EASTERN ILLINOIS UNIVERSITY FOUNDATION
(A COMPONENT UNIT OF EASTERN ILLINOIS UNIVERSITY)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

EASTERN ILLINOIS UNIVERSITY FOUNDATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022

INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Illinois University Foundation
Charleston, Illinois

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Eastern Illinois University Foundation, which comprise the statements of financial position as of June 30, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Eastern Illinois University Foundation as of June 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eastern Illinois University 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 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 Eastern Illinois University Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

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

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

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

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

Board of Directors
Eastern Illinois University Foundation

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of Eastern Illinois University Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eastern Illinois University Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Illinois University Foundation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
December 12, 2023

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Eastern Illinois University Foundation
Charleston, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Eastern Illinois University Foundation which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern Illinois University Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern Illinois University Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Eastern Illinois University Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Eastern Illinois University Foundation

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern Illinois University Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
December 12, 2023

EASTERN ILLINOIS UNIVERSITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 18,666,805	$ 17,257,356
Other Receivables	19,501	17,825
Prepaid Expenses	41,121	41,398
Pledges Receivable	287,184	512,090
Investments	96,736,676	90,646,046
Investment in Real Estate	3,354,546	3,354,546
Assets Held Under Split-Interest Agreements	196,159	199,900
Beneficial Interest in Split-Interest Agreements	2,895,799	3,310,857
Beneficial Interest in Trusts	1,783,589	1,628,181
Property and Equipment, Net	1,722,533	1,761,981
Cash Surrender Value of Life Insurance	44,576	43,033
Total Assets	$ 125,748,489	$ 118,773,213
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Other Liabilities	$ 61,065	$ 38,196
Deferred Revenue	22,890	31,355
Obligations Under Split-Interest Agreements	89,044	192,932
Total Liabilities	172,999	262,483
NET ASSETS		
Without Donor Restrictions	6,323,219	5,771,476
With Donor Restrictions	119,252,271	112,739,254
Total Net Assets	125,575,490	118,510,730
Total Liabilities and Net Assets	$ 125,748,489	$ 118,773,213

See accompanying Notes to Financial Statements.

EASTERN ILLINOIS UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	$ 6,381	$ 4,500,450	$ 4,506,831
Special Events	-	32,729	32,729
Investment Income, Net of Fees	122,500	3,390,831	3,513,331
Realized Gains	-	1,259,579	1,259,579
Unrealized Gains	24,299	3,263,001	3,287,300
Change in Value of Split Interest Agreements	-	77,457	77,457
Service Contract With University	92,977	-	92,977
Other Operating Revenue	73,446	115,152	188,598
Net Assets Released from Restrictions	6,126,182	(6,126,182)	-
Total Revenue, Support, and Gains	6,445,785	6,513,017	12,958,802
EXPENSES			
Program Services	5,309,426	-	5,309,426
Management and General	542,614	-	542,614
Fundraising	42,002	-	42,002
Total Expenses	5,894,042	-	5,894,042
CHANGE IN NET ASSETS	551,743	6,513,017	7,064,760
Net Assets - Beginning of Year	5,771,476	112,739,254	118,510,730
NET ASSETS - END OF YEAR	$ 6,323,219	$ 119,252,271	$ 125,575,490

See accompanying Notes to Financial Statements.

EASTERN ILLINOIS UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	$ 6,235	$ 6,944,549	$ 6,950,784
Special Events	-	22,371	22,371
Investment Income, Net of Fees	67,321	4,302,296	4,369,617
Realized Gains	-	5,488,397	5,488,397
Unrealized Losses	(62,870)	(16,843,815)	(16,906,685)
Change in Value of Split Interest Agreements	-	291,194	291,194
Service Contract With University	213,111	-	213,111
Other Operating Revenue	66,424	35,578	102,002
Net Assets Released from Restrictions	5,984,011	(5,984,011)	-
Total Revenue, Support, and Gains	6,274,232	(5,743,441)	530,791
EXPENSES			
Program Services	5,188,793	-	5,188,793
Management and General	588,791	-	588,791
Fundraising	60,095	-	60,095
Total Expenses	5,837,679	-	5,837,679
CHANGE IN NET ASSETS	436,553	(5,743,441)	(5,306,888)
Net Assets - Beginning of Year	5,334,923	118,482,695	123,817,618
NET ASSETS - END OF YEAR	$ 5,771,476	$ 112,739,254	$ 118,510,730

See accompanying Notes to Financial Statements.

EASTERN ILLINOIS UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Fundraising	Total
Scholarship Awards	$ 1,757,355	$ -	$ -	$ 1,757,355
Personnel Services	14,848	273,663	30,730	319,241
Occupancy	7,232	41,485	5,166	53,883
Professional Fees	-	70,395	-	70,395
Software Licensing and Maintenance	2,852	-	-	2,852
Telephone Expense	-	12,279	3,884	16,163
Supplies	-	5,463	-	5,463
Postage	-	5,040	-	5,040
Printing	-	7,408	-	7,408
Dues, Subscriptions, and Promotions	-	43,197	-	43,197
Meetings and Receptions	-	33,894	-	33,894
Insurance	847	14,223	605	15,675
Grants to University	3,524,028	-	-	3,524,028
Depreciation	2,264	35,567	1,617	39,448
Total Expenses by Function	$ 5,309,426	$ 542,614	$ 42,002	$ 5,894,042
Functional Expense Percentage	90.1%	9.2%	0.7%	100.0%

See accompanying Notes to Financial Statements.

EASTERN ILLINOIS UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total
Scholarship Awards	$ 1,567,217	$ -	$ -	$ 1,567,217
Personnel Services	21,216	373,843	38,973	434,032
Occupancy	7,128	41,656	5,091	53,875
Professional Fees	-	54,488	-	54,488
Software Licensing and Maintenance	30,727	-	-	30,727
Telephone Expense	-	12,164	4,121	16,285
Supplies	-	878	-	878
Postage	-	4,752	1	4,753
Printing	-	4,200	10,047	14,247
Dues, Subscriptions, and Promotions	-	21,662	-	21,662
Meetings and Receptions	-	26,705	-	26,705
Insurance	549	13,277	392	14,218
Grants to University	3,559,897	-	-	3,559,897
Depreciation	2,059	35,166	1,470	38,695
Total Expenses by Function	$ 5,188,793	$ 588,791	$ 60,095	$ 5,837,679
Functional Expense Percentage	88.9%	10.1%	1.0%	100.0%

See accompanying Notes to Financial Statements.

