SIKICH

Southern Illinois University Edwardsville Foundation
Edwardsville, Illinois

Financial Statements and
Independent Auditor's Report

For the Year Ended June 30, 2026

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE FOUNDATION
TABLE OF CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-27

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern Illinois University Edwardsville Foundation
Edwardsville, Illinois

Opinion

We have audited the accompanying financial statements of Southern Illinois University Edwardsville Foundation (Foundation), which comprise the Statement of Financial Position as of June 30, 2026, and the related Statement of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026, and the changes in its net assets and its cash flows for the year 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. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Prior Period Restatement

As discussed in Note 18 to the financial statements, the Foundation's beginning net assets have been restated to correct a misstatement. The Foundation has restated beginning net assets as of July 1, 2025. Our opinion is not modified with respect to this matter.

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 within 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Sikich CPA LLC

Springfield, Illinois
October 28, 2026

FINANCIAL STATEMENTS

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2026

ASSETS	
Current assets	
Cash and cash equivalents	$ 1,879,142
Deposits with SIUE	677,711
Pledges receivable, net of allowance	435,721
Accounts receivable from SIUE	12,161
Accounts receivable from SIUE East St. Louis Charter High School	2,186
Other receivables	12,086
Interest receivable	26
Prepaid expenses	541,874
Investments	22,516,783
Total current assets	26,077,690
Noncurrent assets	
Pledges receivable, net of allowance and discount	587,066
Loan receivables	27,701
Assets held for resale	513,600
Capital assets, net of depreciation	1,139,836
Right-of-use asset - operating	209,230
Annuity fund investments	19,885
Beneficial interest in term trust	827,408
Beneficial interest in perpetual trust	726,883
Cash surrender value of life insurance	186,209
Pledges receivable endowment, net of allowance and discount	292,168
Noncurrent investments	52,461,429
Total noncurrent assets	56,991,415
TOTAL ASSETS	$ 83,069,105
LIABILITIES	
Current liabilities	
Accounts payable:	
SIUE	$ 692,905
Other	50,319
Unearned revenue	32,879
Annuities payable	2,828
Total current liabilities	778,931
Noncurrent liabilities	
Annuities payable	13,471
Total liabilities	792,402
NET ASSETS	
Without donor restrictions	
Undesignated	6,912,570
Designated by the Board for endowment	756,739
Designated by the Board for endowment - student investment purposes	61,475
Total net assets without donor restrictions	7,730,784
With donor restrictions	
Perpetual in nature	38,063,725
Purpose restrictions	36,482,194
Total net assets with donor restrictions	74,545,919
Total net assets	82,276,703
TOTAL LIABILITIES AND NET ASSETS	$ 83,069,105

See accompanying notes to the financial statements.

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE FOUNDATION

STATEMENT OF ACTIVITIES

Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	$ 39,210	$ 7,476,559	$ 7,515,769
In-kind contributions	-	287,993	287,993
Provision for uncollectible pledges	(7,585)	(445,892)	(453,477)
Total contributions and in-kind contributions	31,625	7,318,660	7,350,285
Events, sales and other, net of direct benefit to donors of $247,265	2,336	89,228	91,564
Net investment income	2,938,031	7,391,863	10,329,894
Change in value of beneficial interest in term trust	-	65,378	65,378
Change in value of beneficial interest in perpetual trust	-	25,249	25,249
Change in cash surrender value of life insurance	-	3,919	3,919
Net assets released from restrictions	6,542,589	(6,542,589)	-
Total revenues	9,514,581	8,351,708	17,866,289
EXPENSES			
Program services	6,180,988	-	6,180,988
Management and general	1,262,494	-	1,262,494
Fundraising expenses	590,874	-	590,874
Total expenses	8,034,356	-	8,034,356
TRANSFERS FROM AFFILIATE			
Transfers from affiliate - payments from SIUE	150,000	72,024	222,024
Transfers from affiliate - payments from SIUE Alumni Association	-	8,691	8,691
Transfers from affiliate - budget allocations (in-kind contributions) from SIUE	458,245	-	458,245
Total transfers from affiliate	608,245	80,715	688,960
CHANGE IN NET ASSETS	2,088,470	8,432,423	10,520,893
NET ASSETS - BEGINNING OF YEAR, as previously reported	5,642,314	64,584,183	70,226,497
RESTATEMENT ADJUSTMENT (See Note 18)	-	1,529,313	1,529,313
NET ASSETS - BEGINNING OF YEAR, as restated	5,642,314	66,113,496	71,755,810
NET ASSETS - END OF YEAR	$ 7,730,784	$ 74,545,919	$ 82,276,703

See accompanying notes to the financial statements.

