OTERO COLLEGE FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2026 AND 2025

OTERO COLLEGE FOUNDATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Otero College Foundation
La Junta, Colorado

Opinion

We have audited the accompanying financial statements of Otero College Foundation (a nonprofit organization) and a component unit of Colorado Community College System, which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Otero College Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Otero College 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 Otero College Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

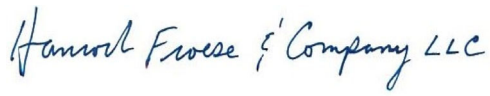
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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



HANCOCK FROESE & COMPANY LLC

August 10, 2026

OTERO COLLEGE FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 132,508	$ 377,014
Investments	588,148	-
Receivables	-	1,006
Cash Restricted - Current	231,267	494,999
Investments Restricted	359,000	130,229
TOTAL CURRENT ASSETS	1,310,923	1,003,248
NONCURRENT ASSETS		
Cash Restricted for Endowment	-	355,000
Investments Restricted for Endowment	105,000	-
TOTAL NONCURRENT ASSETS	105,000	355,000
PROPERTY AND EQUIPMENT		
Land	35,000	35,000
NET PROPERTY AND EQUIPMENT	35,000	35,000
TOTAL ASSETS	$ 1,450,923	$ 1,393,248
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 9,184	$ -
Assets Held for Others	154,679	157,679
TOTAL CURRENT LIABILITIES	163,863	157,679
NET ASSETS		
Without Donor Restrictions:		
Undesignated	711,472	378,020
Invested in Property and Equipment, Net of Related Debt	35,000	35,000
	746,472	413,020
With Donor Restrictions		
Purpose Restrictions	540,588	822,549
TOTAL NET ASSETS	1,287,060	1,235,569
TOTAL LIABILITIES AND NET ASSETS	$ 1,450,923	$ 1,393,248

See Notes to Financial Statements

OTERO COLLEGE FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2026 AND 2025

	2026	2025
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE, SUPPORT AND GAINS		
Grants and Donations	$ 71,538	$ 65,808
Fund Raising Events, Net of Direct Costs of $5,954 and $5,698	9,191	5,171
Rental Income, Net of Direct Costs of $0 and $8,894	-	26,106
Unrealized Gain (Loss)	12,900	800
Interest and Dividend Income	6,703	6,534
Total Revenue, Support and Gains Without Donor Restrictions	100,332	104,419
Net Assets Released from Restrictions	554,612	332,461
TOTAL REVENUE, SUPPORT AND GAINS WITHOUT DONOR RESTRICTIONS	654,944	436,880
EXPENSES AND LOSSES		
Program Services Expenses		
Scholarships and Student Support	229,629	327,759
President's Leadership Program	4,500	-
Total Program Services Expenses	234,129	327,759
Supporting Services Expenses		
Marketing/Fund Raising	22,092	15,465
General Administration	65,271	95,518
Total Supporting Services Expenses	87,363	110,983
Loss on Sale of Fixed Assets	-	355,823
TOTAL EXPENSES AND LOSSES	321,492	794,565
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	333,452	(357,685)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Grants and Donations	272,651	294,755
Net Assets Released from Restrictions	(554,612)	(332,461)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(281,961)	(37,706)
CHANGE IN TOTAL NET ASSETS	51,491	(395,391)
NET ASSETS, BEGINNING OF YEAR	1,235,569	1,630,960
NET ASSETS, END OF YEAR	$ 1,287,060	$ 1,235,569

See Notes to Financial Statements

OTERO COLLEGE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2026

	Program Services					
	Scholarships & Student Support	President's Leader-ship Program	Total	Marketing / Fund Raising	General Administration	Total
Scholarships	$ 229,629	$ 4,500	$ 234,129	$ -	$ -	$ 234,129
Advertising and Promotion	-	-	-	4,318	-	4,318
Office and Administrative Expenses	-	-	-	17,774	60,563	78,337
Cost of Fund Raising Events	-	-	-	5,954	-	5,954
Repairs and Maintenance	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Other	-	-	-	-	4,708	4,708
TOTAL EXPENSES BY FUNCTION	229,629	4,500	234,129	28,046	65,271	327,446
Less Expenses Included With Revenues on the Statement of Activities						
Cost of Fund Raising Events	-	-	-	(5,954)	-	(5,954)
Rental Expenses	-	-	-	-	-	-
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES	$ 229,629	$ 4,500	$ 234,129	$ 22,092	$ 65,271	$ 321,492

