

**Panhandle State Foundation**  
**Financial Statements and Independent Auditor's Report**  
**Year Ended December 31, 2018**

**Panhandle State Foundation**  
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**December 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Panhandle State Foundation

We have audited the accompanying financial statements of Panhandle State Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Panhandle State Foundation as of December 31, 2018, 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.

*FSW&B CPAs-PLLC*

FSW&B CPAs - PLLC

Stillwater, OK  
July 17, 2019

**Panhandle State Foundation**  
**Statement of Financial Position**  
**December 31, 2018**

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**ASSETS**

Cash And Cash Equivalents	\$	590,135
Temporary Investments		190,000
Investments (at Fair Market Value)		12,678,043
Accrued Interest		946
Interest In Net Assets Of Perpetual Trusts		739,611
Property And Equipment (Net Of Accumulated Depreciation)		-
Investment In Mineral Interest		25,722
Investment In Land (at Fair Market Value)		5,000
		14,229,457
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>14,229,457</b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities:</b>		
Accrued Compensated Absences	\$	9,225
Funds Held In Custody For Others		194,329
		203,554
<b>Total Liabilities</b>		
<b>Net Assets:</b>		
Without Donor Restrictions		7,047,619
With Donor Restrictions:		
Temporarily Restricted		1,769,059
Permanently Restricted		5,209,225
Total Net Assets With Donor Restrictions		6,978,284
<b>Total Net Assets</b>		<b>14,025,903</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>14,229,457</b>

The accompanying notes are an integral part of these financial statements.

**Panhandle State Foundation**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions			Total Net Assets
		Temporary	Permanent	Total	
<b>Revenues, Gains and Other Support:</b>					
Contributions	\$ 36,284	\$ 1,248,352	481,499	\$ 1,729,851	\$ 1,766,135
Change in Interest in Perpetual Trusts	-	-	(61,162)	(61,162)	(61,162)
Investment Income	725,376	-	-	-	725,376
Royalty Income	3,070	-	-	-	3,070
Net Unrealized Gains (Losses) on Investments	(1,282,586)	-	-	-	(1,282,586)
<b>Net Assets Released from Restrictions:</b>					
Satisfaction of Program Restrictions	919,624	(919,624)	-	(919,624)	-
Reclassifications	(683,578)	633,578	50,000	683,578	-
<b>Total Revenues, Gains and Other Support</b>	<b>(281,810)</b>	<b>962,306</b>	<b>470,337</b>	<b>1,432,643</b>	<b>1,150,833</b>
<b>Expenses and Losses:</b>					
<b>Program Services:</b>					
Scholarships for University Students	432,958	-	-	-	432,958
Non-Scholarship Support to University	930,324	-	-	-	930,324
<b>Supporting Services:</b>					
General and Administrative	141,492	-	-	-	141,492
<b>Total Expenses and Losses</b>	<b>1,504,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,504,774</b>
<b>Change in Net Assets</b>	<b>(1,786,584)</b>	<b>962,306</b>	<b>470,337</b>	<b>1,432,643</b>	<b>(353,941)</b>
Net Assets, Beginning of Year	8,834,204	806,752	4,738,888	5,545,640	14,379,844
<b>Net Assets, End of Year</b>	<b>\$ 7,047,620</b>	<b>\$ 1,769,058</b>	<b>\$ 5,209,225</b>	<b>\$ 6,978,283</b>	<b>\$ 14,025,903</b>

The accompanying notes are an integral part of these financial statements.

**Panhandle State Foundation**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2018**

<u>Expenses</u>	Program Activities	Management and General	Total
Scholarships for University Students	\$ 432,958		\$ 432,958
Non Scholarship Support to University	930,324		930,324
Salaries and Wages		81,555	81,555
Payroll Taxes		7,364	7,364
Employee Benefits		14,940	14,940
Professional Fees- Accounting		12,200	12,200
Professional Fees- Legal		1,682	1,682
Advertising and Promotion		100	100
Office Expenses		2,155	2,155
Occupancy		8,400	8,400
Travel		828	828
Conferences, Conventions and Meetings		1,039	1,039
Printing and Publications		7,587	7,587
Postage and Shipping		3,004	3,004
Workmen'S Comp Insurance		420	420
Miscellaneous Expense		218	218
Total Expenses	\$ 1,363,282	\$ 141,492	\$ 1,504,774

The accompanying notes are an integral part of these financial statements.

