

**Northern Oklahoma College
Foundation, Inc.**

Financial Statements
with Independent Auditor's Report

June 30, 2025 and 2024



Northern Oklahoma College Foundation, Inc.

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June 30, 2025 and 2024

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**HINKLE &
COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Trustees
Northern Oklahoma College Foundation, Inc.
Tonkawa, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northern Oklahoma College Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the 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 the Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 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 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 the 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 the 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.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Statements of Activities is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hick & Company, PC

Tulsa, Oklahoma
September 29, 2025



Northern Oklahoma College Foundation, Inc.

Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 111,043	\$ 221,730
Total Current Assets	<u>111,043</u>	<u>221,730</u>
Noncurrent Assets		
Investments	20,069,889	17,724,258
Total Noncurrent Assets	<u>20,069,889</u>	<u>17,724,258</u>
Total Assets	<u>\$ 20,180,932</u>	<u>\$ 17,945,988</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ -	\$ 9,763
Total Current Liabilities	<u>-</u>	<u>9,763</u>
Net Assets		
Without donor restrictions		
Undesignated	2,416,670	1,644,476
Board Designated	3,681,746	3,370,587
With donor restrictions	14,082,516	12,921,162
Total Net Assets	<u>20,180,932</u>	<u>17,936,225</u>
Total Liabilities and Net Assets	<u>\$ 20,180,932</u>	<u>\$ 17,945,988</u>

Northern Oklahoma College Foundation, Inc.

Statement of Activities Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions of cash and other financial assets	\$ 12,244	\$ 763,875	\$ 776,119
In-kind contributions	-	37,767	37,767
Donated facilities and services	258,698	-	258,698
Investment return, net	1,137,485	1,136,316	2,273,801
Program service revenue	53,324	72,985	126,309
Net assets released from restrictions	849,589	(849,589)	-
Total Revenues	<u>2,311,340</u>	<u>1,161,354</u>	<u>3,472,694</u>
Expenses			
Program services			
College support	538,164	-	538,164
Scholarships	338,872	-	338,872
Supporting services			
Management and general	215,434	-	215,434
Fundraising	135,517	-	135,517
Total Expenses	<u>1,227,987</u>	<u>-</u>	<u>1,227,987</u>
Change in Net Assets	1,083,353	1,161,354	2,244,707
Net Assets, Beginning of Year	<u>5,015,063</u>	<u>12,921,162</u>	<u>17,936,225</u>
Net Assets, End of Year	<u>\$ 6,098,416</u>	<u>\$ 14,082,516</u>	<u>\$ 20,180,932</u>

Northern Oklahoma College Foundation, Inc.
Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions of cash and other financial assets	\$ 230,303	\$ 612,696	\$ 842,999
In-kind contributions	-	70,513	70,513
Donated facilities and services	240,976	-	240,976
Investment return, net	1,105,366	977,848	2,083,214
Program service revenue	75,835	10,126	85,961
Net assets released from restrictions	640,778	(640,778)	-
Total Revenues	<u>2,293,258</u>	<u>1,030,405</u>	<u>3,323,663</u>
Expenses			
Program services			
College support	316,407	-	316,407
Scholarships	290,807	-	290,807
Supporting services			
Management and general	195,462	-	195,462
Fundraising	126,869	-	126,869
Total Expenses	<u>929,545</u>	<u>-</u>	<u>929,545</u>
Change in Net Assets	1,363,713	1,030,405	2,394,118
Net Assets, Beginning of Year	<u>3,651,350</u>	<u>11,890,757</u>	<u>15,542,107</u>
Net Assets, End of Year	<u>\$ 5,015,063</u>	<u>\$ 12,921,162</u>	<u>\$ 17,936,225</u>

Northern Oklahoma College Foundation, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2025

	Program Services		Supporting Services		Grand Total
	College Support	Scholarships	Management and General	Fundraising	
Direct program distributions	\$ 507,566	\$ 298,606	\$ -	\$ -	\$ 806,172
Fees for accounting services	-	-	16,113	-	16,113
Fees for fundraising services	-	-	-	92,513	92,513
Office expenses	-	-	2,199	-	2,199
Information technology	-	-	43,148	-	43,148
Insurance	-	-	2,221	-	2,221
Donated facilities and services	30,598	40,266	148,606	39,228	258,698
Other expenses	-	-	3,147	3,776	6,923
Total Expenses	\$ 538,164	\$ 338,872	\$ 215,434	\$ 135,517	\$ 1,227,987