EASTERN ILLINOIS UNIVERSITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions, Gifts, and Pledges	$ 2,610,075	$ 4,012,556
Special Events	32,729	22,371
Payments of Scholarships and Grants/Awards to Others	(1,751,046)	(1,560,917)
Payments to Suppliers, Vendors, and Others	(463,397)	(462,520)
Grants to the University	(3,524,028)	(3,559,897)
Other Receipts	188,598	102,002
Net Cash Used by Operating Activities	(2,907,069)	(1,446,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From the Sale of Investments	4,157,245	5,421,087
Purchase of Equipment	-	(30,094)
Earnings On Investments, Net of Investment Expense	3,072,496	4,726,500
Purchase of Investments, Including Reinvested Income	(5,007,188)	(7,990,625)
Net Cash Provided by Investing Activities	2,222,553	2,126,868
CASH FLOWS FROM FINANCING ACTIVITIES		
Private Gifts For Endowment Purposes	2,111,521	3,040,228
Payments to Annuitants	(17,556)	(21,565)
Net Cash Provided by Financing Activities	2,093,965	3,018,663
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,409,449	3,699,126
Cash and Cash Equivalents - Beginning of Year	17,257,356	13,558,230
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 18,666,805	$ 17,257,356
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 7,064,760	$ (5,306,888)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	39,448	38,695
Investment Income (Net of Fees)	(3,513,331)	(4,369,617)
Realized Gain On Sale of Investments	(1,259,579)	(5,488,397)
Unrealized (Gain) Loss	(3,287,300)	16,906,685
Change in Split Interest Agreements	(77,457)	(291,194)
Private Gifts For Endowment Purposes	(2,111,521)	(3,040,228)
Changes in Operating Assets and Liabilities:		
Other Receivables	(1,676)	(739)
Pledges Receivable	224,906	77,756
Prepaid Expenses	277	8,866
Accounts Payable	22,869	(6,327)
Deferred Revenue	(8,465)	24,983
Net Cash Used by Operating Activities	$ (2,907,069)	$ (1,446,405)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Eastern Illinois University Foundation (the Foundation), located in Charleston, Illinois, was incorporated under the laws of the State of Illinois as a nonprofit organization. The primary function of the Foundation is to assist in developing and increasing the facilities of Eastern Illinois University for broader educational opportunities for its students, alumni, and citizens of the State of Illinois by encouraging gifts of money, property, works of art, and other materials having educational, artistic, or historical value. These gifts are to be administered with the primary objective of serving purposes other than those for which the State of Illinois ordinarily makes sufficient appropriations.

Financial Reporting Entity

The Foundation is a component unit of Eastern Illinois University, and the Foundation's financial statements are also included as part of Eastern Illinois University's financial statements and the State of Illinois Comprehensive Annual Financial Report.

Method of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets with donor restrictions can be temporary in nature, which includes contributed net assets for which donor-imposed time and/or purpose restrictions have not been met. Other donor-imposed restrictions are permanent in nature, which includes contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the Illinois Funds are considered cash equivalents.

Investments

The Foundation is authorized by the board of directors to invest funds in compliance with stated investment policies. Investments are carried at their fair value, as determined by quoted market prices for investments that have readily available fair value. For investments for which a readily determinable fair value does not exist (e.g. private equities and alternative investments), the investments are valued at estimated fair values based on information provided by the fund managers. Because of the inherent uncertainty of valuation relating to the Foundation's investments in investee funds and their underlying investments, the estimate of fair value may differ from the values that would have been used had a ready market existed, and any difference could be material.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

If a donor has not provided specific instructions, Illinois Compiled Statutes (760 ILCS 51/4) permits the board of directors to authorize for expenditure the net appreciation (realized and unrealized) of the investments of endowment funds. When administering its power to spend net appreciation, the board of directors is required to consider the Foundation’s long-term and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

The long-term objective of the endowment funds, as determined by the board of directors, is to achieve a total return in excess of its current spending rate policy over a twenty-year time horizon. The current rate of the spending rate policy is 5% per year, comprised of a 4.25% spending rate and 0.75% for administrative expenses. In addition to achieving the 5% spending rate policy, the policy asset allocation is designed to cover the costs of inflation, investment management/consulting fees, and other related costs. The spending allowance calculation is determined by taking the spending rate (currently 5%) times the investment portfolio’s trailing twelve-quarter average market value, as of June 30th of each year. Any remaining return over the 5% spending rate will be retained for use in future years.

The Foundation maintains pooled investment accounts for its endowments and charitable gift annuities. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments and charitable gift annuities based on the relationship of the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Receivables

Unconditional promises to give (pledges) are recorded as an asset and contribution in the period in which they are received. Conditional promises to give are recorded in the period in which conditions have been met or it is deemed that it is remote that the condition will not be met. Matching gift expectances are not accrued as receivable but are recognized upon receipt.

Promises to give that are collectable beyond one year are recorded at fair value of their estimated future cash flows. Pledges have been adjusted for all known uncollectible amounts and no allowance for bad debts is considered necessary as of June 30, 2023 and 2022.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split-Interest Agreements

Split-interest agreements are valued at fair value at the time of donation with a corresponding liability recorded for the present value of the expected payments due to the donors or third-party beneficiaries with the difference recorded as contributions in the net asset type based on the donor's restriction. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. Adjustments to reflect the present value of the estimated annuity payments and changes in actuarial assumptions are included in the statements of activities.

Beneficial Interest in Split-Interest Agreements

The Foundation is the beneficiary of certain split-interest agreements held by independent trustees. Contribution revenue is recognized at the date a trust has been established with an initial valuation based on the expected present value of the Foundation's interest in a trust's assets. Present value computations consider, among other factors, appropriate interest rates and estimated donor mortality which are assessed annually for reasonableness. Subsequent to initial valuation, changes are recognized separately in the statements of activities.

Beneficial Interest in Trusts

The Foundation recognizes beneficial interest in trusts as contribution income upon receipt based on the Foundation's share of fair value of the underlying trust assets. Subsequent to initial contribution recognition, changes in fair value of the underlying trust assets are recognized separately in the statements of activities.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. The Foundation's capitalization threshold for property and equipment is as follows: equipment $5,000 or greater, land $100,000 or greater, buildings $100,000 or greater, and building improvements $25,000 or greater.

Renovations to buildings and equipment that significantly increase the value or extend the useful life of the asset are capitalized in accordance with the capitalization policy described above. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 to 20 years for building improvements and 4 to 7 years for equipment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Cash Surrender Value of Life Insurance

Cash surrender value of life insurance represents the surrender value of insurance policies where donors have transferred ownership of the policies to the Foundation, and the Foundation is named as beneficiary. Life insurance policies are carried at net cash surrender value. Changes in value (realized and unrealized) are recorded in the statements of activities.

Panther Club

The purpose of the Panther Club, a division of the Foundation, is to raise funds for the University's Athletic Department. The amounts raised are recorded as gifts. The costs of the Panther Club are paid through its fund-raising activities.

Revenue Recognition

Revenue from contracts with customers is recognized when the services are performed in an amount that reflects the consideration expected to be entitled in exchange for these services.

