

College of Eastern Idaho Foundation, Inc.  
(a Component Unit of the College of Eastern Idaho)

Financial Statements

Years Ended June 30, 2021 and 2020



**WIPFLI**

# College of Eastern Idaho Foundation, Inc.

## Financial Statements

Years Ended June 30, 2021 and 2020

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## **Independent Auditor's Report**

Board of Directors  
College of Eastern Idaho Foundation, Inc.  
Idaho Falls, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of College of Eastern Idaho Foundation, Inc. (the "Foundation") a component unit of the College of Eastern Idaho, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College of Eastern Idaho Foundation, Inc., a component unit of the College of Eastern Idaho, as of June 30, 2021 and 2020, 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.

**Emphasis-of-matter**

As discussed in Note 13 to the financial statements, the Foundation determined that unrestricted net assets were understated and restricted net assets were overstated by \$587,593 as of June 30, 2019.

*Wipfli LLP*

Wipfli LLP

Idaho Falls, Idaho  
September 7, 2021

# College of Eastern Idaho Foundation, Inc.

## Statements of Financial Position

<i>Years Ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 688,873	\$ 1,423,081
Investments	4,410,726	2,122,474
Total current assets	5,099,599	3,545,555
<b>PERMANENTLY RESTRICTED ASSETS</b>		
Investments	2,686,352	2,634,817
<b>EQUIPMENT</b>		
Equipment	6,164	6,164
Accumulated depreciation	6,164	6,164
Net equipment	-	-
Total assets	\$ 7,785,951	\$ 6,180,372
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 647	\$ 28,714
Total current liabilities	647	28,714
<b>LONG-TERM LIABILITIES</b>		
Total liabilities	647	28,714
<b>NET ASSETS</b>		
Without donor restrictions	1,128,017	936,640
With donor restrictions	6,657,287	5,215,018
Total net assets	7,785,304	6,151,658
Total liabilities and net assets	\$ 7,785,951	\$ 6,180,372

See Independent Auditor's Report and accompanying notes to financial statements.

# College of Eastern Idaho Foundation, Inc.

## Statements of Activities

<i>Years Ended June 30,</i>	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenue:</b>						
Public Support						
Contributions	\$ 22,658	\$ 485,132	\$ 507,790	\$ 20,956	\$ 1,312,645	\$ 1,333,601
Fund raising events, net of expenses	23,222	-	23,222	6,696	-	6,696
Donated services	193,876	-	193,876	122,122	-	122,122
Donated property and equipment	77,128	-	77,128	57,226	-	57,226
Unrealized gain (loss) on investments	39,630	267,875	307,505	(10,170)	(159,325)	(169,495)
Gain on sale of investments	199,373	870,412	1,069,785	7,710	120,796	128,506
Interest and dividends, net of expenses	39,964	191,282	231,246	12,433	181,768	194,201
Net assets released from restriction	372,432	(372,432)	-	696,921	(696,921)	-
Total support and revenue	968,283	1,442,269	2,410,552	913,894	758,963	1,672,857
<b>Expenses:</b>						
Distributions for charitable purposes	526,806	-	526,806	760,065	-	760,065
Direct program services	65,582	-	65,582	77,777	-	77,777
Fund-raising	41,278	-	41,278	17,405	-	17,405
Management & general	143,240	-	143,240	101,173	-	101,173
Total expenses	776,906	-	776,906	956,420	-	956,420
Change in net assets	191,377	1,442,269	1,633,646	(42,526)	758,963	716,437
Net assets - beginning (as restated)	936,640	5,215,018	6,151,658	979,166	4,456,055	5,435,221
Net assets - ending	\$ 1,128,017	\$ 6,657,287	\$ 7,785,304	\$ 936,640	\$ 5,215,018	\$ 6,151,658

See Independent Auditor's Report and accompanying notes to financial statements.