See Notes To Financial Statements

OTERO COLLEGE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services					
	Scholarships & Student Support	President's Leader-ship Program	Total	Marketing / Fund Raising	General Administration	Total
Scholarships	$ 327,759	$ -	$ 327,759	$ -	$ -	$ 327,759
Advertising and Promotion	-	-	-	7,868	-	7,868
Office and Administrative Expenses	-	-	-	7,597	22,792	30,389
Cost of Fund Raising Events	-	-	-	5,698	-	5,698
Repairs and Maintenance	-	-	-	-	39,431	39,431
Interest	-	-	-	-	8,238	8,238
Insurance	-	-	-	-	8,894	8,894
Depreciation	-	-	-	-	20,150	20,150
Other	-	-	-	-	4,907	4,907
TOTAL EXPENSES BY FUNCTION	327,759	-	327,759	21,163	104,412	453,334
Less Expenses Included With Revenues on the Statement of Activities						
Cost of Fund Raising Events	-	-	-	(5,698)	-	(5,698)
Rental Expenses	-	-	-	-	(8,894)	(8,894)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES	$ 327,759	$ -	$ 327,759	$ 15,465	$ 95,518	$ 438,742

See Notes To Financial Statements

OTERO COLLEGE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received for Services	$ 15,145	$ 10,869
Cash Received from Grants and Donations	344,189	360,563
Cash Received from Other Sources	-	35,000
Cash Paid for Scholarships and General Administration	(318,262)	(430,094)
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	41,072	(23,662)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Assets Held for Others	(3,000)	(1,750)
NET CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES	(3,000)	(1,750)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Cash Proceeds from Sale of Fixed Assets	-	533,266
Principal Payments on Note Payable	-	(396,084)
Interest Paid	-	(9,115)
NET CASH FLOWS FROM (USED BY) CAPITAL & RELATED FINANCING ACTIVITIES	-	128,067
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received and Other	7,709	6,376
Cash Disbursements from Purchase of Investments	(1,002,919)	(43,000)
Cash Proceeds from Sale of Investments	93,900	37,000
NET CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES	(901,310)	376
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(863,238)	103,031
CASH, CASH EQUIVALENTS AND RESTRICTED CASH- BEGINNING OF YEAR	1,227,013	1,123,982
CASH, CASH EQUIVALENTS AND RESTRICTED CASH- END OF YEAR	$ 363,775	$ 1,227,013
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES		
Change in Net Assets	$ 51,491	$ (395,391)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES:		
Depreciation	-	20,150
Interest Received and Other	(6,703)	(6,534)
Interest Paid	-	8,238
Unrealized Gain (Loss)	(12,900)	(800)
Loss on Sale of Fixed Assets	-	355,823
CHANGE IN ASSETS AND LIABILITIES		
Prepaid Expenses	-	8,195
Accounts Payable	9,184	(13,343)
TOTAL ADJUSTMENTS	(10,419)	371,729
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	$ 41,072	$ (23,662)

See Notes to Financial Statements

NOTE -1 SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Otero College Foundation (the "Foundation"), is a nonprofit corporation established in 1998 and is dedicated to raising funds for Otero College (the "College"). On October 8, 2025, the Foundation legally changed its name with the Colorado Secretary of State from Otero Junior College Foundation to Otero College Foundation to be consistent with the name change of Otero College (formerly Otero Junior College). The purpose of the Foundation is to encourage financial support for the College through private gifts. Funds raised are used in providing affordable, accessible and quality education. The Foundation is a component unit of Colorado Community College System.