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2026

	Program Services	Management and General	Fundraising	Cost of Sales	Total
Scholarships and awards	$ 1,796,263	$ -	$ -	$ -	$ 1,796,263
SIUE-related awards	74,638	-	-	-	74,638
Payments for educational services	628,659	-	-	-	628,659
Salary and benefits paid by SIUE (payroll)	-	458,245	-	-	458,245
Human resources support	67,504	10,000	-	-	77,504
Assets transferred to SIUE	1,007,514	-	-	-	1,007,514
Gifts in kind transfers to SIUE	159,120	-	-	-	159,120
External event sponsorship	69,342	-	-	-	69,342
Student wages	-	-	132,469	-	132,469
Meal and beverage expense	332,325	42,838	60,187	-	435,350
Travel	569,141	4,689	28,819	-	602,649
Supplies and materials	127,798	14,718	12,193	-	154,709
Giveaways and promotional items	85,993	14,970	36,683	-	137,646
Uniforms and apparel	41,771	-	1,022	-	42,793
Postage	17,590	43,256	34,757	-	95,603
Insurance	7,443	28,442	2,524	-	38,409
Advertising	96,201	-	6,777	-	102,978
Utilities	-	30,852	-	-	30,852
Event tickets	37,426	50	14,109	-	51,585
Software support fees	49,025	237,602	88,198	-	374,825
Leases and rentals	93,733	26,705	56,459	-	176,897
Professional services	494,083	88,011	29,687	-	611,781
Conference registrations	65,455	-	-	-	65,455
Course registrations	8,140	-	-	-	8,140
Membership dues	18,695	25,215	2,611	-	46,521
Subscription charges	36,109	8,912	1,302	-	46,323
Building and grounds services	34,517	80,785	5,672	-	120,974
Equipment and other assets	43,797	674	-	-	44,471
Other commodities	11,980	2,907	3,209	-	18,096
Depreciation expense	-	101,690	-	-	101,690
Lease expense for SIUE benefit	61,238	-	-	-	61,238
Various fundraising expenses	-	-	8,641	-	8,641
Loan fund expenses	1,019	-	-	-	1,019
Printing, graphics, and photography charges	81,325	39,105	62,565	-	182,995
Payments to annuitants	-	2,828	-	-	2,828
Gifts in kind consumed/given away - supplies	57,146	-	2,990	-	60,136
SIUE Alumni Association event sponsorship	5,998	-	-	-	5,998
Expenses before cost of sales	6,180,988	1,262,494	590,874	-	8,034,356
Cost of sales					
Cost of direct benefit to donors:					
Food and refreshments	-	-	-	146,479	146,479
Rent and facility costs	-	-	-	59,578	59,578
Giveaways	-	-	-	27,113	27,113
Professional services	-	-	-	14,095	14,095
Total cost of sales	-	-	-	247,265	247,265
TOTAL FUNCTIONAL EXPENSES	$ 6,180,988	$ 1,262,494	$ 590,874	$ 247,265	$ 8,281,621

See accompanying notes to the financial statements.

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE FOUNDATION

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 10,520,893
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization of lease expense	162,928
Provision for uncollectible pledges	453,477
Net realized and unrealized investment gain	(7,322,057)
Change in value beneficial interest in term trust	271
Change in value beneficial interest in perpetual trust	(25,249)
Change in cash surrender value of life insurance	(3,919)
Contributions to the permanent endowment	(2,012,121)
Net change in	
Deposits with SIUE	(19,576)
Pledges receivable	(822,570)
Accounts receivable from SIUE	(7,821)
Accounts receivable from East St. Louis Charter High School	(2,186)
Other receivables	948
Interest receivable	16,407
Prepaid expenses	249,674
Accounts payable	106,042
Unearned revenue	8,474
Annuities payable	(900)
Net cash from operating activities	1,302,715
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales of investments	3,680,229
Purchases of investments including reinvested income	(6,635,780)
Purchase of capital assets	(17,000)
Net cash used in investing activities	(2,972,551)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from endowment contributions	2,012,121
Payments to annuitants	(2,828)
Net cash from financing activities	2,009,293
CHANGE IN CASH AND CASH EQUIVALENTS	339,457
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,539,685
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,879,142

See accompanying notes to the financial statements.

