

Panhandle State Foundation

Financial Statements

June 30, 2024 and December 31, 2022

Panhandle State Foundation

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Independent Auditors' Report

To the Board of Directors of
Panhandle State Foundation

Opinion

We have audited the financial statements of Panhandle State Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2024 and December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the period from January 1, 2023 to June 30, 2024 and for the year ended December 31, 2022, 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, 2024 and December 31, 2022, and the changes in its net assets and its cash flows for the period from January 1, 2023 to June 30, 2024 and for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 Auditors' 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 GAAP, 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 within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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.

Baker Tilly US, LLP

Dallas, Texas
October 22, 2024

Panhandle State Foundation

Statements of Financial Position

June 30, 2024 and December 31, 2022

	June 30, 2024	December 31, 2022
Assets		
Cash	\$ 675,747	\$ 127,910
Certificates of deposit	441,112	190,000
Investments	21,296,025	18,238,603
Beneficial interest in perpetual trusts	512,804	464,482
Other assets	35,057	30,057
	<u>22,960,745</u>	<u>19,051,052</u>
Total assets	<u>\$ 22,960,745</u>	<u>\$ 19,051,052</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 15,932	\$ 67,982
Accrued compensated absences	3,731	1,269
Due to University	10,650	-
Alumni Association funds	238,536	234,279
	<u>268,849</u>	<u>303,530</u>
Total liabilities	<u>268,849</u>	<u>303,530</u>
Net Assets		
Without donor restrictions	5,113,757	4,501,718
With donor restrictions	17,578,139	14,245,804
	<u>22,691,896</u>	<u>18,747,522</u>
Total net assets	<u>22,691,896</u>	<u>18,747,522</u>
Total liabilities and net assets	<u>\$ 22,960,745</u>	<u>\$ 19,051,052</u>

See notes to financial statements

Panhandle State Foundation

Statement of Activities

Period From January 1, 2023 to June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Operating Revenue			
Contributions	\$ 66,066	\$ 2,003,568	\$ 2,069,634
Contributions of nonfinancial assets	99,154	-	99,154
Royalty income	607	1,774	2,381
Changes in beneficial interest in perpetual trusts	-	48,322	48,322
Investment gain	848,865	2,502,281	3,351,146
Total	1,014,692	4,555,945	5,570,637
Net Assets Released From Restriction			
Satisfaction of program restrictions	1,223,610	(1,223,610)	-
Total public support and operating revenue	2,238,302	3,332,335	5,570,637
Expenses			
Program services	1,522,670	-	1,522,670
Management and general	103,593	-	103,593
Total expenses	1,626,263	-	1,626,263
Change in net assets	612,039	3,332,335	3,944,374
Net Assets, Beginning	4,501,718	14,245,804	18,747,522
Net Assets, Ending	<u>\$ 5,113,757</u>	<u>\$ 17,578,139</u>	<u>\$ 22,691,896</u>

See notes to financial statements

Panhandle State Foundation

Statement of Activities

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Operating Revenue			
Contributions	\$ 21,257	\$ 998,465	\$ 1,019,722
Contributions of nonfinancial assets	21,015	-	21,015
Royalty income	1,690	-	1,690
Changes in beneficial interest in perpetual trusts	-	(125,727)	(125,727)
Investment loss	(361,333)	(900,036)	(1,261,369)
Total	(317,371)	(27,298)	(344,669)
Net Assets Released From Restriction			
Satisfaction of program restrictions	865,134	(865,134)	-
Total public support and operating revenue	547,763	(892,432)	(344,669)
Expenses			
Program services	1,402,079	-	1,402,079
Management and general	53,010	-	53,010
Total expenses	1,455,089	-	1,455,089
Change in net assets	(907,326)	(892,432)	(1,799,758)
Net Assets, Beginning	5,409,044	15,138,236	20,547,280
Net Assets, Ending	\$ 4,501,718	\$ 14,245,804	\$ 18,747,522

See notes to financial statements

Panhandle State Foundation

Statement of Functional Expenses

Period From January 1, 2023 to June 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Expenses			
Scholarships for University Students	\$ 843,521	\$ -	\$ 843,521
Nonscholarship support to University	527,837	12,600	540,437
Salaries and wages	133,241	33,310	166,551
Professional fees	-	29,612	29,612
Employee benefits	18,071	4,518	22,589
Miscellaneous	-	14,665	14,665
Office expenses	-	3,992	3,992
Advertising and promotion	-	2,408	2,408
Postage and shipping	-	1,092	1,092
Conferences, conventions and meetings	-	911	911
Insurance	-	485	485
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,522,670</u>	<u>\$ 103,593</u>	<u>\$ 1,626,263</u>

