SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sioux Falls Area Community Foundation, Inc.
Sioux Falls, South Dakota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sioux Falls Area Community Foundation, Inc., which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sioux Falls Area Community Foundation, Inc., as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Sioux Falls Area Community Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sioux Falls Area Community Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 Sioux Falls Area Community Foundation, Inc.'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 Sioux Falls Area Community Foundation, Inc.'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.

Emphasis of Matter

The consolidated financial statements of Sioux Falls Area Community Foundation as of and for the year ended June 30, 2025, were audited by other auditors, whose report dated September 25, 2025, expressed an unmodified opinion on those financial statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 23, 2026

SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash and Cash Equivalents	$ 79,635,513	$ 70,019,291
Interest and Dividends Receivable	459,274	408,795
Contributions Receivable, Net	40,100,958	45,455,005
Life Insurance Proceeds Receivable	65,713	-
Estates Receivable	635,000	-
Prepaid Expenses and Other Assets	590,256	588,640
Beneficial Interest in Split-Interest Agreements	628,000	661,000
Interest in LLP Held for Sale	5,670,000	-
Investments:		
Certificates of Deposit	99,905	821,413
Securities	315,348,556	265,279,648
Cash Surrender Value of Life Insurance	4,353,840	4,166,419
Property and Equipment, Net	4,439,010	3,519,296
Total Assets	$ 452,026,025	$ 390,919,507
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 752,948	$ 200,346
Grants Payable	13,906,645	92,914
Charitable Gift Annuities Payable	143,200	146,883
Assets Held for Others	58,161,620	48,236,056
Total Liabilities	72,964,413	48,676,199
NET ASSETS		
Without Donor Restrictions	321,632,375	285,032,458
With Donor Restrictions	57,429,237	57,210,850
Total Net Assets	379,061,612	342,243,308
Total Liabilities and Net Assets	$ 452,026,025	$ 390,919,507

See accompanying Notes to Consolidated Financial Statements.

SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS (LOSSES), AND SUPPORT			
Contributions of Cash and Other Financial Assets, Net	$ 41,791,789	$ 20,087,291	$ 61,879,080
Investment Return, Net	45,869,573	2,133,852	48,003,425
Change in Value of Split-Interest Agreements	-	44,645	44,645
Change in Value of Charitable Gift Annuities Payable	(9,698)	-	(9,698)
Death Benefits Received and Change in Cash Surrender Value of Life Insurance, Net of Premiums	253,135	-	253,135
Net Assets Released from Restrictions	22,047,401	(22,047,401)	-
Total Revenue, Gains (Losses), and Support	109,952,200	218,387	110,170,587
EXPENSES			
Program and Fund Services:			
Grants, Net	70,790,912	-	70,790,912
Fund Services	1,096,368	-	1,096,368
Total Program and Fund Services	71,887,280	-	71,887,280
Management and General	573,090	-	573,090
Asset Development and Fundraising	891,913	-	891,913
Total Expenses	73,352,283	-	73,352,283
CHANGE IN NET ASSETS	36,599,917	218,387	36,818,304
Net Assets - Beginning of Year	285,032,458	57,210,850	342,243,308
NET ASSETS - END OF YEAR	$ 321,632,375	$ 57,429,237	$ 379,061,612

See accompanying Notes to Consolidated Financial Statements.

SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS (LOSSES), AND SUPPORT			
Contributions of Cash and Other Financial Assets, Net	$ 27,503,475	$ 3,723,439	$ 31,226,914
Contributions of Nonfinancial Assets	200,000	-	200,000
Investment Return, Net	28,160,290	1,242,937	29,403,227
Change in Value of Split-Interest Agreements	-	54,645	54,645
Change in Value of Charitable Gift Annuities Payable	(9,771)	-	(9,771)
Death Benefits Received and Change in Cash Surrender Value of Life Insurance, Net of Premiums	126,035	-	126,035
Net Assets Released from Restrictions	2,743,410	(2,743,410)	-
Total Revenue, Gains (Losses), and Support	58,723,439	2,277,611	61,001,050
EXPENSES			
Program and Fund Services:			
Grants, Net	35,945,488	-	35,945,488
Fund Services	812,121	-	812,121
Total Program and Fund Services	36,757,609	-	36,757,609
Management and General	397,345	-	397,345
Asset Development and Fundraising	872,655	-	872,655
Total Expenses	38,027,609	-	38,027,609
CHANGE IN NET ASSETS	20,695,830	2,277,611	22,973,441
Net Assets - Beginning of Year	264,336,628	54,933,239	319,269,867
NET ASSETS - END OF YEAR	$ 285,032,458	$ 57,210,850	$ 342,243,308

See accompanying Notes to Consolidated Financial Statements.

SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

	Program and Fund Services	Management and General	Asset Development and Fundraising	Total
Grants, Net	$ 70,790,912	$ -	$ -	$ 70,790,912
Personnel and Benefits	720,057	399,887	541,465	1,661,409
Software, Equipment, and Maintenance	69,220	37,182	54,436	160,838
Marketing and Communications	13,551	-	121,957	135,508
Depreciation	79,388	42,463	62,772	184,623
Professional Fees	31,284	42,903	15,195	89,382
Occupancy	10,307	5,513	8,150	23,970
Staff and Board Development	9,075	15,051	11,847	35,973
Other Fund Expenses	133,577	-	46,443	180,020
Insurance	10,439	10,483	8,254	29,176
Supplies and Postage	9,242	4,018	7,332	20,592
Organization Dues	-	12,949	8,999	21,948
Miscellaneous	1,454	2,641	5,063	9,158
Community Investment and Leadership	8,774	-	-	8,774
Total Expenses	$ 71,887,280	$ 573,090	$ 891,913	$ 73,352,283

See accompanying Notes to Consolidated Financial Statements.

SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program and Fund Services	Management and General	Asset Development and Fundraising	Total
Grants, Net	$ 35,945,488	$ -	$ -	$ 35,945,488
Personnel and Benefits	560,597	280,299	560,597	1,401,493
Software, Equipment, and Maintenance	86,570	43,284	86,570	216,424
Marketing and Communications	11,387	-	102,485	113,872
Depreciation	45,280	22,641	45,280	113,201
Professional Fees	14,377	14,377	17,622	46,376
Occupancy	17,078	8,540	17,078	42,696
Staff and Board Development	15,932	7,966	15,932	39,830
Other Fund Expenses	31,611	-	-	31,611
Insurance	7,774	3,886	7,774	19,434
Supplies and Postage	7,762	3,371	8,272	19,405
Organization Dues	1,924	8,655	8,655	19,234
Miscellaneous	4,477	4,326	2,390	11,193
Community Investment and Leadership	7,352	-	-	7,352
Total Expenses	$ 36,757,609	$ 397,345	$ 872,655	$ 38,027,609

See accompanying Notes to Consolidated Financial Statements.

SIOUX FALLS AREA COMMUNITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 36,818,304	$ 22,973,441
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	184,623	113,201
Net Realized/Unrealized Gain on Investments	(38,097,423)	(20,571,534)
Payment Received on Beneficial Interest in Split-Interest Agreements	77,645	2,277,645
Change in Charitable Gift Annuities Payable	9,698	9,771
Contribution of Interest in LLP	(5,670,000)	-
Change in Value of Split-Interest Agreements	(44,645)	(54,645)
Contributions Restricted for Long-Term Investment	(635,000)	(1,362,680)
Death Benefits Received and Change in Cash Surrender Value of Life Insurance	(21,406)	43,636
Change in Assets and Liabilities:		
Estate Receivable	(635,000)	-
Interest and Dividends Receivable	(50,479)	242,677
Life Insurance Proceeds Receivable	(65,713)	-
Contributions Receivable	5,354,047	(398,231)
Prepaid Expenses and Other Assets	(1,616)	362,522
Accounts Payable and Accrued Liabilities	552,602	(128,821)
Change in Value of Assets Held for Others	2,989,242	(523,366)
Grants Payable	13,813,731	62,914
Net Cash Provided by Operating Activities	14,578,610	3,046,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,104,337)	(2,045,571)
Premiums Paid for Life Insurance Policies	(166,015)	(169,671)
Proceeds from Sale and Maturities of Investments	64,930,281	54,825,646
Purchase of Investments	(69,243,936)	(62,898,947)
Net Cash Used by Investing Activities	(5,584,007)	(10,288,543)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	635,000	1,362,680
Payment of Charitable Gift Annuities Payable	(13,381)	(13,381)
Net Cash Used by Financing Activities	621,619	1,349,299
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,616,222	(5,892,714)
Cash and Cash Equivalents - Beginning of Year	70,019,291	75,912,005
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 79,635,513	$ 70,019,291
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and Equipment Purchases Included in Accounts Payable	$ -	$ 88,053

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements (collectively, the financial statements) include the accounts of the Sioux Falls Area Community Foundation, Inc., the Seed for Success Foundation and the following limited liability company subsidiaries, EastBank Land Company II, LLC, EastBank Land IV, LLC, and EastBank Land V, LLC which are collectively referred to as the Foundation. These South Dakota subsidiaries are wholly owned single-member limited liability companies that are disregarded for federal income tax purposes. All material interorganizational transactions have been eliminated.