The timing of revenue recognition, billings, and cash collections can result in receivables, contract assets, and contract liabilities. Accounts receivable are recorded when the right to consideration becomes unconditional and are presented separately in the statements of financial position. The Foundation does not have significant contract assets or liabilities.

The following describes the Foundation's significant revenue streams:

Contributions:

Contributions are recognized at fair value in the period in which the pledges are made. Contributions are distinguished between those that increase net assets with donor restrictions and without donor restrictions. Net assets with donor restrictions result from donor restrictions that the contributions are to be used for restricted purposes. When the restriction has been met, the net assets with donor restrictions are released to net assets without donor restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions (Continued):

Real estate and other objectively measurable assets that are available for financial support are recorded at their fair value at the date of contribution. Nonmonetary assets, art objects, equipment, and various services contributed directly to Eastern Illinois University through the Foundation for direct benefit of an Eastern Illinois University department are not included in the financial statements, although donors receive recognition for such contributions.

The value of contributed services of a number of volunteers is not reflected in the financial statements since the services are not specialized services that would otherwise be purchased.

Special Events:

Special event revenue consists of the income raised from special fundraising events. Revenue for special events is recognized during the fiscal year for which the event is held. The remaining special event revenue for events to be held in future fiscal years are deferred and then recognized in the fiscal year for which that event will take place.

Service Contract with University:

The Foundation has an agreement with Eastern Illinois University to receive, hold and administer gifts of property, real or personal, financial or otherwise, to be used for and on behalf of Eastern Illinois University, its faculty, students and staff in accordance with the terms specified by the donor. The University provides the Foundation with in-kind services in an amount not to exceed the Foundation's cost of coordinating these activities.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and accounts payable and other liabilities approximate fair value due to the short maturity of these financial instruments. Receivables are initially recorded at fair value using an appropriate discount rate and approximate fair value at year-end. Investments, assets held under split-interest agreements, beneficial interest in split-interest agreements, beneficial interest in trusts, and obligations under split-interest agreements are carried at fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Income Taxes

The Foundation is a nonprofit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private Foundation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Uncertain Tax Positions

The Foundation accounts for uncertainty in income taxes in accordance with FASB ASC 740-10, which provides guidance for the financial statement recognition, measurement, and disclosure of uncertain tax positions when it is more likely than not that the positions will be sustained upon examination of tax authorities.

The Foundation files informational returns in the U.S. federal jurisdiction and the State of Illinois. The Foundation's federal and state informational returns are subject to possible examination by the regulatory authorities until the related statutes of limitations on those information returns have expired. The Foundation is not currently under an examination by those regulatory authorities. As of June 30, 2023, the Foundation has no unrecognized tax benefits.

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributable to program or supporting functions of the Foundation. The Foundation uses a percentage of time spent on the direct conduct or supervision of programs that fulfill the Foundation's mission compared to the time spent on administrative duties to allocate salaries. Depreciation and insurance expenses are allocated based on the percentage of the employee's time spent on the direct conduct or supervision of program services. All other program and supporting service allocations are determined by management on an equitable basis.

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the requirements of the lease guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. The Foundation has determined that it has no leases that require recognition, therefore the adoption of this standard did not have an impact on the financial statements.

Subsequent Events

Management has considered subsequent events occurring through December 12, 2023 which is the date these financial statements were available to be issued. Management believes no such events require any additional disclosures.

NOTE 2 CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. The Foundation’s cash and cash equivalents on the statements of financial position total $18,666,805 and $17,257,356 at June 30, 2023 and 2022, respectively. The cash deposits are held with Eastern Illinois University, with the majority of the cash balances being held with The Illinois Funds. Investments in The Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at $1 per share value, which equals the Foundation’s fair value of the pool.

Carrying amount of cash and cash equivalents at June 30:

	2023	2022
Unrestricted Cash and Cash Equivalents	$ 1,086,067	$ 889,932
Restricted Cash and Cash Equivalents	17,580,738	16,367,424
Total	$ 18,666,805	$ 17,257,356

NOTE 3 INVESTMENTS

Investments at June 30, consisted of the following:

	2023	2022
Cash and Cash Equivalents (Money Market Mutual Funds)	$ 1,571,041	$ 1,341,875
Investments Administered By Charles Schwab & Co., Inc.:		
Open Ended Mutual Bond funds	8,352,967	9,172,957
Open Ended Mutual Equity funds	29,075,162	25,546,925
Corporate Equity - Student Investment	25,924	310,508
Alternative Investments:		
Investments Administered by Mercer	850,240	996,379
Investments Administered by Neuberger Berman	1,869,393	2,115,019
Investments Administered by Park Street Capital	68,149	120,171
Investments Administered by Goldman Sachs	81,876	154,082
Investments Administered by Portfolio Advisors	2,405,357	3,221,629
Investments Administered by Montauk	144,000	173,201
Investments Administered by Harvest	2,799,683	3,235,540
Investments Administered by RWC Emerging Markets	4,152,756	4,162,498
Investments Administered by ABS	4,140,806	3,930,952
Investments Administered by BlackRock	6,660,179	6,360,719
Investments Administered by Evanston	6,369,667	6,007,002
Investments Administered by FEG Select	6,004,174	5,390,825
Investments administered by Accolade	1,352,160	1,262,454
Investments administered by Falcon	919,901	938,106
Investments administered by Edge Principal Investments IV	768,456	718,499
Investments administered by RPC Fund XIV	1,343,035	883,491
Investments administered by RPC SOF IV Feeder	389,962	280,741
Investments administered by BPC Opportunities Fund IV	1,783,179	1,101,198
Investments administered by Rivercrest	369,810	353,789
Investments administered by D.E. Shaw U.S. Large Cap	9,030,760	7,936,562
Investments administered by Fidelity Real Estate High Income	1,482,892	1,553,891
Investments administered by Monroe Capital Fund IV	853,893	605,090
Investments administered by Pagaya Opportunities	2,396,736	2,448,735
Investments administered by Arbour Lane	557,297	239,324
Investments administered by Hollyport	616,169	283,784
Investments administered by Rockland	347,211	-
Investments administered by SVP Capital	150,000	-
Cash Surrender Value of Life Insurance	44,576	43,033
Investment in Real Estate	3,354,546	3,354,546
Beneficial Interest in Trusts	1,783,589	3,310,857
Beneficial Interest in Split-Interest Agreements	2,895,799	1,628,181
Total	$ 105,011,345	$ 99,182,563

NOTE 3 INVESTMENTS (CONTINUED)

Total investment return is comprised of the following at June 30:

	2023	2022
Interest and Dividends	$ 3,797,525	$ 4,604,576
Investment Fees	(284,194)	(234,959)
Realized Investment Gains	1,259,579	5,488,397
Unrealized Investment Gains (Losses)	3,287,300	(16,906,685)
Net Investment Gain (Loss)	$ 8,060,210	$ (7,048,671)

NOTE 4 ASSETS HELD AND OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS

Split-interest agreements are agreements where donors enter into a trust or other arrangement under which the Foundation is the beneficiary. Charitable gift annuities are agreements in which the Foundation accepts a contribution and agrees to an obligation to make periodic stipulated payments to donors or third-party beneficiaries of a specified time. Charitable lead trust are agreements in which the Foundation accepts contribution and receives all income generated by the investment during the life of the donor. Upon death of the donor, the annuity is then transferred to the beneficiary.