1. NATURE OF THE ORGANIZATION

The Southern Illinois University Edwardsville Foundation (Foundation) exists for the primary purpose of aiding and assisting Southern Illinois University Edwardsville (SIUE) in achieving its educational, research and service goals and responsibilities. The Foundation receives and holds gifts and manages investments for the advancement of SIUE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies.

Basis of Accounting

The accompanying financial statements of the Southern Illinois University Edwardsville Foundation have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents include cash and temporary investments which have an original maturity date of three months or less at the date of purchase. Cash equivalents include cash held by investment custodians and money market accounts stated at cost, which approximates fair value. No cash was paid for interest or income taxes for the year ended June 30, 2026.

Investments

The Foundation accounts for its investments at fair value. Certain money market investments and nonnegotiable certificates of deposit with redemption terms that do not consider market rates are carried at cost, which approximates fair value. Contributed investments are recorded at fair value at the date of donation. Investment income or loss and unrealized gains or losses are included in the Statement of Activities as increases or decreases in net assets without donor restrictions, unless the income or loss is restricted by a donor. Investment return is reported net of external and direct internal investment expenses.

In-Kind Contributions

The Foundation records various types of in-kind support including contributed services and gifts such as equipment, books, publications and auction items. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The contributed services the Foundation received from SIUE are described in Note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits with SIUE

Loan deposits with SIUE represent donor funds to be used for student loans. Such funds are managed by SIUE.

Pledges Receivable

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in more than one year are initially reported at fair value determined using the discounted present value of estimated future cash flows technique based on a risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional contributions revenue in accordance with donor-imposed restrictions, if any, on the contributions.

The Foundation estimates the amount of pledges that will be uncollectible. Pledges are reviewed by management using information including previous payment history, relationship to SIUE, and economic factors. A percentage calculation is applied using the above factors and prior pledge write off history to determine the estimated amount uncollectible.

Other Receivables

Other receivables primarily represent financial claims owed to the Foundation arising from revenues that are other than contributions, such as activities and events.

Beneficial Interests in Trusts

Beneficial interests in trusts which are held by a third party are recognized in the period in which the Foundation was notified of its ownership. The Foundation's beneficial interest is recorded at fair value. Subsequent adjustments to fair value are based on information provided by the third-party trustee.

Capital Assets

Property and equipment purchased by the Foundation is recorded at cost. Donated assets are recorded at the fair value at the date of the donation. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. The Foundation's capitalization policy includes all items with a unit cost of $500 or more and an estimated useful life greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three to seven years for furniture, fixtures and equipment, fifteen years for improvements and forty years for buildings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leased Assets

The Foundation paid for the construction of a golf training and practice facility for use by the SIUE golf team which resulted in a prepayment of a lease. Upon completion of the facility construction, the asset was transferred to Sunset Hills Country Club in Edwardsville, Illinois. The Foundation also entered into a use agreement with SIUE and the Sunset Hills Country Club.

The agreement is for ten years and pursuant to the agreement, during golf season the golf team is entitled to exclusive use of the facility at any time and outside of golf season the team has access to use the facility upon notice to Sunset Hills Country Club. The Foundation recognizes the value of the use of the leased asset over the ten-year lease agreement period on a straight-line basis.

The Foundation's leased asset at June 30, 2026 consists of the following:

Leased asset	$ 612,380
Less: Accumulated amortization	(403,150)
TOTAL LEASED ASSET, NET	$ 209,230

Lease expense for the year ended June 30, 2026 is $61,238.

Assets Held for Resale

Assets held for resale primarily represent a decorative copper-plated ironwork staircase and a collection of artwork and historical treasures. The purpose of the assets held for sale are to generate income upon being sold. The staircase sections are carried at the appraised value, which approximate fair value, and the artwork and historical treasures are carried at fair value based upon appraised amounts or auction values published by internationally recognized auction houses for similar type objects.

Annuities Payable

The Foundation uses the actuarial method of recording annuities payable. Under this method, when a gift is received, the assets received are recorded at fair value, the present value of the aggregate annuities payable is recorded as a liability, based on life expectancy tables, and the difference is recognized as contribution revenue. Investment income and gains are recorded as an increase to net assets without donor restrictions, and annuity payments and investment losses are charged to liability accounts with annual adjustments made between the liability and net assets without donor restrictions to record adjustment of the actuarial liability. Annuity investments are carried at fair value based on quoted market prices.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Foundation classifies net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

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, a board-designated endowment and funds to be used for student investment purposes.

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 that 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.