Nature of Organization

The Foundation was established to build and preserve endowment funds for the support of community needs. By virtue of this purpose and its sources of support, the Foundation is classified as a publicly supported charity and not a private foundation. Subsidiaries were established to own, manage, sell, lease, and otherwise hold title to and operate real estate for the benefit of the Foundation. The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The financial statements are prepared in accordance with the requirements of Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for general use and not subject to donor restrictions. When the governing body of an organization has the right to remove a donor restriction, known as variance power, accounting standards provide that the contributions should be classified as net assets without donor restrictions.

Net Assets With Donor Restrictions – These net assets consist of donor-imposed restrictions that are temporary in nature and may or will be met, either by actions of the Foundation and/or the passage of time, or other donor-imposed restrictions that are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity.

Assets Held for Others

Following the requirements of ASC 958, any fund established with the Foundation by a nonprofit organization for its own benefit with its own funds is classified as an agency fund. The Foundation is required to report any funds deemed to be agency funds as an asset with a corresponding liability due to the other organization. The Foundation also records a liability for assets held for other organizations when a specific beneficiary is named, and variance power is not explicitly granted by the donor.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated statements of financial position and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Estimates significant to the financial statements include the fair value of investments, valuation of contributions receivable, and the functional allocation of expenses.

Revenue Recognition

Unconditional contributions are recognized as revenue when received or promised. If contributions are received by the Foundation that have both a right of return and barriers, these are conditional and recognized as revenue as the conditions are met. Contributions of split-interest agreements are recorded at their fair value when received or when notification has been received that the Foundation is an unconditional beneficiary of the agreement. Contributions that are designated for specific organizations are shown net of contributions in the consolidated statements of activities.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers highly liquid securities with an original maturity of three months or less to be cash equivalents. Cash equivalents consist of money market accounts, commercial paper and treasury bills with original maturities of three months or less, some of which are held for investment. The Foundation maintains account balances that are in excess of federally insured limits of $250,000. The Foundation has not experienced any losses in such accounts.

Contributions Receivable

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

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bequests and Estates Receivable

The Foundation is named as a beneficiary under the wills and estate plans of various donors. Because a will is revocable until the death of the donor, intentions to give under such instruments are not recognized in the financial statements. The Foundation recognizes bequests and estates receivable and the related contribution revenue when the will has been declared valid by the probate court, the proceeds are measurable, and the Foundation's interest in the estate is unconditional and irrevocable.

Concentrations

At June 30, 2026, approximately 100% of the Foundation's gross contributions receivable were from two donors. For the year ended June 30, 2026 approximately 35% of contribution revenue was from two donors. As of June 30, 2025 approximately 96% of contributions receivable was from one donor and 22% of contribution revenue was from two donors.

Prepaid Expenses and Other Assets

As of June 30, 2026 and 2025, prepaid expenses and other assets include $565,000 in assets received under agency arrangements. Contributed real estate is carried at the fair value at the time of the receipt.

Beneficial Interest in Split-Interest Agreements

The Foundation is a named charitable beneficiary for a charitable lead annuity trust and a charitable remainder unitrust (split-interest agreements). These trusts are held and managed by independent third-party trustees. The assets held in the charitable remainder unitrust were disbursed during the fiscal year ended June 30, 2025. The assets held in the charitable lead trust remain in trust. The Foundation receives an annual payment during the charitable remainder unitrust's term, and the remainder will be disbursed to named beneficiaries upon termination. The charitable lead trust has been recorded in the accompanying financial statements as net assets with donor restrictions and as support of the Foundation at the present value of the estimated future benefit to the Foundation. The Foundation did not recognize contribution revenue from these agreements during the years ended June 30, 2026 and 2025.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2026 and 2025, the Foundation had approximately $4,771,551 and $1,861,165, respectively, in excess of FDIC insurance limits. To date, we have not experienced losses in any of these accounts.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Securities

Investments in equity securities with readily determinable fair values and all debt securities are presented in the financial statements at fair value, with gains and losses included in the consolidated statements of activities. Fair values are based upon quoted market prices. If quoted market prices are not available, fair values are based upon quoted market prices of comparable instruments or by discounted cash flow models. Alternative asset funds consist of fund investment partnerships and are stated at net asset value (NAV), which has been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the investment fund managers, principally with respect to the NAV of the respective investment partnerships. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Net gains on investments carried at fair value include realized and unrealized gains and losses. Investments in certificates of deposit are carried at cost.