On an annual basis, the Foundation revalues the liability to make distributions to the designed beneficiaries based on actuarial assumptions. Adjustments to reflect the present value of the estimated annuity payments and changes in actuarial assumptions are included in the statements of activities. The present value of estimated future payments is calculated using an actuarial discount rate and applicable mortality tables.

Assets held under split-interest agreements consist of the following at June 30:

	2023	2022
Charitable Remainder Trust:		
Cash and Cash Equivalents (Money Market Mutual Funds)	$ 1,325	$ 1,574
Mutual Equity Funds	102,722	84,550
Mutual Bond Funds	18,594	31,056
Total Charitable Remainder Trust	122,641	117,180
Charitable Gift Annuities:		
Cash and Cash Equivalents (Money Market Mutual Funds)	15,114	8
Mutual Bond Funds	30,406	42,812
Mutual Equity Funds	27,998	39,900
Total Charitable Gift Annuities	73,518	82,720
Total Assets Held Under Split-Interest Agreements	$ 196,159	$ 199,900

NOTE 5 BENEFICIAL INTEREST IN TRUSTS

As of June 30, 2023 and 2022, the Foundation has recorded its beneficial interest in two charitable trusts. In one of the trusts, the Foundation has a one-quarter interest in the earnings of the trust and the Foundation has a one-sixth interest in the earnings of the other trust.

The beneficial interest in the trusts is valued at the lower of the fair value of the underlying assets or the estimated value of the expected future cash flows. The value of these interests are $1,783,589 and $1,628,181 at June 30, 2023 and 2022, respectively. The trustee does not have variance power to redirect the interest in the trust to other entities. The net increase in the value of the beneficial interest in trust totaled $155,408 and $314,616 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6 BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS

The Foundation has been named the beneficiary of one charitable lead unitrust and three charitable remainder trusts which are managed by third parties. Under the terms of the charitable lead unitrust, the third-party trustee pays 6% of the fair market value of the trust at December 31, annually, to eight organizations, of which the Foundation receives 20.125% of this annual distribution, during the agreement's terms.

The Foundation is the beneficiary of a 5% interest of two of the charitable remainder trusts' assets. The value of these interest are $2,895,799 and $3,310,857 at June 30, 2023 and 2022, respectively. Upon the death of the survivor beneficiary, both of the charitable remainder unitrusts will mature and these assets will be distributed to the Foundation. The third charitable remainder unitrust has the Foundation listed as the sole beneficiary upon the death of the surviving beneficiary. The net decrease in the value of the split-interest agreements totaled $415,058 and $188,552 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 FAIR VALUE MEASUREMENTS

The Foundation follows FASB ASC 820-10 *Fair Value Measurements*, which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America. FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels as described below.

Level 1 – Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

During fiscal years 2023 and 2022, there were no changes in valuation techniques that would have a significant impact on the results.

	Fair Value	Level 1	Level 2	Level 3
June 30, 2023				
Investments by Fair Value Level:				
Money Market Mutual Funds	$ 1,554,600	$ 1,554,600	$ -	$ -
Mutual Bond Funds	8,303,968	8,303,968	-	-
Mutual Equity Funds	28,944,443	28,944,443	-	-
Common Stocks	25,924	25,924	-	-
Total Investments by Fair Value Level	38,828,935	$ 38,828,935	$ -	$ -

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value	Level 1	Level 2	Level 3
June 30, 2023				
Investments measured at the Net Asset Value (NAV):				
Park Street Capital Private Equity Funds VII, LP	$ 18,682			
Park Street Natural Resources Fund IV	49,467			
Portfolio Advisors Private Equity Fund VI	374,006			
Portfolio Advisors Private Equity Fund VII	381,771			
Portfolio Advisors Private Equity Fund VIII	1,649,580			
Mercer Private Investment Partners III	850,240			
Goldman Sachs & Company GS Distressed Opportunities Fund IV, L.P.	81,876			
Montauk TriGuard V	144,000			
Neuberger Berman Secondary Opportunities Fund II	133,752			
Neuberger Berman Crossroads Fund XXI	1,735,641			
Accolade Partners VII	1,322,160			
Accolade Empowerment Fund II, L.P.	30,000			
PIMCO RAE International Equity (FEG Select)	6,004,174			
Harvest MLP Income Fund II	2,799,683			
RWC Emerging Markets	4,152,756			
ABS Offshore SPC Global (G)	4,140,806			
BlackRock Appreciation Fund IV	6,660,179			
Evanston Weatherlow Offshore Fund, Ltd Class IA	6,369,667			
Falcon Private Credit Partners, VI L.P	919,901			
RCP Fund XIV	1,343,035			
RCP SOF IV Feeder	389,962			
Edge Principal Investment IV L.P	768,456			
BPC Opportunities Fund	1,783,179			
Rivercrest II	369,810			
D.E. Shaw Large Cap	9,030,760			
Fidelity Real Estate High Income Fund	1,482,892			
Monroe Private Capital Credit Fund IV	853,893			
Pagaya Opportunity Fund	2,396,736			
Arbour Lane Credit Opportunity Fund III	557,297			
Hollyport Secondary Opportunities Fund III	616,169			
Rockland Power Partners, L.P.	347,211			
Strategic Value Capital Solutions Fund II, L.P.	150,000			
Total Investments Measured at the NAV	57,907,741			
Total Investments	$ 96,736,676			
Assets Held Under Split-Interest Agreements Measured at Fair Value:				
Money Market Mutual Funds	$ 16,439			
Mutual Bond Funds	49,000			
Mutual Equity Funds	130,720			
Total	$ 196,159			
Beneficial Interests in Trusts	$ -	$ -	$ -	$ 1,783,589
Beneficial Interests in Split-Interest Agreements	$ -	$ -	$ -	$ 2,895,799
Obligations Under Split-Interest Agreements	$ -	$ -	$ -	$ (89,044)

