NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

Financial Statements As Of June 30, 2025
(With Summarized Financial Information For
The Year Ended June 30, 2024)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northeastern Junior College Foundation, Inc.:

Opinion

We have audited the accompanying financial statements of Northeastern Junior College Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025, and the changes in 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 these 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 within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (Continued)

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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Independent Auditors' Report (Continued)

We are required to communicate to 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.

Reporting on Summarized Comparative Information

We have previously audited the Foundation's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

September 16, 2025

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

Statement Of Financial Position
As Of June 30, 2025
(With Summarized Financial Information As Of June 30, 2024)

ASSETS	2025	2024
Assets:		
Cash and cash equivalents	$ 340,038	$ 100,490
Government grants receivable	170,336	100,198
Investments	221,923	213,075
Investments held by Community Foundation of Northern Colorado	9,350,656	8,911,630
Art collection	589,700	589,700
Property and equipment	9,500	
TOTAL ASSETS	$ 10,682,153	$ 9,915,093
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 116,737	$ 102,546
Refundable advances	42,996	32,847
Total Liabilities	159,733	135,393
Net Assets:		
Net assets without donor restrictions -		
Undesignated	3,871,066	3,282,690
Board designated - scholarships	44,423	73,209
Total net assets without donor restrictions	3,915,489	3,355,899
Net assets with donor restrictions:		
Purpose restrictions	5,412,959	5,238,716
Perpetual in nature	1,193,972	1,185,085
Total net assets with donor restrictions	6,606,931	6,423,801
Total Net Assets	10,522,420	9,779,700
TOTAL LIABILITIES AND NET ASSETS	$ 10,682,153	$ 9,915,093

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

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

Statement Of Activities
For The Year Ended June 30, 2025
(With Summarized Financial Information For The Year Ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Support And Revenue:				
Contributions	$ 6,608	$ 384,069	$ 390,677	$ 374,744
Contributions of nonfinancial assets	35,379		35,379	31,611
Grants	150	365,065	365,215	413,981
Rental income	20,000		20,000	20,000
Special events		75,114	75,114	33,221
Net investment income	826,027	124,051	950,078	1,047,374
Net assets released from restrictions:				
Satisfaction of program and time restriction	765,169	(765,169)		
Total Support And Revenue	1,653,333	183,130	1,836,463	1,920,931
Expenses:				
Program Services	863,365		863,365	924,466
Supporting Services -				
Management and general	168,216		168,216	138,035
Fundraising	62,162		62,162	51,763
Total Supporting Services	230,378		230,378	189,798
Total Expenses	1,093,743		1,093,743	1,114,264
CHANGES IN NET ASSETS FROM OPERATIONS	559,590	183,130	742,720	806,667
Net Assets, Beginning Of Year	3,355,899	6,423,801	9,779,700	8,973,033
NET ASSETS, END OF YEAR	$ 3,915,489	$ 6,606,931	$ 10,522,420	$ 9,779,700

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

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

Statement Of Functional Expenses
For The Year Ended June 30, 2025
(With Summarized Financial Information For The Year Ended June 30, 2024)

	Program Services	Management & General	Fundraising	2025 Total	2024 Total
Scholarships	$ 477,468	$ 1,000	$	$ 478,468	$ 440,763
Grants	274,016			274,016	370,099
Salaries and benefits		87,795	45,403	133,198	111,093
Advertising and public relations	17,478	29,579		47,057	16,560
Bank charges		458		458	142
Professional fees	3,000	27,383		30,383	24,870
Events			16,759	16,759	16,826
Insurance	3,045	4,472		7,517	6,469
Licenses	945	194		1,139	12,158
Meals	16,361	2,229		18,590	5,566
Repairs		1,839		1,839	78,475
Supplies	59,262	8,195		67,457	21,344
Travel and mileage		1,727		1,727	2,164
Other	11,790	3,345		15,135	7,735
Total	$ 863,365	$ 168,216	$ 62,162	$1,093,743	$1,114,264

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

NORTHEASTERN JUNIOR COLLEGE FOUNDATION, INC.

Statement Of Cash Flows
For The Year Ended June 30, 2025
(With Summarized Financial Information For The Year Ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Changes in net assets from operations	$ 742,720	$ 806,667
Adjustments to reconcile changes in net assets from operations to net cash (used in) operating activities:		
Net realized/unrealized (gains) losses on investments	(767,971)	(872,853)
Contributions restricted for long-term purposes	(11,250)	(750)
Changes in assets and liabilities -		
Decrease in pledges receivable		2,775
(Increase) in government grants receivable	(70,138)	(100,198)
(Decrease) in accounts payable	14,190	76,217
Increase (decrease) in refundable advances	10,150	(42,468)
Net cash (used in) operating activities	(82,299)	(130,610)
Cash flows from investing activities:		
Purchases of investments	(211,720)	(400,638)
Sales of investments	531,817	28,732
Purchases of property and equipment	(9,500)	
Net cash provided by (used in) investing activities	310,597	(371,906)
Cash flows from financing activities:		
Proceeds from contributions to be held in perpetuity	11,250	750
Net cash provided by financing activities	11,250	750
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	239,548	(501,766)
Cash And Cash Equivalents, Beginning Of Year	100,490	602,256
CASH AND CASH EQUIVALENTS END OF YEAR	$ 340,038	$ 100,490