Cash Surrender Value of Life Insurance

The Foundation is the owner and beneficiary of life insurance policies on the lives of certain donors. Premiums paid by donors are recorded as contributions received and life insurance premium expense.

Property and Equipment

These assets are stated at cost, if purchased, or estimated fair value at the date received, if donated. Expenditures for the acquisition of property and equipment over $2,500 are capitalized. Expenditures for maintenance and repairs are charged to expense in the year incurred. Depreciation is computed on the straight-line method over the following estimated useful lives:

Building and Building Improvements	15 to 40 Years
Land Improvements	20 Years
Furniture, Equipment, and Software	3 to 5 Years

Grants Payable

Grants payable consist of amounts awarded, but not paid, to various individuals and nonprofit organizations. These grants are generally paid the following year.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and Nonfinancial Assets

Donation of services is recorded as revenue if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Nonfinancial assets or donated services for the year ended June 30, 2026 of $194,484 relate to donated labor and materials. Nonfinancial asset contributions during the year ended June 30, 2025, of $200,000 relate to contributed land, which was valued based on a real estate appraisal. The land was sold prior to June 30, 2025 for approximately $218,000.

Donated Financial Assets

Financial asset contributions during the year ended June 30, 2026, included $5,670,000 related to contributed 50% interest in real estate held in an LLP, which was valued based on a real estate appraisal. The real estate is currently listed for sale as of June 30, 2026. For the year ended June 30, 2025 there were no similar contributions.

Marketing and Communication Costs

Marketing and communication costs are expensed as incurred. Marketing and communication expense was $135,508 and $113,872 for the years ended June 30, 2026 and 2025, respectively.

Income Tax Status

The state of South Dakota has no income tax. The Foundation is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code; however, the Foundation is required to pay income tax on its unrelated business income primarily resulting from pass-through entities in which it has an ownership interest. The Foundation paid no income tax for the years ended June 30, 2026 and 2025.

The Foundation files Forms 990 and 990-T returns in the U.S. federal jurisdiction. The Foundation is no longer subject to U.S. federal income tax examinations by tax authorities beyond three years. The Foundation has no federal or state tax examinations currently in process.

Management evaluated the Foundation’s tax positions and concluded that the Foundation had taken no uncertain tax positions that require recognition in the consolidated financial statements.

Functional Expenses

The costs of providing program services and other activities are summarized on a functional expense basis in the consolidated statements of activities. Direct expenses are charged to program and fund services, management and general, and asset development and fundraising based upon their use, while indirect costs are allocated among the activities based on estimated time spent in the activity.

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events were evaluated through September 23, 2026, the date these consolidated financial statements were available to be issued.

NOTE 2 INVESTMENT IN SECURITIES

A summary of investment securities by major investment type is as follows:

	June 30, 2026		
	Cost	Unrealized Gains (Losses), Net	Fair Value
Government Bonds, Notes and Funds	$ 36,422,395	$ (3,076,369)	$ 33,346,026
Nongovernmental Bonds and Bond Funds	43,713,208	(1,604,409)	42,108,799
Balanced Funds	15,430,928	1,722,407	17,153,335
Equity Funds	132,531,262	79,533,683	212,064,945
Real Asset Funds	435,721	119,007	554,728
Equity Securities	8,352,946	1,767,777	10,120,723
Total	$ 236,886,460	$ 78,462,096	$ 315,348,556

	June 30, 2025		
	Cost	Unrealized Gains (Losses), Net	Fair Value
Government Bonds, Notes and Funds	$ 35,719,009	$ (2,838,034)	$ 32,880,975
Nongovernmental Bonds and Bond Funds	33,936,159	(1,373,417)	32,562,742
Balanced Funds	18,076,912	238,934	18,315,846
Equity Funds	126,098,936	46,866,120	172,965,056
Real Asset Funds	168,018	3,733	171,751
Equity Securities	7,302,765	1,065,399	8,368,164
Alternative Asset Funds	4,355	10,759	15,114
Total	$ 221,306,154	$ 43,973,494	$ 265,279,648

Market volatility of marketable investment securities may substantially impact the value of such investments at any given time. It is possible that the value of the Foundation's investments has changed significantly since June 30, 2026.