Revenue Recognition

The Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor restrictions 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 recognizes revenue from exchange transactions with customers bound by contracts or similar arrangements as the performance obligations are met.

The Foundation records events, sales and other revenue as exchange transaction revenue in its Statement of Activities for the year ended June 30, 2026. The Foundation records events, sales and other revenue equal to the fair value of the direct benefit to donors, and contribution revenue for the excess received at the point in time when the event or sale occurs. Any amounts received prior to the event date are recorded as unearned revenue.

Various economic factors could affect the recognition and cash flows, including the ability to hold special events, special event program attendance and prompt payment.

Significant Judgments

There are no significant judgements involved in the recognition of revenue from events, sales and other.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable and deferred revenue (contract liabilities) on the Statement of Financial Position. Contract liabilities are released as the performance obligations are met.

	June 30,	
	2026	2025
Unearned revenue	$ 32,879	$ 24,405

Income Taxes

The Internal Revenue Service (IRS) has issued a determination letter, dated August 19, 1982, indicating that the Foundation qualifies for federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code except for income taxes associated with unrelated business income. The IRS has further determined that the Foundation is not a private foundation. The Foundation files various federal or state non-profit tax returns. The Foundation is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2022.

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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Allocated Costs

Expenses are allocated on a functional basis among the Foundation's program and support services. Expenses that can be identified with a specific program and support service are allocated directly to their natural expense classification. Other expenses that are common to several functions have been allocated. Supplies and materials, postage, insurance, software support fees, professional services and subscription charges are allocated on the basis of estimates of time and effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Foundation determines if an arrangement is a lease at inception. As an accounting policy election, the Foundation chose not to apply the standard to short-term leases (term of 12 months or less) or leases with total consideration below $25,000 from the Statement of Financial Position. Operating leases are included in operating right-of-use (ROU) assets and operating lease liabilities on the Statement of Financial Position.

The Foundation leases a golf practice and training facility. The lease payment for the golf practice and training facility was paid in full at the beginning of the lease term, therefore, there are no operating lease liabilities on the Statement of Financial Position. The Foundation does not have any finance leases as of June 30, 2026.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Foundation's operating lease was prepaid in full, the Foundation has not elected a rate to be used in determining the present value of lease payments. The Foundation will make a policy election on a rate in subsequent years if a long-term lease is entered into that is material to the financial statements. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option.

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation's lease agreements do not contain material residual value guarantees or material restrictive covenants.

3. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances in financial institutions, which at times may exceed federally insured limits. The financial institution has pledged collateral to insure cash balances in excess of the amounts exceeding federal insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in cash and cash equivalents.

4. PLEDGES RECEIVABLE

Pledges receivable due in	
Less than one year	$ 890,152
One to five years	1,119,668
Five or more years	202,000
Total pledges receivable	2,211,820
Allowance	(669,408)
Discount	(227,457)
TOTAL	$ 1,314,955

The discount rate used was 4.25% for the year ended June 30, 2026.

5. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of June 30, 2026:

Cash and cash equivalents	$ 1,879,142
Accounts receivable from SIUE	12,161
Accounts receivable from SIUE East St. Louis Charter High School	2,186
Investments	3,685,420
Other receivable	12,086
TOTAL FINANCIAL ASSETS AND LIQUIDITY RESOURCES AVAILABLE WITHIN ONE YEAR	$ 5,590,995

The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers donor restricted funds to be unavailable for general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

6. INVESTMENTS

Investments

The Foundation has pooled its operating cash and investments to provide for efficiencies and economies in its management. Investments are reported at fair value. The fair value is determined to be the amount, usually quoted market prices, at which financial instruments could be exchanged in a current transaction between willing parties. The calculation of realized gains and losses is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

Endowment Investments

These amounts take into account all changes in fair value (including purchases and sales) that occurred during the year. The Board has established a policy regarding spending net income with the stated purpose of ensuring that administrators of these funds are able to make the best possible use of the earnings of these funds while preserving the interests and intent of the donor, the Foundation and SIUE. The Foundation's Investment Policy is administered to all endowment funds unless exceptions have been stipulated by the donor. Under the policy established by the Board, endowment spendable distributions are calculated on an annual basis and can be between 3% and 5.25% of the previous 36-month average market value as of December 31st. The distribution rate is reviewed periodically by the investment committee in light of evolving trends with respect to investment returns and the rate of inflation. Adjustments will be made when appropriate.