# College of Eastern Idaho Foundation, Inc.

## Statements of Functional Expenses

<i>For the year ended June 30, 2021</i>	Program expenses	Fund-raising	Management & general	Total
Scholarships	\$ 265,263	\$ -	\$ -	\$ 265,263
College support	261,543	-	-	261,543
<b>Total charitable distributions</b>	<b>526,806</b>	<b>-</b>	<b>-</b>	<b>526,806</b>
Advertising and solicitation	-	9,922	-	9,922
Legal and professional	-	-	25,848	25,848
Telephone	-	-	1,096	1,096
Office expense	-	-	2,599	2,599
Miscellaneous	-	-	3,400	3,400
Travel	-	-	1,190	1,190
Postage	-	-	11	11
Website	-	-	6,536	6,536
Salary and benefits	65,582	31,356	96,938	193,876
Dues & subscriptions	-	-	5,622	5,622
<b>Subtotal</b>	<b>592,388</b>	<b>\$ 41,278</b>	<b>\$ 143,240</b>	<b>\$ 776,906</b>
Fundraising expenses netted with fundraising income	-	\$ 8,104	\$ -	\$ 8,104
<b>Total expenditures</b>	<b>\$ 592,388</b>	<b>\$ 49,382</b>	<b>\$ 143,240</b>	<b>\$ 785,010</b>

<i>For the year ended June 30, 2020</i>	Program expenses	Fund-raising	Management & general	Total
Scholarships	\$ 410,164	\$ -	\$ -	\$ 410,164
College support	349,901	-	-	349,901
<b>Total charitable distributions</b>	<b>760,065</b>	<b>-</b>	<b>-</b>	<b>760,065</b>
Advertising and solicitations	-	17,405	-	17,405
Legal and professional	-	-	18,718	18,718
Telephone	-	-	1,364	1,364
Office expense	-	-	3,325	3,325
Miscellaneous	-	-	7,569	7,569
Travel	-	-	2,322	2,322
Website	-	-	4,426	4,426
Salary and benefits	77,777	-	57,389	135,166
Dues & subscriptions	-	-	6,060	6,060
<b>Subtotal</b>	<b>837,842</b>	<b>\$ 17,405</b>	<b>\$ 101,173</b>	<b>\$ 956,420</b>
Fundraising expenses netted with fundraising income	-	\$ 25,246	\$ -	\$ 25,246
<b>Total expenditures</b>	<b>\$ 837,842</b>	<b>\$ 42,651</b>	<b>\$ 101,173</b>	<b>\$ 981,666</b>

See Independent Auditor's Report and accompanying notes to financial statements.

# College of Eastern Idaho Foundation, Inc.

## Statements of Cash Flows

<i>Years Ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributors	\$ 464,602	\$ 1,187,583
Cash received from fund raising events	31,326	31,942
Cash paid for fund raising events	(8,104)	(25,246)
Cash paid toward fund-raising	(9,922)	(17,405)
Cash paid for program services	(449,680)	(702,839)
Net cash from operating activities	(74,368)	(48,243)
Net cash from operating activities	(46,146)	425,792
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends received	231,246	207,224
Net proceeds (purchases) of investments	(919,308)	56,301
Net cash from investing activities	(688,062)	263,525
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
Net increase (decrease) in cash	(734,208)	689,317
Cash and cash equivalents at beginning of year	1,423,081	733,764
Cash and cash equivalents at end of year	\$ 688,873	\$ 1,423,081

See Independent Auditor's Report and accompanying notes to financial statements.

# College of Eastern Idaho Foundation, Inc.

## Statements of Cash Flows (Continued)

<i>Years Ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,633,646	\$ 716,437
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss (gain) on sale of investments	(1,069,785)	(128,506)
Unrealized loss (gain) on investments	(307,505)	169,495
Noncash stock donations received	(43,189)	(146,018)
Change in accounts payable	(28,067)	21,608
Interest and dividends	(231,246)	(207,224)
Total adjustments	(1,679,792)	(290,645)
Net cash flows from operating activities	\$ (46,146)	\$ 425,792

### **SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING**

Donated wages and benefits of \$193,876 and \$122,122 were received during the years ended June 30, 2021 and 2020, respectively. Donated materials of \$77,128 and \$57,226 were received and given to the Foundation during the years ended June 30, 2021 and 2020, respectively. There was also non-cash donations of stock in the amount of \$43,189 and \$146,018 for the years ended June 30, 2021 and 2020, respectively.