**Panhandle State Foundation**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**

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<u>Cash Flows from Operating Activities</u>	
Cash Received from Contributions	\$ 1,276,236
Interest, Dividends, and Royalty	728,446
Cash Paid to Vendors and Employees	(132,854)
Cash Paid for Scholarships & Other Support	<u>(1,363,282)</u>
Net Cash Flows from Operating Activities	<u>508,546</u>
 <u>Cash Flows from Investing Activities</u>	
Change in Funds Held in Custody for Others	5,218
Proceeds from Sale of Investments	1,487,845
Purchase of Investments	<u>(2,354,104)</u>
Net Cash Flows from Investing Activities	<u>(861,041)</u>
 <u>Cash Flows from Financing Activities</u>	
Contributions Restricted for Investment in Endowment	<u>481,499</u>
Net Cash Flows from Financing Activities	<u>481,499</u>
 Net Increase in Cash and Cash Equivalents	 129,004
Cash and Cash Equivalents, Beginning of Year	<u>\$ 461,131</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 590,135</u></u>
 <u>Supplemental Disclosure:</u>	
Non-Cash Contributions Received from the University (Note 12)	\$ 8,400

The accompanying notes are an integral part of these financial statements.

**NOTE 1. ORGANIZATION**

Panhandle State Foundation (the “Foundation”) was established November 9, 1961, as a private non-profit organization for the benefit of Oklahoma Panhandle State University (the “University”). The Foundation awards scholarships to University students and provides general support to the University. In addition, the Foundation maintains and services the funds for various organizations and support groups of the University. A board of directors governs the Foundation, which is separate and distinct from the board of regents, the governing board of the University.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting and reporting policies applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting- The Foundation uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when a liability is incurred. Expenses incurred but not paid at year-end are represented as a liability on the statements of financial position. Other revenues are recognized when received or earned. Net assets represent the cumulative excess of revenues recognized over expenses incurred.

Financial Statement Presentation- The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2016-14, which requires the Foundation to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net assets without donor restrictions represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the Foundation. Net assets with donor restrictions includes temporarily and permanently restricted net assets. Temporarily restricted net assets represent resources whose use is limited by donor-imposed restrictions that will be met either by actions of the Foundation or by the passage of time. Permanently restricted net assets represent resources whose use is limited by donor-imposed restrictions that require the net assets to be maintained permanently.

Contributions Received and Made- In accordance with FASB Accounting Standards Codification No. 958, pledges from contributors are recognized as revenues in the period that they are made by the donor. Unsolicited contributions are recognized as revenues when received. FASB Accounting Standards Codification No. 958 defines a contribution as “an unconditional transfer of cash or other assets. Other assets include unconditional promises to give.” FASB Accounting Standards Codification No. 958 also requires the recognition of a liability for an unconditional promise to give by the Foundation. The liability and associated expense should be recognized at the time when the Foundation



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

has an obligation to transfer the promised assets in the future, which generally occurs when the donor approves a specific grant or when the recipient is notified.

Recognition of Donor Restrictions- Revenues restricted by donors are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenues are received. All other donor restricted revenues are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment- Purchased property and equipment is recorded at cost while donated property and equipment is recorded at fair market value at the date of donation. Depreciation of property and equipment is calculated on the estimated useful life of the assets using the straight-line method as follows:

Computer equipment and software	5-7 years
Furniture and fixtures	10 years

The Foundation has implemented a capitalization policy for small items that have a useful life of more than one year but that have an inconsequential value. All items which have a purchase price of less than \$1,000 are expensed in the year purchased regardless of their expected useful life.

Fair Value Measurement- FASB ASC No. 820-10-50, *Fair Value Measurements*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes 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 under FASB ASC No. 820-10-50 are described as follows:

Level 1- Inputs to the value methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2- Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of model or other valuation methodologies.

Level 3- Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement (continued)-

related to the pricing of the asset or liability including assumptions regarding risk.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Foundation's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy in which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Investments- In accordance with FASB Accounting Standards Codification No. 958-302, 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. Net unrealized and realized gains and losses on investments are included in the statements of activities as changes in unrestricted net assets.

Use of Estimates- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and net assets, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Statements of Cash Flows- For purposes of the statements of cash flows, cash and cash equivalents include bank checking and savings accounts and certificates of deposit with original maturities of 90 days or less.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Tax- The Foundation qualifies as an organization exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code*. As such, no provision has been made for federal or state income taxes.

In June 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation 48 (FIN 48) *Accounting for Uncertainty in Income Taxes* (Currently FASB Accounting Standards Codification (ASC) 740, *Income Taxes*), which requires extensive disclosures about uncertain income tax positions. This standard seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to income taxes. The Foundation evaluates any uncertain tax positions using the provision of ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated.