Investment Policy

The long-term objective of the Foundation is to earn a return sufficient to preserve the purchasing power of the Foundation for generations to come, as well as to provide for current needs. As a result, the long-term return objective is the sum of distributions, inflation, administrative costs, and net of management fees. The Foundation portfolio has adopted a "total return" investment approach; current income is considered a secondary consideration. The investment objectives are based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. Over time, the Foundation will aim to achieve the total fund return goal while maintaining acceptable risk levels. To accomplish this goal, the fund will diversify its assets among several asset classes. Active managers are expected to provide returns greater than or equal to their appropriate benchmark while utilizing acceptable risk levels. Funds are invested in accordance with the approved Board policy for investments. The Foundation's investment policy authorizes the Foundation to invest in U.S. and international equities, private markets, fixed income, absolute return and real assets.

7. BENEFICIAL INTEREST IN TRUSTS

The Foundation is the beneficiary of one perpetual trust administered by an outside party. Under the terms of the trust, the Foundation has the irrevocable right to receive a portion of the income earned on trust assets in perpetuity, but never receives the assets held in the trusts. The Foundation's beneficial interest in perpetual trust, at fair value, totaled $726,883 at June 30, 2026. The income from this trust for the year ended June 30, 2026 was $25,249, and is included in the change in value of beneficial trusts on the statement of activities.

The Foundation is the beneficiary of one term trust administered by an outside party. Under the terms of the trust, the Foundation receives a portion of the income earned on trust assets during the term of the trust and will receive the remaining trust assets upon termination of the trust. The Foundation's beneficial interest in term trust, at fair value, totaled $827,408 at June 30, 2026. The income from this trust for the year ended June 30, 2026 was $65,650, and is included in the change in value of beneficial trusts on the statement of activities.

8. FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. U.S. GAAP requires the Foundation to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAV's are not included in Level 1, 2, or 3, but are separately reported.

8. FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended June 30, 2026.

Mutual funds and exchange traded funds: Valued at NAV of shares on the last trading day of the fiscal year.

Common stocks: Valued at the NAV of shares on the last trading day of the fiscal year.

Gift annuities: Valued using the fair value of the assets held in the trust and reported by the trustee as of June 30, 2026. The Foundation considers the measurement of its gift annuities to be a Level 2 measurement within the hierarchy because the measurement is based on the unadjusted fair value of the assets reported by the trustee and the Foundation will receive those assets in a future period.

Annuities payable: Valued based on the present value of discounted expected cash flows and life expectancies. The present value was calculated using a discount rate of 4.80% - 5.60%. These are categorized as Level 2.

The preceding method described may produce a fair value calculation that may not be indicative of the net realizable or reflective future fair values. Furthermore, although 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.

8. FAIR VALUE MEASUREMENTS (Continued)

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

	Level 1	Level 2	Level 3	Total
ASSETS				
Investments				
Mutual funds and exchange traded funds	$ 69,755,639	$ -	$ -	$ 69,755,639
Common stocks	56,679	-	-	56,679
Gift annuities	-	19,885	-	19,885
TOTAL ASSETS AT FAIR VALUE	$ 69,812,318	$ 19,885	$ -	69,832,203
Investments measured at net asset value (NAV)				5,036,644
Money market funds*				129,250
TOTAL INVESTMENTS				$ 74,998,097
BENEFICIAL INTEREST IN PERPETUAL TRUST	$ -	$ -	$ 726,883	$ 726,883
BENEFICIAL INTEREST IN TERM TRUST	$ -	$ -	$ 827,408	$ 827,408
LIABILITIES				
Annuities payable	$ -	$ (16,299)	$ -	$ (16,299)

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

Investments Measured at NAV

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values. The Foundation values these investments based on the fund managers’ interim financial statements.

8. FAIR VALUE MEASUREMENTS (Continued)

Investments Measured at NAV (Continued)

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the Foundation's alternative investments measured at NAV as of June 30, 2026:

Investments Measured at NAV as of June 30, 2026	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pinehurst Private Investment Fund	$ 3,002,680	$ -	Quarterly	100 days
Mercer Private Investment Fund	2,033,964	2,455,750	Not available	Not available

The investment objective of the Pinehurst private investment fund is to pursue a multi-strategy, multi-manager approach to hedge fund investing across four broad categories: long/short equity, event-driven/distressed, relative value (multi-strategy), and global macro. The funds invest in 25-30 underlying managers and emphasize a bottom-up approach and seeks to drive returns through asset selection.

The investment objective of the Mercer private investment fund is to diversify a portfolio of private equity, private debt, real property assets, infrastructure, and other private market focused funds, accounts, venture capital funds, business development companies and co-investment vehicles acquired in primary and secondary transactions.