Northern Oklahoma College Foundation, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services		Supporting Services		Grand Total
	College Support	Scholarships	Management and General	Fundraising	
Direct program distributions	\$ 287,574	\$ 253,497	\$ -	\$ -	\$ 541,071
Fees for accounting services	-	-	15,963	-	15,963
Fees for fundraising services	-	-	-	86,288	86,288
Office expenses	-	-	7,993	-	7,993
Information technology	-	-	29,895	-	29,895
Insurance	-	-	2,828	-	2,828
Donated facilities and services	28,833	37,310	137,512	37,321	240,976
Other expenses	-	-	1,271	3,260	4,531
Total Expenses	\$ 316,407	\$ 290,807	\$ 195,462	\$ 126,869	\$ 929,545

Northern Oklahoma College Foundation, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 2,244,707	\$ 2,394,118
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Appreciation in investments	(2,368,543)	(2,017,658)
Contributions restricted for endowment	(635,264)	(54,350)
Changes in		
Accounts payable and accrued expenses	(9,763)	8,770
Net Cash Provided by (Used in) Operating Activities	<u>(768,863)</u>	<u>330,880</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	701,826	780,870
Purchase of investments	(678,914)	(1,744,995)
Net Cash Provided by (Used In) Investing Activities	<u>22,912</u>	<u>(964,125)</u>
Cash Flows from Financing Activities		
Contributions restricted for endowment	635,264	54,350
Net Cash Provided by Financing Activities	<u>635,264</u>	<u>54,350</u>
Net Increase in Cash and Cash Equivalents	(110,687)	(578,895)
Cash and Cash Equivalents, <i>Beginning of Year</i>	<u>221,730</u>	<u>800,625</u>
Cash and Cash Equivalents, <i>End of Year</i>	<u>\$ 111,043</u>	<u>\$ 221,730</u>

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Northern Oklahoma College Foundation, Inc. (the Foundation) was established and organized exclusively for the benefit of the educational, literacy, and scientific activities of Northern Oklahoma College (the College). The principal function of the Foundation is to promote the College and the welfare of its programs and students by providing scholarships, loans, and other awards to students, faculty, and staff, as deemed appropriate.

The Board of Trustees which governs the Foundation is separate and distinct from the Board of Regents, the governing body of the College.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

Board Designated Net Assets - Net assets without donor restrictions subject to self-imposed limits by action of the governing board. Board designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses.

Net Assets With Donor Imposed Restrictions - Net assets subject to donor-imposed stipulations that can be met either by actions of the Foundation or the passage of time. Contributions with donor-imposed restrictions that are met in the same period as the contribution are accounted for as unrestricted contributions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investment for general or specific donor-imposed purposes.

Cash and Cash Equivalents

The Foundation defines cash and cash equivalents to be all cash and highly liquid investments with original maturities of three months or less. Cash and cash equivalents of \$202,106 and \$282,903 were held in financial institutions as of June 30, 2025 and 2024, respectively.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statement of financial position. Realized and unrealized investment gains and losses are computed on the average cost basis. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Contributions

Contributions, including unconditional contributions receivable, are recognized as revenues in the period received by or promised to the Foundation. Conditional contributions receivable, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

The Foundation records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Unconditional contributions receivable 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 statement of activities. The Foundation determines the allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivables are written off when deemed uncollectible. As of June 30, 2025 and 2024, the Foundation had no outstanding unconditional contributions receivable due from donors.

Contributions are reported as either revenues without donor restrictions or revenues with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net assets with donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service. Gifts of property and equipment are recorded as net assets without donor restriction support unless explicit donor stipulations specify how the assets must be used, in which case the gift is recorded as net assets with donor restriction support. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Program Activities

The program activities include functions necessary to secure and provide adequate resources for direct program distributions related to college support, development and community relations, and scholarships. Listed below is a brief description for each of these activities.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Program Activities (Continued)

Scholarships - The Foundation provides scholarships to the College students by raising funds through a variety of events and activities. It also provides financial support for special students and faculty study programs, including study-abroad programs.

College Support - The Foundation provides College support in the form of accounting and financial oversight for funds raised to support the College student activity programs. The Foundation also assists in the development, planning, fundraising, and monitoring of capital projects and related equipment.

Supporting Activities

Management and General - Management and general expenses include functions necessary to secure and provide proper administrative support for the Foundation's Board of Trustees, maintain an adequate working environment, and manage the financial responsibilities of the Foundation.