The Foundation is governed by an independent Board of Directors. The Foundation was established solely to support the mission of the College. Upon dissolution, liquidation or winding up of the Foundation, the assets remaining after payment, or provision for payment, of all debts and liabilities of the Foundation shall be distributed to the College, provided the College has maintained tax-exempt status under the Internal Revenue Code and relevant Colorado laws. The Foundation is considered a not-for-profit organization, subject to reporting under the Financial Accounting Standards Board ("FASB").

The Foundation transfers monies to the College to be spent in accordance with the donor's request. The College assumes responsibility for actual disbursement; therefore, the Foundation's net position does not include any monies held but not yet expended by the College.

A summary of the significant accounting policies applied in the preparation of these financial statements is presented below:

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of FASB 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: net assets with donor restrictions and net assets without donor restrictions.

Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Foundation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

The statement of net position that sequences assets and liabilities based on their relative liquidity is presented. When both restricted and unrestricted resources are available to fund certain programs, it is the Foundation's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

The Foundation's principal operating activity is College program support and student scholarships. Operating revenues and expenses include rental income and expenses and all fiscal transactions related to the College support, Foundation management, fund raising, and depreciation of capital assets. Nonoperating revenues and expenses include interest expense, grants, and capital funding, as applicable.

Cash, Cash Equivalents and Restricted Cash

The Foundation's cash, cash equivalents and restricted cash are represented by cash on hand as well as demand deposits held in banks. The Foundation considers all highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows:

NOTE -1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents & Restricted Cash (Continued)

	2026	2025
Cash and Cash Equivalents	$ 132,508	$ 377,014
Restricted Cash includes:		
Donor Restricted - Expendable	231,267	494,999
Endowments – Non-Expendable	-	355,000
Total Restricted Cash	231,267	849,999
Total Cash, Cash Equivalents, and Restricted Cash	$ 363,775	$ 1,227,013

Donor restricted cash consists of donations received for specific scholarships or an activity as directed by the donor. The endowment restricted cash is comprised of one endowment funds that were received by the United States Department of Education. The Title V Endowment 2011 is restricted for a period of 20 years in which the corpus cannot be spent, only the earnings.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of dividend income, gains distributed and realized capital gains and losses. Restricted investments are restricted for scholarships and an endowment.

The following table provides a reconciliation of investments and restricted investments reported within the statement of financial position:

	2026	2025
Investments	$ 588,148	$ -
Restricted Investments includes:		
Donor Restricted - Expendable	359,000	130,229
Endowments – Non-Expendable	105,000	-
Total Restricted Investments	464,000	130,229
Total Investments and Restricted Investments	$ 1,052,148	$ 130,229

Property and Equipment

The Foundation's capital assets consist of land, buildings, and improvements and are stated at historical cost or estimated fair value if donated or acquired at nominal cost. The Foundation has a capitalization threshold of $5,000 for capital assets. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Buildings - 40 Years
Building improvements - 40 Years

Assets Held for Others

The Foundation acts as an intermediary for the donations received on behalf of a specified beneficiary. As of June 30, 2026 and 2025 the donations received and held for a specified beneficiary and purpose is as follows:

	2026	2025
Scholarships – To attend Otero College	154,679	157,679
Child Development Services – Within Otero College	-	-
Total Assets Held for Others	$ 154,679	$ 157,679

Donated Assets

Non-monetary items donated to the Foundation are recorded at fair value on the date of the gift. Fair values are updated as of the statement of financial position date for any unsold donated assets. Fair value is based on the current sales price for comparable assets.

NOTE -1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and In-Kind Contributions

Volunteers contribute amounts of time to the Foundation's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Contributed services are recorded at the respective fair values of the services received if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, which would otherwise be purchased by the Foundation. For the year ended June 30, 2026 and 2025, the Foundation recognized $0 and $0, respectively, for goods and professional services.

Net Assets

Net assets represent the difference between the Foundation's assets and liabilities. Net assets are classified into one of the following two categories depending on the absence or presence and nature of donor-imposed restrictions:

Without Donor Restrictions, which are not restricted either by donors or by law, or

With Donor Restrictions, which have been restricted by donor or by law. Restrictions include contributions designated by donors for use by particular entities or programs or for specific purposes or functions of the College.