The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. The Foundation does not believe that it engaged in any activity that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist, and no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the three previous reporting periods remain open to examination. Currently the Foundation has no open examination with either the Internal Revenue Service or state taxing authorities. The Foundation's policy is to record any income tax related penalties and interest incurred as operating expense. There were no income tax related penalties or interest included in the accompanying financial statements.

**NOTE 3. CASH AND CASH EQUIVALENTS**

For purposes of these financial statements, cash equivalents consist of deposits in checking and money market accounts.

	2018
Checking accounts	\$ 149,680
Money Market	440,455
	\$ 590,135

Certificates of deposit with an original maturity in excess of 90 days, in the amount of \$190,000, on December 31, 2018, are reported as temporary investments rather than cash equivalents. A credit risk exists when deposits held at a financial institution are in excess of FDIC insured amounts. For the year ended December 31, 2018 there were no deposits in excess of FDIC limits.

NOTE 4. INVESTMENTS IN SECURITIES

The Foundation's investments in securities, at fair market value, include the following as of December 31, 2018:

	2018
Common stocks	\$ 5,556,564
Mutual funds	4,842,986
Corporate bonds	1,239,734
Assets and mortgage backed securities	781,307
Publicly traded limited partnership	207,565
Exchange traded and closed end funds	49,887
Total investments	\$ 12,678,043

Total investment return consists of the following components

	2018
Interest income	\$ 87,608
Dividend income	610,775
Partnership distributions	26,993
Net gains and losses on investments	(1,282,586)
Total investment return	\$ (557,210)

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**NOTE 5. FAIR VALUE MEASUREMENTS**

The Foundation's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in the Foundation's significant accounting policies in Note 2. The following table presents information about the Foundation's assets measured at fair value as of December 31, 2018:

Assets (at fair value)	Level 1	Level 2	Level 3	Total
Common stocks	\$ 5,556,564			\$ 5,556,564
Mutual funds	4,842,987			4,842,987
Corporate bonds	1,239,734			1,239,734
Asset and mortgage back securities	781,307			781,307
Publicly traded limited partnership	207,565			207,565
Exchange traded and closed end	49,887			49,887
Certificates of Deposit		190,000		190,000
Mineral Interests			25,722	25,722
Interest in perpetual trust			739,611	739,611
Investment in land			5,000	5,000
Total Investments	<u>\$12,678,043</u>	<u>\$ 190,000</u>	<u>\$ 770,333</u>	<u>\$13,638,376</u>

The following table on the next page presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of investments that the Fund has categorized within the Level 3 category. As a result, the unrealized gains and losses for the assets within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs. Changes in Level 3 assets measured at fair value for the year ended December 31, 2018 were as follows:

**Panhandle State Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

Assets, at Fair Value	Level 3 Investments (at Fair Value)				12/31/2018
	1/1/2018	Purchase/ Donations	Sales	Realized and Unrealized Gains (Losses)	
Mineral Interest	\$ 25,722	\$ -	\$ -	\$ -	\$ 25,722
Perpetual Trust	800,773	-	-	(61,162)	739,611
Investment in Land	5,000	-	-	-	5,000
Totals	<u>\$ 831,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,162)</u>	<u>\$ 770,333</u>

NOTE 6. PROPERTY AND EQUIPMENT

Investment in property and equipment, at December 31, 2018, was as follows:

	Balance 1/1/2018	Additions	Dispositions	Balance 12/31/2018
Computer, Equipment and Software	\$ 11,172.00	\$ -	\$ -	\$ 11,172.00
Accumulated Depreciation	(11,172.00)	-	-	(11,172.00)
Net Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTE 7. INTEREST IN NET ASSETS OF PERPETUAL TRUST

The Foundation is the beneficiary of assets held in trust by other foundations. Three donors created trusts that are managed through Baptist Foundation of Oklahoma, Oklahoma United Methodist Foundation, and the City National Bank & Trust Company. These assets are to be held in perpetuity by the respective foundations, with the trust income to be distributed annually to the Panhandle State Foundation. The funds received from these trusts are for general scholarships and therefore reported as unrestricted. Investments of the trusts were valued at \$739,611 on December 31, 2018. In accordance with FASB Accounting Standards Codification No. 958, the value of the assets held in trust has been reported as an asset of the Panhandle State Foundation.