Beneficial Interest in Trusts

The values of beneficial interest in term and perpetual trusts are derived from the underlying investments of the trusts, the values of which are determined in the same manner as investments described above. The Foundation considers the measurement of its beneficial interests in term and perpetual trusts to be Level 3 measurements within the fair value hierarchy because, although the measurements are based on the unadjusted fair value of the underlying trust assets reported by the trustees, the Foundation does not have the ability to direct the investment or distribution decisions of the trusts. Additionally, in the case of perpetual trusts, the Foundation will never receive the underlying trust assets.

8. FAIR VALUE MEASUREMENTS (Continued)

Beneficial Interest in Trusts (Continued)

The following table presents a reconciliation of Level 3 assets measured at fair value on a recurring basis for the year ended June 30, 2026:

	Beneficial Interest in Term Trust	Beneficial Interest in Perpetual Trust
Balance, beginning of the year	$ 827,679	$ 701,634
Distributions from trust	(65,649)	-
Change in value	65,378	25,249
BALANCE, END OF THE YEAR	$ 827,408	$ 726,883

9. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026, was as follows:

	Balance Beginning of Year	Additions	Retirements	Balance End of Year
Buildings	$ 2,639,877	$ -	$ -	$ 2,639,877
Improvements	42,220	-	-	42,220
Furniture, fixtures and equipment	356,424	17,000	-	373,424
Total	3,038,521	17,000	-	3,055,521
Accumulated depreciation, buildings	(1,614,058)	(67,975)	-	(1,682,033)
Accumulated depreciation, improvements	(235)	(2,815)	-	(3,050)
Accumulated depreciation, furniture, fixtures and equipment	(199,702)	(30,900)	-	(230,602)
CAPITAL ASSETS, NET	$ 1,224,526	$ (84,690)	$ -	$ 1,139,836

10. OVERHEAD RECOVERY FEE

Donors have agreed to an investment fee as a percentage of assets under management. The Foundation receives a management fee which, for endowed investments, is 1% of the average endowment fund fair market valuation over the prior 36 month ends, as of December 31st.

For the year ended June 30, 2026, $406,297 was collected from the endowment management fee and used for the general operations of the Foundation.

11. CONTRIBUTED NONFINANCIAL ASSETS

The Foundation received the following contributions of nonfinancial assets for the year ending June 30, 2026:

Dental equipment and supplies	$	97,884
Engineering equipment and supplies		714
Arts and Sciences equipment and supplies		108,602
Clothing and other student consumables		13,331
Auction items		67,462
Subtotal		287,993
Transfer from affiliate - budget allocations (in-kind contributions) from SIUE - personnel salaries and benefits		458,245
TOTAL CONTRIBUTED NONFINANCIAL ASSETS	$	746,238

Any contributions of auction items are monetized, and contributions of other non-financial assets are used in the Foundation's program services.

The Foundation receives contributed services from SIUE in the form of personnel salaries and benefits. The personnel salaries and benefits are reported using the personnel's current rates for the salaries and benefits. The contributed services were utilized in the Foundation's Management and General function. The contributed services are shown as a transfer from affiliate in the Statement of Activities and reported as without donor restrictions.

Contributed engineering, dental, and arts and sciences equipment and supplies received by the Foundation are recorded as in-kind contribution revenue in the Statement of Activities and assets transferred to SIUE and gifts in kind transfers to SIUE in the Statement of Functional Expenses. The Foundation values the donated equipment and supplies using the current price located on a publicly available website for identical equipment and/or supply items if the item donated is new, or on a percentage of the price located on a publicly available website if the item donated has been used but the item located online is new.

11. CONTRIBUTED NONFINANCIAL ASSETS (Continued)

The equipment and supplies were utilized in the Foundation's program for the advancement of SIUE. The equipment and supplies were donor restricted to be used in SIUE's School of Dental Medicine, Engineering, and College of Arts and Sciences programs.

The Foundation receives items to be sold at its annual auction which are then monetized. Contributed auction items are valued at an estimated fair value upon receipt. If the auction event item purchaser pays more than the fair value assigned to the item, additional gift receipt valuation is issued to the purchaser. The contributed auction items are recognized at the amount of the sales proceeds, or estimated fair value if unsold. The fair value is determined using current market data values for an identical or similar item. Some donors have restricted the proceeds from the sale of the auction items to be added to an endowment fund held by the Foundation or for another specified purpose to benefit SIUE.

