Northwestern Oklahoma State University Foundation, Inc. and Alumni Association

Financial Statements
with Independent Auditor's Report

June 30, 2026 and 2025

HINKLE & COMPANY
PC
Strategic
Business Advisors

Northwestern Oklahoma State University Foundation, Inc. and Alumni Association

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Trustees
Northwestern Oklahoma State University
Foundation, Inc. and Alumni Association
Alva, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northwestern Oklahoma State University Foundation, Inc. and Alumni Association (the 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 the Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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.

5028 E. 101st Street
Tulsa, OK 74137
TEL: 918.492.3388
FAX: 918.492.4443
www.hinklecpas.com

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.

Hinkle & Company, PC

Tulsa, Oklahoma
August 12, 2026

Northwestern Oklahoma State University Foundation, Inc.
and Alumni Association

Statements of Financial Position
June 30, 2026 and 2025

ASSETS	2026	2025
Assets		
Cash and cash equivalents	$ 466,631	$ 71,415
Investments	48,221,945	42,804,594
Prepaid expenses	-	28,548
Capital assets, net	118,141	140,352
Art collections	-	21,389
Land & mineral rights	2,675,510	2,814,760
Total Assets	$ 51,482,227	$ 45,881,058

LIABILITIES AND NET ASSETS	2026	2025
Liabilities		
Accrued liabilities	$ 32,793	$ 20,544
Funds held for others	44,241	-
Total Liabilities	77,034	20,544
Net Assets		
Without donor restrictions	7,039,355	4,702,124
With donor restrictions	44,365,838	41,158,390
Total Net Assets	51,405,193	45,860,514
Total Liabilities and Net Assets	$ 51,482,227	$ 45,881,058

See Notes to the Financial Statements.

Northwestern Oklahoma State University Foundation, Inc. and Alumni Association

Statement of Activities
Year Ended June 30, 2026

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Contributions of cash	$ -	$ 4,009,656	$ 4,009,656
In-kind contributions	29,688	-	29,688
Investment income, net	3,573,423	1,632,321	5,205,744
Rental income, net	13,702	41,336	55,038
Other income	20,920	37,539	58,459
Release from restrictions	2,513,404	(2,513,404)	-
Total Revenues, Gains, and Other Support	6,151,137	3,207,448	9,358,585
Expenses			
Program services			
Scholarships	1,197,440	-	1,197,440
NWOSU facilities & support	1,762,930	-	1,762,930
Supporting services			
Management and general	473,579	-	473,579
Fundraising	379,957	-	379,957
Total Expenses	3,813,906	-	3,813,906
Change in Net Assets	2,337,231	3,207,448	5,544,679
Net Assets, *Beginning of Year*	4,702,124	41,158,390	45,860,514
Net Assets, *End of Year*	$ 7,039,355	$ 44,365,838	$ 51,405,193

Northwestern Oklahoma State University Foundation, Inc. and Alumni Association

Statement of Activities

Year Ended June 30, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Contributions of cash	$ -	$ 4,163,592	$ 4,163,592
In-kind contributions	27,854	-	27,854
Investment income, net	4,661,126	-	4,661,126
Rental income, net	45,213	48,537	93,750
Other income	31,834	1,312	33,146
Release from restrictions	3,425,350	(3,425,350)	-
Total Revenues, Gains, and Other Support	8,191,377	788,091	8,979,468
Expenses			
Program services			
Scholarships	1,176,897	-	1,176,897
NWOSU facilities & support	2,420,877	-	2,420,877
Supporting services			
Management and general	401,592	-	401,592
Fundraising	344,702	-	344,702
Total Expenses	4,344,068	-	4,344,068
Change in Net Assets	3,847,309	788,091	4,635,400
Net Assets, *Beginning of Year*	854,815	40,370,299	41,225,114
Net Assets, *End of Year*	$ 4,702,124	$ 41,158,390	$ 45,860,514

See Notes to the Financial Statements.

Northwestern Oklahoma State University Foundation, Inc.
and Alumni Association

Statement of Functional Expenses
Year Ended June 30, 2026

	2026				
	Program Services		Support Services		
	Scholarships	NWOSU Facilities and Support	Management and General	Fundraising	Total
Direct program distributions	$ 1,197,440	$ 1,479,765	$ -	$ -	$ 2,677,205
Salaries and wages	-	73,423	246,490	204,534	524,447
Employee benefits	-	17,575	59,002	48,959	125,536
Payroll taxes	-	5,772	19,377	16,079	41,228
Accounting fees	-	-	19,200	-	19,200
Office expenses	-	364	33,636	-	34,000
Information technology	-	-	12,380	49,072	61,452
Travel	-	5,845	-	7,179	13,024
Depreciation	-	-	22,211	-	22,211
Insurance	-	-	7,261	-	7,261
Other expenses	-	180,186	54,022	54,134	288,342
Total Expenses	$ 1,197,440	$ 1,762,930	$ 473,579	$ 379,957	$ 3,813,906