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value	Level 1	Level 2	Level 3
June 30, 2022				
Investments by Fair Value Level:				
Money Market Mutual Funds	$ 1,340,293	$ 1,340,293	$ -	$ -
Mutual Bond Funds	9,099,089	9,099,089	-	-
Mutual Equity Funds	25,422,475	25,422,475	-	-
Common Stocks	310,508	310,508	-	-
Total Investments by Fair Value Level	36,172,365	$ 36,172,365	$ -	$ -
Investments measured at the Net Asset Value (NAV):				
Park Street Capital Private Equity Funds VII, LP	$ 19,891			
Park Street Natural Resources Fund IV	100,280			
Portfolio Advisors Private Equity Fund VI	537,899			
Portfolio Advisors Private Equity Fund VII	567,264			
Portfolio Advisors Private Equity Fund VIII	2,116,466			
Mercer Private Investment Partners III	996,379			
Goldman Sachs & Company GS Distressed Opportunities Fund IV, L.P.	154,082			
Montauk TriGuard V	173,201			
Neuberger Berman Secondary Opportunities Fund II	138,336			
Neuberger Berman Crossroads Fund XXI	1,976,683			
Accolade Partners VII	1,262,454			
PIMCO RAE International Equity (FEG Select)	5,390,825			
Harvest MLP Income Fund II	3,235,540			
RWC Emerging Markets	4,162,498			
ABS Offshore SPC Global	3,930,952			
BlackRock Appreciation Fund IV	6,360,719			
Evanston Weatherlow Offshore Fund, Ltd Class IA	6,007,002			
Falcon Private Credit Partners, VI L.P	938,106			
RCP Fund XIV	883,491			
RCP SOF IV Feeder	280,741			
Edge Principal Investment IV L.P	718,499			
BPC Opportunities Fund	1,101,198			
Rivercrest II	353,789			
D.E. Shaw Large Cap	7,936,562			
Fidelity Real Estate High Income Fund	1,553,891			
Monroe Private Capital Credit Fund IV	605,090			
Pagaya Opportunity Fund	2,448,735			
Arbour Lane Credit Opportunity Fund III	239,324			
Hollyport Secondary Opportunities Fund III	283,784			
Total Investments Measured at the NAV	54,473,681			
Total Investments	$ 90,646,046			
Assets Held Under Split-Interest Agreements Measured at Fair Value:				
Money Market Mutual Funds	$ 1,574			
Mutual Bond Funds	73,868			
Mutual Equity Funds	124,450			
Total	$ 199,892			
Beneficial Interests in Trusts	$ -	$ -	$ -	$ 1,628,181
Beneficial Interests in Split-Interest Agreements	$ -	$ -	$ -	$ 3,310,857
Obligations Under Split-Interest Agreements	$ -	$ -	$ -	$ (192,932)

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

The investments classified as Level 3 in the fair value hierarchy use unobservable inputs such as discount rates, the time period of the trust, and value of underlying assets. See Notes 4, 5, and 6 for further description on how these assets are valued.

Investments Measured at the Net Asset Value (NAV)

In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

As part of the Foundation's investment portfolio, there are investments in entities in which purchases and withdrawals within these entities are not made in an open market. Instead, the purchases and withdrawals occur with the entities, and in certain circumstances, those transactions are entirely controlled and/or restricted by the entity. The fair value of these investments is determined by the management of the entities and is reported to the Foundation as the Foundation's proportionate share of the net asset fair value of the entity.

The tables below provide information relative to these types of investments. The additional information that follows the tables provides information associated with these investments. None of the investments are probable of being sold at an amount different from net asset value per share.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at the Net Asset Value (NAV) (Continued)

For the investments shown below, the Foundation is not able to redeem the investments until the termination date of the fund. As such, there is no redemption frequency or redemption notice period shown below. The final termination date of each fund is presented in the table. This termination date is estimated as most funds have an option of extending the fund for an additional period of time, if needed or desired.

Category	Fair Value 2023	Fair Value 2022	Unfunded Commitments	Termination Date of Fund
Park Street Capital Private Equity Funds VII, LP	$ 18,682	$ 19,891	$ 20,000	4/14/2018 to 4/14/2019
Park Street Natural Resources Fund IV	49,467	100,280	13,750	9/30/2024
Portfolio Advisors Private Equity Fund VI	374,006	537,899	126,894	7/30/2022 to 7/30/2024
Portfolio Advisors Private Equity Fund VII	381,771	567,264	105,090	4/18/2024 to 4/15/2026
Portfolio Advisors Private Equity Fund VIII	1,649,580	2,116,466	390,474	10/15/2026 to 10/15/2028
Mercer Private Investment Partners III	850,240	996,379	315,000	7/10/2027
Goldman Sachs & Company GS Distressed Opportunities Fund IV, L.P.	81,876	154,082	332,288	5/15/2018
Montauk TriGuard V	144,000	173,201	55,826	7/1/2023 to 7/1/2025
Neuberger Berman Secondary Opportunities Fund III	133,752	138,336	105,307	1/5/2022
Neuberger Berman Crossroads Fund XXI	1,735,641	1,976,683	405,000	10/23/2025 to 10/23/2027
Accolade Partners VII, L.P.	1,322,160	1,262,454	150,000	5/21/2029
Accolade Empowerment Fund II, L.P.	30,000	-	970,000	6/30/2033 - 6/30/2036
Falcon Private Credit Partners VI, L.P.	919,901	938,106	343,120	3/31/2029 to 3/31/2032
Edge Principal Investment IV	768,456	718,499	432,490	7/1/2029 to 7/1/2031
BPC Opportunities Fund IV	1,783,179	1,101,198	85,594	5/1/2026
RCP Fund XIV	1,343,035	883,491	655,418	12/20/2031
RCP SOF IV Feeder	389,962	280,741	887,500	6/1/2026
Rivercrest II	369,810	353,789	686,180	7/1/2030
Monroe Private Capital Credit Fund IV	853,893	605,090	162,500	6/1/2028
Arbour Lane Credit Opportunity Fund III	557,297	239,324	427,697	3/31/2028
Hollyport Secondary Opportunities Fund III	616,169	283,784	1,650,000	3/31/2032
Rockland Power Partners, L.P.	347,211	-	969,802	6/30/2032
Strategic Value Capital Solutions Fund II, L.P.	150,000	-	1,350,000	11/1/2031 - 11/1/2033
Total	$ 14,870,088	$ 13,446,957	$ 10,639,930	

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at the Net Asset Value (NAV) (Continued)

The following investments are also valued at the Foundation's proportionate share of the net asset value of the entity. However, these funds are liquid and can be redeemed with the required notification period.