Fundraising - Fundraising expenses include costs associated with identifying, cultivating, soliciting, and maintaining relationships with current and prospective donors by planning and executing a comprehensive annual giving program.

Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and supporting activities based on a proportion of the estimate of time and effort of those employees of the College who provide services on behalf of the Foundation directly related to those programs and supporting activities.

Tax Status

The Internal Revenue Service has recognized the Foundation as exempt from income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) of the IRC. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Foundation had no unrelated business income during fiscal years 2025 and 2024.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk

At June 30, 2025 and 2024, the Foundation did not have a concentration of credit risk with any of its local banking financial institutions. The Foundation evaluates the stability of the financial institution it does business with in evaluating credit risk. The Foundation's exposure to credit loss in the event of nonperformance by the other party is represented by the contractual or notional amount of the account, less the amount covered by the Federal Deposit Insurance Corporation (FDIC) insurance (\$250,000 per institution), if applicable.

The Foundation also maintains cash in its brokerage money market account which invests in U.S. government obligations. The fund is not federally insured or guaranteed by the U.S. government, the FDIC, or any other agency; however, management believes because of the high grade of instruments held by the fund that it is not exposed to any significant credit risk.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. Actual results could differ from those estimates.

Accounting for Uncertain Tax Positions

The Foundation evaluates and accounts for its uncertain tax positions, if any, in accordance with ASC Topic 740, "Income Taxes," including the Foundation's tax position as a tax-exempt, not-for-profit entity. Through the Foundation's evaluation of its uncertain tax positions, management has determined no uncertain tax positions existed as of June 30, 2025 and 2024, which would require the Foundation to record a liability for the uncertain tax positions in its financial statements. Interest and penalties, if any, resulting from any uncertain tax position required to be recorded by the Foundation would be presented in operating expenses in the statements of activities. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years ended on or before June 30, 2022.

Subsequent Events

Subsequent events have been evaluated through September 29, 2025, which is the date the financial statements were issued.

Note 2: Cash and Cash Equivalents

The Foundation maintains several bank accounts. The table below is designed to disclose the level of custody credit risk assumed by the Foundation based upon how its deposits were insured at June 30, 2025 and 2024. FDIC regulations state time and savings accounts are insured up to a \$250,000 maximum.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 2: Cash and Cash Equivalents (Continued)

Category 1 - Insured by FDIC or collateralized with securities held by the Foundation or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Foundation's name.

Category 3 - Uninsured and uncollateralized.

Type of Deposits	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)
June 30, 2025				
<u>Demand Deposits</u>				
First National Bank of Oklahoma	\$ 202,106	\$ 202,106	\$ -	\$ -
Total Deposits	<u>\$ 202,106</u>	<u>\$ 202,106</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2024				
<u>Demand Deposits</u>				
First National Bank of Oklahoma	\$ 282,042	\$ 250,000	\$ 32,042	\$ -
Gateway First Bank	861	861	-	-
Total Deposits	<u>\$ 282,903</u>	<u>\$ 250,861</u>	<u>\$ 32,042</u>	<u>\$ -</u>

Note 3: Investments

Investments consist of the following at June 30, 2025 and 2024:

	2025	2024
Equity funds	\$ 13,403,300	\$ 12,160,111
Fixed income funds	5,859,527	4,738,549
Mutual funds	51,491	55,748
Limited partnership	465,199	477,427
Alternative investments	179,534	161,003
Cash equivalents	<u>110,838</u>	<u>131,420</u>
	<u>\$ 20,069,889</u>	<u>\$ 17,724,258</u>

Investment income consists of the following at June 30, 2025 and 2024:

	2025	2024
Interest and dividend income	\$ 151,690	\$ 88,609
Realized gains and (losses)	27,989	(29,309)
Unrealized gains and (losses)	2,165,060	2,083,073
Investment management fees	<u>(70,938)</u>	<u>(59,159)</u>
	<u>\$ 2,273,801</u>	<u>\$ 2,083,214</u>

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 4: Fair Value Measurements

The Foundation uses quoted market prices to determine the fair value of an asset or liability when available. If quoted market prices are not available, the Foundation determines fair value by using valuation techniques that use market-based or independently sourced market data, such as interest rates.

The following methods and assumptions were used to estimate the fair value of assets and liabilities in the financial statements.