See notes to financial statements

Panhandle State Foundation

Statement of Functional Expenses

Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Expenses			
Nonscholarship support to University	\$ 792,434	\$ 8,400	\$ 800,834
Scholarships for University Students	514,250	-	514,250
Salaries and wages	76,442	19,110	95,552
Employee benefits	13,684	3,421	17,105
Professional fees	-	14,282	14,282
Payroll taxes	5,269	1,317	6,586
Office expenses	-	1,902	1,902
Advertising and promotion	-	1,617	1,617
Conferences, conventions and meetings	-	1,461	1,461
Postage and shipping	-	715	715
Travel	-	285	285
Miscellaneous	-	285	285
Insurance	-	215	215
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,402,079</u>	<u>\$ 53,010</u>	<u>\$ 1,455,089</u>

See notes to financial statements

Panhandle State Foundation

Statements of Cash Flows

Period From January 1, 2023 to June 30, 2024 and Year Ended December 31, 2022

	<u>January 1, 2023 to June 30, 2024</u>	<u>January 1, 2022 to December 31, 2022</u>
Cash Flows From Operating Activities		
Cash received from contributions	\$ 734,931	\$ 887,328
Interest, dividends and royalties	7,382	8,566
Cash paid to employees and vendors	(43,377)	21,501
Cash paid for scholarships and other support	(1,522,670)	(1,402,079)
	<u>(823,734)</u>	<u>(484,684)</u>
Net cash used in operating activities		
Cash Flows From Investing Activities		
Purchases of investments	(19,655,277)	(197,525)
Proceeds from sale of investments	19,687,888	534,020
Change in Alumni Association funds	4,257	8,865
	<u>36,868</u>	<u>345,360</u>
Net cash provided by investing activities		
Cash Flows Provided by Financing Activities		
Contributions restricted for long-term purposes	1,334,703	132,394
	<u>1,334,703</u>	<u>132,394</u>
Net change in cash	547,837	(6,930)
Cash, Beginning	<u>127,910</u>	<u>134,840</u>
Cash, Ending	<u>\$ 675,747</u>	<u>\$ 127,910</u>
Supplemental Disclosure of Noncash Operating Activities		
Contributed University support	<u>\$ 99,154</u>	<u>\$ 21,015</u>

See notes to financial statements

Panhandle State Foundation

Notes to Financial Statements

June 30, 2024 and December 31, 2022

1. Nature of Operations and Summary of Significant Accounting Policies

Panhandle State Foundation (the Foundation) was established November 9, 1961, as a private nonprofit 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 of the governing board of the University.

Basis of Accounting

The Foundation reports its financial position and results of operations on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Fiscal Year

Effective January 1, 2023, the Foundation changed its fiscal year-end from December 31 to June 30, in order to align the Foundation fiscal year-end with the University's fiscal year-end. The financial statements for the current fiscal year are for the 18-month period from January 1, 2023 to June 30, 2024.

Basis of Presentation

These financial statements present financial information showing the financial position, the activities and the cash flows of the Foundation reflecting the presence or absence of donor-imposed restrictions. Accordingly, the amounts of net assets are classified according to the nature of restrictions, as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors (Board) or may otherwise be limited by contractual agreements with outside parties.

Net Assets With Donor Restrictions - Net assets whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Additionally, funds received as gifts and bequests which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity are reported as net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Panhandle State Foundation

Notes to Financial Statements
June 30, 2024 and December 31, 2022

Income Taxes

The Foundation is exempt from federal income tax on its exempt income under Section 501(c)(3) of the Internal Revenue Code.

The Foundation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2024.

Certificates of Deposit

Certificates of deposit are recorded at amortized cost, which approximate fair value and mature at various dates; all maturity dates are greater than 90 days.

Compensated Absences

Employees earn annual leave at a rate of 22-24 hours per month, depending on the years of service. Upon leaving employment with the Foundation an employee with one or more years of service is paid based on their hourly rate for accrued annual leave up to a maximum of 150 hours. The Foundation changed its policy from a maximum of 432 hours in previous years.

Contributions and Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contribution.

Contributions received are recorded without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restriction.

Investments

Investments in marketable equity securities are recorded at fair value. See Note 3 for a discussion of fair value measurements. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change in net assets in the accompanying statement of activities.

