Wayne State Foundation
Wayne, Nebraska

June 30, 2026 and 2025

Financial Statements
and
Independent Auditor's Report

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Wayne State Foundation

Years ended June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Wayne State Foundation
Wayne, Nebraska

Opinion

We have audited the financial statements of Wayne State Foundation, 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 accompanying financial statements present fairly, in all material respects, the financial position of Wayne State 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 (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 Wayne State 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 Wayne State Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

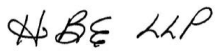
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

7140 Stephanie Lane | P.O. Box 23110 | Lincoln, NE | 68542-3110 | p: 402.423.4343 | f: 402.423.4346
1314 Andrews Drive | Norfolk, NE | 68701 | p: 402.379.9294 | f: 402.379.2338
1121 North 102nd Court | Suite 100 | Omaha, NE | 68114 | p: 402.895.5050 | f: 402.895.5723

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 Wayne State 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 Wayne State 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.



Lincoln, Nebraska
October 2, 2026

Wayne State Foundation

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2026	2025
ASSETS		
Cash and cash equivalents, unrestricted (note A and L)	$ 83,016	$ 330,694
Cash and cash equivalents, restricted (note A and L)	2,390,796	1,805,983
Unconditional promises to give (notes A, B and C)	6,857,597	3,745,191
Receivables	173,511	-
Investments (notes A and C)	47,155,573	40,306,963
Property and equipment (notes A and D)	286,145	278,724
Cash surrender value of life insurance	82,609	78,305
Assets restricted for annuity contracts (notes C and E)	140,033	120,124
Right of use asset	741	9,469
Assets held in perpetual trust (note C)	1,228,796	1,139,486
Total assets	$ 58,398,817	$ 47,814,939

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	$ 111,870	$ 46,459
Payable for capital improvements	1,199	118,291
Unearned event revenue	-	6,530
Operating lease obligation	589	12,983
Annuities payable (notes C and E)	89,317	93,705
Total liabilities	202,975	277,968
NET ASSETS (notes A and F)		
Without donor restrictions	4,821,780	4,289,898
With donor restrictions	53,374,062	43,247,073
Total net assets	58,195,842	47,536,971
Total liabilities and net assets	$ 58,398,817	$ 47,814,939

See accompanying notes to financial statements.

Wayne State Foundation

STATEMENTS OF ACTIVITIES

Years ended June 30,

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	$ 260,591	$ 8,055,215	$ 8,315,806	$ 493,499	$ 3,251,136	$ 3,744,635
Interest and dividends, net of fees	195,166	1,032,410	1,227,576	215,867	1,182,478	1,398,345
Net gain on investments	602,422	6,081,794	6,684,216	273,519	2,672,155	2,945,674
Other income	253,319	118,156	371,475	35,454	91,045	126,499
Net assets released from restrictions	4,584,565	(4,584,565)	-	6,326,088	(6,326,088)	-
Total revenue and support	5,896,063	10,703,010	16,599,073	7,344,427	870,726	8,215,153
EXPENSES						
Program services	5,169,209	-	5,169,209	6,528,587	-	6,528,587
Management and general	498,916	-	498,916	400,712	-	400,712
Fundraising	259,486	-	259,486	359,892	-	359,892
	5,927,611	-	5,927,611	7,289,191	-	7,289,191
Amortization on annuity contracts	-	12,591	12,591	-	12,574	12,574
Total expenses	5,927,611	12,591	5,940,202	7,289,191	12,574	7,301,765
Increase (decrease) in net assets before other income (expense)	(31,548)	10,690,419	10,658,871	55,236	858,152	913,388
Other income (expense)						
Administrative support fee	563,430	(563,430)	-	545,500	(545,500)	-
Increase in net assets	531,882	10,126,989	10,658,871	600,736	312,652	913,388
Net assets at beginning of year	4,289,898	43,247,073	47,536,971	3,689,162	42,934,421	46,623,583
Net assets at end of year	$ 4,821,780	$ 53,374,062	$ 58,195,842	$ 4,289,898	$ 43,247,073	$ 47,536,971

See accompanying notes to financial statements.