See Independent Auditor's Report and accompanying notes to financial statements.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of operations

The College of Eastern Idaho Foundation, Inc. (the Foundation) was established in 1992 as the Eastern Idaho Technical College Foundation, Inc. to solicit gifts, devises, monies, or properties to be held and managed for the exclusive benefit as a component unit of the College of Eastern Idaho - formerly known as Eastern Idaho Technical College (the College). The Foundation's name was changed in 2017 in anticipation of the change in the name of the College. The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and a publicly supported charitable organization as described in sections 509(a)(1) and 170(b)(A)(vi).

The financial statements presented are only for the Foundation, and do not include the assets, liabilities, and fund balances, or the revenues, expenditures, and capital additions of the College of Eastern Idaho as a whole. Accordingly, the financial statements are not intended to present the financial position of College of Eastern Idaho or its results of operations in conformity with accounting principles generally accepted in the United States. The Foundation is a component unit of the College of Eastern Idaho and therefore, the financials are included in the financial statements that are issued by the College.

#### Basis of Accounting

The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles for Not-for-Profit Organizations.

#### Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

#### Revenues Recognition and Support

The Foundation reports gifts of cash and other assets as restricted support 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 contributed property and equipment at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions when placed in service.

Revenue from special events contains an exchange element based on the value or benefits provided and a contribution element for the difference between the total amount paid and the exchange element. The Foundation has determined that there is no material difference between recording the full balance as received, and separating these elements to be recognized at the time of the event, and therefore records both exchange and contribution portions at the time of receipt.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense were \$4,096 and \$6,585 for the years ended June 30, 2021 and 2020, respectively.

#### Estimates

Preparing the Foundation's financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") require management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Income Taxes

The Foundation is organized as a nonprofit and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in these statements. The Foundation is subject to examination of its federal income tax filing in the United States generally for the three preceding tax years. There were no uncertain tax positions taken by the Foundation. In the event that the Foundation is assessed penalties and/or interest, penalties will be charged to other operating expense and interest will be charged to interest expense.

#### Change in Accounting Policy

In May 2014, the FASB issued ASU 2014-09 Revenue From Contracts with Customers (Topic 606). The amendments in this ASU, along with numerous clarifications and modifications, require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Foundation adopted this guidance as of June 30, 2020 and applied Topic 606 on a retrospective basis. The impact of this ASU was not significant to the Foundation and accordingly, there was no change in opening balances of net assets and no prior period results were restated.

In 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurements*. The amendments in this ASU are intended to improve the effectiveness of disclosures about fair value measurements required under Accounting Standards Codification (ASU) 820. The ASU removes certain disclosures and modifies others. The Foundation has applied the amendments in this ASU on a retrospective basis. There was no change in opening balances of net assets and prior period results were not restated.

On June 21, 2018, the FASB issued ASU No 2018-08 Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU assist in (a) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification and (2) determining whether a contribution is conditional.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Change in Accounting Policy** (Continued)

The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The entity has applied the amendments in this ASU on a modified prospective basis with no change on opening balances of net assets, and no prior period result restated. The amendments in this ASU also apply to both resources received by a recipient and resources given by a resource provider. The Foundation adopted ASU 2018-08 for resources received in the year ended June 30, 2020 and for resources given by a resource provider for the year ended June 30, 2021.

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### **Investments**

The Foundation carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statements of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Donated Property and Equipment

The Foundation has recorded donations of property and equipment as support at their estimated fair value at the date of donation. Such donations are reported as support increasing net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose or period of time. Assets with explicit restrictions regarding their use are reported as restricted support. The donated property and equipment was passed through to the College.

#### Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation 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 (or certain grantor) restrictions.

**Net assets with donor restrictions:** Net assets subject to donor- (or certain grantor-) 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.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs donated by the College are allocated between program and management and general. Program costs include distributions for charitable purposes, which are scholarships and college support, and direct program services that are expenses incurred to operate the program.