Cash and Cash Equivalents: The carrying amount approximates the fair value due to the short maturity of such amounts.

Investments: Investments in cash and cash equivalents, publicly traded securities and mutual funds are stated at market value based on quoted market prices. Certificates of deposit, government agency bonds, and mortgage-backed securities are stated at market price as determined by the fund manager or quoted market prices in non-active markets. Other investments are stated at fair value based upon current market conditions and other factors deemed relevant to the valuation as provided by the independent valuation specialist and/or Foundation management.

Accounts Payable and Other Liabilities: The carrying amount approximates fair value due to the short maturity of those amounts.

Fair value is defined 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. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - 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 for substantially the full term of the asset or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 4: Fair Value Measurements (Continued)

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements at fair value on a recurring basis and the level within the fair market value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

The following is a description of methodologies used for instruments measured at fair value on a recurring basis:

	2025				
	Level 1	Level 2	Level 3	Net Asset Value per Share	Total
	Investments				
Equity funds	\$ 1,952,437	\$ -	\$ -	\$ 11,450,863	\$ 13,403,300
Fixed income funds	998,840	-	-	4,860,687	5,859,527
Mutual funds	51,491	-	-	-	51,491
Limited partnership	-	-	-	465,199	465,199
Alternative investments	179,534	-	-	-	179,534
Cash equivalents	110,838	-	-	-	110,838
Total	\$ 3,293,140	\$ -	\$ -	\$ 16,776,749	\$ 20,069,889
	2024				
	Level 1	Level 2	Level 3	Net Asset Value per Share	Total
Investments					
Equity funds	\$ 1,769,084	\$ -	\$ -	\$ 10,391,027	\$ 12,160,111
Fixed income funds	969,119	-	-	3,769,430	4,738,549
Mutual funds	55,748	-	-	-	55,748
Limited partnership	-	-	-	477,427	477,427
Alternative investments	161,003	-	-	-	161,003
Cash equivalents	131,420	-	-	-	131,420
Total	\$ 3,086,374	\$ -	\$ -	\$ 14,637,884	\$ 17,724,258

Investments: Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. Certain investments are removed from the fair value hierarchy as they are measured using net asset value per share as a practical expedient.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 5: Net Assets

Net assets without donor restrictions have been designated by the board for specific purposes consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Scholarships - endowment	\$ <u>3,681,746</u>	\$ <u>3,370,587</u>

Net assets with donor restrictions subject to expenditures consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Scholarships - endowment	\$ 5,075,189	\$ 4,498,584
College support - endowment	299,829	278,096
Scholarships and college support - endowment	1,446,656	1,301,699
Scholarships and college support	<u>2,281,206</u>	<u>2,461,463</u>
	\$ <u>9,102,880</u>	\$ <u>8,539,842</u>

Net assets with donor restrictions not subject to expenditures consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Scholarships - endowment	\$ 3,014,312	\$ 2,462,016
College support - endowment	205,744	205,744
Scholarships and college support - endowment	<u>1,759,580</u>	<u>1,713,560</u>
	\$ <u>4,979,636</u>	\$ <u>4,381,320</u>

Net assets released from restrictions were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Scholarships and college support	\$ <u>849,589</u>	\$ <u>640,778</u>
	\$ <u>849,589</u>	\$ <u>640,778</u>

Note 6: Endowments

The Foundation's endowment as of June 30, 2025 and 2024, consisted of 74 and 71 individual donor-restricted funds, respectively, and 2 board-designated endowment funds for both fiscal years. Net assets associated with donor-restricted endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Board-designated endowment funds consist of contributions which were not restricted by a donor, but have been endowed by the Foundation's Board of Trustees to provide scholarships for future periods rather than fully expending such amounts in the current year. All the endowment funds held by the Foundation are managed and controlled by the Foundation in accordance with the following policies.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 6: Endowments (Continued)

Interpretation of Relevant Law: The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of endowed gifts, and any subsequent gifts to the donor-restricted endowment. Investment earnings from the donor-restricted endowment are classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the donor-stipulated purpose within the standard of prudence prescribed by UPMIFA.