Northwestern Oklahoma State University Foundation, Inc.
and Alumni Association

Statement of Functional Expenses

Year Ended June 30, 2025

	2025				
	Program Services		Support Services		
	Scholarships	NWOSU Facilities and Support	Management and General	Fundraising	Total
Direct program distributions	$ 1,176,897	$ 2,258,752	$ -	$ -	$ 3,435,649
Salaries and wages	-	63,391	212,811	176,588	452,790
Employee benefits	-	14,275	47,924	39,767	101,966
Payroll taxes	-	4,894	16,430	13,633	34,957
Accounting fees	-	-	19,100	-	19,100
Office expenses	-	-	35,114	-	35,114
Information technology	-	-	24,471	97,882	122,353
Travel	-	-	1,643	4,932	6,575
Depreciation	-	-	24,116	-	24,116
Insurance	-	-	8,083	-	8,083
Other expenses	-	79,565	11,900	11,900	103,365
Total Expenses	$ 1,176,897	$ 2,420,877	$ 401,592	$ 344,702	$ 4,344,068

See Notes to the Financial Statements.

Northwestern Oklahoma State University Foundation, Inc. and Alumni Association

Statements of Cash Flows

Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Change in net assets	$ 5,544,679	$ 4,635,400
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	22,211	24,116
Disposal of asset	139,250	-
Gain on sale of asset	-	(12,000)
Net (appreciation) depreciation on investments	(1,485,523)	(2,699,356)
Contributions restricted for endowment	(3,043,647)	(2,475,751)
Changes in:		
Prepaid expenses	28,548	46,663
Accounts payable and accrued expenses	12,249	(72,567)
Art collections	21,389	-
Funds held for others	44,241	-
Net Cash Provided by (Used In) Operating Activities	1,283,397	(553,495)
Cash Flows from Investing Activities		
Purchase of capital assets	-	(56,555)
Proceeds from sale of capital assets	-	12,000
Purchase of investments	(19,748,285)	(13,673,723)
Proceeds from sales and maturities of investments	15,816,457	11,828,895
Net Cash Used In Investing Activities	(3,931,828)	(1,889,383)
Cash Flows from Financing Activities		
Contributions restricted for endowment	3,043,647	2,475,751
Net Cash Provided by Financing Activities	3,043,647	2,475,751
Net Change in Cash and Cash Equivalents	395,216	32,873
Cash and Cash Equivalents. *Beginning of Year*	71,415	38,542
Cash and Cash Equivalents, *End of Year*	$ 466,631	$ 71,415

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Organization

Northwestern Oklahoma State University Foundation, Inc. (the Foundation) is organized for the benefit of Northwestern Oklahoma State University (the University), Alva, Oklahoma, its faculty, its student body and its programs. The Foundation provides scholarships and support and enhances the further development of the University. The Foundation receives contributions from the public which are generally to be used for the benefit of the University. The Foundation also receives certain program service revenues which support the various departmental activities at the University.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The Alumni Association is an unincorporated association formed for the benefit of the Alumni of Northwestern Oklahoma State University as a whole. Its specific purpose is to provide the alumni with information about the University related organizations and activities. In September 1986, the Foundation and the Alumni Association adopted an operating agreement for mutual benefit. Its purpose was to avoid repetition of projects and to pool the resources of the two organizations. The two organizations remained separate entities, each governed by its own Board of Trustees. The president of the Alumni Association is appointed as a trustee of the Foundation. Accounting for funds and fund transactions are maintained by the Foundation. The Foundation provides financial support as needed for the Alumni Association. Both organizations are referred herein as "the Foundation".

Accounting Standards Codification

The Foundation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC provides the single source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) for nongovernmental entities and supersedes all other previously issued non-SEC accounting and reporting guidance.

Basis of Presentation

The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP and accordingly reflect all significant receivables, payables and other assets and liabilities. To ensure the observance of limitations and restrictions placed on the use of available resources, the Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the process by which resources for various purposes are classified for accounting purposes into funds that are maintained in accordance with the activities or objectives of the Foundation.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Asset Classifications

The Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) was enacted in the state of Oklahoma effective November 1, 2007 (OK UPMIFA). The Foundation's Board of Trustees' (the Trustees) interpretation of OK UPMIFA and other required endowment disclosures are included in Note 6.