Wayne State Foundation

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2026

	Total	Program Services	Management and General	Fundraising
Support of Wayne State College				
Scholarships and grants	$ 2,108,069	$ 2,108,069	$ -	$ -
Athletic scholarships	498,793	498,793	-	-
Athletic department expense	442,993	442,993	-	-
College departments	294,649	294,649	-	-
Renovation projects	1,254,203	1,254,203	-	-
	4,598,707	4,598,707	-	-
Personnel	840,908	420,454	277,500	142,954
Communications and publications	110,883	741	24,780	85,362
Travel and entertainment	94,152	16,847	72,356	4,949
Professional services	21,308	19,435	1,873	-
Supplies and materials	115,969	36,701	79,268	-
Staff development	16,833	15,673	360	800
Phonathon	29,197	-	29,197	-
Property expense	28,015	22,846	-	5,169
Bad debt	1,500	-	-	1,500
Other	70,139	37,805	13,582	18,752
	$ 5,927,611	$ 5,169,209	$ 498,916	$ 259,486

See accompanying notes to financial statements.

Wayne State Foundation

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2025

	Total	Program Services	Management and General	Fundraising
Support of Wayne State College				
Scholarships and grants	$ 2,006,150	$ 2,006,150	$ -	$ -
Athletic scholarships	442,812	442,812	-	-
Athletic department expense	299,764	299,764	-	-
College departments	136,947	136,947	-	-
Renovation projects	3,458,245	3,458,245	-	-
	6,343,918	6,343,918	-	-
Personnel	562,866	100,035	280,332	182,499
Communications and publications	50,988	39,375	271	11,342
Travel and entertainment	54,504	9,625	3,936	40,943
Professional services	64,044	560	63,484	-
Supplies and materials	116,072	-	19,285	96,787
Staff development	2,662	335	1,042	1,285
Phonathon	19,617	-	-	19,617
Property expense	5,197	4,997	200	-
Bad debt	1,000	1,000	-	-
Other	68,323	28,742	32,162	7,419
	$ 7,289,191	$ 6,528,587	$ 400,712	$ 359,892

See accompanying notes to financial statements.

Wayne State Foundation

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2026	2025
Cash flows from operating activities		
Increase in net assets	$ 10,658,871	$ 913,388
Adjustments to reconcile increase in net assets		
to net cash provided (used) by operating activities		
Depreciation	2,383	1,071
Amortization of annuity contracts	12,591	12,574
Realized and unrealized gains on investments	(6,684,216)	(2,945,674)
Reduction in the carrying amount of right-of-use assets	8,728	8,423
Contributed nonfinancial assets	(6,000)	(6,000)
(Increase) decrease in assets		
Accounts receivable	(173,511)	-
Unconditional promises to give	(3,112,406)	988,647
Cash surrender value of life insurance	(4,304)	1,026
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	65,411	(107,451)
Payable for capital improvements	(117,092)	114,017
Unearned event revenue	(6,530)	620
Operating lease obligation	(12,394)	(6,589)
Total adjustments to increase in net assets	(10,027,340)	(1,939,336)
Net cash provided (used) by operating activities	631,531	(1,025,948)
Cash flows from investing activities		
Proceeds from sale of investments	917,860	766,400
Purchases of investments	(1,185,473)	(736,822)
Purchases of property and equipment	(9,804)	-
Net cash provided (used) by investing activities	(277,417)	29,578
Cash flows from financing activities		
Payments on annuities	(16,979)	(16,981)
Net increase (decrease) in cash and cash equivalents	337,135	(1,013,351)
Cash and cash equivalents unrestricted		
and restricted, beginning of year	2,136,677	3,150,028
Cash and cash equivalents unrestricted		
and restricted, end of year	$ 2,473,812	$ 2,136,677

See accompanying notes to financial statements.

The Wayne State Foundation (the Foundation) is an independent, non-profit corporation established for the sole purpose of securing private gifts for the benefit and promotion of Wayne State College (the College). The Foundation receives contributions from various contributors and provides funding to the College to assist in fulfilling its mission of educating students. Examples of initiatives funded by the Foundation include scholarships, capital improvements, faculty grants, equipment, and athletic programs. The Foundation funds and publishes, in cooperation with the College, the *Wayne State Magazine* and other communications sent to alumni and friends.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Method of Accounting. The accompanying financial statements of the Foundation have been prepared on the accrual method of accounting.