The Foundation's investments are comprised of a variety of financial instruments and are managed by an investment advisor. The fair values reported in the statements of financial position are exposed to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

Panhandle State Foundation

Notes to Financial Statements

June 30, 2024 and December 31, 2022

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified for comparative purposes to conform to the 2024 presentation. Such reclassifications had no effect on the reported change in net assets.

Subsequent Events

Subsequent events have been evaluated through October 22, 2024, which is the date the financial statements were available to be issued.

2. Liquidity and Availability of Financial Assets

The following table reflects the Foundation's financial assets available for general expenditure within one year at June 30, 2024 and December 31, 2022. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2024</u>	<u>2022</u>
Financial assets:		
Cash	\$ 675,747	\$ 127,910
Certificates of deposit	441,112	190,000
Investments	<u>21,296,025</u>	<u>18,238,603</u>
Total financial assets	22,412,884	18,556,513
Less those unavailable for general expenditures within one year:		
Alumni Association funds	(238,536)	(234,279)
University facilities and equipment	(581,707)	(463,332)
Specific programs and student groups	(560,121)	(415,905)
Scholarships	(212,680)	(368,569)
Endowments	<u>(15,710,827)</u>	<u>(12,533,516)</u>
Total	<u>\$ 5,109,013</u>	<u>\$ 4,540,912</u>

3. Fair Value Measurements and Investments

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework established for measuring fair value includes a hierarchy that prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Foundation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Panhandle State Foundation

Notes to Financial Statements

June 30, 2024 and December 31, 2022

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Cash and cash equivalents: The carrying amounts reported on the statements of financial position for cash and cash equivalents approximate fair value due to the nature of the asset.

Certificates of deposit: Valued at amortized cost, which approximate fair value.

Common stock, mutual funds, publicly traded limited partnerships, exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds and asset and mortgage-backed securities: Valued at quoted prices for similar assets in active markets.

Beneficial interest in perpetual trusts: The Foundation's beneficial interest in perpetual trusts are measured at fair value using the Foundation's percentage of the earnings of the underlying trust assets applied to the fair value of the underlying assets. This is considered a Level 3 measurement because even though the measurement is based on the underlying fair value of the trust assets as reported by the trustee, the Foundation will never receive those assets or have the right to direct the trustee to redeem them.

There were no changes to the valuation methodologies used at June 30, 2024 and December 31, 2022.

The following tables presents the assets held by the Foundation at their fair value as of June 30, 2024 and December 31, 2022, by level within the fair value hierarchy.

	2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 12,452,839	\$ -	\$ -	\$ 12,452,839
Certificates of deposits	-	441,112	-	441,112
Common stocks	2,521,681	940,000	-	3,461,681
Mutual funds	2,180,055	-	-	2,180,055
Corporate bonds	-	849,104	-	849,104
Asset and mortgage-backed securities	-	189,477	-	189,477
Exchange traded funds	2,162,869	-	-	2,162,869
Beneficial interest in perpetual trusts	-	-	512,804	512,804
Total	\$ 19,317,444	\$ 2,419,693	\$ 512,804	\$ 22,249,941

Panhandle State Foundation

Notes to Financial Statements
June 30, 2024 and December 31, 2022

	2022			Total
	Level 1	Level 2	Level 3	
Certificates of deposits	\$ -	\$ 190,000	\$ -	\$ 190,000
Cash and cash equivalents	395,697	-	-	395,697
Common stocks	5,645,939	-	-	5,645,939
Mutual funds	10,968,355	-	-	10,968,355
Corporate bonds	-	633,720	-	633,720
Asset and mortgage-backed securities	-	320,267	-	320,267
Publicly traded limited partnerships	174,033	-	-	174,033
Exchange traded funds	100,592	-	-	100,592
Beneficial interest in perpetual trusts	-	-	464,482	464,482
Total	\$ 17,284,616	\$ 1,143,987	\$ 464,482	\$ 18,893,085

The following schedule summarizes the investment return and its classification in the statement of activities for the period from January 1, 2023 to June 30, 2024 and the year ended December 31, 2022:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest income	\$ 40,436	\$ 117,937	\$ 158,373
Dividend income	273,751	818,046	1,091,797
Net realized and unrealized gain	534,678	1,566,298	2,100,976
Total investment return, net	\$ 848,865	\$ 2,502,281	\$ 3,351,146

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest income	\$ 27,497	\$ 68,493	\$ 95,990
Dividend income	193,994	483,220	677,214
Net realized and unrealized loss	(582,824)	(1,451,749)	(2,034,573)
Total investment return, net	\$ (361,333)	\$ (900,036)	\$ (1,261,369)

4. Beneficial Interest in Perpetual Trusts

These assets are to be held in perpetuity by the respective foundations, with the trust income to be distributed annually to the Foundation. Distributions received from these agreements are included as restricted contributions in the statement of activities. The funds received from these trusts are for general scholarships. The assets are recorded at their fair value of \$512,804 and \$464,482 as of June 30, 2024 and December 31, 2022, respectively.