Contributions

The Foundation accounts for contributions in accordance with the recommendations of the FASB 958-605-25, *Accounting for Contributions Received and Contributions Made.* In accordance with FASB, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Advertising and Promotion Costs

The Foundation uses advertising to promote its mission and College programs. The costs are expensed as incurred. For the year ended June 30, 2026 and 2025, advertising and promotion costs amounted to $4,318 and $7,868, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is generally not subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purpose for which it is granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, and is not material to the basic financial statements taken as a whole.

Subsequent Events

Subsequent events have been evaluated through the report date, which represent the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE -2 INVESTMENTS

As of June 30, 2026, investments consist of the following:

	Amortized Cost	Fair Value	Statement of Financial Position Amount
Short-term Investments			
Certificate of Deposits	$ 714,000	$ 712,862	$ 712,862
Unit Trust	17,509	13,056	13,056
Mutual Funds	10,875	11,159	11,159
Money Market Mutual Fund	257,501	258,992	258,992
Fixed Income	4,000	3,934	3,934
Exchange Traded Funds	50,463	52,145	52,145
	$ 1,054,348	$ 1,052,148	$ 1,052,148

The contractual maturity of short-term investments held to maturity based on their face value as of June 30, 2026, is as follows:

	1 to 5 years
Certificates of Deposits and Unit Trust	$ 725,918

As of June 30, 2025, investments consist of Certificates of Deposit with an initial maturity of more than three months and a Unit Trust comprised of Build America Bonds.

	Amortized Cost	Fair Value	Statement of Financial Position Amount
Short-term Investments			
Certificates of Deposit	$ 117,000	$ 117,064	$ 117,064
Unit Trust	28,329	13,165	13,165
	$ 145,329	$ 130,229	$ 130,229

The contractual maturity of bonds and certificates of deposit held to maturity based on their face value as of June 30, 2025, is as follows:

	1 to 5 years
Certificates of Deposits and Unit Trust	$ 130,229

NOTE -3 FAIR VALUE MEASUREMENTS

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs to measure because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the FASB ASC 820 fair value hierarchy in which the fair value measurements fall as of June 30, 2026 and 2025:

NOTE -3 FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs Level (2)
June 30, 2026:			
Short-term Investments			
Certificates of Deposit	$ 712,862	$ 712,862	$ -
Unit Trust	13,056	-	13,056
Mutual Funds	11,159	11,159	-
Money Market Mutual Fund	258,992	258,992	-
Fixed Income	3,934	-	3,934
Exchange Traded Funds	52,145	52,145	-
	$ 1,052,148	$ 1,035,158	$ 16,990
June 30, 2025:			
Short-term Investments			
Certificates of Deposit	$ 117,064	$ 117,064	$ -
Unit Trust	13,165	-	13,165
	$ 130,229	$ 117,064	$ 13,165

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 1 Fair Value Measurements – Quoted prices in active markets for identical assets that we can access at the measurement date.

Level 2 - Fair Value Measurements – Inputs other than quoted prices included within Level 1 that are observable for assets either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset and market-corroborated inputs.

NOTE -4 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at June 30:

	2026	2025
Capital assets not being depreciated:		
Land	$ 35,000	$ 35,000

Depreciation expense for the years ended June 30, 2026 and 2025 was $0 and $20,150, respectively.

NOTE -5 RESTRICTED NET ASSETS

Net assets with donor restrictions relate to funds donated by individuals and entities to be used for a specific activity or scholarships or they were donations received with a time restriction. The following is a summary of net assets with donor restrictions at June 30:

	2026	2025
Donor Restricted for:		
Endowment	$ 105,000	$ 355,000
Donor Contribution	435,588	467,549
	$ 540,588	$ 822,549

NOTE -5 RESTRICTED NET ASSETS (Continued)

Donor Restricted - Endowments

The Foundation received two endowment funds from the United States Department of Education. Title V Endowment 2006 and Title V Endowment 2011 are each restricted for a period of 20 years in which the corpus cannot be spent. In 2026, the Title V Endowment 2006 termed and the funds were released. The Title V Endowment 2011 fund is held in a certificate of deposit; therefore, the principal amount is maintained and only the earnings are available for eligible expenditures.