Cash and Cash Equivalents. For purposes of the statements of financial position, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be temporary cash investments. Based on management review of historical data in addition to current conditions and forecasts, the Foundation has not recognized an expected credit loss.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Property and Equipment and Depreciation. Property and equipment are carried at cost, if purchased, and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. It is the Foundation's policy to capitalize property and equipment over $2,500. Lesser amounts are expensed. The estimated lives by asset class follow:

Buildings and improvements	26 – 40 years
Furniture, fixtures and equipment	10 years

Promises to Give. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at present value of estimated future cash flows. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Net Asset Classification. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions. Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, board-designated endowments.

With donor restrictions. Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions

Fair Value Measurements. Fair value is 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 Foundation utilizes a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Revenue Recognition. Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Foundation has not received any conditional contributions.

Functional 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 personnel and office expenses which are allocated on the basis of time and effort.

Income Taxes. The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of the Foundation's exempt purpose is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the years ended June 30, 2026 and 2025, the Foundation had no tax liability on unrelated business activity. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation's Federal Exempt Organization Business Income Tax Returns (Form 990) for June 30, 2026, 2025, and 2024 are subject to examination by the Internal Revenue Service (IRS), generally for three years after they were filed.

Contributed Nonfinancial Assets. Contributed nonfinancial assets are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Foundation.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of donor pledges due in the following periods:

	2026	2025
Less than one year	$ 4,053,000	$ 27,500
One to two years	1,213,470	944,207
Two to three years	1,097,679	1,260,571
Three to four years	184,250	1,272,984
Four to five years	478,250	150,000
More than five years	61,999	470,000
	7,088,648	4,125,262
Less discount to present value (4%)	(231,051)	(380,071)
	$ 6,857,597	$ 3,745,191

NOTE C - FAIR VALUE OF ASSETS AND LIABILITIES

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2026 and 2025.

Money Market: Money market funds are valued at cost plus accrued interest.

Mutual funds: Valued at the observable net asset value (NAV) of shares held by the Foundation at year end.

Private company stock: Valued based on redemption price for the same security.

Unconditional promises to give: Valued using the estimated present value of future cash flows at historical discount rates (4%).

Annuities payable: Valued using the estimated present value of the annuity obligation. The discount rate used varied from 6% to 8% for the years ended June 30, 2026 and 2025.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis at June 30, 2026.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$ 1,540,879	$ 43,078	$ 1,497,801	$ -
Mutual funds				
U.S. equity	23,211,939	23,211,939	-	-
International equity	7,935,826	7,935,826	-	-
Emerging markets equity	1,405,460	1,405,460	-	-
Fixed income	12,740,098	290,902	12,449,196	-
Real estate	1,581,211	-	1,581,211	-
Private company stock	108,989	-	-	108,989
Total investments	$ 48,524,402	$ 32,887,205	$ 15,528,208	$ 108,989
Unconditional promises to give receivable	$ 6,857,597	$ -	$ -	$ 6,857,597
Annuities payable	$ 89,317	$ -	$ -	$ 89,317

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis at June 30, 2025.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	$ 1,014,706	$ 49,628	$ 965,078	$ -
Mutual funds				
U.S. equity	19,562,715	19,562,715	-	-
International equity	7,040,391	7,040,391	-	-
Emerging markets equity	1,077,896	1,077,896	-	-
Fixed income	11,396,617	272,676	11,123,941	-
Real estate	1,365,259	18,969	1,346,290	-
Private company stock	108,989	-	-	108,989
Total investments	$ 41,566,573	$ 28,022,275	$ 13,435,309	$ 108,989
Unconditional promises to give receivable	$ 3,745,191	$ -	$ -	$ 3,745,191
Annuities payable	$ 93,705	$ -	$ -	$ 93,705

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2026.