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

(1) Nature Of The Organization

The Northeastern Junior College Foundation, Inc. (The "Foundation") was organized in 1977 as a Colorado not-for-profit corporation for charitable, scientific, literacy or educational purposes designed to promote the welfare of Northeastern Junior College (the "College"), its programs and its students. The majority of the Foundation's revenue is derived from grants and contributions.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash And Cash Equivalents

Cash and cash equivalents include demand deposits, cash on hand, short-term money market accounts and other highly liquid investments with an original maturity of three months or less.

Fair Value Measurements

The Foundation follows *Fair Value Measurements* which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes 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 the standard are described below:

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

Level 2 Inputs to the valuation methodology include:

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used 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.

Certificates of deposit: The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest.

Investments held by the Community Foundation of Northern Colorado: Valued as reported by the Community Foundation of Northern Colorado.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturities of these financial instruments.

Art Collection

The Foundation's art collection, consisting of works of art contributed since the Foundation's inception, is recognized as an asset on the statements of financial position. Items acquired in exchange transactions are recognized as assets in the period in which they are acquired and are measured at cost, while contributed items are recognized as assets and as contributions in the appropriate net asset class and are measured at fair value at contribution date. The Foundation has a policy of using the proceeds of deaccessioned collection items, if any, for the acquisition of more collection items or the direct care of existing collections.

Direct care is defined in the policy as investments in the existing collection that enhance or prolong their life, usefulness or quality, thereby insuring that current and future generations of the public will continue to benefit from them.

Measure Of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consists of those items attributable to the Foundation's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

Special events revenues are recognized as the events are held.

The Foundation recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Conditional promises to give with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met. The Foundation had no unconditional or conditional promises to give as of June 30, 2025.

Conditional promises to give with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met. During the years ended June 30, 2025 and prior, the Foundation was awarded conditional promises to give from the State of Colorado under the Colorado Opportunity Scholarship Initiative in the amount of $81,372. As of June 30, 2025, the Foundation had not recognized $41,166 of the promise to give as it is conditional upon the Foundation raising a 1:1 match.

A portion of the Foundation's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Foundation received cost-reimbursable grants of $352,569 that have not been recognized as of June 30, 2025, because qualifying expenditures have not yet been incurred. Management expects that all government grants receivable will be fully collectible; accordingly, there is no allowance for government grants receivable.

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

Contributed volunteer services are recognized at fair value if the services received either create or enhance long-lived assets; or require special skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by those volunteers.

Methods Used For Allocation Of Expenses From Management And General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such expenses include salaries and benefits. These expenses are allocated on the basis of estimates of time and effort.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Subsequent Events

The Foundation has performed an evaluation of subsequent events through September 16, 2025, which is the date the financial statements were made available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(3) Income Taxes

The Foundation has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an Foundation that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Foundation. Accordingly, the accompanying financial statements contain no provision for income taxes.

Management believes that the Foundation has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

The Foundation is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to June 30, 2022. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Foundation believes no issues would arise

(4) **Concentrations of Credit Risk**

The Foundation's cash demand deposits and certificates of deposit are held at financial institutions at which deposits are insured up to $250,000 by the FDIC. As of June 30, 2025, the Foundation's cash demand deposits exceeded the FDIC's insurance limit by approximately $310,000.

As of June 30, 2025, 100% of the government grants receivable was from one grantor.

(5) **Investments Held By The Community Foundation of Northern Colorado**

The Foundation entered into an agency fund (the "Fund") within the Community Foundation of Northern Colorado ("CFNC") for the benefit of the Foundation. CFNC has sole power to invest and reinvest all property held in the Fund in such manner as CFNC determines from time to time, after taking into consideration any recommendations made in writing to CFNC. There are no withdrawal limitations on the Fund. As of June 30, 2025, the investments held by CFNC was $9,350,656.

(6) **Investments**

Fair value of investments which are valued on a recurring basis, have been categorized within the fair value hierarchy as of June 30, 2025, and are summarized as follows:

	Level 1	Level 2	Level 3	Total
Investments held by Community Foundation of Northern Colorado	$	$	$ 9,350,656	$ 9,350,656
Certificates of Deposit	221,923			221,923
Total Investments	$ 221,923	$	$ 9,350,656	$ 9,572,579

The changes in the investments for which the Foundation has used Level 3 inputs to determine the fair values are as follows:

Balance, July 1, 2024	$ 8,911,630
Investment return, net	939,026
Distribution	(500,000)
Balance, June 30, 2025	$ 9,350,656

(7) **Endowments**

Interpretation Of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors of the Foundation has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Foundation would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) investment policies of the Foundation.