The Foundation also receives contributions of clothing and other student consumables. These donated items are valued at the wholesale prices that would be received for selling similar products or at an amount per a qualified appraiser. The clothing and other student consumables were used in the Foundation's program services. The clothing and other student consumables are reported as with donor restrictions.

12. RETIREMENT PLAN

All Foundation personnel are SIUE employees. Retirement benefits and post-employment benefits, other than pension, are available for eligible SIUE employees. Substantially all employees of SIUE contribute to the State Universities Retirement System of Illinois (SURS), a cost sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. Participants of SURS contribute 8% of their gross earnings. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org. Additional information pertaining to SURS and the benefits can be found in SIUE's financial statements. That report may be obtained by accessing the website at www.siu.edu.

In addition to providing the above pension benefits, the State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Central Management Services (CMS). Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force.

12. RETIREMENT PLAN (Continued)

The health, dental, and vision benefits provided to, and contribution amounts required from, annuitants are the result of collective bargaining between the State and various unions that represent the State's and University's employees.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of CMS. A copy of the financial statements of CMS may be obtained by writing to the Department of Central Management Services, Stratton Office Building, 401 South Spring Street, Springfield, Illinois, 62706.

The Foundation does not own any of the plan assets and has no responsibility for the plan obligations.

For the year ended June 30, 2026, $128,111 was contributed to SURS and CMS on behalf of Foundation personnel. These amounts are included in the amounts shown as transfer from affiliate-budget allocations (in-kind contributions) from SIUE in the accompanying Statement of Activities and salaries and benefits paid by SIUE in the accompanying Statement of Functional Expenses.

13. TRANSACTIONS WITH RELATED PARTIES

The Foundation has entered into a master contract with the Board of Trustees of SIUE which specifies the relationship between the two organizations in accordance with the Legislative Audit Commission's University Guidelines, 1997. Among the provisions of the master contract is a requirement that the Foundation and SIUE provide services to each other to be reimbursed based on actual costs within the approved budgetary limits.

During the year, the Foundation received $222,024 from SIUE to offset expenses of Foundation operations. Total cash payments from SIUE for the year ended June 30, 2026 were $222,024, and is included as Transfer from affiliates - Payments from SIUE in the accompanying Statement of Activities.

Foundation staff are employed by SIUE. The Foundation recognizes as transfer from affiliate and expense those on-behalf payments for salaries and fringe benefits made by SIUE for personnel of the Foundation. This amount totaled $458,245 (including retirement payments described in Note 12), for the year ended June 30, 2026 and is reflected as transfer from affiliate - budget allocations (in-kind contributions) from SIUE in the accompanying Statement of Activities and salaries and benefits paid by SIUE in the accompanying Statement of Functional Expenses.

13. TRANSACTIONS WITH RELATED PARTIES (Continued)

In accordance with its corporate purposes, the Foundation solicits and accepts gifts for SIUE. The Foundation receives cash gifts, which are recorded on the Foundation's books. Certain gifts are forwarded to SIUE in the form of scholarships, cash grants or expenses for the benefit of SIUE. The Foundation also receives certain noncash gifts, which are recorded on the Foundation's books and then forwarded to SIUE.

The Foundation has entered into a contract with the Board of Trustees of SIUE to provide all aspects of coordination of alumni services. Under the terms of the contract, SIUE provided the Foundation with $40,000 for the year ended June 30, 2026, which is included in Transfer from affiliates - Payments from SIUE in the accompanying Statement of Activities.

During the year ended June 30, 2026, the Foundation disbursed $98,489 for Alumni Association services and activities.

The Foundation maintains restricted fund accounts for various campus units. Some of these disbursements are paid by SIUE and then invoiced to the Foundation for reimbursement. As of June 30, 2026, the Foundation included on the Statement of Financial Position $692,905 for accounts payable - SIUE for such reimbursements.

Transactions with the University for the year ended June 30, 2026 are as follows:

Year Ending June 30, 2026					
	Southern Illinois University				
SIUE Foundation	Due from SIUE-F	Deposits with SIUE	Due to SIUE-F	Operating Expenses	Non-operating Revenues
Accounts payable and other liabilities	$ 692,905	$ -	$ -	$ -	$ -
Deposits held for SIUE Foundation	-	677,711	-	-	-
Accounts receivable from SIUE	-	-	12,161	-	-
Accounts receivable from CHS	-	-	2,186	-	-
Operating revenue - payments from SIUE	-	-	-	222,024	-
Operating revenue - transfer from affiliate	-	-	-	458,245	-
Operating expense	-	-	-	-	8,118,693

The Foundation offices are located at B. Bernard Birger Hall, which is positioned on land for which the Foundation has an agreement dated June 14, 1999, with SIUE. The agreement states that the Foundation shall surrender the premises and all improvements upon expiration or termination of the agreement. The sole right to use and occupy the land rests with the Foundation under the agreement dated June 14, 1999 as long as the Foundation uses the property for the purposes under which it was incorporated.

