipment

Property and equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets or in the case of right-of-use assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2026 and 2025.

**Assets Held and Liabilities Under Split-Interest Agreements**

The Organization acts as a trustee for an irrevocable unitrust. The trust is governed by the respective trust agreement, which generally provides for a future distribution of cash or other assets, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. The trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution. At that time, net assets with donor-imposed time restrictions are released to net assets without restrictions. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the trust, the remaining liability is removed and recognized as income.

**Charitable Gift Annuities**

Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as an unrestricted contribution. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income. The annuities payable balance is a result of gift annuities payable to a donor of the Foundation. The value of the annuity obligation was $17,721 and $17,721 at June 30, 2026 and 2025, respectively.

**Investments**

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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 restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operations and future scholarships.

*Net Assets With Donor Restrictions* – Net assets subject to donor 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 that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Foundation reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restriction and conditions expire simultaneously in the reporting period.

**Revenue and Revenue Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest are received. Conditional promises to give, that is, those with measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional contributions as of June 30, 2026 and 2025.

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets include donated professional services, donated office space, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 7). The Foundation does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to the Foundation's administration, fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include donated salaries, office supplies, software fees and professional fees, which are allocated on the basis of estimates of time and effort, as well as donated space, which are allocated on a square footage basis.

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

**Income Taxes**

The Foundation is organized as an Idaho nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(viii), and has been determined not to be a private foundation under Section 509(a)(3). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Foundation is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes the Foundation has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2026 and 2025, the Foundation had $75,476 and $232,723, respectively, in excess of FDIC-insured limits. To date, the Foundation has not experienced losses in any of these accounts.

Investments are made by diversified investment managers whose performance is monitored by management and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

**Subsequent Events**

Subsequent events have been evaluated through October 6, 2026, the date the financial statements were available to be issued.

## Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

| | 2026 | 2025 |
|---|---|---|
| Cash and cash equivalents | $ - | $ 708,827 |
| Operating investments | 37,335,350 | 34,010,783 |
| Endowment spending rate distribution and appropriation | 1,322,303 | 1,602,546 |
| | $ 38,657,653 | $ 36,322,156 |

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Donor-restricted endowment funds are subject to an annual spending rate of 4% to 5% as described in Note 5. From time to time the Foundation's cash balance may be fully comprised of restricted assets, and all unrestricted assets are allocated to investments. This was the case for the year end June 30, 2026. The Foundation's investment portfolio will be rebalanced to ensure sufficient operating cash is on hand during the course of the fiscal year. As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

## Note 3 - Fair Value Measurements and Disclosure

The Foundation reports certain assets and liabilities at fair value in the 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, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or 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 the 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 an assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they are comprised of mutual funds, equity funds, exchange traded funds, and real estate mutual funds with readily determinable fair values based on daily redemption values. The Foundation invests in certificates of deposit traded in the financial markets. Those certificates of deposit and 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, and are classified within Level 2. The fair values of split-interest trust agreements are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair value of trust investments as reported by the trustees.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2026:

| | | Fair Value Measurements at Report Date Using | | |
|---|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Operating investments | | | | |
| Cash and money market funds (at cost) | $ 3,345,856 | $ - | $ - | $ - |
| Certificates of deposit | 5,719,757 | - | 5,719,757 | - |
| U.S. Government obligations | 6,630,944 | - | 6,630,944 | - |
| U.S. equity funds | 18,323,831 | 18,323,831 | - | - |
| U.S. equity mutual funds | 257,784 | 257,784 | - | - |
| Exchange traded funds | 2,329,073 | 2,329,073 | - | - |
| Global equity mutual funds | 728,105 | 728,105 | - | - |
| | $ 37,335,350 | $ 21,638,793 | $ 12,350,701 | $ - |