NOTE 3 INVESTMENT RETURN

The investment return for the years ended June 30 consists of the following components:

	2026	2025
Interest and Dividends	$ 10,247,468	$ 9,124,164
Net Realized and Unrealized Gain on Investments	38,097,423	20,571,534
Investment Fees	(341,466)	(292,471)
Total	$ 48,003,425	$ 29,403,227

NOTE 4 FAIR VALUE MEASUREMENTS

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The standards provide a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standards are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Financial assets whose values are not readily observable and are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (examples include real estate, private equities, and hedge funds or securities that are either in default and/or may be in a work-out situation.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Alternative Asset Funds

As a practical expedient, investments in investment partnerships may be valued at the reported NAV. Certain funds may provide the manager with the ability to suspend or postpone redemption (a gate), or a lock-in period upon initial subscription, within which the Foundation may not redeem without incurring a penalty. Investments valued using the NAV (or its equivalents) practical expedient have not been classified in the fair value hierarchy. As of June 30, 2026 and 2025, all investment partnerships have been valued using the NAV practical expedient method.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables summarize by level, within the fair value hierarchy, the Foundation's assets and liabilities that are valued at fair value on a recurring basis as of June 30, 2026 and 2025. In addition, investments reported at NAV are also included to permit reconciliation to the consolidated statements of financial position.

	June 30, 2026				
	Level 1	Level 2	Level 3	NAV	Total
Assets:					
Government Bonds, Notes, and Funds	$ 25,619,247	$ 7,726,779	$ -	$ -	$ 33,346,026
Nongovernmental Bonds and Bond Funds	42,108,799	-	-	-	42,108,799
Balanced Funds	17,153,335	-	-	-	17,153,335
Equity Funds	212,064,945	-	-	-	212,064,945
Real Asset Funds	554,728	-	-	-	554,728
Equity Securities	10,120,723	-	-	-	10,120,723
Total Investments	$ 307,621,777	$ 7,726,779	$ -	$ -	$ 315,348,556
Interest in LLP Held for Sale	$ -	$ -	$ 5,670,000	$ -	$ 5,670,000
Beneficial Interest in Split-Interest Agreements	$ -	$ -	$ 628,000	$ -	$ 628,000

	June 30, 2025				
	Level 1	Level 2	Level 3	NAV	Total
Assets:					
Government Bonds, Notes, and Funds	$ 31,321,019	$ 1,559,956	$ -	$ -	$ 32,880,975
Nongovernmental Bonds and Bond Funds	32,562,742	-	-	-	32,562,742
Balanced Funds	18,315,846	-	-	-	18,315,846
Equity Funds	172,965,056	-	-	-	172,965,056
Real Asset Funds	171,751	-	-	-	171,751
Equity Securities	8,368,164	-	-	-	8,368,164
Alternative Asset Funds (NAV)	-	-	-	15,114	15,114
Total Investments	$ 263,704,578	$ 1,559,956	$ -	$ 15,114	$ 265,279,648
Beneficial Interest in Split-Interest Agreements	$ -	$ -	$ 661,000	$ -	$ 661,000

The following is a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3):

	Beneficial Interest in Split-Interest Agreements	Interest in LLP Held for Sale
Balance - June 30, 2024	$ 2,884,000	$ -
Proceeds Received	(2,168,355)	-
Change in Value	(54,645)	-
Balance - June 30, 2025	661,000	-
Proceeds Received	(77,645)	-
Donated Financial Asset	-	5,670,000
Change in Value	44,645	-
Balance - June 30, 2026	$ 628,000	$ 5,670,000

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summarization of the Level 3 significant unobservable inputs:

Quantitative Information About Level 3 Fair Value Measurements

Type of Assets	Fair Value at June 30, 2026	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Split-Interest Agreements	$ 628,000	Present Value of Future Cash Flow	Value of Underlying Assets
Interest in LLP Held for Sale	$ 5,670,000	FMV of Assets	Value of Underlying Assets
Total	$ 5,670,000		