Net assets, revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Foundation is required to report information regarding its financial position and activities according to three classes of net assets 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 Organization 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.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received by the Foundation. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Transfers of assets under conditional promises, which are received by the Foundation prior to fulfilling these conditions, are recorded as a liability (i.e. unearned revenue) until the conditions are substantially met. Contributions of assets other than cash are recorded at the estimated fair value on the gift date. Contributions to be received after one year are recorded at the present value of their estimated future cash flows using a discount rate which will commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in the same net asset class and fund as the original contribution. An allowance is made for uncollectable contributions based upon management's judgement and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions *(Continued)*

Contributions are reported as increases in the appropriate net asset category. Expenses are reported as decreases in net assets without donor restrictions. 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 restrictions unless explicit donor stipulations specify how the assets must be used or how long the assets must be held, in which case the gift is recorded as restricted support. Expirations of 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.

Contributed services are recognized when (1) they create or enhance a nonfinancial asset and/or (2) required specialized skills, are provided by individuals possessing those skills and would typically need to be purchased had they not been provided by contributions. Many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services. The Foundation received no significant contributed services meeting the specified criteria in 2026 or 2025.

Land and Mineral Rights

Land and mineral rights consist primarily of oil & gas property and farm property donated to the Foundation that were recorded at fair value on the dates of the donations.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased, excluding cash and cash equivalent funds held in the Foundation's investment portfolio, to be cash equivalents. Uninvested cash held in managed investment accounts is not considered cash or cash equivalents as these funds are not readily available for paying the Foundation expenses.

Investments

Investments consist of cash and cash equivalent funds, certificates of deposit, mutual funds, common and preferred stock, structured investments in unsecured notes, an annuity contract, and investments in private equity real estate. Investments are stated at fair value as determined by the fund and/or investment manager and realized gains and losses on sales of investments are computed on the first-in, first-out basis or the average cost basis. Interest and dividend income in the statements of activities is reported net of investment management and custodial fees which totaled $248,551 in 2026 and $224,478 in 2025.

Note 1: Summary of Significant Accounting Policies (Continued)

Investment Revenue

Income and gains on investments are reported as increases in net assets with donor restrictions if the terms of the gift that gave rise to the investment require such amounts be added to the permanent endowment. Income and gains are reported as increases in net assets with donor restrictions if the terms of the gift, or applicable law imposed restrictions, have stipulations on the use of the income and as increases in net assets without donor restrictions in all other cases. Generally, losses on investments of endowments reduce restricted net assets to the extent donor-imposed restrictions on the net appreciation of investments have not been met before the loss occurs. Any remaining losses reduce net assets without donor restrictions. Subsequent investment gains are applied first, to net assets without donor restrictions to the extent that losses have previously been recognized, and then to restricted net assets.

Fair Value Option

For certain assets and liabilities, the Foundation has elected the fair value option provided by ASC Topic 825 Financial Instruments (ASC 825), which allows entities to measure eligible financial instruments at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported within the change in net assets. The decision to select the fair value option is determined on an instrument-by-instrument basis, must be applied to an entire instrument and is irrevocable once elected. The Foundation has elected to apply the fair value option to its investments to present the most relevant values on these financial instruments.

Marketable Securities

Marketable securities are stated at fair value. Fair values are generally determined based upon quoted market prices. Realized gains and losses on sales of marketable securities are computed on a first-in, first-out basis.

The Foundation utilizes various investment instruments. Marketable securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position. Significant fluctuations in fair values could occur from year to year and the amounts the Foundation will ultimately realize could differ materially.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Generally, all revenue earned outside the purpose for which the Foundation is created is taxable as earned income.

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

It is the Foundation's policy to capitalize property and equipment additions with a cost basis, or fair value on the gift date if donated, which exceeds $2,500 and has a useful life greater than one year. Major repairs/maintenance expenditures are capitalized if the expenditures significantly increase the useful life and/or value of the asset. Property and equipment is depreciated using the straight-line methods as follows:

Automobiles	5 years
Office equipment	6 years
Furniture & equipment	10 years
Buildings	25 years

Allocated Expenses

Expenses by function have been allocated among program and supporting services classifications on the basis of time records and on estimates made by the Foundation's management.

Fair Value Measurements

The Foundation follows ASC Topic 820, *Fair Value Measurements*, which provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives highest priority to unadjusted quotes prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The inputs to the three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from, or corroborated by, observable market data by correlation to 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: Unobservable and significant to the fair value measurement.