| | Total | Fair Value Measurements at Report Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets held under split-interest agreements | | | | |
| Cash and money market funds (at cost) | $ 19,973 | $ - | $ - | $ - |
| Certificates of deposit | 266,748 | - | 266,748 | - |
| U.S. Government obligations | 298,402 | - | 298,402 | - |
| U.S. equity funds | 615,430 | 615,430 | - | - |
| U.S. equity mutual funds | 2,372 | 2,372 | - | - |
| Exchange traded funds | 211,224 | 211,224 | - | - |
| Real estate mutual funds | 4,717 | 4,717 | - | - |
| | $ 1,418,866 | $ 833,743 | $ 565,150 | $ - |
| Endowment investments | | | | |
| Cash and money market funds (at cost) | $ 416,041 | $ - | $ - | $ - |
| Certificates of deposit | 2,939,097 | - | 2,939,097 | - |
| U.S. Government obligations | 7,553,774 | - | 7,553,774 | - |
| U.S. equity funds | 14,570,171 | 14,570,171 | - | - |
| Exchange traded funds | 3,046,386 | 3,046,386 | - | - |
| Global equity mutual funds | 952,348 | 952,348 | - | - |
| | $ 29,477,817 | $ 18,568,905 | $ 10,492,871 | $ - |
| Liabilities | | | | |
| Obligations to beneficiaries under split-interest agreement | $ 225,013 | $ - | $ 225,013 | $ - |

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2025:

| | | Fair Value Measurements at Report Date Using | | |
|---|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Operating investments | | | | |
| Cash and money market funds (at cost) | $ 3,107,030 | $ - | $ - | $ - |
| Certificates of deposit | 5,493,870 | - | 5,493,870 | - |
| U.S. Government obligations | 5,877,995 | - | 5,877,995 | - |
| U.S. equity funds | 16,673,357 | 16,673,357 | - | - |
| U.S. equity mutual funds | 221,080 | 221,080 | - | - |
| Exchange traded funds | 1,851,946 | 1,851,946 | - | - |
| Global equity mutual funds | 785,505 | 785,505 | - | - |
| | $ 34,010,783 | $ 19,531,888 | $ 11,371,865 | $ - |
| Assets held under split-interest agreements | | | | |
| Cash and money market funds (at cost) | $ 5,360 | $ - | $ - | $ - |
| Certificates of deposit | 267,706 | - | 267,706 | - |
| U.S. Government obligations | 269,194 | - | 269,194 | - |
| U.S. equity funds | 566,372 | 566,372 | - | - |
| U.S. equity mutual funds | 36,557 | 36,557 | - | - |
| Exchange traded funds | 160,042 | 160,042 | - | - |
| Real estate funds | 5,088 | 5,088 | - | - |
| | $ 1,310,319 | $ 768,059 | $ 536,900 | $ - |
| Endowment investments | | | | |
| Cash and money market funds (at cost) | $ 230,941 | $ - | $ - | $ - |
| Certificates of deposit | 2,866,580 | - | 2,866,580 | - |
| U.S. Government obligations | 6,532,741 | - | 6,532,741 | - |
| U.S. equity funds | 13,117,004 | 13,117,004 | - | - |
| Exchange traded funds | 2,511,310 | 2,511,310 | - | - |
| Global equity mutual funds | 1,065,174 | 1,065,174 | - | - |
| | $ 26,323,750 | $ 16,693,488 | $ 9,399,321 | $ - |
| Liabilities | | | | |
| Obligations to beneficiaries under split-interest agreement | $ 238,426 | $ - | $ 238,426 | $ - |

The following table presents assets measured at fair value on a nonrecurring basis at June 30, 2026 and 2025:

| | | Fair Value Measurements at Report Date Using | | | |
|---|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Losses |
| Donated property | $ 1,084,427 | $ - | $ 1,084,427 | $ - | $ - |

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

| | 2026 | 2025 |
|---|---|---|
| Operating investments | | |
| Interest and dividends, net of fees | $ 735,087 | $ 617,705 |
| Net realized and unrealized gain (loss) | 2,736,150 | 2,011,422 |
| | 3,471,237 | 2,629,127 |
| Endowment investments | | |
| Interest and dividends, net of fees | 508,541 | 400,971 |
| Net realized and unrealized gain (loss) | 3,596,122 | 2,313,378 |
| | 4,104,663 | 2,714,349 |
| | $ 7,575,900 | $ 5,343,476 |