Changes In Endowment Net Assets

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

	With Donor Restrictions
Endowment net assets, beginning of year	$ 2,094,579
Contributions	11,250
Appropriation of endowment assets for expenditure	(89,413)
Investment income, net	70,900
Endowment net assets, end of year	$ 2,087,316

Underwater Funds

As of June 30, 2025, no funds were underwater.

Return Objectives And Risk Parameters

The endowment funds may be invested in high quality, publicly-traded common and preferred stocks, convertible bonds, bank common funds, mutual funds, fixed income securities and other assets as authorized by the Board of Directors of the Foundation from time to time. The nature of the assets involved and the long-term objectives of the Foundation suggest utilizing a total return approach to investment management.

The Foundation endowment seeks preservation of principal and to provide a dependable and reasonable rate of long term investment return consistent with moderate investment risk. The primary investment objective of the endowment is growth of both principal and income on a long-term basis sufficient to preserve and increase the purchasing power of the assets and protect the assets against inflation.

Spending Policy

The Foundation allocates a minimum return of 3.5% on funds that are restricted for scholarship awards (except those that are restricted for scholarship awards at Northeastern Junior College, in which case those are allocated a return of .25%), and also charges a 1.5% administrative fee (except those that are restricted for scholarship awards at Northeastern Junior College, in which case those are charged a .25% administrative fee). Scholarships disbursed vary based on the individual donor agreement.

(8) Net Assets With Donor Restrictions

As of June 30, 2025, net assets with donor restrictions were available for the following purposes:

Subject to Expenditure for Specified Purpose:	
Title III funds - scholarships	$ 1,946,952
Scholarships	1,412,500
NJC clubs and athletics	611,835
NJC projects	270,262
Ag farm building	269,883
ATC capital expansion	8,183
Total Subject to Expenditure for Specified Purpose	4,519,615
Subject to Spending Policy and Appropriation:	
Scholarship endowment funds - amounts above original gifts	893,344
Investments held in perpetuity	1,193,972
Total Subject to Spending Policy and Appropriation	2,087,316
Total Net Assets With Donor Restrictions	$ 6,606,931

(9) Title III Endowment Challenge Grant Program

Under the Federal Title III Endowment Challenge Grant Program, the College was entitled to receive $311,626 of federal matching funds since the Foundation had secured a like amount of contributions prior to September 30, 2009.

The grant proceeds and the Foundation's matching funds may not be spent for a period of time ending twenty years after the grant's award date. The funds are to be segregated from the Foundation's other funds. There are investment standards that place restrictions on the types of investments into which the funds may be invested. During the grant period, the Foundation may withdraw and spend up to fifty percent of the fund earnings, subject to certain restrictions. The Foundation is also required to maintain records and provide certain reports associated with the fund.

(10) Liquidity And Availability Of Financial Assets

The following represents the Foundation's financial assets as of June 30, 2025:

Financial assets, at year-end	
Cash and cash equivalents	$ 340,038
Government grants receivable	170,336
Investments	221,923
Investments held by Community Foundation of Northern Colorado	9,350,656
Total financial assets	10,082,953
Less amounts not available to be used within one year, due to:	
Donor restricted endowments	(2,087,316)
Board designated net assets	(44,423)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,951,214

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(11) Related Party Transactions

The Foundation charges incidental operating expenses through the College. These expenses are itemized monthly and a reimbursement check is sent to the College. The amounts reimbursed are not included in the contributions to the College and are considered operating expenses of the Foundation.

The College provides workspace, the executive director, and assistant to the Foundation. A portion of the salary of the executive director and assistant is paid by the Foundation. For the year ended June

30, 2025, the College contributed salary support of $35,379 and the Foundation reimbursed the College for salary support in the amount of $97,818. Furthermore, the Foundation provided scholarships, grants, and support to the College in the amount of $803,220 during the year ended June 30, 2025. Amount due to the College was $114,526 as of June 30, 2025 and is reflected in accounts payable.

The Foundation and the College entered into an informal agreement in 2002, whereby the College pays the Foundation for the use of its art collection. The Foundation retains ownership and is responsible for the upkeep and insuring of the art collection. The lease income, net of upkeep and insurance costs, is to be used by the Foundation for scholarship awards to students attending the College. The Foundation received $20,000 from the College during each of the year ended June 30, 2025 in connection with this lease agreement.

(12) Contingencies

The Foundation receives financial assistance from various grant programs which are subject to final review and approval by the respective grantor agencies. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time, although the Foundation expects such amounts, if any, to be immaterial.