	Unconditional Promises to Give	Annuities Payable	Private Company Stock
Beginning balance	$ 3,745,191	$ 93,705	$ 108,989
Unconditional promises to give received during the year	4,385,000	-	-
Unconditional promises to give collected during the year	(1,421,364)	-	-
Change in discount of unconditional promises to give	148,770	-	-
Change in split interest value	-	12,591	-
Payments on annuity contracts	-	(16,979)	-
Ending balance	$ 6,857,597	$ 89,317	$ 108,989

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2025.

	Unconditional Promises to Give	Annuities Payable	Private Company Stock
Beginning balance	$ 4,733,838	$ 98,112	$ 108,989
Unconditional promises to give received during the year	1,190,000	-	-
Unconditional promises to give collected during the year	(2,272,349)	-	-
Change in discount of unconditional promises to give	93,702	-	-
Payments on annuity contracts	-	12,574	-
Releases of annuity obligations	-	(16,981)	-
Ending balance	$ 3,745,191	$ 93,705	$ 108,989

The net unrealized and realized gains and losses are included in investment performance on the statements of activities.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of:

	2026	2025
Land	$ 276,314	$ 276,314
Furniture, fixtures and equipment	20,517	10,713
	296,831	287,027
Less accumulated depreciation	(10,686)	(8,303)
	$ 286,145	$ 278,724

Depreciation expense was $2,383 and $1,071 for the years ended June 30, 2026 and 2025, respectively.

NOTE E - SPLIT INTEREST AGREEMENTS

The Foundation has entered into irrevocable agreements (split-interest agreements) with donors where, in exchange for a gift from the donor, the Foundation provides an annuity to the donor or other designated beneficiaries for a specific period of time, usually the life of the donor.

A liability is recognized for the estimated present value of the annuity obligation and the contributed assets are recorded at their gross market value. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in IRS guidelines and actuarial tables. The discount rate used varied from 6% to 8% for the years ended June 30, 2026 and 2025. The amount of the liability is adjusted annually in accordance with the IRS actuarial tables and a gain or loss is recorded to reflect the change in value.

There were no new contributions for the years ended June 30, 2026 and 2025.

Assets and liabilities of the Foundation, as derived from split-interest agreements, are as follows:

	2026	2025
Assets invested in securities	$ 140,033	$ 120,124
Annuities payable	$ 89,317	$ 93,705

NOTE F - NET ASSETS

Net assets without donor restrictions have been designated by the governing board as follows:

	2026	2025
Board designated:		
Quasi-endowment to support general activities	$ 381,294	$ 320,178

Net assets with donor restrictions comprise the following:

	2026	2025
Subject to the purpose restrictions:		
College departments	$ 1,448,149	$ 1,307,265
Renovation projects	4,680,025	1,519,786
Scholarships	19,319,500	14,212,832
Other designated programs	44,354	51,832
Subject to the perpetual restrictions:		
Assets held under split-interest agreements and other	72,039	45,418
Interest in perpetual trust	1,228,796	1,090,153
Permanent endowments and promises to fund permanent endowments	26,581,199	25,019,787
	$ 53,374,062	$ 43,247,073

NOTE G - ENDOWMENTS

The Executive Committee of the Foundation has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the original value of gifts donated as permanent endowments.

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

1) The duration and preservation of the fund

2) The purposes of the Foundation and the donor-restricted endowment fund

3) General economic conditions

4) The possible effect of inflation and deflation

5) The expected total return from income and the appreciation of investments

6) Other resources of the Foundation

7) The investment policies of the Foundation

Endowment Investment and Spending Policies. 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 endowment funds while seeking to maintain the purchasing power of the endowment assets. The Foundation's investment and spending policies, which have been approved by the Foundation's Executive Committee, work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes, which includes debt and equity securities. The current investment objective is to achieve a total return (net of inflation and expenses) that is at least as great as the spending supported by the portfolio, so that the purchasing power of the portfolio does not decline over time.

