

Report to the Board of Trustees

**NORTHERN
OKLAHOMA COLLEGE
FOUNDATION, INC.**

June 30, 2012

Board of Trustees
Northern Oklahoma College Foundation, Inc.

We are pleased to present this report related to our audit of the financial statements of Northern Oklahoma College Foundation, Inc. (the "Foundation") for the year ended June 30, 2012. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Foundation's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the Foundation.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 24, 2012

Contents

Required Communications	3
Summary of Accounting Estimates	6
Exhibit A--Certain Written Communications Between Management and Our Firm Representation Letter	

Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated June 27, 2012.
Accounting Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Foundation. The Foundation's significant accounting policies are detailed in Note A of the June 30, 2012 financial statements. No significant new accounting policies were adopted during the year.
Significant or Unusual Transactions	We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Alternative Treatments Discussed with Management	We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.
Management's Judgments and Accounting Estimates	Information about the processes used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates are included in the attached "Summary of Accounting Estimates".
Financial Statement Disclosures	There are no items we need to discuss with you related to the neutrality, consistency, and clarity of the disclosures in the financial statements.

Area	Comments
Audit Adjustments	We proposed no adjustments during the course of performing our audit.
Uncorrected Misstatements	During the course of our audit, we accumulated no uncorrected misstatements.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Other Information in Documents Containing Audited Financial Statements	<p>In accordance with GASB Statement No. 39, <i>Determining whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14</i>, the Foundation is considered a discrete component unit of the University.</p> <p>Accordingly, the Foundation's financial statements are included in the financial statements of the University.</p> <p>We are not aware of any other documents that contain the audited financial statements.</p> <p>If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited financial statements of the Foundation.</p> <p>With regard to the electronic dissemination of the audited financial statements, electronic sites are a means to distribute information and, therefore, we have no obligation to read or consider the information contained in these sites.</p>
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	There were no issues arising from the audit which were discussed or were the subject of correspondence with management.

Area	Comments
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Communicating Significant Deficiencies and Material Weaknesses	There were no significant deficiencies or material weaknesses to be discussed with management.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between our firm and the management of the Foundation are attached as Exhibit A.

Northern Oklahoma College Foundation, Inc.
Summary of Accounting Estimates
Year Ended June 30, 2012

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Foundation's June 30, 2012 financial statements:

<u>Area</u>	<u>Accounting Policy</u>	<u>Estimation Process</u>	<u>Comments</u>
Investments	Recorded at fair value	Quoted market prices or the best estimate of fair value as determined by the fund manager, nationally recognized third party pricing services, and/or the Foundation	Fair value was obtained from third parties for all investments. We noted no differences in the fair values used by the Foundation and those provided by third parties.

Exhibit A

Certain Written Communications Between Management and Our Firm



Cole & Reed P.C.
531 Couch Drive, Suite 200
Oklahoma City, Oklahoma 73102

In connection with your audit of the statement of financial position of Northern Oklahoma College Foundation, Inc. (the "Foundation") as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, we confirm that we are responsible for the fair presentation in the financial statements of financial position, statements of activities, and cash flows in conformity with accounting principles generally accepted in the United States of America.

We confirm, to the best of our knowledge and belief, as of October 24, 2012, the following representations made to you during your audit.

1. The financial statement referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of trustees and committees of trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. We have no knowledge of fraud or suspected fraud affecting the Foundation involving:
 - a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the financial statements.
4. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
5. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation received in communications from employees, former employees, analysts, regulators, or others.
6. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Foundation's ability to record, process, summarize, and report financial data.
7. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
8. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Foundation has no significant amounts of idle property and equipment or permanent excess plant capacity.



- b. The Foundation has no plans or intentions to discontinue the operations of any subsidiary or branch or to discontinue any significant services or activities.
 - c. Provision has been made to reduce all investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - d. Long-lived assets, including intangibles, which are impaired or to be disposed of, have been recorded at the lower of their cost or fair value.
9. The following have been properly recorded and/or disclosed in the financial statements:
- a. Related-party relationships, transactions and related amounts receivable or payable including sales, purchases, loans, transfers, leasing arrangements and guarantees, all of which have been recorded in accordance with the economic substance of the transactions.
 - b. Guarantees, whether written or oral, under which the Foundation is contingently liable.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - d. Agreements to repurchase assets previously sold.
 - e. Security agreements in effect under the Uniform Commercial Code.
 - f. All other liens or encumbrances on assets and all other pledges of assets.
 - g. Amounts of contractual obligations for construction and/or purchase of real property, equipment, other assets and intangibles.
 - h. Investments in debt and equity securities, including their classification.
 - i. All liabilities which are subordinated to any other actual or possible liabilities of the Foundation.
 - j. The effect on the financial statements of Topic 820, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04), which has been issued, but which we have not yet adopted.
 - k. All leases and material amounts of rental obligations under long-term leases.
 - l. All significant estimates and material concentrations known to management which are to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the statement of financial position date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - m. Concentrations of credit risk.