Category	Fair Value 2023	Fair Value 2022	Redemption Frequency	Redemption Notice Period
PIMCO RAE International Equity (FEG Select)	$ 6,004,174	$ 5,390,825	Daily	5 Days
Harvest MLP Income Fund II	2,799,683	3,235,540	Monthly	5 Days
RWC Emerging Markets	4,152,756	4,162,498	Quarterly	45 Days
ABS Offshore SPC Global (G)	4,140,806	3,930,952	Quarterly	45 Days
BlackRock Appreciation Fund IV	6,660,179	6,360,719	Monthly	0 Days
Evanston Weatherlow Offshore Funds, Ltd Class IA	6,369,667	6,007,002	Quarterly	65 Days
D.E. Shaw Large Cap	9,030,760	7,936,562	Monthly	10 Days
Fidelity Real Estate High Income Fund	1,482,892	1,553,891	Daily	1 Day
Pagaya Opportunity Fund	2,396,736	2,448,735	Quarterly	90 Days
Total	$ 43,037,653	$ 41,026,724		

Park Street Capital Private Equity Fund VII, LP – A fund of funds that uses private equity to invest in venture capital, buyout equity, and growth equity.

Park Street Natural Resources Fund IV – Is invested in 10 to 15 natural resource funds with a goal of long-term appreciation over the expected 15 year life of the funds.

Portfolio Advisors Private Equity Fund VI (PAPEF VI) – Fund of funds that invests in private equity partnerships for buyouts, venture capital and special situations with a term of 12 to14 years.

Portfolio Advisors Private Equity Fund VII (PAPEF VII) – A fund of funds that invests in private equity partnerships for buyouts, venture capital and special situations with a term of 12 to14 years.

Portfolio Advisors Private Equity Fund VIII – A diversified private equity fund of funds with a menu based offering which allows investors to allocate among 3 distinct portfolios. The Foundation has chosen 55% diversified buyouts, 30% diversified venture capital and 15% diversified special situations.

Goldman Sachs & Company GS Distressed Opportunities Fund IV, L.P. – Invests in funds engaging in distressed debt and equity opportunities by purchasing debt, or equity to take control and either reorganize or introduce new management to turn around long-term performance.

Montauk TriGuard V – Invests in secondary interests of other private equity funds and constructs its portfolio in niche areas of the secondary market.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at the Net Asset Value (NAV) (Continued)

Neuberger Berman Secondary Opportunities Fund III – A secondary fund which invest in diversified global buyout opportunities.

Neuberger Berman Crossroads Fund XXI – A diversified private equity fund of funds with a menu based offering which allows investors to allocate among 4 distinct portfolios. The Foundation has chosen 40% small cap/mid cap buyouts, 10% large cap buyouts, 25% special situations and 25% venture/growth capital.

Mercer Private Investment Partners III – A fund of funds investing in diversified private equity partnerships.

Accolade Partners VII, L.P. – A fund of funds that primarily invests in information technology and healthcare industries.

Accolade Empowerment Fund II, L.P. – The fund seeks to invest in a portfolio of venture and growth equity funds led by female and under-represented managers. To be a candidate for Empowerment II, diverse-led individuals must own at least 50% of the management company, receive 50% of fund carry, and be included in the key person clause. Accolade expects roughly 80% of the fund's capital will be allocated to venture funds, with the balance in growth equity and late-stage venture. Accolade anticipates that most investments will be in technology-focused funds with an allocation to select healthcare funds.

Falcon Private Credit Partners VI, L.P. – A fund of funds that invests opportunistically across a wide variety of industry sectors and transaction types with both private equity sponsored and nonsponsored companies with an emphasis on nonsponsored.

FEG Select (PIMCO RAE International Equity) – This is a smart beta fund that focuses exclusively on long only international developed based equities.

Harvest MLP Income Fund II – The fund is focused on managing portfolios of publicly-traded midstream energy securities.

RWC Emerging Markets – An opportunistic global emerging markets fund that pursues capital appreciation with a focus on emerging and frontier markets.

ABS Offshore SPC Global – The fund of funds specializes in investing in equity long/short strategies with hedge fund managers located in the United States, as well as managers domiciled outside of the United States.

Edge Principal Investment IV – Is a private real estate fund that seeks to invest across a broad range of property types, including multifamily, hospitality, industrial, self-storage, and senior living, where it believes it can leverage its internal investment and operational capabilities.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at the Net Asset Value (NAV) (Continued)

BlackRock Appreciation Fund IV – The fund is a diversifying strategies hedge fund of funds that targets a long-term commensurate with that of equities, but with roughly half the volatility and a low equity market beta.

Evanston Weatherlow Offshore Funds, Ltd Class IA – The fund of funds focuses on investing in long-term and short-term equity investments as well as event driven, relative value, and global macro strategies

BPC Opportunities Fund IV – This fund's strategy focuses on middle market businesses in on of 3 areas: (1) companies lacking access to traditional capital, (2) companies experiencing stress/credit dislocations and (3) companies in distress.

RCP Fund XIV – This fund of funds is a private equity fund of fund managers providing an opportunity to purchase private equity interests in North American, lower middle market buyout firms.

RCP SOF IV Feeder – RCP seeks to leverage its strong market presence to primarily source and acquire limited partner (LP) interests in individual funds or a portfolio of funds, as well as execute on general partner (GP) lead transactions such as recapitalizations, restructurings, and continuation vehicles. Consistent with the Firm's other strategies, Fund IV will focus exclusively on opportunities in the North American lower middle-market, with an emphasis on buyout funds. The Firm generally focuses on managers seeking less than $1 billion in fund commitments that make control equity investments in companies with enterprise values between $10 and $250 million. The Fund will target transaction sizes between $10 and $50 million and seek to be diversified by investment type, manager, strategy, industry, and geography.

Rivercrest II – This fund's goal is to generate premium returns relative to the public markets in minerals investing by acquiring and owning mineral and royalty interest in oil and gas properties.

Monroe Capital Private Credit Fund IV – This fund focuses on loans <$100MM in U.S. middle market. Will do sponsored and non-sponsored loans across broad range of industries. Senior (≈ 80% of portfolio, inclusive of unitranche and secondary purchases) and junior (≈ 20% of the portfolio) secured loans to companies with predictable revenue streams, strong cash flow and defensible market positions.

D.E. Shaw Large Cap – DE Shaw Investment Management (DESIM) focuses on long based, liquid asset class investing. Systematic, research driven investment process seeks to identify persistent, stock specific sources of alpha using optimization and trade execution tools.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at the Net Asset Value (NAV) (Continued)

Fidelity Real Estate High Income Fund – The strategy seeks to achieve a high level of current income with the potential for capital appreciation by investing primarily in a universe of investment grade and below investment grade commercial mortgage-backed securities (CMBS), as well as opportunistically investing in other high yielding real estate debt securities. The strategy seeks to exploit inefficiencies via rigorous fundamental credit research and real estate analysis.

Arbour Lane Credit Opportunity Fund III – The fund seeks to invest across industries with a focus on companies with high free cash flow and hard assets but may have what they believe to be over-levered balance sheets. The fund is expected to invest in three primary investment categories (i) stressed performing credit, targeting gross internal rates of return (IRRs) of 10% to 15%, (ii) distressed debt/reorganized debt, and (iii) equity (targeting gross IRRs of 20-30%).