The spending policy determines the amount of money distributable from the Foundation's various endowment funds for grant making. The spending rate allows for distributions of 6% for the years ended June 30, 2026 and 2025 of the endowment fund's average fair value of the prior three years through June 30 of the preceding fiscal year in which the distribution is planned. The Foundation may, at its discretion, set a lower payout rate that appears in line with the current yield from investment and general economic conditions. In establishing this policy, the Foundation considered the long-term expected investment returns, the nature and duration of the individual endowment funds, and the possible effect of inflation.

Changes in endowment net assets for the year ended June 30, 2026 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance July 1, 2025	$ 320,178	$ 35,833,032	$ 36,153,210
Interest and dividends, net of fees	8,822	999,407	1,008,229
Realized and unrealized gains	52,294	5,895,265	5,947,559
Contributions	-	1,441,061	1,441,061
Amounts appropriated for expenditure	-	(1,763,780)	(1,763,780)
Balance June 30, 2026	$ 381,294	$ 42,404,985	$ 42,786,279

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance July 1, 2024	$ 287,880	$ 33,007,038	$ 33,294,918
Interest and dividends, net of fees	7,633	1,147,895	1,155,528
Realized and unrealized gains	24,665	2,560,169	2,584,834
Contributions	-	826,114	826,114
Transfers	-	810	810
Amounts appropriated for expenditure	-	(1,708,994)	(1,708,994)
Balance June 30, 2025	$ 320,178	$ 35,833,032	$ 36,153,210

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 NUPMIFA requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2026, no endowment funds had deficiencies.

NOTE H - LIQUIDITY AND AVAILABILITY

The Foundation manages its cash available to meet general expenditures following the general principles stipulated in the Statement of Investment Policy as established by the Executive Committee. These include a diversified portfolio managed in accordance with high standards of fiduciary duty and compliance with applicable laws and regulations. Standards for return, asset allocation and diversification shall be determined from a strategic perspective and measured over successive market cycles.

The policy also delegates the Audit/Finance Committee with the responsibility of working with the Foundation staff to develop an annual operating budget to recommend to the Executive Committee. This annual operating budget covers administrative and general expenses, fundraising expenses, and certain program support. The table below presents financial assets available to meet that annual operating budget for the upcoming fiscal year.

	2026	2025
Cash and cash equivalents	$ 83,016	$ 330,694
Investments	4,125,117	3,353,389
Financial assets available	$ 4,208,133	$ 3,684,083

NOTE I - RELATED PARTIES

The Foundation provides support to the College to assist in fulfilling its mission of educating students. For the years ended June 30, 2026 and 2025, the Foundation provided support in the form of the following:

	2026	2025
Direct support		
Scholarships	$ 2,025,930	$ 1,894,540
Athletic scholarships	498,793	442,812
Capital improvements	1,257,706	3,476,202
Neihardt stipends	20,500	21,000
Athletics administration support	309,587	272,601
General budget support	442,494	166,730
Indirect support	43,697	70,033
	$ 4,598,707	$ 6,343,918
Reimbursements paid for payroll and other operating expenses	$ 706,538	$ 655,155

The Foundation receives donated rent from the College. The estimated fair value of this expense was $6,000 for the years ended June 30, 2026 and 2025, respectively. These amounts have been recognized in the financial statements.

NOTE J - RETIREMENT

The Foundation contributes to a defined contribution retirement plan. The plan provides contributions of 8% of the eligible employee's wages. The Foundation contributed $42,475 and $39,920 for the years ended June 30, 2026 and 2025, respectively.

NOTE K - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of checking, money market, and certificate of deposit accounts at financial institutions. Accounts at each institution are insured by the FDIC up to $250,000. The bank accounts, at June 30, 2026 and 2025, exceeded federally insured limits by $889,407 and $553,999, respectively. The Foundation has not experienced any losses on such accounts.

NOTE L - CASH AND CASH EQUIVALENTS

The following is a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2026	2025
Cash and cash equivalents, unrestricted	$ 83,016	$ 330,694
Cash and cash equivalents, restricted	2,390,796	1,805,983
Total cash and cash equivalents shown in the statements of cash flows	$ 2,473,812	$ 2,136,677

See Note A for description of cash and cash equivalents presented above.

NOTE M - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date that the financial statements were available to be issued.