Panhandle State Foundation

Notes to Financial Statements

June 30, 2024 and December 31, 2022

5. Funds Held in Custody for Others

The Foundation holds funds in custody 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.

6. Significant Concentration of Credit Risk

The Foundation maintains its cash accounts in various financial institutions. Portions of the Foundation's cash balances may exceed Federal Deposit Insurance Corporation or Securities Investor Protection Corporation coverage limits of up to \$250,000 and \$500,000, respectively. Management considers these excesses to be normal business risks.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as specified by the donor. Net assets with donor restriction comprised of the following at June 30, 2024 and December 30, 2022:

	<u>2024</u>	<u>2022</u>
University facilities and equipment	\$ 581,707	\$ 463,332
Specific programs and student groups	560,121	415,905
Scholarships	212,680	368,569
Beneficial interest in perpetual trusts	512,804	464,482
Endowments	<u>15,710,827</u>	<u>12,533,516</u>
Total net assets	<u>\$ 17,578,139</u>	<u>\$ 14,245,804</u>

8. Endowment

Net assets with donor restrictions 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. The following schedules represent changes in endowment accounts for the Period January 1, 2023 to June 30, 2024 and for the year ended December 31, 2022.

	<u>2024</u>		
	<u>Accumulated Gains</u>	<u>Corpus</u>	<u>Total With Donor Restrictions</u>
Endowment net assets, beginning	\$ 4,640,938	\$ 7,892,578	\$ 12,533,516
Investment gain	1,842,608	-	1,842,608
Contributions	-	1,334,703	1,334,703
Withdrawals	-	-	-
Endowment net assets, ending	<u>\$ 6,483,546</u>	<u>\$ 9,227,281</u>	<u>\$ 15,710,827</u>

Panhandle State Foundation

Notes to Financial Statements

June 30, 2024 and December 31, 2022

	2022		
	Accumulated Gains	Corpus	Total With Donor Restrictions
Endowment net assets, beginning	\$ 5,432,302	\$ 7,760,184	\$ 13,192,486
Investment loss	(791,364)	-	(791,364)
Contributions	-	132,394	132,394
Withdrawals	-	-	-
Endowment net assets, ending	<u>\$ 4,640,938</u>	<u>\$ 7,892,578</u>	<u>\$ 12,533,516</u>

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 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 Foundation utilizes a total return approach whereby all funds are pooled for investing and the total earnings are reported as net assets with donor restrictions. Any unrealized gains or losses on investments are also reported as net assets with donor restrictions so that the original amount of the endowment principal is maintained. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2024 and December 31, 2022, respectively.

9. Related-Party Transactions

The Foundation awarded scholarships totaling \$843,521 and \$514,250 for the period from January 1, 2023 to June 30, 2024 and for the year ended December 31, 2022, respectively, to students and faculty members of the University. In addition, the Foundation paid for goods and services on behalf of the University totaling \$540,437 and \$800,834, respectively. At June 30, 2024 the Foundation owed the University \$10,650 in salaries and wages. Included in contribution revenues and in general and administrative expenses for the period from January 1, 2023 to June 30, 2024 and the year ended December 31, 2022 was \$99,154 and \$21,015, respectively, of nonfinancial contributions for the University (see Note 10).

Panhandle State Foundation

Notes to Financial Statements

June 30, 2024 and December 31, 2022

10. Nonfinancial Contributions

Nonfinancial contributions recognized within the statements of activities for the period from January 1, 2023 to June 30, 2024 and for the year ended December 31, 2022 included the following:

	<u>2024</u>	<u>2022</u>
Salaries and employee benefits	\$ 26,100	\$ 12,615
Facility	12,600	8,400
Rodeo	51,114	-
Meals	4,040	-
Miscellaneous	5,300	-
	<u>99,154</u>	<u>21,015</u>
Total	<u>\$ 99,154</u>	<u>\$ 21,015</u>

The Foundation recognized nonfinancial contributions within revenue, including a portion of salaries and benefits related to the executive director of the Foundation and the office space that is provided by the University. Unless otherwise noted nonfinancial contributions did not have donor-imposed restrictions.