Type of Assets	Fair Value at June 30, 2025	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Split-Interest Agreements	$ 661,000	Present Value of Future Cash Flow	Value of Underlying Assets
Total	$ 661,000		

The following table provides a summary of redemption restrictions of alternative asset funds as of June 30:

Investment Strategy	Redemption Restrictions	Fair Value 2026	Fair Value 2025
Distressed Debt	Limited to realizations of longer-term investments during the year, redeemable annually at December 31 with 120 days' notice	$ -	$ 15,114

NOTE 5 CERTIFICATES OF DEPOSIT

The Foundation had certificates of deposit at various financial institutions of $99,905 and $821,413 as of June 30, 2026 and 2025, respectively. As of June 30, 2026, the certificate bears an interest rate of 3.75% and matures July 2031, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the consolidated financial statements.

NOTE 6 PROPERTY AND EQUIPMENT

The following summarizes property and equipment as of June 30:

	2026	2025
Land and Land Improvements	$ 469,536	$ 469,536
Building and Building Improvements	3,319,261	3,319,261
Furniture, Equipment, and Software	374,326	370,358
Construction in Progress	1,085,441	-
Total	5,248,564	4,159,155
Less: Accumulated Depreciation	(809,554)	(639,859)
Total Property and Equipment	$ 4,439,010	$ 3,519,296

NOTE 7 CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, net, are estimated to be collected as follows at June 30:

	2026	2025
Within One Year	$ 4,765,270	$ 11,706,338
In One to Five Years	39,855,000	40,000,000
Subtotal	44,620,270	51,706,338
Less: Discount to Net Present Value at Rate of 5.60% and 4.15%, respectively	(4,519,312)	(6,251,333)
Total	$ 40,100,958	$ 45,455,005

NOTE 8 LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating, grant-making and other contractual obligations while also striving to maximize the return on investment of its funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, certificates of deposit, and marketable debt and equity securities. Contributions receivable and interest and dividends receivable that are expected to be received within one year are considered available for meeting current obligations. The portion of the beneficial interest in split-interest agreements due within one year is considered available for meeting current obligations.

NOTE 8 LIQUIDITY AND AVAILABILITY (CONTINUED)

In terms of meeting the liquidity needs for grants and other obligations and expenditures the following table outlines the Foundation's financial assets as of June 30, 2026 and 2025 that are available for expenditure within one year of that date. Assets are considered unavailable if they are not convertible to cash within one year, or if they are trust assets or endowment assets.

	2026	2025
Financial Assets as of June 30:		
Cash and Cash Equivalents	$ 79,635,513	$ 70,019,291
Interest and Dividends Receivable	459,274	408,795
Contributions Receivable Expected Within One Year	4,765,270	11,706,338
Bequests Receivable Expected Within One Year	65,713	-
Estates Receivable Expected Within One Year	635,000	-
Certificates of Deposit, Maturing Within One Year	-	720,000
Securities	315,348,556	265,279,648
Interest in LLP Held for Sale	5,670,000	-
Total Financial Assets as of June 30	406,579,326	348,134,072
Amounts not Available to Spend		
Board-Designated Restrictions	(1,412,686)	(1,195,169)
Endowments and Quasi-Endowments	(236,179,276)	(200,665,977)
Financial Assets Held for Others	(58,161,620)	(48,236,056)
Total Financial Assets Available to Meet General Expenditures Within One Year	$ 110,825,744	$ 98,036,870

NOTE 9 BOARD-DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS

The board has designated operating financial assets for future capital expenditures. The cash flow needs for capital expenditures fluctuate significantly from year to year. By establishing and maintaining this reserve, funds should be available to purchase capital items when needed by the Foundation. Operating surpluses and annual depreciation expense can be used to fund this reserve. The capital expenditure reserve balance as of June 30, 2026 and 2025 was $401,651 and $310,447, respectively.

The board has also designated operating financial assets as a charitable gift annuities reserve, which include investment income. The Foundation intends to maintain this reserve at a minimum of 10% of charitable gift annuities payable. In addition, 10% of the residuum of new charitable gift annuities is added to the reserve. The charitable gift annuities reserve was $58,984 and $49,414 as of June 30, 2026 and 2025, respectively. In addition, the Foundation's endowment funds without donor restrictions are included in Note 10.