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

- The duration and preservation of the fund;
- The purpose of the Foundation and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation;
- The investment policies of the Foundation.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s), as well as Board-designated funds. The Foundation's investment objective for the Endowment Fund (the Fund) is "Growth and Income" The intent of the objective is to provide both current income and future growth of the Fund sufficient to offset reasonable spending plus nominal inflation, thereby preserving the dollar value and purchasing power of the endowment for future generations. Investment performance will be judged over a 5-year horizon or market cycle. The goal for equity investment performance is to exceed the price and yield results of Standard & Poor's 500 index while maintaining a risk level similar to that of the benchmark. The goal for fixed income investment performance is to exceed returns of the broad U.S. bond market while maintaining a risk level similar to that of the benchmark.

Strategies Employed for Achieving Objectives: 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 an equal emphasis on equity and fixed income-based investments to achieve its long-term return objectives within prudent risk constraints.

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 6: Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation has a policy of appropriating for distribution each year amounts up to but not to exceed actual investment performance for that year, as well as prior year accumulations. Since the Foundation has a policy of designating unrestricted funds each year for investment, it believes that this policy protects the purchasing power of the endowments, as well as the original corpus of the donor-restricted investment. In light of current market fluctuations and the future needs of the Foundation, it will evaluate the spending policy to ensure that it remains in accordance with the long-term objectives of the Foundation.

Underwater Endowments: The Foundation considers an endowment fund to be underwater if the fair value of the fund is less than the sum of the original value of initial and subsequent gift amounts donated to the fund and any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under law.

From time to time, the fair value of assets 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.

The Foundation had no underwater endowment funds at June 30, 2025 and 2024.

Endowment Net Asset Composition by Type of Fund as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 11,801,310	\$ 11,801,310
Board-designated endowment funds	3,681,746	-	3,681,746
Total endowment funds	\$ 3,681,746	\$ 11,801,310	\$ 15,483,056

Changes in Endowment Net Assets for the year ending June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,370,587	\$ 10,459,699	\$ 13,830,286
Investment return, net	450,349	1,232,237	1,682,586
Contributions	20,625	635,264	655,889
Appropriation of endowment assets for expenditure	(159,815)	(525,890)	(685,705)
Endowment net assets, end of year	\$ 3,681,746	\$ 11,801,310	\$ 15,483,056

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 6: Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 10,459,699	\$ 10,459,699
Board-designated endowment funds	3,370,587	-	3,370,587
Total endowment funds	\$ 3,370,587	\$ 10,459,699	\$ 13,830,286

Changes in Endowment Net Assets for the year ending June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,985,270	\$ 9,470,222	\$ 12,455,492
Investment return, net	451,620	1,084,225	1,535,845
Contributions	-	201,336	201,336
Appropriation of endowment assets for expenditure	(66,303)	(296,084)	(362,387)
Endowment net assets, end of year	\$ 3,370,587	\$ 10,459,699	\$ 13,830,286

Note 7: Liquidity and Availability of Financial Assets

Financial assets available within 1 year of the statement of financial position date for general expenditures were as follows at June 30, 2025 and 2024:

	2025	2024
Financial Assets		
Cash	\$ 111,043	\$ 221,730
Investments	20,069,889	17,724,258
Less those unavailable for general expenditure within one year, due to:		
Donor-imposed restrictions subject to expenditures		
Donor restriction for scholarships	5,075,189	4,498,584
Donor restriction for college support	299,829	278,096
Donor restriction for scholarships and college support	3,727,862	3,763,162
Donor-imposed restrictions not subject to appropriation or expenditures		
Donor restriction for scholarships	3,014,312	2,462,016
Donor restriction for college support	205,744	205,744
Donor restriction for scholarships and college support	1,759,580	1,713,560
Board designations		
Board designation for scholarships	3,681,746	3,370,587
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,416,670	\$ 1,654,239

Northern Oklahoma College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 7: Liquidity and Availability of Financial Assets (Continued)

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions as well as investment income without donor restrictions which it utilizes to pay its general operating expenses. Such support has historically been sufficient to pay the majority of the Foundation's general operating expenses each year.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditure includes administrative and general expenses and fundraising expenses. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

Note 8: Related-Party Transactions

Based upon an exchange of service agreement, the College provides the Foundation with the necessary staffing and office space at no cost to the Foundation. In exchange, the College receives scholarships, funds for capital improvement, and other services from the Foundation. Substantially all expenses are for the benefit of the students, faculty, or activities of the College. Transactions between the Foundation and the College are covered under a written agreement between the Foundation and the College. Under this agreement, the College agrees to provide certain administrative services to the Foundation in exchange for scholarships, endowments, grants, and payment of services for the benefit of the College. The Foundation has recorded donated facilities and services received from the College in the accompanying financial statements in the amount of \$258,698 and \$240,976 for the fiscal years ended June 30, 2025 and 2024, respectively.