## Note 4 - Buildings and Land Improvements

Buildings and land improvements consist of the following at June 30, 2026 and 2025:

| | 2026 | 2025 |
|---|---|---|
| Buildings | $ 313,256 | $ 313,256 |
| Land improvements | 60,120 | 60,120 |
| | 373,376 | 373,376 |
| Less accumulated depreciation | (16,054) | (4,013) |
| | $ 357,322 | $ 369,363 |

## Note 5 - Endowments

The Foundation's endowment (the Endowment) consists of approximately 175 individual funds established by donors to provide annual funding for specific activities and general operations. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Idaho Uniform Prudent Management of 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, unless there are explicit donor stipulations to the contrary. At June 30, 2026 and 2025, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures in a manner consistent with the standard of prudence prescribed by UPMIFA.

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

As of June 30, 2026, the Foundation had the following endowment net asset composition by type of fund:

| | Without Donor Restriction | With Donor Restrictions | Total Net Endowment |
|---|---|---|---|
| Donor-restricted endowment | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor | $ - | $ 19,202,423 | $ 19,202,423 |
| Accumulated investment gains | - | 11,857,438 | 11,857,438 |
| | $ - | $ 31,059,861 | $ 31,059,861 |

As of June 30, 2025, the Foundation had the following endowment net asset composition by type of fund:

| | Without Donor Restriction | With Donor Restrictions | Total Net Endowment |
|---|---|---|---|
| Donor-restricted endowment | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor | $ - | $ 18,425,860 | $ 18,425,860 |
| Accumulated investment gains | - | 8,893,140 | 8,893,140 |
| | $ - | $ 27,319,000 | $ 27,319,000 |

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2026, three funds with original gift values of $103,296, fair values of $65,965, and deficiencies of $37,331 were reported in net assets with donor restrictions. At June 30, 2025, three funds with original gift values of $173,780, fair values of $132,949, and deficiencies of $40,831 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations and are expected to be fully recovered when market conditions are favorable.

**Investment and Spending Policies**

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to scholarships and programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. This is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% to 5%, while growing the funds, if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 7% or greater annually.

Actual returns in any given year may vary from this amount. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Foundation typically appropriates for distribution each year from 4% to 5% of its endowment funds' fair value at the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this target, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 2% or more annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ended June 30, 2026 and 2025, are as follows:

| | Without Donor Restriction | With Donor Restrictions | Total Net Endowment |
|---|---|---|---|
| Endowment net assets, July 1, 2025 | $ - | $ 27,319,000 | $ 27,319,000 |
| Contributions | - | 776,563 | 776,563 |
| Investment return, net | - | 4,104,663 | 4,104,663 |
| Amounts appropriated for expenditure | - | (1,140,365) | (1,140,365) |
| Endowment net assets, June 30, 2026 | $ - | $ 31,059,861 | $ 31,059,861 |

| | Without Donor Restriction | With Donor Restrictions | Total Net Endowment |
|---|---|---|---|
| Endowment net assets, July 1, 2024 | $ - | $ 24,567,240 | $ 24,567,240 |
| Contributions | - | 692,988 | 692,988 |
| Investment return, net | - | 2,714,349 | 2,714,349 |
| Amounts appropriated for expenditure | - | (655,577) | (655,577) |
| Endowment net assets, June 30, 2025 | $ - | $ 27,319,000 | $ 27,319,000 |

## Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

| | 2026 | 2025 |
|---|---|---|
| Subject to Expenditure for Specified Purpose | | |
| Scholarships | $ 24,834,525 | $ 22,629,800 |
| Special projects | 741,809 | 679,392 |
| | 25,576,334 | 23,309,192 |
| Subject to the Passage of Time | | |
| Assets held under split-interest agreements | 1,193,853 | 1,071,893 |

| | 2026 | 2025 |
|---|---|---|
| Endowments | | |
| Earnings from which are subject to endowment spending policy appropriation | | |
| Scholarships | 30,034,779 | 26,304,792 |
| Agricultural programs (land) | 1,062,413 | 1,055,039 |
| Underwater endowments | (37,331) | (40,831) |
| | 31,059,861 | 27,319,000 |
| Total net assets with donor restrictions | $ 57,830,048 | $ 51,700,085 |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by other events specified by donor as follows for the years ended June 30:

| | 2026 | 2025 |
|---|---|---|
| Satisfaction of purpose restrictions | | |
| Scholarships | $ 2,844,803 | $ 2,339,764 |
| Educational programs | 1,336,595 | 888,745 |
| | $ 4,181,398 | $ 3,228,509 |

## Note 7 - Contributed Nonfinancial Assets

For the years ended June 30, 2026 and 2025, contributed nonfinancial assets recognized within the statements of activities included the following:

| | 2026 | | | |
|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total |
| Salaries and benefits | $ 83,814 | $ 167,632 | $ 83,816 | $ 335,262 |
| Rent | 2,590 | 3,168 | 1,584 | 7,342 |
| | $ 86,404 | $ 170,800 | $ 85,400 | $ 342,604 |

| | 2025 | | | |
|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total |
| Salaries and benefits | $ 76,285 | $ 154,074 | $ 76,287 | $ 306,646 |
| Rent | 2,590 | 3,168 | 1,584 | 7,342 |
| | $ 78,875 | $ 157,242 | $ 77,871 | $ 313,988 |

The contributed salaries and benefits are valued and reported at the estimated fair value in the financial statements based on current rates for similar services. In valuing the contributed rent, the Foundation estimated the fair value based on recent comparable rent prices in the real estate market.

## Note 8 - Donated Property

In July 1991, the Foundation received approximately 25 acres of agricultural land, which was to be restricted as Ag Endowment property. The Foundation had the right to sell the property as long as the proceeds were reinvested in similar farmland or an endowment was created with the investment earnings being used to provide agriculture related programs to the College of Southern Idaho. Subsequently, the Foundation sold the original 25-acre Ag Endowment property. The Board of Directors then designated approximately 40 acres of different farmland in lieu of the sale proceeds, allowing the Ag Endowment Fund to maintain its original intent of having agriculture related assets and programs. The fair-market value of the 40 acres of Ag Endowment Land was appraised during 2003 by a professional appraiser. The appraised value was a range of $995,250 to $1,393,350 "as is" in its current condition or $2,388,600 to $3,582,900 assuming a value as "commercial mixed use". The Foundation has chosen to maintain the land on the books at the lowest value determined to be reasonable given its current "as is" status being $995,250.

During the year ended June 30, 2025, the Foundation was notified of an estate gift that contributed ownership interests in various plots of agricultural cropland throughout the state of North Dakota in the counties of Dunn, McKenzie, McLean, and Mountrail. Per court related documents, at the date the estate terminated on April 7, 2021, the value of the subject land was estimated to be $107,083. Utilizing North Dakota's Rent's & Prices Annual Survey published in 2025, the Foundation recalculated the estimated value of the land and determined that its value as of June 30, 2025 was approximately $89,177.

## Note 9 - Related Party Transactions

The Foundation provides scholarships to the College of Southern Idaho based on the terms of the donations. The Foundation provided scholarship support of $2,961,485 and $2,473,860, during the years ended June 30, 2026 and 2025, respectively, of which $0 and $61,641, were payable to the College of Southern Idaho at June 30, 2026 and 2025, respectively. The Foundation provided departmental and program support of $1,143,440 and $933,966, during the years ended June 30, 2026 and 2025, respectively.

Several members of the Foundation Board of Directors made donations to the Foundation. The Foundation received $4,576 and $19,127, in contribution revenue from Board members during the years ended June 30, 2026 and 2025, respectively.

The College of Southern Idaho provides donated office space, salaries, and benefits to the Foundation. The College of Southern Idaho provided $342,604 and $312,488, in donated office space and salaries and benefits to the Foundation during the years ended June 30, 2026 and 2025, respectively.