The board has also designated operating financial assets for a capital improvement project for the renovation and expansion of the current facility. The capital project reserve balance as of June 30, 2026 and 2025, was $70,585 and $92,308, respectively.

NOTE 9 BOARD-DESIGNATED NET ASSETS AND NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During the fiscal year 2026 and 2025, the board has also designated operating financial assets for initiatives to build organizational endowments and pursue community leadership opportunities. The amount allocated to these activities as of June 30, 2026 and 2025 was $881,466 and $743,000, respectively.

Net assets subject to donor restriction include contributions receivable, all assets related to split-interest agreements, and time or use-restricted funds. These net assets become net assets without donor restrictions when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or the passage of time.

The Foundation has two permanent endowment funds subject to donor restrictions as of June 30, 2026 and 2025. The donors of these funds stipulated that the principal of the endowments is to be invested and not used for other purposes, and the Foundation agreed to these stipulations. One of the donor-restricted fund agreements requires further investments into the fund’s corpus each year based on its earnings. Such amounts are required to be maintained in perpetuity and are not available for appropriation or expenditure.

Net assets are subject to the following donor restrictions as of June 30:

	2026	2025
Endowment Funds With Donor Restrictions (See Note 10)	$ 13,366,458	$ 12,467,850
Beneficial Interest in Split-Interest Agreements	628,000	661,000
Purpose Restrictions	3,333,821	-
Contributions Receivable	40,100,958	44,082,000
Total Net Assets Subject to Donor Restrictions	$ 57,429,237	$ 57,210,850

The following summarizes the net assets released from donor restrictions, as the time constraints or purposes have been fulfilled as of June 30:

	2026	2025
Time Restrictions	$ 21,905,464	$ 2,623,364
Donor-Imposed Purpose Restrictions	141,937	120,046
Total	$ 22,047,401	$ 2,743,410

NOTE 10 ENDOWMENT FUNDS

The Foundation's board of directors, on the advice of legal counsel, has determined that the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by the 2007 South Dakota legislature, does not apply to the majority of the Foundation's assets. The Foundation is governed subject to its articles of incorporation and bylaws, and most contributions are subject to its terms. Certain contributions are received subject to other trust instruments or are subject to specific agreements with the Foundation. Until the gift matures, insurance and charitable gift annuities are classified as nonendowment funds.

Under the terms of its governing instruments, the board of directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest or fund as the board in its sole discretion will determine. As a result of the ability to distribute corpus, all contributions designated for an endowment fund, not specifically restricted by the gift instrument, are classified as quasi-endowments. Quasi-endowments are classified as net assets without donor restrictions but managed as endowment funds.

Contributions that are subject to other gift instruments and perpetual in nature are recorded as endowment funds subject to UPMIFA and classified as net assets with donor restrictions.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to beneficiaries while seeking to mitigate the loss of purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The Foundation's investment objective is to achieve a real rate of return net of fees equal to or greater than the spending rate over the long-term. Actual returns may vary from this amount.

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

The Foundation's spending policy affects the amount of money annually distributed from various endowed funds for grant-making. The current spending policy includes a maximum annual distribution of up to 5% per year of a fund's asset value over a three-year moving average. This is consistent with the Foundation's objective to mitigate the loss of purchasing power due to inflation, fees and investment risk, as well as to provide additional real growth through new gifts and investment return.

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

The following tables summarize endowment funds by net asset composition and type of fund as of June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds:			
Designated Endowment Funds	$ 66,360,321	$ 334,180	$ 66,694,501
Field of Interest	13,451,174	13,032,278	26,483,452
Donor-Advised	104,962,272	-	104,962,272
Scholarships	17,403,971	-	17,403,971
Undesignated	20,635,080	-	20,635,080
Total Endowment Funds	$ 222,812,818	$ 13,366,458	$ 236,179,276

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds:			
Designated Endowment Funds	$ 54,462,873	$ 1,376,403	$ 55,839,276
Field of Interest	11,198,989	11,091,447	22,290,436
Donor-Advised	90,055,584	-	90,055,584
Scholarships	15,041,624	-	15,041,624
Undesignated	17,439,057	-	17,439,057
Total Endowment Funds	$ 188,198,127	$ 12,467,850	$ 200,665,977