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements *(Continued)*

The Foundation has certain investments which are measured at net asset value per share (NAV). If the Foundation has the ability to redeem its investment with the investee at NAV at the measurement date or within ninety days of the measurement date, the fair value of the asset is categorized as a Level 2 fair value measurement. If the Foundation will never have the ability to redeem its investment with the investee at NAV or the Foundation cannot redeem its investment within ninety days of the measurement date, the Foundation categorizes the asset as a Level 3 measurement.

Financial assets and liabilities carried at fair value on a recurring basis include investments and cash value, life insurance. The Foundation had no assets or liabilities carried at fair value on a non-recurring basis at June 30, 2026 and 2025.

Accounting for Uncertain Tax Positions

Management has evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that required adjustment to or disclosure in the financial statements to comply with the provisions of this guidance. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for fiscal years ending on or before June 30, 2023.

Concentrations 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.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabiities and disclosed contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates that are particularly susceptible to significant change include the valuation of investments. Investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with these financial instruments, it is reasonably possible that changes in the values of these assets will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position. Significant fluctuations in fair values could occur from year to year and the amounts the Foundation will ultimately realize could differ materially.

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassification

Certain prior year amounts have been reclassified to conform to the current year's presentation. The reclassification had no effect on the previously reported change in net assets.

Subsequent Events

Subsequent events have been evaluated through August 12, 2026, 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, 2026 and 2025. FDIC regulations state that time and savings accounts are insured up to $250,000 per depositor, per insured bank.

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 Balances	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)
June 30, 2026				
Demand Deposits	$ 471,362	$ 293,591	$ -	$ 177,771
June 30, 2025				
Demand Deposits	$ 92,143	$ 92,143	$ -	$ -

Note 3: Fair Value Measurement

The methods and assumptions used to estimate the fair value of assets and liabilities in the finanical statements, including a description of the methodologies used for the classifications within the fair value hierarchy for finanical instruments carried at fair value, are as follows:

Cash and cash equivalents - The assets' carrying amounts approximate fair value due to their short maturities.

Investments - Investments are carried at fair value and are based on quoted market prices, when available, or the best estimate of fair value as determined by the investment and/or fund manager. Generally, quoted market prices are available for cash and cash equivalents funds, common and preferred stocks, exchange traded index and mutual funds, and as such, are classified as Level 1 in the fair value hierarchy. The fair values of certificates of deposit are determined using the income approach. The key inputs include interest rates, maturity dates and yield curves and as such are classified as Level 1 or Level 2, depending on the maturity date. The fair value of the annuity contract is determined using the income approach and is based on the current cash surrender value as determined by the investment manager, and is classified as Level 3. If the fair value of the underlying assets are transparent, have readily determinedable fair values, and the Foundation can redeem the investment at NAV within ninety days of the measurement date, the funds are classified as Level 2 and in all other cases are classified as Level 3.

Structured investments in unsecured notes are valued using the market approach or the income approach and are provided to the Foundation by the investment manager. Whenever possible, fair values are determined using the market approach, the key inputs are based on an underlying index, and maturity or by analysis of documented trade history in the exact security and as such, are classified as Level 2. In all other cases, fair values are determined using the income approach and are valued using fundamental analysis of investments based on information provided by fund manager, and are classsified as Level 3.

Accounts payable and accrued expenses - The carrying amount of current liabilities approximates fair value due to its short maturity.

Note 3: Fair Value Measurement (Continued)

Assets and liabilities measured at fair value are classified within the fair value hierarchy as follows:

	As of June 30, 2026			
Investments	Level 1	Level 2	Level 3	Total
Uninvested cash	$ 516,012	$ -	$ -	$ 516,012
Certificates of deposit	-	390,000	-	390,000
Equity securities	13,221,778	-	-	13,221,778
Exchange-traded products	19,446,394	-	-	19,446,394
Corporate and other bonds	-	41,363	-	41,363
Mutual funds	5,102,246	-	-	5,102,246
Alternative investments	-	9,504,152	-	9,504,152
	$ 38,286,430	$ 9,935,515	$ -	$ 48,221,945

	As of June 30, 2025			
Investments	Level 1	Level 2	Level 3	Total
Uninvested cash	$ 668,402	$ -	$ -	$ 668,402
Certificates of deposit	-	390,000	-	390,000
Equity securities	12,013,634	-	-	12,013,634
Exchange-traded products	15,781,679	-	-	15,781,679
Corporate and other bonds	-	85,272	-	85,272
Mutual funds	4,940,795	-	-	4,940,795
Alternative investments	-	8,924,812	-	8,924,812
	$ 33,404,510	$ 9,400,084	$ -	$ 42,804,594

Note 4: Land, Building and Equipment

Property and equipment consist of the following:

	2026	2025
Buildings	$ 318,255	$ 318,255
Furniture and fixtures	11,619	11,619
Automobiles	56,555	56,555
	386,429	386,429
Less accumulated depreciation	(268,288)	(246,077)
Total	$ 118,141	$ 140,352

Note 5: Related Party Transactions

Based upon an exchange of service agreement, the University provides the Foundation with facilities and services at no cost to the Foundation. In exchange, the University receives scholarships, funds for capital improvements and other services from the Foundation. The value of the donated services was $29,688 and $27,854 for the years ending June 30, 2026 and 2025, respectively. The value of the donated facilities has been determined by management to be insignificant and is, therefore, not recorded on the finanical statements as donated services.

Note 6: Endowment Disclosures

The Foundation's endowment consists of approximately 434 endowment funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
The Trustees of the Foundation have chosen to preserve 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 as net assets with donor restrictions (a) the original value of gifts donated to the endowment and (b) the original value of subsequent gifts to the endowment.

The remaining portion of the donor-restricted endowment fund that is not classified in restricted net assets is classified as restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by OK UPMIFA. In accordance with OK 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 purposes 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;
- The investment policies of the Foundation.

Note 6: Endowment Disclosures (Continued)

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 the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results which generate a dependable, increasing source of income and appreciation while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

Strategies 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 a greater emphasis on equity-based investments to achieve its long-term return objectives while reducing risk to acceptable levels.

Spending Policy
The Foundation has a policy of appropriating for distribution each year the equivalent of up to 6% of its endowment fund's fair value as of the immediately preceding July 1. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 1.46% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Investment Return
The Foundation includes revenues and expenses associated with investments and land & mineral rights when calculating its rate of return. The rate of return was +11.08% and +11.07% for the years ended June 30, 2026 and 2025, respectively.

Endowment net assets composition as of June 30, 2026 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 44,365,838	$ 44,365,838
Board-designated endowment funds	-	-	-
Total endowment funds	$ -	$ 44,365,838	$ 44,365,838

Note 6: Endowment Disclosures (Continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 41,158,390	$ 41,158,390
Contributions	-	3,043,647	3,043,647
Investment return, net	-	1,632,321	1,632,321
Rental income, net	-	41,336	41,336
Appropriations	-	(1,509,856)	(1,509,856)
Endowment net assets, end of year	$ -	$ 44,365,838	$ 44,365,838

Endowment net assets composition as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 41,158,390	$ 41,158,390
Board-designated endowment funds	-	-	-
Total endowment funds	$ -	$ 41,158,390	$ 41,158,390

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 40,190,839	$ 40,190,839
Contributions	-	2,475,751	2,475,751
Investment return, net	-	-	-
Rental income, net	-	48,537	48,537
Appropriations	-	(1,556,737)	(1,556,737)
Endowment net assets, end of year	$ -	$ 41,158,390	$ 41,158,390

Note 7: Net Assets

Net assets with donor restrictions not subject to appropriation or expenditures consist of the following at June 30, 2026 and 2025:

	2026	2025
Endowed chairs, professorships, and lectureships - endowment	$ 21,613,777	$ 21,467,852
Scholarships, awards and program - endowment	20,809,977	18,803,717
Other - endowment	1,942,084	886,821
Total	$ 44,365,838	$ 41,158,390

Net assets released from restrictions consist of the following at June 30, 2026 and 2025:

	2026	2025
Endowed chairs, professorships, and lectureships	$ 1,479,765	$ 2,232,558
Scholarships, awards and program	1,033,639	1,176,897
Other	-	15,895
Total	$ 2,513,404	$ 3,425,350

Note 8: Liquidity and Availability of Financial Assets

The Foundation manages its liquid resources by focusing on fundraising efforts to ensure that it has adequate contributions to cover the programs that are being conducted. The table below reflects the Foundation's financial assets, as of June 30, 2026 and 2025, expected to be available within one year to meet the cash needs for general expenditures.

	2026	2025
Financial Assets		
Cash and cash equivalents	$ 466,631	$ 71,415
Investments	48,221,945	42,804,594
	48,688,576	42,876,009
Less those unavailable for general expenditure within one year, due to:		
Donor-imposed restrictions not subject to appropriation or expenditures		
Donor restriction for endowed chairs, professorships and lectureships	21,613,777	21,467,852
Donor restriction for scholarships, awards and program	20,809,977	18,803,717
Donor restriction for other purposes	1,942,084	886,821
	44,365,838	41,158,390
Financial assets available to meet cash needs for general expenditures within one year	$ 4,322,738	$ 1,717,619