14. ASSETS HELD FOR RESALE

Other assets classified as assets held for resale at June 30, 2026 include a staircase valued at $450,000, lithographs valued at $61,650, and miscellaneous other assets valued at approximately $1,950. The staircase is valued at appraised value and the artwork and historical treasures are carried at fair value based upon appraised amounts or auction values published by internationally recognized auction houses for similar type objects.

15. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2026 are available for the following purposes or periods:

Student support - scholarships & awards	$ 16,829,766
Instructional research/public service	2,862,420
Academic and athletic support	16,300,056
Time restricted for future periods	489,952
Net assets- restricted in perpetuity	38,063,725
TOTAL	$ 74,545,919

16. ENDOWMENT FUNDS

The Foundation's endowment pool consists of various donor restricted endowment funds and funds designated as endowment (quasi-endowment) by the Board of Directors. Net assets associated with endowment funds, including funds designated to function as endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) 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 retained in perpetuity remain in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation.

The Foundation's governing body is subject to the State of Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

16. ENDOWMENT FUNDS (Continued)

Additionally, in accordance with UPMIFA, the Foundation will consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) the duration and preservation of the endowment;
2) the purposes of the Foundation and the donor-restricted endowment;
3) general economic conditions;
4) the possible effect of inflation and deflation;
5) the expected total return from income and the appreciation of investments;
6) other resources of the Foundation; and
7) the investment policies of the Foundation.

The Foundation has adopted investment and spending policies for its Endowment pool. The objective of these policies is to provide the Foundation a predictable spending budget for its programs while protecting the principal of the endowments in the pool.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation. Such endowments are often referred to as "underwater" endowments. It is the Foundation's policy that spending is not permitted from underwater endowments. No deficiencies of this nature existed as of June 30, 2026.

Endowment net assets as of June 30, 2026 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 818,214	$ -	$ 818,214
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	37,336,842	37,336,842
Accumulated investment gains	-	14,661,462	14,661,462
TOTAL FUNDS	$ 818,214	$ 51,998,304	$ 52,816,518

16. ENDOWMENT FUNDS (Continued)

The changes in endowment net assets for the year ended June 30, 2026 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 725,056	$ 44,776,177	$ 45,501,233
Investment income	119,170	7,303,918	7,423,088
Contributions	-	2,012,121	2,012,121
Appropriated for expenditure	(26,012)	(2,093,912)	(2,119,924)
ENDOWMENT NET ASSETS, END OF YEAR	$ 818,214	$ 51,998,304	$ 52,816,518

17. RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. With the exception of employee health risks, the Foundation has purchased commercial insurance to cover these risks. The employee health coverage is purchased by SIUE and is included in the salaries and benefits paid by SIUE on the Statement of Functional Expenses. Settlements have not exceeded insurance coverages for each of the past three fiscal years.

18. RESTATEMENT OF NET ASSETS

During the year ended June 30, 2026, management determined that the Foundation had certain beneficial interests in perpetual and term trusts held and administered by third parties that were not previously recognized in the financial statements. In accordance with U.S. generally accepted accounting principles, the Foundation is required to recognize its beneficial interests in trusts as assets and to recognize the related changes in value in net assets based on the nature of the donor restrictions.

Accordingly, the Foundation recorded these beneficial interests in trusts and restated its beginning net assets as of July 1, 2025. The correction had no effect on the Foundation's previously reported change in net assets for subsequent periods other than the recognition of the previously unrecorded assets and related net assets.

18. RESTATEMENT OF NET ASSETS (Continued)

The effect of the restatement on beginning net assets is summarized below:

	Without Donor Restrictions	With Donor Restrictions
Net assets, as previously reported	$ 5,642,314	$ 64,584,183
Recognition of beneficial interest in term trust	-	827,679
Recognition of beneficial interest in perpetual trust	-	701,634
NET ASSETS, AS RESTATED	$ 5,642,314	$ 66,113,496

19. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 28, 2026 which is the date that these financial statements were available for issuance and determined that there were no additional significant non-recognized subsequent events through that date.