The following tables summarize the changes in endowment net assets for the years ended June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 188,198,127	$ 12,467,850	$ 200,665,977
Investment Return	35,530,104	1,768,195	37,298,299
Contributions	3,435,371	635,000	4,070,371
Net Assets Released from Restrictions	1,504,587	(1,504,587)	-
Grants	(3,490,735)	-	(3,490,735)
Transfers from Nonendowment Funds	(880,672)	-	(880,672)
Fees and Other Expenses	(1,483,964)	-	(1,483,964)
Endowment Net Assets - End of Year	$ 222,812,818	$ 13,366,458	$ 236,179,276

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 164,513,020	$ 9,994,664	$ 174,507,684
Investment Return	20,715,719	1,242,937	21,958,656
Contributions	6,448,878	1,362,680	7,811,558
Net Assets Released from Restrictions	132,431	(132,431)	-
Grants	(3,494,957)	-	(3,494,957)
Transfers from Nonendowment Funds	1,154,457	-	1,154,457
Fees and Other Expenses	(1,271,421)	-	(1,271,421)
Endowment Net Assets - End of Year	$ 188,198,127	$ 12,467,850	$ 200,665,977

From time to time, the fair value of endowment funds associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration, (i.e., underwater endowments). Losses on endowed net assets with donor restrictions are first used to reduce previous investment income and gains that have not been expended. Any additional losses are shown as a reduction in net assets with donor restrictions. As of June 30, 2026 and 2025, no such reduction in net assets was necessary.

NOTE 11 CASH SURRENDER VALUE OF LIFE INSURANCE

The Foundation is the owner and beneficiary of life insurance policies that insure the lives of various donors. The total face value of the policies was approximately $36,036,000 and $36,000,000 as of June 30, 2026 and 2025, respectively. The total cash surrender value of the policies was $4,353,840 and $4,166,419 as of June 30, 2026 and 2025, respectively. Premiums of $166,015 and $169,671 during the years ended June 30, 2026 and 2025, respectively, were paid solely from contributions received from the insured donors.

NOTE 12 CHARITABLE GIFT ANNUITIES PAYABLE

Donors have established charitable gift annuities with the Foundation. At the time of each gift, assets are recorded at fair value, and a liability is recorded for the present value of future payments to be made to the designated beneficiaries. Charitable gift annuities provide for the payment of a fixed amount for a specified time to individuals designated by the donor in exchange for assets contributed to the Foundation. On an annual basis on June 30, the Foundation revalues the charitable gift annuities payable liabilities, using the discount rate determined at the time of the gift and new life expectancies of the donor beneficiaries, and records a change in the value of the charitable gift annuities payable in the consolidated statements of activities. The charitable gift annuities payment rate ranges from 5.50% to 8.40% of the assets recorded. At the end of the agreement, the remaining assets, if any, are to be available for the Foundation's use, subject to donor intentions. The present value of future payments estimated to be made under these agreements was $143,200 and $146,883 as of June 30, 2026 and 2025, respectively. The gift annuity funds consist of cash and securities totaling $244,919 and $227,287 as of June 30, 2026 and 2025, respectively.

NOTE 13 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan for those employees who meet the eligibility requirements set forth in the plan. The Foundation contributed 10.0% of eligible compensation for each participant for the years ended June 30, 2026 and 2025. Retirement plan expense was $108,978 and $92,353 for the years ended June 30, 2026 and 2025, respectively.

NOTE 14 ACTIVITY FOR ASSETS HELD FOR OTHERS

The gross activity for contributions, investment return, and grants remitted on behalf of specific organizations is as follows for the years ended June 30:

2026			2025		
Total Contributions	Contributions Designated for Specific Organizations	Net Contributions	Total Contributions	Contributions Designated for Specific Organizations	Net Contributions
$ 66,339,167	$ (4,460,087)	$ 61,879,080	$ 33,134,443	$ (1,707,529)	$ 31,426,914

2026			2025		
Total Investment Return	Investment Return Designated for Specific Organizations	Net Investment Return	Total Investment Return	Investment Return Designated for Specific Organizations	Net Investment Return
$ 56,342,003	$ (8,338,578)	$ 48,003,425	$ 34,560,285	$ (5,157,058)	$ 29,403,227

2026			2025		
Total Grants	Grants Remitted on Behalf of Specific Organizations	Net Grants	Total Grants	Grants Remitted on Behalf of Specific Organizations	Net Grants
$ 73,182,158	$ (2,391,246)	$ 70,790,912	$ 38,909,054	$ (2,963,566)	$ 35,945,488