#### Reclassification

Certain amounts as previously reported in the 2020 financial statements have been reclassified to conform to the 2021 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

### Note 2: Cash and Cash Equivalents

At June 30, 2021 and 2020, the carrying amount of the Foundation's cash and cash equivalents was \$688,873 and \$1,423,081 respectively. The cash balance was comprised of the following:

<i>Years Ended June 30,</i>	<b>2021</b>	<b>2020</b>
Cash on hand and demand deposits at banking institutions	\$ 658,857	\$ 1,411,138
Cash held in certificates of deposit	30,016	11,943
Total	\$ 688,873	\$ 1,423,081

The Foundation maintains cash balances at financial institutions where the accounts are insured by the FDIC for up to \$250,000. At certain times during the year, cash balances may exceed FDIC-insured levels. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### Note 3: Investments

Investments and related returns for the years ended at June 30, 2021 and 2020 consisted of the following:

	<b>2021</b>	<b>2020</b>
Money market funds	\$ -	\$ 136,691
Equities	-	21,202
Mutual funds	7,097,078	4,596,409
Real estate investment trust	-	2,989
Totals	\$ 7,097,078	\$ 4,757,291

<i>Years Ended June 30,</i>	<b>2021</b>	<b>2020</b>
Net unrealized and realized gains (losses)	\$ 1,377,290	\$ (40,989)
Investment income	243,359	207,224
Investment fees	(12,113)	(13,023)
Totals	\$ 1,608,536	\$ 153,212

Investments are held through Edward Jones and are insured by the Securities Investor Protection Corporation.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

### Note 4: Donated Services

The College donated 100% of the total Director of Operation's and the Scholarship Coordinator's salary and benefits, which has been recorded in these financial statements as a donation and expenditure at June 30, 2021 and 2020, of \$193,876 and \$122,122, respectively. The College also provides office space and other services to the Foundation. The value of the office space and other services is not reflected in these statements.

A substantial number of unpaid volunteers have made significant contributions of their time to the operations of the Foundation. The value of these donated services and time is not recognized in the accompanying financial statements because they do not meet the criteria for recognition.

### Note 5: Net Assets

The total amount of donor restricted net assets temporary in nature as of June 30, 2021 and 2020, was available for the following purposes:

<i>Years Ended June 30,</i>	<b>2021</b>	2020
GOALS/Library expansion	\$ 1,500	\$ 1,500
Future Tech	25,000	20,000
Scholarships and college support	3,944,435	2,558,701
Total	<b>\$ 3,970,935</b>	<b>\$ 2,580,201</b>

Donor restricted net assets permanent in nature at June 30, 2021 and 2020, are restricted to investment in perpetuity, the income from which is expendable to support:

<i>Years Ended June 30,</i>	<b>2021</b>	2020
Scholarships to Idaho Steel employees and related individuals	\$ 50,000	\$ 50,000
Health related program scholarships	148,000	148,000
Activities of the Foundation	10,000	10,000
Other scholarships	2,424,352	2,372,817
Mechanical trade program scholarships	54,000	54,000
Total	<b>\$ 2,686,352</b>	<b>\$ 2,634,817</b>

Net assets at June 30, 2021 and 2020, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

<i>Years Ended June 30,</i>	<b>2021</b>	2020
Scholarships and college support	\$ 372,432	\$ 696,921
Total	<b>\$ 372,432</b>	<b>\$ 696,921</b>

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

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### Note 6: Donor Restricted Assets

At June 30, 2021 and 2020, the Foundation had donor-restricted endowments for the purposes of supporting the College and providing student scholarships. The Board of Directors has interpreted the Idaho Uniform Prudent Management of Institution Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2021 and 2020, 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 donated to the Endowment and (b) 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 expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors when deciding to appropriate or accumulate donor-restricted endowment funds:

Duration and preservation of the fund

Purposes of the organization and the donor-restricted endowment fund

General economic conditions

Possible effect of inflation and deflation

Expected total return from income and the appreciation of investments

Other resources of the Foundation

Investment policies of the Foundation

The primary long-term financial objective for the Foundation's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending and costs of portfolio management. The endowments are held at the Foundation and subject to the Foundation's approved investment policy statements.

The amount permanently restricted by donors was \$2,686,352 and \$2,634,817 respectively. The Foundation determines the amount to be paid out as scholarships and college support on an annual basis.