- n. All recordable contributions, by appropriate net asset class.
 - o. Conditional promises to give.
 - p. Reclassifications between net asset classes.
 - q. Allocations of functional expenses based on reasonable basis.
 - r. Composition of assets in amounts needed to comply with all donor restrictions.
 - s. The fair value of financial instruments.
 - t. Tax status.
 - u. The effect on the financial statements of applicable accounting pronouncements which have been issued, but which we have not yet adopted.
 - v. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. In that regard the financial statements include (1) use of appropriate valuation methods and accurate disclosure of those techniques (2) proper classification in the fair value hierarchy of major categories of assets and liabilities and (3) disclosure of changes in valuation methods which have a material impact on the fair value estimate.
 - w. Tax status and there are no current and/or deferred assets or liabilities related to the accounting for income taxes. Additionally, we have evaluated the tax positions under the two-step approach for recognition and measurement of uncertain tax positions required by the Income Taxes Topic of the FASB Accounting Standards Codification.
10. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
- a. To reduce receivables, including contributions, to their estimated net collectable amounts.
 - b. For uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2012 and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2012.
 - c. For pension obligations, postretirement benefits other than pensions and deferred compensation agreements attributable to employee services rendered through June 30, 2012.
 - d. For any material loss to be sustained in the fulfillment of or from the inability to fulfill any commitment, including promises to give.
 - e. For environmental clean up obligations.
 - f. For amounts held for others under agency and/or split interest agreements.



11. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Standards Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Codification.
 - d. Lines of credit or similar arrangements.
 - e. Short term leases with related parties.
12. We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with the Contingencies Topic of the Accounting Standards Codification.
13. The Foundation has satisfactory title to all owned assets.
14. We have complied with all aspects of contractual agreements, grants and donor restrictions that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
15. We are responsible for the allocation of net assets included in the financial statements.
16. The methods and significant assumptions used to estimate the fair values of financial instruments are adequately disclosed in the notes to the financial statements and the classifications of assets and liabilities which are carried at fair value on a recurring basis are properly classified within the fair value hierarchy as required by the Fair Value Measurement Topic of the FASB Accounting Standards Codification. We are not aware of any assets or liabilities carried at fair value on a non-recurring basis and subject to the additional disclosures required by Topic 820 at June 30, 2012.
17. In consideration of the disclosure that should be made about risks and uncertainties, we have concluded that the following are required:

Concentration of Credit Risk: The Foundation maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash or cash equivalents.



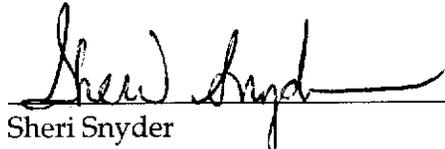
In 2012, approximately 45% of total contribution revenue was received from one donor. In 2011, approximately 84% of total contribution revenue was received from one donor. Contributions receivable are due from one donor at June 30, 2012.

18. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a Section 501(c)(3) not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.
19. We agree to make all adjusting entries proposed by you as a result of your audit.
20. There are no uncorrected financial statement misstatements.
21. We have identified and properly classified all contributions received with endowment and/or time restrictions. In addition all board-designated and donor-restricted endowment funds and their related policies and procedures have been clearly and accurately disclosed in accordance with the Board of Trustees interpretation of UPMIFA and the Accounting Standards Codification.
22. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The following are underlying significant assumptions or interpretations regarding the measurement or presentation of such information:

The financial information in the combining statement has been prepared on a basis consistent with the assumptions and interpretations used in the preparation of the financial statements.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
23. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through October 24, 2012 have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the statement of financial position date and through October 24, 2012 that would require recognition or disclosure in the financial statements. We further represent that as of October 24, 2012, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.

During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

NORTHERN OKLAHOMA COLLEGE FOUNDATION, INC.



Sheri Snyder
Executive Director



Anita Simpson
Treasurer