During the fiscal years ended June 30, 2025 and 2024, the Foundation awarded scholarships totaling approximately \$298,606 and \$253,497 to students of the College, and the Foundation provided approximately \$507,566 and \$287,574 of financial support to the College, respectively.

Supplementary Information

Northern Oklahoma College Foundation, Inc.
Combining Statement of Activities
Year Ended June 30, 2025

	Tonkawa		Stillwater		Enid		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Revenues							
Contributions of cash and other financial assets	\$ 6,479	\$ 699,702	\$ -	\$ 12,746	\$ 5,765	\$ 51,427	\$ 776,119
In-kind contributions	-	31,655	-	300	-	5,812	37,767
Donated facilities and services	129,349	-	-	-	129,349	-	258,698
Investment return, net	1,137,485	1,018,143	-	-	-	118,173	2,273,801
Program service revenue	44,911	72,985	1,242	-	7,171	-	126,309
Net assets released from restrictions	789,255	(789,255)	822	(822)	59,512	(59,512)	-
Total Revenues	<u>2,107,479</u>	<u>1,033,230</u>	<u>2,064</u>	<u>12,224</u>	<u>201,797</u>	<u>115,900</u>	<u>3,472,694</u>
Expenses							
Program services							
College support	518,515	-	-	-	19,649	-	538,164
Scholarships	277,520	-	822	-	60,530	-	338,872
Supporting services							
Management and general	141,131	-	-	-	74,303	-	215,434
Fundraising	115,903	-	-	-	19,614	-	135,517
Total Expenses	<u>1,053,069</u>	<u>-</u>	<u>822</u>	<u>-</u>	<u>174,096</u>	<u>-</u>	<u>1,227,987</u>
Change in Net Assets	1,054,410	1,033,230	1,242	12,224	27,701	115,900	2,244,707
Net Assets, Beginning of Year	4,998,671	11,517,508	40	37,773	16,352	1,365,881	17,936,225
Net Assets, End of Year	<u>\$ 6,053,081</u>	<u>\$ 12,550,738</u>	<u>\$ 1,282</u>	<u>\$ 49,997</u>	<u>\$ 44,053</u>	<u>\$ 1,481,781</u>	<u>\$ 20,180,932</u>

Northern Oklahoma College Foundation, Inc.
Combining Statement of Activities
Year Ended June 30, 2024

	Tonkawa		Stillwater		Enid		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Revenues							
Contributions of cash and other financial assets	\$ 217,133	\$ 507,024	\$ 10,865	\$ 7,210	\$ 2,305	\$ 98,462	\$ 842,999
In-kind contributions	-	65,624	-	-	-	4,889	70,513
Donated facilities and services	120,488	-	-	-	120,488	-	240,976
Investment return, net	1,105,366	863,798	-	-	-	114,050	2,083,214
Program service revenue	75,835	10,126	-	-	-	-	85,961
Net assets released from restrictions	525,338	(525,338)	5,391	(5,391)	110,049	(110,049)	-
Total Revenues	<u>2,044,160</u>	<u>921,234</u>	<u>16,256</u>	<u>1,819</u>	<u>232,842</u>	<u>107,352</u>	<u>3,323,663</u>
Expenses							
Program services							
College support	193,788	-	6,852	-	115,767	-	316,407
Scholarships	237,621	-	10,000	-	43,186	-	290,807
Supporting services							
Management and general	126,706	-	-	-	68,756	-	195,462
Fundraising	108,208	-	-	-	18,661	-	126,869
Total Expenses	<u>666,323</u>	<u>-</u>	<u>16,852</u>	<u>-</u>	<u>246,370</u>	<u>-</u>	<u>929,545</u>
Change in Net Assets	1,377,837	921,234	(596)	1,819	(13,528)	107,352	2,394,118
Net Assets, Beginning of Year	<u>3,620,834</u>	<u>10,596,274</u>	<u>636</u>	<u>35,954</u>	<u>29,880</u>	<u>1,258,529</u>	<u>15,542,107</u>
Net Assets, End of Year	<u>\$ 4,998,671</u>	<u>\$ 11,517,508</u>	<u>\$ 40</u>	<u>\$ 37,773</u>	<u>\$ 16,352</u>	<u>\$ 1,365,881</u>	<u>\$ 17,936,225</u>