The endowment funds consist of donor-restricted endowments and funds by the board as 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.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

### Note 7: Liquidity and Availability of Financial Resources

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:

<i>Years Ended June 30,</i>	<b>2021</b>	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 688,873	\$ 1,423,081
Investment securities	<b>7,097,078</b>	4,757,291
Total liquid financial assets available	<b>7,785,951</b>	6,180,372
Less amounts not available to be used within one year		
Net assets with donor restrictions	<b>6,657,287</b>	5,215,018
Financial assets available (unavailable) to meet general expenditures within 12 months	<b>\$ 1,128,664</b>	\$ 965,354

The Foundation strives to maintain liquid financial assets sufficient to cover 180 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments.

### Note 8: Endowment Funds

In July 1999, the Rogers and Hazel Rose Fund for the College of Eastern Idaho Foundation, Inc. was set up with the Idaho Community Foundation (ICF), an Idaho nonprofit corporation, in the amount of \$100,000. The assets of the fund are held by ICF as a permanent endowment. The purpose of the fund is to make charitable distributions to the College of Eastern Idaho Foundation, Inc. and/or maintenance needs and student scholarships. The maximum distribution from the fund is restricted to 50% of the prior year's net earnings. The Foundation received \$24,881 during the current year and \$4,903 during the prior year and had no receivable at June 30, 2021 and 2020. These assets are not reflected on these financial statements, as they are the assets of ICF.

### Note 9: Funds Held by Idaho Community Foundation

The Daugherty Foundation – EITC Scholarship Fund was established in 1991 with the Idaho Community Foundation (ICF), an Idaho nonprofit corporation. The purpose of the fund is to make charitable distributions to the College of Eastern Idaho in the form of student scholarships and college improvements. The ICF has discretionary authority to distribute principal, any additions thereto, and income earned in making the donations. The Foundation received \$5,421 during the current year and \$5,313 during the prior year and had no receivable at June 30, 2021 and 2020. These assets are not reflected on these financial statements, as they are the assets of ICF.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

### Note 10: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value:

- Quoted market prices are used to determine the fair value of investments in publicly traded equity securities (common and preferred stock). Money market funds are valued using \$1 as the net asset value. Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

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

The following tables present the balances of assets at fair value on a recurring basis by level within the fair value hierarchy at June 30:

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ -	\$ -	\$ -	\$ -
Mutual funds	7,097,078	-	-	7,097,078
Stocks	-	-	-	-
<b>Total investment assets at fair value</b>	<b>\$ 7,097,078</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,097,078</b>

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 136,691	\$ -	\$ -	\$ 136,691
Mutual funds	4,599,398	-	-	4,599,398
Equities	21,202	-	-	21,202
<b>Total investment assets at fair value</b>	<b>\$ 4,757,291</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,757,291</b>

There were no assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2021 and 2020.

### Note 11: Concentration of Contributions or Grants

The Foundation relies primarily on contributions. Contributions generally come from donors in south east Idaho for the years ending June 30, 2021 and 2020.

# College of Eastern Idaho Foundation, Inc.

## Notes to Financial Statements

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### **Note 12: Subsequent Events**

The Foundation has evaluated events and transaction for potential recognition or disclosure in the financial statements through September 7, 2021, which is the date the financial statements were available to be issued.

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 virus crisis ("CV19 Crisis"). As of the date of the financial statements multiple jurisdictions in the U.S. have declared states of emergency. As a result, the Foundation canceled the Great Race. The Foundation cannot reasonably estimate the long-term impact of the pandemic.

There were no other subsequent type events, identified by management of the Foundation, that are required to be disclosed.

### **Note 13: Restatement of Previously Issued Financial Statement**

The financial statements as of and for the year ended June 30, 2020, have been restated to correct an error that was detected during the audit for the year ended June 30, 2021.

In prior years, the Foundation recorded a donation as donor restricted that it has later determined was unrestricted. To correct this error, the restricted net assets were reduced by \$587,593 and the unrestricted net assets were increased by \$587,593 at the beginning of the year ended June 30, 2020. The total effect on the ending net assets as of June 30, 2020, was no change.