**Panhandle State Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

**NOTE 8. FUNDS HELD IN CUSTODY FOR OTHERS**

The Foundation holds in custody funds belonging to the Alumni Association. Although these funds are administered by the Foundation, the Foundation does not exercise control over the funds. Accordingly, these amounts are presented as liabilities in the accompanying statements of financial position. The balances of these funds as of December 31, 2018, include the following:

	2018
Alumni Association	\$ 194,329

**NOTE 9. COMPENSATED ABSENCES**

Employees earn annual leave at a rate of 24 hours per month. Upon leaving employment with the Foundation an employee with one or more years of service is paid for accrued annual leave up to a maximum of 432 hours. The liability for accrued compensated absences as of December 31, 2018 was \$9,225.

**NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS**

In the year 2018 temporarily restricted net assets are available for the following purposes as specified by the donor:

	12/31/2017	Increase	Decrease	Reclass	12/31/2018
Scholarships	\$ 137,886	\$ 87,091	\$ (74,300)	\$ 627,821	\$ 778,498
Staff Development	32,619	7,987	(6,650)	-	33,956
Specific Programs & Student Groups	594,697	559,009	(785,198)	-	368,508
PSU Facilities & Equipment	41,550	594,264	(52,552)	-	583,262
Total Temporarily Restricted Net Assets	\$ 806,752	\$ 1,248,351	\$ (918,700)	\$ 627,821	\$ 1,764,224

**Panhandle State Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

**NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Permanently restricted net assets are restricted to investments held in perpetuity, the income from which is expendable for scholarships to students and for the support of specified academic programs of the University.

In the year 2018, permanently restricted net assets include the following endowment funds:

	Balance 12/31/2017	Market Increase (Decrease)	Contributions	Reclass	Balance 12/31/2018
<u>Endowments</u>					
Rule of Law Educational Fund	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Lucille Photon Fund	319,621	-	-	-	319,621
Hazel E. Exline Scholarship Endowment	164,289	-	-	-	164,289
Mary Lee Memorial Endowment Baughman Foundation Endowment	160,000	-	-	-	160,000
Other Permanently Restricted Funds	185,000	-	5,000	-	190,000
	<u>2,109,205</u>	<u>-</u>	<u>476,499</u>	<u>54,834</u>	<u>2,640,538</u>
Total Endowments	<u>\$ 3,938,115</u>	<u>\$ -</u>	<u>\$ 481,499</u>	<u>\$ 54,834</u>	<u>\$ 4,474,448</u>
<u>Beneficial Interests</u>					
Interest in Allie Mitchell Trust	\$ 490,495	\$ (55,937)	\$ -	\$ -	\$ 434,558
Interest in Robert Murphy Trust	16,946	(1,016)	-	-	15,930
Interest in A. Wickstrum Trust	293,332	(4,209)	-	-	289,123
Total Beneficial Interests	<u>\$ 800,773</u>	<u>\$ (61,162)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 739,611</u>
Total Permanently Restricted Funds	<u>\$ 4,738,888</u>	<u>\$ (61,162)</u>	<u>\$ 481,499</u>	<u>\$ 54,834</u>	<u>\$ 5,214,059</u>

Selected funds within the two groups of net assets have been reclassified. Reclassified temporarily restricted net assets and permanently restricted net assets are included in the "Reclass" columns of the tables listed above.



**NOTE 10. RESTRICTED NET ASSETS (continued)**

The Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date the donor restricted endowment funds are received, absent of any explicit donor stipulations to the contrary.

The Foundation's policy is to invest endowed assets in such a way as to provide a predictable stream of funding for scholarships to the University while preserving the original principal of endowed funds. When selecting investments, more emphasis is given to investment return rather than growth as a means to provide more current income for scholarships. The rate of return on investments varies according to the market, but the Foundation has been able to consistently maintain an average minimum return of at least 5% over the past few years.

The Foundation utilizes a total return approach whereby all funds are pooled for investing and the total earnings are reported as unrestricted net assets. The total earnings are first used to fund the endowed scholarships and the remainder is then used to provide general scholarship support to the University. Any unrealized gains or losses on investments are also reported as unrestricted net assets so that the original amount of the endowment principal is maintained.

**NOTE 12. RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2018, the Foundation awarded scholarships totaling approximately \$432,958 to students and faculty members of the University, of which \$220,000 was paid directly to the University, while the remaining amount was paid directly to the individuals. In addition, the Foundation paid for goods and services on behalf of the University totaling \$930,324. Included in contribution revenues and in general and administrative expenses is \$8,400 for office space contributed by the University to the Foundation.

**NOTE 13. SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through July 17, 2018, which is the date on which the financial statements were available to be issued, and believes that there are no subsequent events that are not disclosed which would be required under Generally Accepted Accounting Principles.