Hollyport Secondary Opportunities Fund III – The fund seeks to acquire interests in mature private equity funds from existing investors who are seeking liquidity for various reason. The fund is expected to primarily target legacy fund interests which are generally beyond their original term and where remaining value is often less than 15% of original commitments of the fund.

Pagaya Opportunity Fund - Pagaya launched the Pagaya Opportunity Fund (the fund or strategy) in 2018 to invest in a diversified portfolio of U.S. unsecured consumer loans originated by online marketplace lending platforms. Pagaya targets net returns of 7% to 9% generated primarily through interest payments. Loans are individually underwritten and purchased by the firm's proprietary Pulse platform, which relies on machine learning algorithms trained with historical data to evaluate each loan. Pulse is overseen by a team of 125 data science professionals, who seek to evaluate its historical performance and iteratively improve the platforms underwriting.

Rockland Power Partners IV, L.P. – Rockland Power Partners IV, L.P. pursues a broad range of control investments in undermanaged and distressed power generation assets in the U.S. and UK. RPP IV, like its predecessor Funds, focuses on investments in infrastructure critical to enabling the energy transition, predominantly in existing flexible gas-fired facilities that complement intermittent renewable resources. The Fund also selectively invests in the construction and development of renewable projects.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at the Net Asset Value (NAV) (Continued)

Strategic Value Capital Solutions Fund II, L.P. – SVP CS II has flexibility to invest across European and U.S. investment opportunities sourced by the SVP platform. The fund invests pari-pasu with the firms other vehicles, but will have priority on investments rescue financing, mezzanine debt, and structured equity. SVP CS II will generally invest in the following:

- Short-term, event driven, deep value opportunities, intended at time of investment to be held for less than 12 months (expect 33% of SVP CS II)
- Private debt, restructuring, and special situations, where the SVP platform may have various levels of involvement, as well as mezzanine, rescue financing, and structured equity (expect 10-15% of SVP CS II)
- Control and significant influence on private equity transactions (~50% overlap between SVP CS II and relevant SVSS fund being invested)

NOTE 8 INVESTMENTS IN REAL ESTATE

Gifts of real property received by the Foundation are valued and recorded based on the current fair value on the date received. Values are determined from publications, appraisals and other sources that assist in establishing a fair value. Investments in real estate consist of the following at June 30:

	2023	2022
Land Held for Restricted Purposes	$ 45,546	$ 45,546
Land Held in Endowments	3,309,000	3,309,000
Total	$ 3,354,546	$ 3,354,546

NOTE 9 LIQUIDITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions which are used for program funding needs.

The Foundation has financial assets available within one year of the statement of financial position date in the amounts of $20,744,012 and $19,286,118 as of June 30, 2023 and 2022, respectively. Of these amounts, $19,135,082 and $17,897,621 as of June 30, 2023 and 2022, respectively, are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Foundation invests cash in excess of daily requirements in various investments.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing and major to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and grants to Eastern Illinois University commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation's financial assets available within one year of the statement of financial position date are as follows at June 30:

	2023	2022
Cash and Cash Equivalents	$ 18,666,805	$ 17,257,356
Other Receivables	19,501	17,825
Pledge Receivable	138,307	195,606
Short-Term Investments	1,919,399	1,815,331
Total	$ 20,744,012	$ 19,286,118

NOTE 10 PLEDGES RECEIVABLE

Unconditional pledges receivable consists of the following at June 30:

	2023	2022
Gross Unconditional Pledges Receivable	$ 297,518	$ 528,733
Less: Unamortized Discount	(10,334)	(16,643)
Net Unconditional Pledges Receivable	$ 287,184	$ 512,090
Amounts Due in:		
Less Than One Year	$ 138,307	$ 195,605
One to Five Years	148,877	316,485
Total	$ 287,184	$ 512,090

Unconditional pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using discount rate of 3.25%.

Uncollectible amounts for unconditional pledges receivable are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts. Pledges receivable valued at $0 and $1,162 were determined to be uncollectible and written off during the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 11 PROPERTY AND EQUIPMENT

Property and equipment activity for the years ended June 30, 2023 and 2022 was as follows:

	Beginning of Year	Additions	Deletions	End of Year
June 30, 2023				
Land	$ 695,930	$ -	$ -	$ 695,930
Buildings and Improvements	1,648,239	-	-	1,648,239
Less: Accumulated Depreciation	(582,188)	(39,448)	-	(621,636)
Property and Equipment, Net	$ 1,761,981	$ (39,448)	$ -	$ 1,722,533
June 30, 2022				
Land	$ 695,930	$ -	$ -	$ 695,930
Buildings and Improvements	1,618,145	30,094	-	1,648,239
Less: Accumulated Depreciation	(543,493)	(38,695)	-	(582,188)
Property and Equipment, Net	$ 1,770,582	$ (8,601)	$ -	$ 1,761,981

Depreciation expense was $39,448 and $38,695 for the years ended June 30, 2023 and 2022, respectively.

NOTE 12 SIGNIFICANT TRANSACTIONS WITH THE PRIMARY GOVERNMENT

The Foundation has a contract with Eastern Illinois University (University) in which the Foundation has agreed to aid and assist the University in achieving its education, research, and service goals, by developing and administering gifts made to the Foundation to be used for the benefit of the University for scholarships, grants, and other supporting programs. The University agreed, as a part of this contract, to furnish certain services necessary to the operation of the Foundation which are to be repaid by the Foundation in either the form of money or its equivalent in services or resources.

During the years ended June 30, 2023 and 2022, the Foundation provided the University $3,524,028 and $3,559,897, respectively, of cash, services and resources, unrestricted or restricted only as to department, which were generally for on-going operations of the University. Also, the Foundation provided the University restricted scholarships, grants and awards of $1,757,355 and $1,567,217 during the years ended June 30, 2023 and 2022, respectively. In addition, the Foundation provided use of its facilities at no charge to the University for both years. The value of the facilities were $68,378 and $74,733 for the years ended June 30, 2023 and 2022, respectively. The value of the facilities is not reflected in the financial statements. Also, the Foundation received $252,328 and $39 for the years ended June 30, 2023 and 2022, respectively, in gifts from the University's restricted gift accounts with donor's consent.

The University provided in-kind support in the form of personnel and office space valued at $92,977 and $213,111 for the years ended June 30, 2023 and 2022, respectively. This information is shown as revenue under the caption of "Service Contract with the University," and expenses are allocated between "Program Services" and "Management and General" captions on the statements of activities. The in-kind support was as follows for the years ended June 30:

	2023	2022
Personnel	$ 90,752	$ 210,148
Office Space	2,225	2,963
Total	$ 92,977	$ 213,111

The value of the personnel services is calculated based on the University employees' salaries and the allocation of time spent completing Foundation activities. The value of the office space is calculated based upon the Foundation's allocated use of University buildings.