The following is a reconciliation of the beginning and ending balances of endowment funds as of June 30, 2026:

	Restricted Net Assets		
	Title V 2006	Title V 2011	Total
Beginning Balance	$ -	$ 105,000	$ 105,000
Investment Return, Net	-	210	210
Contributions	-	-	-
Amounts Appropriated for Expenditure	-	(210)	(210)
Ending Balance	$ -	$ 105,000	$ 105,000

The following is a reconciliation of the beginning and ending balances of endowment funds as of June 30, 2025:

	Restricted Net Assets		
	Title V 2006	Title V 2011	Total
Beginning Balance	$ 250,000	$ 105,000	$ 355,000
Investment Return, Net	500	210	710
Contributions	-	-	-
Amounts Appropriated for Expenditure	(500)	(210)	(710)
Ending Balance	$ 250,000	$ 105,000	$ 355,000

NOTE -6 CASH LIQUIDITY

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2026	2025
Financial Assets, at Year-End	$ 363,775	$ 1,227,013
Less those unavailable for general expenditures within one year, due to:		
Contractual or Donor-Imposed Restrictions:		
Restricted by donor with purpose restrictions	(231,267)	(494,999)
Restricted for endowments	-	(355,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 132,508	$ 377,014

The endowment fund consists of a donor-restricted endowment. Income from the donor-restricted endowment is without donor restriction and is available for general use. The donor-restricted endowment principal is not available for general expenditures.

NOTE -6 CASH LIQUIDITY (Continued)

The Foundation is partly supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments, when applicable.

NOTE -7 RELATED PARTY TRANSACTIONS

The Foundation supports the College and has the following organizational relationship with the College:

Administrative Costs
The Foundation has a Board of Directors and designated officers; however, the Foundation does not have any employees. All functions and activities are conducted by employees of the College. College employees serving Foundation functions are covered by the College's pension plan and post-retirement healthcare plan.

Lease Revenue
Lease revenue was received from related parties in the amount of $0 and $35,000 for the years ending June 30, 2026 and 2025, respectively.

Assets Held for Others
The Foundation acts as an intermediary by accepting contributions from donors on behalf of the College that are for a specified purpose and beneficiary. As of June 30, 2026 and 2025, the amount held on behalf of the College was $154,679 and $157,679, respectively, and is reported in restricted cash on the statement of net position.

Contributions
Contributions were received from related parties in the amount of $675 and $240 for the years ending June 30, 2026 and 2025, respectively.

NOTE -8 CONTRIBUTED FACILITIES AND SERVICES

The Foundation, without cost, occupies and uses certain premises, furnishings, and equipment owned by the College. The estimated fair values of these premises, furnishings, and equipment have not been included in the financial statements. In addition, the Foundation also receives, without cost, management and accounting services provided by the College. The value of these contributed services has not been included in the accompanying financial statements. The contributed facilities and services are deemed to be immaterial to the financial statements of the Foundation.

NOTE -9 CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash accounts in commercial banks located in La Junta, Colorado. Accounts in these banks are guaranteed by Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2026 and 2025, the Foundation had an uninsured cash balance of $113,775 and $960,170, respectively.

The performance of the investments is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believe that the monitoring procedures in place are prudent for the long-term welfare of the Foundation.

NOTE -10 INCOME TAXES

The Foundation is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

NOTE -10 INCOME TAXES (Continued)

The Foundation adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2026.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE -11 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which is allocated on a square footage basis, as well as professional services, office expenses, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

NOTE -12 RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts, theft of assets, errors and omissions, injuries to volunteers, and natural disasters. Since the Foundation is housed in the College's facilities and staffed by the College's employees, the Foundation is covered by the College's insurance policies. The College handles these exposures to loss by a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.