NOTE 13 OGDEN BRAINARD RESIDUARY TRUST

The Foundation has been named Trustee and Executor of the Residuary Trust (the Trust) as stipulated in the Last Will and Testament of H. Ogden Brainard. It is the responsibility of the Trustee to hold and administer the Trust for the uses and purposes stipulated in the will. The Foundation's responsibilities as trustee include paying certain bequests (which were disbursed in March 1993) and paying the net income of the Trust to certain charities as stipulated in the Trust, not less frequently than semi-annually. The Foundation holds no variance power to change the beneficiaries of the trust and holds a 1/6 interest in the trust.

The Foundation has recorded its interest in this trust at the lower of the underlying fair value of the assets or the estimated value of the expected future cash flows of the trust. Their interest was recorded in the beneficial interest in trusts classification on the statements of financial position and totaled $390,694 and $212,398 at June 30, 2023 and 2022, respectively. The Foundation's interest is held in donor-restricted net assets on the statements of financial position. The Foundation's share of income was $15,628 and $8,496 for the years ended June 30, 2023 and 2022, respectively.

NOTE 14 RISK MANAGEMENT

The Foundation is exposed to various risks of loss including, but not limited to, general liability, property casualty and director and officer liability. The Foundation is liable for up to $500/year deductible for property damage. No significant reduction in insurance coverage from the prior year occurred. Insurance settlements did not exceed coverage in each of the past three fiscal years.

NOTE 15 NET ASSETS

Net assets with donor restrictions which are restricted for time or purpose consist of the following at June 30:

	2023	2022
Scholarship	$ 27,209,374	$ 23,743,267
Academic and Research Support	21,558,534	20,618,210
Capital Projects	486,943	716,863
Other, EIU, and Community Programs	5,747,297	4,874,923
Total	$ 55,002,148	$ 49,953,263

The Foundation also has net assets with donor restrictions which are restricted in perpetuity. The income from these restricted net assets is expendable to support the following at June 30:

	2023	2022
Scholarship	$ 34,989,862	$ 33,631,140
Academic and Research Support	9,766,204	9,761,572
Capital Projects	105,253	105,253
Other, EIU, and Community Programs	19,388,804	19,288,026
Total	$ 64,250,123	$ 62,785,991

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the other events specified by donors.

NOTE 16 ENDOWMENT FUNDS

At June 30, 2023 and 2022 the Foundation's endowment consists of approximately 737 and 730, respectively, individual funds established for a variety of purposes. The endowment includes funds with donor restrictions and without donor restrictions (board-designated) endowment funds. As required by accounting principles generally accepted in the United States of America, 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 Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (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.

NOTE 16 ENDOWMENT FUNDS (CONTINUED)

The remaining portion of the endowment fund is considered restricted for time or purpose and is included in the net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

Endowment net assets as of June 30 were as follows:

		With Donor Restrictions		
	Without Donor Restrictions	For Time or Purpose	in Perpetuity	Total
June 30, 2023				
Donor-Restricted Endowment Funds	$ -	$ 33,928,743	$ 62,003,428	$ 95,932,171
Donor-Restricted Quasi-Endowment Funds	-	841,734	-	841,734
Board Designated Quasi-Endowment Funds	522,863	-	-	522,863
Total	$ 522,863	$ 34,770,477	$ 62,003,428	$ 97,296,768
June 30, 2022				
Donor-Restricted Endowment Funds	$ -	$ 29,424,140	$ 59,787,925	$ 89,212,065
Donor-Restricted Quasi-Endowment Funds	-	841,337	-	841,337
Board Designated Quasi-Endowment Funds	498,565	-	-	498,565
Total	$ 498,565	$ 30,265,477	$ 59,787,925	$ 90,551,967

NOTE 16 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment, not total, net assets for the fiscal years ended June 30, 2023 and 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions: For Time or Purpose	With Donor Restrictions: in Perpetuity	Total
June 30, 2023				
Endowment Investments - Beginning of Year	$ 498,565	$ 30,265,477	$ 59,787,925	$ 90,551,967
Investment Income	15,109	2,770,304	-	2,785,413
Net Appreciation (Depreciation)	9,189	3,856,990	-	3,866,179
Contributions	-	-	2,153,423	2,153,423
Appropriations of Endowment Assets for Expenditure	-	(2,122,294)	-	(2,122,294)
Other Additions	-	-	62,080	62,080
Endowment Investments - End of Year	$ 522,863	$ 34,770,477	$ 62,003,428	$ 97,296,768

	Without Donor Restrictions	With Donor Restrictions: For Time or Purpose	With Donor Restrictions: in Perpetuity	Total
June 30, 2022				
Endowment Investments - Beginning of Year	$ 566,245	$ 41,908,573	$ 56,419,780	$ 98,894,598
Investment Income	23,632	4,166,403	-	4,190,035
Net Depreciation	(86,505)	(13,265,651)	-	(13,352,156)
Contributions	198	-	3,122,796	3,122,994
Appropriations of Endowment Assets for Expenditure	(5,005)	(2,543,848)	-	(2,548,853)
Other Additions	-	-	245,349	245,349
Endowment Investments - End of Year	$ 498,565	$ 30,265,477	$ 59,787,925	$ 90,551,967

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 the donor stipulation or UPMIFA. As of June 30, 2023, the Foundation had 23 endowment funds of this nature aggregating to deficiencies of $157,324. As of June 30, 2023, the total principal of these endowment funds was $3,286,597 and the total fair value of these endowment funds was $3,129,273. As of June 30, 2022, the Foundation had 29 endowment funds of this nature aggregating to deficiencies of $320,902. As of June 30, 2022, the total principal of these endowment funds was $3,669,212 and the total fair value of these endowment funds was $3,348,310. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions and continued appropriation for certain purposes that was deemed prudent by the Foundation board of directors.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Foundation’s policies, endowment assets are invested in a manner that is intended to produce results that seek an average total return of spending net of inflation and administrative cost. The Foundation expects its endowment funds to provide an average rate of return of approximately 7.2% annually over time. Actual returns in any given year may vary from this amount.

NOTE 16 ENDOWMENT FUNDS (CONTINUED)

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

The Foundation's board of directors has adopted a hybrid approach spending policy to determine the spending distribution. This approach takes into consideration the duration and preservation of the endowments, purpose of the endowment funds, general economic conditions, the possible effect of inflation or deflation, expected total return from income and investment policy.

The spending distribution calculation is based upon 4.25% spending rate policy of a trailing twelve quarter average market value for the last audited figures.

NOTE 17 ADMINISTRATIVE FEES

The Foundation receives a fee of .75% on endowment funds which is distributed annually on July 1, by using the fair value of the pool as of the prior June 30. The fee was $592,435 and $548,707 for the years ended June 30, 2023 and 2022, respectively.